

STATE OF NORTH DAKOTA

Journal of the Senate

of the

Seventeenth Session

of the

Legislative Assembly

*Begun and held at the Capitol at Bismarck
January 4 to March 4, 1921
Inclusive*

MEMBERS OF SENATE

Dist.	County	Name	Address
1.	Pembina	Fred Van Camp	St. Thomas
2.	Pt. of Ward	John E. Fleckton	Niobe
3.	Pt. of Walsh	Christ Levang	Park River
4.	Pt. of Walsh	P. J. Murphy	Grafton
5.	Pt. of Grand Forks	J. E. Eastgate	Larimore
6.	Pt. of Grand Forks	W. S. Whitman	Grand Forks
7.	Pt. of Grand Forks	P. O. Thorson	Grand Forks
8.	Traill	H. H. McNair	Portland
9.	Pt. of Cass	H. J. Rusch	Fargo
10.	Pt. of Cass	A. G. Storstad	Horace
11.	Pt. of Cass	Peter McLachlin	Hunter
12.	Pt. of Richland	E. M. Nelson	Fairmount
13.	Sargent	Nels Petterson	Gwinner
14.	Ransom	Peter A. Berg	Englevale
15.	Pt. of Barnes	Frank E. Ployhar	Valley City
16.	Steele and Griggs	John L. Miklethum	Wimbledon
17.	Nelson	R. J. Gardiner	Brocket
18.	Cavalier	W. H. Porter	Calvin
19.	Rolette	John W. Benson	Rollette
20.	Benson	William J. Church	York
21.	Ramsey	J. E. Stevens	Lawton
22.	Towner	D. J. Beisel	Newville
23.	Stutsman	Alfred Steel	Jamestown
24.	LaMoure	E. A. Bowman	Kulm
25.	Dickey	C. A. Ward	Hazelton
26.	Emmons and Kidder	T. J. Kelsch	Fullerton
27.	Burleigh	Lynn W. Sperry	Bismarck
28.	Bottineau	A. M. Hagan	Weshope
29.	Pt. of Ward	Walter R. Bond	Minot
30.	Morton	F. W. Mees	Glen Ullin
31.	Stark	L. R. Baird	Dickinson
32.	Eddy and Foster	O. H. Olson	New Rockford
33.	Wells	James A. Wenstrom	Dover
34.	Pt. of McHenry	E. H. Kendall	Norwich
35.	Sheridan	John Nathan	Goodrich
36.	McIntosh and Logan	Jacob Schrenk	Ashley
37.	Pt. of Richland	C. W. Carey	Lidgerwood
38.	Pt. of Barnes	C. H. Noltimier	Valley City
39.	Billings, Bowman Golden Valley and Slope	Gust Wog	Belfield
40.	Burke and Divide	Ralph Ingerson	Flaxton

Dist.	County	Name	Address
41.	Williams and McKenzie	Robert Byrne	Arnegard
42.	Pierce	Andrew Oksendahl	Tunbridge
43.	Renville	B. F. Baker	Glenburn
44.	Mountrail	R. W. Patten	Plaza
45.	Pt. of McHenry	Ole Ettestad	Balfour
46.	McLean	R. L. Fraser	Garrison
47.	Grant	O. C. Gross	Stebbins
48.	Mercer, Oliver and Dunn	A. A. Liederbach	Killdeer
49.	Adams, Hettinger and Sioux	P. B. Garberg	Hettinger

MEMBERS OF HOUSE

Dist.	County	Name	Address
1.	Pembina	John K. Olafson.....	Gardar
		John Halcrow.....	Bowesmont
		Paul Johnson.....	Mountain
2.	Pt. of Ward.....	J. H. Burkhart.....	Berthold
3.	Pt. of Walsh.....	Gilbert Erickson.....	Lankin
		Aaron Levin.....	Park River
4.	Pt. of Walsh.....	Frank D. Slominski.....	Minto
5.	Pt. of Grand Forks	P. G. Hanson.....	Northwood
6.	Pt. of Grand Forks	John Freeman.....	Grand Forks
7.	Pt. of Grand Forks	Lawrence K. Bjorge.....	Thompson
8.	Traill	E. O. Ellingson.....	Hillsboro
		Carl E. Johnson.....	Hatton
		C. A. Ulland.....	Mayville
9.	Pt. of Cass.....	Robert J. Boyd.....	Fargo
		J. A. Jardine.....	Fargo
		L. L. Twitchell.....	Fargo
10.	Pt. of Cass.....	Roy Johnson.....	Casselton
		John G. Plath.....	Davenport
11.	Pt. of Cass.....	R. M. Sproul.....	Buffalo
		William Watt.....	Leonard
12.	Pt. of Richland.....	H. B. Durkee.....	Wahpeton
		Vacancy .....	.....
13.	Sargent	L. E. Cole.....	Cogswell
		J. B. Johnson.....	DeLamere
14.	Ransom	F. F. Babcock.....	Elliott
		Martin Larson.....	Nome
15.	Pt. of Barnes.....	M. O. Grangaard.....	Rogers
16.	Steele and Griggs..	Ole L. Anderson.....	Binford
		S. W. Johnson.....	Colgate
		Wm. Bjerke.....	Hatton
17.	Nelson	L. O. Frederickson.....	Pekin
		Nels Ophaug.....	Kloten
18.	Cavalier	A. N. Flom.....	Nekoma
		H. McDowell.....	Langdon
		Joseph McGauvren.....	Osnabrock
19.	Rolette	Joseph Renauld.....	Thorne
		James McManus.....	St. John
20.	Benson	John Maddock.....	Maddock
		Theodore Hanson.....	Leeds
21.	Ramsey	Martin Olson.....	Devils Lake
		C. A. Sagen.....	Edmore
		Adolph Mikkelson.....	Garske
22.	Towner	A. J. McLarty.....	Starkweather
		H. J. Botz.....	Cando
23.	Stutsman	S. O. Allen.....	Jamestown

Dist.	County	Name	Address
		Adam Pieszler.....	Medina
		D. C. Wood.....	Jamestown
		A. I. Quade.....	Pingree
24.	La Moure.....	J. F. Brady.....	Jud
		J. C. Arduser.....	Marion
25.	Dickey	T. R. Shimmin.....	Forbes
		J. D. Root.....	Guelph
26.	Emmons and Kidder	Rollan V. We'd.....	Bowdon
		Fay Harding.....	Linton
		John C. Sherman.....	Steele
		Roy A. Yeater.....	Hazelton
27.	Burleigh	Harold V. Semling.....	Bismarck
		Victor L. Anderson.....	Wilton
		L. E. Heaton.....	McKenzie
28.	Bottineau	William Martin.....	Lansford
		Fred E. Sims.....	Willow City
		Ne's Magnuson.....	Souris
		J. C. Miller.....	Souris
29.	Pt. of Ward.....	Andrew Johnson.....	Douglas
		A. B. Carlson.....	Minot
		J. H. Burns.....	Surrey
		B. B. Mouck.....	Minot
30.	Morton	Jacob Bollinger.....	Flasher
		J. J. Strain.....	St. Anthnoy
		J. F. Elmer.....	Hebron
31.	Stark	D. E. Shipley.....	Dickinson
		C. H. Starke.....	Dickinson
		Pius Kopp.....	Richardton
32.	Eddy and Foster..	B. C. Larkin.....	Brantford
		C. W. Reichert.....	Carrington
33.	Wells	William R. Hartl.....	Bremen
		Roy B. Weld.....	Chaseley
34.	Pt. of McHenry...	Frank Lazier.....	Barton
35.	Sheridan	J. W. Hempel.....	Denhoff
36.	McIntosh and Logan	M. W. Kelly.....	Napoleon
		Adam Nagel, Jr.....	Lehr
		Henry Nathan.....	Lehr
37.	Pt. of Richland...	J. J. Kjos.....	DeLamere
		Nels Olsgard.....	Kindred
38.	Pt. of Barnes.....	C. J. Olson.....	Valley City
39.	Billings, Bowman Golden Valley and Slope.....	O. C. Martin.....	DeSart
		Joseph A. Kitchen....	Sentinel Butte
		Carl B. Olsen.....	Medora
40.	Burke and Divide..	C. E. Erickson.....	Crosby
		E. B. Kellogg.....	Alkabo
		Elmer Cart.....	Kenmare

Dist.	County	Name	Address
41.	Willimas and McKenzie	Geo. V. Bilquist.....	Alamo
		P. F. Doyle.....	Charlson
		Fred Eckert.....	Williston
		Kristian Hall.....	Wildrose
		George Lakie.....	Williston
42.	Pierce	L. A. Larson.....	Tunbridge
		D. L. Peters.....	Wolford
43.	Renville	G. Patterson.....	Donnybrook
44.	Mountrail	Walter Maddock.....	Plaza
		Soren Franson.....	Ross
45.	Pt. of McHenry	E. E. Bryans.....	Voltaire
46.	Pt. of McLean	A. L. Maxwell.....	Turtle Lake
		Oscar Oberg.....	Washburn
		Frank A. Vogel.....	Coleharbor
47.	Grant	William Kamrath.....	Leith
		Claude Lackey.....	Leith
48.	Mercer, Oliver and Dunn	J. B. Hagelberger.....	Beulah
		Geo. W. Morton.....	Manning
		Chas. M. Whitmar.....	Yucca
49.	Adams, Hettinger and Sioux	William Bauer.....	Stowers
		H. O. Bratsberg.....	Reeder
		O. H. Opland.....	Mott

Journal of the Senate

Seventeenth Legislative Assembly

FIRST DAY

Senate Chamber,
Bismarck, North Dakota,
January 4, 1921.

At the hour of 12 o'clock, Medirian, being the day and hour appointed by Law for the convening of the Seventeenth Legislative Assembly, members of the Senate assembled in the Senate Chambers and were called to order by the President, Howard Wood.

Prayer was offered by the Chaplain, Rev. G. H. Quigley.

The following communication was received from the Secretary of State:

MR. W. J. PRATER,
Secretary of the Senate,
Seventeenth Legislative Assembly,
Bismarck, North Dakota.

Dear Sir: I hereby certify that the following is, according to the records of my office, a true and correct list of the name and addresses of those duly qualified as members of the Senate of the Seventeenth Legislative Assembly of the State of North Dakota:

Dist.	County	Name	Address
1	Pembina	Fred Van Camp	St. Thomas
2	Pt. of Ward	John E. Fleckten	Niobe
3	Pt. of Walsh	Christ Levang	Park River
4	Pt. of Walsh	P. J. Murphy	Grafton
5	Pt. of Grand Forks	J. E. Eastgate	Larimore
6	Pt. of Grand Forks	W. S. Whitman	Grand Forks
7	Pt. of Grand Forks	P. O. Thorson	Grand Forks
8	Traill	H. H. McNair	Portland
9	Pt. of Cass	H. J. Rusch	Fargo
10	Pt. of Cass	A. G. Storstad	Horace
11	Pt. of Cass	Peter McLachlin	Hunter
12	Pt. of Richland	E. M. Nelson	Fairmount
13	Sargent	Nils Petterson	Gwinner
14	Ransom	Peter A. Berg	Englevale
15	Pt. of Barnes	Frank E. Ployhar	Valley City
16	Steele & Griggs	John L. Micklethun	Wimbledon
17	Nelson	R. J. Gardiner	Brocket
18	Cavalier	W. H. Porter	Calvin
19	Rolette	John W. Benson	Rolette
20	Benson	William J. Church	York
21	Ramsey	J. E. Stevens	Lawton

Dist.	County.	Name.	Address.
22	Towner	D. J. Beisel	Newville
23	Stutsman	Alfred Steel	Jamestown
24	LaMoure	E. A. Bowman	Kulm
25	Dickey	T. J. Kesch	Fullerton
26	Emmons & Kidder	C. A. Ward	Hazleton
27	Burleigh	Lynn W. Sperry	Bismarck
28	Botineau	A. M. Hagan	Westhope
29	Pt. of Ward	Walter R. Bond	Minot
30	Morton	F. W. Mees	Glen Ullin
31	Stark	L. R. Baird	Dickinson
32	Eddy & Foster	O. H. Olson	New Rockford
33	Wells	James A. Wenstrom	Dover
34	Pt. of McHenry	E. H. Kendall	Norwich
35	Sheridan	John Nathan	Goodrich
36	McIntosh & Logan	Jacob Shrenk	Ashley
37	Pt. of Richland	C. W. Carey	Lidgerwood
38	Pt. of Barnes	C. H. Noltmier	Valley City
39	Billings, Bowman, Golden Valley, Slope	Gust Wog	Belfield
40	Burke & Divide	Ralph Ingerson	Flaxton
41	Williams & McKenzie	Robert Byrne	Arnegard
42	Pierce	Andrew Oksendahl	Tunbridge
43	Renville	B. F. Baker	Glenburn
44	Mountrail	R. W. Patten	Plaza
45	Pt. of McHenry	Ole Ettestad	Balfour
46	McLean	R. L. Fraser	Garrison
47	Grant	O. C. Gross	Stebbins
48	Mercer, Oliver & Dunn	A. A. Liederbach	Killdeer
49	Adams, Hettinger, Sioux	P. B. Garberg	Hettinger

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of North Dakota, this 4th day of January, 1921.

(SEAL)

THOMAS HALL,
Secretary of State.

Senator Church moved that the President appoint a committee of three to escort the Chief Justice to the Senate Chamber which motion prevailed.

The President appointed as such committee Senators Church, Nelson and Byrne.

The Chief Justice administered the oath of office to Lieutenant Governor-elect Howard Wood.

MR. W. J. PRATER,
Secretary of the Senate,
Seventeenth Legislative Assembly,
Bismarck, North Dakota.

Dear Sir: I hereby certify that the following is, according to the records of this office, a true and correct list of the holdover members of the Senate of the Seventeenth Legislative Assembly of the State of North Dakota:

Dist.	County	Name	Address
2	Pt. of Ward	John E. Fleckten	Niobe
4	Pt. of Walsh	P. J. Murphy	Grafton
6	Pt. of Grand Forks	W. S. Whitman	Grand Forks
8	Traill	H. H. McNair	Portland
10	Pt. of Cass	A. G. Storstad	Horace

Dist.	County.	Name.	Address.
12	Pt. of Richland.....	E. M. Nelson.....	Fairmount
14	Ransom	Peter A. Berg.....	Englevale
16	Steele & Griggs.....	John L. Miklethun.....	Wimbledon
18	Cavalier	W. H. Porter.....	Calvin
20	Benson	William J. Church.....	York
22	Towner	D. J. Beisel.....	Newville
24	LaMoure	E. A. Bowman.....	Kulm
26	Emmons & Kidder.....	C. A. Ward.....	Hazelton
28	Bottineau	A. M. Hagan.....	Westhope
30	Morton	F. W. Mees.....	Glen Ullin
32	Eddy & Foster.....	O. H. Olson.....	New Rockford
34	Pt. of McHenry.....	E. H. Kendall.....	Norwich
38	Pt. of Barnes.....	C. H. Noltmier.....	Valley City
40	Burke & Divide	Ralph Ingerson.....	Flaxton
42	Pierce	Andrew Oksendahl.....	Tunbridge
46	McLean	R. L. Fraser.....	Garrison
48	Mercer, Oliver, Dunn....	A. A. Liederbach.....	Killdeer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of North Dakota this 4th day of January, 1921.
(SEAL)

THOMAS HALL,
Secretary of State.

The roll of the Holdover Senators was called, all answering present.

MR. W. J. PRATER,
Secretary of the Senate,
Seventeenth Legislative Assembly,
Bismarck, North Dakota.

Dear Sir: I hereby certify that the following is according to the records of this office, a true and correct list of the newly elected members of the Senate of the Seventeenth Legislative Assembly of the State of North Dakota:

Dist.	County	Name	Address
1	Pembina	Fred Van Camp.....	St. Thomas
3	Pt. of Walsh.....	Christ Levang.....	Park River
5	Pt. of Grand Forks.....	J. E. Eastgate.....	Larimore
7	Pt. of Grand Forks.....	P. O. Thorson.....	Grand Forks
9	Pt. of Cass.....	H. J. Rusch.....	Fargo
11	Pt. of Cass.....	Peter McLaughlin.....	Hunter
13	Sargent	Nils Petterson.....	Gwinner
15	Pt. of Barnes.....	Frank E. Ployhar.....	Valley City
17	Nelson	R. J. Gardiner.....	Brocket
19	Rolette	John W. Benson.....	Rolette
21	Ramsey	J. E. Stevens.....	Lawton
23	Stutsman	Alfred Steele	Jamestown
25	Dickey	T. J. Kelsch.....	Fullerton
27	Burleigh	Lynn W. Sperry.....	Bismarck
29	Pt. of Ward.....	Walter R. Bond.....	Minot
31	Stark	L. R. Baird.....	Dickinson
33	Wells	James A. Wenstrom.....	Dover
35	Sheridan	John Nathan.....	Goodrich
36	McIntosh & Logan.....	Jacob Schrenk.....	Ashley
37	Pt. of Richland.....	C. W. Carey.....	Lidgerwood
39	Billings, Bowman, Golden Valley & Slope.	Gust Wog.....	Belfield
41	Williams & McKenzie..	Robert Byrne.....	Arnegard

Dist.	County.	Name.	Address.
43	Renville	B. F. Baker	Glenburn
44	Mountrail	R. W. Patten	Plaza
45	Pt. of McHenry	Ole Ettestad	Balfour
47	Grant	O. C. Gross	Stebbins
49	Adams, Hettinger,	Sioux P. B. Garberg	Hettinger

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of North Dakota this 4th day of January, 1921.

(SEAL)

THOMAS HALL,
Secretary of State.

The roll of the Senators-elect was called all answering present.

The Chief Justice administered the oath of office to the Senators-elect.

Senator Bowman nominated W. J. Prater as Secretary of the Senate.

Senator Murphy nominated C. L. Dawson as Secretary of the Senate.

Senator Church moved that nominations be closed which motion prevailed.

SENATE ROLL CALL

The question being on the election of W. J. Prater as Secretary of the Senate, the roll was called, and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So W. J. Prater was declared elected Secretary of the Senate.

Senator Ingerson nominated Senator Bowman as President pro-tem of the Senate.

Senator Murphy nominated Senator Ployhar as President pro-tem of the Senate.

SENATE ROLL CALL

The question being on the election of Senator Bowman as President pro-tem of the Senate the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Senator Bowman was declared elected President pro-tem of the Senate.

Senator Ward nominated Theo. Meinhofer as Sergeant-at-Arms of the Senate.

Senator Murphy nominated E. J. Anderson as Sergeant-at-Arms of the Senate.

Senator Fleckten moved that nominations be closed, which motion prevailed.

SENATE ROLL CALL

The question being on the election of Theo. Meinhofer as Sergeant-at-Arms of the Senate, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Theo. Meinhofer was declared elected Sergeant-at-Arms of the Senate.

Senator Murphy nominated Dorothy Reynolds as Desk Stenographer.

Senator Ployhar moved that nominations be closed.

Division called for.

Motion lost.

Senator McNair nominated Miss Emily Dakin together with the following other employees:

First Asst. Secretary—H. A. Thomas.

Recording Clerk—Stephen Terhorst.

Enrolling and Engrossing Clerk—Nels Grovom.

Asst. Enrolling and Engrossing Clerk—D. McKenzie.

Bill Recording Clerk—Olof Ribb.

Bill Room Clerk—John Clark.

Bill Messenger—Fred Argast.

Messenger and Postmaster—Jack Sheridan.

Chaplain—Bismarck Ministers.

Mailing Clerk—Reuben Harper.

Cloak Room Attendant—August Sveund.

Clerk State Affairs Com.—H. L. Elliott.

Clerk Appropriation Com.—H. B. Hanson.

Clerk Judiciary Com.—Wm. Jerczewsky.

Clerk Committee—A. J. Nathan.

Doorkeeper—H. A. Ball.

Doorkeeper—J. J. Jollie.

Proof Reader—Mrs. A. B. Toner.

Governor's Messenger—S. C. Thompson.

Custodian—John Peck.

Custodian—I. Sanford.

Special Messenger—Harold Lein.

Special Messenger—Dwight Carlisle.

Special Messenger—Wm. Cook.

Stenographer—Mary Kerber.

Stenographer—Aslaug Wik.

Stenographer—Eleanor Marx.

Stenographer—Gladys Harvey.

Stenographer—Mrs. Stephen Terhorst.

Senator Murphy nominated the following employees:

Asst. Secretary—R. G. Catron.

Doorkeeper—J. H. Rely.
 Enrolling and Engrossing Clerk—R. L. Pritchett.
 Asst. Eng. and En. Clerk—Mary Timmerman.
 Bill Record Clerk—Carl Axtel.
 Bill Room Clerk—G. C. Heder.
 Messenger—George Enger.
 Postmaster—C. H. Ehbel.
 Mailing Clerk—John O. Quamme.
 Cloak Room Attendant—Richard Kurtz.
 Clerk App—D. W. Fraker.
 Clerk State Aff.—Leo. E. Morris.
 Clerk Judiciary—Thos. Hampton.
 Clerk Committees—Wallace Hall.
 Janitor—Paul Messer.
 Janitor—J. H. Kohne.
 Page—A. H. Olson.
 Stenographers—Chrissie Budge, Mrs. Jacob Johnson,
 Amanda Nelson, Cerilla Behnny.
 Proof Reader—R. L. Corbett.
 Voucher Clerk—R. R. Haugen.
 Door Keeper Gallery—Olaff Aakram.

Senator Baker moved that the roll be called on the election of the desk stenographer and the secretary of the Senate be instructed to cast a like ballot for all the employees as nominated by Senator McNair.

SENATE ROLL CALL

The question being the election of Dorothy Reynolds as Desk Stenographer, the roll was called and there were ayes 24, nays 25.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Leiderbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

So Miss Reynolds lost.

SENATE ROLL CALL

The question being on the election of Emily Dakin as Desk Stenographer, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Emily Dakin was declared elected Desk Stenographer.

SENATE ROLL CALL

The question being on the election of H. A. Thomas as First Assistant Secretary of the Senate, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So H. A. Thomas was elected.

SENATE ROLL CALL

The question being on the election of Stephen Terhorst as Recording Clerk, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Stephen Terhorst was elected.

SENATE ROLL CALL

The question being on the election of Neds Grovom as Enrolling and Engrossing Clerk, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Nels Grovom was elected.

SENATE ROLL CALL

The question being on the election of D. McKenzie as Asst. Enrolling and Engrossing Clerk, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So D. McKenzie was elected.

SENATE ROLL CALL

The question being on the election of Olof Ribb as Bill Recording Clerk, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Olof Ribb was elected Bill Recording Clerk.

SENATE ROLL CALL

The question being on the election of John Clark as Bill Room Clerk, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So John Clark was elected Bill Room Clerk.

SENATE ROLL CALL

The question being on the election of Fred Argast as Bill Messenger, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Fred Argast was elected Bill Messenger.

SENATE ROLL CALL

The question being on the election of Jack Sheridan as Messenger and Postmaster, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Jack Sheridan was elected Messenger and Postmaster.

SENATE ROLL CALL

The question being on the election of the Bismarck Ministers as Chaplains, the roll was called and there were ayes 49.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog, Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson,

Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So the Bismarck Ministers were elected Chaplains.

SENATE ROLL CALL

The question being on the election of Reuben Harper as Mailing Clerk, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Reuben Harper was elected Mailing Clerk.

SENATE ROLL CALL

The question being on the election of August Sveund as Cloak Room Attendant, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So August Sveund was elected Cloak Room Attendant.

SENATE ROLL CALL

The question being on the election of H. L. Elliott as Clerk State Affairs Committee, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So H. L. Elliott was elected Committee Clerk.

SENATE ROLL CALL

The question being on the election of H. B. Hanson Clerk Appropriation Committee, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So H. B. Hanson was elected Committee Clerk.

SENATE ROLL CALL

The question being on the election of Wm. Jerczewsky as Clerk Judiciary Committee, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Wm. Jerczewsky was elected Committee Clerk.

SENATE ROLL CALL

The question being on the election of A. J. Nathan as Committee Clerk, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So A. J. Nathan was elected Committee Clerk.

SENATE ROLL CALL

The question being on the election of H. A. Ball as Door Keeper, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So H. A. Ball was elected Door Keeper.

SENATE ROLL CALL

The question being on the election of J. Jollie as Door Keeper, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So J. Jollie was elected Door Keeper.

SENATE ROLL CALL

The question being on the election of Mrs. A. B. Toner as

Proof Reader, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Mrs. A. B. Toner was elected Proof Reader.

SENATE ROLL CALL

The question being on the election of S. C. Thompson as Governor's Messenger, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So S. C. Thompson was elected Governor's Messenger.

SENATE ROLL CALL

The question being on the election of John Peck as Custodian, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So John Peck was elected Custodian.

SENATE ROLL CALL

The question being on the election of I. Sanford as Custodian, the roll was called and there were ayes 25, nays, 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So I. Sanford was elected Custodian.

SENATE ROLL CALL

The question being on the election of Harold Lein as Special Messenger, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson,

Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Harold Lein was elected Special Messenger.

SENATE ROLL CALL

The question being on the election of Dwight Carlisle as special Messenger, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Dwight Carlisle was elected Special Messenger.

SENATE ROLL CALL

The question being on the election of Wm. Cook as Special Messenger, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Wm. Cook was elected Special Messenger.

SENATE ROLL CALL

The question being on the election of Mary Kerber as Stenographer, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Mary Kerber was elected Stenographer.

SENATE ROLL CALL

The question being on the election of Aslaug Wik as Stenographer, the roll was called and there were ayes 25, nays, 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Aslaug Wik was elected Stenographer.

The question being on the election of Eleanor Marx as Stenographer, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Eleanor Marx was elected Stenographer.

SENATE ROLL CALL

The question being on the election of Gladys Harvey as Stenographer, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Gladys Harvey was elected Stenographer.

SENATE ROLL CALL

The question being on the election of Mrs. Stephen Terhorst as Stenographer, the roll was called and there were ayes 25, nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

So Mrs. Stephen Terhorst was elected Stenographer.

Senator Miklethun moved that the rules in effect during the last Session be in force until new rules are adopted.

Which motion prevailed.

Senator Fraser moved that the President appoint a committee of four on Committee Appointments to act with the President of the Senate, which motion prevailed, and the President appointed as such committee, Senators Wenstrom, Fraser, Ployhar and Murphy.

Senator Levang moved that the President appoint a committee of three to inform the Governor that the Senate is organized and ready for business.

Which motion prevailed and the President appointed as such committee Senators Levang, Bond and Gross.

Senator Wenstrom moved that the President appoint a committee of three to inform the House that the Senate is organized and ready for business.

Which motion prevailed and the President appointed as such committee Senators Wenstrom, Gardiner and Storstad.

Senator Benson moved that the President appoint a committee of three to act with the House Committee to wait upon the Governor and ascertain at what time the Governor can meet the Joint Session of the Assembly to deliver his address.

Which motion prevailed, and the President appointed as such committee Senators Benson, Mees and Whitman.

Senator Levang moved that the Senate recess subject to the call of the President.

Which motion prevailed.

The Senate assembled pursuant to recess taken, the President presiding.

Senator Fleckten moved that the Senators proceed to select their seats in accordance to the established custom.

Which motion prevailed.

Senator Gardiner moved that the hold-over Senators select their seats first and the newly elected Senators next.

Which motion prevailed.

Senator Church moved that Senators re-elected take preference over Senators who are serving their first term.

Which motion prevailed.

The President administered the oath of office to the following employees:

H. A. Thomas, Stephen Terhorst, Emily Dakin, D. McKenzie, Olof Ribb, T. B. Meinhofer, Jack Sheridan, August Sveund, H. L. Elliott, H. B. Hanson, H. A. Ball, Mrs. A. B. Toner, John Peck, I. Sanford, Wm. Cook, Mary Kerber, Gladys Harvey.

Senator Steel moved that the Senate recess for one half an hour.

Which motion prevailed.

The Senate reassembled pursuant to recess taken, the President presiding.

Senator Wenstrom reports that the Special Committee appointed to notify the House that the Senate is organized, have completed their duty.

Senator Wenstrom moved the adoption of the report.

Which motion prevailed and the committee was discharged.

Senator Mees, as chairman of the Special Committee, reports that the Joint Committee has waited on the Governor and informed him that the Assembly is ready to meet in joint session to hear his address.

The report of Senator Mees was adopted and the Special Committee discharged.

Senator Levang, as chairman of the Special Committee to notify the Governor that the Senate has organized and is ready for business, reports that the committee has completed its duties and moves the adoption of the report.

Which motion prevailed and the committee was discharged.

The President administered the oath of office to the following employees:

Fred Argast, S. C. Thompson.

The Special Committee of the House advises the Senate that House is organized and ready for business.

Senator Wenstrom moved that the Senate recess until half past one tomorrow.

Which motion prevailed and the Senate recessed.

W. J. PRATER,
Secretary.

FIRST DAY AFTER RECESS AND SECOND DAY

Senate Chamber,
Bismarck, North Dakota,
January 5, 1921.

The Senate reassembled at 1:30 o'clock P. M., pursuant to recess taken, the President presiding.

The President administered the oath of office to the following employees: Messrs. Reuben Harper, Harold Lien, J. J. Jollie, A. J. Nathan, Wm. Jerczewsky, Miss Aslaug Wik and Miss Eleanor Marx and John Clark.

Senator Benson of the Special Joint Committee reported that the committee has waited on the Governor and beg to report that the Governor will deliver his address to the Joint Assembly at 2 o'clock P. M., January 5th.

Senator Miklethun moved that the Senate adjourn, which motion prevailed and the Senate adjourned.

SECOND DAY

The Senate convened at 2 o'clock P. M., pursuant to adjournment, the President presiding.

Prayer by the Chaplain, Rev. G. H. Quigley.

The roll was called, all Senators being present.

A select committee of the House informs the Senate that the House is ready to meet with the Senate in Joint Session.

Senator Bowman moved that the correction of the Journal be deferred for one day, which motion prevailed.

Senator Fraser moved that the Senate proceed to the House for the Joint Session.

Which motion prevailed and the Senate proceeded to the House for the Joint Session.

The Senate reassembled, the President presiding.

PETITIONS AND COMMUNICATIONS

January 5, 1921.

To the Members of the Senate of the Seventeenth Legislative Assembly:

Sirs: I have the honor to transmit herewith, Notice of intention to contest the election of Gust Wog as member of the State Senate from the Thirty-ninth Legislative District, filed by R. J. List, contestant, also depositions taken in the above action.

THOMAS HALL.
Secretary of State.

The Secretary announced the following Committee appointments:

Rules Committee—Senators Garberg, Levang, Steel, Mees, Fraser, Gross and Porter.

Election Committee—Senators Hagan, Church, Van Camp, Carey, Baird, Kendall, Miklethun, Levang, Bowman.

Mileage and Per Diem—Senators Eastgate, Wog, Fleckten.

Revision and Correction of the Journal Committee—Senators Patten, McLachlin and McNair.

January 5, 1921.

To the Members of the Senate of the Seventeenth Legislative Assembly:

Sirs: I have the honor to transmit herewith ANSWER TO NOTICE OF INTENTION TO CONTEST in the cause of R. J. List, Contestant vs. Gust Wog, Contestee.

Filed in this office this fifth day of January, at 2:25 P. M.
THOMAS HALL,
Secretary of State.

Senator Liederbach presented the following communication:

The Holmboe Photograph Studio of Bismarck, N. D., undertakes and agrees to make one large group picture to include each member of the House and one large group picture to include each member of the Senate and undertakes to hang these two pictures in their respective chambers, said pictures to hang as permanent fixtures and become the property of the State of North Dakota.

For the above consideration and for the further consideration that the photographs be of first class workmanship, each member of the House and Senate agrees to pay to the Holmboe Studio the sum of \$1.00 and hereby appoint the Holmboe Photograph Studio as the sole and exclusive photographers of the 17th legislative assembly.

Senator Liederbach moved that the proposition of the Holmboe Studio be adopted, which motion prevailed.

Senator Patten moved that a committee of three be appointed by the President to draw suitable resolutions in regard to the death of Senator E. H. Sikes of Mountrail County, which motion prevailed and the President appointed as such committee Senators Patten, Church and Olson.

Senator Ployhar moved that the President appoint a committee of three to draw suitable resolutions in regard to the death of Senator J. H. Whitcher of Barnes County, which motion prevailed and the President appointed as such committee Senators Ployhar, Stevens and Nelson.

Senator Porter moved that a committee of three be appointed by the President to draw suitable resolutions in regard to the death of Senator Chas. E. Plain of Cavalier County, which motion prevailed and the President appointed as such committee Senators Porter, Steel and Gardiner.

Courtesies of the floor were extended to Rev. Folley of Park River.

Senator Church moved that the Senate do adjourn which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

THIRD DAY

Senate Chamber,
Bismarck, North Dakota,
January 6, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. G. H. Quigley.

The roll was called, all Senators being present.

The committee on revision and correction of the journal made the following report:

Mr. President: Your committee on revision and correction of the journal have carefully examined the Journal of the first day and recommend that the same be corrected as follows: On page 13 line 45 strike out the following "continue in effect during the present session" and insert in lieu thereof the following "be in force until new rules are adopted."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted.

Senator Ployhar moved that the Journal be corrected to show a unanimous vote cast for the Bismarck ministers as Chaplains, which motion prevailed.

Senator Mees moved that the Journal be corrected to show the motion of Senator Baker that a roll call be taken on the election of Desk Stenographer and that the Secretary be instructed to cast a like ballot in the election of the other employees nominated by Senator McNair.

Which motion prevailed.

Senator Steel moved that the report of the committee on revision and correction of the Journal be rereferred to the committee.

Which motion prevailed.

Senator Rusch introduced the following resolution:

WHEREAS, There has been filed by the Secretary of State with this Senate a contest contesting the seat representing the Thirty-ninth District namely List vs. Wog;

AND WHEREAS, That unless the Senate members have an opportunity to listen to the evidence and testimony which will

be submitted in this case the members would not be in a position to vote intelligently:

THEREFORE BE IT RESOLVED, That this contest be heard and be disposed of by this body in a committee as a whole.

Senator Rusch moved that the resolution be adopted.

SENATE ROLL CALL

The question being on the adoption of the resolution introduced by Senator Rusch, the roll was called and there were ayes 24, nays 25.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Fyrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

So the resolution lost.

Senator Rusch asked that the question of Senator Wog voting be ruled on by the President:

The President ruled that as 49 certificates of election had been filed each Senator so certified shall be entitled to a vote until 25 members of the Senate shall decide otherwise.

Senator Steel appealed from the decision of the Chair.

On a division of the Senate the President was sustained.

Senator Bond moved that the hearings in the List-Wog contest, be open to the public and that suitable room be secured to accommodate those desiring to hear the evidence.

Senator Bowman moved to amend by striking out all of the motion except that part which refers to renting suitable quarters.

Which motion prevailed.

The question being on the original motion as amended, the motion prevailed.

Senator Baker introduced the following Concurrent Resolution:

BE IT RESOLVED By the Senate of the State of North Dakota, the House of Representatives Concurring:

WHEREAS; The people of the State of North Dakota have repeatedly approved the Industrial Program of the State, and

WHEREAS; The laws creating the Industrial Program have been held constitutional and sustained by the District and Supreme Courts of this State, and by the District and Supreme courts of the United States, and

WHEREAS; It is highly desirable that all political factions and the people of the whole state should cooperate in order that the Industrial Program may be fairly, honestly and thoroughly tried, and its wisdom demonstrated:

THEREFORE, BE IT RESOLVED by the Legislative Assembly of the State of North Dakota, assembled in its regular biennial session in the interest of harmony and public welfare that a committee of ten consisting of five members of the Senate, affiliated with the Nonpartisan League and five members of the House of Representatives, affiliated with the Independent Voters Association be selected by the President of the Senate and the Speaker of the House respectively for the purpose of suggesting and reporting to each branch of the Legislative Assembly such legislation as they may recommend for passage to accomplish the purposes above stated.

Senator Baker moved the adoption of the resolution.

Senator Steel moved that the consideration of the Concurrent Resolution introduced by Senator Baker be postponed until tomorrow.

Which motion prevailed.

The President appointed as a committee to confer with a like committee of the House in regard to the number of Journals and Bills to be printed Senators Bowman, Bond and Miklethun.

The Secretary announced the following committee appointments:

Committee on Education—McNair, Oksendahl, Byrne, Murphy, Fraser, Storstad, Patten, Baird, Gross, Kelsch, Thorson. Senator Levang moved that the Senate go to the sixth order of business.

Which motion prevailed.

The Committee on Rules made the following report:

Mr. President: Your Committee on Rules have considered rules to guide the Senate action and recommend as follows:

That the 1919 Rules be adopted with the following amendments:

That in Rule Thirty-five on page 9 of the 1919 Rules in the third line after the word "of" strike out the word "eighteen" and insert in lieu thereof the word "seventeen." Also in line eight after the word "of" strike out the word "eighteen" and insert in lieu thereof the word "seventeen." Also on page ten strike out the first line and insert in lieu thereof "Women and Children Welfare" to consist of eleven members.

That Rule Forty-one on page ten be stricken out and in lieu thereof be inserted the following: "All reports of special committees and motions to discharge a committee from the consideration of a subject and all subjects from which a committee shall be discharged, shall lie over one day for consideration unless, by unanimous consent the Senate shall otherwise direct."

P. B. GARBERG,
Chairman.

Mr. Garberg moved that the report be adopted, which motion prevailed, and the report was adopted.

Senator Church moved that the Senate recess subject to the call of the Chair.

Which motion prevailed.

The Senate reassembled, the President presiding.

Senator Fraser moved that the President appoint a committee of three to see the Board of Administration and authorize the board to procure suitable rooms for the various committees.

Which motion prevailed, and the President appointed as such committee Senators Fraser, Mees and Benson.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS

Mr. McNair introduced Senate Bill No. 1:

A Bill for an Act to Amend and Re-enact Section 800 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

Was read the first and second time and referred to the Committee on Judiciary.

Mr. Whitman introduced Senate Bill No. 2:

A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota, Providing for and Establishing a Trunk Highway System to be Constructed, Improved and Maintained by the State; Establishing and Authorizing the Creation of a Fund for Such Purpose by the Taxation of Motor Vehicles, the Issuance of Bonds and Otherwise.

Was read the first and second time and referred to the Committee on Highways.

Senator Bowman moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

FOURTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 7, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. G. H. Quigley.

The roll was called, all Senators being present.

The committee on revision and correction of the Journal made the following report:

Mr. President: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the First day and recommend that the same be corrected as follows: On page 5 line 27 correct the spelling of the name "Grovom;" on line 38 correct the spelling of the name "Jerczewsky;" on page 6 after the letters "en" in line 2 add "grossing;" line 11 change the word "staff" to "state." After line 21 add the following: "Senator Baker moved that the roll be called on the election of the desk stenographer and the secretary be instructed to cast a like ballot for all the employees as nominated by Senator McNair." Page 7 lines 19 and 30 correct the spelling of the name "Grovom;" page 8 line 45 change the number "25" to "49;" strike out line 46 on page 5; line 35 correct the spelling of the word "Sveund;" on page 9 lines 18 and 29 correct the spelling of the name "Sveund;" page 10 lines 3 and 15 correct the spelling of the name "Jerczewsky;" page 13 after line 38 insert the following: Etestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltmier, Olson, Oksendahl Patten, Ward, Wenstrom, Wog. Line 45 strike out "continue in effect during the present session" and insert in lieu thereof "be in force until new rules are adopted." Page 14 line 14 correct the spelling of the word "moved;" line 31 correct the spelling of the word "Sveund."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The Committee on revision and correction of the Journal made the following report:

Mr. President: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the first day after recess and second day, and recommend that the same be corrected as follows: On page 1 line 9 correct the spelling of the name "Jerczewsky" and insert the word "Miss" before the name "Aslaug;" in line 10 insert the word "Miss" before the name "Eleanor;" on page 2 line 8 strike out the word "and" and add the words "and Porter" after the name "Gross."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The Secretary announced the following committee appointments:

Committee on Highways—Senators Miklethun, Liederbach, Whitman, Ward, Kendall, Sperry, Ettestad, Mees, Wog, Schrenk and Byrne.

REPORT OF SELECT COMMITTEE

Mr. President: Your committee appointed to determine the number of Bills and Journals to be printed daily and the distribution of the same having met with a like committee from the House after conference, make the following joint report:

BE IT RESOLVED: That there be printed one thousand copies of the temporary journals of each House, and five hundred copies of the permanent Journals of each House, and also five hundred copies of each bill;

That a copy of the journal of either the House or the Senate, or a copy of any bill may be procured by any person to be mailed to him upon request made to the Bill Clerk of the house in which such bill originated;

That the mailing list for the distribution of said temporary journals shall be made up as follows:

That each member of the House and Senate shall be entitled to place the names of three persons on the mailing list to whom the said journals of both houses shall be mailed daily;

That in addition thereto, there be placed upon such mailing list all state educational institutions, all public libraries, all classified high schools, and all district and county judges;

That any newspaper published in the state, any farmers' club, women's club or commercial club may be placed on the mailing list at the request of any of their officers made to the Bill Clerk of either house;

That all bills and journals authorized by this resolution to be printed, shall be delivered by the printer direct to the Secretary of the Publication and Printing Commission, who shall receipt therefor to the printer.

E. A. BOWMAN,
W. R. BOND,
JOHN L. MIKLETHUN,
Committee of the Senate.

ROY JOHNSON,
WALTER MADDOCK,
JOHN FREEMAN,
HAROLD V. SEMLING,
FRED E. SIMS,
Committee of the House.

Senator Bowman moved that the resolution be adopted.

SENATE ROLL CALL

The question being on the adoption of the resolution presented by the Select Committee on Bills and Journals, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Senator Eastgate.

So the motion prevailed.

The question being on the adoption of the resolution relating to the appointment of a joint committee, introduced by Senator Baker. Senator Steel moved that the resolution introduced by Senator Baker be referred to the Committee on State Affairs.

Which motion prevailed.

IN THE SENATE SEVENTEENTH LEGISLATIVE ASSEMBLY STATE OF NORTH DAKOTA

RESOLUTION

Introduced by Mr. A. A. Liederbach:

WHEREAS, The House of Representatives of the Seventeenth Legislative Assembly did on the 6th day of January A. D. 1921, pass and adopt a resolution which is hereinafter set forth:

THEREFORE BE IT RESOLVED, That the House of Representatives of the Seventeenth Legislative Assembly do hereby direct and order its Chief Clerk, to file a formal order in

the name of the House of Representatives of the State of North Dakota with the accounting firm of Bishop, Brissman & Co., thru their representative J. A. Cull of Fargo, N. D., forthwith to deliver to the Speaker of this house, a correct and complete copy of the result of their examination and audit as soon as their findings have been compiled and that said firm of accountants be urged to complete their report as speedily as possible;

Also that the Chief Clerk be and is hereby ordered to file with His Excellency the Governor a formal request that the House of Representatives be furnished with a copy of the report now being compiled by the accounting firm of Bishop, Brissman & Co. without unnecessary delay;

Also that the order on the representative of the firm of Bishop, Brissman & Co. be served by telegraph and a copy by special messenger and a notice of said order also be given the main office of the accounting company at St. Paul by telegraph and a copy thereof be forwarded to said office by registered mail. That the request on the Governor be delivered by a special messenger immediately upon the adoption of this resolution; and,

WHEREAS, It is just as important that the Senate of the Seventeenth Legislative Assembly of the State of North Dakota be fully informed concerning the state industries as that the House should be so informed so that they may know all of the facts concerning the state industries and the purported audit said to have been made by the Bishop, Brissman & Co. of St. Paul, Minnesota; and

WHEREAS, It appears that the resolution introduced in the House should have been a concurrent resolution so that the Senate also might have a copy of said report, and that the resolution was purposely not a concurrent resolution because a certain faction in the House did not desire that the report should be given fair consideration by both houses of the Legislative Assembly but should be treated as the partisan wishes of the majority in the House dictated:

NOW, THEREFORE, BE IT RESOLVED, That the Senate of the Seventeenth Legislative Assembly do hereby direct and order the Secretary of the Senate to file a formal order in the name of the Senate of the State of North Dakota with the accounting firm of Bishop, Brissman & Co. thru their representative, J. A. Cull, of Fargo, North Dakota forthwith to deliver to the president of this Senate a correct and complete copy of the result of their examination and audit as soon as their findings have been compiled.

Also that they produce for examination by the members of this Senate and the Chairman of the Board of Auditors of the State of North Dakota as referred to in Section 369 of the Compiled Laws of North Dakota for the year 1913 as amended, before the Senate sitting as a committee of the whole all of the persons that were engaged in making the examinations upon which said report is based and all of the persons who assisted in any way in making up the report.

Also that the order on the representative of the firm of Bishop, Brissman & Co. be served by telegraph and a copy by

special messenger and a notice of said order be given the main office of the accounting company at St. Paul by telegraph and a copy thereof be forwarded to said office by registered mail.

Senator Liederbach moved that the resolution be adopted.

Senator Ployhar moved to amend the resolution introduced by Senator Liederbach as follows: Strike out that paragraph of the Resolution following the third "whereas."

Which motion prevailed.

The question being on the adoption of the Resolution as amended, the roll was called and there were ayes 48, nays 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendanl, Petterson, Ployhar, Porter, Patten, Rusch Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Stevens.

Senator Stevens in explaining his vote stated that he desired to be recorded as voting "no" on the adoption of the resolution because he thought the House was the proper place for resolutions of that nature to originate.

House Chamber,
Bismarck, North Dakota,

January 7, 1921.

Mr. President: I have the honor to inform you that the House has adopted the report of the committee relating to the number of Senate and House bills to be mailed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Baird introduced Senate Bill No. 3:

A Bill for an Act to Amend and Re-enact Chapter 70, Laws of North Dakota 1919, same being Senate Bill No. 78, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

Was read the first and second time and referred to the Committee on Judiciary.

The Senate returned to the eighth order of business.

Senator Wenstrom moved that the courtesies of the floor be extended to Ex-Senator H. P. Jacobson of Hettinger.

Senator Church moved that the Senate recess long enough to listen to an address by Ex-Senator Jacobson.

Which motion prevailed.

The Senate reassembled, the President presiding.

The Senate returned to the eighth order of business.

RESOLUTION

Mr. Patten moved the adoption of the following resolution:

WHEREAS, It has pleased Him, in whose hands are all the issues of life, to remove from among us, and from those to

whom he has ever been a devoted and loving husband and father, our esteemed brother and faithful friend, the Honorable Edsell H. Sikes, a member of the State Senate from Mountrail County, who departed this life on the eighteenth day of December, 1919, at his home in the city of Stanley in Mountrail County:

THEREFORE, We, the members of the Senate, yielding unhesitatingly to the command of an omnipotent and adorable Deity, nevertheless sincerely deplore the loss of our departed member, whose conscientious and useful labor, both as a private citizen and a public official has contributed so materially to the development and progress of society and state.

We hold that in the greatest trials, sadness is ameliorated and sorrow is to some extent expelled by kindly sympathy, especially where the cause arises from the loss of a man of such unequalled courage, conviction and character, and we, therefore, trust the statewide sympathy, as expressed by the members of the Senate will afford comfort and consolation to Senator Sikes' family and friends.

He was a man of such sterling and unusual qualities, both of heart and of mind that to know him was to love him. His success was never achieved at the expense of honor or loss of self-respect. His long legislative career ever demonstrated the possession of an open mind and a strong intellectual grasp of the state's affairs. His impulses were all generous and good and he gave them freest rein. There was unwonted charm in the child-like sympathy of his great and noble character.

BE IT RESOLVED, That we hereby extend to his bereaved and sorrowing family our heartfelt sympathy and condolence in this their great affliction, and we view his departure from our midst with profound and personal sorrow.

BE IT FURTHER RESOLVED, That these resolutions be made a part of the Permanent Journal of the Senate and that an engrossed copy thereof be forwarded to the bereaved family.

Signed by the Committee,

R. W. PATTEN,

Chairman.

W. J. CHURCH,
O. H. OLSON.

Which motion prevailed and the resolution was adopted.

Senator Beisel requested the privilege of the floor for C. J. Lord of Cando.

Senator Bond requested the courties of the floor for M. R. Porter of Minot, which requests were granted.

Senator Wenstrom moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

FIFTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 8, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. G. H. Quigley.

The roll was called, all Senators being present except Senators Ployhar and Schrenk.

The Committee on Revision and Correction of the Journal made the following report:

Mr. President: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the third day and recommend that the same be corrected as follows: On page two, line thirty-eight, following the word "motion" insert the following: "as amended."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The Committee on Revision and Correction of the Journal made the following report:

Mr. President: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the fourth day and recommend that the same be corrected as follows: On page three, line twenty-nine, after the word "resolution" add the following "relating to the appointment of a joint committee." On page seven strike out lines two and three and insert them before the signature of the secretary.

On page seven, line four, change the name "Baird" to "Beisel."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The secretary announced the following committee appointments:

Committee on Appropriations—Church, Levang, Liederbach, Carey, Patten, Byrne, Peterson, Garberg, Van Camp, Fleckten, Bowman, Gardiner, Miklethun, Storstad, Nathan, Stevens, Kendall.

Committee on Judiciary—Fraser, Garberg, Levang, Van Camp, Whitman, Ward, Baird, Olson, Stevens, Ployhar, Sperry, Nathan, Baker, Beisel, Noltimier, Wenstrom, Oksendahl.

PETITIONS AND COMMUNICATIONS

Have each member send to the desk, on a sheet of paper, his name and address and the route he had to travel from home to Bismarck. For illustration: Coming from Kenmare, the route might be Minot, Valley City to Bismarck; or, Minot via of Washburn. From Devils Lake, the route may be, Larimore, Fargo to Bismarck, or, Casselton to Bismarck. Add to the railroad miles the miles, if any, traveled by auto or team.

J. E. EASTGATE,
Committee on Mileage and Per Diem.

Hon. W. H. Porter,
Bismarck, N. D.

Dear Sir: The ladies of The Langdon Woman's Club hope that you will do what you can towards the passage of the Mill Tax Bill.

Sincerely yours,

MRS. E. E. FLETCHER,
Corresponding Secretary,
Langdon, N. D.

Office of State Examiner
STATE OF NORTH DAKOTA

O. E. Lofthus,
State Examiner.

Gilbert Semingson,
Chief Deputy Examiner.

Bismarck, January 8, 1921.

Mr. W. J. Prater,
Chief Clerk of the Senate,
Bismarck, North Dakota.

Dear Sir: I enclose herewith copy of this department's examination report on The Bank of North Dakota, made under date of October 13, 1919; also copy of report of examination made on this institution May 29, 1920.

Yours very truly,

GILBERT SEMINGSON,
Chief Deputy Examiner.

Bismarck, N. Dak., October 20, 1919.

To O. E. Lofthus, State Examiner,
Bismarck, North Dakota.

In compliance with your request we herewith submit our report of examination of The Bank of North Dakota at the close of business, October 13th, 1919.

(Signed) O. E. Bergstrom, Deputy State Examiner. (Signed) F. B. McAneney, Deputy State Examiner.
(Signed) L. E. Dickerson, Deputy State Examiner. (Signed) John Bena, Deputy State Examiner.
(Signed) O. A. Engemoen, Deputy State Examiner. (Signed) A. Johanssen, Deputy State Examiner.
(Signed) Gilbert A. Brattland, Deputy State Examiner. (Signed) Gilbert Semingson, Chief Deputy State Examiner.

RESOURCES

Bills Receivable		\$ 152,642.04
Bonds (Bank Series)		1,906,600.00
U. S. Certificates of Indebtedness.....		100,000.00
Liberty Loan Bonds		1,900.00
Farm Loans		25,472.05
Furniture & Fixtures		27,324.49
Cash and Due from Correspondent Banks		1,063,472.84
Items out for Collection		1,421,146.58
Special Collections		42,910.39
Appropriation Fund		1,800.00
Redeposit of Public Funds		9,978,053.90
Certificates of Deposit, Liberty Bonds and W. S. S. Due Treasurers.....		2,502,404.08
Interest Paid	\$19,715.60	
Expense	11,329.29	
Exchange Paid	6.47	31,051.36
TOTAL		\$17,254,777.73

LIABILITIES

Capital		\$ 2,000,000.00
Interim Receipts for Bonds		116,160.00
Premium on Bonds (Bank Series)....	\$ 5,376.75	
Discount on Liberty Bonds & Notes....	1,459.67	
Interest on Bonds (Bank Series).....	423.55	
Interest Received	27,569.57	
Adjustment	235.14	35,064.68
Appraisal Fees		14,184.95
Certificates of Deposits		6,000.00
Individual Accounts		265.28
Due to Depository Banks		2,647,884.86
Sinking Funds Due to Treasurers.....		2,701,026.48
Int. on Sinking Fund C. D. Collected Due to Treasurers		9,257.57
General Funds Due to Treasurers.....		9,322,609.51
Deferred Credits		402,324.40
TOTAL		\$17,254,777.73

RESOURCES

1—Bonds 10 year 5% Bonds \$ 50..	\$	93,800.00
10 year 5% Bonds 100..		371,800.00
10 year 5% Bonds 500..		454,000.00
15 year 5% Bonds 1,000..		987,000.00
2—Bills Receivable		152,642.04
3—U. S. Certificates of Indebtedness		100,000.00
4—Liberty Loan Bonds.....		1,900 00
5—Farm Loans		25,472.05
6—Furniture and Fixtures		27,324.49
7—Cash — Cash.....	\$ 35,801.63	
Cash Items	4,329.23	
Due from Correspondent Banks		
1st and Sec. Nat. Bk. Minneapolis	364,409.26	
First Nat. Bk. St. Paul.....	238,784.19	
Midland Nat. Bk. Minneapolis...	193,016.63	
Mercantile St. Bk. Minneapolis	50,000.00	1,063,472.84
8—Items out for Collection.....		1,421,148.58
9—Special Collections		42,910.39
10—Appropriation Fund		1,800.00
11—Redeposit of Public Funds.....		9,978,053.90
12—Cert. of Dep. Due to Treas.....	\$2,494,854.08	
13—W. S. S. and Lib. Bonds Due		
Treas.	7,550.00	2,502,404.08
14—Interest Paid	19,715.60	
15—Expense	11,329.29	
16—Exchange Paid	6.47	31,051.36
		<u>\$17,254,777.73</u>

—1—

Bonds on hand pending sale.

—2—

This constitutes all the loans that the bank is carrying at this time. It is our opinion and belief that all the loans are safe, conservative and liquid assets and made in full compliance with the law. We consider the officials in charge of this department capable and conservative.

—3—

These are U. S. Government obligations.

—4—

Liberty Loan Bonds.

—5—

The small amount of loans carried at this time is due to the fact that the appraisers for the Bank have been at work only a short time. They hold applications for loans aggregating \$4,554,000.00, which will be completed as soon as their appraisers have made their reports and the loans approved by the Bank.

—6—

The items listed in this account are believed to be worth book value.

—7—

We have reconciled the accounts of the correspondent Banks and have counted the cash on hand. This constitutes the available funds which the Bank has on hand at this time.

—8—

This represents checks drawn on various banks throughout N. D., which are sent direct for payment. This account is being verified which will take several days, allowing time for the payment of these items.

—9—

These are warrants sent to various Treasurers for payment, the total of which has been verified.

—10—

This item was set aside for the legal advice during the organization of this institution.

—11—

This item represents the amount due the Treasurers of the various political subdivisions of the state. Same are being verified.

—12—

These Certificates of Deposit are issued by various banks of the state to treasurers, which are not due as yet and are merely being held in trust by this bank.

—13—

W. S. S. and Liberty Bonds Due Treas.

—14—

This represents the amount that this bank has paid out to the various banks and treasurers on deposits.

—15—

During the early operation of this bank the expenses were carried by charges against a certain \$100,000.00 appropriation made by the last legislature but for a considerable time past a part of the running expenses have been charged to the expense account on their own books.

—16—

This represents cost of collection of items from without the State.

LIABILITIES

1—Capital		\$ 2,000,000.00	
2—Interim Receipts for Bonds.....			116,160.00
3—Premium on Bonds (Bank Series)	5,376.75		
4—Discount on Liberty Bonds and Notes	1,459.67		
5—Interest on Bonds (Bank Series)	433.55		
6—Interest Received	27,569.57		
7—Adjustment Account	235.14		35,064.63

8—Appraisal Fees		14,184.95
9—Certificates of Deposit		6,000.00
10—Individual Accounts		265.28
11—Due to Depository Banks.....	2,647,884.86	
12—Sinking Funds Due to Treasurers		2,701,023.48
13—Interest on Sinking Fund C. D.'s collected Due Treasurers		9,257.57
14—General Funds Due Treasurers		9,322,609.51
15—Deferred Credits	\$242,453.78	
16—Suspense Account	159,890.62	402,324.40
TOTAL		<u>\$17,254,777.73</u>

—1—

Capital stock authorized by act of last legislature creating the Bank of North Dakota.

—2—

This represents the amount of Bank Bonds returned by various holders for payment.

—3—

This is the premium paid by the purchasers of Bank Bonds and will be refunded as the Bonds are taken up.

—4—

This represents interest and discount charged on Liberty Bonds and notes taken into the Bank.

—5—

This is the amount charged purchasers as accrued interest on bonds sold after the date issued.

—6—

This represents interest received from various banks throughout the State on redeposits and also from correspondent banks for average daily balances.

—7—

This covers errors and items for adjustment from day to day.

—8—

The appraisal fees are paid by the applicants for farm loans at a rate of \$5.00 per thousand with a maximum of \$25.00. Out of this account the appraisers are paid salaries and expenses. It is not run for a profit account; however, it is expected that it will more than pay expenses.

—9—

These Certificates are issued in lieu of money received from depositors outside of the State.

—10—

These are open accounts received from without the State.

—11—

This amount represents the amount due to banks within the State who are carrying reserve accounts with the Bank of N. D. These accounts are all being verified.

—12—

This is the amount due on Sinking Fund C. D.'s to various treasurers.

—13—

This represents interest on Sinking Fund Certificates of Deposit which have been collected and have not been paid or credited to the various treasurers.

—14—

This represents the public money deposited in this bank by the Treasurers of the various political subdivisions and state institutions throughout the State and is due them on open account.

—15—

Deferred credits are cash letters sent this bank by the Twin City banks. These items are deferred two days before a draft is issued in payment of same to allow time for collection.

—16—

Suspense account is similar to the above mentioned instance only it is deferred one day and is from a Fargo correspondent.

GENERAL REMARKS

General recommendations would concern mostly the system of accounting and arranging of the bank's business into proper channels in departments to enable an easier check of the various branches of the bank's business. We understand that the officers of the bank are taking steps to that end so that they may improve the permanent records of the bank and to render the handling of the bank's growing business efficiently.

It must be remembered that it takes some time to install and systematize a bank's business of this size and nature, not to mention the difficulty of marshalling a large clerical force that have the required ability and fitness to do the work. Considering the short space in which this bank has been in existence, the officers are to be commended on the general condition in which we found the bank.

Respectfully submitted,

(Signed) O. E. Bergstrom, Deputy State Examiner.	(Signed) F. B. McAneney, Deputy State Examiner.
(Signed) L. E. Dickerson, Deputy State Examiner.	(Signed) John Bena, Deputy State Examiner.
(Signed) O. A. Engemoen, Deputy State Examiner.	(Signed) A. Johannsen, Deputy State Examiner.
(Signed) Gilbert A. Brattland, Deputy State Examiner.	(Signed) Gilbert Semingson, Chief Deputy State Examiner.

Bismarck, N. Dak., June 4, 1920

To O. E. Lofthus, State Examiner,
Bismarck, North Dakota.

Dear Sir: In compliance with your request, we herewith submit our report of examination of The Bank of North Dakota at the close of business, May 29th, 1920.

Gilbert Semingson,	O. A. Engemoen,
Chief Deputy Examiner.	Deputy State Examiner.
L. E. Dickerson,	F. B. McAneney,
Deputy State Examiner	Deputy State Examiner.
L. E. Wambheim,	Ole Lovik,
Deputy State Examiner	Deputy State Examiner.
	O. E. Bergstrom,
	Deputy State Examiner.

RESOURCES

Bonds—10 year 5% Bonds \$ 50....	\$ 96,600.00
10 year 5% Bonds 100....	385,900.00
10 year 5% Bonds 500....	477,500.00
15 year 5% Bonds 1,000....	992,000.00
Bills Receivable	2,603,266.04
U. S. Certificates of Indebtedness....	1,500,000.00
Liberty Bonds	2,000.00
Sinking Funds Certificates of De- posits	582,892.37
Sinking Funds W. S. S. and Liberty Loan Bonds	7,550.00
Redeposit of Public Funds.....	15,394,855.89
Correspondent Banks:	
First National Minneapolis.....	\$351,724.06
First National, St. Paul.....	315,961.91
Midland National, Mpls.....	207,425.27
First National, Duluth	149,918.00
Mercantile State, Mpls.....	61,751.00
National City, New York.....	133,751.94
Mer. Loan & Trust Co., Chicago....	151,082.02
Farm Loans	1,371,614.20
Farm Loans Special Deposits.....	1,968,757.01
Furniture and Fixtures	702,200.00
Furniture and Fixtures	45,604.25
Cash Items	13,163.45
Cash on Hand	32,526.93
Items out for Collection.....	1,360,204.63
Special Collections	156,115.20
Coupon Account	772.50
Interest earned but not collected over expenses and interest paid....	71,347.89
TOTAL	\$27,764,870.37

LIABILITIES

Capital Stock	\$ 2,000,000.00
Surplus	40,000.00
Reserve to Repay Legislative Appropriation.....	23,954.10
Reserve for Depreciation on Furniture & Fix.....	4,532.97
Individual Deposits	2,183.29
Certificates of Deposit	13,767.33
Appraisal Fees on Hand.....	5,511.58

Sinking Funds	2,833,935.87
Cashier's Checks	163,163.97
Due to Depository Banks	3,445,969.21
Sinking Funds due Treasurers.....	582,892.37
Sinking Funds W. S. S. and Liberty Bonds due Treasurers	7,550.00
General Funds due City Treasurers.....	911,655.71
General Funds due County Treasurers.....	9,029,635.65
General Funds due Township Treasurers.....	1,444,537.03
General Funds due School Treasurers.....	2,712,582.92
General Funds due State Treasurer.....	4,355,980.53
General Funds due State Institutions.....	187,018.14
TOTAL	\$27,764,870.37

RESOURCES

1—Bonds—10 year 5% Bonds \$ 50.....\$	96,600.00
10 year 5% Bonds 100.....	385,900.00
10 year 5% Bonds 500.....	477,500.00
15 year 5% Bonds 1,000.....	992,000.00
2—Bills Receivable	2,603,266.04
3—U. S. Certificates of indebted- ness	1,500,000.00
4—Liberty Bonds	2,000.00
5—Sinking Funds Certificates of Deposit	582,892.37
6—Sinking Funds W. S. S. and Lib- erty Loan Bonds	7,550.00
7—Redeposit of Public Funds.....	15,394,855.83
8—Correspondent Banks:	
First National, Minneapolis...\$351,724.06	
First National, St. Paul..... 315,961.91	
Midland National, Minneapolis 207,425.27	
First National, Duluth..... 149,918.00	
Mercantile State, Minneapolis 61,751.00	
National City, New York..... 133,751.94	
Mer. Loan & Trust Co., Chi- cago	151,082.02
9—Farm Loans	1,371,614.20
10—Farm Loans Special Deposits...	1,968,757.01
11—Furniture and Fixtures.....	702,200.00
12—Cash Items	45,604.25
13—Cash on Hand.....	13,163.46
14—Cash on Hand.....	32,526.93
14—Items out for Collection.....	772.50
15—Special Collections.....	1,360,204.63
16—Coupon Account	156,115.20
17—Interest earned but not col- lected over expenses and in- terest paid	772.50
TOTAL	\$27,764,870.37

RESOURCES

—1—

Bonds on hand pending sale.

—2—

Loans and Discounts.

Certificates of Deposits are secured by farmers' notes in amounts of one and one-half and in several cases, two to one.

Notes rediscounted are taken for face and accrued interest allowed and in each and every case these notes are guaranteed by the bank.

Advance to State Departments consists of amounts advanced to different state institutions, the same being requested by the Industrial Commission.

Loans secured by warehouse receipts consist of notes from country elevators secured by storage tickets. Notes from the Northern Packing Company of Grand Forks, and the Equity Cooperative Packing Company, of Fargo are secured by bonded warehouse receipts covering smoked and other cured meats.

—3 and 4—

These are Government obligations purchased by the bank.

—5 and 6—

These items represent certificates of deposit from various banks over the State which are not yet due; also War Savings Stamps and Liberty Bonds sent here by public treasurers to be held in trust until maturity, at which time they will be placed to the credit of the Sinking Fund Account.

—7—

This consists of public funds of the various political subdivisions which have been redeposited in the local banks over the State.

—8—

This represents amounts due from city correspondent banks.

—9—

This consists of 516 completed loans totaling \$1,922,700.00, and 8 loans under way of completion where advancements have been made, in the total amount of \$46,057.01.

—10—

This consists of deposits made with the several state banks while they have some of their own funds tied up in completing first real estate loans for this bank.

—11—

Furniture and Fixtures as listed are believed to be of book value.

—12—

This item represents checks and drafts which have been returned this date and have not as yet been charged to their proper account.

—13—

This represents actual cash in the vault.

—14 and 15—

Item No. 14 represents checks and drafts sent to various banks throughout the State for collection, while No. 15 represents items sent to the State Treasurer for collection.

—16—

This consists of interest coupons of the bank's bond series, which are held by various banks and individuals.

—17—

This item consists of interest accrued on the bank's bond series and on redeposits of public funds.

SUMMARY

Bills receivable, rediscounts, and public transfers of The Bank of North Dakota, at the close of business, May 29, 1920.

Certificates of Deposit	\$1,842,162.76
Rediscounts	413,444.31
Advances to State Departments.....	67,500.00
Advances to Counties.....	47,500.00
Loans Secured by Warehouse Receipts.....	232,658.97
TOTAL	\$2,603,266.04

LIABILITIES

1—Capital Stock	\$ 2,000,000.00
2—Surplus	40,000.00
3—Reserve to Repay Legislative Appropriation..	23,954.10
4—Reserve for Depreciation on Furniture & Fix.	4,532.97
5—Individual Deposits	2,183.29
6—Certificates of Deposit	13,767.33
7—Appraisal Fees on Hand	5,511.58
8—Sinking Funds	2,833,935.87
9—Cashiers' Checks	163,163.97
10—Due to Depositary Banks	3,445,969.21
11—Sinking Funds due Treasurers	582,892.37
12—Sinking Funds W. S. S. and Liberty Bonds due Treasurers	7,550.00
13—General Funds due City Treasurers.....	911,655.71
14—General Funds due County Treasurers.....	9,029,635.65
15—General Funds due Township Treasurers.....	1,444,537.03
16—General Funds due School Treasurers.....	2,712,582.62
17—General Funds due State Treasurer.....	4,355,980.53
18—General Funds due State Institutions.....	187,018.14
	<hr/>
	\$27,764,870.37

LIABILITIES.

—1—

Capital stock authorized by an Act of the State Legislature creating the Bank of North Dakota.

—2—

This is accumulated earnings set aside.

—3—

This constitutes earnings set aside to repay the State for money used out of an appropriation made for establishing putting into operation the Bank of North Dakota.

—4—

This represents an amount equal to ten per cent of the Furniture and Fixture Account set aside out of earnings for depreciation.

—5—

This consists of individual deposits from out of the State.

—6—

These certificates are issued in lieu of money deposited for stated periods from outside of North Dakota.

—7—

This consists of fees charged in connection with applications for farm loans.

—8—

This constitutes the sinking funds of the various treasurers.

—9—

Cashiers' Checks issued.

—10—

This represents money due to various banks throughout the State which are using the Bank of North Dakota as a reserve agent.

—11 and 12—

This corresponds to items No. 5 and No. 6 of Resources.

—13 to 18 inclusive.—

These consist of public money deposited in the Bank of North Dakota by the treasurers of the various political subdivisions and state institutions, and which is due them on open account.

GENERAL REMARKS

General condition of the bank is very satisfactory. Loans are well distributed and in our estimation good judgment has been used in obtaining security in connection with same.

In passing on Real Estate loans, we relied on the appraiser's sheets as to the values.

Routine work in the bank we consider in first-class shape.

Contrary to insinuations through the press and statements made by certain State officials and the forces opposed to the Bank of North Dakota, we wish to state that we find no loans whatsoever to the following so-called League enterprises:

National Non-partisan League.
League Exchange.
National Publishers' Service Bureau.
Consumers United Stores Company.
United States Sisal Trust.

We further state that loans to the so-called League banks are considered by us to be no larger in proportion than to other banks and are amply secured by sufficient bankable collateral.

Respectfully submitted,

Gilbert Semingson, Chief Deputy Examiner.	O. A. Engemoen, Deputy State Examiner.
L. E. Dickerson, Deputy State Examiner	F. B. McAneney, Deputy State Examiner.
L. E. Wambheim, Deputy State Examiner	Ole Lovik, Deputy State Examiner.
	O. E. Bergstrom, Deputy State Examiner.

St. Paul, Minn., 9:41 P. M., Jan. 7, 1921

W. J. Prater,

Secy. of the Senate, Bismarck, N. D.

Yours date Bishop, Brissman Co., delivered 9:35 tonight.

WESTERN UNION.

St. Paul, Minn., 10:35 P. M., Jan. 7, 1921.

W. J. Prater

Bismarck, N. D.

Your message Bishop, Brissman Company, Pioneer Building, delivered 10:50 P. M.

WESTERN UNION.

Fargo, N. D., 9:07 P. M., Jan. 7, 1921.

W. J. Prater,

Bismarck, N. D.

We delivered your two messages J. A. Cull at 8:30 P. M.

MANAGER.

Bismarck, N. D.

M. H. Cook,

See your service re your J. A. Cull, signed Prater, message delivered to J. A. Cull. Repeat. J. A. Cull.

FARGO, N. D., Jan. 8, 1921, 11:40 A. M.

Senator Murphy moved that all absent Senators be excused, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Noltmier introduced Senate Bill No. 4:

An Act Requiring Nurseries and Vendors of Nursery Stock Including Shade Trees, Timber Trees, Fruit Trees, Berry Bushes, and Flowering Shrubs, of Every Nature, Offered for Sale in the State of North Dakota, to Furnish Certificates and Label the Same with the Place of Their Origin and Where the Same was Grown, and Penalty for Failure to Properly Label Same.

Was read the first and second time and referred to the Committee on Agriculture.

Mr. Mees introduced Senate Bill No. 5:

A Bill for an Act Providing for the Leasing of State Coal Lands for Agricultural Purposes, Erecting, Placing and Making of Improvements Thereon, and Defining the Rights of Lessees Who Have Made Such Improvements.

Was read the first and second time and referred to the Committee on Public Lands.

Mr. Liederbach introduced Senate Bill No. 6:

A Bill for an Act Appropriating Twelve Thousand (\$12,000) Dollars to Cover a Deficit and for the Immediate Use of the Attorney General.

Was read the first and second time and referred to the Committee on Appropriations.

Senator Berg moved that the Senate recess subject to the call of the Chair, which motion prevailed.

The Senate reassembled, the President presiding.

Senator Liederbach moved that Joseph Maddock be elected clerk of the Appropriation committee in place of H. B. Hanson and that the name of H. B. Hanson be stricken from the list of employees.

SENATE ROLL CALL

The question being on the election of Joseph Maddock in place of H. B. Hanson, as Clerk of the Appropriation Committee, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Baker, Beisel, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Porter, Patten, Ruscii, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Benson, Bond, Ingerson, Petterson, Ployhar and Schrenk.

So Joseph Maddock was elected Clerk of the Appropriations Committee.

COMMUNICATIONS

January 8, 1921

To the Members of the Senate of the Seventeenth Legislative Assembly:

Sirs: I have the honor to transmit herewith additional depositions in the cause of R. J. List, Contestant, vs. Gust. Wog, Contestee.

Received by this office this eighth day of January, at 2:30 P. M.

THOMAS HALL,
Secretary of State.

By MAURICE W. DUFFY,
Deputy.

The President administered the oath of office to Joseph Maddock and Mrs. Stephen Terhorst.

Senator Ward moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

SEVENTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 10, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Postlethwaite.

The roll was called, all Senators being present except Senator Schrenk.

The Committee on Revision and Correction of the Journal made the following report:

Mr. President: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the fifth day and recommend that the same be corrected as follows: On page 3 line 44 correct the spelling of the word "Individual." Page 14 after line 21 insert the word "Communications."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The Secretary announced the following committee appointments:

Committee on Agriculture—Ettestad, Ingerson, Nelson, Wog, Nathan, Gross, Berg, Carey, Eastgate, McLachlin, Gardiner.

Committee on Apportionment—Murphy, Ettestad, Olson, Church, Porter, Thorson, Ingerson, Beisel, Bond, Hagan, Rusch, Benson, Levang, Stevens, Nelson, Ward, Ployhar, Fraser, Liederbach, Steel, McNair, Gardiner, Oksendahl.

Committee on Banks and Banking—Levang, Bowman, Westrom, Bond, Berg, Benson, Rusch, Ingerson, Sperry, Ettestad, Miklethun, McLachlin, Steel, Kelsch, Stevens.

Committee on Cities and Municipal Corporations—Whitman, Gross, Baker, Rusch, Bond, Byrne, Fraser, Garberg, Van Camp, Porter, Hagan.

Committee on Corporations other than Municipal—Berg, Olson, Storstad, Noltimier, Kendall, Peterson, Baird, Oksendahl, Nathan.

Committee on Counties—Kelsch, Benson, Liederbach, Ingerson, Fleckten, Oksendahl, Wag, Steel, Beisel, Thorson, Van Camp.

Committee on Enrolled and Engrossed Bills—Storstad, Church, Berg, Bond, Oksendahl.

Committee on Federal Relations—Gardiner, Liederbach, Noltimier, Baker, Fraser, Rusch, Kelsch.

Committee on Game and Fish—Oksendahl, Ward, Noltimier, Byrne, Stevens, Baird, Mees, Bond, Fleckten.

Committee on Immigration—Byrne, Ingerson, McLachlin, Eastgate, Noltimier, Benson, Whitman, Porter, Nathan.

Committee on Indian Affairs—Noltimier, Gardiner, Schrenk, Hagan, Liederbach.

Committee on Insurance—Ingerson, Murphy, Olson, McNair, Garberg, Carey, Schrenk, Levang, Kelsch, Storstad, Fleckten.

Committee on Irrigation and Drainage—Nelson, McNair, Storstad, Church, Kelsch, Ettestad, Ployhar, Byrne, Berg.

Committee on Live Stock—Nathan, Ward, Ingerson, McLachlin, Wog, Nelson, Noltimier, Ettestad, Kendall, Carey, Benson, Whitman, Beisel, Eastgate, Patten.

Committee on Statistics—Rusch, Nathan, Whitman, Baker, Kelsch, Fleckten, Miklethun.

Committee on Military Affairs—Ployhar, Patten, Wenstrom, Sperry, Murphy, Baker, Fraser, Berg, Eastgate.

Committee on Mines and Minerals—Fleckten, Bowman, Bond, Garberg, Wog, Baird, Sperry, Byrne, Mees.

Committee on Public Health—Gross, Byrne, Steel, Nelson, Wenstrom, Oksendahl, Porter, Benson, Rusch.

Committee on Public Land—Wog, McLachlin, Gross, Kelsch, Nelson, Baker, Bowman, Garberg, Schrenk, Patten, Petterson.

Committee on Public Printing—Thorson, Berg, Ingerson, Patten, Eastgate, Hagan, Porter, Murphy, Ettestad.

Committee on Railroads—Benson, Murphy, Gross, Levang, Gardiner, Steel, Ettestad, Sperry, Nelson, Olson, McNair, Patten, Ployhar, Ward, Kendall, Petterson, Berg.

Committee on State Affairs—Olson, Wenstrom, Benson, Ployhar, Fleckten, Miklethun, Bond, Carey, Baker, Steel, Porter, Liederbach, Murphy, Bowman, McNair, Gross, Thorson.

Committee on Taxes and Tax Laws—Bowman, Berg, Mees, Storstad, Nelson, Ettestad, Whitman, Baker, Thorson, Wog, McNair.

Committee on Temperance—Ward, Miklethun, Beisel, Bond, Stevens, Bowman, Olson, Church, Carey, Gardiner, Nathan.

Committee on Warehouse and Grain Grading—Liederbach, Olson, Ingerson, McLachlin, Hagan, Beisel, Ward, Byrne, Sperry, Van Camp, Kendall, Schrenk, Petterson, Bowman, Berg.

Committee on Ways and Means—Wenstrom, Fraser, Bowman, Kendall, Miklethun, Eastgate, Whitman, Fleckten, Patten, Olson, Carey.

Committee on Women's and Children's Welfare—Baker, Gross, Stevens, Benson, Thorson, Hagan, Gardiner.

JOINT COMMITTEES

Committee on Public Buildings—Beisel, Kelsch, Oksendahl, Hagan, Benson.

Committee on Charitable Institutions—Porter, Whitman, Bowman, Church, Ward.

Committee on Educational Institutions—Baird, Stevens, Gross, Storstad, Baker, Garberg, Fleckten.

Committee on Penal Institutions—Steel, Liederbach, Sperry, Mees, Nathan, Noltimier, Miklethun.

Committee on State Library—Van Camp, Fatten, Schrenk, Hagan, Wenstrom.

Committee on Joint Rules—Bond, Fraser, Garberg, Porter, Beisel, Levang, Ettestad.

Senator Storstad moved that a committee of three be appointed to confer with a committee of like number to be selected by the House of Representatives to draft appropriate resolutions to express the sentiments of the Legislative Assembly on the death of Hon. Edward Engerud, formerly one of the justices of the North Dakota Supreme Court, which motion prevailed.

Senator Storstad moved that all absent Senators be excused, which motion prevailed.

Senator Liederbach introduced the following Concurrent Resolution in favor of additional federal aid appropriations by Congress for highway improvement and requesting North Dakota Members in Congress to support a bill for the same, particularly the McArthur bill so-called.

WHEREAS, The continued and accelerated improvement of highways in North Dakota is desirable and essential to the development of the state's resources and to the prosperity of the people; and

WHEREAS, The merit and many benefits of the federal aid road act are recognized; and

WHEREAS, The last annual allotment of federal aid under the present act is for the year ending June 30, 1921; and

WHEREAS, The requests by the counties of the state for the improvement of highways with federal aid exceeds the total federal aid available to the state; and

WHEREAS, The state highway departments of the United States are unanimously supporting the McArthur bill now before Congress, which measure provides for further federal aid to the states in highway improvement; therefore

BE IT RESOLVED, By the Senate of the State of North Dakota, the House of Representatives concurring:

That the Seventeenth Legislative Assembly does express its approval of the continuance of federal aid to aid the states in the improvement of highways and respectfully recommends to each North Dakota Senator and Representative in Congress (in office and -elect), that he support the said McArthur Bill; and

BE IT FURTHER RESOLVED: That a copy of this resolution be sent to the members of Congress above mentioned.

Senator Liederbach moved the adoption of the resolution.

SENATE ROLL CALL

The question being on the adoption of the Concurrent Resolution introduced by Senator Liederbach, relating to federal aid, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ertstad, Fleckten, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Micklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployyar, Porter, Patten, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Fraser and Schrenk.

The President appointed as the committee of three to draw resolutions on the death of Edward Engerud, as requested by Senator Storstad the following: Senators Storstad, Rusch and Byrne.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Murphy introduced Senate Bill No. 7:

A Bill for an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Murphy introduced Senate Bill No. 8:

A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

Was read the first and second time and referred to the Committee on State Affairs.

Mr. McNair introduced Senate Bill No. 9:

A Bill for an Act to License Commercial Aviators in the State of North Dakota; to Establish a Board of Examiners Who Shall Have Power to Examine Aircraft and Fliers; to Pass Upon the Qualifications, Efficiency and Character of Applicants and Fitness of Machines, to Grant License or Refuse the Same, to Collect Fees, Formulate Rules for the Guidance of the Board and do Such Other Acts as May Be Necessary to Carry out the Purposes of this Act; to Establish Certain Exceptions as to the Operation of this Act; to Provide for Payment of Per Diem and Mileage of the Board of Examiners; to Provide Penalties for Failure to Comply with the Provisions of this Enactment.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Garberg introduced Senate Bill No. 10:

A Bill for an Act Defining Dying Declarations and Making the Same Competent Evidence in all Actions Civil and Criminal.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Rusch introduced Senate Bill No. 11:

A Bill for an Act Amending and Re-Enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913, Relating to Unlawful Obligations in Writing.

Was read the first and second time and referred to the committee on Judiciary.

COMMUNICATIONS

January 10, 1921.

To the Members of the Senate of the Seventeenth Legislative Assembly:

Sirs: I have the honor to transmit herewith, deposition of August Glade, in the Contest of R. J. List vs. Gust Wog, also letter of transmittal from R. V. Boulger; also

Stipulation in re action of the Justice of Peace before whom depositions were taken; Notice to take depositions at Fryburg; Notice to take depositions at Ukraina Hall and letter of transmittal from Simpson & Mackoff, Attorneys for Contestee.
(Signed) THOMAS HALL.

Senator Wenstrom moved that the Senate recess subject to the call of the President.

The Senate reassembled, the President presiding.

At the request of Senator Kendall the courtesies of the floor were extended to Mr. Edgar Wagner of Bantry, N. D.

Senator Berg moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

EIGHTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 11th, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Postlethwaite.

The roll was called, all Senators being present except Senator Ingerson.

Senator Kendall moved that all absent Senators be excused, which motion prevailed.

HOUSE CHAMBER

Bismarck, N. D., Jan. 11, 1921.

Mr. President:

I have the honor to transmit the following Concurrent Resolution, which the House adopted and your favorable consideration is respectfully requested:

RESOLVED, That a committee of three be appointed in the House to confer with a committee of like number to be selected by the Senate to draft appropriate resolutions to express the sentiments of the Legislative Assembly on the death of Hon. Edward Engerud, formerly one of the Justices of the North Dakota Supreme Court, and the Speaker has appointed on such committee Messrs. Grangaard, Jardine and Hall.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Seventh day and recommend that the same be corrected as follows: On page 4, line 31, after the word three insert the following "to draw resolutions in regard to the death of Judge Edward Engerud." Insert after line 30 the following "So the Resolution passed."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred Senate Bill No. 1:

For an Act to Amend and Re-enact Section 800 of the Compiled Laws of the State of North Dakota for the year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's right to practice.

Have had the same under consideration and recommend that the same be amended as follows:

After the words Senate Bill No. 1 of the Printed Bill strike out the words "introduced by H. H. McNair" and insert in lieu thereof the following: "Introduced by H. H. McNair and L. R. Baird." Strike out all of Section 6 of the Printed Bill and insert in lieu thereof the following: "6. When he has, while State's Attorney for any County in this State, or Assistant State's Attorney, or employee in the office of the State's Attorney, appeared as Attorney for the defendant or defense, in any criminal action in his County in which it is his duty to prosecute, or appeared for the defense in any criminal action in any county in which action it is his duty to prosecute."

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred Senate Bill No. 3:

For an act to amend and re-enact Chap. 70, Laws of North Dakota, 1919, same being Senate Bill No. 78, relating to the revocation or suspension of an Attorney's right to practice.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

We the committee appointed to prepare suitable resolutions relating to the recent death of Judge Engerud, beg leave to report as follows:

That the following Memorial be printed in the journal of the House and the Senate, and a certified copy thereof duly authenticated sent to his family.

That the flag on the Capitol, and other state buildings, be displayed at half mast tomorrow afternoon.

That the legislative assembly recess tomorrow from 2:30 P. M. until 3:00 P. M.

Respectfully submitted,
A. G. STORSTAD
H. J. RUSCH
ROBERT BYRNE

MEMORIAL

The North Dakota Legislative Assembly unites with the people of North Dakota in general in deploring the untimely death of Hon. Edward Engerud, a former Justice of the Supreme Court of this state. We view his departure from our midst with profound sorrow, and extend to his devoted widow and children our deepest sympathy. In his death the state has lost a noble man, an upright citizen and a great jurist. He died as he lived, engaged in unselfish service, and departed from earthly scenes as quietly as he was wont to go about in the performance of his daily duties.

We place on permanent record this memorial of our admiration for the successful lawyer, our esteem for the judge, and our love for the man. We

"Loved him because he was human—as human a man
as you'll find;
Real to the core of his being with a soul that was
blessed and kind;
Friend of the needy in trouble; cheer of the struggler
in strife;
Sowing the seeds that bring blossoms all down the
way of his life;
Gentle of speech and in manner; modest and simple
and true;
Leaving this world of ours better just for his having
passed through."

Senator Storstad moved that the report of the Special Committee be adopted.

Senator Stevens moved to amend the motion by adding "by a standing vote of the Senate," which motion prevailed and upon a standing vote of the Senate the report was unanimously adopted.

St. Paul, Minn., Jan. 10, 1921.

Hon. the Senate, the Senate of the State of N. Dak., 17th
Legislative Assembly, Bismarck, N. Dak.:

We have received orders from both the House and Senate to submit copies of our audit reports when completed to said bodies respectfully. House resolution is dated January 6 and Senate resolution January 7. We also received following communication and orders under seal and dated January 5: "This is to inform you that the State Auditing Board under

whose authority you have been working upon the books, records and accounts of the industries of the state of North Dakota is now constituted of D. C. Poindexter, William Lemke and Thomas Hall; that D. C. Poindexter has been selected secretary of such Auditing Board and that the Auditing Board has adopted a resolution directing that the secretary keep and hold all the books, records, documents, reports and property belonging to the said Auditing Board. If you have any property of the Auditing Board created under Section 369 of the Compiled Laws of No. Dak. for the year 1913, as amended, or if you have any reports to make to said State Auditing Board, kindly deliver such property and make such reports to the undersigned at his office. D. C. Poindexter, State Auditor, Secretary of the State Auditing Board."

We have today replied thereto as follows: "Hon. D. C. Poindexter, Secretary State Auditing Board, Bismarck, North Dakota. Your communication of January 5 received, and will meet with your compliance. We have been served with orders from the Senate and House to deliver copies of our report to each. Will your Board kindly authorize delivery of one copy of each report to respective bodies as ordered by them? There will be but three complete typed copies of reports available for delivery. Would be glad to submit one copy thereof to you and to have our representative meet with your Honorable body or delegated committee for explanation or discussion of our reports at time of submission or any time at your convenience at usual compensation. Respectfully suggest that it would be impractical, unnecessary and involve prohibitive expense to have entire number of staff representatives engaged on this extended audit present for examination. Respectfully request that you authorize delivery of report to you by authorized representative of our firm

Respectfully,

BISHOP, BRISSMAN AND COMPANY.

Senator Liederbach introduced the following resolution:

WHEREAS, The House of Representatives passed a resolution asking that the auditing firm of Bishop, Brissman & Company shall submit its report and audit of the Industrial institutions of the state to the speaker of the house and whereas the Senate passed a similar resolution requesting Bishop, Brissman & Company to submit its audit and report to the Senate and to submit at the same time for examination the persons who made such audit, and

WHEREAS, by initiated measures the people of this state passed a law which cannot be amended, or changed or repealed by resolution of either house except by a bill properly introduced and passed by a two-thirds majority of all members elected to both houses and the approval by the governor, which makes the State Auditors the proper parties to whom such audit is to be reported.

Therefore, I move that the President of the Senate appoint a committee of three to confer with the Auditing Board and make arrangements for receiving the report and for the examination of the members of the Bishop, Brissman Company who made the audit so that the truthfulness and correctness of said audit may be confirmed and so that the body and the

people of the state may know whether this was an honest attempt to make an audit or a political audit for the benefit of a political faction. Nothing in this Resolution shall change or affect the resolution heretofore adopted on this subject.

Senator Ployhar moved, as an amendment, that the Resolution introduced by Senator Liederbach be referred to the State Affairs Committee.

A division was called for and the motion was lost.

Senator Steel moved, as an amendment, that action on the resolution be deferred until tomorrow.

A division was called for and the motion was lost.

The question being on the adoption of the resolution introduced by Senator Liederbach.

A division was called for and the resolution was adopted.

Senator Bowman moved that the vote by which the resolution was adopted be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

The President appointed as the committee asked for in the resolution introduced by Senator Liederbach: Senators Liederbach, Church and Ployhar.

Senator Bowman moved that the Senate recess subject to the call of the President, which motion prevailed, and the Senate recessed.

The Senate reassembled, the President presiding.

At the request of Senator Bond, the courtesies of the floor were extended to J. J. Coyle of Minot.

COMMUNICATIONS

To the Members of the State Legislature from Bottineau County:

WHEREAS, The state classified high schools must admit non-resident pupils on the same basis as resident pupils; and

WHEREAS, The cost of maintaining such a high school must be borne wholly by the district in which it is located, except for a certain amount of state aid which, in the face of increasing expenses, has become practically negligible; and

WHEREAS, This condition has this year compelled Daybreak School District No. 17 to levy the maximum school tax rate and to add thereto an emergency levy for the maintenance of the Westhope High School, while neighboring districts not maintaining a classified high school and enjoying the privileges of our high school without sharing in the cost of same, may keep their school levy well below the limit; and

WHEREAS, The rate levied by this district in 1919 was 11.95 mills (equivalent to 30 mills or more on the old valuation basis) while the levy of other school districts of this county not maintaining a classified high school, was as low as 1.4 mills;

NOW THEREFORE, WE, THE UNDERSIGNED TAXPAYERS OF THE SAID DAYBREAK SCHOOL DISTRICT NO. 17, petition you to introduce, or to give your earnest support to, a bill for the more even distribution of taxation for the support of high schools; and further petition you to put forth your best efforts to secure the enactment of the same into law at the present session of the legislature.

A. N. BAUMANN
AND 58 OTHERS

**Tenth Biennial Report
of the
BOARD OF PARDONS
Period ending
December 31, 1920.
Personnel of the Board**

Lynn J. Frazier, Governor, (Ex officio)	Bismarck
A. M. Christianson, Chief Justice (Ex officio)	Bismarck
William Langer, Attorney General (Ex officio) ...	Bismarck
J. H. Solstad	Grand Forks
B. C. Okert	Garrison
Nelson A. Mason, Secretary (Ex officio)	Bismarck

To the Seventeenth Legislative Assembly of the State of North Dakota:

I have the honor to transmit herewith the Report of the Board of Pardons for the biennial period ending December 31, 1920.

Very respectfully,
LYNN J. FRAZIER,
Governor.

REPORT

During the biennial period ending December 31, 1920, four regular meetings and twenty-three special meetings were held.

Fifty-seven applications were considered as follows:

REGULAR MEETINGS

54 applications were considered at the June, 1919, meeting.

72 applications were considered at the December, 1919, meeting.

87 applications were considered at the June, 1920, meeting.

62 applications were considered at the December, 1920, meeting.

SPECIAL MEETINGS

1 application was considered at meeting held January 17, 1919.

3 applications were considered at meeting held March 10, 1919.

1 application was considered at meeting held April 5, 1919.

1 application was considered at meeting held April 21, 1919.

1 application was considered at meeting held April 22, 1919.

- 1 application was considered at meeting held April 23, 1919.
 2 applications were considered at meeting held June 18, 1919.
 1 application was considered at meeting held July 9, 1919.
 2 applications were considered at meeting held July 16, 1919.
 1 application was considered at meeting held July 18, 1919.
 8 applications were considered at meeting held August 28, 1919.
 1 application was considered at meeting held September 15, 1919.
 1 application was considered at meeting held October 23, 1919.
 1 application was considered at meeting held November 15, 1919.
 3 applications were considered at meeting held December 3, 1919.
 1 application was considered at meeting held February 10, 1920.
 7 applications were considered at meeting held February 27, 1920.
 1 application was considered at meeting held March 15, 1920.
 2 applications were considered at meeting held May 1, 1920.
 3 applications were considered at meeting held July 9, 1920.
 2 applications were considered at meeting held October 5, 1920.
 3 applications were considered at meeting held November 4, 1920.
 12 applications were considered at meeting held December 30, 1920.

REGULAR MEETING, JUNE, 1919.

At the Regular Meeting, June 2, 1919, there were applications considered and acted upon as follows:

- Pardons granted, 9.
 Conditional pardons granted, 3.
 Commutations of sentence, 14.
 Changes to indeterminate sentences,
 Restoration of Rights of Citizenship,
 Applications deferred,
 Applications denied, 28.

REGULAR MEETING, JUNE 2, 1920.

At the Regular Meeting, June 2, 1920, there were applications considered and acted upon as follows:

- Pardons granted, 2.
 Conditional pardons granted, 1.
 Commutations of sentence, 24.
 Changes of indeterminate sentence, 2.
 Restoration of Rights of Citizenship, 8.

Recommended to Board of Experts, 2.
 Applications deferred, 2.
 Applications denied, 43.

REGULAR MEETING, DECEMBER 2, 1920.

At the Regular Meeting December 2, 1920, there were applications considered and acted upon as follows:

Pardons granted, 8.
 Conditional pardons granted,
 Commutations of sentence, 9.
 Changes to indeterminate sentence, 3.
 Restoration of Rights of Citizenship, 2.
 Recommended to Board of Administration, 1.
 Applications deferred, 12.
 Applications denied, 31.

REGULAR MEETING, DECEMBER 12, 1919.

At the Regular Meeting, December 12, 1919, there were applications considered and acted upon as follows:

Pardons granted, 8.
 Conditional pardons granted,
 Commutations of sentence, 14.
 Changes to indeterminate sentence, 1.
 Restoration of Rights of Citizenship, 1.
 Referred to Board of Experts, 1.
 Applications deferred, 14.
 Applications denied, 30.

SPECIAL MEETINGS

Applications were considered and cases acted upon as follows:

Date	No. of cases considered	Disposition
Jan. 17, 1919	1	Pardon granted
March 10, 1919	3	2 Pardons granted
April 5, 1919	1	Pardon granted
April 21, 1919	1	Conditional release
April 22, 1919	1	Conditional release
April 23, 1919	1	Conditional release
June 18, 1919	2	Conditional release
July 9, 1919	1	Pardon granted
July 16, 1919	2	1 Pardon granted
July 18, 1919	1	1 Conditional release
August 28, 1919	8	1 Changed to Indeterminate sentence with recommendation for parole.
		1 Conditional release
		6 Applications denied

September 15, 1919	.....1	.....	Pardon granted
October 23, 1919	.....1	.....	Pardon granted
November 15, 1919	.....1	.....	Pardon granted
December 3, 1919	.....1	.....	Pardon granted
February 10, 1920	.....1	.....	Pardon granted
February 27, 1920	.....7	..... 7	Pardons granted
March 15, 1920	.....1	.....	Pardon granted
May 1, 1920	.....1	..... 2	Pardons granted
July 9, 1920	.....3	..... 3	Pardons granted
October 5, 1920	.....2	..... 2	Pardons granted
November 4, 1920	.....3	..... 2	Pardons granted
		..... 1	Conditional release
		..... 2	Pardons granted
		..... 1	Conditional pardon
December 30, 1920	.....12	..... 1	Restoration of Rights of Citizenship.
		..... 2	Applications deferred
		..... 6	Applications denied

Senator Church moved that the Senate recess until 1:30 P. M. tomorrow, which motion prevailed and the Senate recessed.

W. J. PRATER,
Secretary.

CALENDAR

Senate Bill No. 1.

A Bill for an Act to Amend and Re-enact Section 800 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

EIGHTH DAY AFTER RECESS AND NINTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 12, 1921.

The Senate reassembled at 1:30 o'clock P. M., pursuant to recess taken, the President presiding.

A majority of the committee on Appropriations make the following report:

Mr. President: A majority of your committee on Appropriations to whom was referred Senate Bill No. 6:

A Bill for an Act Appropriating Twelve Thousand (\$12,000) Dollars to Cover a Deficit and for the Immediate Use of the Attorney General.

Have had the same under consideration and a majority recommend that the same be amended as follows:

In the heading of the bill strike out the words and figures "Twelve Thousand (\$12,000.) Dollars" and insert in lieu thereof the words and figures "Ten Thousand (\$10,000) Dollars." In Section one following the line "Salary Assistant Attorney Generals" strike out the figures "Five Thousand (\$5,000.) Dollars" and insert in lieu thereof the figure "Two Thousand (\$2,000.) Dollars." Below the line "Clerk Hire and Stenographers" insert line reading "Traveling Expenses \$1,000.00." Strike out all after the word "for" in section one and insert in lieu thereof "the defense of the following, the railway rate case, grain grading case, bond and stock tax case, flood case, and railway tax case, and other litigation which is now pending which will come up within the next six months and which must be taken care of before the new appropriation becomes effective \$5,000.00."

And when so amended recommend the same do pass.

SEN. W. J. CHURCH,
Chairman.

E. A. BOWMAN,
CHRIST LEVANG,
JOHN L. MIKLETHUN,
ROBERT BYRNE,
R. W. PATTEN,
JOHN E. FLECKTEN,
A. A. LIEDERBACH,
JOHN NATHAN,
P. A. GARBERG.

A minority of the committee on Appropriation made the following report:

A minority of your committee on Appropriation to whom was referred Senate Bill No. 6. A Bill for an Act Appropriating \$10,000.00 to Cover a Deficit and for the Immediate Use of the Office of the Attorney General, have had the same under consideration and a minority recommend that the same be indefinitely postponed.

A. G. STORSTAD,
NILS PETTERSON,
C. W. CAREY,
J. E. STEVENS,
FRED VAN CAMP,
R. J. GARDINER.

Senator Church moved that the report of the majority be adopted.

Senator Storstad moved, as an amendment, that the word "minority" be substituted for the word "majority," which motion was lost.

The question being on the adoption of the majority report the motion prevailed and the report was adopted.

Senator Gardiner moved that the Senate do now adjourn, which motion prevailed, and the Senate adjourned.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Postlethwaite.

Roll was called, all Senators being present.

The committee on revision and correction of the journal made the following report:

Mr. President: Your committee on revision and correction of the journal have carefully examined the Journal of the Eighth day and recommend that the same be corrected as follows: On page 2 strike out line 4.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

In accordance with the Resolution of the Special Committee the Senate recessed from 2:30 until 3 o'clock P. M., in honor of the late Judge Edward Engerud.

The Senate reassembled, the President presiding.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 6. A bill for an act Appropriating Ten

Thousand Dollars (\$10,000) to cover a deficit and for the immediate use of the office of the Attorney General, and find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 1. A bill for an act to amend and re-enact Section 800 of the Compiled Laws of the State of North Dakota for the year 1913 as amended by Chapter 70, Session Laws 1919, relating to the Revocation or Suspension of an Attorney's right to Practice, and find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Rusch introduced:

Senate Bill No. 12: A Bill for An Act to Amend and Re-Enact the Concentrated Feeding Stuff Law of North Dakota the same Being Article 43, Sec. 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Thorson introduced:

Senate Bill No. 13: A Bill for an Act to Amend and Re-Enact Section 4557 of the Compiled Laws of the State of North Dakota, for the Year 1913, Relating to the Increasing or Diminishing of the Capital Stock of Corporations.

Was read the first and second time and referred to the committee on Corporations.

Senator Church asked the unanimous consent of the Senate to amend Senate Bill No. 6 as follows: After the word salary and before the words Assistant Attorneys General insert the word "three."

Which consent was not granted.

SENATE ROLL CALL

Senate Bill No. 6:

A Bill for an Act Appropriating Twelve Thousand (\$12,000) Dollars to Cover a Deficit and for the Immediate Use of the Attorney General.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 26, nays 23, absent and not voting 0.

AYES: Baker, Benson, Berg, Bowman, Byrne, Church, Etestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

NAYS: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the bill passed and the title was agreed to.

Senator Baird: Now I am perfectly willing that the Attorney General should have all the money that is necessary to carry on the duties of his office and I believe that he should have the power to name his assistants, but I certainly object to the language of this bill and I object to any bill which is filled with propoganda and it seems to me this bill is filled with propoganda. It is alleged in this bill that there is a deficiency. We have nothing before us to show that there is a deficiency and as a matter of fact there is a surplus and for these reasons I am compelled to vote "no."

Senator Church: Evidently there is some misconception on this bill and I explain my vote for the benefit of those that cannot follow the bill. I vote on this for this reason that the Attorney General in the last six months was paid out of his expenses, \$10,923.29, and \$4,470.00 on bills not paid, besides the special appropriation of over \$15,000 by H. B. 39 and H. B. 13 for the Governor for Special Attorneys, and \$7,716.00 on the same paid for litigation, making \$38,340.00 paid out for litigation on the part of the state and the remaining money in the fund is only \$7,550.00 according to Auditor's statement. After his traveling expenses are deducted there is a deficit. Is not money necessary to carry on the duties of this office, and there is needed at this time to take care of this state, therefore I vote "aye."

Senator Kendall: I was on that appropriation committee and it was proved that there was \$3,500 and I think that is not enough to carry on the work of that office.

Therefore I vote "aye."

Senator Mees: I have always in my experience in all legislation voted consistently in any matters that was under discussion to be voted upon. I have always contended and maintain now, Mr. President, that all of the State's litigation involved by the state should be centralized in the Attorney General's Department. I heartily agree with the gentlemen from Benson that there has always been too much money spent for State litigation for Attorney's fees. I hope there isn't anyone in this house that would accuse me of being a personal friend of the Attorney General. I am in favor of making this and in favor of accepting the recommendation of the present Attorney General on that score. However, before I would support that appropriation I insist that the privilege which gives the Governor the right to appoint special assistants to the Attorney General be repealed and all litigation be centered in the Attorney General's department.

Senator Whitman: For the same reasons as explained by Senator Mees, I vote "no."

SENATE ROLL CALL

The question being on the final passage of the Emergency Clause on Senate Bill No. 6. The roll was called and there were ayes 26, nays 23, absent and not voting 0.

AYES: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

NAYS: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the Emergency Clause lost.

Senator McNair asked the unanimous consent of the Senate to amend Senate Bill No. 1 as follows: Change the words Sec. 7 to Sec. 2, which consent was granted and the bill so amended.

SENATE ROLL CALL

Senate Bill No. 1:

A Bill for an Act to Amend and Re-enact Section 800 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 49, nays 0, absent and not voting 0.

AYES: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the bill passed.

Mr. Carey moved that the vote by which Senate Bill No. 1 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Fleckten moved that the vote by which Senate Bill No. 6 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Bowman moved that the title to Senate Bill No. 1 be agreed to, which motion prevailed.

The committee on Joint Rules made the following report:

JOINT RULES

1. Each House shall transmit to the other all papers on which any bill or resolution shall be founded.

2. When a bill or resolution which shall have passed in one House is rejected in the other, notice thereof shall be given to the House in which the same may have passed.

3. Messages from one House to the other shall be communicated by the Secretary of the Senate and Clerk of the House of Representatives, unless the House transmitting the message shall especially direct otherwise.

4. It shall be in the power of either House to amend any amendment made by the other to any bill or resolution.

5. In every case of a difference between the two Houses upon any subject of legislation, if either House shall request a conference and appoint a committee for that purpose and the other House shall also appoint a committee, such committee shall meet at such hour and place as shall be agreed on by the Chairmen; and state to each other, verbally, or in writing, as either may choose, the reasons of their respective Houses, and confer freely thereon; and they shall be authorized to report to their respective Houses such modifications as they think advisable.

6. It shall be in order for either House to recede from any subject matter of difference existing between the two Houses at any time previous to a conference, whether the papers on which difference has arisen are before the House receding formally or informally, and a majority shall govern, except in cases where two-thirds are required by the Constitution, and the question having been put and lost, shall not be again put the same day, and the consideration thereof in other respects shall be regulated by the rules of the respective Houses.

7. After each House has adhered to its disagreement and the bill which is the subject of difference shall be deemed lost, it shall not be again revived during the same session in either House, unless by consent of three-fourths of the members present of the House reviving it.

8. The same bill shall not create, renew or continue more than one incorporation, nor contain any provision in relation to the altering of more than one act of incorporation, or shall the same bill appropriate public money or property for more than one purpose. Any bill appropriating moneys for the payment of the officers of the government shall be confined to that purpose exclusively.

9. No duplicate of any bill, which may have been introduced and printed by one House shall, upon introduction into the other House, be printed by said other House, except by a two-thirds vote of all the members present.

10. Whenever a time shall have been previously fixed for an adjournment of the Legislature before the constitutional limitation thereof, no bill that shall have passed one House shall be sent for concurrence to the other on either of the

last four days of the session, and in case no such time for adjournment is fixed, other than the constitutional limitation, no bill that shall have passed one House shall be sent to the other for concurrence after the 50th day of the session.

11. The Committee on Enrolled Bills in each of the two Houses shall act jointly in the examination of all bills and resolutions before their presentation to the Governor, either as a body or by such respective sub-committees as such committees may appoint for that purpose.

12. Whenever both Houses, by the constitutional vote, direct that any act or resolution shall take effect immediately or at any time before July 1, following the session of the Legislature, a proviso shall be added at the enrollment of the same in words to this effect: "This act shall take effect immediately (or in days)."

13. Every resolution by which any money or other property of the state shall be donated or appropriated, or by which any expense to the state shall be incurred, or which shall have an operation or effect outside of the two Houses of the Legislature, except such appropriation and expenses as shall be for the exclusive use, necessity or convenience of the Legislature, shall be either a joint or concurrent resolution, and shall take the same course as a bill, and shall be enrolled and presented to the Governor for his signature before the same shall take effect.

14. Either House shall return any bill or resolution called for by resolution of the other House, if the bill or resolution is yet in possession of the House called upon, and no action thereon has been had. In case action has been had, then it shall require a two-thirds vote of the House asked to return a bill or resolution called for.

Senator E. A. Bowman moved that the report be adopted which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Fleckten introduced:

Senate Bill No. 14: A Bill for An Act to Amend and Re-Enact the Inspection and Regulation of Nurseries; the Same Being Article 35 of the Political Code of the Compiled Laws of North Dakota for 1913; Chapter 196, Session Laws of 1911.

Was read the first and second time and referred to the committee on Agriculture.

Senator Kendall moved that the Senate do now adjourn, which motion prevailed.

W. J. PRATER,
Secretary.

TENTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 13, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Postlethwaite.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Eighth Day after recess and Ninth Day, and recommend that the same be corrected as follows: On page 3 line 32 strike out the words "corporations for" and insert in lieu thereof the words "a bill for." Page 4 after line 36 insert the following "therefore I vote aye."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Recording Clerk.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Kendall asked that his explanation of vote in yesterday's Journal be corrected to show \$3,500 instead of \$7,500 where that figure appears in his explanation which request was granted.

Senator Mees offered the following as a correction to his explanation of vote in yesterday's Journal and moved that it be printed in the Journal:

Mees: I have always in my Legislative experience endeavored to vote consistently on all matters under discussion and upon which I voted.

I have always contended and maintain now, Mr. President, that all of the State's litigation involving the State's interests should be centralized in the Attorney General's department and believe in making that department efficient in every detail.

I heartily agree with the gentleman from Benson that there has been entirely too much money spent for State litigation the past six months in attorney fees.

I hope and trust that there isn't anyone in this house that would accuse me of being a personal friend of the present incumbent. However, notwithstanding this fact, Mr. President, I wish to go on record as favoring a proposition which will make that department efficient in every detail and am willing to accept the recommendations of the present Atty. General on that score.

However, before I would support such a proposition, I insist that the privilege under the Bank Act as well as other so-called Industrial Measures, which gives the Governor the right to appoint special assistants without the consent of the Attorney General, must be repealed.

This bill has no such provision, therefore I vote "no."

The question being on the motion by Senator Mees, the motion prevailed.

COMMUNICATIONS

CAVALIER COUNTY North Dakota.

Hon. W. H. Porter,
Bismarck, N. Dak.,

Langdon, N. D., January 11, 1921

Dear Sir: We, the County Commissioners of Cavalier County, believing that the present law on the Sheriffs mileage and livery is very unjust; we respectfully petition you to see if some bill cannot be passed which will give the Sheriff a set price for mileage which will be enough to pay the necessary expenses without having the livery attached.

We do not believe that the Sheriff should get both livery and mileage. Kindly look into this matter and see if you can get some bill through that will simplify the Sheriff's expenses.

Yours very truly,

SAM IVERSON, Chairman,
and Four Others.

Senator Church presented the following communication:

RESOLUTIONS

At a mass convention held by the Nonpartisan County Organization of Benson County the following resolution was passed and the secretary was directed to forward a copy to the members of the Legislative Assembly representing Benson County to-wit:

Resolved, "That the Members of the Legislative Assembly of Benson County be and they are hereby requested to use their best endeavor in having introduced and passed a law prohibiting the storage of grain in local elevators by persons having grain for sale. Provided elevators operated by the Society of Equity in this state, shall be exempt from the provisions of this law."

The reasons given for the desiring of the passage of this law is that the local elevators, when grain is stored therein, immediately ship the same out, and it is used by terminal elevators and speculators to aid in the control of the market; whereas if the terminal markets did not have the actual wheat with which to manipulate the market, they would be unable to dictate the prices for which grain must be sold.

The reason for exempting the Society of Equity from the provision of such a law as we understand it, the grain delivered to the local Society of Equity, is shipped direct to the terminal elevators of the Society of Equity where it is held and not thrown on the market.

Dated this 11th day of January, 1921.

Committee of Resolutions:

(Signed) CARL NORDHAGEN,
WALTER G. McDONALD,
ROY LONG.

The committee on Enrollment and Enrossment made the following report:

Mr. President: Your committee on Enrollment and Enrossment have examined the following bills:

Senate Bill No. 1:

A Bill for an Act to Amend and Re-enact Section 800 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

And find the same correctly reengrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Mileage and Per Diem made the following report:

Mr. President: Your committee on Mileage and Per Diem to whom was referred Mileage for Senate Members, have had the same under consideration and recommend that the same be adopted.

Name and Address.	N. P.	G. N.	Soo.	Milwaukee.	Team.	Total.
1. Fred Van Camp, St. Thomas.....	388	266	...	...	...	654
2. John E. Fleckten, Kenmare.....	...	...	482	...	...	482
3. Christ Levang, Park River.....	388	286	...	...	...	674
4. P. I. Murphy, Grafton.....	730	...	...	...	...	730
5. J. E. Eastgate, Larimore.....	388	212	...	...	10	610
6. W. S. Whitman, Grand Forks.....	388	156	...	...	...	544
7. P. O. Thorson, Grand Forks.....	388	156	...	...	...	544
8. H. H. McNair, Portland.....	388	122	...	...	14	524
9. H. J. Rusch, Fargo.....	388	...	...	...	...	388
10. A. G. Storstad, Horace.....	412	...	...	...	6	413
11. Peter McLachlin, Hunter.....	388	68	...	...	...	456
12. E. M. Nelson, Fairmount.....	274	...	192	...	10	476
13. Nels Petterson, Gwinner.....	44	...	312	...	...	356
14. Peter A. Berg, Englevale.....	340	...	...	...	8	348
15. Frank E. Ployhar, Valley City.....	274	...	...	...	...	274
16. John L. Miklethun, Wimbledon...	274	...	54	...	16	344
17. R. J. Gardiner, Brocket.....	388	308	...	...	10	706
18. W. H. Porter, Calvin.....	388	416	...	...	...	804
19. John W. Benson, Rolette.....	388	464	...	...	...	852
20. Wm. J. Church, York.....	388	410	...	...	27	825
21. J. E. Stevens, Lawton.....	388	324	...	...	...	712
22. D. J. Beisel, Newville.....	388	416	...	...	...	804
23. Alfred Steel, Jamestown.....	204	...	...	...	...	204
24. E. A. Bowman, Kulm.....	...	...	220	...	...	220
25. T. J. Kelsch, Fullerton.....	...	...	278	...	12	290
26. C. A. Ward, Hazelton.....	92	...	...	...	14	106
27. Lynn W. Sperry, Bismarck.....	...	...	...	...	16	16
28. A. M. Hagan, Westhope.....	388	586	...	...	5	979
29. Walter R. Bond, Minot.....	274	...	366	...	...	640
30. F. W. Mees, Mandan.....	20	...	...	...	...	20
31. L. R. Baird, Dickinson.....	230	...	...	...	...	230
32. O. H. Olson, New Rockford.....	326	...	...	...	20	346
33. Jas. A. Wenstrom, Dover.....	306	...	...	...	2	308
34. E. H. Kendall, Norwich.....	274	34	366	...	4	678
35. John Nathan, Goodrich.....	386	...	...	...	8	394
36. Jacob Schrenk, Ashley.....	...	...	186	...	...	186
37. C. W. Carey, Lidgerwood.....	...	...	404	...	20	424
38. C. H. Noltimier, Valley City.....	274	...	...	...	...	274
39. Gust Wog, Belfield.....	270	...	...	...	36	306
40. Ralph Ingerson, Flaxton.....	274	...	512	...	6	792
41. Robert Byrne, Arnegard.....	552	50	...	...	...	602
42. Andrew Oksendahl, Tunbridge...	388	448	...	...	10	846
43. B. F. Baker, Glenburn.....	274	88	366	...	6	734
44. R. W. Patten, Plaza.....	...	...	236	...	14	250
45. Ole Ettestad, Balfour.....	...	...	296	...	10	306
46. R. L. Fraser, Garrison.....	...	...	156	...	...	156
47. O. C. Gross, Stebbins.....	190	...	...	...	44	234
48. A. A. Liederbach, Killdeer.....	256	...	...	...	...	256
49. P. B. Garberg, Hettinger.....	520	...	306	...	8	826

J. E. EASTGATE,

Chairman.

GUST WOG,

JOHN E. FLECKTEN,

Mr. Eastgate moved that the report be adopted, which motion prevailed and the report was adopted.

The majority of the committee on State Affairs make the following report:

Mr. President: Your committee on State Affairs to whom was referred Concurrent Resolution relating to a Joint Committee to propose legislation, introduced by Senator Baker, have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.
JAMES A WENSTROM,
JOHN E. FLECKTEN,
JOHN L. MIKLETHUN,
A. A. LIEDERBACH,
H. H. McNAIR,
O. C. GROSS,
JOHN W. BENSON,
B. F. BAKER,
E. A. BOWMAN,

A minority of the committee on State Affairs made the following report.

Mr. President: A minority of your committee on State Affairs to whom was referred Concurrent Resolution introduced by Senator Baker, have had the same under consideration and recommend that the same be indefinitely postponed.

W. H. PORTER,
ALRED STEEL,
P. J. MURPHY,
W. R. BOND,
FRANK E. PLOYHAR,
P. O. THORSON,
C. W. CAREY,

Senator Olson moved that the report of the majority be adopted.

Senator Ployhar moved that the motion be amended by substituting the word "minority" for the word "majority" which motion was lost.

SENATE ROLL CALL

The question being on the adoption of the majority report of the Committee on State Affairs, the roll was called and there were ayes 25, nays 24, absent and not voting 0.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, McLachlin Mees, Murphy, Nelson Petterson, Ployhar, Porter, Rusch, Schrenk, Speery, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the report was adopted.

INTRODUCTION FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Ettestad introduced:

Senate Bill No. 15: A Bill for an Act to Amend and Re-enact Section 1340, Compiled Laws of North Dakota for 1913, Relating to Proposals for Building School Houses.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Miklethun introduced:

Senate Bill No. 16: A Bill for an Act Providing for a Reward for the Arrest and Conviction of Persons Charged with the Violation of the Prohibition Laws of this State and for Appointment of Special Deputy Sheriffs to Enforce such Prohibition Laws.

Was read the first and second time and referred to the Committee on Temperance.

Mr. Byrne introduced:

Senate Bill No. 17: A Bill for an Act to Appropriate \$10,000 to Aid in the Educational Work Being Carried on by North Dakota Tuberculosis Association, and the Prevention of the Spread of Tuberculosis more Definitely Prescribed in Chapter 7 of the Session Laws of North Dakota for the year 1915, for the Salary and Traveling Expenses of Field Workers and Nurses.

Was read the first and second time and referred to the committee on Appropriations.

Senator Whitman asked the unanimous consent of the Senate to withdraw Senate Bill No. 2 from Committee and substitute another bill in its place, which consent was granted.

Senator Whitman moved that two thousand additional copies of Senate Bill No. 2 be printed for distribution.

SENATE ROLL CALL

The question being on the motion by Senator Kendall that two thousand extra copies of the substituted Senate Bill No. 2 be printed for distribution, the roll was called and there were ayes 49, nays 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the motion prevailed.

The substituted Senate Bill No. 2 was read the first and second time and referred to the Committee on Highways.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Messrs. Church and Miklethun introduced:

Senate Bill No. 18: A Bill for an Act to Amend and Re-enact Chapter Six, Session Laws 1919, as Amended by Special Session Laws 1919 Relating to the Licensing, Regulating and and Billiard Rooms, Ball and Pin Alleys, Dance Halls, Theaters, Moving Picture Shows, Taxicab or Auto Livery, Places where Soft Drinks are Manufactured or Sold or where Cigars and Tobacco are Sold, or Public Hall, owned Privately and Used for Public Purposes; Providing Fees therefor, Inspectors, Office Help and Supplies Thereof; Defining Powers and Duties and Repealing all Acts and Parts of Acts Inconsistent Therewith.

Was read the first and second time and referred to the committee on Ways and Means.

Senator Hagan moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

ELEVENTH DAY

Senate Chamber,
Bismarck, North Dakota,
January, 14, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by Chaplain, Rev. Postlethwaite.

The roll was called, all Senators being present.

Senator Church moved that the report of the Committee on Revision and Correction of the Journal be deferred, which motion prevailed.

HOUSE CHAMBER,

Bismarck, N. D., January 14, 1921.

Mr. President: I have the honor to transmit the following Joint Resolution:

WHEREAS, the agricultural producers of this State, and of the Nation generally, have been needlessly and unjustifiably deprived of fair returns from their labor and investment during the past season because of the unwarranted slump in grain prices, largely attributable to unfair marketing conditions and particularly due, as is generally supposed, and as we verily believe, to the vicious practice of speculating in grain and other food products; and

WHEREAS, immediate and drastic action is necessary in order to relieve this situation and encourage the farmers of the nation to increase the productiveness of the soil to its highest state; and

WHEREAS, the evil of grain gambling prevails over so large a territory that it is impossible to suppress it by State measures:

THEREFORE, BE IT RESOLVED, that the Legislative Assembly of the State of North Dakota hereby demands of the Congress and strongly urges that it enact such stringent and effective measures as shall entirely suppress short selling of grain and food products of all kinds to the end that the price of such products may be regulated and controlled by the supply and demand of such products, without artificial interference from any source:

BE IT FURTHER RESOLVED, That the Chief Clerk of the House and the Secretary of the Senate be instructed to forward copies of this resolution to our Senators and Representatives in Congress and that copies also be sent to the Federal Board of Farm Organizations and the American Federation of Farm Bureaus at Washington, D. C.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Mr. Bowman moved that the resolution be referred to the Committee on Agriculture, which motion prevailed.

Senator Gardiner presented the following communication:

Lakota, N. D. Jan. 8, 1921.

To Hon. R. J. Gardiner,
Bismarck, No. Dak.

Dear Sir: We, the undersigned, County Officials of Nelson County, N. D., do hereby petition you for your support on the salary bill for County Officials, which a copy of said bill is enclosed. This bill has been approved by most of the county officials of the State and will be introduced at this session of the Legislature.

We know that the prices on certain commodities pertaining to our cost of living has dropped in price, but only about 35% so far according to the Government figures, and are still 55% higher than they were on August 1st, 1914, and the chances are that when the money stringency is over and business becomes normal again the prices will advance to some extent and never will be the same as in pre-war times, and we feel justified in asking this raise.

All other labor has had their salary raised. Farm help has been raised from \$35 or \$40 per month to \$75 or \$90 per month in the last five years. The County Commissioners of Nelson County have raised the salary of the deputy county officials from \$80 per month to \$110 per month in the last three years, except the deputy sheriff and deputy superintendent of schools. These two deputies salaries are set by law.

The salary of the county officials has not been raised for the last eight or ten years, except the law of 1915 which raised two of the officials and lowered three, making less expense for the county. Now, let us figure what the actual cost would be for the farmer if our salary was raised according to this bill. There are practically 4,000 quarter sections of land in Nelson county, and if the farmer had to pay this raise alone, the actual cost on each quarter section of land would be only about \$1.40, just about the price of a good meal at the hotel when you treat your friend to a dinner, but this \$1.40 would be cut down to about to \$1.25 when you would figure in the taxes derived from the cities, towns, railroads and other properties which help to pay the taxes.

We do not want our legislative members to feel that we are trying to slip something over on them. We are financially in need of this raise or we would not be asking this of you. We know that you do not want us to have less than a fair living wage.

Hoping that you will feel that we are justified in our petition and that you will support the salary bill when it comes up for passage.

HENRY TELANDER,
County Auditor.
And Six Others.

Mr. Mees introduced a Concurrent Resolution:

BE IT RESOLVED, By the Senate of the State of North Dakota, the House of Representatives concurring:

WHEREAS, Crops in the vicinity of and on the Standing Rock Reservation, located in the states of North and South Dakota, have been practical failures during the past three years; and

WHEREAS, Under and pursuant to the proclamation of the President of the United States, under date of March 18, 1915, approximately twenty-five hundred settlers made entries upon the lands of said Standing Rock Reservation and have settled and made homes thereupon; and

WHEREAS, On account of aforesaid crop failures and losses sustained in stock raising practically all of said entrymen are in default in their payments to the government of the United States on account of said entries; and

WHEREAS, No provision is made for the extension of time for the payment of said installments upon said entries in meritorious cases under the provisions of the Act of Congress of February 14, 1913, as is disclosed by the Department of the Interior circular No. 680; and

WHEREAS, Under and by virtue of a ruling of the Department of the Interior as disclosed by said Department of the Interior Circular No. 680, Registers and Receivers of the federal land offices located at Bismarck, North Dakota, and Lemmon, South Dakota, have been instructed as follows:

"You are directed, therefore, in all cases where payments are now due and unpaid, and where payments hereafter become due and are not paid, to serve notice on the entrymen, of the defaults, and that in the event of their failure to make the payments in the time allowed by you for that purpose, you will report their entries to this office, for cancellation.

"You will allow a period of 60 days from receipt of notice for the payment of sums now due and unpaid; but in all cases where payments hereafter become due and are not paid, you will require the payments to be made within a period of 30 days from receipt of notice."

NOW, THEREFORE, BE IT RESOLVED, By the Legislative Assembly of the State of North Dakota assembled in regular session that by virtue of the foregoing facts and

circumstances great hardships and misfortunes will be and are being endured and suffered by such entymen to the great detriment of the states of North and South Dakota, and the citizens thereof;

Therefore we respectfully urge the National Congress in session assembled to immediately consider and relieve this most deplorable condition by proper legislation;

BE IT RESOLVED FURTHER, That the Secretary of State of the State of North Dakota be requested to forward copies of this Concurrent Resolution immediately upon its passage and approval to the President of the Senate of the United States and the Speaker of the National House of Representatives at Washington, D. C., and to the members of the Senate and the House of Representatives of the National Congress from the States of North and South Dakota.

Which was read the first and second time and referred to the Committee on Federal Relations.

Senator Mees moved that suspension of the rules be made that this may be put on final passage immediately in order to expedite the matter.

Senator Liederbach amended Senator Mees' motion by referring same to the Committee of Federal Relations.

Senator Hagan moved that it be further amended that that committee meet and report to the Senate as soon as possible.

Senator Liederbach accepted the amendment.

The question being on the amendment of Senator Liederbach, the motion prevailed.

The question being on the original motion as amended, the motion prevailed.

THIRD READING OF SENATE BILLS

The question being on the adoption of the Concurrent Resolution introduced by Senator Baker, the roll was called and there were 25 ayes and 24 nays, absent and not voting 0.

SENATE ROLL CALL

Ayes: Baker, Benson, Berg, Bowman, Byrne Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltmier, Olson, Oksendahl, Patten, Ward Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the resolution was adopted.

Mr. Wenstrom moved that the vote by which this resolution passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Baird: I think the bill as drawn is in the nature of a steering committee and I don't think that at this time there is any necessity for this, and furthermore I object to

the language of the bill which draws the personnel of the committee. I feel that if this resolution goes through it is against the honesty and integrity of this body, therefore I vote "no."

Senator Bond: I think that this resolution was introduced with the best intentions but I have always been against committees of this nature. This committee is really a delayed bill, sometimes known as a steering committee. I had a horror of committees of this kind when I came to the Legislature ten years ago and I am still of the same mind and for that reason I vote "no."

Senator Stevens: I am opposed to any Resolutions that contain the names Nonpartisan, Republican or Democratic parties. We are here to legislate for the people of North Dakota and therefore I vote "no" on a proposition of that kind.

Senator Gardiner moved recess subject to the call of the chair, which motion prevailed.

The Senate reassembled, the President presiding.

REPORTS OF STANDING COMMITTEES

The Committee on Federal Relations made the following report:

Mr. President: Your Committee on Federal Relations to whom was referred Senate Bill No. 19, a Concurrent Resolution, introduced by Senator Mees, Memorializing Congress to pass legislation remedial to financial stress relating to entrymen of Standing Rock Reservation in the states of North and South Dakota, have had the same under consideration and recommend that the same do pass.

R. J. GARDINER,
Chairman.

Mr. Gardiner moved that the report be adopted, which motion prevailed and the Report was adopted.

Senator Baker moved that the rules be suspended in so far as is necessary to place the Concurrent Resolution on third reading and final passage immediately, which motion prevailed.

SENATE ROLL CALL

The question being on the final passage of the Concurrent Resolution introduced by Senator Mees, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Nelson.

So the Concurrent Resolution passed.

Senator Mees moved that the vote by which Senate Bill No. 19 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The Committee on Judiciary made the following report:

Mr. President: Your Committee on Judiciary to whom was referred Senate Bill No. 11, A Bill for an Act Amending and Re-enacting Sec. 10251 of the Compiled Laws of North Dakota for the year 1913, relating to unlawful obligations in writing, have had the same under consideration and recommend that the same be amended as follows: In Sec. 3, line 1, strike out the word "Repealed" and insert in lieu thereof the word "Repeal."

And when so amended recommend the same do pass.

P. B. GARBERG,
Acting Chairman.

Mr. Garberg moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Mees moved that the Journal of the Tenth day be corrected as follows: On page 4 line 30 of the report, change the figure "126" to "20" where the figure occurs and the address be changed to Mandan from Glen Ullin.

The courtesies of the floor were extended to the following: Gertrude Gibbens, Cando; Walter Welford, Pembina; J. N. Muehl, McClusky; Jacob Keamm, Schafer; K. Glorwick, Dunn County; Donald Dike, Grafton; Ole Kaldor, P. Aarhus, M. Brunswold, Traill; Luella Marcott, Rollette County; E. B. McCutcheon, Minot; Mr. Watsler, T. E. McClure, T. H. H. Thorson, Dunn County; F. H. Talcott, Fargo; W. J. Hoover, Grafton; H. A. Sundeen, Gerald Nye, Cooperstown; P. O. Sathre, Finley; Hampton Lyness, Sennes Nertrout, Fessenden; Mrs. Gross, Mrs. Cahill; H. J. Hansen, Leeds; T. E. Lawler, Anton Larson, Hollis Steadman, Temvik, N. Dak.; S. J. Boyd, Langdon; Mrs. M. K. Meitz, Richland County; Feetham McManus, Grand Forks; F. F. Burchard; E. J. Marks, Flaxton; H. C. Berg, E. H. Kendall, P. E. Schey, New Rockford; H. P. Halvorsen, Sheyenne; M. C. Stensley, Sheyenne; W. A. McClure, Dickinson; C. A. A. Cavett, H. D. Cross, Mrs. Ethel Mertz, Richland County; S. B. Eidsmoe, Stanley, N. Dak.; H. F. Samuels, Samuels, Ida., and all county superintendents of the state.

Senator Church moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

TWELFTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 15, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Postlethwaite.

The roll was called, all Senators being present except Senator Noltmier.

The Committee on Revision and Correction of the Journal made the following report:

Mr. President: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the tenth day and recommend that the same be corrected as follows: On page 1 line 30 change the word "experienced" to "experience." Page 4 line 30 of the report change the name "Glen Ullin" to "Mandan" and the figure "126" to "20" where it appears in the line. Page five before line 21 insert "a minority of." In line 22 change the word "majority" to "minority." Page 6 line 34 insert the words "the substituted" before the word "Senate."

R. W. PATTEN,
Chairman.

And when so corrected recommend that the same be approved.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Stevens presented the following communication:

Crary, North Dakota.

To the Members of the Legislature from Ramsey County:

We, the undersigned taxpayers of the Wheatland School District, No. 3, petition you to introduce and use your best efforts to have passed at the next session of the legislature a bill to more evenly distribute the taxation for maintaining high schools in villages or rural districts. As it is now, a few are burdened with heavy taxation, and others receive the same benefit with practically no tax. In districts where high schools are maintained, it costs \$1.00 per acre per year or more, for tax, while in adjoining school districts the tax

on the land is about 40c per acre per year. The high school must educate the pupils of the adjoining districts.

We ask that either the state levy a tax and maintain a fund to defray all expenses of the rural and village high schools and have the state decide where such high schools should be located, or that the state should be redistricted and the high schools given enough territory to lessen the tax burden for them.

H. S. POND, and Fourteen Others.

The Committee on Enrollment and Engrossment made the following report:

Mr. President: Your Committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 11: A Bill for an Act Amending and Re-enacting Section 10251 of Compiled Laws of North Dakota for the Year 1913. Relating to Unlawful Obligations in Writing.

And find the same correctly engrossed.

A. G. STORSTAD.
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Garberg moved that all absent Senators be excused, which motion prevailed.

Senator Wenstrom moved that Senate Bill No. 11 be referred to the Judiciary Committee, which motion prevailed.

Senator Nathan moved that the courtesies of the floor be extended to John Beck of McClusky, which motion prevailed.

Senator Church moved that the courtesies of the floor be extended to Mr. H. Lyness of Fessenden.

Senator Benson asked that the courtesies of the floor be extended to Otto Simonson of Agate, N. D., which request was granted.

Senator Mees moved that the Senate recess subject to the call of the President, which motion prevailed.

The Senate reassembled, the President presiding.

The Committee on Revision and Correction of the Journal made the following report:

Mr. President: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the Eleventh day and recommend that the same be corrected as follows: On page 4 line 23 strike out the word "if" and insert in lieu thereof the words "it be further." Line 24 change the word "read" to "meet." After line 25 insert the following: "The question being on the amendment offered by Senator Liederbach, the motion prevailed. The question being

on the original motion as amended the motion prevailed." Page 5 line 5 before the word delayed insert "Committee on." Strike out lines 15 and 16. On page 6 following the words "Samuels, Ida.," add "and all county superintendents of the state."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The Committee on Ways and Means made the following report:

Mr. President: Your Committee on Ways and Means to whom was referred Senate Bill No. 15: A Bill for an Act to Amend and Re-enact Sec. 1340, Compiled Laws of 1913, of the State of North Dakota, Relating to Proposals for Building School Houses; have had the same under consideration and recommend that the same do pass.

J. A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The Committee on Agriculture made the following report:

Mr. President: Your Committee on Agriculture to whom was referred Joint Resolution, have had the same under consideration and recommend that the same be amended as follows, in paragraph 4: THEREFORE, BE IT RESOLVED, that the Legislative Assembly of the State of North Dakota hereby petition Congress and strongly urges that it enact such stringent and effective measures as shall entirely suppress short selling of grain and food products of all kinds.

And when so amended recommend the same do pass.

OLE ETTESTAD,
Chairman.

Mr. Ettestad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Liederbach introduced the following resolution:

WHEREAS, On January 7, 1921, a committee appointed by the bankers and the bankers' association of the State of North Dakota conferred with the administration and the Industrial Commission relative to the sale of state bonds and submitted the following proposition in writing:

"The bankers have ascertained the conditions under which those bonds could now be sold by them, and with those conditions before them, make the proposition * * *

"To bring this about, it would be necessary on the part of the administration—

“To limit the operation of the Bank of North Dakota to the administration of state, state institutions, and state industry finances, farm loan and farm loan bonds.’

“To procure the enactment of a new depository law for counties, townships, school districts, boards of education, villages, and cities, making every going bank a permanent public depository, and fixing the rate of interest by statute, providing also for publicity as an assurance that deposits would be properly distributed.’

“Provided some assurance to the public that the so-called farmers’ industrial program will be confined to the Grand Forks Mill and Elevator, to the Drake Mill and the Bank of North Dakota, and that no state indebtedness other than the above be created until the success of the industries be assured.’

“To confer with attorneys for bond buyers at an early date, and if any or new amendatory legislation, or order of the industrial commission is required, to make the bonds more readily marketable, to see that it is provided;’ and

WHEREAS, The Governor of the State and the members of the Industrial Commission had the honor, integrity and courage to preserve the independence and the right of the people of North Dakota to make their own laws without being dictated to by outside financial interests and refused the proposition to sell the sovereignty of the State in the following language:

“We wish to assure the Committee that we appreciate the interest it has taken in this matter. The proposition, however, cannot be honorably considered by the commission for the reason that it is a plain attempt on the part of the financial interests, presumably ‘Wall Street’ financiers to dictate the political, financial and industrial policies of the State of North Dakota, and requiring a surrender of the sovereign powers of the state to manage its own affairs, and to permit the dictation and interference with the independence and liberty of the free people of a sovereign state. The time has not yet arrived when any group, no matter how powerful financially, can dictate to this state how to manage its own affairs. Every state in the Union is guaranteed a republican form of government under our constitution. The officers of the state, even though elected by the people, have no authority to surrender its sovereignty. Rights once surrendered are seldom if ever regained. We are satisfied that any group of men that would exact such a surrender and arrogate to themselves the prerogative of making the laws for the people of the state would rule with a tyrannical hand.

“The Bonds of North Dakota can and will be sold without a surrender or compromise of this nature. We are satisfied that your committee did not expect the industrial commission to accept the terms and conditions in the above communication, as some of your members frankly admitted.

“We are positive that in the near future, with your cooperation these bonds will sell readily. There is no better

security anywhere in the United States. Many men of influence and wealth outside of the state are seriously considering the purchase of these bonds just as soon as the present financial stringency passes;" and

WHEREAS, the majority of the house, consisting of the political faction known as the I. V. A.'s have seen fit to censure the noble stand taken by the Governor and the members of the Industrial Commission in the following language:

"THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NORTH DAKOTA, that in reply to the anticipated request of the Senate for our concurrence in a resolution providing for a joint committee of the House and Senate, to pass upon all Industrial Program legislation to be considered, and which committee would tie the hands of this House so that no measures pertaining to our Industrial Program affairs could be proposed; we hereby declare that in our opinion the first step necessary to the bringing about of a fair trial of the Industrial Program now underway and of alleviating our present serious financial condition, is for the Governor and his associates upon the Industrial Commission, to either propose some method by which the Industrial Program and the other needs of the state and its citizens can be financed, or to at least point out to the Legislative Assembly and the public, some real reason why the proposition as above made was summarily rejected and waved aside with the flippant and baseless charge that such proposition was made at the dictation of Wall Street or some other mythical power alleged to be opposed to the interests of the people of North Dakota;" and

WHEREAS, in the proposition submitted by the bankers in their discussion with the Governor and the other members of the Industrial Commission they admitted that the terms and conditions were not their own but those of the bond buyers and outside financial interests and in other words, Wall Street, and some of them admitted that the terms were so harsh that they should not be considered; and

WHEREAS, the people of this state by constitutional amendments and legislative enactments have adopted by an overwhelming majority the Industrial Program for which they have been struggling for twenty-eight years; and

WHEREAS, these identical laws which the financial interests outside of this state now demand shall be modified, were submitted to a solemn referendum of the people by that political faction whose representatives in the House would now submit to the dictation of outside financial interests and have intimated to the Governor and the Industrial Commission that they should do likewise; and

WHEREAS, every member of the Legislature is required to take an oath of office to uphold and support the constitution and the laws of this state, yet in the face of this, nevertheless a majority of the members of the House have seen fit to censure the Governor and the other members of the Industrial Commission because they remained faithful to their

oaths of office and refusal to curtail or modify the operation of the laws enacted by the Legislature and approved by the people; and

NOW, THEREFORE, BE IT RESOLVED: That the attention of the public and the members of the Legislature be called to the fact that, under the constitution of this state, the Legislature has no power or authority to change any law referred to the people except by a two-thirds majority of all members elected in both houses, and the approval of the Governor; and

BE IT FURTHER RESOLVED: That we pledge ourselves anew to support the constitution and the laws of this state and our oaths of office to uphold same, and that we further pledge ourselves to stand firmly behind the administration and the Industrial Commission to do our utmost to uphold them in the performance of their duties: and

BE IT FURTHER RESOLVED: That we congratulate the people of the State of North Dakota in having elected to office men of honor and integrity who will firmly uphold the dignity and honor of the state and not barter away the sovereign rights of the people to Wall Street.

Senator Liederbach moved that the resolution be referred to the Committee on Ways and Means, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Liederbach, by request, introduced:

Senate Bill No. 19: A Bill for an Act Prohibiting the Use of Long Range Fire Arms or Ammunition Larger than Shot Number Four and Twenty-two Short Cartridges in any Brush, Timber or Wooded Lands.

Was read the first and second time and referred to the committee on Game and Fish.

Senator Church moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

FOURTEENTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 17, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Dewhurst.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Twelfth day and find the same to be correct.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed, and the report was adopted.

Senator Gardiner presented the following petition:

WHEREAS, The past few years in North Dakota have been filled with bitter political strife; and,

WHEREAS, The cause of this has been the running of the state industries by political machinery; and,

WHEREAS, We realize that some of the laws on our statute books relating to our state industries needs to be amended in order to make them a success, inasmuch as at present constituted they are dependent upon success at the polls; and,

WHEREAS, We realize that in order to give them a fair and impartial trial it is our opinion absolutely necessary to remove them as far as possible from politics; and,

WHEREAS, The present legislature is about evenly divided and both sides pledged to a fair and impartial trial of the State Industrial Program; and,

WHEREAS, There exists now a great desire on the part of the people to stop their bitterness and fighting; and,

WHEREAS, There has come to our attention the views and considerations of Arthur Le Seuer; and,

WHEREAS, We endorse these views:

BE IT HEREBY RESOLVED, That you, as our chosen representatives, use your best efforts and influence to harmonize the different factions in Bismarck and take the industries out of politics.

N. O. HAGEN AND 13 OTHERS.

To Hon. Senator F. E. Ployhar and Senator C. H. Noltimier:

We, the undersigned, respectfully petition you to use your influence to secure the repeal of the Park Board Law as it now is. It is possible for the board as the law now reads to purchase tracts of land for park purposes and bond the municipalities for such purchase price and improvements, without submitting the proposition to a vote of the people.

We maintain that this law is vicious and makes it possible for a small body of men to disregard the wishes of the people.

H. A. OLSBERG, VALLEY CITY, N. D.,
AND 308 OTHERS.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills: Senate Bill No. 15: A bill for an act to amend and re-enact Section 1340, Compiled Laws of North Dakota for 1913, relating to proposals for building School Houses.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed, and the report was adopted.

A majority of the Committee on Elections make the following report:

Mr. President: A majority of your Committee on Elections to whom was referred the Senatorial Contest entitled R. J. List, Contestant vs. Gust Wog, Contestee, from the Thirty-ninth Legislative District of the State of North Dakota, beg leave to report:

That immediately upon the selection of the Committee the members thereof were called together at the District Court room in the county court house in the City of Bismarck, Burleigh County, North Dakota, and the said election contest came regularly on for hearing, the Contestant appearing by his attorneys, the Hon. W. C. Crawford and J. P. Cain, Esq., of Dickinson, North Dakota, and the Contestee appearing in person and by his attorneys, Simpson and Mackoff, of Dickinson, North Dakota; whereupon the secretary of the Senate presented to the Committee the pleadings, notices and depositions of various witnesses taken on behalf of said parties, and after hearing and considering all the testimony

both written and oral offered by each of said parties, (all of which is herewith submitted) and after hearing the arguments of counsel for said parties, and being duly and fully advised on the premises the Committee finds:

First, That there was no fraud or corrupt practice committed or participated in by the Contestee or any of the election officers in any of the voting precincts involved in the contest.

Second, That the official canvas of the ballots cast in said legislative district represents the true sentiment of the voters therein as expressed by their ballots at said election.

Third, That while the record discloses certain minor irregularities common to all elections, your Committee found in every instance, after a full and fair investigation that the substantial rights of the Contestant R. J. List, were in no way injured; that he received credit for each and every vote to which he was entitled.

As an example of said irregularities the Committee found that in certain precincts there were no Democrats, and, therefore, only Republicans could be appointed as election officers.

Fourth, That the election in said legislative district was fairly and honestly conducted and that the Contestee, Gust Wog, received a majority of all the votes cast in said district for the office of state senator.

That he is in every way eligible to such office and that a certificate of election has been duly issued to him as such senator.

From the foregoing findings of fact the Committee concludes and reports that the said Contestee Gust Wog was duly and legally elected state senator in the Thirty-ninth legislative district of the State of North Dakota at the general election held in said state on the 2nd day of November, 1920; that he should be permitted to retain his seat in the Senate and that said contest should be dismissed.

Respectfully submitted,

A. N. HAGAN,
Chairman.

E. A. BOWMAN,
JOHN L. MIKLETHUN,
W. J. CHURCH,
CHRIST LEVANG.

IN THE SENATE OF THE LEGISLATIVE ASSEMBLY OF
THE STATE OF NORTH DAKOTA

R. J. List, Contestant, vs. Gust Wog, Contestee.

MINORITY REPORT OF COMMITTEE ON ELECTIONS:

Mr. President: The minority members of your committee on Elections to which was referred the contest of R. J. List, Contestant, vs. Gust Wog, Contestee, have had the same under consideration and after due consideration, beg leave to report as follows: we find

1. That Senator Gust Wog had no part personally, in any of the alleged fraudulent acts as alleged in the Notice of Contest.

2. That the Election Returns of the Thirty-ninth Legislative District for the election held November 2, 1920, show that Senator Gust Wog received a majority of fifty-three votes over his opponent R. J. List.

3. That the election returns of Billings County, a part of the Thirty-ninth Legislative District, show that in the precinct of Indian Springs, Senator Gust Wog received ninety-four (94) votes, while his opponent, R. J. List, received three (3) votes; that in the precinct of Green River, Senator Gust Wog received fifty-six (56) votes, while his opponent, R. J. List, received one (1) vote; that in the precinct of Saddle Butte, Senator Gust Wog received seventy-four (74) votes, while his opponent, R. J. List, received seven (7) votes, making a total vote in the three precincts for Senator Gust Wog of two hundred twenty-four (224) votes and for his opponent, R. J. List, Contestee above described, eleven (11) votes.

4. That the Election Officials in the three said precincts of Indian Springs, Green River and Saddle Butte violated the provisions of the statute, being section 988 of the Compiled Laws of North Dakota for 1913, which reads as follows:

Sec. 988. IN CASE OF DISABILITY OF ELECTOR. Any voter, who declares to the judges of election or when it appears to the judges of election that he cannot read or that by blindness or other physical disability he is unable to mark his ballot, shall, upon request, receive the assistance of two of the election officers in the marking thereof who shall be chosen from different political parties, and such officers shall give no information regarding the same. The judges may in their discretion require such declaration of disability to be made by the voter under oath and they are authorized to administer such oath. No elector, other than one who is unable to read or on account of physical disability is unable to mark his ballot, shall divulge to any one within the polling place the name of any candidate for whom he intends to vote or ask or receive the assistance of any person within the polling place in the preparation of his ballot; that the violations of the provisions of the said statute were as follows: that at least eighty per cent of the voters in the said precincts received assistance in voting; that this assistance was rendered in the following irregular manner; that the said voters receiving assistance were assisted by one judge or by the inspector or by one clerk instead of being assisted in the manner provided by law 'BY TWO ELECTION OFFICERS'; that at least in one instance the voter was assisted by her husband, not an election official; that in at least one case the voter declares he voted on a ballot brought from home and not given him at the polling place; that the provisions of the statute just referred to are MANDATORY and not directory; that the said violations of the provisions of the statute relating to rendering assistance to electors at the time of election constitute fraud.

5. That the fraud committed in the above three described precincts is sufficient to warrant the throwing out of the entire vote of these three precincts.

6. That by reason of the throwing out of these three precincts, we find that a majority of one hundred sixty of all legal votes cast and counted were received by Contestee R. J. List, who is entitled to receive the Certificate of Election instead of Senator Gust Wog.

WHEREFORE, we find:

1. That Senator Gust Wog was not guilty of any fraudulent acts as charged in the Notice of Contest and that he should be absolved from all blame attached thereto.

2. That R. J. List has a majority of the votes legally cast and counted in the Thirty-ninth Legislative District at the November, 1920, General Election.

3. That R. J. List should be declared elected and should be seated as Senator from the Thirty-ninth Legislative District and that Senator Gust Wog should be declared ineligible to hold the office by reason of failing to receive a majority of the votes legally cast and counted in said district.

And we respectfully recommend that the Senate by appropriate resolution advise the Attorney General of the fraudulent acts committed in the three said precincts as shown by the evidence, to the end that he may take such steps as he deems advisable to punish the offenders.

Respectfully submitted,

L. R. BAIRD,
FRED VAN CAMP,
E. H. KENDALL,
C. W. CAREY.

Senator Hagan moved that the report of the majority be adopted.

Stevens:

Mr. President: We are about to consider what seems to me to be one of the most important questions that any deliberative body can be called upon to consider—a question affecting not only questions of public policy—but the rights of an individual, and in considering the question I am sure we will do so with a full realization of what we subscribed to, when at the Bar of this Senate we promised to discharge “the duties of the Office of State Senator to the best of our ability.”

Questions of this kind unfortunately must involve individuals, but I want to say, Mr. President, that so far as I am concerned I want to see the Contestee, Senator Wog, absolved from all blame in connection with the unfortunate affair now under consideration, and I believe that is the sense of the entire membership of this body. One look at Senator Wog, and the grasp of his hand is enough to convince me that he is an honorable, consistent, and fair man, and I am sure that he would not for one moment be a party to, or countenance any such irregularities as seem, by the evidence in this case, to have been allowed by what must have been either incompetent or unfair election boards.

Out of this unfortunate affair, however, it seems to me, Mr. President, that some good should come. It seems to me

that it should unite the entire membership of this body in an attempt to further safeguard our election laws.

It also seems to me, Mr. President, and I think the evidence in this contest should convince all of us, that we are about twenty-five years behind our federal laws in matters pertaining to the questions of citizenship and the purity of the ballot.

The older members will recall how easy it was to become naturalized at the time our present election law was enacted. You will recall that just prior to an election citizenship papers were very easy obtainable, and at a very small, if any, cost to the applicant. Today, however, under our federal laws relating to questions of citizenship it is strongly safeguarded, and I hope before the close of this legislative session to see such legislation enacted as will more fully safeguard our elections—even to the extent, if necessary, of repealing or abolishing entirely that feature of our present law that allows the voter to take any one into the voting booth with him. It may be that in a few cases this would be a hardship, but, Mr. President, it seems to me that it is one's duty to consider the question only in the light of what is for the most good to the greatest number, and until such time as it is made impossible for a repetition of such tactics as evidently have been allowed, as shown by the evidence in this case, may we not expect a repetition of the same?

In conclusion, Mr. President, I want to repeat that I do not for one moment think that Senator Wog was a party to in any manner, either tacitly or openly, in the gross irregularities that seem to have been allowed at the election out of which this unfortunate affair grew.

(Signed.) J. E. STEVENS.

SENATE ROLL CALL

The question being on the adoption of the majority report of the Election Committee on the List vs. Wog election contest, the roll was called and there were ayes 24, nays 24, not voting 1.

AYES: Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom.

NAYS: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Not voting: Wog.

There being a tie, the President voted "aye" and the report was adopted.

Bond:

Mr. President: It has been stated several times on the floor this afternoon that gross irregularities have occurred in elections all over the state. I am proud to say that in the county of Ward and the district where our Honorable presid-

ing officer and myself live, the law regarding the elections have been followed religiously.

I have followed closely the evidence in the List-Wog contest case and I am convinced that serious irregularities, if not fraud, was practiced in the three townships of Indian Springs, Saddle Butte, and Green River, and in searching for precedence to guide me in my vote I have read with much interest the explanation of my neighbor and friend, the Honorable Walter Maddock, which he gave in explaining his vote in the Riba-Webber contest case before the House of Representatives, on the 18th day of January, 1919. Mr. Maddock said "I wish to explain my vote on this question. I base my decision upon the evidence introduced in this House by the Committee on Election, and Election Privileges, and upon that evidence only. The report shows gross irregularities which may constitute fraud in the election held in the precinct in question. I believe it beneath the dignity of this body to countenance any such irregularities and crimes against a free man's ballot. It does not matter who is guilty, or whether anyone is guilty. You cannot give the sanction of this Legislative body to such irregularities in our elections which encourages fraud and is certainly a crime against the American ballot."

Mr. President, I have a great faith in the integrity and fairness of Mr. Maddock and noting the stand he has taken in the above mentioned case I can easily see that it is my duty as a fair and impartial legislator, to take into account the irregularities shown in the evidence in the contest now before us, and to insist that the three townships where the judges and clerks instructed voters, by individually going into the booth, where these men and women, who could not read and write, was wrong, and that these three precincts should not be counted.

Ward:

Believing there has been no intentions of fraud, I vote "aye."

Senator Nathan asked that the courtesies of the floor be extended to Ex-Senator J. E. Davis, which request was granted.

MESSAGES FROM THE HOUSE

House Chamber,
Bismarck, North Dakota.

Mr. President: I have the honor to inform you that pursuant to a motion made and carried which provided that a committee of three of the House, together with a like committee of Senate be appointed to confer upon the number of copies of the Budget Report to be printed and distributed, that the Speaker has appointed as such committee on the part of the House Messrs. Watt, Maddock of Benson, and Shimmin.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota, January 17, 1921.

Mr. President: I have the honor to inform you that the Speaker has appointed pursuant to a motion which prevailed which provided that a committee of three from the House together with a like committee from the Senate be appointed to confer upon the matter of adjournment of the House and Senate. Messrs. Ellingson, Harding and Olsen of Billings.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota, January 17, 1921.

Mr. President: I have the honor to return Senate Bill No. 19: A Concurrent Resolution relating to payments due the Federal Government by reason of Homestead Entries made on Standing Rock Indian Reservation.

Which the House has amended as follows: After the name Mees in the title of the Resolution there be inserted the words "and Wm. Bauer," and was passed so amended.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Mees moved that the amendment to Senate Bill No. 19, offered by the House, be concurred in by the Senate.

SENATE ROLL CALL

The roll was called and there were, ayes 49, nays 0.

AYES: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the motion prevailed.

Senator Bowman moved that the President appoint a committee of three to confer with the House committee in regard to a recess, which motion prevailed, and the President appointed as such committee Senators Bowman, Porter and McNair.

Senator Church moved that the President appoint a committee of three to confer with a like committee of the House regarding the number of reports of the budget board to be printed which motion prevailed and the President appointed as such committee Senators Church, Levang and Kendall.

Senator Garberg asked the courtesies of the floor be extended to W. F. Krebsbach of Reeder, North Dakota.

Senator Hagan asked the courtesies of the floor be extended to Chas. F. Streich of Maxbass, N. Dak.

Senator Bowman moved that the Senate recess for ten minutes, which motion prevailed.

The Senate reassembled, the President presiding.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Baird, by request, introduced:

Senate Bill No. 20: A Bill for an Act to Create and Establish the Office of State Inspector and Licenser of Automobile Engineers and Repairmen, and Prescribing the Duties Thereof; Providing for the Classification, Examination and Licensing of Automobile Engineers and Repairmen; Prescribing Fees for Such Examination and License; and Regulating the Repair of Automotive Vehicles within the State of North Dakota.

Was read the first and second time and referred to the committee on State Affairs.

REPORT OF SELECT COMMITTEE

Your committee on Number of Budget Reports to be Printed recommend that (800) eight hundred copies of the same be printed.

W. J. CHURCH,
Chairman for Senate.

Senator Levang moved that the report be adopted.

SENATE ROLL CALL

The question being on the adoption of the report of the special committee on the number of budget reports to be printed, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp, Wenstrom, Whitman, Wog.

Absent and not voting: Mees, Thorson and Ward.

So the report was adopted.

Mr. McNair introduced the following resolution:

BE IT RESOLVED, That the persons heretofore elected as Senate employes be designated and paid the wage, per day, herein provided:

President Pro Tem—E. A. Bowman.....	\$2.00
Secretary—W. J. Prater.....	6.00
Assistant Secretary—H. A. Thomas.....	5.00
Recording Clerk—Stephen Terhorst.....	5.00
Desk Stenographer—Emily Dakin.....	5.00
Enrolling and Engrossing Clerk—Nels Grovom.....	5.00

Assistant Enrolling and Engrossing Clerk—D. McKenzie	5.00
Bill Recording Clerk—Olaf Ribb.....	5.00
Sergeant at Arms—T. B. Meinhover.....	5.00
Bill Room Clerk—John W. Clark.....	5.00
Bill Messenger—Fred Argast.....	5.00
Postmaster and Messenger—Jack Sheridan.....	5.00
Mailing Clerk—Reuben Harper.....	5.00
Cloak Room Attendant—Aug. Sveund.....	5.00
Clerk State Affairs Committee—H. L. Elliott.....	5.00
Clerk Appropriation Committee—Joseph Maddock.....	5.00
Clerk Judiciary Committee—Wm. Jerczewsky.....	5.00
Committee Clerk—A. J. Nathan.....	5.00
Door Keeper—H. A. Ball.....	5.00
Door Keeper—J. J. Jollie.....	5.00
Proof Reader—Mrs. A. B. Toner.....	5.00
Governor's Messenger—S. C. Thompson.....	5.00
Custodian—John Peck.....	5.00
Custodian—I. Sanford.....	5.00
Special Messenger—Harold Lien.....	4.00
Special Messenger—Wm. Cooke.....	4.00
Special Messenger—Dwight Carlisle.....	4.00
Stenographer—Mary Kerber.....	5.00
Stenographer—Aslaug Wik.....	5.00
Stenographer—Eleanor Marx.....	5.00
Stenographer—Gladys Harvey.....	5.00
Stenographer—Mrs. Stephen Terhorst.....	5.00

Senator Ployhar moved that the resolution be referred to the State Affairs committee, which motion prevailed.

Senator Bowman asked the consent of the Senate for further time for the committee to consider Senate Bill No. 7, which consent was granted.

Senator Olson asked the consent of the Senate for additional time to consider Senate Bill No. 8 in committee; which additional time was granted.

Senator Fraser asked additional time to consider Senate Bill No. 10 in committee which additional time was granted.

Senator Ettestad asked additional time to consider Senate Bills Nos. 4 and 14, which additional time was granted.

Senator Wenstrom asked additional time to consider Senate Bills Nos. 9, 12 and 18, which additional time was granted.

Senator Wog asked additional time to consider Senate Bill No. 5, which additional time was granted.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Gross introduced:

Senate Bill No. 21: A Bill for an Act Creating a Public Health Commission; Fixing the Membership Thereof, and Defining its Powers and Duties.

Was read the first and second time and referred to the committee on Public Health.

Senator Hagan introduced the following resolution:

BE IT RESOLVED: By the Senate of the State of North Dakota that the following bill of expense incurred in Wog-List election contest, be allowed and paid to C. C. Wattam, Bismarck, N. D.:

Services in Election Contest of List vs. Wog before
Senate Elections Committee:

Jan. 12, 1921, 1-2 day time as reporter.....	\$ 5.00
Jan. 13, 1921, 1-2 day time as reporter.....	5.00
Transcript of proceedings, 40 folios at 15c per ff.....	6.00
	<hr/>
Total	\$16.00

And moved its adoption:

The question being on the adoption of the resolution allowing the bill of C. C. Wattam, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mikklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Mees.

So the resolution was adopted.

Senator Wenstrom moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

FIFTEENTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 18, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Strutz.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Fourteenth day and recommend that the same be corrected as follows: On page 9 after line 16 insert the following: "Report of Select Committee." On page 10 in line 34 after the word committee, add the following: "which additional time was granted."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred Senate Bill No. 8:

A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred the resolution designating title and salary of Senate employees, have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted.

SENATE ROLL CALL

The question being on the adoption of the report on the title and salaries of Senate employees, the roll was called and there were ayes 49, nays 0, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersen, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred Senate Bill No. 9:

A Bill for an Act to License Commercial Aviators in the State of North Dakota; to Establish a Board of Examiners Who Shall Have Power to Examine Aircraft and Fliers; to Pass Upon the Qualifications, Efficiency and Character of Applicants and Fitness of Machines, to Grant License or Refuse the Same, to Collect Fees, Formulate Rules for the Guidance of the Board and do Such Other Acts as May Be Necessary to Carry out the Purposes of this Act; to Establish Certain Exceptions as to the Operation of this Act; to Provide for Payment of Per Diem and Mileage of the Board of Examiners; to Provide Penalties for Failure to Comply with the Provisions of this Enactment.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 12: A Bill for An Act to Amend and Re-Enact the Concentrated Feeding Stuff Law of North Dakota the same Being Article 43, Sec. 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

Have had the same under consideration and recommend that the same be amended as follows:

In line 19 of Sec. 8 strike out the word "selling" and insert the word "sealing" in lieu thereof.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Temperance made the following report:

Mr. President: Your committee on Temperance to whom was referred:

Senate Bill No. 16: A Bill for an Act Providing for a Reward for the Arrest and Conviction of Persons Charged with the Violation of the Prohibition Laws of this State and for Appointment of Special Deputy Sheriffs to Enforce such Prohibition Laws.

Have had the same under consideration and recommend that the same be amended as follows:

In page 2, Section 2, line 5 the word "five" be changed to "ten."

And when so amended recommend the same do pass.

C. A. WARD,
Chairman.

Mr. Ward moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred Senate Resolution by Senator Liederbach in regard to the Industrial Program, have had the same under consideration and recommend that the same be adopted.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

REPORT OF SELECT COMMITTEE

Senator Bowman:

Mr. President: Your select committee begs to report that they have met with the House committee and recommend that the matter of taking a recess be left to the vote of both houses.

Senator Bowman moved that the Senate take a vote to show whether or not a recess be taken, those voting "aye" for a recess, those voting "no" against a recess.

Senator Bowman amended his motion to define the recess as being from now until next Tuesday at 2 o'clock P. M.

Senator Whitman moved as a substitute that the Senate recess until next Tuesday providing the House recess for the same period.

SENATE ROLL CALL

The question being on the substituted motion by Senator Whitman to recess until next Tuesday, the roll was called and there were ayes 4, nays 43, not voting 2.

Ayes: Baird, McLachlin, Rusch, Thorson.

Nays: Baker, Beisel, Benson, Berg, Bond, Bowman Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Liederbach, McNair, Mees Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Schrenk, Sperry, Stevens, Storstad, Van Camp, Ward, Wenstrom, Whitman, Wog.

Not voting: Levang and Steel.

So the motion was lost.

Senator Church moved that the Senate recess subject to the call of the President.

The Senate reassembled, the President presiding:

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Stevens introduced:

Senate Bill No. 22: A Bill for an Act to Amend Sec. 2078 of Article 3 of the Political Code (Compiled Laws 1913) of the State of North Dakota.

Was read the first and second time and referred to the committee on Tax and Tax Laws.

President Pro Tem Bowman presiding.

Mr. Storstad introduced:

Senate Bill No. 23: A Bill for an Act to Amend and Re-enact Section 988 of the Compiled Laws of North Dakota for the Year 1913, Relating to Disability of Elector and Providing a Penalty for Violation Thereof.

Was read the first and second time and referred to the committee on Elections.

Mr. Church introduced:

Senate Bill No. 24: A Bill for an Act to Amend and Re-enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

Was read the first and second time and referred to the committee on Judiciary.

SENATE ROLL CALL

Senate Bill No. 15: A Bill for an Act to Amend and Re-enact Section 1340, Compiled Laws of North Dakota for 1913, Relating to Proposals for Building School Houses.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Ingerson.

So the bill passed and the title was agreed to.

Senator Wenstrom moved that the vote by which Senate Bill No. 15 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The Senate Resolution introduced by Senator Liederbach was read the third time.

Senator Porter moved that further consideration of the resolution introduced by Senator Liederbach be indefinitely postponed.

A roll call was demanded.

SENATE ROLL CALL

The roll was called and there were ayes 24, nays 25, absent and not voting 0.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

So the motion was lost.

Mees:

I object to this resolution, because it is purely political propaganda. When the people elected us as their representatives, they entrusted us with a tremendous responsibility—that of devoting our best efforts and exercising our sincere judgment, to pass only such legislation as we believe bene-

ficial to the state as a whole; and I believe that it is the height of imposition upon the taxpayers of this state to turn this legislative body into a political clearing house. If the Industrial Commission feel apprehensive of their action toward the Committee of Bankers with whom they have been in conference, and feel that they should have a vote of confidence tendered them, then I say let them appeal to the people of the State for that confidence, and not pass the buck to the legislature.

If the gentleman from Dunn feels that the State Administration is deserving of praise for their action, let him or anyone else interested devote as much time as they see fit in doing so in the capacity of private citizens, but not in the capacity of their official positions and this applies equally to any other political faction or party.

I repeat that the people as a whole are the sole judges of the actions of the State Administration as well as those of this body, and it is the height of imposition to attempt to force this legislature to put the stamp of approval upon the official acts of any Department of State.

I further wish to say that it is beneath the dignity of this body to give any consideration to resolutions of this character.

SENATE ROLL CALL

The question being on the adoption of the Liederbach resolution commending the Industrial Commission, the roll was called and there were ayes 25, nays 24, absent and not voting 0.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the resolution was adopted.

Mees: For the same reasons given on the question of indefinite postponement I vote "no."

Stevens: The gentleman from some county—I don't know which county—Senator Gross puts me in a position so that I hardly know how to act. I had supposed, Mr. President, that I had been fighting the Nonpartisan League for the last two years, and not the Indians. For that reason I vote "no."

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

The Appropriations Committee introduced:

Senate Bill No. 25: A Bill for an Act to Appropriate Money for the Expenses of the Executive, Legislative and

Judicial Departments of the State Government, and for Public Schools, Specifying the Amount and Time for Which Such Appropriations Shall be Available, and Repealing Sections 1416, 1418 and 1419 of the Compiled Laws of 1913, as Amended by Chapter 34 of the Session Laws of 1915, and All Other Acts and Parts of Acts in so far as the Same Relate to Appropriations Conflicting Herewith or the Appropriations for the Same Matters or Purposes Provided for Herein.

Was read the first and second time and referred to the committee on Appropriations.

The following communication was received:

St. Paul, Minn., Jan. 17, 1921.

Hon. The Senate of the State of North Dakota,
Seventeenth Legislative Assembly, Bismarck, N. D.

We have received the following communication under date January 15th:

"Senate Committee in conference with Board of Auditors ask that three copies of audit report be submitted to the undersigned and that party who was in charge of audit work accompany the report in person, prepared to explain in detail. Would suggest he bring working papers from which report was compiled. Please advise when we may expect report. Quick action requested by D. C. Poindexter, State Auditor.

We have today replied thereto as follows:

Acknowledge receipt of your wire, January 15th, requesting us to submit all three copies of report to you. We assume this is in reply to our request of January 10th that State Board of Audit authorize the delivery of one copy each to Senate and House to conform to their respective orders received. We do not feel justified in ignoring such explicit orders from the Senate and House, and again respectfully request your authority to deliver copies as previously ordered as heretofore agreed. Will be glad to have representative explain report after submission, and discussion before submission would be improper.

BISHOP-BRISSMAN & CO.

Senator Miklethun moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

SIXTEENTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 19th, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Dewhurst.

The roll was called, all Senators present except Senators Baker and McLachlin.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the fifteenth day and recommend that the same be corrected as follows: On page 5 before line 42 insert "Mees:" before the explanation of vote.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Esmond, N. D., Jan. 15, 1921.

To the Honorable Wm. J. Church, Member of the Senate of North Dakota, Bismarck, N. D.:

BE IT RESOLVED, that the members of the United Live Stock Breeders Association, in meeting assembled on the above date, at Esmond, N. D., do hereby protest against the proposed 8 hour day law in regard to public and other work; and

BE IT FURTHER RESOLVED, that in these stressing times we feel labor should shoulder their full share of the burden. We, as farmers, can see no hope to shorten our 14 to 16 hour day in the next two years to come;

THEREFORE, BE IT FURTHER RESOLVED, that you use every effort to defeat this bill.

O. M. JOHNSON and 42 Others.

Senator Wenstrom moved that all absent Senators be excused, which motion prevailed.

Senator Miklethun moved that Senate Bill No. 16 be referred to the committee on Temperance, which motion prevailed.

Senator Miklethun asked that the courtesies of the floor be extended to Wm. Van Scoik of Hannaford, and James Boshmill to Walum, which request was granted.

Senator Fleckten asked that the courtesies of the floor be extended to Barney Bussen of Minot, which request was granted.

Senator Bowman asked that the courtesies of the floor be extended to Messrs. Frank Carlson and Caleb Bjor of Kulm, N. D., which request was granted.

Senator Nathan asked that the courtesies of the floor be extended to J. H. Regier of McClusky, which request was granted.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Ettestad introduced:

Senate Bill No. 26: A Bill for an Act Limiting the Debt Limit of Organized Towns and Villages.

Was read the first and second time and referred to the committee on Cities and Municipal Corporations.

Mr. Church introduced:

Senate Bill No. 27: A Bill for an Act to Amend and Re-enact Section 1045 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 145 of the Laws of North Dakota for the Year 1919, Relating to the Compensation of Election Officers.

Was read the first and second time and referred to the committee on Elections.

Mr. Bowman introduced:

House Bill No. 28: A Bill for an Act Relating to the Storing and Re-delivering of Grain by Public Warehousemen.

Was read the first and second time and referred to the committee on Warehouses and Grain Grading.

Senator Mees asked that the courtesies of the floor be extended to John Sullivan and C. R. Roberts of Mandan, which request was granted.

Senator Storstad moved that the Senate recess subject to the call of the President.

The Senate reassembled, the President presiding.

REPORT OF SELECT COMMITTEE

Report of Joint Committee appointed to consider the matter of adjournment:

The Joint Committee of the Senate and House appointed to consider the matter of taking an adjournment of more than three days, respectfully reports that they have ascertained that there are many members of each faction in both the Senate and House who are desirous of such adjournment at this time, that many of these members came to Bismarck with the idea that an adjournment of several days would be taken early in the session and that they have pressing business matters requiring their attention which they had anticipated being able to care for during such contemplated adjournment.

That the Budget Report is now in the hands of the printer and from best information obtainable will not be available for the use of the Legislative Assembly until the first of next week; that the audit of the State Bank and other State Industries will not be available for the use of the Assembly until the first of next week; and that in view of this condition and of the fact that there is very little legislation now before the Senate or House for consideration; we deem it advisable, if an adjournment of any length of time sufficient to enable any material number of members to attend to pressing business at home, is to be taken during the session, that such adjournment be taken at this time from Wednesday, January 19th to Tuesday, January 25th.

Respectfully submitted,

E. C. BOWMAN,
W. H. PORTER,
H. H. McNAIR,
E. O. ELLINGSON,
C. B. OLSEN.

Senator Bowman moved that the report be adopted.
A roll call was demanded and sustained.

SENATE ROLL CALL

The question being on the adoption of the report of Special Committee concerning an adjournment, the roll was called and there were ayes 25, nays 16, absent and not voting 8.

Ayes: Baird, Bowman, Bryne, Church, Carey, Ettestad, Fraser, Gross, Kelsch, Kendall, Levang, McNair, Mees, Micklethun, Nathan, Nelson, Noltimier, Olson, Petterson, Ployhar, Porter, Rusch, Ward, Wenstrom, Whitman.

Nays: Beisel, Benson, Berg, Bond, Fleckten, Gardiner, Garberg, Hagan, Ingerson, Liederbach, Murphy, Oksendahl, Patten, Stevens, Storstad, Wog.

Absent and not voting: Baker, Eastgate, McLachlin, Schrenk, Sperry, Steel, Thorson, Van Camp.

So the report was adopted.

Liederbach:

In view of the fact that I believe an adjournment of five days at this particular time would be an imposition upon the taxpayers of this state who sent us here for the purpose of passing some constructive legislation for the benefit of all the people of the state and that there is at this time a slight tendency or symptom of cooperation by the reactionary forces as represented by the Senator of Ramsey. I believe that we should continue in action here and see if we cannot arrive at a more successful conclusion. To adjourn now would indicate symptoms of the old order of things and now that we are living under a new era of strictly business economy I believe it is our duty to continue on the job and not loaf away the hard earned money of the taxpayers of this State. Therefore, Mr. President, I am obliged to vote "no."

Senator Stevens:

It is almost a supreme pleasure to vote like my distinguished friend from Dunn County. I vote "no."

Senator Fraser:

From the fact that I am certain that we will now be here fully sixty days it won't save anything whether we adjourn or not and I am certain we will be here the full limitation and will not save any expenses to the state whether we recess or not and it is immaterial to me. I vote "no."

Senator Bowman moved that the Senate recess beginning with the end of the session today and lasting until the beginning of the session Tuesday, January 25, providing the House recess for the same length of time.

Senator Liederbach moved that the motion be laid on the table, which motion was lost.

Senator Ingerson moved that further action on the motion be deferred until the House has taken action on the question of a recess.

Senator Fraser moved that the Senate recess subject to the call of the chair, which motion prevailed.

The Senate reassembled, the President presiding.

The committee on Game and Fish made the following report:

Mr. President: Your committee on Game and Fish to whom was referred:

Senate Bill No. 19: A Bill for an Act Prohibiting the Use of Long Range Fire Arms or Ammunition Larger than Shot Number Four and Twenty-two Short Cartridges in any Brush, Timber or Wooded Lands.

Have had the same under consideration and recommend that the same be indefinitely postponed.

ANDREW H. OKSENDAHL,
Chairman.

Mr. Oksendahl moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 8:

A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

Also:

Senate Bill No. 12: A Bill for An Act to Amend and Re-enact the Concentrated Feeding Stuff Law of North Dakota the same Being Article 43, Sec. 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senate Bill No. 8 was read the third time.

Senator Murphy moved the following amendment: Strike out the word "repeal" and substitute the word "amend" in the title of the bill and in Section 1, lines 22 and 23 strike out the word "repeal" and substitute the word "amend"; which motion unanimously prevailed and the bill was so amended.

SENATE ROLL CALL

Senate Bill No. 8:

A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Beisel, Benson, Berg, Bond, Bowman, Bryne, Church, Carey, Eastgate, Etestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Mikklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp, Ward, Whitman, Wog.

Absent and not voting: Baker, McLachlin, Petterson, Thorson.

So the bill passed and the title was agreed to.

House Chamber,
Bismarck, N. D., January 19, 1921.

Mr. President: I have the honor to transmit the following Concurrent Resolution, introduced by Mr. Maddock of Mountrail and Mr. Olsen of Billings:

BE IT RESOLVED, by the House of Representatives, the Senate Concurring, that when both bodies adjourn upon Wednesday, January 19, 1921, they stand adjourned until Tuesday, January 25, 1921.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Wenstrom moved that the Senate concur in the House concurrent resolution providing for an adjournment, which motion prevailed.

Senator Storstad moved that the vote by which Senate Bill No. 8 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Mees moved that the vote by which the House Concurrent Resolution relating to an adjournment passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Church moved that the Senator from Dunn be appointed a committee on one to interview the Auditor and determine whether any pay for services can be had now, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 12: A Bill for An Act to Amend and Re-Enact the Concentrated Feeding Stuff Law of North Dakota the same Being Article 43, Sec. 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, McNair, Mees, Micklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp, Wenstrom, Whitman, Wog.

Absent and not voting: Baker, Kendall, Liederbach, McLachlin, Thorson, Ward.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which Senate Bill No. 12 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 8:

A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Rusch asked that the courtesies of the floor be extended to C. E. Manning of Fargo, which request was granted.

PETITIONS AND COMMUNICATIONS

To the Seventeenth Legislative Assembly:

WHEREAS, the Constitution of the State of North Dakota makes no provision requiring qualifications for the office of Superintendent of Public Instruction, and the office of Attorney General, other than they be twenty-five years of age, and two years a resident of the state. We respectfully ask that the Legislature enact an amendment to the Constitution, requiring the Attorney General to have the same qualifications as a District Judge, and the Legislature to state the qualifications of the Superintendent of Public Instruction.

Signed by C. M. MULLIN and 22 Others.

REPORT OF SELECT COMMITTEE

Committee report from the State Auditor:

Your committee begs leave to report that the State Auditor has no authority under the law to make payments for services not yet rendered and cites the issuance of warrants to Judges Lauder & Nuchols, payments of which were refused for similar reasons.

By reason of the employees not having any will on the question of adjournment I believe they should be paid full time.

Senator Liederbach introduced the above report and moved its adoption which motion prevailed.

Senator Sperry moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

W. J. PRATER,
Secretary.

TWENTY-SECOND DAY

Senate Chamber,
Bismarck, North Dakota,
January 25, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Alfson.

The roll was called, all Senators being present except Senators Baker, Bond, Hagan, Kendall and Storstad.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the sixteenth day and recommend that the same be corrected as follows: On page 4 after line 36 insert the following, "The senate reassembled, the President presiding."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Oksendahl presents the following communication.

To the Honorable Members of the House and Senate,
Bismarck, North Dakota.

Greeting:

We the County Officers of Pierce County, North Dakota, respectfully ask that you consider the proposed law regarding county officers' salaries, and that you take favorable action regarding same.

It is a well known fact that during the last four years the salaries of all county officers have remained the same, while all other classes of labor were increased, and in some counties of the State the salaries are such that competent officers

will be hard to get to accept county offices at the salaries as they now are set by law.

C. E. HORNIT, Sheriff,
 O. A. SPILLUM, Auditor,
 E. REVLING, Treasurer,
 JESSE SAND, Register of Deeds,
 GEORGE WATSON, Clk. of Ct.
 T. H. OKSENDAHL, Co. Judge,
 SARA C. GUSS, Supt. of Schools.

Dated at Rugby, N. D., this 20th day of January, 1921.

Senator Berg presented a similar petition from Ransom county, as did Senator Liederbach from Oliver county, Senator Carey from Richland county, Senator Eastgate from Grand Forks county, Senator Wog from Golden Valley county, Senator Whitman from Grand forks county, Senator Micklethun from Griggs county, Senator Liederbach from Dunn county.

Senator Kelsch presented the following communication:

Resolutions adopted by the Town Board of Monango, N. D.

WHEREAS, the town of Monango (in common with several other towns) has for many years depended on the artesian wells for its supply of water; and

WHEREAS, the artesian flow has decreased at an alarming rate for the past 15 years through unscientific drilling and casing and through wanton waste of flow which should have been regulated from the beginning; and

WHEREAS, we find that our town wells, in common with thousands of others, have declined in flow until they are about gone and are no longer sufficient for our needs. Our supply is reduced until we are in grave danger of fire until other sources and supply are bought and paid for at new and additional expense—unless the artesian waste is stopped and the supply partly restored.

BE IT THEREFORE RESOLVED: That the Town Council of Monango does hereby request and urge that its assemblymen from Dickey county in the 1921 session endeavor by every possible means to secure the passage of a long needed act to regulate the drilling and flow of wells, similar to that in all other states having a flow.

BE IT FURTHER RESOLVED: That we order sent to the Governor, to the Attorney General and our Senator Kelsch and Representatives Root and Shimmin copies of these resolutions.

(Signed) G. W. FAUST, Chairman of Board,
 F. K. LUTHER, Secretary,
 H. R. GUNDERMAN, M. D.,
 Member.

Cooperstown, N. Dak, January 24, 1921.

The Honorable John Miklethun, Senator, Sixteenth Legislative District, Bismarck, North Dakota.

Dear Sir: At a meeting held in the Methodist Episcopal Church of Cooperstown, North Dakota, the following resolution was adopted:

We, the members and friends of the Methodist Episcopal Church of Cooperstown, North Dakota, respectfully petition the Honorable John Miklethun, State Senator, from his District, to work for and vote for Senate Bill No. 18 and House Bill No. 5, in order that our state Prohibition laws may be brought into harmony with the 18th Amendment to the National Constitution and the Volstead Act; and also that adequate provision may be made for the enforcement of the laws.

(Signed) MRS. CHAS. HOUGHTON,
E. A. HEMERLIN,
Committee.

St. Paul, Minn., Jan. 24, 1921.

Hon. Howard Wood, President, and Members of the State Senate, Seventeenth Legislative Assembly, State of North Dakota, Bismarck, N. D.

Sirs: In transmitting our Reports on Examinations, a brief review of the work as a whole might be pertinent.

Our instructions received from the State Board of Audit upon date of commencement of the Examinations on December 3, 1920, were:

(1) To make as complete an investigation as possible and present fairly and impartially the affairs and transactions of the Bank of North Dakota and the other State Industries mentioned, from the information and data obtainable.

(2) The field work of all Examinations must be completed by December 31, 1920, and our reports completed as soon thereafter as possible and submitted to the State Board of Audit and the Legislature in Session.

(3) We were to employ two supervising accountants and not less than ten assistant accountants continuously on the field work until said December 31st and as many staff assistants thereafter as necessary for completion of the reports.

(4) Our compensation was to be at the rate of \$25.00 per day for the supervising accountants and \$17.50 per day for the assistant accountants employed, plus necessary expenses of traveling, subsistence and clerical work in preparation of the reports, etc. Settlements of both per diem and expenses to be made upon weekly itemized statements submitted therefor.

During the progress of our examinations we were instructed, because of the limitation of time imposed, to omit the audits of the Creamery located at Werner, and the Workmen's Compensation Bureau at Bismarck.

We take pleasure in submitting herewith our reports as follows:

- (1) The Bank of North Dakota, Bismarck, N. D.
- (2) The Mill and Elevator at Drake, N. D.—Partial Examination.
- (3) The Home Building Association, Bismarck, N. D. (Partial Examination).
- (4) The Workmen's Compensation Bureau, Bismarck, N. D.—Preliminary Examination.
- (5) The Creamery at Werner, N. D.—No Examination.

During the progress of our examinations, the work has received extended publicity in the public press; in some cases our motives have been impugned and our professional ability and reputation assailed; with no justification or knowledge both the work and possible findings of our report unfortunately have been considerably misrepresented, criticised and prejudiced.

We wish to advise that we assume no responsibility for any discussion of our service or reports from any source. Neither the members of our firm or any of our representatives have given any advance information to any State Official, citizen or newspaper representative, at any time or anywhere, relative to the possible contents of our reports.

Through the limitations of time imposed our studies of these enterprises are not as complete and comprehensive as we would wish.

We confined the computations and statements to those facts subject of verification by us in the time allowed and from the records available. The examinations were conducted and reports prepared purely in our professional capacity and entirely free from any personal, political or local considerations.

The reports therefore we are assured will receive your extended and constructive study and consideration. If desired and at your convenience, we would be pleased to have one of our representatives meet with you for purposes of explanation and discussion of the contents of any of the reports as submitted, upon arrangements being made for usual remuneration.

Respectfully,

BISHOP, BRISSMAN & CO.

Senator Wenstrom moved that the report of the auditors, Bishop, Brissman & Co., be referred to the State Affairs committee.

Senator Liederbach moved, as a substitute motion, that the auditors' report be referred to the special committee consisting of Senators Liederbach, Church and Ployhar and that the committee be authorized to subpoena Mr. Lee, who audited the bank, and Mr. Altman who audited the mill and elevator association and such other witnesses and auditors as may be deemed advisable, which motion prevailed.

The Select Committee offered the following:

MEMORIAL.

Life is precious to the commonwealth and also to the Divine Giver of life itself. Men live, serve and return to their Creator and all that is left to those who remain is their influence, the fruits of their labor and their memory. We are at this moment about to record our sympathy for the living and our loving memory for the dead, the late Charles W. Plain of Milton, for many years a devoted member of the Senate of this State.

Born in Aurora, Illinois, March 10, 1858, he came to Dakota Territory in 1888. From the date of his arrival until the time of his death at Rochester, Minnesota, November 28th, 1920, he was a practical, extensive farmer and business man in Cavalier county. In his dealings he was fair and honorable. Devoted to home and family though he was, he still found time to serve his community and state. He did much to help make the history of our state and to formulate laws still found in our statutes. Elected to the House in 1892 he served two years, and in 1894 became a member of the Senate where he gave signal service for sixteen years.

Mr. Plain's human sympathy and broad vision for the needs of his pioneer neighbors endeared him to all. In hospitality and charity he won an enviable place. Youthful and cheerful, he and his honorable wife directed the social activities of a large circle of young people. His aim was to lead a simple, devoted life, and to leave behind him, when called, a state dedicated to equality, freedom and justice. This Senate Chamber has been enriched by his council and experience. His co-workers must carry on the tasks he has laid down. May we, when we answer the last roll call, be able to say with our honorable friend:

"I live for those who love me,
For those who know me true,
For the Heaven that smiles above me
And awaits my spirit too;
For the wrongs that need resistance,
And the cause that lacks assistance,
And the Future in the distance,
And the good that I can do."

We place on permanent record this memorial and tender an engrossed copy to the family.

Signed by the Committee:
W. H. PORTER,
ALFRED STEEL,
R. J. GARDINER.

Senator Porter moved that the memorial be adopted, which motion prevailed.

Senator Whitman introduced the following

CONCURRENT RESOLUTION:

BE IT RESOLVED, by the Senate of the State of North Dakota, the House of Representatives concurring:

WHEREAS, For more than twenty years last past the Red River of the North has been a non-navigable stream; and

WHEREAS, During the summer months the water in the river often is so low and impure that it is difficult for the inhabitants living in cities upon the banks of said stream to obtain a sufficient supply of water; and

WHEREAS, In order to conserve the health of the people residing in the territory supplied with water by said river, it is deemed advisable and expedient to construct dams therein at points where cities are located upon its banks; and

WHEREAS, The construction of such dams will furnish settling basins for the water supply of various cities, power for the operation of public utilities, and in addition thereto, greatly beautify said stream, and allowing the use thereof for pleasure boats; and

WHEREAS, The declaration by the Congress of the United States that said river is a non-navigable stream would permit the construction of bridges with stationary spans instead of lift spans or draw bridges, thus saving thousands of dollars in the construction thereof, and in this manner tend to promote traffic between the inhabitants of the States of North Dakota and Minnesota.

NOW, THEREFORE, BE IT RESOLVED By the Legislative Assembly of the State of North Dakota assembled in regular session, that by virtue of the foregoing facts and circumstances, an Act of Congress declaring said Red River of the North a non-navigable stream would be very beneficial to a great many citizens of the States of North Dakota and Minnesota.

THEREFORE, We respectfully request the Congress of the United States to pass an Act declaring said Red River of the North a non-navigable stream.

BE IT FURTHER RESOLVED: That the Secretary of State of North Dakota be requested to forward copies of this Concurrent Resolution to the President of the Senate of the United States and Speaker of the House of Representatives, at Washington, D. C., and to the Members of the Senate and House of Representatives, from the State of North Dakota.

Senator Whitman moved that the concurrent resolution be adopted.

Senator Benson moved as a substitute that the resolution be referred to the committee on Irrigation and Drainage, which motion prevailed.

The courtesies of the floor were extended to Messrs. O. T. Russel of Fargo, John Pepple of Fessenden, Melvin Michaelson of Hannaford, James Bothwell of Walum, J. F. Randal of Benson county, C. Hopperstad of Benson county, E. C. Hilborn of Valley City, Ola Mallson of New Rockford, B. H. O'Laughlin of Milton, John B. Nevins of Grafton.

Senator Ingerson moved that all absent Senators be excused.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Van Camp introduced:

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to Appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge across the Red River, at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Was read the first and second time and referred to the committee on appropriations.

Senator Petterson moved that the Senate recess subject to the call of the President, which motion prevailed.

The Senate reassembled, the President presiding.

Senator Miklethun moved that the Senate do now adjourn, which motion prevailed.

W. J. PRATER,
Secretary.

TWENTY-THIRD DAY

Senate Chamber,
Bismarck, North Dakota,
January, 26, 1921.

The Senate convened at 2 o'clock P. M. the President presiding.

Prayer by the Chaplain, Rev. Postlethwaite.

The roll was called, all Senators being present.

Senator Stevens:

Mr. President: Perhaps it is a little out of place to address the chair pending a roll call, and I do so only for the purpose of making a request. My request, Mr. President, is that as the roll is called to-day—when the names of any Senator who happens to be of Scottish origin is reached, that such Senator be classed as present.

It was my privilege this morning in the "wee sma' hours ayant the twal" to be charmed with the dulcet and sweet tones of "Annie Laurie," "Auld Lang Syne" and "My Love She's But a Lassie Yet"; also in tones of eloquence did I hear related the experience of "Tam O'Shanter", "The Twa Dogs", and other most interesting selections that are dear to the heart of all of us, and I am sure that after the efforts put forth by our worthy colleagues they will appreciate the courtesy of the senate that is asked for.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the twenty-second day and find the same to be correct.

R. W. PATTEN,
Chairman.

Senator Mees moved that the adoption of the report of the committee on Revision and Correction of the Journal be deferred, which motion prevailed.

MESSAGE TO SENATE

House Chamber,
Bismarck, North Dakota,
January 26, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 17: A Bill for an Act to Make Unlawful the Unauthorized Use of the Name, Insignia of, or the Impersonation of the Membership in the American Legion, and Providing a Penalty for the Violation Thereof.

Also:

House Bill No. 27: For an Act to Amend Section 1383 of the Compiled Laws of North Dakota for 1913, relating to Branches to be Taught in Public Schools.

Which the House has passed and your favorable consideration is respectfully requested.

C. L. DAWSON,
Chief Clerk.

COMMUNICATIONS

Cooperstown, North Dakota, January 25, 1921.

The Hon. John Miklethun,
Bismarck, North Dakota.

The membership of the First Congregational Church of this city representing approximately one hundred legal voters of the State of North Dakota being convinced of the need of a force of men whose duty it will be to enforce our State laws in regard to the operation of pool halls, respectfully urges you to use your influence and vote for Senate Bill No. 18, which bill provides for such a force of men and the means to maintain same.

W. B. O'NEILL,
Minister, First Congregational Church.

Fargo, North Dakota, January 25th, 1921.

To the Senate of the Seventeenth Legislative Assembly,
Bismarck, North Dakota:

Five hundred members of the Pontoppidan Lutheran Church of Fargo, North Dakota, respectfully request your support and influence for the passage of House Bill 5, and Senate Bills 16 and 18.

Signed on behalf of the congregation,

H. J. URDAHL, Pastor.
O. LANDMARK, Secretary.

To the Honorable Legislature of the State of North Dakota:

WHEREAS, the office of the Attorney General of the State of North Dakota is practically without funds, due to the fact that nearly all of the appropriations made by the legislature of 1919 has been expended; and

WHEREAS, the grain grading act is about to come before the United States Court of Appeals for argument as regards the constitutionality of said act; and

WHEREAS, the Railway Discriminatory Act is still pending, necessitating expending certain sums to defend the in-

terest of the State of North Dakota in the cases referred to; and

WHEREAS, the proper defending of said laws are of vital importance to every citizen of the State of North Dakota:

THEREFORE, BE IT RESOLVED, by the Equity Co-Operative Exchange and the Tri-State Grain Growers with over one thousand persons present in regular session assembled th's 18th day of January, 1921, request the state legislature of North Dakota now in session at Bismarck to appropriate sufficient funds to properly enable the Attorney General to defend the interests of the State of North Dakota, and request that said appropriation carry with it the emergency clause in order that the said funds be made immediately available. That a copy of this resolution be forwarded to the Speaker of the House and the President of the Senate of the State of North Dakota.

(Signed) C. SLEGERMAN, Bathgate, N. D.
 C. P. PETERSON, Bisbee, N. D.
 CHARLES BERGH, Dunseith, N. D.
 LOUIS NOLTIMIER, Valley City, N. D.
 H. P. HALVERSON, Sheyenne, N. D.
 F. B. WOOD, Deering, N. D.

Dated at Fargo, N. D., this 18th day of January, 1921.

Maxbass, N. Dak.

To the Members of the Legislature from Bottineau County:

We, the undersigned taxpayers of Hastings School District No. 28, petition you to introduce and use your best influence to have passed at the next session of the Legislature, a bill to more evenly distribute the taxation for maintaining high schools in villages or rural districts. As it is now a few are burdened with heavy taxation, and others receive the same benefit with practically no tax.

In our district where a high school is maintained the school tax is 11.65 mills. In two adjoining districts, not maintaining high school facilities the tax is 2.75 and 5.6 mills respectively.

We ask that the state either levy a tax and maintain a fund to defray all expenses of the village and rural high schools and have the state decide where such high schools should be located, or that the state should be redistricted and the high schools be given enough territory to lessen the tax burden for them.

J. WILBER MORELAND,
 And Thirty Others.

Cando, N. D., January 20, 1921.

Senator D. J. Beisel, Bismarck, N. D.

Hal Parker Post, American Legion, Cando, N. Dak., urges your support of House Bill No. 26, Returned Soldiers' Fund.

C. L. HARRIS, Commander.

Rock Lake, N. Dak., January 24, 1921.

Senator Beisel, Bismarck, N. Dak.

Dear Sir: The W. C. T. U. of Rock Lake do hereby petition you to support, in every way possible, House Bills Nos. 5 and 18, as we believe the passage of these bills essential to the moral welfare of the citizens of North Dakota.

Respectfully,

MRS. MAUDE MATEER, Pres.
MRS. ERMA LEHMAN, Sec.

Rock Lake, N. D., January 25, 1921.

Hon. D. J. Beisel, Bismarck, N. D.

We the undersigned request that you use your influence toward the support of House Bill Number Five and House Bill Number Eighteen.

E. J. LANGLEY,
And Ten Others.

Amenia, N. D., January 24, 1921.

Honorable Peter McLachlin, Bismarck, N. D.

Dear Sir: At a regular meeting of the Ameniam Congregational Church, on Sunday, January 23rd, the following resolution was unanimously adopted:

RESOLVED, that it is our belief that House Bill No. 5 and Senate Bill No. 18 are both bills that will aid the cause of temperance and law enforcement, and that we respectfully urge our Senator and Representatives to do all in their power to secure the passage of these bills.

Attest:

MRS. R. B. REED, Clerk,
W. A. BAKER, Pastor.
And Five Others.

Bismarck, N. D., January 21, 1921.

Lynn W. Sperry, N. D. Senator, Bismarck, N. D.

Dear Sir: We, the undersigned officials of Burleigh County, respectfully call your honorable attention to a Bill presented to the House, to have the salaries of all County Officers of the State of North Dakota, increased in a proportionate amount, and urge you to use your utmost valuable endeavors to bring this much needed request to a favorable conclusion.

Respectfully,

R. PENWARDEN, Register of Deeds,
CHAS. FISHER, Clerk of the Dist. Court.
FRANK J. JOHNSON, County Auditor.
W. E. PARSONS, Co. Supt. of Schools.
ROLLIN WELCH, Sheriff,
I. C. DAVIES, Judge of the County Court.
H. P. KNAPPEN, Treasurer.

Senator Wog presented the following communication:

To the Honorable Members of the Senate, Bismarck, North Dakota:

We, the undersigned, feeling that the present salaries of the county officials of Billings County, are not sufficient. We

hereby petition and request that the minimum salary paid be fixed at \$150.00 per month.

O. G. SINDHE, Auditor,
 B. H. WILCOX, Treasurer,
 MABLE I. RAPP, Superintendent,
 J. J. EATON, Register of Deeds,
 T. A. ECKLUND, Sheriff,
 JOHN N. NELSON, Clerk of Court,
 H. H. FITZSIMMONS, Judge.

Similar petitions were presented by the officials of Mercer and Towner counties.

The committee on Irrigation and Drainage made the following report:

Mr. President: our committee on Irrigation and Drainage to whom was referred the Concurrent Resolution introduced by Senator Whitman, memorializing Congress to declare the Red River of the North a non-navigable stream, have had the same under consideration and recommend that the same be adopted.

E. M. NELSON,
 Chairman.

Mr. Nelson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Agriculture made the following report:

Mr. President: Your committee on Agriculture to whom was referred:

Senate Bill No. 4:

An Act Requiring Nurseries and Vendors of Nursery Stock Including Shade Trees, Timber Trees, Fruit Trees, Berry Bushes, and Flowering Shrubs, of Every Nature, Offered for Sale in the State of North Dakota, to Furnish Certificates and Label the Same with the Place of Their Origin and Where the Same was Grown, and Penalty for Failure to Properly Label Same.

Have had the same under consideration and recommend that the same be indefinitely postponed.

OLE ETTESTAD,
 Chairman.

Mr. Ettestad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Agriculture made the following report:

Mr. President: Your committee on Agriculture to whom was referred:

Senate Bill No. 14: A Bill for An Act to Amend and Re-enact the Inspection and Regulation of Nurseries; the Same Being Article 35 of the Political Code of the Compiled Laws of North Dakota for 1913; Chapter 196, Session Laws of 1911.

Have had the same under consideration and recommend that the same be indefinitely postponed.

OLE ETTESTAD,
 Chairman.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 10:

A Bill for an Act Defining Dying Declarations and Making the Same Competent Evidence in all Actions Civil and Criminal.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

REPORT OF SPECIAL COMMITTEE SELECTED TO REPORT ON AUDIT OF STATE INDUSTRIES.

Beg leave to report: That report as being filed is very voluminous and incomplete as to the Mill and Elevator at Drake, Home Building Association and Workmen's Compensation Bureau and the only industry that has a complete report made of its operations is the Bank of North Dakota, and that the committee has not had sufficient time to act intelligently on the report, as filed, so we are asking for more time and we recommend that a permanent committee of five members, three from the majority and two from the minority, be appointed by the President of the Senate to cooperate with the State Auditing Board in the investigation of the audit report of Bishop, Brissman & Co. and its contents, and to report its findings to the Senate of the Whole, so the Senate can then examine any witness or official they deem advisable and that this committee have authority to hire such attorneys and accountants as is necessary to get out a true, unbiased and correct report at the least possible expense to the taxpayers of the state.

A. A. LIEDERBACH,
W. J. CHURCH,
FRANK E. PLOYHAR,

Committee.

Senator Church moved that the report of the Select Committee be adopted, which motion prevailed.

The courtesies of the floor were extended to Messrs. H. S. Kenke of Mandan, R. W. Frazier of Crosby, J. Grady of Gulph, C. E. Joyce of Bowman, A. C. Slade of Amidon, Wm. Crary of Fargo, Hartwick Westby of Maddock, Ivor Engert of Columbus, Father Ryan of Fargo, C. C. Stewart and P. A. Lee of Grand Forks, C. H. Sheils of Edgley, John Brainerd of Sarbo, and Father Baker of Valley City, Francis Murphy of Minot.

Senator Bowman moved that one thousand more temporary Journals and 200 more copies of each bill be printed.

The roll was called and there were ayes 49, nays, 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersen, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the motion prevailed.

Senator Wog asked an extension of time on Senate Bill No. 5, which was granted.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Whitman introduced:

Senate Bill No. 30: A Bill for an Act to Amend and Re-enact Section 9 of Chapter 167 of the Session Laws of North Dakota for the Year 1919, Relating to the Salary and Expenses of the District Judges.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Whitman introduced:

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the year 1919, Relating to Compensation of Court Stenographers, and Providing for the Payment of Expenses.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Garberg introduced:

Senate Bill No. 32: A Bill for an Act to Amend and Re-enact Sections 11114 and 11115, Compiled Laws of the State of North Dakota for 1913, Relating to the Admitting to Bail of Persons Charged with the Offense of Homicide.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Garberg introduced:

Senate Bill No. 33: A Bill for an Act to Amend and Re-enact Section 2625, Compiled Laws of North Dakota for 1913, Relating to Trespass of Animals.

Was read the first and second time and referred to the committee on Livestock.

Mr. Thorson introduced:

Senate Bill No. 34: A Bill for an Act Legalizing and Validating all Notices and Publications Commenced in an Official Newspaper Prior to the 1st Day of January, 1921.

Was read the first and second time and referred to the committee on Printing.

Mr. Berg introduced:

Senate Bill No. 35: A Bill for an Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the Year 1913. Relating to Negotiable Instruments Made Payable at a Bank.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Garberg introduced:

Senate Bill No. 36: A Bill for an Act to Amend and Re-enact Section 3786 of the Compiled Laws of the State of North Dakota for the Year 1913 Relating to the Terms of Office of Police Magistrates.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Baird introduced:

Senate Bill No. 37: A Bill for an Act Entitled, an Act to Cure Defects in the Title of Real Estate Caused by Failure of Foreign Corporations to Comply with Section 5238 Compiled Laws, 1913.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Gross introduced:

Senate Bill No. 38: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 214 of the Laws of North Dakota for the Year 1919 as Amended and Re-enacted by Chapter 61 of the Special Session Laws of North Dakota for the Year 1919, Relating to the Limitations of Tax Levies, Debt Limits and the Powers and Duties of Certain Officers.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Liederbach introduced:

Senate Bill No. 39: A Bill for an Act to appropriate the sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota Under the Provision of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota Approved March 5, 1919, in Addition to the sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly, Approved December 12, 1919, and that such Appropriation be made from the State Highway Fund.

Was read the first and second time and referred to the committee on Appropriations.

Mr. Porter introduced:

Senate Bill No. 40: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 142 of the Session Laws of North Dakota for the Year 1915, Relating to the Payment of Tuition for Attendance at any Model High or Graded or Elementary School which is Operated, Maintained or in any Manner Connected with the State University, any Normal School or any Educational Institution of Higher Learning.

Was read the first and second time and referred to the committee on Education.

Mr. Ployhar and Mr. Noltimier introduced:

Senate Bill No. 41: A Bill for an Act to Amend and Re-enact Section 4059 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-Enacted to Read as Follows:

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Liederbach introduced:

Senate Bill No. 42: A Bill for an Act to Amend and Re-enact Sections 814 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Qualifications of Jurors.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Hagan introduced:

Senate Bill No. 43: A Bill for an Act Fixing the Maximum Amount Which Soldiers' Compensation Claims May Be Discounted and Providing a Penalty for the Violation Thereof.

Was read the first and second time and referred to the committee on Military Affairs.

Mr. Baird introduced:

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 187 of the Session Laws of North Dakota for the Year 1919.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Baird introduced:

Senate Bill No. 45: A Bill for an Act to Repeal Sections 5518 and 5519 of the Compiled Laws of the State of North Dakota for the Year 1913.

Was read the first and second time and referred to the committee on Judiciary.

SENATE ROLL CALL

The question being on the final passage of the concurrent resolution relating to declaring the Red River of the North a non-navigable stream, the roll was called and there were ayes 47, nays, 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: None.

Absent and not voting: Church, Levang.

So the concurrent resolution passed.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 17: A Bill for an Act to Make Unlawful the Unauthorized Use of the Name, Insignia of, or the Impersonation of the Membership in the American Legion, and Providing a Penalty for the Violation Thereof.

Was read the first and second time and referred to the committee on Military Affairs.

House Bill No. 27: A Bill for an Act to Amend Section 1383 of the Compiled Laws of North Dakota for 1913, Relating to Branches to be Taught in Public Schools.

Was read the first and second time and referred to the committee on Education.

Mr. President: Your committee on revision and correction of the journal carefully examined the journal of the 22nd day and recommend that the same be corrected as follows: On page four at the bottom of the page strike out the entire paragraph beginning with "Senator Liederbach" and insert in lieu thereof the following: "Senator Liederbach moved as a substitute motion that the auditor's report be referred to the special committee consisting of Senators Liederbach, Church, and Ployhar, until such time as same may be referred to such committee as approved by the senate."

And when so corrected move the report be adopted.

R. W. PATTON,
Chairman.

Mr. Patton moved that the report be adopted, which motion prevailed.

Hatton, N. Dak., Jan. 25, 1921.

Senator McNair, Bismarck, N. Dak.

Work for House Bill Five and Senate Bill Eighteen.

MRS. EINA AAKER,
Pres. W. C. T. U.
AND 4 OTHERS.

The President appointed as a Special Committee to consider the Auditor's Report submitted by Bishop, Brissman & Co., Senators Liederbach, Ployhar, Church, Baker and Murphy.

Senator Wenstrom moved that the Senate do now adjourn, which motion prevailed.

W. J. PRATER,
Secretary.

TWENTY-FOURTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 27, 1921.

The Senate convened at 2 o'clock, P. M., the President presiding.

Prayer by the Chaplain, Rev. Postlethwaite.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the twenty-third day and recommend that the same be corrected as follows:

Page six strike out the sentence "Senator Church moved the report be adopted," where it occurs, and insert in lieu thereof, "Senator Church moved that the report of the Special committee be adopted, which motion prevailed." On page seven strike out the sentence, "Senator Church moved that the report of the Select Committee be adopted, which motion prevailed," where it occurs on that page.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Ployhar presented the following communication:

WHEREAS, The State of North Dakota requires by statute that physical education shall be included in the branches of study to be taught in all educational institutions receiving money from the state, and lays upon the boards of management of these institutions the duty to make provision for daily instruction in this branch of study; and

WHEREAS, No adequate provision has been made in the Valley City State Normal School for meeting the requirements of this law; and

WHEREAS, The last appropriation for buildings for the Valley City State Normal School was made by the 12th Legislative Assembly in 1911, and since that time no building appropriation has been made for said Normal School; and

WHEREAS, The highest welfare of the State demands adequate support of its teacher training institutions in order that professional trained teachers may be prepared for the work of teaching in the public schools of the State:

THEREFORE, BE IT RESOLVED, by the Commercial Club of Valley City that we urge upon the 17th Legislative Assembly now in session the necessity of making provision at this session for a physical education building for the Valley City State Normal School.

BE IT FURTHER RESOLVED, That it is false economy to stint the State educational institutions and thus injure not only the institutions directly affected, but also public education in the entire State, and we urgently request the 17th Legislative Assembly to make appropriations sufficient to meet the current expenses of the Valley City Normal School for the coming biennium.

BE IT FURTHER RESOLVED, That we recommend to the 17th Legislative Assembly that legislation be enacted to provide for the maintenance of State educational institutions by a millage tax, and that a ten year building program be adopted by these institutions, with a plan for financing such a program.

VALLEY CITY COMMERCIAL CLUB,
J. H. S. THOMSON, Pres.
I. J. MOE, Sec'y.

Jan. 22, 1921.

Hon. Senator and Representatives, Cavalier County, N. D.:

Gentlemen: Inasmuch as the High Schools of the State are bearing more than their fair share of the tax burden because of the fact that non-resident pupils are not required to pay tuition fees;

And inasmuch as our treasury is well nigh depleted from this cause, we urge the legislature to use all means within your power to enable us to levy a tuition fee of \$100.00 a year against the district from which non-resident pupils come. This amount should be paid for each pupil enrolled in any high school.

We suggest that you favor this method of levying the fees rather than the mill tax or county district methods.

We are too far along in this school year to get any relief but a law becoming effective July 1st, 1921, would enable us to take care of the children from other districts next year.

Kindly go the limit on this matter to keep our high schools open for pupils of surrounding districts.

(Signed) JOHN MAHON, President,
W. W. McQUEEN,
W. A. BOLTON,
C. E. JOHNSTON,
JOSEPH POWERS.

Taylor, North Dakota.

To the Members of the Legislature from Stark County:

We, the undersigned taxpayers of the Taylor School District, petition you to introduce and use your best efforts to have passed at the next session of the legislature a bill to more evenly distribute the taxation for maintaining high schools in villages or rural districts. As it is now, a few are burdened with heavy taxation, and others receive the same benefit with practically no tax. In districts where high schools are maintained, it costs \$.50 per acre per year, or more, for tax, while in adjoining school districts the tax on the land is about 20c per acre per year. The high school must educate the pupils of the adjoining districts.

We ask that either the state levy a tax and maintain a fund to defray all expenses of the rural and village high schools and have the state decide where such high schools should be located, or that the state should be redistricted and the high schools given enough territory to lessen the tax burden for them.

HERMAN LEUTZ,
And 76 Others.

Beach, N. D., January 19, 1921.

Hon. Gust Wog, Senate, Bismarck, N. Dak.

Harley Halzman Post, American Legion, Beach, respectfully asks your support of House Bill No. 26. Your efforts will be greatly appreciated.

HARRY HALZMAN POST NO. 5,
J. L. DILLEY, Adjt.

Edgeley, N. D., January 26, 1921.

Senator E. A. Bowman, Bismarck, N. Dak.

This Post expresses confidence in Legislative Committee of American Legion of North Dakota and respectfully asks your approval and active support of only such measures relative and amendment of the State bonus law as committee shall endorse.

HENRY PARTHIE POST NO. 146,
The American Legion, Edgeley, N. D.
OTIS WASHBURN, Commander,
C. H. HUCKEBY, Adjutant.

Grand Forks, N. D.

Senator R. L. Baird presented the following petition:

We, the undersigned auto owners, repairmen and drivers

of Grand Forks, N. D., do hereby endorse and ask your full support on senate Bill No. 20, requiring all auto repairmen to pass examination and be licensed by the State.

LEWIS KUBOWSEK,

And 60 Others.

Senator Ingerson presented the following communication:

To the Honorable Members of Both Houses of the Seventeenth Legislative Assembly:

Gentlemen: We, the undersigned, county officers of Divide county, North Dakota, respectfully ask your support for any salary bill for county officers that provides for a substantial increase in the salaries of county officers.

We respectfully ask this because of the increase in the cost of living, facts and figures in regard to which have already been submitted to you by other county officers.

We ask only what is fair in this matter and that any salary bill, for county officers, submitted to you be fairly dealt with, and we are confident that you will deal fairly with us, but we are submitting the foregoing to you to let you know that there is a real demand and need for increases in the salaries of all county officers.

R. H. LYNCH, County Auditor,

And Six Others.

Dated at Crosby, N. D., January 24, 1921.

RESOLUTION.

Mr. Ployhar moved the adoption of the following resolution:

WHEREAS, it has pleased Him, the ruler of our destinies, to remove from our midst the Honorable J. H. Witcher, a pioneer of this state and a former member of this Senate, and a man beloved by his neighbors and all that knew him; and

WHEREAS, the State has suffered the loss of a good citizen and the family the loss of an ideal husband and father:

BE IT HEREBY RESOLVED, that we extend to the sorrowing family our heartfelt sympathy: and

BE IT FURTHER RESOLVED, that these resolutions be made a part of the Permanent Journal of the Senate and that an engrossed copy thereof be forwarded to the bereaved family.

Senator Witcher was born in Waukesha, Wisconsin, in 1849, and received his education in the common schools and Carroll College of that city. In April, 1883, he came to North Dakota and engaged in farming and stock raising, which he continued until his death June 14, 1920. He was married in 1876 to Mattie A. Blackwell, of Waukesha, who with two sons and two daughters survive him. In politics Mr. Witcher was an independent and served the people of Barnes County in various political capacities, having served two terms as County Treasurer, one term as County Commissioner and one term in the State Senate, the sessions of 1909 and 1911.

Senator Ployhar moved that the resolution be adopted, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Thorson introduced:

Senate Bill No. 46: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

Was read the first and second time and referred to the committee on Public Printing.

Mr. Liederbach introduced:

Senate Bill No. 47: A Bill for an Act Appropriating Twenty-six Thousand Dollars (\$26,000.00) for the Construction, Erection and Equipment by the State Highway Commission of an Automobile and Machine Shop at the Capitol at Bismarck.

Was read the first and second time and referred to the committee on Appropriations.

Mr. Mees introduced:

Senate Bill No. 48: A Bill for an Act Requiring County Commissioners to have Classified all Acre Property in the State, Providing method of Contracting for Such Work of Classification, Authorizing a Tax Levy Therefor, Fixing Classification Schedules, Providing for Notice to Public prior to Adoption of such Classification and Fixing the duties of the Board of County Commissioners, Boards of Review and Equalization and Local Assessors with respect to such Classification Schedules.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Messrs. Fraser and Ward introduced:

Senate Bill No. 49: A Bill for an Act Amending Section 10298 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134, Section 9, of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer and Providing a penalty therefor.

Was read the first and second time and referred to the committee on Game and Fish.

Mr. Ployhar introduced:

Senate Bill No. 50: A Bill for an Act to Amend and Re-enact Section 2, of Chapter 192, Session Laws of North Dakota for the Year 1919.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Liederbach introduced:

Senate Bill No. 51: A Bill for an Act to Appropriate \$200,000.00 out of any Moneys in the Interest and Income of the Capitol Building Fund to Complete the Liberty Memorial Building, to Build a Tunnel to Connect it with the Power House, Laying Water Mains and Sewers, for the Improvement of the Grounds and Establishment of the Park.

Was read the first and second time and referred to the committee on Appropriations.

Mr. Liederbach introduced:

Senate Bill No. 52: A Bill for an Act to Amend and Re-enact Section 369 of the Compiled Laws of 1913 as Amended by the Referendum Election on November 2, 1920, and Providing the Requirements that the State Board of Auditors Semi-annually Examine and Audit the Accounts, Books, Vouchers, Records, Papers, Documents and all other Transactions of the State Treasurer and of all County, Township, School District, City, Organized Towns and Village Treasurers, and of the Bank of North Dakota and all Other Banks, Including National Banks in which Public Funds are Deposited, and all of the Industrial Institutions of the State; and Requiring the Various Treasurers to File Reports with the Secretary of the Board of Auditors in Regard to the Public Funds, and Providing a Penalty for the Violation of this Act, and Making an Appropriation for Carrying out the Provisions of Same, and Repealing all Acts and Parts of Acts in Conflict herewith.

Was read the first and second time and referred to the committee on Appropriations.

The Senate returned to the eighth order of business.

Senator Mees moved that 600 additional copies of Senate Bill No. 48 be printed.

The roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Mikl ethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman.

So the motion prevailed.

MESSAGE TO THE SENATE

House Chamber,
Bismarck, North Dakota,
January 27, 1921.

Mr. President: I have the honor to transmit the following Concurrent Resolution:

CONCURRENT RESOLUTION

Introduced by Boyd, Cart, Carlson, Kitchen, Semling, Starke, Preszler, Yeater, Bjorgo.

WHEREAS, There is now pending in Congress a Bill to provide additional compensation for the soldiers who served the United States during the late war, known as the American Legion Four-Fold Plan; and

WHEREAS, The National House of Representatives passed said bill and same is now before the Senate Committee on Finance:

THEREFORE, BE IT RESOLVED By the House of Representatives of the State of North Dakota, the Senate concurring therein:

RESOLVED That while we recognize that this nation can never repay the debt it owes to those who served, and cannot bring back to health and happiness those who suffered and died in the struggle. Yet it can in a measure equalize the financial losses of those who served by the payment of reasonable additional compensation as provided by the American Legion Four-fold Plan.

BE IT FURTHER RESOLVED That we urge the Senate and the Senate Committee on Finance to speedily enact into a law the plan of compensation known as the American Legion Four-fold Plan.

BE IT FURTHER RESOLVED That a copy of these resolutions be sent to the Chairman of the Senate Finance Committee and to the Senators from this State.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,

Chief Clerk.

Senator Murphy moved that the House Concurrent Resolution be adopted, which motion prevailed.

Senator Mees moved that the communications received in regard to the Standing Rock Reservation be printed in the Journal, which motion prevailed.

House of Representatives, U. S.,
Washington, D. C.,
January 4, 1921.

Hon. Howard Wood,
Bismarck, N. D.

My Dear Mr. Wood: I am in receipt of the concurrent resolution passed by the legislature with reference to the Standing Rock Reservation. I am enclosing you herewith a copy of H. J. Res. 346 with report thereon. You will note that I introduced this in Congress last April and that it passed the House on December 20th. It has now gone to the Senate, so is out of my hands. I have asked our Senators to do what

they can to expedite action. The bill is in the Committee on Indian Affairs in the Senate, and I would suggest that those interested write Senator Gronna as he is a member of that Committee, and is in a position to get results on the measure.

With kindest personal regards, I am,

Yours very truly,

J. H. SINCLAIR.

66TH CONGRESS, 2D SESSION. H. J. RES. 346.

IN THE HOUSE OF REPRESENTATIVES.

April 28, 1920.

Mr. Sinclair introduced the following joint resolution; which was referred to the Committee on Indian Affairs and ordered to be printed.

JOINT RESOLUTION

Extending the time for payment of purchase money on homestead entries in the former Standing Rock Indian Reservation in the States of North and South Dakota.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized, in his discretion, to extend for a period of one year the time for the payment of any annual installment due, or hereafter to become due, of the purchase price for lands sold under the Act of Congress approved May 29, 1908 (Thirty-fifth Statutes, page 460), entitled "An Act to authorize the sale and disposition of surplus or unallotted lands of the Standing Rock Indian Reservation in the States of North and South Dakota, and for other purposes," and the Act of Congress approved February 14, 1913, (Thirty-seventh Statutes, page 675), entitled "An Act to authorize the sale and disposition of surplus or unallotted lands of the Standing Rock Indian Reservation in the States of North and South Dakota, and for other purposes," and any payment so extended may annually thereafter be extended for a period of one year in the same manner: Provided, That the last payment and all other payments must be made within a period not exceeding one year after the last payment becomes due by the terms of the Act under which the entry was made: Provided further, That any and all payments must be made when due unless the entryman applies for an extension and pays interest for one year in advance at 5 per centum per annum upon the amount due as herein provided, and patent shall be withheld until full and final payment of the purchase price is made in accordance with the provisions hereof: And provided further, That failure to make any payment that may be due, unless the same be extended, or to make any extended payment at or before the time to which such payment has been extended as herein provided shall forfeit the entry and the same shall be canceled and any and all payments theretofore made shall be forfeited.

HOUSE OF REPRESENTATIVES.

66th Congress,
2d Session.

Report
No. 916.

PAYMENT OF PURCHASE MONEY ON HOMESTEAD ENTRIES, FORMER STANDING ROCK INDIAN RESERVATION.

May 3, 1920.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. Sinclair, from the Committee on Indian Affairs, submitted the following

REPORT

(To accompany H. J. Res. 346.)

The Committee on Indian Affairs, to whom was referred House joint resolution 346, authorizing the Secretary of the Interior, in his discretion, to extend the time for payment of purchase money on homestead entries in the former Standing Rock Indian Reservation in the States of North and South Dakota, having considered the same, report favorably thereon with the recommendation that the resolution do pass without amendment.

The resolution was referred to the Interior Department, and the Secretary of that department furnished the committee with the following report thereon:

Department of the Interior

Washington, April 28, 1920.

Hon. J. H. Sinclair,
House of Representatives.

My Dear Mr. Sinclair: I have your letter of April 20, 1920, inclosing copy of proposed joint resolution extending the time for payment of purchase money on homestead entries in the former Standing Rock Indian Reservation, for one year, and asking whether the department favors the proposed measure.

As pointed out in your letter, Congress has recently enacted legislation of like tenor applicable to the former Fort Peck Indian Reservation in Montana and the former Colville Reservation in Washington.

If it is a fact that because of drought or other conditions beyond the control of the entrymen they are unable to make the required payments at this time, thus bringing them within the same status as the entrymen on the reservations covered by existing legislation, I would interpose no objection to like relief to entrymen on the former Standing Rock Reservation.

Cordially yours,

ALEXANDER T. VOGELSANG,
Acting Secretary.

On account of the drought of the past few years many of the homesteaders in this reservation will be unable to make their payments, and it is a fact that unless relief is afforded them they will have to lose their lands.

Senator Wenstrom moved that the Senate recess subject to the call of the President, which motion prevailed.

The Senate reassembled, the President presiding.

The committee on City and Municipal Corporations made the following report:

Mr. President: Your committee on City and Municipal Corporations to whom was referred:

Senate Bill No. 26: A Bill for an Act Limiting the Debt Limit of Organized Towns and Villages.

Have had the same under consideration and recommend that the same do pass.

W. S. WHITMAN,
Chairman.

Senator Baker moved that Senate Bill No. 26 be rereferred to the committee, which motion prevailed.

The committee on Ways and Means made the following report

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 18: A Bill for an Act to Amend and Re-enact Chapter Six, Session Laws 1919, as Amended by Special Session Laws 1919 Relating to the Licensing, Regulating and Supervising the Licensing and Inspection of Pool and Billiard Rooms, Ball and Pin Alleys, Dance Halls, Theaters, Moving Picture Shows, Taxicab or Auto Livery, Places where Soft Drinks are Manufactured or Sold or where Cigars and Tobacco are Sold, or Public Hall, owned Privately and Used for Public Purposes; Providing Fees therefor, Inspectors, Office Help and Supplies Thereof; Defining Powers and Duties and Repealing all Acts and Parts of Acts Inconsistent Therewith.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 5, line 15, after the word "law" insert the following: "or ordinance of any city, village or town regulating such business."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Ingerson introduced:

Senate Bill No. 53: A Bill for an Act to Amend and Re-enact Chapter 160 of the Session Laws of North Dakota for the Year 1919 as Amended by Chapter No. 38 of the Special

Session Laws of the 16th Legislative Assembly of the State of North Dakota for the Year 1919 Relating to State Hail Insurance.

Was read the first and second time and referred to the committee on Insurance.

Mr. Ingerson introduced:

Senate Bill No. 54: A Bill for an Act to Appropriate Money to Take Care of the Deficit in the Maintenance Account of the Hail Insurance Department for the Year Beginning January 1st, 1920, and Ending December 31st, 1920.

Was read the first and second time and referred to the committee on Appropriations.

Mr. Sperry introduced:

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official Dockets and Papers of Justices of the Peace.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Sperry introduced:

Senate Bill No. 56: A Bill for an Act Providing for the Cancellation of Mortgages by Order of the District Court Judges of the State of North Dakota.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Wenstrom introduced:

Senate Bill No. 57: A Concurrent Resolution for an Amendment to the Constitution Relating to the Residence Required of an Elector.

Was read the first and second time and referred to the committee on Elections.

House Chamber,
Bismarck, North Dakota,
January 27, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate Concurrent Resolution relating to construction of dams, etc., in the Red River of the North.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
January 27, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as Amended by Chapter 143, Session Laws of 1919.

House Bill No. 5:

A Bill for an Act to prohibit intoxicating liquors and beverages with exceptions for nonbeverage and sacramental purposes and provide for its enforcement and the repeal of laws in conflict therewith.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as Amended by Chapter 143, Session Laws of 1919.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 5:

A Bill for an Act to prohibit intoxicating liquors and beverages with exceptions for nonbeverage and sacramental purposes and provide for its enforcement and the repeal of laws in conflict therewith.

Was read the first and second time and referred to the committee on Temperance.

The courtesies of the floor were extended to Messrs. F. T. Gronvold of Rugby, Carl Larson of Tunbridge, Otto Pridz of Binford, Byron Hazard of Cooperstown, Melvin Michaelson of Hannaford and Mr. and Mrs. August Strong of Hazelton.

Senator Miklethun moved that the Senate do now adjourn, which motion prevailed.

W. J. PRATER,
Secretary.

TWENTY-FIFTH DAY.

Senate Chamber,
Bismarck, North Dakota,
January 28, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Alfson.

The roll was called all Senators being present.

The president appointed as a committee to escort former Lieutenant Governor Burdick to the rostrum, Senators Church and Byrne.

The committee escorted Mr. Burdick to the rostrum.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the twenty-fourth day and recommend that the same be corrected as follows: On page four line 6 correct the spelling of the name "Ingerson."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

To Hon. P. O. Thorson, State Senator, Seventh Legislative District, Bismarck, N. D.

The undersigned county officials of Grand Forks county hereby respectfully urge your earnest consideration and support of legislation proposing a substantial increase in salaries of county officials throughout the state. On account of the high cost of living, the salaries now provided by law for such officials are insufficient to secure and retain the services of competent officials, and because of the growing importance of these positions and the ever increasing responsibilities placed upon these officials, public welfare demands a higher class of efficiency than the present salaries will employ and retain. During the entire period of the war, under trying conditions, county officials served faithfully without asking any increase of pay whatever, and right and justice

would now seem to entitle such officials to consideration at the hands of the legislature.

We urgently request your support of legislation proposing an increase of at least twenty-five per cent. over present salaries.

HANS ANDERSON,
And Seven Others.

By L. R. Baird:

To the Honorable Senator and Members of the House of Representatives of the 31st Legislative District, North Dakota:

We, the undersigned, county officers hereby urgently request and petition you to support and use your best efforts to secure a necessary and deserving increase in salaries of county officers.

Respectfully submitted,
C. C. TURNER, Co. Treas.,
And Seven Others.

Northwood, N. D., Jan. 27, 1921.

To Hon. J. E. Eastgate, Senator, Fifth Legislative District:

The petitioners and subscribers hereto, legal voters of the said district, petition and pray that you will use your best efforts to enact Senate Bill No. 18, which amends our present law, and provides for licensing and inspecting of pool halls, and other places, also provides for a State force of men to investigate law violations and to stop whiskey running.

K. A. SATHER,
And Forty-seven Others.

To the Hon. F. W. Mees, J. J. Strain, John Elmer and Jacob Bollinger:

Gentlemen: We call your attention to House Bill No. 34, a bill for an act to fix the salaries of certain county officials, provide for the employment and payment of deputy and clerk hire in such office, the collection and deposit of fees and repeal of certain laws.

This bill has ben referred to the committe on State Affairs.

This bill is a belated effort or attempt to do justice to a large body of public servants who have borne the burden and heat of the day, at the old salaries, while prices of necessities were mounting skyward. Nearly all classes of employment outside of the public service have had their salaries and wages increased to meet the constant rise in prices, until almost every line of employment is better paid than county officers.

We therefore earnestly request you to support the bill above referred to, and secure its passage. We urge this on the ground of doing simple justice to the class of public ser-

wants it will benefit.

LEE NICHOLS, County Auditor.
And Seven Others.

Senator H. J. Rusch:

Dear Mr. Rusch: The Scandinavian W. C. T. U. of Fargo urgently requests you to support Senate Bill 18. Thank you for your efforts in behalf of our state's good laws.

SCAND. W. C. T. U.,

KATIE N. KJORLIE, Sec.

We, the undersigned duly elected officers in and for Hettinger county, feeling that the present schedule of salary of county officers is unfair and not sufficient compensation for the labor rendered therefor, do hereby endorse the proposed bill hereto attached for the increase of salary.

F. L. WIGENDORF, Register of Deeds,

And Seven Others.

Minot, N. D., January 11, 1921.

Honorable Senator Walter Bond, Bismarck, N. D.

Dear Sir: We, the Homemakers Sunday School Class of Vincent M. E. Church of the city of Minot, do jointly and collectively, kindly request that you use your most sincere influence with your brother members to carry through and pass a bill giving to the city commissioners the power to issue and revoke dance hall licenses, instead of having this governed by state legislation.

We trust that you will kindly aid us in this matter which we consider so vital to the welfare of our cities, and take this opportunity to thank you, heartily, for whatever you may do.

Respectfully yours,

HOMEMAKERS S. S. CLASS OF
VINCENT M. E. CHURCH.

EUNICE KEIST,

And Three Others.

Nekoma, North Dakota, January 27, 1921.

Hon. Senator and Representatives, Cavalier County, N. D.

Gentlemen: Inasmuch as the high schools of the State are bearing more than their share of the tax burden because of the fact that non-resident pupils are not required to pay tuition fees.

We urge the legislature to use all means within your power to enable us to levy a tuition fee of \$100.00 a year against the district from which non-resident pupils come. This amount should be paid for each pupil enrolled in any high school.

We suggest that you favor this method of levying the fees rather than the mill tax on county district methods.

We are too far along in this school year to get any relief but a law becoming effective July 1st, 1921, would enable us to take care of the children from other districts next year.

Kindly go the limit on this matter to keep our high schools open for pupils of surrounding districts.

Yours respectfully,

NEKOMA CONSOLIDATED SCHOOLS,

By JAMES MCGREGA, Pres.,

And Two Others.

Resolutions adopted by the annual joint meeting of the North Dakota and Tri-State Flood Control Associations in Fargo, December 16, 1920:

WHEREAS, there are vast problems in flood control and drainage affecting the 110,000 square miles comprising the valley of the Red River in Canada and the United States which cannot all be solved without co-operation and joint action of these two countries:

BE IT RESOLVED, that we, the Tri-State and North Dakota Flood Control Associations respectfully urge the Assemblies of 1921 of the states of Minnesota, North and South Dakota to formally petition Congress to request the Joint International Commission to call a conference at some city near the international boundary and follow same with such action as will enable the two countries to continue and perfect the necessary, desired action relating to control of the floods of the Red River.

BE IT FURTHER RESOLVED, that the secretaries of the Association transmit copy of these resolutions to the Governor, and the Assemblies of the respective states named.

We give full endorsement to resolutions.

We appreciate the crystalization of efforts leading to the organization of a Flood Control and Drainage District comprising the entire watershed area of the Red River Valley. We regret that the state of North Dakota has not passed an enabling act which shall make possible the cooperation of the state with the state of South Dakota and the state of Minnesota in the organization of a joint Flood Control and Drainage Commission for the Red River Valley in the three states.

WHEREAS: First, We respectfully urge the Senate and House of the State of North Dakota, at the session of 1921 to pass an enabling act which shall permit the counties in the drainage basin of the Red River Valley to form a Flood Control and Drainage District.

Second; That the District Commission shall be given authority to join with similar commissions from Minnesota and South Dakota, in the formation of a Red River Valley Flood Control and Drainage District.

I endorse fully the above and urge action be taken at once.

F. R. STRONG, Milnor, N. D.

F. COOPER, Milnor, N. D.

Hillsboro, N. D., Jan. 24, 1921.

Hon. H. H. McNair, Senator, Bismarck, N. D.

Dear Sir: Believing that Senate Bill No. 18 will improve and strengthen our present law in regard to licensing and inspecting pool halls, and will assist in other law enforcement; and believing that House Bill No. 5 will make our prohibition law harmonize with the federal laws and make it more effective against whiskey running, stills, etc.;

We, the undersigned, members of the Hillsboro W. C. T. U., do earnestly petition you to vote for the above mentioned bills when they come up for passage.

Respectfully yours,

MRS. C. E. FULLER,
And Twenty-four Others.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 35: A Bill for an Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the year 1913, Relating to Negotiable Instruments Made Payable at a Bank.

Have had the same under consideration and recommend that the same be amended as follows:

Section 2. This act is hereby declared to be an emergency measure, and shall take effect and be in force from and after its passage and approval.

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 32: A Bill for an Act to Amend and Re-enact Sections 11114 and 11115, Compiled Laws of the State of North Dakota for 1913, Relating to the Admitting to Bail of Persons Charged with the Offense of Homicide.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted.

Senator Mees moved that action on committee report on Senate Bill No. 32 be deferred.

Senator Whitman moved as a substitute that the report be a special order of business at 3 o'clock, which motion was lost.

The question being on the motion to defer action, which motion was lost.

The question being on the adoption of the committee report on Senate Bill No. 32, which motion prevailed.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 24: A Bill for an Act to Amend and Re-enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

Have had the same under consideration and recommend that the same be amended as follows:

In line four, printed bill, after "court" strike out the word "nor" and insert in lieu thereof "or". In line six, printed bill, after the word "parties" insert "or upon any statement or finding of fact made by a referee."

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 20: A Bill for an Act to Create and Establish the Office of State Inspector and Licenser of Automobile Engineers and Repairmen, and Prescribing the Duties Thereof; Providing for the Classification, Examination and Licensing of Automobile Engineers and Repairmen; Prescribing Fees for Such Examination and License; and Regulating the Repair of Automotive Vehicles within the State of North Dakota.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 36: A Bill for an Act to Amend and Re-enact Section 3786 of the Compiled Laws of the State of North Dakota for the Year 1913 Relating to the Terms of Office of Police Magistrates.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 18: A Bill for an Act to Amend and Re-enact Chapter Six, Session Laws 1919, as Amended by Special Session Laws 1919 Relating to the Licensing, Regulating and Supervising the Licensing and Inspection of Pool and Billiard Rooms, Ball and Pin Alleys, Dance Halls, Theaters, Moving Picture Shows, Taxicab or Auto Livery, Places where Soft Drinks are Manufactured or Sold or where Cigars and Tobacco are Sold, or Public Hall, owned Privately and Used for Public Purposes; Providing Fees therefor, Inspectors, Office Help and Supplies Thereof; Defining Powers and Duties and Repealing all Acts and Parts of Acts Inconsistent Therewith.

And find the same correctly engrossed.

A. G. Storstad,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Miklethun asked for an extension of time on Senate Bill No. 2, which extension was granted.

Senator Hagan asked for an extension of time on Senate Bills Nos. 23 and 27, which extension was granted.

Senator Fraser asked an extension of time on Senate Bills Nos. 11 and 42, which extension was granted.

Senator Church asked for an extension of time on all bills referred to the Appropriation committee, which extension was granted.

Senator McNair introduced the following Concurrent Resolution Memorializing and Requesting Congress to release unto the State of North Dakota absolutely Federal Automobile trucks at Fort Lincoln and in the State of North Dakota, now rapidly becoming valueless and going to waste and destruction.

BE IT RESOLVED, By the Senate of the State of North Dakota, the House Concurring Therein:

WHEREAS, Federal automobile trucks in large numbers and aggregating in cost to the Federal Government over one

million dollars have been assigned to the State Highway Commission of the State of North Dakota for use upon the highways in connection with State and Federal road development, subject to certain conditions and restrictions, and whereas the State of North Dakota through such department has been unable to utilize and make useful such automobiles by reason of the limited use for which they have been assigned and the conditions and restrictions imposed, and whereas such trucks in large numbers are now unhoued, located upon the open prairie, are rapidly deteriorating in value and capacity for use for any purpose, and whereas such automobiles are capable of use and may be used advantageously by the State of North Dakota, the counties and other municipal sub-divisions thereof for beneficial public purposes, and whereas it is essential that public waste and destruction may not occur to public assets of value and usability, therefore, that the State of North Dakota requests the Federal Congress and the Federal authorities to immediately provide that such automobiles may be assigned to the State of North Dakota absolutely for use for public purposes, and that our representatives in Congress be requested to take action at once to secure such result.

Senator Baker moved that the following inventory be printed in the Journal, which motion prevailed.

(APPROXIMATE) INVENTORY OF TOTAL SURPLUS WAR MATERIALS.

29	Ford cars and ambulances.....	\$ 5,800.00
2	Hudsons in use	3,600.00
2	Hudsons not in use	1,600.00
1	One ton Ford truck.....	350.00
4	One-half ton Ford truck.....	800.00
7	Three-fourths ton G. M. C.,.....	16,800.00
52	Three ton F. W. D.	234,000.00
87	Two ton Nash-Quad	293,625.00
9	Two-ton I. H. C.	18,000.00
29	Two ton Pierce-Arrow.....	116,000.00
4	Three ton Packard	22,400.00
16	Three ton H. A. Kelly	72,000.00
12	Three one-half ton Republic	42,000.00
26	Three ton H. A. Velie	117,000.00
1	Two ton H. A. Federal.....	3,500.00
3	Five ton White	15,000.00
1	Five ton Hurlburt	5,000.00
1	Five ton G. M. C.....	5,000.00
16	Five ton Pierce.....	96,000.00
24	Three ton Garfords.....	82,000.00
10	Two ton Standard	18,000.00
1	ten ton Austin road roller	6,000.00
4.	Fifteen ton Holt-Caterpillar.....	28,000.00
1	Gray tractor	5,000.00
1	Five ton Cleveland tractor.....	1,500.00
1	Titan tractor.....	2,500.00
1	Twin City 93 H. P.	6,000.00
1	Gravel loader	1,500.00
4	Cleveland motorcycle	600.00
	Shipment of tires	5,727.40

	F. W. D. parts	2,000.00
	White parts	1,200.00
	G. M. C. parts	900.00
	Garford parts	16,980.20
2	Squadron units	12,000.00
	Pierce Arrow generator parts.....	1,600.00
	Heavy —— parts	42,000.00
	Standard parts	2,300.00
	Ford parts	1,941.00
	Gray parts	2,500.00
	Holt parts	7,700.00
	Nash parts	70,000.00
	Hudson parts	1,783.17
2	Folding tables	4.94
29	Hand pumps	237.40
50	Hatchets	50.00
2	Concrete mixers	300.00
25	Slip scrapers	300.00
506	D shovel handles	506.00
232	Pyramid tents	5,200.00
15	Sets truck chains	150.00
1200	Steel time posts	600.00
10	Portable forges	195.00
2	Sprinkling wagons	944.33
1	Drinking wagon	472.44
2	Field desks	23.64
600	Blasting caps	52.50
48	Railroad lanterns	48.20
2	Planimeters	60.00
1	Transit and tripod	325.00
5	Levels	550.00
2	Army ranges	47.13
17	Steel tanks	932.78
1	Barnes pump	400.00
1205	Corrugated steel	2,005.23
5	Trench shellers	1,200.75
1	1 yd clam shell bucket	300.00
167	Lanterns	142.35
2	Chain hoists	91.90
50	Wheelbarrows	250.00
7	Doz. sledge handles	35.00
3	Doz. hatchet handles	7.50
2	Doz axe handles	10.00
500	Expanded metal	921.00
24	Rip saws	41.04
96	Folding lanterns	163.20
4	Piston hand pumps	31.80
12	Hydraulic jacks	240.00
7	Water carts	2,093.00
10	Picks	20.00
16	Mattocks	32.00
20	Engineer compasses	75.00
12	Power pumps	3,107.50
6	Hand wrenches	537.00
25	Sets harness.....	875.00

\$1,411,780.45

SURPLUS WAR MATERIAL AT BISMARCK

Fords, 22, (3 under shelter); Hudsons, 4 (under shelter); 3-4 ton G. M. C., 1; Nash-Quads, 13; I. H. C., 2; Heavy aviation, 15; Garfords, 24; Pierces, 2 ton, 25; Pierces, 5 ton, 14; F. W. D., 9; White, 5 ton, 3; G. M. C., 5 ton, 1; Standard, 10. Total, 143. Sixteen of these trucks stored in plane hangers, leaving 120 cars and trucks out-of-doors. Approximate value, \$600,000.00.

CARS AND TRUCKS NOT INCLUDED IN ABOVE:

Fords, Division Engineer; Fords, Road Engineer; Pierce 2 ton, Board of Administration; Ford 1 ton, Home Builders Association; F. W. D., Home Builders Association; F. W. D., Home Builders Association; Nash-Quad, State Penitentiary; two Pierce 5 ton, State Penitentiary; three Pierce 2 ton, Foundation Company at bridge. Approximate value \$60,000.00.

OTHER EQUIPMENT OUT-OF-DOORS:

Two army truck bodies, 8 tractors, 1 ambulance body, 1 5 ton rear axle, 7 water carts, 2 large gas tanks, 2 street sprinklers, 1 clam shell bucket. Approximate value \$40,200.00. Tools and equipment partly stored in Bank of North Dakota basement. Approximate value \$200,000.00. Total \$900,200.00.

Senator McNair moved that the resolution in regard to the war material be adopted, which motion prevailed.

CONCURRENT RESOLUTION.

Introduced by State Affairs Committee.

BE IT RESOLVED, by the Senate of the State of North Dakota, the House of Representatives concurring therein:

WHEREAS, the per diem allowed the members of the legislature is entirely inadequate to meet their actual expenses while in the discharge of their duties; and

WHEREAS, it is the opinion of the members of the Seventeenth Legislative Assembly that the people of the State are not in favor of their representatives donating their time and also suffering an actual financial loss:

NOW, THEREFORE, BE IT RESOLVED: That there is hereby appropriated out of any money in the State Treasury, not otherwise appropriated, the sum of Twenty-five thousand Dollars (\$25,000.00) or so much thereof as may be necessary, to allow each member of the Seventeenth Legislative Assembly the sum of One Hundred and Fifty Dollars (\$150.00) for expenses, and that the Auditor be authorized to draw warrants on the State Treasurer for that amount.

Senator Olson moved that the Concurrent Resolution be referred to the State Affairs committee, which motion prevailed.

Senator Ployhar moved that the vote by which the resolution was referred to the State Affairs committee be reconsidered, which motion prevailed.

Senator Ployhar moved that the rules be suspended in so far as necessary as to place the Concurrent Resolution introduced by the State Affairs committee on third reading and final passage, which motion prevailed.

SENATE ROLL CALL.

The question being on the final passage of the Concurrent Resolution in regard to additional remuneration of legislative members, the roll was called and there were ayes 37, nays 11, not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Bond, Bowman, Byrne, Church, Carey, Eastgate, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsch, Kendall, Levang, Liederbach, McLachlin, Mees, Miklethun, Murphy, Nelson, Olson, Oksendabl, Petterson, Ployhar, Porter, Patten, Schrenk, Steel, Storstad, Thorson, Van Camp, Wenstrom, Whitman.

Nays: Berg, Ettestad, Fleckten, Ingerson, McNair, Nathan, Noltimier, Rusch, Stevens, Ward, Wog.

Not voting: Sperry.

Senator Ettestad explains his vote as follows: Being as it looks that I am trying to get a raise in my own wages, I would be more in favor of introducing an amendment. I vote "no."

Senator Mees: Having no conscientious scruples in the matter, I vote "yes."

Senator Rusch: I vote "no" on the proposition until we have at least had the opinion of the Attorney General's force.

Senator Sperry: I am not in the same position as the rest of the members of this Senate on this matter. The fact is that under the present pay they are loosing money by being here but for myself I would like to be excused from voting. Should this resolution carry and I am forced to accept this extra pay, I will turn it over to charity. I do not need this extra money like some of the others do.

Senator Stevens: I realize as much as any Senator present that the compensation allowed the members of this body and the house across the hall has never been adequate for the sacrifice they make in attending this session. Do we, Mr. President, fully realize what this may lead to? Is it not a fact that our journals and records are now full of petitions and communications from county officials and other public officers asking for an increase in salary? If possible we should do something to reduce the taxes rather than increase them. These are days of sacrifice and we must bear our burdens with the entire people of the state and for that reason I vote "no."

So the resolution was adopted.

Mr. Ployhar moved that the vote by which the Concurrent Resolution passed, be reconsidered and the motion to reconsider be laid on the table; which motion prevailed.

Senator Kendall moved that the Senate listen to a speech from Usher L. Burdick, which motion prevailed.

Mr. Burdick addressed the Senate.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Fleckten introduced:

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of this Act.

Was read the first and second time and referred to the committee on Railroads.

Mr. Baker introduced:

Senate Bill No. 59: A Bill for an Act to Amend and Re-enact Section 2141 of the Compiled Laws of North Dakota, for the Year 1913, as Amended, Providing for the Substitution of the Commissioner of Insurance as a Member of the State Board of Equalization Instead of the State Auditor, and Making the Tax Commissioner Secretary Thereof.

Was read the first and second time and referred to the committee on Insurance.

Mr. Kendall introduced:

Senate Bill No. 60: A Bill for an Act to Regulate Assignments for Benefit of Creditors, and Provide for the Carrying Out of the Same Under Court Supervision.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Nelson introduced:

Senate Bill No. 61: A Bill for an Act to Repeal Chapter 218, Laws 1919, on Annual Reports of Corporations to the Tax Commission.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Nelson introduced:

Senate Bill No. 62: A Bill for an Act to Repeal Chapter 219, Laws 1919, Relating to Tax Supervisors.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Nelson introduced:

Senate Bill No. 63: A Bill for an Act to Repeal Chapter 224, Laws 1919, The Income Tax.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Nelson, by request, introduced:

Senate Bill No. 64: A Bill for an Act to Repeal Chapter 222, Laws 1919, in Regard to Taxes on Shares of Stock.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Ingerson introduced:

Senate Bill No. 65: A Bill for an Act Requiring the Evaluation of the Board of Railroad Commissioners, of all Common Carrier Railroad Property Within the State of North Dakota; Requiring the Fixing of the Fair Value Thereof for Rate Making Purposes; and Providing for an Appropriation to Carry Out the Provisions Thereof.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Church introduced:

Senate Bill No. 66: A Bill for an Act to Promote, Foster and Encourage the Proper Marketing of Agricultural Products and By-Products, and for the Creation of a Co-operative Marketing Association and Providing for License Fees.

Was read the first and second time and referred to the committee on State Affairs:.

House Chamber,
Bismarck, North Dakota,
January 28, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 37: A Bill for an Act to Amend and Re-enact Section 466 of the Compiled Laws of North Dakota for the Year 1913, Relating to Preliminary Qualifications of Applicants for License to Practice Medicine in the State of North Dakota.

House Bill No. 40: A Bill for an Act to Amend and Re-enact the Hotel Inspection Laws of North Dakota, the Same Being Article 57 of the Political Code of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 170, **Session Laws of 1915** and Chapter 133, Session Laws of 1917.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Mees introduced:

Senate Bill No. 67: A Bill for an Act to Appropriate Seventy-five Hundred Dollars to the Missouri Slope Agricultural and Fair Association at Mandan for the Fairs to be Held in the Years 1921 and 1922.

Was read the first and second time and referred to the committee on Appropriations.

Third reading of Senate Bills.

President Protem Bowman presiding.

Senate Bill No. 18 was read the third time.

Senator Nathan moved that further consideration of Senate Bill No. 18 be indefinitely postponed.

Senator Miklethun moved that the motion of Senator Nathan be laid on the table.

A division was called.

Senator Ward asked for a call of the Senate.

Senator Stevens moved that call be suspended, which motion prevailed.

Senator Miklethun withdrew his motion.

The question being on the motion to indefinitely postpone further consideration of Senate Bill No. 18, a division was called and the motion was lost.

Senator Murphy moved that Senate Bill No. 18 be rereferred to the committee on Ways and Means, which motion was lost.

Senator Whitman moved the following amendment to Senate Bill No. 18 In Section 1 line 3 after the word "livery" strike out the remaining portion of the line and also beginning on line 4 strike out everything on that line up to the word "or" before the word "public".

A roll call was demanded.

SENATE ROLL CALL.

The question being on the amendment to Senate Bill No. 18 offered by Senator Whitman, the roll was called and there were ayes 18, nays 31, absent and not voting 0.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Ettestad, Gardner, Kelsch, Mees, Murphy, Nelson, Petterson, Porter, Sperry, Steel, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kenadll, Levang, Liederbach, McLachlin, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Patten, Rusch, Schrenk, Stevens, Storstad, Ward, Wenstrom, Wog.

So the motion was lost.

Senator Whitman moved to amend Senate Bill No. 18 by striking out the word "manufacture", which motion was lost.

Senator Bond moved to amend Senate Bill No. 18 as follows: In Section 4 line 2 in the bill after the word "inspector" the word "five" be stricken out and the word "two" be substituted; which motion was lost.

SENATE ROLL CALL.

Senate Bill No. 18: A Bill for an Act to Amend and Re-enact Chapter Six, Session Laws 1919, as Amended by Special Session Laws 1919 Relating to the Licensing, Regulating and Supervising the Licensing and Inspection of Pool and Billiard Rooms, Ball and Pin Alleys, Dance Halls, Theaters, Moving Picture Shows, Taxicab or Auto Livery, Places where Soft Drinks are Manufactured or Sold or where Cigars and Tobacco are Sold, or Public Hall, owned Privately and Used for Public Purposes; Providing Fees therefor, Inspectors, Office Help and Supplies Thereof; Defining Powers and Duties and Repealing all Acts and Parts of Acts Inconsistent Therewith.

The question being on the final passage of the bill, the roll

was called and there were ayes 35, nays 14.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Noltimier, Olson, Oksendahl, Ployhar, Patten, Rusch, Steel, Stevens, Storstad, Thorson, Ward, Wenstrom, Wog.

Nays: Bond, Carey, Eastgate, Ettetstall, Kelsch, Mees, Nathan, Nelson, Petterson, Porter, Schrenk Sperry, Van Camp, Whitman.

So the bill passed and the title was agreed to.

EXPLANATION OF VOTE.

Senator Baird: I am not in sympathy with the bill but out of deference with our members I am going to vote for it because I believe that they have given us the best they could and therefore I vote "yes".

Senator Bond: I am not in favor of appointing more deputies or of having this law handled by a States Department, but favor the enforcement of the law by local authorities, with extra strong penalties for neglect and violations.

Senator Ingerson: I am in favor of the enforcement of laws of this kind by our local authorities. I was opposed to this law and would favor the repeal of the whole measure but I believe this is an improvement of the old laws as they are on the books at the present time and I vote "yes".

Senator Rusch: I vote "aye" although I do not favor all of the provisions of the bill as it is.

Senator Nathan: I am not interested in drinks of any kind, therefore I vote "no".

Mr. Baker moved that the vote by which Senate Bill No. 18 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Rusch introduced:

Senate Bill No. 68: A Bill for an Act to Amend and Re-enact Section 2166 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Delinquent Personal Property Taxes.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 37: A Bill for an Act to Amend and Re-enact Section 466 of the Compiled Laws of North Dakota for the Year 1913, Relating to Preliminary Qualifications of Applicants for Licenses to Practice Medicine in the State of North Dakota.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 40: A Bill for an Act to Amend and Re-enact the Hotel Inspection Laws of North Dakota, the Same Being Article 57 of the Political Code of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 170, Session Laws of 1915 and Chapter 133, Session Laws of 1917.

Was read the first and second time and referred to the committee on Public Health.

The courtesies of the floor were extended to Dr. E. F. Ladd of Fargo, Judge John C. Lowe of Minot, President Kane and Secretary Wilkenson of the State University, Judge Cooley and Mrs. Stone, Mr. Addison Leach and Stahle Hendrickson, President C. E. Allen of Valley City Normal School, A. S. Marshall of Forbes.

Senator Baker moved that the Senate recess until tomorrow at one o'clock, which motion prevailed.

W. J. PRATER,
Secretary.

TWENTY-FIFTH DAY AFTER RECESS AND
TWENTY-SIXTH DAY

Senate Chamber,
Bismarck, North Dakota,
January 29, 1921.

The Senate convened at 1 o'clock P. M. pursuant to recess taken, the President presiding.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS

Mr. McNair introduced:

Senate Bill No. 69: A Bill for an Act to Amend and Re-enact Section 1342, Article 21, General School Laws. School Age. Who Exempt From Compulsory Attendance. Truancy Defined. Truant Officer.

Was read the first and second time and referred to the committee on Education.

Mr. McNair, by request, introduced:

Senate Bill No. 70: A Bill for a Concurrent Resolution to Amend and Re-enact Section 150 of the Constitution, Relating to the Election of an Educational Commission for Each County, With Power to Appoint a County Superintendent of Schools, and to Perform Such Other Duties as May be Prescribed by Law.

Was read the first and second time and referred to the committee on Education.

Mr. Murphy, by request, introduced:

Senate Bill No. 71: A Bill for an Act to Amend and Re-enact Section 2185 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 67 of the Special Session Laws of North Dakota for the Year 1919, Relating to Real Estate Taxes Due and Delinquent and the Penalty and Interest Thereon.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Murphy introduced:

Senate Bill No. 72: A Bill for an Act to Amend and Re-enact Section 4544 of the Compiled Laws of North Dakota

for the Year 1913, Relating to Penalties for the Violation of Section 4543 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 100, Laws of North Dakota, 1919.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Nelson, by request, introduced:

Senate Bill No. 73: A Bill for an Act Relating to the Fees of Attorney-At-Law.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Nelson, by request, introduced:

Senate Bill No. 74: A Bill for an Act to Amend Chapter 225, Laws 1919, Relating to the Transfer of Property by Will.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Nelson, by request, introduced:

Senate Bill No. 75: A Bill for an Act to Repeal the Income Tax Act.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Nelson, by request, introduced:

Senate Bill No. 76: A Bill for an Act to Repeal Chapter 168, Laws 1919, The Coal Mine Act.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Thorson introduced:

Senate Bill No. 77: A Bill for an Act Providing for an Official Field Crop, Seed and Soil Survey for the Purpose of Checking, Controlling or Eradicating Certain Destructive, Infectious Seed, Soil and Field Crop Infecting Plant Diseases and Making an Annual Appropriation Therefor.

Was read the first and second time and referred to the committee on Agriculture.

Senator Wenstrom moved that the Senate recess subject to the call of the President; which motion prevailed.

The Senate reassembled the President presiding.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Bond introduced:

Senate Bill No. 78: A Bill for an Act to Provide a Depositors' Guaranty Fund to be Placed at the Disposal of the Depositors' Guaranty Fund Commission of the State of North Dakota to be Used by Them to Pay Private Checking Deposits

in Closed Banks; Making an Appropriation of \$400,000.00 or so Much Thereof as is Needed Which Shall be Known as Depositors' Guaranty Fund, and Providing for its Repayment.

Was read the first and second time and referred to the committee on Appropriations.

Mr. Wenstrom introduced:

Senate Bill No. 79: A Bill for an Act to Create the Office of State Weed Commissioner, and to Amend and Re-enact Chapter 25 of the Special Session Laws of North Dakota for the Year 1919, and Making an Appropriation Therefor.

Was read the first and second time and referred to the committee on Agriculture.

Mr. Bowman introduced:

Senate Bill No. 80: A Bill for an Act to Prevent the Adulteration and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the Same.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Church introduced:

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions, to be Operated by the State, and Making an Appropriation Therefor.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Bowman introduced:

Senate Bill No. 82: A Bill for an Act Establishing a State Training School for Girls, Locating the Institution, and Providing an Appropriation Therefor.

Was read the first and second time and referred to the committee on Education.

Mr. Fleckten introduced:

Senate Bill No. 83: A Bill for an Act Amending and Re-enacting Section 2618, Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 140 of the Session Laws of North Dakota, for the Year 1919, Relating to the Herd Law.

Was read the first and second time and referred to the committee on Live Stock.

Mr. Ingerson introduced:

Senate Bill No. 84: A Bill for an Act to Appropriate the Sum of Eight Hundred Twenty-one and 75-100 Dollars (\$821.-75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Was read the first and second time and referred to the committee on Appropriations.

Mr. Baker introduced:

Senate Bill No. 85: A Bill for an Act Providing for Systematic Physical Education and Hygiene, in the Common Schools and All Educational Institutions Supported Wholly or in Part by Money From the State, Creating a Commission of Physical Education and Hygiene, Prescribing Its Power and Duties and Appropriating the Sum of \$1,000 or Such Part as is Necessary for the Expenses of the Commission.

Was read the first and second time and referred to the committee on Education.

Mr. Stevens introduced:

Senate Bill No. 86: A Bill for an Act Limiting the Powers of City Commissioners and City Councils With Reference to Putting in Improvements Where a Majority of the Property Owners Have Filed a Protest.

Was read the first and second time and referred to the committee on Cities and Municipal Corporations.

Senator Olson moved that the Senate do now adjourn; which motion prevailed.

TWENTY- SIXTH DAY.

Senate Chamber,
Bismarck, North Dakota,
January 29, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Alfson.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the twenty-fifth day and recommend that the same be corrected as follows:

On page 5 strike out lines 44 and 45; on page 7 strike out lines 43 and 44; on pages 10 and 11 strike out all explanation of votes and insert same following the roll call on the Concurrent resolution. On page 11 line 45 strike out "bill passed and the title was agreed to" and insert in lieu thereof "resolution was adopted." On page 14 strike out last line. Page 15 line 1 strike out word "as"; on line 2 strike out word "amended." On pages 15 and 16 strike out the explanation of vote and insert same immediately following the roll call on Senate Bill No. 18.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Driscoll, N. D., January 28, 1921.

Senator Lynn W. Sperry, Bismarck, N. D.

Dear Sir: Driscoll branch of the W. C. T. U. is very much interested in Law Enforcement, and particularly Senate Bills Nos. 16 and 18; also House Bill No. 51. We respectfully urge you to use your efforts and your vote for their passage.

Very truly yours,

DRISCOLL W. C. T. U.,

By MRS. E. C. RUBLE, Secy.

Esmond, North Dakota.

To the Members of the Legislature from Benson County:

We, the undersigned taxpayers of the Horning School District, No. 25, petition you to introduce and use your best efforts to have passed at the next session of the legislature a bill to more evenly distribute the taxation for maintaining high schools in villages or rural districts. As it is now, a few are burdened with heavy taxation, and others receive the same benefit with practically no tax. In districts where high schools are maintained, it costs \$1.00 per acre per year, or more, for tax, while in adjoining school districts the tax on the land is about 40c per acre per year. The high school must educate the pupils of the adjoining districts.

We ask that either the state levy a tax and maintain a fund to defray all expenses of the rural and village high schools and have the state decide where such high schools should be located, or that the state should be redistricted and the high schools given enough territory to lessen the tax burden for them.

JORGEN WATTERUD,

And Twenty-nine Others.

To the Seventeenth Legislative Assembly of the State of North Dakota.

We, the undersigned, do most respectfully petition your honorable body to pass the following measures: House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16 and House Bill No. 51.

MRS. R. M. POLLOCK,

And Eighteen Others.

Maxbass, N. Dak.

To the Members of the Legislature from Bottineau County:

We, the undersigned taxpayers of Hastings School District No. 28, petition you to introduce and use your best influence to have passed at the next session of the Legislature, a bill to more evenly distribute the taxation for maintaining high schools in villages or rural districts. As it is now a few are burdened with heavy taxation, and others receive the same benefit with practically no tax.

In our district, where a high school is maintained, the school tax is 11.65 mills. In two adjoining districts, not maintaining high school facilities, the tax is 2.75 and 5.6 mlls respectively.

We ask that the state either levy a tax and maintain a fund to defray all expenses of the village and rural high schools, and have the state decide where such high schools should be located, or that the state should be redistricted and that the high schools be given enough territory to lessen the tax burden for them.

J. WILBER MORELAND,
And Fifty-two Others.

To the Seventeenth Legislative Assembly of the State of North Dakota:

Having perused President Evjen's "Appeal to Friends of the State Normal School at Mayville, North Dakota," which contains the revised Financial Estimate of the Mayville Normal School for the Biennial Period 1921-1923 and an Extract from the Biennial Report of the Normal School for the Period Ending June 30, 1920; and having heard his discussion of these reports; We, the Local Union of American Society of Equity, at Mayville, N. D., resolve:

That the appropriations asked for by the Mayville Normal School for the biennial period 1921-1923 should be granted in order to keep the school on a sound basis, financially and educationally;

That we therefore respectfully petition that the appropriations asked for in President Evjen's Estimate \$232,809 (Total Expenses \$279,309, less Total Receipts \$46,500) be approved and made into law.

Dated Mayville, N. Dak., January 14th, 1921.

ALBERT G. MOEN, President.
ALBERT RINDEDAHL, Secretary.

To the Seventeenth Legislative Assembly of the State of North Dakota:

In conformity to instructions from the Commercial Club of Mayville, North Dakota, we, the committee, beg leave to present to your body this petition urging you to grant the appropriation to the Mayville Normal School which President Evjen asks for in his budget.

The Normal School at Mayville is the only institution in the State which has at all times been modest in its appeals for aid. It has produced a high rate of interest on every dollar which the state has invested. The institution has turned out teachers and leaders of whom the state can well be proud. The student body is this year, and always has been, of the best quality possible.

As to plant, the Mayville Normal is beautiful in appearance and fairly well equipped. Geographically, the institution is well located. Mayville is located in the richest portion of the state. The farmers are wealthy and the country

is thickly settled. Automobiles take the place of railroads as a means of transportation. With these conditions existing the Mayville Normal is within easy reach of a possible attendance of seven hundred students.

The reason there are not over 250 normal school students enrolled in the regular school year in addition to about 125 during the summer term, a total annual registration of 375 different students, which computed on the comparison of pre-war and post-war attendance in the normal schools of the United States nevertheless makes the Mayville Normal one of the leaders—is because the school is not able to take care of more on account of the teacher shortage. The investment in the physical plant at the Normal School is not being utilized as it ought to be. It would be neither economical nor wise, to curtail running expenses. To secure fair returns on the investment, the institution needs every cent that President Evjen asks for.

We citizens have never before taken this measure of impressing upon the Legislature the needs of the institution. This year we do because we feel that the cause demands it; we do it because the young people of the state are entitled to it in order to secure the best opportunity of fitting themselves as teachers; we urge it because we know President Evjen is asking for what is absolutely necessary, his demands are just.

Our earnest request is that the Legislature will see fit to make the appropriation as requested by President Evjen.

Respectfully submitted,

OSCAR ERICKSON,
G. E. BRINSDALE,
L. V. W. DU PUIS.

Committee.

Dated Mayville, North Dakota,
January 14th 1921.

WHEREAS, the Constitution of the State of North Dakota, asks no qualifications of the Attorney General and State Superintendent of Public Instruction only that they be 25 years of age and electors, and a resident two years, and we ask that the constitution be so amended that the Attorney General and the State Superintendent of Public Instruction be fixed by the State Legislature:

BE IT RESOLVED, by the Senate of the State of North Dakota, the House of Representatives concurring:

That the following proposed Amendment to the Constitution of the State of North Dakota is agreed to and that the same be submitted to the qualified electors of the State for approval or rejection in accordance with the provisions of Sec. (83) of the Constitution of the State of North Dakota, as Amended.

From the Women's Nonpartisan Club, No. 138,
Kenmare, N. D.

MRS. RUTH WOODTKE, Pres.
And Thirty-three Others.

Bowman, North Dakota,
January 15, 1921.

To the Senate and House of Representatives of North Dakota
now in Session at Bismarck:

Our public schools are facing a calamity unless legislation can be secured at the present time to save them from impending disaster.

1. Teachers' wages and all labor connected with the operation of a school have increased from fifty to ninety per cent.
2. Equipment has increased over one hundred per cent. in prices.
3. The cost of building, repairing or remodeling has increased proportionately.

All of this is taking place on a pre-war assessment basis and system of State aid. To add to this financial embarrassment in operating the school successfully, in some cases more than fifty per cent. of the high school students are from rural sections. Those students are admitted without tuition, without library fees or laboratory fees and in many cases given free text books. The highly efficient city high school must necessarily be the finishing school for the adjacent rural communities.

The rural school likewise must have assistance to fulfill the constantly increased demands made on them for modern efficiency.

We citizens of Bowman county, therefore respectfully pray for remedial legislation along the following lines:

1. Proper legislation should be passed to permit the raising of necessary funds for the maintenance of the school.
2. Increased aid to rural districts doing efficient work, especially in high school subjects.
3. In increased aid to classified high schools.
4. The state and county tuition fund should be apportioned on the basis of attendance.
5. School districts not maintaining high school facilities should pay at least Twelve (\$12.00) Dollars per month for each child in attendance at a classified school.
6. School districts should be redistricted so that there would be no pieces of territory too crippled to maintain good schools. School districts unable to maintain good school facilities should be united with nearby districts and proper facilities provided.
7. The Legislature should stabilize the certification of teachers and the classification of schools.

C. J. N. NELSON, City Supt.,
And Sixty-seven Others.

Bismarck, North Dakota,
January 29, 1921.

To the Senate of the Seventeenth Legislative Assembly:

I am submitting herewith copy of resolution adopted by the Board of Administration, covering the conversion of four of the educational institutions under its jurisdiction and requesting that no appropriation be provided for same for the coming biennium.

Very respectfully,
BOARD OF ADMINISTRATION,

By CHARLES LIESSMAN, Executive Secretary.

WHEREAS, The present financial crisis appears to have emphasized the necessity for greater economy in the expenditure of public funds; and

WHEREAS, The experience of the Board of Administration seems to warrant the view that our State University at Grand Forks; our Agricultural College at Fargo, and the three Normal Schools located at Minot, Valley City and Dickinson respectively, are sufficient to care for the needs of higher education in this state; and

WHEREAS, Much of the elementary normal work is now being done in many of the high schools of the state; and

WHEREAS, The State School of Forestry at Bottineau is situated on a branch line not far from the Canadian border, thus making its location geographically unsuitable; that the work which it was originally designed to do can be done to better advantage at the Agricultural College and its sub-stations, while the normal work which was authorized two years ago can be left to other normal and high schools; and

WHEREAS, The School of Science at Wahpeton is located in a poor position geographically, on the extreme eastern border of the state, and the vocational and junior college work done there can be cared for even better at the nearby Agricultural College; and

WHEREAS, The Normal and Industrial School at Ellendale is located in close proximity to the South Dakota line with favorable railroad service only from that direction, that it is also considerably handicapped through unsatisfactory water supply, and that the normal as well as the industrial work offered by the institution may be obtained at the Agricultural College, and the other normal and high schools; and

WHEREAS, The Normal School at Mayville is on a branch line and not very far from the University, Agricultural College and Normal School at Valley City, all of which offer an opportunity for teacher training; and that an acute water problem exists in connection therewith; and

WHEREAS, The experience of the Board of Administration indicates the need for some readjustment of state institutional work, to the end that more satisfactory service at reduced cost be given by a smaller number of institutions located more advantageously; and

WHEREAS, The state is in need of Separate Industrial School for Girls, Home for Tubercular Incurables, Home for Homeless Boys and Girls, More Housing for Feeble Minded:

THEREFORE, BE IT RESOLVED, That it is the sense of the Board of Administration that no appropriation for maintenance of the aforesaid Forestry State Normal School at Bottineau, School of Science at Wahpeton, Normal and Industrial School at Ellendale and Normal School at Mayville be made, but that the buidings and equipment of these institutions be converted to the use of such further charitable and correctional institutions as the state may need.

BE IT FURTHER RESOLVED, That amendments to the constitution of the state be initiated allowing for such conversion of institutions as the Legislature may deem best.

Courtenay, North Dakota.

To the Members of the Legislature from Stutsman County:

We, the undersigned, taxpayers of the Courtenay School District, petition you to introduce and use your best efforts to have passed at the next session of the Legislature a bill to more evenly distribute the taxation for maintaining high schools in villages or rural districts. As it is now, a few are burdened with heavy taxation, and others receive the same benefit with practically no tax. In districts where high schools are maintained, it costs \$1.00 per acre per year, or more, for tax, while in adjoining school districts the tax on the land is about 40c per acre per year. The high school must educate the pupils of the adjoining districts.

We ask that either the state levy a tax and maintain a fund to defray all expenses of the rural and village high schools and have the state decide where such high schools should be located, or that the state should be redistricted and the high schools given enough territory to lessen the tax burden for them.

JOSEPH NELSON,

And Thirty-Seven Others.

Rolla, North Dakota, December 31, 1920.

Mr. John Benson, Member State Senate, Bismarck North Dakota.

Dear Mr. Benson: The undersigned, county officials of Rolette county, enclose you herewith a copy of a bill which will be introduced at the coming session of the Legislature. This bill will deal with the salaries of county officials, and we request that you kindly give this bill your careful consideration. You will notice that the salaries are based upon the population and not the assessed valuation, with a minimum salary of \$1,500.00 and a maximum of \$2,500.00 per year. Under this bill the officials of Rolette county would be paid \$2,000.00 per year. We further desire to call your attention to the fact that this bill provides uniform salaries for all county officials. The officials whose offices are heavy have deputies, while those whose duties are lighter have none. Each official must devote his entire time to the office, and all should be paid alike.

You also undoubtedly know that during the past four years county officials have barely had a living wage, considering the high prices. No complaint was made during the war. But it seems to us that now salaries should be increased so as to provide a living wage. Prices are not going down to speak of, and likely will not go down for several years, so as to materially affect the living expenses of people in the Northwest.

We ask that you give this bill your earnest consideration and trust that you will see your way clear to enthusiastically support this bill when it reaches the committee and the floor.

With kind personal regards, we are

Sincerely,

E. M. CUPP, Clerk of Dist. Court,
And Nine Others.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 24: A Bill for an Act to Amend and Re-enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

Senate Bill No. 32: A Bill for an Act to Amend and Re-enact Sections 11114 and 11115, Compiled Laws of the State of North Dakota for 1913, Relating to the Admitting to Bail of Persons Charged with the Offense of Homicide.

Senate Bill No. 35: A Bill for an Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Negotiable Instruments Made Payable at a Bank.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

MESSAGE TO SENATE

House Chamber,
Bismarck, North Dakota,
January 29, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 33: A Bill for an Act to Appropriate \$12,000 out of any Money in the State Treasury not Otherwise Appropriated, or so Much Thereof as May be Necessary for the Purpose of Paying All Expenses Connected With the Auditing of the Various State Industries as Required by Sec-

tion 369, of the Compiled Laws of 1913, as Amended November 2nd, 1920, by a Vote of People, and Providing How Such Appropriation Shall be Paid.

House Bill No. 48: A Bill for an Act to Amend and Re-enact Section 9997 of the Compiled Laws of North Dakota for the Year 1913, Relating to Butchers' Reports of Branded Animals Killed.

Which the House has passed and your favorable consideration is respectfully requested.

C. L. DAWSON,
Chief Clerk.

Senate Bill No. 24: A Bill for an Act to Amend and Re-enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

Was read the third time.

Senator Whitman moved that Senate Bill No. 24 be referred to the committee from which it came, which motion was lost.

SENATE ROLL CALL

Senate Bill No. 24: A Bill for an Act to Amend and Re-enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Engerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Wog.

Nays: Bond, Mees, Whitman.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 32: A Bill for an Act to Amend and Re-enact Sections 11114 and 11115, Compiled Laws of the State of North Dakota for 1913, Relating to the Admitting to Bail of Persons Charged with the Offense of Homicide.

Was read the third time.

The question being on the final passage of the bill, the roll was called, and there were ayes 49, nays 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petter-

son, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 35: A Bill for an Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the year 1913, Relating to Negotiable Instruents Made Payable at a Bank.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 49, nays 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Etestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersen, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the bill passed and the title was agreed to.

House Chamber,
Bismarck, North Dakota,
January 29, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Concurrent Resolution Relating to Memorializing and Requesting Congress to Release Unto the State of North Dakota absolutely Federal Automobile Trucks at Fort Lincoln and in the State of North Dakota, Now Rapidly Becoming Valueless and Going to Waste and Destruction.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Wenstrom moved that the vote by which Senate Bill No. 35 carried be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Wenstrom moved that the votes by which Senate Bills Nos. 32 and 24 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Whitman introduced:

Senate Bill No. 87: A Bill for an Act to Amend and Re-enact Section 8657 of the Compiled Laws of North Dakota for the Year 1913, Relating to Letters of Administration, and Who Are Entitled Thereto.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Whitman introduced:

Senate Bill No. 88: A Bill for an Act to Amend and Re-enact Section 8551 of the Compiled Laws of North Dakota for the Year 1913, Relating to Citations and Notices Issued by the County Court and How the Same Must be Served.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Eastgate introduced:

Senate Bill No. 89: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 204 of the Laws of North Dakota for the Year 1915; an Act to Compel Railroad Companies to Maintain Suitable Stock Yards and Erect Suitable Barns for the Convenience of the Public; to Restrain Any Person From Using the Stock Yards for Any Other Purpose Than Shipping; and to Provide a Penalty for the Violation Thereof.

Was read the first and second time and referred to the committee on Railroads.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 33: A Bill for an Act to appropriate \$21,000.00 out of Any Money in the State Treasury not Otherwise Appropriated, or so Much Thereof as May be Necessary for the Purpose of Paying All Expenses Connected with the Auditing of the Various State Industries as Required by Section 369 of the Compiled Laws of 1913, as Amended November 2nd, 1920, by a Vote of People, Providing How Such Appropriation Shall be Paid.

Was read the first and second time and referred to the committee on Appropriations.

House Bill No. 48: A Bill for an Act to Amend and Re-enact Section 9997 of the Compiled Laws of North Dakota for the Year 1913, Relating to Butchers' Reports of Branded Animals Killed.

Was read the first and second time and referred to the committee on Ways and Means.

The courtesies of the floor were extended to Mr. McQuay of Belcourt, Prof. Felland of Maddock, F. B. Streeter of Linton, O. N. Stenchiem of Arnegard, M. R. Keith of Kenmare, Mr. Lee Brundage of Minot, J. J. Hickey of Burlington, M. Trauffer of Grand Forks.

Senator Wenstrom moved that the Senate do now adjourn, which motion prevailed.

W. J. PRATER,
Secretary.

TWENTY-EIGHTH DAY.

Senate Chamber,
Bismarck, North Dakota,
January 31, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. E. J. Hoffman.

The roll was called, all Senators being present.

MESSAGE TO THE SENATE

House Chamber,
Bismarck, North Dakota,
January 31, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 22: A Bill for an Act to Amend and Re-enact Section 3 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to the Payment of Compensation to Injured Employees, or their dependents, and the Payment of Burial Expenses in the Event of Death Resulting from Injuries.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the twenty-fifth day after recess and twenty-sixth day, and recommend that the same be corrected as follows:

Page 12 line 41 strike out "as"; line 42 strike out "amended"; page 13 line 11 strike out "as"; line 14 strike out "amended". As the report of the extension of the courtesies has been left out, insert same immediately before the motion to adjourn. On page 5 correct the spelling of the name "Pollock."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Senator D. B. Beisel:

We, the undersigned, as citizens of Egeland, N. Dak., respectfully ask you, as our Senator, to use your influence and vote for the passage of Senate Bill No. 18.

As members of the churches, Sunday schools, and W. C. T. U., all are united in working for the welfare of our town and community, therefore use this means in voicing our wishes.

MRS. ANNA IRWIN, Egeland, N. D.,
And Twenty-five Others.

Devils Lake, N. Dak, Jan. 28, 1921.

J. E. Stevens, Senate, Bismarck, N. Dak.

Senate Bill No. 2, Concurrent Resolution by Whitman, at present leaves out Sunshine Trail from Devils Lake north. Use your influence. Save description of Route No. 24 amended so as to read as follows: From International boundary north of Sarles southerly by Clyde, Starkweather, Devils Lake by narrows to Route No. 18. This is very important. At meeting of citizens here this afternoon it was decided to wire you to take necessary action.

BOARD OF CITY COMMISSIONERS,
COMMERCIAL CLUB,
ROTARY CLUB.

January 31, 1921.

W. J. Prater, Secretary of the Senate, Seventeenth Legislative Assembly.

Dear Sir: I am pleased to inform you that I have received notice from Senator Ed. S. Johnson of South Dakota and from Congressman Geo. M. Young of this state, acknowledging receipt of copies of the Concurrent Resolution adopted by the present Legislative Assembly, relating to the extension of time for the payment of installments on public land entries within Standing Rock Reservation.

Copies of their acknowledgments are attached hereto.

Yours very truly,

THOMAS HALL,
Secretary of State.

Washington, D. C.
January 24, 1921.

The Secretary of State, Bismarck, N. D.

Sir: I am just in receipt of copy of Concurrent Resolution adopted by the Legislature of North Dakota at its seventeenth session, on January 17th, 1921, requesting the enactment of legislation by Congress permitting an extension of time for the payment of installments on public land entries within the Standing Rock Reservation of North and South Dakota.

I am advised by the Chairman of the Senate Committee on Public Lands that Senator McCumber of your State some time ago introduced a bill covering this subject, and that the matter is pending before said Committee, which is awaiting the

report of the Secretary of the Interior thereon. I have this day filed said Concurrent Resolution with the Chairman of the Senate Committee, urging that it be given every consideration. Should the proposed legislation be favorably reported and get on the Senate calendar for action before the expiration of my term of office, March 4th next, the same will have my favorable consideration, as I know the situation perfectly and believe there are many meritorious cases wherein an extension of time should be granted.

Yours very truly,

ED. S. JOHNSON.

Washington, D. C.,

January 25, 1921.

Honorable Thomas Hall, Secretary of State, Bismarck, N. D.

Dear Tom: The Concurrent Resolution passed by the Legislature of North Dakota and which was forwarded by you, reached me yesterday. I immediately presented it to the House.

As Mr. Sinclair is a member of the Committee on Indian Affairs, it was thought best to have him introduce the bill to take care of this matter, and I shall be very glad to cooperate with him to secure its passage.

In addition to this I have taken the matter up with people over on the Senate side to have an amendment made to another bill of the same character.

I hope it will be possible by one of these methods or the other for us to save the entries of those who got land in the Standing Rock Reservation from cancellation.

Yours sincerely,

GEORGE M. YOUNG.

Balfour, N. D., Jan. 27, 1921.

Dear Senator and House Members:

We, the undersigned, do hereby petition our Honorable Senators and Representatives to do all in their power for the passage of House Bill No. 5 and Senate Bill No. 18.

(Signed) R. P. SEMRAU,
And Thirteen Others.

Anamoose, N. D.

To the Members of the Legislature from McHenry County:

We, the undersigned, taxpayers and electors of the Township of Anamoose, McHenry County, petition you to use your best efforts to pass and support that certain bill now in the hands of the Committee on Education of the Senate, known as the "High School Tuition" bill, providing among other things that pupils attending high schools in this state and not living in the district in which they attend the high school pay tuition and that such tuition be paid by the district from which they come by taxing said district for such tuition, or some like measure.

A. R. JONGEWAARD,
And Fifty-six Others.

The committee on Public Printing made the following report:

Mr. President: Your committee on Public Printing, to whom was referred:

Senate Bill No. 46: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

Have had the same under consideration and recommend that the same be amended as follows:

On page 4, Section 49, line 5, substitute the word "twenty-five" for the word "twenty." In Section 49, line 5, after the word "pound" substitute the word "medium" for the word "best". After the word "paper" substitute the word "fifty-five" for the word "thirty-five."

And when so amended recommend the same do pass.

P. O. THORSON,
Chairman.

Mr. Thorson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to Appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge across the Red River, at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Have had the same under consideration and recommend that the same do pass.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Printing made the following report:

Mr. President: Your committee on Public Printing to whom was referred:

Senate Bill No. 34: A Bill for an Act Legalizing and Validating all Notices and Publications Commenced in an Official Newspaper Prior to the 1st Day of January, 1921.

Have had the same under consideration and recommend that the same do pass.

P. O. THORSON,
Chairman,

Mr. Thorson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Elections made the following report:

Mr. President: Your committee on Elections to whom was referred:

Senate Bill No. 27: A Bill for an Act to Amend and Re-enact Section 1045 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 148 of the Laws of North Dakota for the Year 1915, Relating to the Compensation of Election Officers.

Have had the same under consideration and recommend that the same do pass.

A. M. HAGAN,
Chairman,

Mr. Hagan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 41: A Bill for an Act to Amend and Re-enact Section 4059 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-Enacted to Read as Follows:

Have had the same under consideration and recommend that the same be amended as follows:

Section 5, line 24, after the word "and" insert the words "Surveyor of such Commission and to require the services of a clerk, and".

Also in Section 7, line 49, strike out the word "five" and insert in lieu thereof the word "three".

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman,

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. President:

During the discussion some time ago on a resolution relating to our Industrial Program, the question was raised in this senate as to whether or not there ever was a tangible contract entered into with a reliable bond underwriting company for the sale of our Industrial Bonds. Also that our bonds could be sold only if certain provisions were allowed as asked for by the Bankers Finance Corporation. In order to clarify the situation in the minds of the members of this Senate I wish to offer the original contract entered into by the Industrial Commission with a reliable bond sale company, for the sale of our bonds before the interference of the 42 tax-payers' case, and ask to have this contract printed in the Journal.

Bismarck, North Dakota,
September 23, 1919.

State of North Dakota Industrial Commission and The Bank of North Dakota, Bismarck, North Dakota.

Gentlemen: For the proposed issues of \$1,750,000 to \$2,000,000 State of North Dakota Bank Series 5% bonds, and \$1,000,000 State of North Dakota Real Estate Series 5% bonds we offer to pay you at the rate on One Thousand Dollars (\$1,000) per each \$1,000 bond, subject to the following conditions which are to be treated as a part of the consideration for the purchase price, viz:

1. The bonds are to be dated November 1, 1919, and are to bear 5% interest, payable semi-annually on the 1st days of January and July of each year, principal and interest to be payable at the office of the State Treasurer in Bismarck, North Dakota.

2. The Bank of North Dakota is to act as collection agent for the holders of the bonds and their coupons, and ten days prior to each interest payment date as long as any of the bonds are outstanding is to remit in Chicago or New York exchange to each of the undersigned bankers 25% of the amount of interest then maturing on the above issues for disbursement by the bankers in payment of coupons presented through their offices for collection. The Bank of North Dakota also agrees to remit in New York or Chicago exchange, as requested by the holder, all other principal amounts of such bonds or coupons paid by the State Treasurer, such remittance to be made to whatever agency may present bonds or coupons for payment and without making a charge for such service.

3. The bonds are to mature as follows: (a) Bank Series bonds—\$500,000 to \$750,000 twenty years from date; \$500,000 to \$750,000 twenty-five years from date; \$500,000 twenty-nine years from date. (b) Real Estate Series bonds—All to mature twenty--nine years from date with such options of prior payment serially as may be mutually agreed upon by the Bank of North Dakota and ourselves.

4. All bonds are to be of \$1,000 denomination.

5. All bonds are to be delivered to us either in Chicago or

New York as we may elect; payment therefor to be accepted either in Chicago or New York exchange.

6. The Bank Series bonds are to be delivered to and paid for by us as quickly as they can be prepared and executed by the proper State officials. Upon payment of such Bank Series bonds, \$500,000 of the proceeds are to be deposited by The Bank of North Dakota with us; \$350,000 with each of the undersigned. Such deposit is to bear 2% interest and is to be checked against by The Bank of North Dakota from time to time as its needs may require, except that the entire amount shall remain on deposit with us for an average time of ninety days, and that at least two days' notice, either by telegram or letter be given to each of us prior to any withdrawals of such deposits.

7. The Real Estate Series bonds are to be delivered to us from time to time in installments of not less than \$250,000 each, as the same may be legally issued through the deposit, as required by law, of real estate mortgages with the State Treasurer; provided, however, that if the entire \$1,000,000 of said Real Estate Series bonds is not delivered to us on or before Jan. 1, 1920, we shall have the option of declining to accept any of such bonds offered for delivery after that date, although we may accept such delivery if we elect to do so; the final installment to consist of such portion of \$250,000 as you may elect.

8. If this offer is accepted, you are not to sell, or make any effort to sell any additional installments of the Real Estate Series bonds, or (except as hereinafter provided) any of the State of North Dakota Mill and Elevator bonds, for a period of six months after the last installment of the \$1,000,000 Real Estate Series bonds has been delivered to us without first giving us the opportunity of negotiating with you for the purchase of such additional bonds; it being the purpose of this condition not only to protect us in establishing and maintaining a market for the bonds we are now offering to buy, but also to permit us to establish with you a relation of bankers or fiscal agents for the sale of all of the State of North Dakota bonds now authorized. It is understood, of course, that in case we are unable to agree with you upon the terms and conditions under which subsequent bonds are to be sold that you are to have a full and free right to negotiate them elsewhere after having given us the opportunity of entering into a satisfactory agreement with you. You are to have the right to sell to bona fide residents of the State of North Dakota only any amount of your Mill and Elevator Series bonds as you may desire provided such bonds are not sold for less than par and further provided you will make no deliveries of the definitive bonds to such purchasers prior to April 1st, 1920. In lieu of the delivery of any such definitive bonds so sold, you are to have the right to issue interim receipts of The Bank of North Dakota, such interim receipts to bear 5% interest and to be exchangeable on or after April 1st, 1920, for the actual bonds.

9. Prior to the delivery of any bonds to us, their legality is to be approved by Mr. John C. Thomson, Attorney, New York, and Judge Charles B. Wood, Attorney, Chicago, and their ap-

proving opinions furnished to us by you—their charges to be paid by you, which we hereby guarantee shall not exceed the sum of One Thousand Five Hundred Dollars (\$1,500). We agree to pay any charge in excess thereof.

10. In case this bid is accepted and the bonds are awarded and delivered to us, there shall be deposited immediately, with the State Treasurer, either out of the proceeds of the bonds delivered to us or from any other available source, an amount sufficient to pay in full the two first maturing coupons on all bonds so delivered to us. This condition is necessary in order to avoid the necessity of levying a State tax for the purpose of providing funds to pay such coupons or delay in the collection thereof.

Respectfully submitted,

WILLIAM R. COMPTON INVESTMENT COMPANY,
THOMAS N. DYSART, Vice President.
HALSEY, STUART & COMPANY,
By HALSEY, STUART & COMPANY,

The foregoing offer, after due consideration, has been accepted by The Bank of North Dakota, and such acceptance has been approved by the Industrial Commission of the State of North Dakota at a meeting held at Bismarck on the 23rd day of September, 1919, and such acceptance shall operate as a contract by and between the parties hereto.

THE BANK OF NORTH DAKOTA,

By J. R. WATERS, Manager,

By F. W. CATHRO, Director General.

Approved: STATE INDUSTRIAL COMMISSION.

LYNN J. FRAZIER, Governor,
WILLIAM LANGER, Attorney General.
J. N. HAGAN, Com. of Agriculture & Labor.
Constituting such Commission.

Senator Mees moved that the House be requested to return the Concurrent Resolution relating to the war trucks, introduced by Senator McNair, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Nelson, by request, introduced:

Senate Bill No. 90: A Bill for an Act to Fix and Limit the License and Registration Fee of Motor Vehicles and to Make the Same Taxable the Same as Other Personal Property.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Nelson, by request, introduced:

Senate Bill No. 91: A Bill for an Act to Reduce or Cancel the Land Assessments, Tax Levies, Penalties and Sales for the Year 1919.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Nelson, by request, introduced:

Senate Bill No. 92: A Bill for an Act in Regard to the 1920 Land Assessment and Taxes.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Nelson, by request, introduced:

Senate Bill No. 93: A Bill for an Act to Amend Chapter 162, Laws 1919, Relating to Wage Earners Accidental Insurance.

Was read the first and second time and referred to the committee on Insurance.

Mr. Ward introduced:

Senate Bill No. 94: A Bill for an Act Making it Unlawful for Any Person to Drive a Motor Vehicle While Intoxicated and Providing a Penalty Therefor.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Bond introduced:

Senate Bill No. 95: A Bill for an Act for the Purpose of Encouraging and Fostering Agriculture, Establishing a System of Rural Credits, Creating a North Dakota Rural Credit Board, Defining the Scope and Manner of Its Operation and the Powers and Duties of the Persons Charged With Its Management.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Rusch introduced:

Senate Bill No. 96: A Bill for an Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota of 1913, Relating to the Appointment of District Court Bailiffs and Compensation Thereof.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Church, by request, introduced:

Senate Bill No. 97: A Bill for an Act to Authorize the Valuation of Bonds and Other Securities Held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Was read the first and second time and referred to the committee on Insurance.

Mr. Ettestad introduced:

Senate Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the Year 1913, Permitting Incorporated Towns and Villages Having a Population of Not Less Than Two Hundred Inhabitants to Become Incorporated as a City.

Was read the first and second time and referred to the committee on Cities and Municipal Corporations.

Mr. Levang introduced:

Senate Bill No. 99: A Bill for an Act to Abolish the Pre-

ent and to Provide a New System of Legal Procedure Both Civil and Criminal, by Authorizing the Supreme Court to Prescribe Forms and Rules, and Generally to Regulate Pleading, Evidence and Practice.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Ward introduced:

Senate Bill No. 100: A Bill for an Act Relating to the Storing and Redelivering of Grain by Public Warehousemen.

Was read the first and second time and referred to the committee on Warehouses and Grain Grading.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 22: A Bill for an Act to Amend and Re-enact Section 3 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to the Payment of Compensation to Injured Employees, or their dependents, and the Payment of Burial Expenses in the Event of Death Resulting from Injuries.

Was read the first and second time and referred to the committee on Insurance.

Senator Ward moved that the Senate recess subject to the call of the President, which motion prevailed.

The Senate reassembled, the President presiding.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Garberg introduced:

Senate Bill No. 101: A Bill for an Act Prohibiting the Sale of Proprietary Drugs, Patent Medicine, or Nostroms by Anyone Who is not a Pharmacist or Physician Licensed to Practice in this State, Providing a Penalty for the Violation thereof and Declaring this Act to be an Emergency.

Was read the first and second time and referred to the committee on Ways and Means.

SIGNING OF BILLS.

The Secretary announced that the President was about to sign the Concurrent Resolution introduced by Messrs Boyd, Cart, Carlson, Kitchen, Semling, Starke, Preszler, Yeater and Bjorgo; and the President signed the same in the presence of the Senate.

A majority of the committee on Public Land made the following report:

Mr. President: A majority of your committee on Public Lands to whom was referred:

Senate Bill No. 5:

A Bill for an Act Providing for the Leasing of State Coal Lands for Agricultural Purposes, Erection, Placing and Mak-

ing of Improvements Thereon, and Defining the Rights of Lessees Who Have Made Such Improvements.

Have had the same under consideration and recommend that the same be indefinitely postponed.

GUST WOG, Chairman,
P. B. GARBERG,
O. C. GROSS,
B. A. BAKER.

A minority of the committee on Public Lands made the following report:

Mr. President: A minority of your committee on Public Lands to whom was referred:

Senate Bill No. 5:

A Bill for an Act Providing for the Leasing of State Coal Lands for Agricultural Purposes, Erection, Placing and Making of Improvements Thereon, and Defining the Rights of Lessees Who Have Made Such Improvements.

Have had the same under consideration and recommend that the same do pass.

PETER McLACHLIN,
JACOB SCHRENK,
NELS PETERSON.

Senator Wog moved that the report of the majority of the committee be adopted.

Senator Mees moved that the word "minority" be substituted for the word "majority", which motion was lost.

The question being on the adoption of the majority report the motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 40: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 142 of the Session Laws of North Dakota for the Year 1915, Relating to the Payment of Tuition for Attendance at any Model High or Graded or Elementary School which is Operated, Maintained or in any Manner Connected with the State University, any Normal School or any Educational Institution of Higher Learning.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 27: For an Act to Amend Section 1333 of

the Compiled Laws of North Dakota for 1913, relating to Branches to be Taught in Public Schools.

Have had the same under consideration and recommend that the same be amended as follows:

Strike out last clause of bill beginning with the words "It shall be the duty" and ending with the words "some form of investment" and substituting therefore the words "The teacher, principal and superintendent of all public schools may provide in each school practical application of thrift and saving by means of some form of investment."

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Temperance made the following report:

Mr. President: Your committee on Temperance to whom was referred:

House Bill No. 5: A Bill for an Act to Prohibit Intoxicating Liquors and Beverages and Property intended for the Manufacture of same; Prohibiting the Transportation of Liquor and Providing for the Forfeiture of Property used for the Transportation of same; to Provide for its Enforcement and the Repeal of Laws in Conflict therewith.

Have had the same under consideration and recommend that the same be amended as follows:

On line 18 of the Engrossed Bill in Section 1 after the word "is" add the words "Pastuerized and"; and in line 19 of said Section 1, after the word "from" cut out the word "such" and add the word "hermetically"; and after the word "bottles" in the same line change the comma to a period, and cut out the word "casks"; also cut out all of line 20.

And when so amended recommend the same do pass.

C. A. WARD,
Chairman.

Mr. Ward moved that the report be adopted, which motion prevailed and the report was adopted.

SENATE CONCURRENT RESOLUTION

Introduced by Mr. Baker and Mr. Bond.

BE IT RESOLVED, By the Senate of the State of North Dakota, the House of Representatives concurring:

WHEREAS, A critical situation exists in much of that territory between the western boundary of Minnesota and the Rocky Mountains in that within this territory there are large numbers of farmers who, in the aggregate, have millions of acres under cultivation, but who have not sufficient seed and feed for the spring planting of 1921; and

WHEREAS, The farmers of this region demonstrated their loyalty to the government during the late war by producing food products to the limit of their strength and ability at less than cost, owing to drouth, grasshopper damage and high cost of labor; and

WHEREAS, In order to insure the best results from the forthcoming harvest, seed corn, seed potatoes and seed wheat should be provided with the proviso that, in order to secure seed grain and feed, a reasonable acreage of corn and potatoes must also be planted; and

WHEREAS, Owing to the present financial depression existing throughout the entire country, it will not be possible for the banks, the counties or the state to arrange for furnishing the necessary seed and feed; and

WHEREAS, Unless Federal aid is forthcoming, millions of these productive acres will not be cropped at this time when the production of agricultural products is recognized as a factor of vital importance to the welfare of the nation and the world:

NOW, THEREFORE, BE IT RESOLVED, By the Senate of the Seventeenth Legislative Assembly of the State of North Dakota, the House of Representatives concurring, that we do hereby memorialize the Congress of the United States and respectfully urge that Congress take immediate action toward furnishing the means whereby the farmers in this section may be provided with federal aid, to the end that they may receive sufficient seed and feed to plant a normal acreage for the season of 1921.

BE IT FURTHER RESOLVED, That the Secretary of the Senate send a copy of this resolution to the President of the Senate and the Speaker of the House of the Montana and South Dakota legislatures respectively; also to our members in Congress.

Senator Baker moved that the resolution be adopted.

SENATE ROLL CALL

The question being on the final passage of the Concurrent Resolution introduced by Messrs. Baker and Bond, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman.

So the resolution passed.

Mr. Ployhar moved that the vote by which the resolution passed, be reconsidered and the motion to reconsider be laid on the table; which motion prevailed.

The courtesies of the floor were extended to Lee Cowell of Valley City, Norman Brunsdale and Carl Brunsdale of Portland, Dr. Long and Dr. Grassick of Grand Forks, Harvey Hoff of Makoti.

Senator Fraser moved that the Senate do now adjourn; which motion prevailed.

W. J. PRATER,
Secretary.

TWENTY-NINTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February 1, 1921.

The senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. E. J. Hoffman.

The roll was called, all Senators being present except Senator Bowman.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the twenty-eighth day and find the same to be correct.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Hope, North Dakota.

To the Seventeenth Legislative Assembly of the State of North Dakota:

We, the undersigned, do most respectfully petition your honorable body to pass the following measures:

House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16, and House Bill No. 51.

Adopted by a rising vote of the members of the Woman's Club, thirty-seven members.

Dated January 31, 1921.

MRS. C. S. SHIPPY, Pres.

Similar petitions from the Hope W. C. T. U., of Hope, N. D., and M. E. Sunday School of Hope, N. D., and Ryder W. C. T. U. of Ryder, N. D., and Inkster W. C. T. U. of Inkster, N. D.

Senator Rusch presented the following petition:

Fargo, North Dakota, Jan. 27, 1921.

H. B. 51, McLarty (N.P.) Making it unlawful to smoke in restaurants, hotel dining rooms or in street cars or passenger coaches except in space set apart for that purpose. Fine of \$10 to \$50, against both the smoker or hotel permitting violations.

Dear Sir: Please work to get this bill passed.

(Signed) MRS D. A. McLEOD,
And Eight Others.

To the Hon. W. H. Porter, State Senator, Bismarck, N. D.:

The undersigned county officials of Cavalier County hereby respectfully urge your earnest consideration and support of legislation proposing a substantial increase in salaries of county officials throughout the state. On account of the high cost of living, the salaries now provided by law for such officials are insufficient to secure and retain the services of competent officials, and because of the growing importance of these positions, public welfare demands a higher class of efficiency than the present salaries will employ and retain. During the entire period of the war, under trying conditions, county officials served faithfully without asking any increase of pay whatever, and right and justice would now seem to entitle such officials to consideration at the hands of the legislature.

We urgently request your support of legislation proposing an increase of at least twenty-five per cent over present salaries.

JOHN W. SCOTT, Auditor,
And Six Others.

Similar petitions from Adams and Barnes county officials.

Calvin, N. Dak., Jan. 30, 1921.

To the Seventeenth Legislative Assembly of the State of North Dakota:

We, the Calvin Baptist Church and Sunday school, do most respectfully petition your honorable body to pass the following measures: House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16, and House Bill No. 51.

The foregoing resolution was unanimously adopted by a standing vote this 30th day of January, 1921.

PETER McKECHNIE,
Sunday School Superintendent.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the year 1919, Relating to Compensation of Court Stenographers, and providing for the Payment of Expenses.

Have had the same under consideration and recommend that the same be amended as follows:

In line 2, Section 780, strike out "Thirty-five Hundred (\$3500.00)" and insert in lieu thereof "Two Thousand (\$2,000)."

In line 4, Section 780, commencing with "among" strike out everything up to and including "respectively" in line seven, and insert the words "According and in proportion to the number of suits entered and commenced in the district court of the respective counties of such district in the preceding year."

That lines 17, 18 and 19 be changed to read "situated, the Court Stenographer shall receive for actual living expenses a sum not to exceed four dollars per day and for travel actual transportation, which sums shall be paid upon the order of—

Line 22, Section 780, after the word "transcripts" the words "and two copies thereof" be inserted.

Line 27, Section 780, strike out the word "five" and insert the words "more than three."

Line 29, Section 780, strike out the words "ten cents" and insert the words "two and one half cents"; same line strike out the word "such" and insert the word "each."

Line 30, Section 780, change the word "copies" to "copy."

Correct the printed Bill so that Section 4 will read Section 3, and insert the sub-title "emergency."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

! Senator Murphy moved that the absent Senators be excused, which motion prevailed.

CONCURRENT RESOLUTION

Introduced by Mr. Van Camp and Mr. Baird.

BE IT RESOLVED, By the Senate of the State of North Dakota, the House of Representatives concurring therein:

WHEREAS, It has been brought to our attention that the sanitary conditions of the State Training School at Mandan are deplorable so that the unfortunate inmates of that institution cannot observe the customary rules of privacy and decency prevalent in institutions of that kind; and

WHEREAS, it has further been brought to our attention that many of the said inmates are suffering from loathsome, infectious and contagious diseases; and

WHEREAS, It is alleged that inmates suffering from said loathsome diseases are not segregated from the other inmates, thereby endangering the life, health and further welfare of the inmates:

NOW, THEREFORE, BE IT RESOLVED, By the Senate of the Seventeenth Legislative Assembly of the State of North Dakota, the House of Representatives concurring that a joint committee, consisting of two members from the Senate and three members from the House of Representatives be appointed to investigate the said conditions and report to their respective bodies, with their recommendation, to the end that this Legislative Assembly may take such action as it may deem necessary to properly provide for the health, safety and welfare of the unfortunate inmates of said Institution.

Senator Baird moved that the resolution be adopted.

Senator Liederbach moved as a substitute motion that the resolution be referred to the committee on Public Health, which motion prevailed.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 42: A Bill for an Act to Amend and Re-enact Sections 814 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Qualifications of Jurors.

Have had the same under consideration and recommend that the same be amended as follows:

In line 1, Section 814 of the Printed Bill after the word "all" strike out the word "male." In line 11 of the Printed Bill after the word "that" insert "female electors."

In line 17 of the Printed Bill after the word "male" insert "all female electors".

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Rusch:

Mr. President: The Senator from Dunn county disputed the statement I made on the floor a few days ago, namely, "That the Industrial Commission never had an out and out offer for the sale of State Bonds without strings to it."

The Senator on Monday asked permission to introduce the original contract which was not opposed and asked to have same printed in the Journal. To bear out my statement I want to call your attention to paragraph 1 of the contract, which reads as follows:

State of North Dakota Industrial Commission and the Bank of North Dakota, Bismarck, North Dakota.

Gentlemen: For the proposed issues of \$1,750,000 to \$2,000,000 State of North Dakota Bank Series 5% bonds, and \$1,000,000 State of North Dakota Real Estate Series 5% bonds we offer to pay you at the rate on One Thousand Dollars

(\$1,000) per each \$1,000 bond, subject to the following conditions which are to be treated as a part of the consideration for the purchase price, viz:

Also paragraph 9, which reads:

9. Prior to the delivery of any bonds to us, their legality is to be approved by Mr. John S. Thomson, Attorney, New York, and Judge Charles B. Wood, Attorney, Chicago, and their approving opinion furnished to us by you—their charges to be paid by you, which we hereby guarantee shall not exceed the sum of One Thousand Five Hundred Dollars (\$1,500). We agree to pay any charge in excess thereof.

And further, the offer as made was for \$2,750,000 instead of the \$1,700,000 as stated by the Senator from Dunn.

Senator Mees moved that the Senator from Dunn be appointed a committee of one to interview the Industrial Commission in regard to paragraph nine of the contract, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Ployhar introduced:

Senate Bill No. 102: For an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Was read the first and second time and referred to the committee on Cities and Municipal Corporations.

Mr. Ployhar introduced:

Senate Bill No. 103: An Act to Compel City Councils, City Commissions and Boards of Education of Independent School Districts to Publish Proceedings of All Meetings in Official Paper to be Designated by Them.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Miklethun introduced:

Senate Bill No. 104: For an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

Was read the first and second time and referred to the committee on Ways and Means.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 27: A Bill for an Act to Amend and Re-enact Section 1045 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 145 of the Laws of North Dakota for the Year 1919, Relating to the Compensation of Election Officers.

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to Appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge across the Red River, at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Senate Bill No. 34: A Bill for an Act Legalizing and Validating all Notices and Publications Commenced in an Official Newspaper Prior to the 1st Day of January, 1921.

Senate Bill No. 41: A Bill for an Act to Amend and Re-enact Section 4059 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-Enacted to Read as Follows:

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means, to whom was referred:

Senate Bill No. 56: A Bill for an Act Providing for the Cancellation of Mortgages by Order of the District Court Judges of the State of North Dakota.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 37: A Bill for an Act Entitled, an Act to

Cure Defects in the Title of Real Estate Caused by Failure of Foreign Corporations to Comply with Section 5238 Compiled Laws, 1913.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official Dockets and Papers of Justices of the Peace.

Have had the same under consideration and recommend that the same be amended as follows:

After Section 2 strike out all of Section 3, and insert "Any County Justice of the Peace violating any of the provisions of this Act, shall be liable to a fine of not less than ten dollars nor more than One Hundred Dollars, to be recovered in a civil action by the county."

Section 4. This act is hereby declared to be an emergency measure, and shall take effect and be in force from and after its passage and approval.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means, made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 137 of the Session Laws of North Dakota for the Year 1919.

Have had the same under consideration and recommend that the same be amended as follows.

Section 4, line 4 after the word "of" strike out the word "January" and insert in lieu thereof the word "December."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

Senate Bill No. 27 was read the third time.

Senator Stevens moved to amend Senate Bill No. 27 as follows:

Line 11 strike out the word "six" and substitute therefor the word "ten"; also strike out the balance of line 11; also all of lines 12 and 13.

Senator Mees moved as a substitute amendment that in line 12 strike out the word "fifty" and substitute in lieu thereof the word "one hundred."

Senator Stevens withdrew his amendment.

The question being on the amendment offered by Senator Mees, which motion prevailed.

Senator Whitman moved that Senate Bill No. 27 be further amended as follows: In line 13 after the word "cast" insert the following: "in no case shall an inspector, judge or clerk of election be paid for such services a sum less than four dollars."

Senator Ward moved as a substitute amendment as follows: After the word "cast" in line 13, add the following: "provided this act shall not apply to school elections," which motion was lost.

The question being on the motion by Senator Whitman, the motion was lost.

SENATE ROLL CALL.

Senate Bill No. 27: A Bill for an Act to Amend and Re-enact Section 1045 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 148 of the Laws of North Dakota for the Year 1919, Relating to the Compensation of Election Officers.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 0, absent and not voting .

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman.

So the bill passed and the title was agreed to.

House Chamber,
Bismarck, North Dakota,
February 1, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 3: A Bill for an Act Restricting the Form and Liability Upon, Obligations in Writing Given in Payment of Any Speculative Security.

House Bill No. 4: A Bill for an Act Making it a Felony for a Male Person Over the Age of Sixteen Years to Take Indecent Liberties With a Child Under the Age of Fourteen Years, and Providing a Penalty Therefor.

House Bill No. 31: A Bill for an Act Creating a Children's Code Commission; Fixing the Membership Thereof; Defining its Powers and Duties; and Making an Appropriation Therefor.

House Bill No. 52: A Bill for an Act Levying a Tax of One Mill Upon Each Dollar of Assessed Valuation of all Taxable Property Within the State for Each Year for the Purpose of Creating a fund to be known as the "Returned Soldiers' Fund," Providing for the Payment Thereof to Returned Soldiers, Defining the Powers and Duties of the Adjutant General and of the Industrial Commission with Reference Thereto and Making an Appropriation Therefor.

House Bill No. 57: A Bill for an Act to Amend and Re-enact Section 1455 of the Compiled Laws of the State of North Dakota for the Year 1913, and Section 1456 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 207 of the Session Laws of the State of North Dakota for the Year 1917, Relating to County Agricultural and Training Schools.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

SENATE ROLL CALL.

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge across the Red River, at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman.

So the bill passed and the title was agreed to.

Senator Ployhar moved that the vote by which Senate Bill No. 29 passed be reconsidered, which motion prevailed.

Senator Church moved to further Amend Senate Bill No. 29 as follows:

In Section 1 insert the figures "44" in line 3, page 2 of the printed bill where the blank occurs; which motion prevailed.

Senator Baker moved to further amend Senate Bill No. 29 as follows: In line 16 of the printed bill insert "substructure" before the word "superstructure"; which motion prevailed.

Senator Baker moved to further amend Senate Bill No. 29 as follows: Strike out the semi-colon at the end of line 13 of the printed bill, and insert in lieu thereof a period; which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge across the Red River(at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman, Stevens.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

Senate Bill No. 34: A Bill for an Act Legalizing and Validating all Notices and Publications Commenced in an Official Newspaper Prior to the 1st Day of January, 1921.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 45, nays 1. absent and not voting 3.

Ayes: Baird, Baker, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Liederbach.

Absent and not voting: Beisel, Bowman, Stevens.

So the bill passed and the title was agreed to.

Senator Rusch moved to amend Senate Bill No. 41 as follows: In line 44 of the printed bill strike out the words "one and one half" and insert in lieu thereof the word "two"; which motion prevailed.

Senator Liederbach moved that the word "condemnation" be stricken from the bill; which motion was lost.

SENATE ROLL CALL.

Senate Bill No. 41: A Bill for an Act to Amend and Re-enact Section 4059 of the Compiled Laws of North Dakota for the year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-Enacted to Read as Follows:

was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang,

Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman.

So the bill passed and the title was agreed to.

Mr. Ployhar moved that the vote by which Senate Bill No. 41 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Liederbach: I vote "yes" on this bill because I have now been convinced that Senator Ployhar, from Barnes, was not sincere last session when he argued that condemnation proceedings were Socialistic.

REPORT OF STANDING COMMITTEE.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 46: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

SENATE ROLL CALL.

Senate Bill No. 46: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 4, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman.

Nays: Liederbach, Nathan, Patten, Wog.

Absent and not voting: Bowman.

So the bill passed and the title was agreed to.

Senator Mees moved that the votes by which Senate Bills Nos. 27 and 29 passed be reconsidered and that the motion to reconsider be laid on the table; which motion prevailed.

Senator Wenstrom moved that the Senate recess subject to the call of the President; which motion prevailed.

The Senate reassembled, the President presiding.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 27: A Bill for an Act to Amend and Re-enact Section 1045 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 148 of the Laws of North Dakota for the Year 1919, Relating to the Compensation of Election Officers.

Also:

Senate Bill No. 29: An Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of Said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to Appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River From Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge Across the Red River, at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation be Made From the State Highway Fund; Which Act was Approved 9:00 A. M. December 12, 1919.

Also:

Senate Bill No. 41: A Bill for an Act to Amend and Re-enact Section 4059 of the Compiled Laws of North Dakota for the year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-Enacted to Read as Follows:

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

The committee on Military Affairs made the following report:

Mr. President: Your committee on Military Affairs to whom was referred:

House Bill No. 17: A Bill for an Act to Make Unlawful the Unauthorized Use of the Name, Insignia of, or the Imperson-

ation of the Membership in the American Legion, and Providing a Penalty for the Violation Thereof.

Have had the same under consideration and recommend that the same be amended as follows:

In line 1 of the engrossed bill insert the words "Sec. 1".

And when so amended recommend the same do pass.

FRANK E. PLOYHAR,
Chairman.

Mr. Ployhar moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Military Affairs made the following report:

Mr. President: Your committee on Military Affairs to whom was referred:

Senate Bill No. 43: A Bill for an Act Fixing the Maximum Amount Which Soldiers' Compensation Claims May Be Discounted and Providing a Penalty for the Violation Thereof.

Have had the same under consideration and recommend that the same be amended as follows:

In line one, Section one of the printed bill, strike out the word "and" and insert in lieu thereof the word "or."

And when so amended recommend the same do pass.

FRANK E. PLOYHAR,
Chairman.

Mr. Ployhar moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Game and Fish made the following report:

Mr. President: Your committee on Game and Fish to whom was referred:

Senate Bill No. 49: A Bill for an Act Amending Section 10298 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134, Section 9, of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer and Providing a penalty therefor.

Have had the same under consideration and recommend that the same be amended as follows:

In line 10, Section 10298, after the first word "than" in the printed bill, strike out the word "ten" and insert in lieu thereof the words "one hundred". In line 12, Section 10298, after the second word "than" in the printed bill strike out the word "Sixty" and insert the words "Two Hundred." After the period in line 15 add "Any person having any vension in his possession during the period of the closed season herein

provided for, shall be prima facia guilty of the unlawful killing of deer as herein provided."

And when so amended recommend the same do pass.

ANDREW H. OKSEND AHL,
Chairman.

Mr. Oksendahl moved that the report be adopted, which motion prevailed and the report was adopted.

Senate Bill No. Liederbach.

Introduced by State Affairs Committee.

A Concurrent Resolution Relating to the Payment to William Laist of Monies Due Him for Service Rendered to the State.

WHEREAS, William Laist, the present superintendent of the capitol building, has faithfully served the State of North Dakota since February 1st, 1895, and during such time has remained in the employ of the state at considerable personal sacrifice; and

WHEREAS, It appears that the state is justly indebted to him in the sum hereinafter set forth, over and above all compensation heretofore paid him:

NOW THEREFORE, BE IT RESOLVED, By the Senate of the State of North Dakota, the House of Representatives concurring therein, that there be paid to the said William Laist the sum of \$..... per month, commencing 1921, and a similar sum on the first day of each month thereafter for and during the term of the natural life of said William Laist, upon his presenting to the state auditor his verified voucher therefor.

WILLIAM LAIST, of Bismarck, is a genial, capable man, one of the most faithful of the large force at the Capitol, where he has helped to make history for the state for nearly twenty-five years. He was born at Buchen, Baden, Germany, February 13, 1866, and came to the United States in the spring of 1883, to Brooklyn, New York, where he remained for two years, coming to North Dakota in 1885. He began his work at the Capitol building, during the term of Governor Roger Allen, and has served under each succeeding executive, down to the present Governor Frazier, who appointed him again in 1919. He has been Superintendent of the Capitol building for four years and during the past year has had supervision of the redecoration of the Senate chamber. In point of service, he is the oldest employee in the Capitol building, if he is on duty February 1, 1920, he will have rounded out a quarter of a century of faithful service for the state. He was married to Miss Elizabeth Marie Hess, June 25, 1889, and they have four children, three daughters and a son.

Senator Liederbach moved that the resolution be referred to the committee on State Affairs, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Garberg introduced:

Senate Bill No. 105: For an Act Amending and Re-enacting Section 8074 of Chapter 30, of the Code of Civil Proced-

ure of the Compiled Laws of North Dakota for 1913, Relating to the Foreclosure of Mortgages, Liens and Contracts.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Garberg introduced:

Senate Bill No. 106: For an Act to Amend and Re-enact Subdivision 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System or part of System of Water Works.

Was read the first and second time and referred to the committee on Cities and Municipal Corporations.

Mr. Garberg introduced:

Senate Bill No. 107: For an Act to Amend and Re-enact Section 8205, Compiled Laws of North Dakota for 1913, Defining the Private Property Which May be Taken by Eminent Domain.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Garberg introduced:

Senate Bill No. 108: For an Act Amending and Re-enacting Section 3742, Compiled Laws of North Dakota for 1913, Relating to the Application of the Provisions of Article 20, Compiled Laws of 1913, to Water Main and Water Works Systems, and to the Purchase Thereof.

Was read the first and second time and referred to the committee on Cities and Municipal Corporations.

Mr. Bond introduced:

Senate Bill No. 109: For an Act Providing for the Safe Keeping of Sinking Funds, Created for the Purpose of Redeeming Bonds, and Interest Thereon Issued by the State, for Any and All Purposes.

Was read the first and second time and referred to the committee on State Affairs.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 3: A Bill for an Act Restricting the Form and Liability Upon, Obligations in Writing Given in Payment of Any Speculative Security.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 57: A Bill for an Act to Amend and Re-enact Section 1455 of the Compiled Laws of the State of North Dakota for the Year 1913, and Section 1456 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 207 of the Session Laws of the State of North Dakota for the Year 1917, Relating to County Agricultural and Training Schools.

Was read the first and second time and referred to the committee on Education.

House Bill No. 52: A Bill for an Act Levying a Tax of One Mill Upon Each Dollar of Assessed Valuation of all Taxable Property Within the State for Each Year for the Purpose of Creating a fund to be known as the "Returned Soldiers' Fund," Providing for the Payment Thereof to Returned Soldiers, Defining the Powers and Duties of the Adjutant General and of the Industrial Commission with Reference Thereto and Making an Appropriation Therefor.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

House Bill No. 4: A Bill for an Act Making it a Felony for a Male Person Over the Age of Sixteen Years to Take Indecent Liberties With a Child Under the Age of Fourteen Years, and Providing a Penalty Therefor.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 31: A Bill for an Act Creating a Children's Code Commission; Fixing the Membership Thereof; Defining its Powers and Duties; and Making an Appropriation Therefor.

Was read the first and second time and referred to the committee on Ways and Means.

Bismarck, N. D., Feb. 1, 1921.

The Honorable Senate, Seventeenth Legislative Assembly,
State of North Dakota:

The Industrial Commission of North Dakota, knowing that every taxpayer in the State of North Dakota is vitally interested in the state industries and that every member of the legislature of the State of North Dakota is vitally interested in the state industries, does respectfully submit herewith a true and correct triplicate original of the report of the Industrial Commission of North Dakota, this day filed with the Secretary of State of the State of North Dakota.

Very respectfully yours,

THE INDUSTRIAL COMMISSION OF NORTH DAKOTA,

(Seal)

By H. A. PADDOCK, as its Secretary.

Senator Baker moved that the report be referred to the Special Committee on the Audit, which motion prevailed.

The courtesies of the floor were extended to Albert G. Moen and B. S. Groth of Mayville, Olaf Hagen of Lawton, Ed. Sinkler of Minot, O. B. Garnaas of Oberon, J. W. Buettner of Norwich, Nern Dungenon of Mott, C. S. Buck and Arthur Knauf of Jamestown, Lee Cowell, J. H. S. Thomson and R. R. Wolfe of Valley City, Charley Linderman of Wells Co., Dr. Geo. A. Perkins of Dickinson, L. R. Nordad and H. B. Wilson of Rugby.

Senator Baker moved that the Senate do now adjourn, which motion prevailed.

W. J. PRATER,
Secretary.

THIRTIETH DAY

Senate Chamber,
Bismarck, North Dakota,
February 2, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. E. J. Hoffman.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the twenty-ninth day and recommend that the same be corrected as follows:

On Page 5 line 13 strike out the figures "\$1,750,000" and insert in lieu thereof the figures "\$17,000,000." Page 11 lines 15 and 16 strike out the words "as amended". Page 12 lines 33 and 34 strike out the words "as amended".

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted which motion prevailed and the report was adopted.

Hope, North Dakota.

To the Seventeenth Legislative Assembly of the State of North Dakota:

We, the undersigned, do most respectfully petition your honorable body to pass the following measures:

House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16, and House Bill No. 15.

Adopted by a rising vote of the members of the Congregational Church and subsequently by the Members of Congregational Sunday School, January 30, 1921.

Dated January 31, 1921.

WILLIAM H. EVANS, Pastor.

To Ottis Gross, Senator, Claude Lackey and F. C. Kamrath, Representatives of that District or Division known as Grant County, North Dakota:

Honorable Sirs: We, the undersigned, residents and electors of the County of Grant, and State of North Dakota, and who at present are the county officers of said county, do as your constituents respectfully petition and ask, if the matter herein contained meets with your approval, that you support the measure now before the legislature, and which will be passed upon during the present session, which contains provisions increasing the salaries of all county officers now in the state. And, while we are loath at this time to ask that any of the taxes raised should be set aside toward the increase of the salaries of county officers, sensible as we are of the conditions which exist throughout the state at the present time, yet we believe that in justice, the county officers of the state are entitled to a compensation which at least would measure up in some degree to the high cost of commodities and necessaries of life at the present time.

The increase in cost of living commenced during the year 1914, and those who have given the subject study and the benefit of research have found that upon an average the cost of living has been increased to the amount of ninety-two per cent and it is a fact that during all that time the compensation of the county officers has not been increased but remains the same and was based upon the prevailing values preceding the year 1914.

We believe, therefore, that in justice to the county officers of the state, legislation should be enacted which will give them salaries or compensation that is ample and just.

We ask, therefore, gentlemen, that if the subject of this petition meets with your approval that you use your best efforts to promote legislation on the subject which will relieve the conditions under which county officers at present labor in the State of North Dakota.

Respectfully submitted,

VINCENT HOGAN,
And Eight Others.

House Chamber,
Bismarck, North Dakota,
February 2, 1921.

Mr. President: I have the honor to return herewith Concurrent Resolution requesting Congress to provide that the automobile trucks now at Fort Lincoln be assigned to the State of North Dakota for use for public purposes. The House has reconsidered the vote by which it was passed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
February 2, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate concurrent resolution

memorializing Congress to take immediate action toward furnishing the means whereby farmers in territory between the western boundary of Minnesota and the Rocky Mountains can obtain sufficient seed and feed to plant a normal acreage for the season of 1921.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

To the members of the Senate:

We, as citizens of Harvey, request that the Health Bill introduced by Senator O. C. Gross establishing an Educational Health Commission consisting of: The State Superintendent of Public Instruction, President of the State Tuberculosis Association, President of the State Medical Association, Chairman of the Child Welfare Department of the Women's Federation, President of the State Nurses' Association, and the Secretary of the State Board of Health to have supervision over the Health Education in our public schools and public school nurses, do pass.

MRS. ETHEL REINEKING,
And Fifty-Six Others.

Similar petitions were received from citizens of Fargo, Grand Forks and Souris.

To the Seventeenth Legislative Assembly of the State of North Dakota:

We, the undersigned, do most respectfully petition your honorable body to pass the following measures:

House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16, and House Bill No. 51.

Adopted by a rising vote of the members of the Glenila Presbyterian Sunday School.

MRS. PHIL SCHAFFER, Supt.

Jan. 30, 1921.

Kintyre, N. D., Jan. 30, 1921.

Hon. C. A. Ward, Bismarck, N. D.

Dear Sir: We understand that Senate Bill No. 18 is soon to be voted on. Please use your influence and vote so that the bill will pass. We shall appreciate it very much if you will do so.

Yours for law enforcement,

MRS. MINNIE PEARSON,
Sec'y. Kintyre W. C. T. U.

Doyon, N. D., Jan. 29, 1921.

Mr. J. E. Stevens, Bismarck, N. D.

Dear Sir: We, members of Preston Union W. C. T. U., ask that you will work and vote for two bills that are now before the legislature namely, House Bill No. 5 and Senate Bill No. 18.

Yours very truly,

MRS. N. C. KYHL,
And Eight Others.

To the Seventeenth Legislative Assembly of the State of North Dakota.

We, the undersigned, do most respectfully petition your honorable body to pass the following measures: House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16, and House Bill No. 51.

Adopted by a rising vote of the members of the Calvin W. C. T. U.

MRS. PHIL SCHAFER,
Acting President.

January 30, 1921.

To Governor Lynn J. Frazier, the Senate and House of North Dakota:

We appreciate the crystallization of efforts leading to the organization of a Flood Control and Drainage District comprising the entire watershed area of the Red River Valley. We regret that the State of North Dakota has not passed an enabling act which shall make possible the cooperation of the state with the state of South Dakota and the state of Minnesota in the organization of a joint Flood Control and Drainage Commission for the Red River Valley in the three states.

WHEREAS, First, we respectfully urge the Senate and House of the State of North Dakota, at the session of 1921 to pass an enabling act which shall permit the counties in the drainage basin of the Red River Valley to form a Flood Control and Drainage District.

Second: That the District Commission shall be given authority to join with similar commissions from Minnesota and South Dakota, in the formation of a Red River Valley Flood Control and Drainage District.

Adopted Dec. 16th, 1920, by the Tri-State Flood Control Association and the North Dakota Flood Control Association in joint meeting at Fargo.

W. P. Chestnut, Sec'y Tri-State Assn.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official Dockets and Papers of Justices of the Peace.

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of chapter 187 of the Session Laws of North Dakota for the year 1919.

Senate Bill No. 43: A Bill for an Act Fixing the Maximum Amount Which Soldiers' Compensation Claims May Be Discounted and Providing a Penalty for the Violation Thereof.

Senate Bill No. 49: A Bill for an Act Amending Section 10298 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134, Section 9, of the Laws of North Dakota for the Year 1913, Relating to the Season for Killing Deer and Providing a penalty therefor.

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the year 1919, Relating to Compensation of Court Stenographers, and Providing for the Payment of Expenses.

Senate Bill No. 56: A Bill for an Act Providing for the Cancellation of Mortgages by Order of the District Court Judges of the State of North Dakota.

Senate Bill No. 42: A Bill for an Act to Amend and Re-enact Sections 814 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Qualifications of Jurors.

Senate Bill No. 37: A Bill for an Act Entitled, an Act to Cure Defects in the Title of Real Estate Caused by Failure of Foreign Corporations to Comply with Section 5238 Compiled Laws, 1913.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Elections made the following report:

Mr. President: Your committee on Elections to whom was referred:

Senate Bill No. 57: A Concurrent Resolution for an Amendment to the Constitution Relating to the Residence Required of an Elector.

Have had the same under consideration and recommend that the same do pass.

A. M. HAGAN,
Chairman.

Mr. Hagan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 39: A Bill for an Act to appropriate the sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota Under the Provision of Chapter 73 of the Laws Passed at the

Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919, in Addition to the sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly, Approved December 12, 1919, and that such Appropriation be made from the State Highway Fund.

Have had the same under consideration and recommend that the same do pass.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

A majority of the committee on State Affairs made the following report:

Mr. President: A majority of your committee on State Affairs to whom was referred:

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions, to be Operated by the State, and Making an Appropriation Therefor.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON, Chairman.
JOHN L. MIKLETHUN,
J. A. WENSTROM,
JOHN W. BENSON,
H. H. McNAIR,
O C. GROSS.

A minority of the committee on State Affairs made the following report:

Mr. President: A minority of your committee on State Affairs to whom was referred:

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions, to be Operated by the State, and Making an Appropriation Therefor.

Have had the same under consideration and recommend that the same be indefinitely postponed.

FRANK E. PLOYHAR,
P. J. MURPHY,
W. H. PORTER,
ALFRED STEEL,
P. O. THORSON,
W. R. BOND,
C. W. CAREY,

Senator Olson moved the adoption of the majority report.

Senator Ployhar moved that the motion be amended by substituting the word "minority" for the word "majority."

SENATE ROLL CALL.

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions, to be Operated by the State, and Making an Appropriation Therefor.

The question being on the substitution of "minority" for "majority" the roll was called and there were ayes 24, nays 25, absent and not voting 0.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltmier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

So the motion was lost.

Senator Ployhar moved that the bill be re-referred to the committee from which it came, which motion prevailed.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 48: A Bill for an Act to Amend and Re-enact Section 9997 of the Compiled Laws of North Dakota for the Year 1913, Relating to Butchers' Reports of Branded Animals Killed.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Miklethun moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Wenstrom moved that House Bill No. 3 be re-referred to the Judiciary committee, which motion prevailed.

House Chamber,
Bismarck, North Dakota,
February 2, 1921.

Mr. President: I have the honor to transmit the following Concurrent Resolution:

Memorializing our National Congress at Washington to amend the National Constitution if necessary so as to elect the President and Vice President of the United States by direct vote of the people, thereby doing away with the Presidential Electors.

The President and Vice President are the only Elective Officers who are not elected by a direct vote of the people.

We think the time is ripe to change this system. We would request the Secretary of State to forward a copy of this resolution to each of our United States Senators and each of our Congressmen at Washington and request them to use all honorable means to bring about this change.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Murphy moved that the House Concurrent Resolution relating to the Election of the President by direct vote be referred to the State Affairs Committee, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Fleckten introduced:

Senate Bill No. 110: A Bill for an Act to Amend and Re-enact Section 811 of Chapter 69 of the Laws of the State of North Dakota for the Year of 1919, Providing for a Bond for Attorneys.

Was read the first and second time and referred to the committee on Judiciary.

Mr. W. S. Whitman introduced:

Senate Bill No. 111: A Bill for an Act entitled: "An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and also Providing that the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Effectual for Certain Purposes, also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws."

Was read the first and second time and referred to the committee on Ways and Means.

SENATE CONCURRENT RESOLUTION

Introduced by A. G. Storstad and R. J. Gardiner.

WHEREAS, Under the provisions of Section 24, Chapter 147 of the Session Laws of the State of North Dakota for the year 1919, provision is made that the Industrial Commission shall, out of the earnings of the Bank of North Dakota, replace in the general fund of the state the amount received by the Commission from the general fund for the purpose of establishing the Bank of North Dakota; and

WHEREAS, According to the statement of the Bank of North Dakota, made by the Manager and Director-General of said bank at the close of business on January 15th, 1921, said Bank of North Dakota has made a profit of \$121,883.17 in 1920, and that there has been accumulated a reserve with which to repay legislative appropriation, in the sum of \$24,-108.87; and

WHEREAS, Section 24 of the aforementioned chapter of the Session Laws of 1919, provides that moneys accumulated in the Bank of North Dakota for the purpose of replacing in the general funds of the state the appropriation made for the establishment of the Bank of Dakota as may be directed by the Legislative Assembly;

THEREFORE, BE IT RESOLVED, By the State Senate of the Seventeenth Legislative Assembly, the House concurring therein, that the Industrial Commission be and is hereby ordered and directed to direct the Manager and Director-General of the Bank of North Dakota to pay into the general fund of the State of North Dakota forthwith the amount of the reserve now accumulated for the purpose of repaying legislative appropriation, and that the Manager and Director-General be further directed to pay at the end of each month into the General Fund of the State of North Dakota the amount accumulated in the legislative appropriation repayment reserve, until the General Fund of the state has been reimbursed in an amount equal to so much of the legislative appropriation made for the establishment of the Bank of North Dakota as has been used by the Industrial Commission for such purpose.

Senator Gardiner moved that the resolution be referred to the Committee on Appropriations.

Senator Wenstrom moved to amend by substituting the State Affairs committee for the Appropriation committee, which motion prevailed and the resolution was referred to the State Affairs committee.

Senator Olson moved that Senate Bill No. 31 be re-referred to the State Affairs committee, which motion prevailed.

Senator Church moved to strike out the word "female electors," where they first occur in the engrossed copy in Senate Bill No. 42.

Senator Church withdrew his motion.

Senator Ployhar moved to amend Senate Bill No. 42 as follows: Strike out the words "female electors" and "all female electors" where they occur in the bill and add at the end of the bill the following: "Provided, however, any female objecting to jury duty may be excused upon serving notice of inability to serve, with the Clerk of Court, not later than three days before the term of court for which they are called convenes," which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 42: A Bill for an Act to Amend and Re-enact Sections 814 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Qualifications of Jurors.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 1, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Nathan.

So the bill passed and the title was agreed to.

A select committee from the House invited the Senate to meet with the House in Joint Session to listen to addresses.

Senator Baker moved that the Senate accept the invitation of the House, which motion prevailed.

The courtesies of the floor were extended to Mrs. Aug. Johnson, Mrs. Sam Hogue, Mrs. Thompson, W. S. Childs, John Brickner, Ole Vedo, H. R. Freitag, E. A. Fitzgerald, and Miss Topping of Fargo, R. J. J. Montgomery of Tappen, H. O. Batzer of Hazelton, N. D., J. V. E. Dickinson of Fullerton, J. A. Dawe of Fullerton, R. U. Austin of New Rockford, John J. Karn of Hettinger, Wm. Clark, Chet Jacobsen and H. E. Wheeler of Minot.

Senator Church moved that the Senate recess until 1 o'clock P. M. tomorrow, which motion prevailed.

W. J. PRATER,
Secretary.

THIRTIETH DAY AFTER RECESS AND
THIRTY-FIRST DAY.

Senate Chamber,
Bismarck, North Dakota,
February 3, 1921.

The Senate convened at 1 o'clock P. M. pursuant to recess taken, the President presiding.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Eastgate introduced:

Senate Bill No. 112: A Bill for an Act to Amend and Re-enact Chapter 170 of the Session Laws of North Dakota for the Year 1919, Relating to Hours of Labor for Females, and Permitting Such Females to Work Overtime.

Was read the first and second time and referred to the committee on Women's Welfare.

SENATE ROLL CALL

Senate Bill No. 56: A Bill for an Act Providing for the Cancellation of Mortgages by Order of the District Court Judges of the State of North Dakota.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 42, nays 0, absent and not voting, 7.

Ayes: Baird, Baker, Beisel, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Petterson, Porter, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Benson, Bond, Liederbach, Noltmier, Ployhar, Patten, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 37: A Bill for an Act Entitled, an Act to Cure Defects in the Title of Real Estate Caused by Failure

of Foreign Corporations to Comply with Section 5238 Compiled Laws, 1913.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Liederbach, Ployhar.

So the bill passed and the title was agreed to.

Senator Baker moved to amend Senate Bill No. 55 as follows: In line 5 of the printed bill strike out "as well his own", and insert in lieu thereof "his own as well"; which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official Dockets and Papers of Justices of the Peace.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Wenstrom, Whitman, Wog.

Absent and not voting: Liederbach, Ployhar, Ward.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 187 of the Session Laws of North Dakota for the Year 1919.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Beisel, Liederbach, Ployhar.

So the bill passed and the title was agreed to.

Mr. Rusch moved that the vote by which Senate Bill No. 44 passed, be reconsidered. Which motion prevailed.

Senator Wenstrom moved that Senate Bill 44 be so amended as to change the date from December 1st to January 1st, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 187 of the Session Laws of North Dakota for the Year 1919.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Liederbach, Ployhar.

So the bill passed and the title was agreed to.

Senator Mees moved that Senate Bill No. 43 be re-referred to the committee on Military Affairs, which motion prevailed. Senator Church moved that the Senate do now adjourn, which motion prevailed.

THIRTY-FIRST DAY.

Senate Chamber,
Bismarck, North Dakota,
February 3, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. E. J. Hoffman.

The roll was called all Senators being presente except Senator Ployhar.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the thirtieth day and recommend that the same be corrected as follows:

Page 1 after line 23 insert the following: "Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted."

Page 5, after line 26, insert the word "chairman."

Page 10, line 4 correct spelling of the name Kelsh."

Show courtesies of the floor extended to O. N. Lindahl of Glascow, Mont., Col. M. A. Hildreth, G. W. Haggart and Mr. Hutchinson of Fargo, Thetor Pagge, Jacob Engel of Goodrich, and Dr. Plant of Kildeer, Albert Larson of Cooperstown, Dr. Lamont of Dunsieith.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Edgeley, N. D., January 31, 1921.

Hon. E. A. Bowman, Bismarck, N. D.

Hon. and Dear Sir: Permit me to call your attention to the fact that at a meeting of the Presbyterian church of Edgeley on Sunday, January 30th, the attention of the congregation was called to House Bill No: 5 and Senate Bill No. 18, and by a unanimous standing vote the people expressed their wish that these two measures should become law.

In view of this action, on behalf of the said congregation, I respectfully ask you to give your sympathy and support to the above-mentioned bills which we believe to be for the moral welfare of our state.

Respectfully yours,

DONALD FINLAYSON, Pastor.
LaMoure, N. Dak., Jan. 30, 1921.

To the Seventeenth Legislative Assembly of the State of North Dakota.

Gentlemen: We, the undersigned, do most respectfully petition your honorable body to pass the following measures: House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16, and House Bill No. 51.

Adopted by a rising vote of the members of the LaMoure Woman's Christian Temperance Union.

(Signed) MRS. R. L. BENJAMIN, Chairman.

Edgeley, N. D., Jan. 31, 1921.

Mr. Bowman, Senator, Bismarck, N. D.

Dear Sir: We, the undersigned, members of the W. C. T. U. of Edgeley, N. Dak. ask you to vote and use your influence for the passage of House Bill No. 5 and Senate Bill No. 18.

JESSIE S. CAMPBELL,
And Ten Others.

Washington, D. C., Feb. 2, 1921.

Secy. to the Senate, Bismarck, N. Dak.

Your telegram containing a copy of the Memorial passed by the Legislature of North Dakota asking Congress for aid to meet the present emergency for seed and feed has just been received. It will be presented to the House of Representatives today.

GEORGE M. YOUNG.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 42: A Bill for an Act to Amend and Re-enact Sections 814 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Qualifications of Jurors.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 39: A Bill for an Act to appropriate the sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota Under the Provision of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919, in Addition to the sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly, Approved December 12, 1919, and that such Appropriation be made from the State Highway Fund.

Senate Bill No. 57: A Concurrent Resolution for an Amendment to the Constitution Relating to the Residence Required of an Elector.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 54: A Bill for an Act to Appropriate Money to Take Care of the Deficit in the Maintenance Account of the Hail Insurance Department for the Year Beginning January 1st, 1920, and Ending December 31st, 1920.

Have had the same under consideration and recommend that the same do pass.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 80: A Bill for an Act to Prevent the Adulteration and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the Same.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 96: A Bill for an Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota of 1913, Relating to the Appointment of District Court Bailiffs and Compensation thereof.

Have had the same under consideration and recommend that the same be amended as follows:

In Sec. 3550, in line 2 of the Printed Bill after the word "a" insert "sufficient" and strike out the word "competent" and after the word "of" in line 38 of the printed bill insert "competent." In line 8 of the Printed Bill after the word "suitable" strike out the word "men" and insert in lieu thereof "persons."

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 45: A Bill for an Act to Repeal Sections 5518 of the Compiled Laws of the State of North Dakota for the Year 1913.

Have had the same under consideration and recommend that the same do pass:

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Live Stock made the following report:

Mr. President: Your committee on Live Stock to whom was referred:

Senate Bill No. 33: A Bill for an Act to Amend and Re-enact Section 2625 Compiled Laws of North Dakota for 1913, Relating to Trespass of Animals.

Have had the same under consideration and recommend that the same do pass.

JOHN NATHAN,
Chairman.

Mr. Nathan moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Miklethun asked for an extension of time on Senate Bill No. 2 which extension was granted.

Senator Bowman asked an extension of time on all bills on Taxes and Tax Laws, which extension was granted.

Senator Wenstrom asked an extension of time on all bills with the committee on Ways and Means, which extension was granted.

Senator Ward asked for an extension of time on Senate Bill No. 16, which extension was granted.

Senator Gross asked for an extension of time to consider Senate Bill No. 21, which extension was granted.

Senator Baird moved to amend Senate Bill No. 49 as follows: On the first page of the printed bill strike out "1913" and insert in lieu thereof "1915," which motion prevailed.

Senator Ingerson moved that Senate Bill No. 49 be further amended as follows: On the first page of the printed bill after the words "November 10th, 1926" insert the following: "except upon the 10th, 11th and 12th days of November it shall be lawful to kill male deer as hereafter provided, which motion was lost.

SENATE ROLL CALL.

Senate Bill No. 49: A Bill for an Act Amending Section 10298 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134, Section 9, of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer and Providing a Penalty Therefor.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 34, nays 13, absent and not voting 2.

Ayes: Baird, Baker, Benson, Berg, Bowman, Byrne, Carey, Eastgate, Flecten, Fraser Gardiner, Garberg, Gross, Hagan, Kendall, Levang, Liederbach, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Patten, Rusch, Sperry, Steel, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Church, Ettestad, Ingerson, Kelsch, McLachlin, McNair, Nathan, Petterson, Porter, Schrenk, Stevens, Storstad.

Absent and not voting: Bond, Ployhar.

So the bill passed and the title was agreed to.

Mr. Liederbach moved that the vote by which Senate Bill No. 49 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Ingerson moved that Senate Bill No. 39 be re-referred to the committee on Highways, which motion prevailed and the bill was so re-referred.

Senator Wenstrom moved to amend Senate Bill No. 57 as follows: In line 5 after the word "another" insert the following words: "within the State."

Senator Stevens moved as a substitute motion that there be inserted in line 5 after the word "another" the following: "within the county and state," which motion was lost.

The question being on the amendment offered by Senator Wenstrom, the motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 57: A Concurrent Resolution for an Amendment to the Constitution Relating to the Residence Required of an Elector.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 25, nays 23, absent and not voting 1.

Ayes: Benson, Bowman, Byrne, Church, Carey, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson Levang,

Liederbach, Miklethun, Nathan, Nelson, Olson, Patten, Rusch, Sperry, Steel, Ward, Wenstrom, Wog.

Nays: Baird, Baker, Beisel, Berg, Bond, Eastgate, Gardner, Kelsch, Kendall, McLachlin, McNair, Mees, Murphy, Noltmier, Oksendahl, Petterson, Porter, Schrenk, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Ployhar.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which Senate Bill No. 57 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

HOUSE CHAMBER

Bismarck, N. D., Feb. 3, 1921.

Mr. President: I have the honor to transmit the following Concurrent Resolution:

A Concurrent Resolution Petitioning the Congress of the United States to Take Steps Toward the Establishment of a National Park in Billings County, North Dakota, Embracing the Wonderful Petrified Forest There Located, to be Called Roosevelt Park.

Introduced by Carl B. Olsen of Billings County.
To the Senate and House of Representatives of the United States of America in Congress Assembled:

We, the Seventeenth Legislative Assembly of the State of North Dakota, beg leave to represent to your honorable bodies:

First: That there is in the western part of this state, lying within the boundaries of Billings County, near the town of Medora, a wonderful Petrified Forest, consisting of thousands of petrified stumps ranging in size up to 8 and 10 feet high and as much as 14 feet in diameter. This prehistoric forest, appearing in a certain stratum of soil is apparently in its original position. A large number of the stumps being erect while others are prostrate due to the action of the elements in wearing away the soil on which this forest grew, while others appear as huge mushrooms on pedestals of firmer soil. That there is to be found among these petrified stumps the fossil leaves of these once giant trees. These fossils or petrified trees are found in the greatest profusion on four sections of land.

Second: That the surrounding country is a wonderful and picturesque section of Bad Lands along the Little Missouri River, being a distinct type of country, very interesting and alluring to tourists and sightseers, and of great scientific value.

Third: That there are groves of pines and quaking aspens which are found almost nowhere else within the State of North Dakota. Cedars, ash, cottonwood, boxelders, cherries, plums and berry trees abound in the hills and in the draws and canyons, and along the Little Missouri River.

Fourth: That our late President Theodore Roosevelt loved this country and made it his home and that his cattle ranged over every section of this country while he was engaged in the stock business in Billings County, North Dakota.

Fifth: That this is the natural home of deer, elk, antelope, and buffalo and that there is now a considerable number of deer living on this tract of land. Bald and Golden Eagles are plentiful.

Sixth: That the above mentioned features and points of interest, including Roosevelt's Range, are all contained in 33 sections of land, involving 21,945.04 acres, being sections 5, 6, 7, 8, 17, 18, 19, 20, township 140, range 101, sections 1, 2, 3, 4, 5, 9, 10, 11, 12, 13, 14, 15, 16, 23 and 24, township 140, range 102, sections 31, 32, 33, 34, 35, township 141, range 101, and sections 26, 27, 34, 35, 36, township 141, range 102, all west of the fifth principal meridian. Less than 5% of this land is susceptible to cultivation.

Seventh: That, even though the southern border of this proposed Park is but one-half mile from the town of Medora, which is located on the Northern Pacific Railroad and the Red Trail or National Park Highway, it is nearly all inaccessible under the more convenient modes of travel and a large part is only accessible with saddle horses. Due to this fact the scenic and scientific wonders of this region are almost wholly unknown except locally.

Eighth: That there are artesian wells and natural fresh water springs at various points on this tract which make possible the most delightful and ideal camping grounds.

NOW THEREFORE, We, the Seventeenth Legislative Assembly of the State of North Dakota, believing that this wonderful Fossil Forest and this beautiful and fantastic section of Bad Lands with its grotesque formation and its wonderfully colored buttes should be made accessible to scientists and sightseers and preserved inviolate for future generations, do hereby most respectfully petition your honorable bodies to take steps for the purchase of the above described tract of land and as much more as your honorable bodies may deem fit, and the establishment of a National Park and game preserve. And we further respectfully request that the same shall be called Roosevelt Park as a lasting memorial to our beloved late President; and

BE IT RESOLVED, By the Seventeenth Legislative Assembly of the State of North Dakota, that our Senators and Representatives in Congress be and are hereby authorized and instructed to use all honorable means to induce the Congress of the United States to make the proposed Roosevelt Park a reality in the near future, under the care and supervision of the Federal Government. Also that the Secretary of State of North Dakota, be and is hereby requested and instructed to transmit a copy of this memorial to the President of the United States, the Secretary of Interior, and to each House of Congress, to each of our National Senators and Representatives and also a copy of this memorial together with

a blue print of this proposed Park to the Chairman of the National Park Commission.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator Ingerson moved that the House Concurrent Resolution relating to a proposed Park in Billings County be referred to the Committee on State Affairs, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Whitman introduced:

Senate Bill No. 113: A Bill for an Act Relating to Money Deposited or Advanced for Use or Rental of Moving Picture Films.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Gardiner introduced:

Senate Bill No. 114: A Bill for an Act to Amend and Re-enact Section 4863 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 163 of Session Laws of 1919, Relating to Capital Stock Required by Domestic and Other Stock Insurance Companies.

Was read the first and second time and referred to the committee on Insurance.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 187 of the Session Laws of North Dakota for the Year 1919.

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official Dockets and Papers of Justices of the Peace.

Senate Bill No. 49: A Bill for an Act Amending Section 10298 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134, Section 9, of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer and Providing a penalty therefor.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The courtesies of the floor were extended to C. E. Lounsbury of Wahpeton, August Nelson of Fargo, Elmer Fogle of Linton, Walter Sterland and W. L. Richards of Dickinson, M. J. Cowley of Devils Lake, C. E. Knox of Oakes, Mrs. Mary B. Strand of Ellendale, Tom Ryan of Fairdale, and Orlin Burdick.

Senator Nathan moved that the Senate do now adjourn, which motion prevailed.

W. J. PRATER,
Secretary.

THIRTY-FIRST DAY AFTER RECESS AND
THIRTY-SECOND DAY

Senate Chamber,
Bismarck, North Dakota,
February 4, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the thirtieth day after recess and thirty-first day and find the same to be correct.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS

To the Members of the Senate:

We, as citizens of Stevens Township request that the Health Bill introduced by Senator O. C. Gross establishing an Educational Health Commission consisting of the State Superintendent of Public Instruction, President of the State Tuberculosis Association, President of the State Medical Association, Chairman of the Children's Welfare Department of the Women's Federation, President of the State Nurses' Association, and the Secretary of the State Board of Health to have supervision over the Health Education in our public schools and public school nurses, do pass.

MRS. JOYCE ANDERSON,
And Twenty-four Others.

Ellendale, N. Dak., Feb. 3, 1921.

Senator C. A. Ward, Bismarck, N. Dak.

Dear Sir: I am writing to you because I live in Kidder county and I am going to school in Ellendale, to the State Normal and Industrial school, and I heard that they were trying to close that school and so I want you to do all you can for that school because it does me a lot of good. That is the first year that I am here and I like it very well. So try your best.

Yours very truly,
WALTER SCHWARZWALTER.

Ellendale, N. Dak., February 3, 1921.

Senator C. A. Ward, Bismarck, N. Dak.

Dear Sir: I am a student from the State Normal and Industrial School at Ellendale from Kidder county. I understand the Legislature is trying to close this school and we want you to help us all you can to keep the school going. I think the school is doing good work and students that can not get in to any other school can get what they want here. Trusting you will give this matter your careful attention, I remain,

Yours very truly,

JOSEPH A. KOLBERG.

We, the undersigned, residents and voters of Traill county, do hereby respectfully petition that you give your vote and support to legislation, now pending, or about to be introduced, giving districts that maintain high schools the right to charge tuition for non-residents pupils from districts which do not maintain high schools. The need of such legislation has long been apparent. During the school year 1919-1920 Hillsboro High School, Hillsboro, North Dakota, had one hundred twenty-four (124) students enrolled. Of these, sixty-two (62) or exactly one half were non-resident pupils, that is, pupils residing outside of Hillsboro Special District. The parents of these pupils paid no taxes to Hillboro Special District, and the school received in state aid during that year \$600.00.

During the school year 1920-1921 there have been 53 non-resident pupils out of a total of one hundred twenty (120) students. This year Hillsboro High School received \$626.00 in state aid. We believe that you will realize that something must be done to relieve this situation and recognize the fairness of this proposition. We earnestly hope that you will give your whole-hearted support in favor of it.

ANTON H. ROSTAD,

And Ninety-three Others.

Munich, No. Dak., February 1, 1921.

Hon. Senator and Representatives, Cavalier County, N. D.

Gentlemen: Inasmuch as the high schools of the state are bearing more than their fair share of the tax burden because of the fact that non-resident pupils are not required to pay tuition fees;

And inasmuch as our treasury is well nigh depleted from this cause, we urge the legislature to use all means within your power to enable us to levy a tuition fee of \$100.00 a year against the district from which non-resident pupils come. This amount should be paid for each pupil enrolled in any high school.

We suggest that you favor this method of levying the fees rather than the mill tax on county district methods.

We are too far along in this school year to get any relief but a law becoming effective July 1st, 1921, would enable us to take care of the children from other districts next year.

Kindly go the limit on this matter to keep our high schools open for pupils of surrounding districts.

Signed: HENDERSON SCHOOL DISTRICT,
Per H. A. THOMPSON, Clerk.

Valley City, N. D., Jan. 30, 1921.

To the Seventeenth Legislative Assembly of the State of North Dakota.

We the undersigned, do most respectfully petition your honorable body to pass the following measures: House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16, and House Bill No. 51.

Adopted by a rising vote of the members of the W. C. T. U.
MRS. A. A. PUTNAM, Secretary.

Ellendale, N. D., Feb. 3, 1921.

Hon. J. Schrenk, Senator, Bismarck N. D.

Dear Sir: As you undoubtedly know, the State Normal and Industrial School at Ellendale is up for being discontinued. Do you know that this school has done more for educating the young people of McIntosh county than any other school?

In your own high school there are three teachers all graduates from the N. I., two from the class of 1920 and one of '18. There may be, and undoubtedly are, many other teachers in McIntosh county who are graduates from the N. I.

If this school were discontinued it would mean that a large number of the McIntosh county people would go without education. It costs just two times as much to send a boy to Fargo as it does to Ellendale. This is conclusive evidence that we want the school to keep on doing business.

It is the only school of its kind in the state. It has a better machine shop than any school west of Minneapolis. For the sake of McIntosh county people do your best to keep the school running. With the thanks of the entire student body, I am,

Very truly yours,

A. E. HETZLER,
Student McIntosh Co.

WHEREAS, There is now before the Legislative Assembly of the State of North Dakota a Concurrent Resolution, known as Senate Bill No. 2, to amend the Constitution of this State providing for the establishment of a trunk highway system; and

WHEREAS, the Board of County Commissioners have carefully examined said proposed amendment:

NOW, THEREFORE, We, the Board of County Commissioners of Wells County do hereby approve said proposed amendment, and we hereby urge the members of the Legislature of this District to support said bill.

IT IS FURTHER RESOLVED that a copy of this resolution be sent to each member from this district.

(Signed) J. F. STRAUSS,
And Four Others.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 33: A Bill for an Act to Amend and Re-enact Section 2625, Compiled Laws of North Dakota for 1913, Relating to Trespass of Animals.

Senate Bill No. 45: A Bill for an Act to Repeal Sections 5518 and 5519 of the Compiled Laws of the State of North Dakota for the Year 1913.

Senate Bill No. 54: A Bill for an Act to Appropriate Money to Take Care of the Deficit in the Maintenance Account of the Hail Insurance Department for the Year Beginning January 1st, 1920, and Ending December 31st, 1920.

Senate Bill No. 80: A Bill for an Act to Prevent the Adulteration and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the Same.

Senate Bill No. 96: A Bill for an Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota of 1913, Relating to the Appointment of District Court Bailiff's and Compensation Thereof.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 73: A Bill for an Act Relating to the Fees of Attorneys-at-Law. Whereas, in personal injury and damage suits it is contrary to legal ethics and good conscience for an attorney-at-law to charge his client fifty per cent of such sum as may be recovered by suit or settlement without paying an extortionate fee, therefor.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 3:

A Bill for an Act restricting the form and liability upon obligations in writing given in payment of any speculative security.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 21: A Bill for an Act Creating a Public Health Commission; Fixing the Membership Thereof, and Defining its Powers and Duties.

Have had the same under consideration and recommend that the same be amended as follows:

After the words "A Bill" strike out everything and insert in lieu thereof the following:

For an Act Creating a Public Health Commission; fixing the membership thereof and defining its powers and duties and an appropriation therefor.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

Section 1. There is hereby created a Public Health Commission to consist of the following officials and persons; the State Superintendent of Public Instruction, who shall be ex-officio chairman of the Commission, the President of the State Tuberculosis Association, the Secretary of the State Board of Health, the President of the Nurses' Association, and a representative of the County Superintendents and a representative of the County Nurses to be appointed by the Governor.

Section 2. The Commission may make all reasonable rules and regulations for the conduct of meetings with the exception of the selecting the chairman and the time and place of its meetings.

Section 3. The powers of the Commission shall not be compulsory but of an advisory nature and tend toward securing co-operation in the different departments of Health work.

Section 4. The Commission shall consider and suggest improvements in matters pertaining to health education in the public schools of the state and in the general methods to be followed in their work by public school nurses. To ac-

compish the foregoing the Commission may formulate a program covering the principles of hygiene and kindred subjects and recommend the same to the State Superintendent of Public Instruction for adoption in the course of study. They may also prepare and recommend a course or plan to be followed by the Public School Nurses in the performance of their duties.

Section 5. It is the intent and purpose of this Act to confer upon the Commission herein created the opportunity to work toward more vital and efficient teaching of the principles of good health and the prevention of disease in the public schools and in the homes of the state.

Section 6. The Commission shall meet twice each year at the call of the State Superintendent.

Section 7. Individual reports or a concurrent report signed by the members shall be made to the next biennial session of the Legislature.

Section 8. APPROPRIATION. There is hereby appropriated out of any funds of the State not otherwise appropriated, the amount of \$1,000.00 or so much thereof as may be necessary for the purpose of covering the traveling and hotel expenses of the Commission for the biennial period.

Section 9. Emergency. This Act is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval.

And when so amended recommend the same do pass.

O. C. GROSS,
Chairman.

Mr. Gross moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Cities and Municipal Corporations made the following report:

Senate Bill No. 26: A Bill for an Act Limiting the Debt Limit of Organized Towns and Villages.

Have had the same under consideration and recommend that the same be indefinitely postponed.

W. S. WHITMAN,
Chairman.

Mr. Whitman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 85: A Bill for an Act Providing for Systematic Physical Education and Hygiene, in the Common Schools and All Educational Institutions Supported Wholly or in Part by Money From the State, Creating a Commission of Physical Education and Hygiene, Prescribing Its Power

and Duties and Appropriating the Sum of \$1,000 or Such Part as is Necessary for the Expenses of the Commission.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 82: A Bill for an Act Establishing a State Training School for Girls, Locating the Institution, and Providing an Appropriation Therefor.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 69: A Bill for an Act to Amend and Re-enact Section 1342, Article 21, General School Laws. School Age. Who Exempt From Compulsory Attendance. Truancy Defined. Truant Officer.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 70: A Bill for a Concurrent Resolution to Amend and Re-enact Section 150 of the Constitution, Relating to the Election of an Educational Commission for Each County, With Power to Appoint a County Superintendent of Schools, and to Perform Such Other Duties as May be Prescribed by Law.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The majority of the committee on State Affairs made the following report:

Mr. President: A majority of your committee on State Affairs to whom was referred.

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions to be Operated by the State, and Making an Appropriation therefor.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON, Chairman.
O. C. GROSS,
JOHN W. BENSON,
A. A. LIEDERBACH,
H. H. McNAIR,
JAMES A. WENSTROM,
JOHN L. MIKLETHUN,
JOHN E. FLECKTEN.

The minority of the committee on State Affairs made the following report:

Mr. President: A minority of your committee on State Affairs to whom was referred:

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for use in its State Institutions, to be Operated by the state, and Making an Appropriation therefor.

Have had the same under consideration and recommend that the same be indefinitely postponed.

FRANK E. PLOYHAR,
P. O. THORSON,
P. J. MURPHY,
ALFRED STEEL,
C. W. CAREY,
WALTER R. BOND,
W. H. PORTER.

Senator Olson moved that the majority report be adopted.

Senator Ployhar moved to amend the motion by substituting the word "minority" for the word "majority"; which motion was lost.

The question being on the motion of Senator Olson, the motion prevailed.

A majority of the committee on State Affairs made the following report:

Mr. President: A majority of your committee on State Affairs to whom was referred:

Senate Bill No. 50: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 192, Session Laws of North Dakota for the Year 1919.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON, Chairman.
JOHN W. BENSON,
A. A. LIEDERBACH,
JOHN E. FLECKTEN,
O. C. GROSS,
H. H. McNAIR,
JAMES A. WENSTROM,
JOHN L. MIKLETHUN.

A minority of the committee on State Affairs made the following report:

Mr. President: A minority of your committee on State Affairs, to whom was referred.

Senate Bill No. 50: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 192, Session Laws of North Dakota for the Year 1919.

Have had the same under consideration and recommend that the same do pass.

FRANK E. PLOYHAR,
P. O. THORSON,
P. J. MURPHY,
ALFRED STEEL,
C. W. CAREY,
WALTER R. BOND,
W. H. PORTER.

Senator Olson moved that the report of the majority be adopted.

Senator Ployhar moved to amend the motion by substituting the word "minority" for the word "majority"; which motion was lost.

The question being on the motion of Senator Olson, the motion prevailed.

House Chamber,
Bismarck, North Dakota,
February 4, 1921.

Mr. President: I have to honor to transmit herewith the following bills:

House Bill No. 45: A Bill for an Act to Amend and Re-enact Section 3967 of the Compiled Laws of North Dakota for the Year 1913, Relating to Errors and Deficiencies in City, Town or Village Plats.

House Bill No. 56: A Bill for an Act to Amend and Re-enact Section 7643 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Judgments, District and Supreme Courts to Direct.

House Bill No. 59: A Bill for an Act to Amend and Re-enact Section 3905 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Building and Repairing of Sidewalks by Villages, the Giving of Notices Thereof, the Duties of Real Property Owners, and the Powers of the Board of Trustees in Regard Thereto.

House Bill No. 66: A Bill for an Act to Provide for the Payment of Non-Resident Tuition Fee in the High School Department of Standardized Graded and Standardized High Schools Receiving State Aid.

House Bill No. 74: A Bill for an Act to Amend and Re-enact Section 7660, Compiled Laws of 1913, Relating to Causes for a New Trial.

House Bill No. 91: A Bill for an Act Appropriating the Sum of Nine Thousand Fifty-One Dollars and Five Cents (\$9,051.05), for the use of the office of the Attorney General of the State of North Dakota, and Repealing Chapter 20 of the Laws of the Special Legislative Session of North Dakota for the Year 1919, by which said Chapter on Appropriation was Made for the Payment of Salaries of Special Assistant Attorneys General, of Which said Appropriation the Sum of \$9,051.05 is Still in the General Fund of the State Unexpended.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
February 4, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 1:

For an Act to Amend and Re-enact Section 800 of the Compiled Laws of the State of North Dakota for the year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's right to practice.

Senate Bill No. 8: A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of North Dakota for th Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

Which the House has passed unchanged.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Thorson asked permission to withdraw Senate Bill No. 13 from the Senate.

Senator Berg moved that the request of Senator Thorson be granted; which motion prevailed.

Senator Whitman moved that Senate Bill No. 107 that is now with the State Affairs committee be re-referred to the committee on Cities and Municipal Corporations, which motion passed.

CONCURRENT RESOLUTION.

Introduced by P. O. Thorson.

WHEREAS, It is proposed to make such improvement in the St. Lawrence as to make the Great Lakes accessible to ocean going commerce; and

WHEREAS, This improvement will in effect bring the state of North Dakota hundreds of miles nearer the world's markets; and

WHEREAS, As there are within the state great resources that lie wholly undeveloped while the production of all things is diminished or retarded by distance from markets; and

WHEREAS, Because our producers and the consuming public have alike suffered enormous losses in the last year by transportation shortage and failure; and

WHEREAS, Because by reason of these conditions the transportation situation constitutes an emergent need; and

WHEREAS, As a number of states have joined in the Great Lakes-St. Lawrence Tidewater Assn., having as its object the early undertaking and completion of this improvement:

THEREFORE, BE IT RESOLVED, By the Senate and House of Representatives of the State of North Dakota that the State of North Dakota is properly associated in the above named organization with its neighboring commonwealths in pressing to advance this undertaking and that the action of the Governor in so declaring is hereby approved and confirmed and the participation of this State by the Governor and those who represent him in the Council of these States is approved;

RESOLVED: That the representatives of this State in the Congress of the United States be requested to facilitate and expedite in every possible way the prosecution of this undertaking for the economic freedom of a landlocked continent.

Senator Thorson moved that the resolution be adopted, which motion prevailed.

Senator Ettestad asked for an extension of time on Senate Bills 77 and 79, which extension was granted.

Senator Gross asked for an extension of time on a Concurrent Resolution, which extension was granted.

RESOLUTION

Introduced by Senator Liederbach.

WHEREAS, The appropriation committee of the House of Representatives, of which Representative Watt of Cass County is chairman, is still holding up the emergency and deficit appropriation for the Attorney General's office, being Senate Bill No. 6; and

WHEREAS, The Railroad Rate Case has been set before the examiner of the interstate commerce commission for February 21, 1921; and

WHEREAS, There are not sufficient funds in the Attorney General's office to make the proper defense; and

WHEREAS, On the 26th day of January, 1921, William Lemke, Attorney General of this state addressed a communication to the House of Representatives pointing out the necessity of prompt action; and

WHEREAS, On the 27th day of January, 1921, Representative Watt and others read into the record of the House a communication which in fact is inaccurate; and

WHEREAS, William Lemke, Attorney General at the request of Hon. Walter Maddock, Representative of the House from Mountrail County pointed out the inaccurate statements in such communication; and

WHEREAS, At the same time there were transmitted at the request of Walter Maddock a communication from the Governor of this State, from the Tax Commissioner and from the Railroad Commission rate expert, all of which pointed out clearly that the communication given to the House by Mr. Watt on January 27, 1921, was incorrect; and

WHEREAS, The House permitted all such communications to be read into the Journal, except the communication of the Attorney General of this State:

NOW, THEREFORE, BE IT RESOLVED, That the communication addressed to the Hon. Walter Maddock of the House of Representatives on January 29, 1921, by William Lemke, Attorney General of this State, in reply to the communication read into the Journal of the House on January 27, 1921, be read into the Senate Journal and made a permanent record so that the people of this State may know who is responsible in delaying, crippling and hindering the Attorney General's office so that the Attorney General cannot make proper defense in pending litigation such as the Railroad Rate Case, which has saved the people of this State over Six Thousand (\$6,000.00) Dollars a day since September 1, 1920.

Senator Liederbach moved the adoption of the resolution.

Senator Church moved that the previous question be put, which motion prevailed.

SENATE ROLL CALL

The question being on the adoption of the resolution presented by Senator Liederbach, the roll was called and there were ayes 27, nays 22, absent and not voting 0.

Ayes: Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Westrom, Wog.

Nays: Baird, Bond, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the resolution was adopted.

Mr. Benson moved that the vote by which the resolution passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Fraser moved that the communication from the State Auditor be printed in the Journal, which motion prevailed.

State of North Dakota,
Auditor's Office,

Bismarck, North Dakota,
January 28, 1921.

Mr. Langer spent in the two years ending December 31, 1920	\$ 98,535.53
To which must be added unpaid bills on file.....	4,025.52

Making a total of	\$102,661.05
Mr. Lemke requests for biennial period 1921-1923..	\$ 85,100.00

It should be noted that the amount spent by Mr. Langer does not include over \$15,000.00 spent from the Governor's special fund in the defense of certain cases nor does it include some \$8,000.00 spent by the Industrial Commission in the defense of the State in the 42 Taxpayers' suit.

There is a balance in all funds to the credit of the Attorney General's department on this date \$7,805.65, which amount does not take into consideration the unpaid bills on file amounting to \$4,025.52. The amount stated must take care of the Attorney General's office for the six months period from January 1st, 1921 to June 30th, 1921, unless emergency appropriation is made by the legislature now in session.

Certified Correct.

D. C. POINDEXTER,
State Auditor.

(SEAL)

January 29, 1921.

Hon. Walter Maddock, House of Representatives, Bismarck,
North Dakota.

Dear Sir: In reply to your request whether the allegations presented in the communication submitted to the House of Representatives on January 27th by Representatives Watt, et al, are correct, will be pleased to call your attention to the following mis-statement of facts:

1. The communication states that I admitted there was left to me by the out-going Attorney General the sum of \$7,805.65. This statement is an attempt to deceive the public. I stated there was left \$7,805.65 in the Attorney General's office and that there were outstanding bills in the Auditor's office against said fund amounting to \$4,025.58, and that in addition there were still bills outstanding that had not been presented to the State Auditor's office. No member of this House of Representatives can plead ignorance of not knowing these facts.

2. The communication further attempts to mislead the public by giving the impression that there are still some funds in the Attorney General's office which could be used by me for all purposes. While there are funds to be used for some specific purposes in the Attorney General's office, there are no funds to be used for traveling expenses as that account was overdrawn by my predecessor; and the same is in effect true of the printing funds, as there are outstanding bills far in excess of the money available. The authors of the communication must have known, as they are members of the Appropriations committee, that I cannot use a fund except for the purpose for which it has been appropriated. Ignorance of the law excuses no one, yet I am willing to excuse the authors of this communication, but wish to suggest that in the future before they advise juggling with appropriations, they consult the Attorney General's office and ascertain the law in regard to such matters.

3. The communication absurdly suggests that the Attorney General's office might get funds from other Departments of State to whom appropriations have been made for carrying on their work. This position is so ridiculous that I cannot help but feel it was also made for the purpose of deceiving the public. It is, in fact, a confession of attempting to cripple the Attorney General's office and then attempting to escape the responsibility.

4. An attempt to avoid the responsibility of crippling the Attorney General's office is made when it is suggested that Senate Bill No. 6 was passed without an Emergency Clause. However, there is no law preventing the House passing House Bill No. 2 with an Emergency Clause, or amending the Senate Bill by adding an Emergency Clause.

5. A further attempt to escape the responsibility of crippling the Attorney General's office is made when it is stated that Senate Bill No. 25, the Budget Bill, contains some items included in House Bill No. 2 and Senate Bill No. 6. Surely the authors of the communication know that the Budget Bill will be practically the last bill to pass and that any adjustments can be made by either the Senate or the House before its passage.

6. It is further suggested that I might get an Emergency Fund from the Emergency Commission—another plain attempt to escape the responsibility, because the Emergency Fund will be entirely exhausted in taking up deficits that now exist in many of our State educational institutions before July 1st, 1921.

In conclusion, let me say that I am not concerned whether the authors of the above communication resent, keenly or otherwise, the language used in my communication to the House. I shall do my full duty to protect the best interests of this State and shall not permit "Special Privilege" to take undue advantage of the people of this State. If any designing politician stands in my way and feels injured by my language, I may feel sorry for him, but it will not change my attitude. I repeat that those responsible for delaying the appropriations are, either knowingly or unknowingly, assisting the rail-

roads in the litigation now pending before the Interstate Commerce Commission. Let's throw up the blinds and let in the light on all matters. Star Chamber proceedings are obnoxious to the American people and inimical to its form of government.

Assuring you that I have the utmost respect for the members of the House of Representatives and that I am confident that the vast majority who knew that the litigation under discussion has saved the State \$6,000.00 per day in passenger and freight rates ever since September 1st, will see that the Attorney General's office gets a square deal and that sufficient funds will be forthcoming to defend the Rate Case properly without further delay, I am

Very respectfully,

WM. LEMKE,
Attorney General.

Another unpaid item that has since appeared in the Attorney General's office is \$310.00 for engineering and surveying done by Professor Chandler of the University, in the case of North Dakota vs. Minnesota, known as the Flood Case.

WM. LEMKE,
Attorney General.

January 28th, 1921.

Hon. Walter Maddock, House of Representatives, Bismarck,
North Dakota.

Sir: Per your request, I have made an examination into the fund appropriated in Chapter 192 by the 1919 Legislative Assembly, and attached you will find a detailed statement of the present condition of the fund and the estimated requirements. There are certain other requirements that may have to be met, during the next five months, that will be expensive, one of which is the valuation of electric property in Bismarck, Fargo, Grand Forks and Minot, where disputes as to rates are still at issue. The present commissioners are required to devote all their time to the commission work, and as a result work that was badly delayed last year is being given attention now. There appears to be no legal basis for using this money for an interstate rate case even were the money available, and the commission's regular budget was not projected with the anticipation of an expensive state-wide rate case such as now confronts the State of North Dakota. Further, I do not understand that we can, nor has it been the practice of this commission to use funds other than those specifically appropriated for our use.

Yours truly,

(Signed) V. E. SMART,
Traffic Expert.

UTILITY ACCOUNT

Appropriated Chapter 192, Laws 1919.....	\$50,000.00
Collected for fees, transcripts, etc. cr. fund.....	5,162.90
	<hr/>
	\$55,162.90

Used in carrying out provisions of law up to date..	\$40,537.42
Bills payable, date.....	605.25
Authorized salaries, 5 months payrolls to July 1st..	9,616.65
Requirements for traveling expenses regular routine estimated from records July 1920 to Jan. 1, 1921..	2,750.00
Miscellaneous expense utility department, regular routine, stationery, supplies, etc.....	800.00
Anticipated unused balance of fund July 1st, 1921..	850.53
	<hr/>
	\$55,162.90

The Commission has about sixty-five unheard cases carried over from last year and which the Commission will be required to hear and adjust in the next few months, and doubtless the expenses during the next five months will be greater per month than above shown based upon last year's averages.

Bismarck, N. Dak., January 28, 1921.

Hon. Walter Maddock, House of Representatives, Bismarck, N. Dak.:

Sir: Per your further request with reference to defending the claim of the railroads in North Dakota in their petition to the Interstate Commerce Commission asking for an investigation of intrastate freight, passenger, baggage, and milk rates in North Dakota, claiming that they are in unjust discrimination against Interstate Commerce, due to the rejection of their petition to the State Commission for certain percentage increases in all of such rates, after careful survey and study, I am thoroughly convinced that an exhaustive examination should be made of the railroad's books and accounts to analyze the total business done in North Dakota for one year past, ascertain the exact nature and amount of any and all discriminations that may exist and be in a position to defend changes in intrastate rates except where such discriminations actually exist and are unjust and place a measurable burden upon interstate commerce.

A compilation of the rates in North Dakota in such a manner as to provide a measure for determining discrimination makes it necessary to make nearly 3,000 studies for the different distances on the form hereto annexed.

To analyze the railroad accounts fully will require the time of a large force of clerks for many days amounting in all to 2,400 days of clerical labor in taking off the data and compilation of same in such shape as to make it admissible as evidence, in addition to which is the expense of presentation and getting witnesses to and from the point of hearing before the Interstate Commerce Commission.

As you will recall, after the increased rates had been presumably established by the Railroad Commission, Mr. Lemke secured a temporary restraining order from the Supreme Court in this State, which was later made permanent pending rehearing before the Railroad Commission. Largely upon the exhibits laboriously made by the writer evenings and nights, Mr. Lemke indicated to the Railroad Commission that the railroads in North Dakota under careful and efficient management should now be earning some \$2,600,000 per annum in excess of a six percent return upon their tax-

ation value, and upon which showing the State Commission denied the increases sought.

As a result of this denial a petition has been filed with the Interstate Commerce Commission claiming that the North Dakota freight and passenger rates discriminate against Interstate Commerce. That Commission has entered upon an investigation, and a hearing will doubtless be set within a very few days for a date within the next thirty days.

If the State of North Dakota desires to protect itself in this proceeding, quick and thorough studies of the State's transportation business positively must be made, and with absolutely no further delay. I sincerely regret that the lack of funds available for this work has so far made it impossible for me to make these expensive studies in behalf of the Railroad Commission, and I trust that the Honorable Body of which you are a member will realize the urgency of the situation and will take such action as will permit the proper defense being made.

Permit me to assure the Legislature that personally I will do everything within my humble power to protect the just and correct or prevent any unjust transportation rates in our State.

Yours truly,
V. E. SMART,
Traffic Expert.

Bismarck, N. Dak., January 28, 1921.

Hon. Walter J. Maddock,
House of Representatives,
Bismarck, North Dakota.

Dear Sir: I have your request for information relative to the present status of the contingent fund of the State Tax Commissioner amounting to \$8,845.92. This item is all the money I have for paying my office help, office supplies, etc. At the present time it is used in paying the salaries of ten employees. The money could not and cannot be used by the Attorney General in fighting tax cases. I have never found any authority nor heard of any custom which would permit one department to rob another. I shall not permit the Attorney General to have one cent of this fund for any purpose whatsoever and there is no law which would permit his taking any of it.

Yours truly,
GEO. E. WALLACE,
State Tax Commissioner.

Bismarck, N. Dak., January 28, 1921.

Hon. Walter J. Maddock,
House of Representatives,
Bismarck, North Dakota.

Dear Sir: In reply to your request for information, will say that the balance remaining in contingent fund provided by House Bill No. 39 of the Special Session is \$531.23 and the balance in fund provided by House Bill No. 13 of Special Session for paying of Special Assistant Attorneys General is \$9,051.05.

There are more than enough bills outstanding to take up the first amount and there are cases now pending in Court in which attorneys were appointed before the first of the year which will take approximately all of the latter fund.

I can see no logical reason for transferring any money from these funds to any other department as this money will be necessary in order to carry out the work for which it was appropriated.

In my estimation it is absolutely essential that the Attorney General be provided with sufficient funds to enable him to properly carry on the work of his office and to defend the rate cases that are now pending and which he has so ably prosecuted thus far.

Yours respectfully,
(Signed) LYNN J. FRAZIER.

Bismarck, N. Dak., January 28, 1921.

Mr. Walter Maddock,
Representative 44th Dist., Building.

Dear Sir: Pursuant to your request I present herewith a statement of balances in the funds mentioned as shown by our books as of date.

Chapter 8, 1919 Special Session Laws	\$ 531.23
Chapter 20, 1919 Special Session Laws	9,051.05
Public Utility Fund Railroad Comms.	15,295.71
Tax Commissioners Fund	8,517.76

In regard to the statement contained in the house journal of January 27th to the effect that the Attorney General's department would be permitted to draw from the Emergency Board 10% of their appropriation, will say that this is true on all funds excepting the salary of the Attorney General. The correct amount which the Emergency Board could approve is \$2,648.55 and not \$3,368.55.

The Books of the State Treasurer cannot be used as an authority in determining the balances in any particular fund. This is due to the fact that any number of warrants which may have been issued by this office and charged off on our books, might not be presented for payment to the Treasurer for weeks, and in many instances for months, after issuance. They would not be charged off on his books until presented and paid.

Trusting this information will answer your purpose, I am,

Yours respectfully,
(Signed) D. C. POINDEXTER,
State Auditor.

Senator Baker moved that the Senate recess at 4 o'clock P. M. each day until 1 o'clock P. M. of the preceding day until further action be taken, which motion prevailed.

HOUSE CHAMBER

Bismarck, N. D., Feb. 4, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 12: A Bill for an Act to Amend and Re-enact the Concentrated Feeding Stuff Law of North Dakota, the Same Being Article 43, Section 2911-2921, of the Political Code of the Compiled Laws of North Dakota for 1913.

Which the House has passed, amended as follows:

In line 20 of Section 1 of the engrossed bill, strike out the word "and" between the words "percent" and "of."

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator Rush moved that the Senate concur in the House amendment to Senate Bill No. 12.

SENATE ROLL CALL.

Senate Bill No. 12: A Bill for An Act to Amend and Re-enact the Concentrated Feeding Stuff Law of North Dakota the same Being Article 43, Sec. 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

Was read the third time.

The question being on the final passage of the bill, as amended by the House, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patter, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Storstad.

So the bill passed and the title was agreed to.

House Chamber,
Bismarck, North Dakota,
February 4, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 15: A Bill for an Act to Amend and Re-enact Section 1349, Compiled Laws of North Dakota for 1913, Relating to Proposals for Building School Houses.

Which the House has passed amended as follows:

In line 17 of Section 1 of engrossed bill, following the word "bond" strike out everything to the semi-colon in line 22 and insert the following: "as provided in Chapter 92, Civil Code of the Compiled Laws of 1913, as amended by Chapter 67, Session Laws of 1915".

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Rusch moved that the Senate do not concur in the House amendment to Senate Bill No. 15, and a conference

committee be appointed, which motion prevailed, and the Chair appointed as such committee Senators Fraser, Rusch and Ettestad.

House Chamber,
Bismarck, North Dakota,
February 4, 1921.

Mr. President: I have the honor to transmit the following Concurrent Resolution:

CONCURRENT RESOLUTION

Introduced by Mr. George Lakie.

WHEREAS, The service rendered the United States by the American Mother is the greatest source of the country's strength and inspiration; and

WHEREAS, We honor ourselves and the mothers of America when we do anything to give emphasis to the home as the fountain head of the State; and

WHEREAS, The American mother has done, and is doing, so much for good government, patriotism and humanity:

THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NORTH DAKOTA OF THE SEVENTEENTH LEGISLATIVE ASSEMBLY, THE SENATE CONCURRING THEREIN, That the Governor of this State is hereby authorized and requested to issue annually a proclamation calling upon the State Officials to display the United States flag on all state and school buildings, and the people of the State to display the flag at their homes, lodges, churches and places of business, and other suitable places, on the second Sunday in May, known as Mother's Day, founded by Anna Jarvis, as a public expression of love and reverence for the mothers of our state and the women serving it, and as an inspiration to better homes and closer ties between them and the State.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Mees moved that the Senate adopt the House Concurrent Resolution relating to the observance of Mother's Day, which motion prevailed.

INTRODUCTION, FIRST AND SCOND READING OF SENATE BILLS

Mr. Ingerson introduced:

Senate Bill No. 115: A Bill for an Act to Amend and Re-enact Sections 3, 6, and 12 of Chapter 157 of the Session Laws of 1919 Regular Session, Relating to the Authorizing and Regulating the Exchange of Reciprocal or Insurance Contracts Among Individuals, Partnerships and Corporations.

Was read the first and second time and referred to the committee on Insurance.

Mr. Baird introduced:

Senate Bill No. 116: A Bill for an Act to Amend and Re-enact Chapter 179 of the Session Laws of 1915; an Act to Amend Chapter 177 of the Laws of 1911 (Same Being Sections 11402, to 11428, Inclusive, Compiled Laws 1913, Entitled "Juvenile Court," by Adding Thereto Certain Provisions Giving the Court Power When Necessary to Appoint District Juvenile Commissioners, Guardians ad litem, and to Make Rules and Regulations Prescribing Their Duties and Fixing Their Compensation; also to Enact Such Other Provisions Which Are Best Calculated to Carry Out the Purpose of Said Chapter 177.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Bond introduced:

Senate Bill No. 117: A Bill for an Act Empowering the Board of County Commissioners of Each County to Designate Depositories for County Funds and Providing the Procedure and the Regulations Under Which Such Funds May be Deposited.

Was read the first and second time and referred to the committee on Banks and Banking.

SENATE ROLL CALL.

Senate Bill No. 33: A Bill for an Act to Amend and Re-enact Section 2625, Compiled Laws of North Dakota for 1913, Relating to Trespass of Animals.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Benson, Church, Ettestad.

So the bill passed and the title was agreed to.

Senator Bowman moved that Senate Bill No. 45 be placed at the foot of the calendar, which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 96: A Bill for an Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota of 1913, Relating to the Appointment of District Court Bailiff's and Compensation Thereof.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall,

Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Church, Levang.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

Senate Bill No. 80: A Bill for an Act to Prevent the Adulteration and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the Same.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckter, Gardiner, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting, Fraser, Garberg.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

Senate Bill No. 54: A Bill for an Act to Appropriate Money to Take Care of the Deficit in the Maintenance Account of the Hail Insurance Department for the Year Beginning January 1st, 1920, and Ending December 31st, 1920.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 1, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Gardiner, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Nelson.

Absent and not voting: Fraser, Garberg.

So the bill passed and the title was agreed to.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 91: A Bill for an Act Appropriating the Sum of Nine Thousand Fifty-One Dollars and Five Cents (\$9051.05), for the Use of the Office of the Attorney General of the State of North Dakota, and Repealing Chapter 20 of the Laws of the Special Legislative Session of North Dakota for the Year 1919, by Which Said Chapter an Appropriation was Made for the Payment of Salaries of Special Assistant Attorneys General, of Which said Appropriation the Sum of \$9051.05 is Still in the General Fund of the State Unexpended.

Was read the first and second time and referred to the committee on Appropriations.

House Bill No. 45: A Bill for an Act Entitled an Act to Amend and Re-enact Section 3967 of the Compiled Laws of North Dakota for the Year 1913, Relating to Errors and Deficiencies in City, Town or Village Plats.

Was read the first and second time and referred to the committee on Cities and Municipal Corporations.

House Bill No. 56: A Bill for an Act to Amend and Re-enact Section 7643 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Judgments, District and Supreme Courts to Direct.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 59: A Bill for an Act to Amend and Re-enact Section 3905 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Building and Repairing of Sidewalks by Villages, the Giving of Notice Thereof, the Duties of Real Property Owners, and the Powers of the Board of Trustees in Regard Thereto.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 66: A Bill for an Act to Provide for the Payment of Non-resident Tuition Fee in the High School Department of Standardized Graded and Standardized High Schools Receiving State Aid.

Was read the first and second time and referred to the committee on Education.

House Bill No. 74: A Bill for an Act to Amend and Re-enact Section 7660, Compiled Laws of 1913, Relating to Causes for a New Trial.

Was read the first and second time and referred to the committee on Judiciary.

The courtesies of the floor were extended to Rev. E. C. Herdenberg of Van Hook, E. S. Ransom of Banki, A. A. Breslin of Sanish, J. S. Shohe of Sanish, B. E. Crippen of Parshall, Jacob Lenartz of Sanish, J. J. Schaefer of Ashley, W. A. Hart, Carson; Mr. Cook and Lamb, Harvey; C. W. Krapp, Van Hook, G. H. Garnett, Aug. Mickel of Judson, Wilde of Grand Forks, Thomas Sanderson of Fargo, Joe Poupore of Grand Forks, I. C. Hockridge of Hunter, C. A. Cavette, of Lisbon, C. C. Turner and D. N. May of Dickinson.

The Senate recessed until 1 o'clock P. M. tomorrow, pursuant to motion.

W. J. PRATER,
Secretary.

THIRTY-SECOND DAY AFTER RECESS AND
THIRTY-THIRD DAY.

Senate Chamber,
Bismarck, North Dakota,
February 5, 1920.

The Senate convened at 1 o'clock P. M., pursuant to recess taken, the President presiding.

A CONCURRENT RESOLUTION.

Introduced by Mr. Mees.

HERETOFORE, certain portions of the public domain have been set aside as and for National Parks. Among the National Parks, so created, is the Yellowstone National Park, which has within its borders a body of water of unusual beauty, known as Yellowstone Lake. In the Act creating Yellowstone National Park, it was specifically provided that the territory embraced within the boundaries of said park should and it was "dedicated and set apart as a public park or pleasure ground for the benefit of the people"; and

WHEREAS, It appears that certain interests are seeking to have legislation enacted by congress permitting the waters in Yellowstone Lake to be dammed up, with the result that objects of beauty and interest would be impaired or destroyed:

BE IT THEREFORE RESOLVED, That the people of the State of North Dakota, speaking through their representatives in the Senate and House of Representatives, do hereby protest against the use of any portion of the Yellowstone National Park, or any of our National Parks for any purposes except those for which they were originally dedicated and set aside. We consider legislation seeking to utilize such parks for other purposes a betrayal of a trust, and request the North Dakota Senators and Members of Congress to use their best efforts to defeat such legislation to the end that our National Parks may be preserved in all their integrity and beauty for Americans throughout the ages.

BE IT URTHUR RESOLVED, That the Secretary of State be and he hereby is directed to send copies of this Resolution to each of the North Dakota Senators and Members of Congress and to the President of the United States.

Senator Mees moved that the Resolution be referred to the committee on State Affairs, which motion prevailed.

Senator Bowman moved that Senate Bill No. 45 be re-referred to the committee on Mines and Minerals, which motion prevailed.

The committee on Public Health made the following report:

Mr. President: Your committee on Public Health to whom was referred Concurrent Resolution, introduced by Mr. Van Camp and Mr. Baird, have had the same under consideration and recommend that the same be adopted.

OTTO C. GROSS,
Chairman.

Mr. Gross moved that the report be adopted, which motion prevailed and the report was adopted.

Senator McNair moved to further amend House Bill No. 27 at the end of the Bill as amended add the words: "such as school bonds, bonds of The Bank of North Dakota, Mill and Elevator Bonds, Savings Department of Home Builders' Association and bonds of other State owned utilities, enterprises or undertakings."

Senator Stevens moved to further amend by adding thereto the Drake Mill, post-dated checks and other evidences of high finance characteristic of the New Day.

Senator McNair moved that House Bill No. 27 be re-referred to the committee on Education.

Senator Bowman moved that the motion be laid on the table, which motion prevailed.

Senator Bowman moved that further consideration of House Bill No. 27 be indefinitely postponed, which motion prevailed.

SENATE ROLL CALL

House Bill No. 17: A Bill for an Act to Make Unlawful the Unauthorized Use of the Name, Insignia of, or the Impersonation of the Membership in the American Legion, and Providing a Penalty for the Violation Thereof.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 48, nays 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Stevens.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 48: A Bill for an Act to Amend and Re-enact Section 9997 of the Compiled Laws of North Dakota for the Year 1913, Relating to Butchers' Reports of Branded Animals Killed.

was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Ployhar.

So the bill passed and the title was agreed to.

Senator Wenstrom moved that Senate Bill No. 87 be referred to the committee on Judiciary, which motion prevailed.

Senator Wenstrom moved that the Senate do now adjourn, which motion prevailed.

THIRTY-THIRD DAY.

Senate Chamber,
Bismarck, North Dakota.
February 5, 1921.

The Senate Convened at 2 o'clock P. M., the President pro-tem, presiding.

Prayer by the Chaplain, Rev. Edward F. Jordan.

The roll was called all Senators being present.

House Chamber,
Bismarck, North Dakota,
February 5, 1921.

Mr. President: I have the honor to transbit herewith the following bills:

House Bill No. 7:

A Bill for an Act Providing for the Appointment of County Brand Inspectors; Defining the Duties of Railways in the Shipment of Certain Stock; Penalty.

House Bill No. 9: A Bill entitled, An Act to Protect Trade Mark of Workmen's Unions and the Wearing of Union Buttons.

House Bill No. 11: A Bill entitled, An Act to Amend Chapter 7567 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Garnishments.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
February 5, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 6:

A Bill for an Act Appropriating Twelve Thousand (\$12,000) Dollars to Cover a Deficit and for the Immediate Use of the Attorney General.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
February 5, 1921.

Mr. President: I have the honor to inform you that the speaker has appointed as a conference committee to confer with the committee of the Senate on Senate Bill No. 15, Messrs. Kelly, Sproul, and Mouck.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the thirty-first day after recess and thirty-second day and recommend that the same be corrected as follows: On page 1 below "Seventeenth Legislative Assembly" insert "Thirty-first Day after Recess and Thirty-second Day." On page 8, line 3 after the word "majority" insert the words "of the." Line 5 strike out "Your majority" and substitute therefore "A majority of your." Line 17 strike out "Your minority" and substitute therefor "A minority of your." Line 33 strike out "Your majority" and substitute therefor "A majority of your." Page 9 line 16 strike out "Your minority" and substitute therefor "A minority of your." After the last line on page 10 add "which motion prevailed." Page 19 after line 30 insert "So the bill passed and the title was agreed to." On page 17 line 21 change the word "protest" to "protect."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Ellendale, N. D., Feb. 3, 1921.

Hon. F. W. Mees, Senate Chamber, Bismarck, N. D.

Dear Sir: My home is in Morton county and I have attended the State Normal School in Ellendale during the last three years.

At the time I started no other school in this state would have admitted me as I had not completed all my eighth grade subjects. I am now about to graduate from the academic course. There are over 230 enrollments, two-fifths of which are men.

I am very anxious to complete my course which is two years more as I find this the cheapest and best equipped to get my education.

Please use your influence to have this school continued.

Most sincerely yours,

ROBERT SCHOENLEIN.

Finley, N. D., Feb. 4, 1921.

Hon. J. Miklethun, Bismarck, N. D.

The Finley Community club composed of Farmers and business men urge you to support House Bill No. 66 as originally introduced, providing for a non-resident tuition fee of not less than \$10 per month for high school pupils.

H. M. EIDE, Sec'y.

Finley, N. D., Feb. 4, 1921.

Hon. J. Miklethun, Representative, Bismarck, N. D.

The members of the School Board of Finley urge you to vote for House Bill No. 66 as originally introduced, providing for a non-resident tuition fee of not less than \$10 per month for high school pupils.

E. H. GILBERTSON, Pres.

A. J. BERGUM, Clerk.

Rock Lake, North Dakota, February 2, 1921.

Sen. D. J. Beisel, Bismarck, N. D.

Dear Mr. Beisel: We, the teachers of Rock Lake Schools, being convinced that the Educational Bill relative to the establishing of a minimum wage based upon experience and qualification is just and for the improvement of the schools of North Dakota, do hereby ask you as our Senator to use your influence for the passing of said Bill.

Yours respectfully,

M. A. RYGH.

And Six Others.

Clyde, N. Dak., Feb. 3, 1921.

Hon. W. H. Porter, Bismarck, N. Dak.

Dear Sir: The W. C. T. U. of Clyde, N. D. unanimously adopted by a rising vote the following resolution:

"We do most respectfully petition your honorable body to pass the following measures: House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16 and House Bill No. 51.

Your support of above measures is earnestly solicited.

Respectfully,

MRS. ERNEST LARSON,

Fairdale, North Dakota February 5, 1921.

Senator Porter, Bismarck, N. D.

Dear Sir: The women of the W. C. T. U. of the 17th District earnestly request you to use your influence for the passage of the following measures: House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16, and House Bill No. 51.

Yours Sincerely,

ELIZABETH C. BEASLEY,

Pres. 17th Dist. N. D. W. C. T. U.

MRS. FRANK BEASLEY, Fairdale, N. D.

Washington, D. C., February 2, 1921.

Hon. W. J. Prater, Secretary of the Senate, Bismarck, North Dakota.

My Dear Mr. Prater: I am in receipt of your telegram transmitting the concurrent resolution introduced by Senators Baker and Bond with reference to Federal aid for the farmers in the purchase of feed and seed.

As you may know, I have had three bills in Congress for this very purpose and have done everything that it was possible for anyone to do to get favorable action upon them. However, before they could be submitted to the House it was necessary to obtain the approval of the Committee on Appropriations, and this I could not get. While admitting that the farmers of the northwest are in a bad way the committee took the stand that there would be no funds available even for a loan, which is all that I wanted. As you no doubt are aware, economy is the watchword of the hour with the leaders of Congress, but to my mind it is a serious mistake to economize at the expense of the producers of the food-stuffs of the nation. No one is more anxious than I to see the present critical situation relieved, or more willing to do all we can to that end, but I think you will appreciate that I am only one member of a Congress of which the majority is composed of the big business interests of the country—and to be perfectly frank, they are entirely indifferent to the pleas of the farmers. I would appreciate it if you would advise the Senators, allowing them to read my letter if you wish. I am enclosing copies of my bills, which may be of interest.

With kindest personal regards, I am,

Yours very truly,

J. H. SINCLAIR.

66th Congress, 2d Session. H. R. 11852.
IN THE HOUSE OF REPRESENTATIVES
January 17, 1920.

Mr. Sinclair introduced the following bill; which was referred

to the Committee on Appropriations and ordered to be printed.

A Bill to Authorize the Secretary of the Treasury to deposit with the Bank of North Dakota \$10,000,000, on certificates of deposit bearing interest at 4 per centum per annum, to be loaned by said bank, through its local correspondent banks, to the farmers in the drought-stricken areas of North Dakota.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to deposit with the Bank of North Dakota the sum of \$10,000,000, taking as security therefor the certificates of deposit of said Bank of North Dakota, bearing interest at the rate of 4 per centum per annum until paid. The said certificates of deposit shall be made payable one-half in one year and the remainder in two years from date of deposit, and shall be in sums of not less than \$1,000 each, or any multiple thereof. The money so deposited shall be loaned by said Bank of North Dakota, through its local correspondent banks, and, upon security approved by them, to farmers who, by reason of crop failures due to drought conditions are in need of aid to buy seed and feed with which to continue their farming operations. For carrying out the purposes of this section there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$10,000,000, available immediately.

66th Congress, 1st Session, H. R. 7409.

IN THE HOUSE OF REPRESENTATIVES.

July 16, 1919.

Mr. Sinclair introduced the following bill; which was referred to the Committee on Appropriations and ordered to be printed.

A Bill to appropriate \$5,000,000 for the purchase of seed grain and feed for live stock, to be supplied to farmers and stockmen in the drought-stricken areas of the United States; said amount to be expended under the rules and regulations prescribed by the Secretary of Agriculture.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is hereby authorized, for the crop of 1920, to make advances or loans to farmers and stockmen in the drought-stricken areas of the United States, where he ~~finds~~ ^{finds} that special need for such assistance exists, for the purchase of wheat, oats, and barley for seed purposes, and of feed for live stock, or, when necessary, to procure such seed and feed and sell same to such farmers. Such advances, loans, or sales shall be made upon such terms and conditions and subject to such regulations as the Secretary of Agriculture shall prescribe, including an agreement by each farmer to use the seed and feed thus obtained by him for the production of grain. A first lien on the crop to be produced from seed obtained through a loan, advance, or sale made under this section, shall, in the discretion of the Secretary of Agriculture,

be deemed sufficient security therefor. The total amount of such advances, loans, or sales to any one farmer or stockman shall not exceed the sum of \$500. All such advances or loans shall be made through such agencies as the secretary of Agriculture shall designate. For carrying out the purposes of this section there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$5,000,000, available immediately.

Section 2. That any person who shall knowingly make any false representation for the purpose of obtaining and advance, loan or sale under this Act shall, upon conviction thereof, be punished by a fine of not exceeding \$1,000, or by imprisonment not exceeding six months, or both.

66th Congress, 2d Session. H. R. 13678.

IN THE HOUSE OF REPRESENTATIVES.

April 19, 1920.

Mr. Sinclair introduced the following bill; which was referred to the Committee on Ways and Means and ordered to be printed.

A Bill to amend the War Finance Corporation Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the War Finance Act, approved April 5, 1918, be, and the same is hereby, amended by the addition of a new section to Title I thereof, to be known as section 22, and to read as follows:

"Section 22. The corporation shall be empowered and is hereby authorized to pay or advance to or deposit with any banking corporation, either State or national, engaged in business within the drought-stricken areas of the United States, sufficient moneys for the relief of the farmers of said areas in the purchase by them of seed and feed, and to accept as security for the payment of the moneys so advanced or deposited the notes, obligations, or other evidence of indebtedness issued or which may be issued by said banking corporations, respectively, for the moneys so advanced or deposited same to bear interest at the rate of 6 per centum per annum from the date of such advance or deposit: Provided, however, That the total of such advances or deposits so made as herein provided shall not exceed the sum of \$10,000,000.

"There is hereby appropriated out of the Treasury any money not otherwise appropriated the sum of \$10,000,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this section."

The committee on Appropriation made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 39: A Bill for an Act to appropriate the sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh

County to Morton County in the State of North Dakota Under the Provision of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota. Approved March 5, 1919, in Addition to the sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly,, Approved December 12, 1919, and that such Appropriation be made from the State Highway Fund.

Have had the same under consideration and recommend that the same do pass.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 103: A Bill for an Act to Compel City Councils, City Commissions and Boards of Education of Independent School Districts to Publish Proceedings of All Meetings in Official Paper to be Designated by Them.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 37: A Bill for an Act to Amend and Re-enact Section 466 of the Compiled Laws of North Dakota for the Year 1913, Relating to Preliminary Qualifications of Applicants for License to Practice Medicine in the State of North Dakota.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 1, line 9, after the word "each" insert as follows: "and must give evidence which shall be satisfactory to said board of a preliminary education which would be necessary to admit said student to the junior or third year of the University of North Dakota, or some equally reputable American college or university; provided, however, that in case of applicants who have graduated from a reputable medical college prior to the year of 1905, satisfactory evidence of attendance on the lectures and classes of three college years of at least six months each, shall be deemed sufficient to entitle such applicants to take the examination herein provided for, provided further, that in the case of applicants who have

graduated from a reputable medical college during the year 1905, and subsequent thereto, and have attended in such college or colleges the lectures of no less than four college years of at least eight months each, and provided, further, that all applicants for licenses to practice medicine and surgery in the State who have been commissioned or held commissions in the medical corps of the army or navy of the United States, of its allies, during the late war and have been honorably discharged therefrom, shall be entitled to take the examination herein provided for.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 88: A Bill for an Act to Amend and Re-enact Section 8551 of the Compiled Laws of North Dakota for the Year 1913, Relating to Citations and Notices Issued by the County Court and How the Same Must be Served.

Have had the same under consideration and recommend that the same be amended as follows:

In line 1 of the printed bill after the figure "1" insert "amendment" and in line 2 after the word "amended" insert in lieu thereof "and re-enacted".

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 110: A Bill for an Act to Amend and Re-enact Section 811 of Chapter 69 of the Laws of the State of North Dakota for the Year of 1919, Providing for a Bond for Attorneys.

Have had the same under consideration and recommend that the same be amended as follows:

In line 8 of the Printed Bill strike out the word "ten" and insert in lieu thereof "two", strike out the figure "\$10,000.00" and insert in lieu thereof "\$2,000.00." And in line 11 of the Printed Bill after the word "others" strike out "provided" and all of lines 12, 13 and 14.

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 4:

A Bill for an Act making it a felony for a male person over the age of sixteen years to take indecent liberties with a child under the age of fourteen years, and providing a penalty therefor.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Cities and Municipal Corporations made the following report:

Mr. President: Your committee on Cities and Municipal Corporations to whom was referred:

Senate Bill No. 102: A Bill for an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Have had the same under consideration and recommend that the same be amended as follows:

In line 5 of the Printed Bill after the word "him" strike out all of the remainder of said bill.

And when so amended recommend the same do pass.

W. S. WHITMAN,
Chairman.

Mr. Whitman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 21: A Bill for an Act Creating a Public Health Commission; Fixing the Membership Thereof, and Defining its Powers and Duties.

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions, to be Operated by the State, and Making an Appropriation Therefor.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Liederbach as a select committee of one offered the following correspondence as the report of the select committee:

TELEGRAM

Chicago, Ill., Oct. 30, 1919.

H. W. Cathro, Director General, Bank of North Dakota.

Regarding legal transcripts rec'd North Dakota state bonds approached Attorney Charles B. Wood with reference appointment with your attorney general for personal conference. He flatly declined give situation any consideration whatsoever and now formally communicates his decision to us by letter as follows:

"Replying to your inquiry as to whether I would give an opinion upon the North Dakota State Bank bonds and Real Estate bonds I would say that I would not undertake this matter at this time. These plans of taking over private business by the state is a matter that has too many chances of litigation until the whole matter is threshed out every new enterprise of this character has to go thru the same process and there are so many new questions presented that I should not give an opinion approving them while they remain undetermined judicially."

Forwarding you today certified copy of his letter. Without actual supporting opinion of this recognized authority would be foolhardy to attempt market State of North Dakota securities and under circumstances we have no alternative and must be guided by provisions of written agreement which stipulates purchase of bonds subject his approving opinion we do not believe slightest possibility persuading him abandon his position and had we anticipated present development would most assuredly have spared state officials and ourselves this embarrassment as situation beyond our control however can merely express profound regret and await advices as to disposition legal transcript now in our hands.

WILLIAM R. COMPTON CO.
HALSEY STUART & CO.

Chicago, October 30, 1919.

Mr. H. W. Cathro, Director General, Bank of North Dakota, Bismarck, North Dakota.

Dear Sir: We wish to confirm herewith our wire message of today quoting you a letter directed to us by Mr. Charles E. Wood in confirmation of his verbal advices to us when we approached him in a preliminary way with reference to an appointment with the Attorney General. By his decision we are, of course, rendered helpless insofar as completing our purchase of the State of North Dakota Bonds.

Had we anticipated for a moment that his attitude would be such we surely would have saved yourself, Mr. Waters, and the other state officials a great deal of time and trouble, as

well as the time which we put in and the expense which we incurred. However, having placed ourselves in Mr. Wood's hands we are bound to be guided by his judgment and, frankly, we are unable to suggest any remedial measure insofar as our part of the agreement is concerned. Accordingly, we can but give you an expression of our sincere regret at the outcome of our transaction which appeared to be progressing favorably and assure you of our appreciation of the many favors extended to us during our negotiations with the state.

In order that the state officials may be advised promptly we have wired today direct to Mr. Langer and Governor Frazier the substance of Mr. Wood's conclusions.

Very truly yours,

HALSEY STUART & CO.
WILLIAM R. COMPTON & CO.

October 29, 1919.

Messrs. Halsey, Stuart & Company, William R. Compton Company, Chicago, Ill.

Gentlemen: Replying to your inquiry as to whether I would give an opinion upon the North Dakota State Bank Bonds and Real Estate Bonds, I would say that I would not undertake this matter at this time. These plans of taking over private business by the State is a matter that has too many chances of litigation until the whole matter is threshed out. Every new enterprise of this character has to go through the same process and there are so many new questions presented that I should not give an opinion approving them while they remain undetermined judicially.

Yours truly,

(Signed) CHAS. B. WOOD.

October 31, 1919.

F. W. Cathro, Director General, The Bank of North Dakota, Bismarck, N. Dak.

Dear Mr. Cathro:

State of North Dakota bonds.

I enclose copy of letter I have just written Mr. Langer which explains itself and which outlines particularly my own individual regret at the turn which affairs have taken with respect to the above bonds.

Inasmuch as the record is in Chicago and the conferences with Judge Wood have been had there, I requested our Chicago Office to join with Messrs. Halsey Stuart & Company in advising you and the other State officials of the situation.

I am certainly sorry that it has turned out in this way.

I enclose copies of letters from L. A. Simpson and H. H. Steele, as well as copies of my replies.

With kindest regards, I am

Very truly yours,

T. N. DYRENT,
Vice President.

October 31, 1919.

William Langer, Attorney General, Bismarck, N. Dak.
Dear Mr. Langer:

State of North Dakota bonds.

Your letter of the 28th is received.

I was advised yesterday by our Chicago Office, of Judge Wood's refusal to approve the bonds on account of the litigation now pending and of the telegram sent you from Chicago over the joint names of Messrs. Halsey, Stuart & Company and ourselves.

It was with great regret on my part that we were obliged to take this position, but we could not get a favorable opinion from Judge Wood and all of us feel that it would be absolutely impossible to sell the bonds without his opinion. This, we explained to you and the other members of the Commission when we were in Bismarck.

It is not so much the loss of the prospective profit we might have had in the deal that concerns me, but, as a result of my investigation. I became convinced that the bonds were good and I, personally, was quite anxious to have the opportunity of handling them, but without the opinion of these well known bond attorneys, it would be an impossible thing to undertake and we were therefore obliged to decline the commitment as we are entitled to do under the provisions of our agreement.

Very truly yours,

Vice President.

Senator Mees moved that the vote by which the report on Senate Bill No. 103 was adopted be reconsidered, which motion prevailed.

Senator Mees moved that Senate Bill No. 103 be re-referred to the Ways and Means committee, which motion prevailed.

House Chamber,

Bismarck, N. D., February 5, 1921.

Mr. President: I have the honor to transmit the following Concurrent Resolution:

CONCURRENT RESOLUTION

Introduced by Mr. C. A. Sagen.

Be it Resolved by the House of Representatives of the State of North Dakota, the Senate Concurring:

WHEREAS, The basic industry of the State of North Dakota is agriculture; and

WHEREAS, The products of that industry, in seeking a market to make them of value to the producer, are required to pass over transportation systems, which at the present time, result in repeated loadings and unloadings on the way to tidewater; and

WHEREAS, By reason thereof, there is placed upon the

producer of grain in this state a burden, conservatively estimated at six cents per bushel, or a total of several million dollars annually in normal years; and

WHEREAS, Engineers have repeatedly declared that it is both possible and practical to relieve the farmers of the northwest of this burden by the construction of dams and the making of other changes and improvements in the St. Lawrence River, between Lake Ontario and Montreal, in Canada, which would eliminate forty miles of rapids in that river and make direct shipment possible from Duluth, Milwaukee, Chicago, and other ports on the Great Lakes; and

WHEREAS, Such engineers have also declared that the construction of such dams and other improvements would produce water power which could be sold, and the sale of which would in a very short time return sufficient revenue to pay for the improvements made; and

WHEREAS, It is necessary, in order to make possible the direct shipment of our farm products by way of the Great Lakes, that the Congress of the United States co-operate with the Dominion Government in the carrying out of this work:

NOW, THEREFORE, BE IT RESOLVED, By the House of Representatives of the Seventeenth Legislative Assembly of the State of North Dakota, the Senate concurring, that we do hereby memorialize the Congress of the United States, and respectfully urge, that Congress join with the Dominion Government in taking such steps as will result in the early completion of a Great Lakes-St. Lawrence Tidewater Project.

BE IT FURTHER RESOLVED, That a copy of this resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and also to the members of Congress from this State.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Mees moved that the House Concurrent Resolution introduced by Mr. Sagen be referred to the committee on State Affairs, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Thorson, by request, introduced:

Senate Bill No. 118: A Bill for an Act to Amend and Re-enact Section 5097 of the Compiled Laws of the State of North Dakota, for the Year 1913, Relating to Cemetery Corporations.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Bond introduced.

Senate Bill 119: A Bill for an Act to Amend Section 14 of Chapter No. 147 of the Session Laws of 1919 Pertaining to Deposits of Funds and Loans by The Bank of North Dakota.

Was read the first and second time and referred to the committee on Ways and Means.

Senator Wenstrom moved that Senate Bill No. 21 be placed at the foot of the calendar for today, which motion prevailed.

Senator Mees presented the following communication to go into the record:

Bismarck, North Dakota, Feb. 3, 1921.

Senator Fred W. Mees, Bismarck, North Dakota.

My Dear Senator: Replying to your letter of February 2nd with reference to prices on coal for State Institutions, will state we will furnish all the coal required by the State Institutions in North Dakota at a price of \$2.75 per ton, f. o. b. cars, Beulah, North Dakota, and should mine inspection law now in force be repealed you can deduct 25 cents per ton from the above named price.

This offer for coal is based on cash payments for coal at the end of each month and that we furnish all of the coal for the institutions on the line of the Northern Pacific Ry. in North Dakota.

You are at liberty to turn this letter over to the Board of Administration and the above quotation will be binding upon us if accepted within thirty days.

Yours very truly,

BEULAH COAL MINING COMPANY.

E. A. HUGHES, Vice President.

Senator Church presented the following communication to go into the records.

COAL CONTRACTS AWARDED FOR STATE INSTITUTIONS
ON BIDS OFFERED JULY 1, 1920, TO JULY 1, 1921.

UNIVERSITY—Truax Coal Co., Columbus, N. D., 5,000 tons at \$3.25 per ton, F. O. B. mines for screened lump.

Zenith Coal Co., Zenith, N. D., 1,000 tons at \$3.25 per ton, F. O. B. mines.

AGRICULTURAL COLLEGE—Lucky Strike Mine, Zap, N. D., 5,000 tons at \$3.15 per ton, lump coal, F. O. B. mines.

Beulah Coal Co., Bismarck, N. D., 1,000 tons at \$3.25 per ton, mine run, F. O. B. mines.

VALLEY CITY NORMAL—Lucky Strike Coal Co., Zap, N. D., 1,800 tons at \$3.15 per ton, lump coal, F. O. B. mines.

Washburn Lignite Coal Co., Wilton, N. D., 2,000 tons at market price prevailing at time of shipment, F. O. B. mines.

MAYVILLE NORMAL—Truax Coal Co., Columbus, N. D., 1,000 tons at \$3.25 per ton, F. O. B. mine, screened lump.

Washburn Lignite Coal Co., Wilton, N. D., 1,500 tons at market price prevailing at time of shipment, F. O. B. mines.

MINOT NORMAL—Truax Coal Co., Columbus, N. D., 2,500 tons at \$3.25 per ton, F. O. B. mines, screened lump.

NORMAL AND INDUSTRIAL SCHOOL—Washburn Lignite Coal Co., Wilton, N. D., 1,100 tons at market price prevailing at time of shipment, F. O. B. mines.

FORESTRY STATE NORMAL—Truax Coal Co., Columbus, N. D., F. O. B. mine, 300 tons at \$3.25 per ton.

SCHOOL FOR THE DEAF—Truax Coal Co., Columbus, N. D., 1,400 tons at 3.25 per ton, F. O. B. mines, screened lump.

SCHOOL FOR THE BLIND—Truax Coal Co., Columbus, N. D., 500 tons at \$3.25 per ton, F. O. B. mines, screened lump.

TUBERCULOSIS SANATORIUM—Truax Coal Co., Columbus, N. D., 1,500 tons at \$3.25 per ton, F. O. B. mines, screened lump.

HOSPITAL FOR THE INSANE—High Grade Lignite Co., Medora, N. D., 11,000 tons at \$3.25 per ton, mine run, F. O. B. mines, 25c additional for lump coal.

Zenith Coal Co., Zenith, N. D., 3,000 tons at \$3.25 per ton, mine run, F. O. B. mines, 25c additional for lump coal.

STATE PENITENTIARY—Beulah Coal Co., Bismarck, N. D., 6,500 tons at \$3.25 per ton, mine run, F. O. B. mines.

Zenith Coal Co., Zenith, N. D., 3,500 tons at \$3.25 per ton, mine run, F. O. B. mines.

STATE TRAINING SCHOOL—Zenith Coal Co., Zenith, N. D., 1,700 tons at \$3.25 per ton, mine run, F. O. B. mines.

INSTITUTION FOR FEEBLE MINDED—Truax Coal Co., Columbus, N. D., 2,000 tons at \$3.25 per ton, F. O. B. mines, screened lump.

Washburn Lignite Coal Co., Wilton, N. D., 2,000 tons at market price prevailing at time of shipment, F. O. B. mines.

STATE SCHOOL OF SCIENCE—Zenith Coal Co., Zenith, N. D., 1,000 tons at \$3.25 per ton, mine run, F. O. B. mines.

STATE CAPITOL—Lucky Strike Coal Co., Zap, N. D., 1,000 tons at \$3.15 per ton, lump coal, F. O. B. mines.

Washburn Lignite Coal Co., Wilton, N. D., 1,000 tons at market price prevailing at time of shipment, F. O. B. Mines.

Total contracts, 58,800 tons.

State made \$1,000 approximately a day at the Wilton mine after allowing 25 cents a day royalty on about 1,000 tons output per day. The need of the state is around 75,000 tons a year.

SENATE ROLL CALL

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions, to be Operated by the State, and Making an Appropriation there for.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 25, nays 23, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kendall, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Porter, Rusch, Schrenk, Sperry, Stevens, Steel, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Ployhar.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which Senate Bill No. 81 passed, be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Baird: I think probably the ownership of coal mines by the State is proper, provided the State desires to go into competition with its citizens. However, it is a well known fact that any business carried on by public ownership is carried on at greater expense than by private ownership and furthermore I think the appropriation provided for in this bill would be merely a first step in an experiment and I don't believe at this time that we are ready to start this experiment. Therefore I vote "no."

Baker: In the starting of enterprises like this where the financial consideration is so large in comparison with other enterprises that this investment would not cost us thirty-five cents per capita to start the coal mine in operation and that we would save to the consumers so much more than cost that any man should agree that this mine would be a good thing. I would say that sometimes private corporations are run at a less expense than public institutions. The railroads, however, have not demonstrated that it can operate at less under private ownership, and the argument for our state owned industries are that we are saving money for our state.

Eastgate: Due to the conditions of our State Institutions which are run at the present time I do not approve of starting another experiment. The State Hail Insurance Department has cost us about ten thousand dollars this past two or three years to keep up this department. Therefore I vote "no."

Kendall: I came here with the intention of using both factions of the Senate fair but I came here not to do one thing to raise the taxes and I do not think that at his time that we should start anything of this kind. Therefore I vote "no".

Senator Mees moved that further consideration of House Bill No. 5 be indefinitely postponed, which motion was lost.

Senator Ingerson moved to amend House Bill No. 5 as follows: In Sec. 6 of the printed bill strike out the following beginning in line 31: "The finding of such intoxicating liquor or property on such premises or in such conveyances shall be prima facie evidence of the existence of the nuisance complained of." Which motion was lost.

Senator Ettestad moved to amend House Bill No. 5 as follows: In Sec. 2 line 7 of the printed bill the words "wine for sacramental purposes" be stricken out, which motion was lost.

Senator Whitman moved that House Bill No. 5 be referred to the committee from which it came, which motion was lost.

SENATE ROLL CALL

House Bill No. 5: A Bill for an Act to Prohibit Intoxicating Liquors and Beverages with Exceptions for Nonbeverage and Sacramental Purposes and Provide for its Enforcement and the Repeal of Laws in Conflict Therewith.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 43, nays 3, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Porter, Patten, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Westrom, Whitman, Wog.

Nays: Mees, Nathan, Schrenk.

Absent and not voting: Petterson, Ployhar, Kelsch.

So the bill passed and the title was agreed to.

Mr. Church moved that the vote by which House Bill No. 5 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Liederbach: Believing the liquor traffic throughout the State is a menace to our society and dangerous to the health and morals of our citizens, and I have it from good authority that if this bill passes at least some of our I. V. A.'s will leave the State and believing this also will be an advantage to the State, I vote "aye."

McLachlin: I cannot but believe the passage of this bill will drive more N. P. L.'s than it would I. V. A.'s out of the State. I vote "aye."

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Ingerson introduced:

Senate Bill No. 120: A Bill for an Act to Amend and Re-enact Section 23 of Chapter 138 of the Session Laws of North Dakota for the Year 1919, Regular Session, Relating to the Grading and Inspection of Grains.

Was read the first and second time and referred to the committee on Warehouses and Grain Grading.

Mr. McNair introduced:

Senate Bill No. 121: A Bill for an Act to Provide for the acceptance of the Benefits of an Act by the Senate and House of Representatives of the United States of America in Congress Assembled. (H. R. 4438, Approved June 2, 1920) entitled "An Act to Provide for the Promotion of Vocational Rehabilitation of Persons Disabled in Industry or Otherwise and Their Return to Civil Employment"; to Provide for the Administration of Same.

Was read the first and second time and referred to the committee on Education.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 7: A Bill for an Act Providing for the Appointment of County Brand Inspectors; Defining the Duties of Railways in the Shipment of Certain Stock; Penalty.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 11: A Bill Entitled, an Act to Amend Chapter 7567 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Garnishments.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 9: A Bill Entitled, an Act to Protect Trade Mark of Workmen's Unions and the Wearing of Union Buttons.

Was read the first and second time and referred to the committee on Ways and Means.

The courtesies of the floor were extended to P. S. Berg of Dickinson, Nels Lindaas, H. H. Kirk of Casselton, I Sunley of Rugby, Dean French of the University of North Dakota, Maud Wheelock, Fanny Young and Mable Gans of Bismarck, Mr. Lawson of Kenmare.

Senator Church moved that the Senate recess until one o'clock P. M. Monday, which motion prevailed.

W. J. PRATER,
Secretary.

THIRTY-THIRD DAY AFTER RECESS AND
THIRTY-FIFTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February 7, 1921.

The Senate convened at 1 o'clock P. M., pursuant to recess taken, the President presiding.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Byrne introduced:

Senate Bill No. 122: A Bill for An Act to Provide for the survival of Actions and Causes for Action for Damages, Pain and Suffering and Personal Injuries.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Miklethun introduced:

Senate Bill No. 123: A Bill for An Act to Amend and Re-enact Section 1147, Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 197, of the Laws of North Dakota for the Year 1919, Relating to the Formation of New Common School Districts.

Was read the first and second time and referred to the committee on Education.

Mr. Miklethun introduced:

Senate Bill No. 124: A Bill for An Act to Provide for the Survival of Actions and Causes of Action Against the Estate of a Deceased Person.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Nelson introduced:

Senate Bill No. 125: A Bill for an Act to Repeal Chapter 169 of the Session Laws of the State of North Dakota for the Year 1919, Entitled "An Act to Promote the Safety of Employes and Travelers and the Expeditious Movement of Freight on Railroads by Compelling Common Carriers by Railroad to Properly Man Their Trains; Providing Penalties and Measuring Damages for the Violation Thereof."

Was read the first and second time and referred to the committee on Railroads.

Mr. Fraser introduced:

Senate Bill No. 126: A Bill for An Act to Amend and Re-enact Section 7 of Chapter 112 of the Session Laws of 1913 Relating to the Appointment of Assistant State's Attorney's and Clerks in the Office of State's Attorney and Providing for the payment of Their Salaries.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Miktehun introduced:

Senate Bill No. 127: A Bill for An Act Providing that Every Elevator Company May File a Statement with the Register of Deeds of the County in Which It Does Business, Pay a Fee Therefore and Providing That the Holders of Mortgages Shall Not Have a Lien Upon Said Crop, Unless Registered or Personal Service Has Been Made Upon Said Elevator Company.

Was read the first and second time and referred to the committee on Warehouse and Grain Grading.

Mr. Bond introduced:

Senate Bill No. 128 A Bill for an Act to Amend and Re-enact Section 5170 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 53 of the Session Laws of 1913 and Chapter 23 of the Special Session Laws of 1919, Relating to the Legal Reserve Fund of Banking Corporations.

Was read the first and second time and referred to the committee on Banks and Banking.

Mr. Fraser introduced:

Senate Bill No. 129: A Bill for an Act to Amend and Re-enact Sections 1, 2, 4, 5, and 6 of Chapter 185 of the Session Laws of 1915, Relating to the Support of Needy Women Who are the Mothers of and Who are Compelled to Support One or More Children, Under Fourteen Years of Age.

Was read the first and second time and referred to the committee on Women's and Children's Welfare.

Mr. Fracer introduced:

Senate Bill No. 130: A Bill for an Act Providing for Creditors of Defendant in Attachment Proceedings to File Their Claims in Said Attachment Proceedings With the Clerk of the Court.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Benson introduced:

Senate Bill No. 131: A Bill for an Act Entitled, an Act for the Purpose of Continuing the Work of Immigration as Provided for in Chapter 146 of the Session Laws of 1919, During the Biennial Period Beginning July 1, 1921, and Ending June 30, 1923.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Carey introduced:

Senate Bill No. 132: A Bill for an Act Creating a Board of Arbitration to Hear Petitions of Teachers for Release From Contracts; Prescribing Duties; to Make it the Duty of Teachers to Submit to Such Board the Question of Release From Contracts to Teach; and Providing for the Filing of Findings With the Board of Education to be Acted Upon; and Providing Penalties for Breach of Teachers' Contracts.

Was read the first and second time and referred to the committee on Education.

Messrs. Thorson and Beisel introduced:

Senate Bill No. 133: A Bill for an Act to Empower Cities and Villages to Levy and Collect a Tax for the Purpose of Furnishing Musical Concerts to the Public.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Baird introduced:

Senate Bill No. 134: A Bill for an Act to Amend and Re-enact Section 1, Chapter 77 of the Session Laws for the Year 1919; an Act Making it Unlawful to Separate or Cause to be Separated Any Child Under Six Months of Age From its Mother for the Purpose of Committing Such Child to a Foster Home or Institution, and to Regulate the Manner and Circumstances Under Which it May be Done, and to Provide a Penalty for Violation of Said Act.

Was read the first and second time and referred to the committee on Women's and Children's Welfare.

Mr. Liederbach introduced:

Senate Bill No. 135: A Bill for an Act Providing for the Issuance of Bonds of the State of North Dakota in a Sum Not Exceeding \$250,000.00, to be Known as "Bonds of North Dakota, Electric Utility Series;" Prescribing the Terms and Stating the Purposes Thereof; Providing for a Tax and Making Other Provisions for the Payment Thereof; Making Appropriations for the Payment of Said Bonds and Other Provisions for the Payment of Interest and Principal of Said Bonds and to Carry Into Effect the Provisions of This Act.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Liederbach introduced:

Senate Bill No. 136: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Enterprise of Furnishing Electricity for Power, Heat and Lighting Purposes to the Inhabitants and Public of the City of Bismarck and of the County of Burleigh, and to Supply Electricity to All State Buildings Owned or Leased by the State of North Dakota in Said City and County and to the State Street Car Line.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Carey introduced:

Senate Bill No. 137: A Bill for an Act to Amend and Re-enact Section 1008 of the Compiled Laws of 1913, as Amended by Chapter 121 of the Session Laws of 1919, Relating to Election Returns.

Was read the first and second time and referred to the committee on Elections.

Senator Olson moved that the Senate do now adjourn, which motion prevailed.

THIRTY-FIFTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February 7, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Edward F. Jordan.

The roll was called, all Senators being present except Senator Rusch.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the thirty-second day after recess and thirty-third day and recommend that the same be corrected as follows: Page 2 lines 37 and 38 strike out the words "as amended". Page 18 line 36 after the word "the" strike out the word consumer and insert in lieu thereof "consumers so much more than the cost". Line 41 change the words "these arguments" to "the argument". Page 19 line 4 correct the spelling of the word "vote."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Hon. F. J. Kelsch, Hon. J. D. Root, Hon. T. R. Shimmin,
Bismarck, N. Dak. :

We, the undersigned residents of Forbes, Dickey county, hereby petition you to use your efforts in securing an adequate appropriation for the maintenance of the State Normal Industrial School at Ellendale for the next biennial period to the end that the school may be maintained at its present efficiency

CHAS. MACK,
And Forty-two Others.

RESOLUTION.

WHEREAS, Senate Bill No. 48 has been presented to this board and which provides for the acre classification of farm lands for purpose of equitable taxation on such farm lands and provides for such classification by competent engineers and soil experts and the method of raising funds for such work by taxation; and

WHEREAS, This board believes that such acre classification of lands would be beneficial and conducive to a more equitable assessment of farm lands, but is of the opinion that the cost of securing such classification as provided for in said Senate Bill No. 48, would be excessive and that the benefits to be derived therefrom would not equal the cost, nor would be in keeping with the spirit of the times, which demands economy and a reduction of taxes;

BE IT THEREFORE RESOLVED, That the Board of County Commissioners of Traill County, recommend that action by the legislative assembly on this bill be indefinitely postponed. And that a copy of this resolution be sent to the representatives and senator from Traill county.

For the adoption of the foregoing resolution the following commissioners were present and voted as follows:

"Aye"—Spillum, Skarperud and Tobiason.

"Nay"—Brokke and Hanson.

Resolution declared adopted.

I, Gerhard D. Olson, auditor in and for said county and state, do hereby certify that the above and foregoing resolution is a true and correct copy of a resolution adopted by the board of county commissioners of Traill County, North Dakota, February 3, 1921, and as spread on the minutes of the proceedings of the board of county commissioners.

Dated at Hillsboro North Dakota this 4th day of February, 1921.

GERHARD D. OLSON,
Auditor, Traill County, North Dakota.

Grand Forks, N. D., Feb. 6, 1921.

Senator W. S. Whitman, Bismarck, N. D.

Dear Sir: Having been informed through the newspapers that a bill to censor Motion Pictures has been introduced in the Legislature I wish to take this opportunity to protest, and trust that you, as a fair minded man, will vote and use your influence against its enactment into a law. I do not know what reasons the author of the bill has for asking for a censorship law but I would call your attention to the fact that if he claims that there is anything wrong with any of the pictures shown in the theatres of North Dakota at the present time, we have laws already in the statutes to stop them and officers to enforce those laws.

If the pictures of today are in any way detrimental to public morals, why not make use of the laws we have, of the public

prosecutors, of the courts of justice, wherein all proper and necessary protection of the public morals may be found? The people of this State are already overburdened with taxes and the passing of a censorship law will only be an added burden and an excuse to find a soft spot for three or four political baracles to sit in judgment and draw a fat salary

If censorship may be applied properly to pictures it may be as properly applied to print and to speech, including sermons, lectures and public addresses.

Censorship is un-American because it is founded on the principle of autocracy—the right of a few to direct the mass. Every American precept is in opposition to it. Every time America has shed blood it has been to overthrow tyranny, and Americans will not countenance tyranny of thought any more than they will countenance tyranny of physical power.

Censorship is misguided because it defeats its purpose by robbing the screen of its virility, thus inviting the need of further censorship over the spineless milk and water product that will follow it.

Censorship is senseless because it puts into the hands of small-calibered politicians the right to edit our supply of thought and our means of recreation. You might as well permit these politicians to go into our libraries and re-write Shakespeare or the Bible.

Censorship is unjust because it restricts a great industry by building trouble-barriers as numerous as our states and cities. It is an unwarranted tax upon an industry—and the maze of hazards it erects discourages the spirit of adventure and originality without which the industry cannot exist. It is an assurance of screen mediocrity

Censorship is dangerous because it is the beginning of the encroachment of the freedom of the press. As well permit an appointee of a city council to sit at the desk of a newspaper editor and delete the copy not to his liking

Censorship is untruth because it conceals truth. No film can be great that does not mirror life, and life is made up of joy and sorrow; sweetness and bitterness; lights and shadows; good and evil; comedy and tragedy.

Censorship is artless because it would rob our films of the very qualities that make Shakespeare's works immortal—the contrast of vice and virtue, an essential law of drama.

Censorship is unlawful because the screen is a form of expression, and the right of free expression is guaranteed under the constitution. Censorship is needless because the exposure of an indecent or immoral film is a misdemeanor under all laws which now exist and comes under the proper police regulation in every community.

Censorship is intolerance and intolerance murdered Socrates; crucified Christ; put Columbus in chains; martyred Joan of Arc; smashed the first printing press; produced witchcraft, and made Europe a Shambles. Censorship is re-

action because it substitutes the judgment of the narrow partisan critic for the judgment of the artist and creator. Censorship is unprogressive because it hampers the full development of the world's newest and one of its most important arts—an art that cannot finally find itself without the free and unrestricted play of all its creative genius.

Censorship is unfair because, on the plea that it protects youth from seeing those things which the adolescent mind should not know, it robs the adult majority of those things which ought to be shown. It would be far better to pass a law keeping the children out of the picture theatres. Children do not go to the legitimate theatres.

Censorship is antagonistic to our State motto which calls for the destruction of the tyrant; because it makes a lie of the principles of Liberty for which Washington fought; which Thomas Jefferson wrote into the fundamental laws of our country, and for which Patrick Henry pleaded when he said "Give me Liberty or give me Death!"

Yours very truly,

A. J. KAVANAGH.

Ellendale, N. Dak, February 4, 1921.

Hon. E. A. Bowman, Senator, La Moure County, Bismarck, N. Dak.

Dear Sir: We the LaMoure County Club of the State Normal an Industrial School, do hereby request that you use your vote and influence to see that the State Normal and Industrial School, during this present session of the Legislature receives the full amount of appropriation asked.

Enclosed we are sending you a set of resolutions which we respectfully ask you to carefully read and consider.

Respectfully,

FRED KLUNDT, President.

FLORENCE FREEMAN,

Secretary.

Center, North Dakota, Feb. 5, 1921.

Mr. James A. Wenstrom, Chairman of Committee, McKenzie Hotel, Bismarck, North Dakota.

Dear Sir: Please use your influence to kill Senate Bill No. 101 as I believe it would, if passed, work a hardship on a legitimate line of trade and be a great inconvenience to many localities in the State which are distant from drug stores.

Yours very truly,

D R. WELLS,

Center North Dakota, Feb. 5, 1921.

Mr. James A. Wenstrom, McKenzie Hotel, Bismarck, N. Dak.

Dear Sir: While in session today, our attention was called to Senate Bill 101 as introduced by Mr. Garberg.

We are necessarily well acquainted with the several needs of farmers living great distances from where they can get medical aid. We know that in our own home as well as in

many a other home a bottle of patent medicine or some salve has often been of great assistance. For this reason, we wish to strenuously register our objection to this bill or any other bill which would prohibit the sale of patent medicine.

Very truly yours,

J. E. HAYES,
C. F. SKUBINNA,
H H. ALBERS.

Center, North Dakota, Feb. 4, 1921.

Mr. James A. Wenstrom, McKenzie Hotel, Bismarck, N. D.

Dear Sir: This is in regard to Senate Bill 101 as introduced by Mr. Garberg. From a financial standpoint, it is immaterial to me whether this bill or a similar one would become law. I feel therefore free to register my objections. I have lived long enough on a farm to know that at times at least a patent medicine of some sort is almost indispensable, especially when one lives from 20 to 30 miles from the nearest doctor. It seems to me that a bill requiring doctors to write their prescriptions in plain English would be of more value than the above bill which would make it necessary for farmers to make trips (sometimes long) to a pharmacist or doctor to obtain a little salve or something for some slight wire cut or a hammered thumb.

Yours very truly,

FRANK. J. KIEBERT.

Washington, D. C., February 4, 1921.

Hon W. J. Prater, Secretary of the Senate, Bismarck, North Dakota.

My Dear Mr. Prater: I am enclosing you herewith several copies of my bill H. R. 15989, which embodies the recent memorial by the legislature. Congressman Young introduced a similar measure. The purpose of both is in line with the bills in introduced last year, about which I wrote you on the second. I don't know what will come of it, but the memorial of the legislature has had an effect, in that it has brought forth a response from practically all of the North Dakota delegation in Congress, as the Senators have also introduced relief measures. It may be that this concerted effort will be productive of better results than I was able to get in the last session.

Yours very truly,

J. H. SINCLAIR.

Senator Benson received the following:

To the Seventeenth Legislative Assembly of the State of North Dakota:

We, the undersigned, do most respectfully petition your honorable body to pass the following measures: House Bill No. 5, Senate Bill No. 18, Senate Bill No. 16 and House Bill No. 51.

Adopted by a rising vote of the members of the Rolla W. C. T. U., Feb. 4, 1921.

(Signed) MARY A. LEWIS, President.

Thank you for what has been done. I have asked personal friends and officers in the courthouse to write you, but they say they want to see the bills, and they know you will do all you can to have those bills passed even if they don't stand behind you and cheer; but I believe a cheer makes it easier to play a winning game and hope you will hear from Rolla and will make what use you can of all letters or petitions to help make Dakota a banner State.

Yours truly,

MARY A. LEWIS.

To the Legislative Assembly, State of North Dakota. Bismarck, N. D.

Honorable Sir: The undersigned pastor and trustees of the St. Ann's Catholic church of Hebron, State of North Dakota, at the request of the congregation composed of 103 American citizens, hereby bring to your attention their protest against the use by the Republic of France of uncivilized black tribesmen in the occupied districts of Germany.

The common people of Germany are a cultured and civilized people of the white race, devoted to their church and family life, and wholly blameless in their present misfortune. These black tribesmen brought there by the French commit the most bestial offenses against married women and girls alike. Even boys are subjected to the most brutal sexual offenses. By authority of the French government the people in these districts are compelled to provide brothels and girls who are compelled to accommodate the lusts of these negroes, under penalty that on failure, young girls will be drafted from among the inhabitants and delivered to the brothels for the gratification of these bestial French blacks. It is needless to add that under these conditions syphilis and venereal disease is being spread broadcast in that once happy land.

We consider such conduct by a so-called civilized nation an outrage and disgrace to the family of civilized nations, and an open insult to the United States of America who entered the war on the side of France on the lofty principles laid down by President Wilson.

We respectfully request that this petition be brought to the attention of Congress, with a view that it take such action as shall be necessary to stop this disgrace to the civilized world and womankind.

JACOB RETZER, JR.,
And Three Others.

Similar petitions from the First German Congregational church of Hebron, First German Baptist church of Hebron, St. John's Evangelical church of Hebron.

Aneta, N. D., Feb. 4, 1921.

To Hon. R. J. Gardiner, Bismarck, N. Dak.

Dear Sir: By resolutions recently adopted both by the Commercial Club and the Civic Club of Aneta, N. Dak., you are respectfully urged to work and vote for the adoption of House Bill No. 66 and any other measure which places a more equitable distribution of support of the High Schools of the

State than what we now have. Thanking you for your support to this measure, we are,

Very respectfully,

L. W. ADAMS,

On behalf of the Commercial Club.

MRS. E. G. LARSON,

On behalf of the Civic Club.

Wishek, North Dakota, Feb. 5, 1921.

Mr. Jacob Schrenk, Senator, Bismarck, No. Dak.

Dear Mr Schrenk: It has come to my attention that a few people are advocating the abolishment of the State Normal & Industrial School and building up such schools as at Valley City.

From a tax-payer's viewpoint I do not think this advisable as it would add new and unnecessary expenses to our State.

The State Normal & Industrial at Ellendale has been doing good work, boys and girls from all over the State are attending and reason is for the completeness and more varied courses than any other such school in the State.

I am a graduate of the State Normal & Industrial School at Ellendale and having attended other schools in our State puts me in a position to judge it's value as an educational institution.

I will expect you as our senator and law-maker to put forth your best efforts to maintain and even build up this school.

Your friend,

JOHN W ACKERMAN.

Feb. 5, 1921.

To the Senate of the State of North Dakota:

We, the undersigned citizens, living in the vicinity of Cayuga, Sargent county, do respectfully petition your honorable body to take no action that will in any way limit or restrict the plan of educational work now being carried on in the State Normal and Industrial School at Ellendale.

A B. ASKEROTH,

And Fifteen Others.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 1:

A Bill for an Act to Amend and Re-enact Section 800 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

Senate Bill No. 8:

A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

Senate Bill No. 12: A bill for An Act to Amend and Re-enact the Concentrated Feeding Stuff Law of North Dakota the same Being Article 43, Sec. 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

And find the same correctly enrolled.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 88: A Bill for an Act to Amend and Re-enact Section 8551 of the Compiled Laws of North Dakota for the Year 1913, Relating to Citations and Notices Issued by the County Court and How the Same Must be Served.

Senate Bill No. 102: A Bill for an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Senate Bill No. 110: A Bill for an Act to Amend and Re-enact Section 811 of Chapter 69 of the Laws of the State of North Dakota for the Year of 1919, Providing for a Bond for Attorneys.

And find the same correctly engrossed

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 105: A Bill for an Act Amending and Re-enacting Section 8074 of Chapter 30, of the Code of Civil Procedure of the Compiled Laws of North Dakota for 1913, Relating to the Foreclosure of Mortgages, Liens and Contracts.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 87: A Bill for an Act to Amend and Re-enact Section 8657 of the Compiled Laws of North Dakota for the Year 1913, Relating to Letters of Administration, and Who Are Entitled Thereto.

Have had the same under consideration and recommend that the same be amended as follows:

In line four of the printed bill after the word "hereafter" strike out the word "named" and insert the word "mentioned".

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 66: A Bill for an Act to Provide for the Payment of Non-Resident Tuition Fee in the High School Department of Standardized Graded and Standardized High Schools Receiving State Aid.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Juiciary to whom was referred:

House Bill No. 74: A Bill for an Act to Amend and Re-enact Section 7660, Compiled Laws of 1913, Relating to Causes for a New Trial.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 94: A Bill for an Act Making it Unlawful for Any Person to Drive a Motor Vehicle While Intoxicated and Providing a Penalty Therefor.

Have had the same under consideration and recommend that the same be indefinitely postponed.

J. A. WENSTROM,
Chairman.

Mr. Westrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 115: A Bill for an Act to Amend and Re-enact Sections 3, 6, and 12 of Chapter 157 of the Session Laws of 1919 Regular Session, Relating to the Authorizing and Regulating the Exchange of Reciprocal or Insurance Contracts Among Individuals, Partnerships and Corporations.

Have had the same under consideration and recommend that the same be amended as follows:

On line 22 Section 6 of the printed bill the word "fifty" be changed to the word "one hundred" and the figures "50,000" be changed to "100,000". In line 27 same section the words "twenty-five" be changed to "one hundred" and the figures "25,000" changed to "100,000".

And when so amended recommend the same do pass.

RALPH INGERSON,

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted

Mr. President: Your Conference Committee to whom was referred Senate Bill No. 15, An Act to Amend and Re-enact Section 1340, Compiled Laws of North Dakota for 1913, Relating to proposal for building school houses.

Have had the same under consideration and recommend that the House recede from its amendments to Senate Bill No. 15.

R. L. FRASER,
L. J. RUSCH,
OLE ETTESTAD,
Senate Committee.

M. W. KELLY,
R. M. SPROUL,
B. B. MOUCK,
House Committee.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report of the Conference Committee be adopted, which motion prevailed.

The committee on State Affairs made the following report:

Mr President: Your committee on State Affairs to whom was referred.

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as amended by Chapter 143, Session Laws of 1919.

Have had the same under consideration and recommend that the same be amended as follows:

In Line 7 after the clause "the thirtieth day of May' add the words "Memorial day which shall commemorate the veterans of the civil war, the Spanish American War and the Great World War." In lines 9 and 10 strikt out the words "the eleventh day of November which is Armistice Day."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred Concurrent Resolution, introduced by Mr. Mees, relating to preservation of the Yellowstone National Park, have had the same under consideration and recommend that the same be adopted.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted

Senator Mees asked the unanimous consent of the Senate to suspend the rules insofar as is necessary to adopt the Senate Concurrent Resolution immediately, which request was granted.

SENATE ROLL CALL.

The question being on the final passage of Senate Concurrent Resolution relating to the preserving of the Yellowstone National Park. The roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Pettersson, Ployhar, Porter, Patten, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Oksendahl, Rusch.

So the resolution was adopted. ..

Mr. Mees moved that the vote by which the Concurrent Resolution passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Ingerson asked for an extension of time on Senate Bill No. 53, which request was granted.

Senator Olson asked for an extension of time on Senate Bill No. 30, which request was granted.

Senator Hagan asked for an extension of time on Senate Bill No. 23, which request was granted

Senator Benson asked for an extension of time on Senate Bills Nos. 58 and 89, which request was granted

Senator Storstad moved that all absent Senators be excused, which motion prevailed.

House Chamber,
Bismarck, North Dakota,
February 7, 1921.

Mr. President: I have the honor to inform you that the House has adopted the report of the Conference Committee on Senate Bill No. 15.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

SENATE CONCURRENT RESOLUTION

Introduced by Mr. McNair, by request.

A Concurrent Resolution Beseeching Congress to Request the joint International Commission to Take Action Looking to the Solution of the Problem of Controlling Floods in the Valley of the Red River in the United States and Canada.

WHEREAS, There are vast problems in flood control and drainage affecting the 110,000 square miles comprising the valley of the Red River in Canada and the United States which cannot be solved without co-operation and joint action of these two countries:

BE IT RESOLVED, By the Senate of the State of North Dakota and the House of Representatives Concurring: That we respectfully and urgently petition Congress to request the Joint International Commission to call a conference at some city near the international boundary and follow same with such action as will enable the two countries to continue and perfect the necessary, desired action relating to the control of the floods of the Red River.

Senator McNair moved that the resolution be adopted.

SENATE ROLL CALL.

The question being on the final passage of the adoption of the Senate Concurrent Resolution relating to Flood Control, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsch, Kendall,

Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersson, Ployhar, Porter, Patten, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman, Ingerson, Liederbach, Rusch.

So the Resolution was adopted.

SIGNING OF BILLS

The Secretary announced that the President was about to sign:

Senate Bill No. 12: A Bill for An Act to Amend and Re-enact the Concentrated Feeding Stuff Law of North Dakota the same Being Article 43, Sec. 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

Senate Bill No. 1:

A Bill for an Act to Amend and Re-enact Section 800 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

Senate Bill No. 8: A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

And the President signed the same in the presence of the Senate.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. McNair, by request, introduced:

Senate Bill No. 138: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota Changing the Length of Term of Office of Commissioners of Railroads.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Ingerson introduced:

Senate Bill No. 139: An Act Entitled an Act for the Protection of Employees as Members of Labor Organizations.

Was read the first and second time and referred to the committee on Ways and Means.

The Committee on Taxes and Tax Laws introduced:

Senate Bill No. 140: A Bill for an Act to Amend and Re-enact Chapter 224, Laws of North Dakota, for the Year 1919, as Amended by Chapter 60, Special Session Laws of 1919; an Act for the Purpose of Raising Revenue to defray the General Expenses of the State Government by Providing for a Tax on the Incomes of Individuals, Fiduciaries, Corporations,

Joint Stock Companies or Associations and Insurance Companies in the State of North Dakota; Classifying and Graduating Incomes for the Purpose of Taxation; Providing for Exemptions and Deductions in Certain Cases; Describing a Method of Levying and Collecting Said Tax; Prescribing Penalties for Non-conformance With the Provisions of This Act, and Repealing All Acts and Parts of Acts in Conflict Herewith.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Murphy introduced:

Senate Bill No. 141: A Bill for An Act to Amend and Re-enact Section 1717 of the Compiled Laws of North Dakota for the year 1913, as Amended by Section 4 of Chapter 113 of the Session Laws of 1915, and Chapter 145 of Session Laws of North Dakota for the Year 1917, Relating to the Support of Feeble Minded Persons in the Institution of the Feeble Minded.

Was read the first and second time and referred to the committee on State Affairs

Mr. Gross, by request, introduced:

Senate Bill No. 142: A Bill for An Act to Prevent the Taking or Carrying in or Having in Possession Intoxicating Liquor in Any Hotel, Theatre or Dance Hall in the State of North Dakota.

Was read the first and second time and referred to the committee on Temperance.

Mr. Gross, by request, introduced:

Senate Bill No. 143: A Bill for an Act to Prevent Any Person From Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Was read the first and second time and referred to the committee on Ways and Means.

Mr Fraser introduced:

Senate Bill No. 144: A Bill for an Act to Amend and Re-enact Section 3266 of the Compiled Laws of the State of North Dakota for the year 1913, Relating to the Time and Place of the Meetings of the Board of County Commissioners.

Was read the first and second time and referred to the committee on State Affairs

Mr. Fraser, by Request, introduced:

Senate Bill No. 145: A Bill for an Act to Create, define and Establish the Bar Association of the State of North Dakota, and Providing for the publication of Its Proceedings, and Filing Copies Thereof With the State Bar Board and the State Libraries and as Otherwise Provided, and Making an Appropriation for the Expenses Connected Therewith.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Fraser, by request, introduced:

Senate Bill No. 146: A Bill for an Act to Amend and Re-enact Section 7655 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Obtaining, Preparation and Settlement of Statement of the Case on Appeals in Civil Actions.

committee on Judiciary.

Was read the first and second time and referred to the

Mr. Fraser introduced:

Senate Bill No. 147: A Bill for an Act to Amend and Re-enact Chapter 183 of the Session Laws of 1917, an Act Requiring the Owners of Personal Property to Notify the County Treasurer of the Sale of Such Property at Public Auction, Providing for the Collection of Their Personal Property Taxes and Prescribing Dates of Auctioneers in Relation Thereto.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Church introduced:

Senate Bill No. 148: A Bill for an Act to Amend Chapter 131 of the Session Laws of 1919, Enacted by The Sixteenth Session of the Legislative Assembly, Pertaining to the Giving of Notices of Intention to Foreclose Real Estate Mortgages.

Was read the first and second time and referred to the committee on Judiciary.

Senator Gross moved that the Senate recess subject to the call of the President, which motion prevailed.

The Senate reassembled, the President presiding.

House Chamber,
Bismarck, North Dakota,
February 7, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 49: A Bill for an Act Amending Section 10298 of the Compiled Laws of the State of North Dakota for the Year 1913 as amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134, Section 9, of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer and Providing a Penalty Therefor.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Fleckten introduced:

Senate Bill No. 149: A Bill for an Act to Create a Board of Suggestive Therapeutic Examiners; to Define and to Reg-

ulate the Practice of Suggestive Therapeutics and to Provide for Penalties for the Violating of this Act.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Ward introduced:

Senate Bill No. 150: A Bill for an Act to Amend and Re-enact Section 9804 and Section 9805 of Chapter 55 of the Laws of North Dakota for the Year 1913, Regulating the Sale to and Use of Firearms by Minors and Providing a Penalty for the Violation Thereof.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Whitman introduced:

Senate Bill No. 151: A Bill for an Act Entitled, an Act Declaring all Corporations, Joint and Other Stock Companies or Other Organized or Incorporated Companies, Associations and Partnerships, Incorporated or Unincorporated Associations or Partnerships to be Persons, Artificial, for Certain Purposes.

Was read the first and second time and referred to the committee on Corporations other than Municipal.

Mr. Whitman introduced:

Senate Bill No. 152: A Bill for an Act to Permit the Use of Certain Ground Upon the Campus of the University and to Consent to the Erection of an Alumni Building Thereupon by the Alumni Association for Purposes of Aiding the University and the Co-operative Interest of Its Alumni and to Grant to Such Alumni Association the Right to Exercise Control and Dominion Over Such Ground and the Building to be Constructed Thereon, Subject to the Rules and Regulations of the State and of Its Board of Administration.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Hagan introduced:

Senate Bill No. 153: A Bill for an Act to Amend and Re-enact Section 8122 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 180 of the Laws of 1915 and as Amended by Chapter 151 of the Laws of 1917, Relating to Foreclosure of Land Contracts.

Was read the first and second time and referred to the committee on Judiciary.

Messrs. Liederbach and Porter introduced:

Senate Bill No. 154: A Bill for an Act Prescribing the Fees to be Paid to Newspapers for the Publications and Printing of All Legal Notices and Repealing All Acts or Parts of Acts in Conflict Herewith.

Was read the first and second time and referred to the committee on Public Printing.

Mr. Baird introduced:

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

Was read the first and second time and referred to the committee on Military Affairs.

Mr. Bowman introduced:

Senate Bill No. 156: A Bill for an Act Restricting Rights of Litigants to Bring Actions in Courts to Set Aside Taxes or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Kendall, by request, introduced:

Senate Bill No. 157: A Bill for an Act Entitled, an Act to Prevent Dancing in Normal Schools and High Schools.

Was read the first and second time and referred to the committee on Ways and Means.

Messrs. Olson, Garberg and Oksendahl introduced:

Senate Bill No. 158: A Bill for an Act to Provide for Conciliation of Controversies and to Repeal Sections 9187, 9188, 9189, 9190, 9191 and 9192 of the Compiled Laws of North Dakota, 1913.

Was read the first and second time and referred to the committee on Judiciary.

The courtesies of the floor were extended to L. Crites of Rolla. N. D., Miss Jean Gardiner of Brocket, Mrs. N. W. Kelley of Bismarck.

Senator Baker moved that the Senate recess until tomorrow at one o'clock P. M., which motion prevailed.

W. J. PRATER,
Secretary.

CALENDAR.

Senate Bill No. 21: A Bill for an Act Creating a Public Health Commission; Fixing the Membership Thereof, and Defining its Powers and Duties.

Senate Bill No. 39: A Bill for an Act to Appropriate the sum or \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota Approved March 5, 1919, in Addition to the sum Appropriated to the Legislative Assembly, Approved December 12, 1919, and that such by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly, Approved December 12, 1919, and that such Appropriation be made from the State Highway Fund.

Senate Bill No. 88: A Bill for an Act to Amend and Re-enact Section 8551 of the Compiled Laws of North Dakota

for the Year 1913, Relating to Citations and Notices Issued by the County Court and How the Same Must be Served.

Senate Bill No. 102: A Bill for an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Senate Bill No. 110: A Bill for an Act to Amend and Re-enact Section 811 of Chapter 69 of the Laws of the State of North Dakota for the Year of 1919, Providing for a Bond for Attorneys.

Senate Bill No. 87: A Bill for an Act to Amend and Re-enact Section 8657 of the Compiled Laws of North Dakota for the Year 1913, Relating to Letters of Administration, and Who Are Entitled Thereto.

Senate Bill No. 115: A Bill for an Act to Amend and Re-enact Sections 3, 6, and 12 of Chapter 157 of the Session Laws of 1919 Regular Session, Relating to the Authorizing and Regulating the Exchange of Reciprocal or Insurance Contracts Among Individuals, Partnerships and Corporations.

Concurrent Resolution introduced by Van Camp and Baird.

House Bill No. 4:

A Bill for an Act making it a felony for a male person over the age of sixteen years of age to take indecent liberties with a child under the age of fourteen years, and providing a penalty therefor.

House Bill No. 37: A Bill for an Act to Amend and Re-enact Section 466 of the Compiled Laws of North Dakota for the Year 1913, Relating to Preliminary Qualifications of Applicants for License to Practice Medicine in the State of North Dakota.

House Bill No. 56: A Bill for an Act to Provide for the Payment of Non-Resident Tuition Fee in the High School Department of Standardized Graded and Standardized High Schools Receiving State Aid.

House Bill No. 74: A Bill for an Act to Amend and Re-enact Section 7660, Compiled Laws of 1913, Relating to Causes for a New Trial.

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as Amended by Chapter 143, Session Laws of 1919.

THIRTY-FIFTH DAY AFTER RECESS AND
THIRTY-SIXTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 8, 1921.

The Senate convened at 1 o'clock P. M. pursuant to recess taken, the President presiding.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Whitman introduced:

Senate Bill No. 159: A Bill for an Act to Amend and Re-enact Chapter 179, of the Session Laws of 1915, the same being Amendatory of the Laws of 1911, Chapter 177, Entitled "Juvenile Court," Being Also Sections 11402 to 11428, Inclusive, of the Compiled Laws of North Dakota, for the Year 1913.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Bond introduced:

Senate Bill No. 160: A Bill for an Act to Amend and Re-enact Section 15 of the Session Laws of 1919, Providing for Keeping of Funds of the State of North Dakota and for Making Loans.

Was read the first and second time and referred to the committee on State affairs.

Mr. Baird introduced:

Senate Bill No. 161: A Bill for an Act Providing Punishment for Murder in the First Degree.

Was read the first and second time and referred to the committee on Judiciary.

Messrs. Byrne and Storstad introduced:

Senate Bill No. 162: A Bill for an Act to Provide a Minimum Amount of Training, a Minimum Salary for a Teaching Experience of Less Than One School Year, and a Schedule of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

Was read the first and second time and referred to the committee on Education.

Concurrent Resolution introduced by State Affairs Committee:

Senate Bill No. 163: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota, Relating to the Compensation and Mileage of Legislative Members.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Hagan introduced:

Senate Bill No. 164: A Bill for an Act to Limit the Margin of Profit on Sales of Farm Land by Agents and Brokers.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Baird introduced:

Senate Bill No. 165: A Bill for an Act to Amend and Re-enact Section 6, Chapter 183 of the Session Laws of North Dakota for the Year 1915, an Act Regulating Maternity Hospitals, Boarding Houses for Children and the Business of Placing Children; Fixing Liability for the Care of Children and Providing for Their Removal; Prohibiting the Sending of Pregnant Women to Other Counties Where Their Children Become Public Dependents and Prescribing Penalties for Violation of This Act.

Was read the first and second time and referred to the committee on Women's and Children's Welfare.

Mr. Carey introduced:

Senate Bill No. 166: A Bill for an Act to Amend and Re-enact Sections 2547, 2548 and 2565, Compiled Laws of 1913, Relating to Commissioners of Insanity.

Was read the first and second time and referred to the committee on Judiciary.

Messrs. Ingerson and Baird introduced:

Senate Bill No. 167: A Bill for an Act to Regulate the Sale of Coal in the State of North Dakota, Requiring Dealers Offering the Same for Sale to Pay a License Fee, Procure a License, and to Conform to Certain Rules and Regulations; and Providing a Penalty for the Violation of the Provisions of This Act.

Was read the first and second time and referred to the committee on State Affairs.

Messrs Storstad and Wenstrom introduced:

Senate Bill No. 168: A Bill for an Act to Amend and Re-enact Section 1147 of the Revised Code of 1913, as Amended by Chapter 135 of the Session Laws for the Year 1915, and Further Amended by Chapter 197 of the Session Laws for the Year 1919, Relating to the Formation of New Common School Districts.

Was read the first and second time and referred to the committee on Education.

Mr. Ettestad introduced:

Senate Bill No. 169: A Bill for an Act to Amend and Re-enact Section 967, Compiled Laws 1913, Relating to Poll Books, Contents of and How Delivered.

Was read the first and second time and referred to the committee on Election.

Mr. Gross introduced:

Senate Bill No. 170: A Bill for an Act to Limit County Tax Levies.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Gross introduced:

Senate Bill No. 171: A Bill for an Act to Limit County, City, Town, Village, Township and School Tax Levies.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Wog introduced:

Senate Bill No. 172: A Bill for an Act to Repeal Sections 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968, Compiled Laws of the State of North Dakota for 1913 and Amend Section 1969 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Levy and Collection of Poll Tax.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Miklethun introduced:

Senate Bill No. 173: A Bill for an Act Providing for Salaries of County Auditors, Registers of Deeds, County Judges, State's Attorneys, Clerks of District Courts, Sheriffs, and County Superintendents of Schools, and Repealing Chapter 112 of the Laws of 1915 and All Acts and Parts of Acts in Conflict Herewith, and Chapter 105 of the Session Laws of 1919.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Benson introduced:

Senate Bill No. 174: A Bill for an Act to Amend Section 1918, Article 1, Chapter 31 of the Compiled Laws of 1913, Relating to the Establishment of Public Highways.

Was read the first and second time and referred to the committee on Highways.

Mr. Ingerson introduced:

Senate Bill No. 175: A Bill for an Act to Repeal Section 7633 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Special Verdicts.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Miklethun introduced:

Senate Bill No. 176: A Bill for an Act Providing That the Annual Report of Public Utilities to the Tax Commissioner Shall be Used by the Board of Railroad Commissioners in Fixing the Service Rates.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

Mr. Liederbach introduced:

Senate Bill No. 177: A Bill for an Act to Eliminate Railroad Grade Crossings and Other Dangerous Places on State and County Highways.

Was read the first and second time and referred to the committee on Railroads.

Mr. Byrne by request introduced:

Senate Bill No. 178: A Bill for an Act to Amend and Re-enact Section 400 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Powers and Duties of the Board of Health.

Was read the first and second time and referred to the committee on Public Health.

Mr. Rusch introduced:

Senate Bill No. 179: A Bill for an Act Prohibiting Any Person From Practicing Law, Medicine or Dentistry in the State of North Dakota Under an Assumed Name or Under a Fictitious Name or Designation not Showing the True Name of the Person so Practicing Law, Medicine or Dentistry and Providing Penalties for so Practicing Law, Medicine or Dentistry Under an Assumed Name or Under a Fictitious Name or Designation, Not Showing the True Name of the Person so Practicing Law, Medicine or Dentistry.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Ingerson introduced, by request:

Senate Bill No. 180: A Bill for an Act to Provide for the Annexing of Adjacent Territory to Common School Districts and for the Equalization of Assets and Liabilities of Territory and Districts Affected.

Was read the first and second time and referred to the committee on Education.

Mr. Levang introduced:

Senate Bill No. 181: A Bill for an Act to Amend and Re-enact Section 144 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Keeping of Permanent Books of Record by the State Treasurer and the State Auditor, and Authorizing the Re-arrangement and Revision of the present System.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Wog introduced Concurrent Resolution:

Senate Bill No. 182: A Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

was read the first and second time and referred to the committee on State Affairs.

Mr. Gross introduced:

Senate Bill No. 183: A Bill for an Act to Prohibit the Manufacture, Sale, Offering for Sale, Soliciting Orders for, Storing or Delivery of Adulterated, Unlabelled, or Mislabeled Tobacco and Tobacco Products, Directing the North Dakota Government Agricultural Experiment Station at Fargo to Enforce Said Act and Providing Penalty.

Was read the first and second time and referred to the committee on Ways and Means.

Mr. Bowman introduced:

Senate Bill No. 184: A Bill for an Act to Amend and Re-enact Section 2263 of Article 26 of the Compiled Laws of North Dakota for the Year 1913, and All Later Enactments or Amendments, Relating to Taxation for the Promotion of Diversified Farming, Manner of Discontinuing Same and Providing for the Disposition of Accumulated Funds.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

CONCURRENT RESOLUTION.

Introduced by Mr. Baker.

Urging the Congress of the United States to Enact into law the Bill Entitled "A Bill for the public protection of maternity and infancy, and providing a method of cooperation between the Government of the United States and the Several States" and known as the Shepard-Towner Bill.

BE IT RESOLVED BY THE SENATE OF THE STATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING, That the Congress of the United States be urged to pass and enact the bill known as the Shepard-Towner bill, entitled "A bill for the public protection of maternity and infancy, and providing a method of co-operation between the government of the United States and the several States. That the Legislative Assembly of the State of North Dakota are in favor of the passage of such measure at the earliest possible moment.

Be it further resolved that copies of this resolution be forwarded to the Speaker of the House of Representatives and to the President of the Senate at Washington, D. C.

Referred to the committee on Women's and Children's Welfare.

House Chamber,
Bismarck, North Dakota,
February 8, 1921.

Mr. President: I have the honor to inform you that the House declines to concur in the Senate Amendment to House

Bill No. 5, and the Speaker has appointed Messrs. Stark, Mouck and Sherman as members of a conference committee.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Mees moved that the President appoint a conference committee on House Bill No. 5, which motion prevailed and the President appointed as such committee Senators Miklethun, Church and Whitman.

House Chamber,
Bismarck, North Dakota,
February 8, 1921.

Mr President: I have the honor to transmit herewith the following bills:

House Bill No. 21: A Bill for An Act to Amend and Re-enact Section 5 of Chapter 162 of the Laws of North Dakota for 1919, Relating to Information Furnished by Employers to the Workmen's Compensation Bureau of North Dakota and Penalty for Failure to Furnish Information Required.

House Bill No. 28: A Bill for an Act to Amend and Re-enact Section 1136 of the General School Laws entitled Deputies. How Appointed. Salary.

House Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1137 of the General School Laws Entitled Salary and Expenses.

House Bill No. 42: A Bill for an Act to Amend and Re-enact Section 3969 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Section 79 of the Session Laws of North Dakota for the Year 1919, Relating to Excluding Farm Lands From the Limits of City, Town and Villages.

House Bill No. 50: A Bill for an Act to Amend and Re-enact Section 1146 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 213 of the Session Laws of 1917, Relating to Changing of School District Boundaries.

House Bill No. 51: A Bill for an Act to Prohibit the Use of Tobacco by Smoking in Certain Places and Providing Penalty.

House Bill No. 107: A Bill for an Act to Amend and Re-enact Section 10298 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer.

House Bill No. 108: A Bill for an Act to Amend and Re-enact Section 28 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to Trespassing on Lands Where Hunting is Prohibited.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
February 8, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate concurrent resolution relating to requesting the Joint International Commission to take action looking to the solution of the problem of controlling floods in the valley of the Red River in the United States and Canada.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
February 8, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate concurrent resolution relating to the prevention of the damming up of certain lakes in the Yellowstone Park.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The committee on Enrollment and Engrossment made the following report:

Mr. President Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 87: A Bill for an Act to Amend and Re-enact Section 8657 of the Compiled Laws of North Dakota for the Year 1913, Relating to Letters of Administration, and Who Are Entitled Thereto.

Senate Bill No. 115: A Bill for an Act to Amend and Re-enact Sections 3, 6, and 12 of Chapter 157 of the Session Laws of 1919 Regular Session, Relating to the Authorizing and Regulating the Exchange of Reciprocal or Insurance Contracts Among Individuals, Partnerships and Corporations. And find the same correctly engrossed.

A. G. Storstad,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 72: A Bill for an Act to Amend and Re-enact Section 4544 of the Compiled Laws of North Dakota for the Year 1913, Relating to Penalties for the Violation of Section 4543 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 100, Laws of North Dakota, 1919.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 103: A Bill for an Act to Compel City Councils, City Commissions and Boards of Education of Independent School Districts to Publish Proceedings of All Meetings in Official Paper to be Designated by Them.

Have had the same under consideration and recommend that the same be amended as follows:

In the title of the bill after the word "councils" strike out "comma City Commissions and Boards of Education of Independent School Districts". In Section 1, line 2 after the word "Councils" strike out "comma City Commissions and Boards of Education of Independent School Districts". In Section 1, line five after the word "councils" strike out the words "comma commissions and boards." Strike out all of Section 3.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 104: A Bill for an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Agriculture made the following report:

Mr. President: Your committee on Agriculture to whom was referred:

Senate Bill No. 77: A Bill for an Act Providing for an Official Field Crop, Seed and Soil Survey for the Purpose of Checking, Controlling or Eradicating Certain Destructive, Infectious Seed, Soil and Field Crop Infecting Plant Diseases and Making an Annual Appropriation Therefor.

Have had the same under consideration and recommend that the same be indefinitely postponed.

OLE ETTESTAD,
Chairman.

Mr. Ettestad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 84: A Bill for an Act to appropriate the Sum of Eight Hundred Twenty-one and 75-100 Dollars (\$821.-75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Have had the same under consideration and recommend that the same do pass:

W. J. CHURCH,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 47: A Bill for an Act Appropriating Twenty-six Thousand Dollars (\$26,000.00) for the Construction, Erection and Equipment by the State Highway Commission of an Automobile and Machine Shop at the Capitol at Bismarck.

Have had the same under consideration and return same without recommendation.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Wenstrom introduced:

Senate Bill No. 185: A Bill for an Act Amending the Constitution of the State of North Dakota, Providing for the Discontinuation of a State Normal School at the City of Mayville,

in the County of Traill, and an Industrial School and School for Manual Training at the Town of Ellendale, in the County of Dickey.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Baker introduced:

Senate Bill No. 186: A Bill for an Act to remove any Disability to Act as Administratrix, Guardian, or in any Other Legal Capacity.

Was read the first and second time and referred to the committee on Judiciary.

Mr. Wog introduced:

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Section 1334 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Interest on Bonds of Common School Districts.

Was read the first and second time and referred to the committee on State Affairs.

Mr. Ward introduced:

Senate Bill No. 188: A Bill for an Act Entitled, An Act to Create a Real Estate Board With Power to License Real Estate Brokers and Regulate Buying and Selling of Real Estate by Real Estate Brokers and Real Estate Salesmen and Defining the Powers and Duties of Such Board and Providing a Penalty.

Was read the first and second time and referred to the committee on State Affairs.

Senator Wenstrom moved that Senate Bill No. 60 be re-referred to the Judiciary committee, which motion prevailed.

Senator Nathan asked for an extension of time on Senate Bill No. 83 which extension was granted.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Rusch introduced:

Senate Bill No. 189: A Bill for an Act to Amend and Re-enact Section 1008 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 121 of the Session Laws of North Dakota for the Year 1919.

Was read the first and second time and referred to the committee on Election.

Senator Olson moved that the Senate do now adjourn, which motion prevailed.

THIRTY-SIXTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February 8, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Edward F. Jordan.

The roll was called all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the thirty-third Day after Recess and Thirty-Fifth Day and recommend that the same be corrected as follows: On page 14 line 33 before the word "National" insert the word "Yellowstone."

And when so corrected recommend that the same be approved.

R. W. PATTEN.
Chairman

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Hankinson, North Dakota, February, 4, 1921.

To the Senator and Representatives of Richland County, North Dakota.

We the undersigned residents of Richland County, North Dakota, respectfully urge you to vote against any and all Bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale, The Science School at Wahpeton, the State Normal School at Mayville, and the State School of Forestry at Bottineau.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

H. O. SAROIK,
And Fourteen Others.

Similar petitions were presented from Ashley, N. Dak., Geneseo, N. Dak., Hankinson, N. Dak., Braddock, N. Dak., Hannaford, N. Dak., Diesem, N. Dak., Marion, N. Dak., La-moure County, Kulm, N. Dak., Streeter, N. Dak., Fredonia, N. Dak.

Senator Whitman presented the following:

RESOLUTIONS

Adopted by the County Commissioners Association at Meeting held in Grand Forks, January 18, 19 and 20, 1921.

The following is a report submitted by the Resolutions Committee of the County Commissioners Association at their Annual Meeting held at Grand Forks, N. Dak., Jan. 18, 19 and 20, 1921:

I.

We congratulate and thank the officers of the North Dakota Association of County Commissioners for the capable

and efficient manner in which they have conducted the affairs of the organization during the past year.

RESOLVED, That the North Dakota Association of County Commissioners extend its heartfelt appreciation and thanks to the citizens of Grand Forks, the Grand Forks Commercial Club, and to State's Attorney T. B. Elton, Hon. O. B. Burtness, Hon. Geo. E. Wallace, Hon. P. E. McGarry, Henry O'Keefe and H. Mayne Stanton, who by their generosity in the donation of their time, services and buildings combined to make our stay in their city a pleasant one.

WHEREAS, There is no provision legally allowing traveling and necessary expenses to County Commissioners who attend the State meetings of the North Dakota Association of County Commissioners; and

WHEREAS, We believe the attendance at such meetings greatly assist the Commissioners in performing their duties in that they get the views and ideas of men from other counties and other districts, and that the information so received tends to unify the work of the Commissioners in the several counties, and the result of attending such meetings leads to the adoption of measures and modes of procedure which are more satisfactory and economical in the handling of the county business;

THEREFORE BE IT RESOLVED: That we recommend to the State Legislature of North Dakota the enactment of a law whereby and whereunder the County Commissioners of the several counties of the State be paid their actual and necessary expens in attending the yearly meetings of the North Dakota Association of County Commissioners.

XV.

WHEREAS, It has come to our notice that there has been organized in this state a non-political organization composed of men from all over the state who are interested in good roads, said organization being named the North Dakota State Good Roads Association, and

WHEREAS, The North Dakota State Good Roads Association is favorable to and is working for a trunk system of highways throughout the state from county-seat to county-seat east and west, north and south and

WHEREAS, It is the avowed purpose of the State Good Roads Association, after having accomplished its purpose of assisting in the adequate improvement of the State Highway System, to them encourage and assist in the adequate improvement of County Road Systems which shall be supplementary to the State Highway System and Township Road Systems which in each county shall be supplementary to the County Road System, and

WHEREAS, It is a commendable aim of the State Good Roads Association to emphasize in the state and in each county and in each township the systematic and effective maintenance and marking of the public roads of North Dakota. Therefore be it

RESOLVED, That the County Commissioners Association of North Dakota, in regular session assembled in the city of Grand Forks this 18th day of January, 1921, enforce the program of the North Dakota State Good Roads Association, and hereby pledge our support to the organization, be it further

RESOLVED, That a copy of these resolutions be spread upon the minutes of the County Commissioners Association and that a copy be sent to the office of the North Dakota State Good Roads Association.

Respectfully submitted,

I. E. SORLIE, Chairman,

A. R. BROWNLIE,

P. VANDENOEVER,

Resolution Committee.

Grand Forks, North Dakota, February 5, 1921.

Dear Mr. Legislator: We realize fully that pressure of legislative affairs is keeping you most busy, but nevertheless we want to urge that you give just consideration to Senate Bill No. 2, a concurrent resolution for an amendment to the Constitution of the State, providing for the establishment of a Trunk Highway System.

You undoubtedly appreciate the need of better roads in our great state and you of course are willing to give the voters of North Dakota an opportunity to express their desires as to in what manner these highways are to be provided and maintained.

We are of the opinion that proposed amendment should be submitted to the voters of the state, and that the legislature is more or less obligated to that extent. The matter is one of exceptional importance to every resident of North Dakota and we beg of you to carefully consider the proposition before it is voted upon.

Very respectfully,

THE COMMERCIAL CLUB OF GRAND FORKS,

H. M. STANTON, Secretary.

Grand Forks, N. D., Feb. 7, 1921.

W. S. Whitman, Senator, Bismarck, N. D.

Grand Forks theatres are doing everything possible to produce only the best and cleanest pictures that can be obtained. We do not believe the censorship of pictures advisable and request your assistance in opposition to the passage of any such measure.

Yours truly,

JOS. J. ISAACS,

Strand Theatre.

Devils Lake, N. Dak., Feb. 7, 1921.

Senator Stevens, Bismarck, N. Dak.

Censorship bill unnecessary and un-American. Bill will close practically every theatre in state. Great bulk of American people do not want censorship. Moving picture shows are attended by great bulk of people many of whom cannot afford to pay the prices charged at the high priced theatres.

They are a solace and education to the people who go to moving picture shows, often bring their children and would not tolerate exhibition of obscene or immoral pictures. A place in which such pictures were exhibited would soon be without sufficient patrons to support it. At all events the criminal law is ample to prevent the exhibition of such pictures.

ARCHIE MILLER,
Grand Theatre.

Ryder, N. D.

To the Honorable Senators and Representatives of the 17th
Legislative Assembly:

We, the undersigned residents of the State of North Dakota hereby urge your earnest consideration of the Senate Bill No. 2, introduced by Senator Whitman, being a concurrent resolution for an amendment to the Constitution, establishing a trunk highway system for the State of North Dakota; we endorse the general plan in such resolution contained and recommend the presentation of the said resolution with such minor amendments which may be deemed by you advisable.

L. S. OFFICER,
And Forty-nine Others.

The committee on Cities and Municipal Corporations made the following report:

Mr. President: Your committee on Cities and Municipal Corporations to whom was referred:

House Bill No. 45: A Bill for an Act Entitled an Act to Amend and Re-enact Section 3967 of the Compiled Laws of North Dakota for the Year 1913, Relating to Errors and Deficiencies in City, Town or Village Plats.

Have had the same under consideration and recommend that the same do pass.

W. S. WHITMAN,
Chairman.

Mr. Whitman moved that the report be adopted, which motion prevailed and the report was adopted.

THIRD READING SENATE BILLS.

Senator Stevens moved that Senate Bill No. 21 be further amended as follows: In Sec. 1 of the Engrossed bill strike out that part after the words "Nurses' Association" and insert in lieu thereof the following: "and a representative of the health department of the Women's Christian Temperance Union."

Senator Ingerson moved to amend the Amendment offered by Senator Stevens so as to permit a representative of the County Nurses to continue on the board, which motion was lost.

The question being on the motion by Senator Stevens the motion was lost.

Senator Rusch moved that Senate Bill No. 21 be amended by adding a member of the health department of the Wo-

men's Christian Temperance Union to the personnel of the committee as specified in the Bill, which motion prevailed.

Senator Baird moved that Senate Bill No. 21 be further amended as follows: In Sec. 1 after the word "superintendents" insert the words "to be nominated by the State Association of the County Superintendents" and after the words "County Nurses" insert the words "to be nominated by the North Dakota Nurses' Association", which motion was lost.

SENATE ROLL CALL.

Senate Bill No. 21: A Bill for an Act Creating a Public Health Commission; Fixing the Membership Thereof, and Defining its Powers and Duties.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 38, nays 11.

Ayes: Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Nelson Noltmier, Olson, Oksendahl, Ployhar, Patten, Rusch, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Baird, Beisel, Ettestad, McLachlin, Miklethun, Murphy, Nathan, Petterson, Porter, Schrenk, Storstad.

So the bill passed and the title was agreed to.

House Chamber,
Bismarck North Dakota,
February 8, 1921.

Mr. President: I have the honor to return herewith the following Concurrent Resolution:

Relating to the per diem of members of the Legislative Assembly.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

SENATE ROLL CALL.

Senate Bill No. 39: A Bill for an Act to Appropriate the Sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River From Burleigh County to Morton County in the State of North Dakota Under the Provision of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919, in Addition to the Sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly, Approved December 12, 1919, and That Such Appropriation be Made From the State Highway Fund.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 4, absent and not voting 1.

Ayes: Baird, Baker, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Benson, Ingerson, Nathan, Porter.

Absent and not voting: Beisel.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which Senate Bill No. 39 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagen, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

SENATE ROLL CALL

Senate Bill No. 88: A Bill for an Act to Amend and Re-enact Section 8551 of the Compiled Laws of North Dakota for the Year 1913, Relating to Citations and Notices Issued by the County Court and How the Same Must be Served.

Was read the third time.

So the bill passed and the title was agreed to.

Absent and not voting: Ployhar and McNair.

SENATE ROLL CALL

Senate Bill No. 102: A Bill for an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Was read the third time:

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 1, absent and not voting 1.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar,

Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel.

Absent and not voting: McNair.

So the bill passed and the title was agreed to.

Senator Rusch asked the unanimous consent of the Senate to amend Senate Bill No. 110 as to reduce the license fee to ten dollars, which motion was lost.

SENATE ROLL CALL

Senate Bill No. 110: A Bill for an Act to Amend and Re-enact Section 811 of Chapter 69 of the Laws of the State of North Dakota for the Year of 1919, Providing for a Bond for Attorneys.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 38, nays 10, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Sperry, Storstad, Ward, Wenstrom, Whitman, Wog.

Nays: Bond, Gardiner, Kelsch, Mees, Petterson, Schrenk, Steel, Stevens, Thorson, Van Camp.

Absent and not voting: Nelson.

So the bill passed and the title was agreed to.

Mr. President: The conference committee appointed by the chair to confer with a like committee appointed by the House on House Bill No. 5, have met, and beg leave to report that the Senate agreed to recede from the Senate amendments and pass the bill as originally drawn in printed bill lines fourteen, fifteen and sixteen.

JOHN L. MIKLETHUN,
Chairman of Conference Committee.

Senator Miklethun moved that the report be adopted, which motion prevailed.

SENATE ROLL CALL

House Bill No. 5: A Bill for an Act to Prohibit Intoxicating Liquors and Beverages With Exceptions for Nonbeverage and Sacramental Purposes and Provide for Its Enforcement and the Repeal of Laws in Conflict Therewith.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 41, nays 7, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Patten, Sperry, Steel, Stevens, Storstad, Thorson, Ward, Wenstrom, Wog.

Nays: Eastgate, Mees, Porter, Rusch, Schrenk, Van Camp, Whitman.

Absent and not voting: Nathan.

So the bill passed and the title was agreed to.

Mr. Miklethun moved that the vote by which House Bill No. 5 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Rusch: I voted "aye" on this bill as amended in the Senate. I vote "no" now for I believe as at present drawn this bill opens up the sal on in North Dakota. The liquor will be sold from draught instead of the bottle and this will tend to open up the saloon in North Dakota.

Senator Liederbach moved that the vote by which Senate Bill No. 110 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Porter moved to amend Senate Bill No. 87 by striking out lines 38, 39 and 40 of the printed bill, which motion was lost.

SENATE ROLL CALL

Senate Bill No. 87: A Bill for an Act to Amend and Re-enact Section 8657 of the Compiled Laws of North Dakota for the Year 1913, Relating to Letters of Administration, and Who Are Entitled Thereto.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 41, nays 6, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Nathan, Nelson, Noltmier, Olson, Oksendahl, Ployhar, Patten, Rusch, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Church, Kelsch, Murphy, Porter, Schrenk, Stevens.

Absent and not voting: Carey, Petterson.

So the bill passed and the title was agreed to.

Mr. Ployhar moved that the vote by which Senate Bill No. 87 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Ployhar moved that the votes by which Senate Bills No. 21, 88, and 102 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 21: A Bill for An Act to Amend and Re-enact Section 5 of Chapter 162 of the Laws of North Dakota for 1919, Relating to Information Furnished by Employers to the Workmen's Compensation Bureau of North Dakota and Penalty for Failure to Furnish Information Required.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 28: A Bill for an Act to Amend and Re-enact Section 1136 of the General School Laws entitled Deputies. How Appointed. Salary.

Was read the first and second time and referred to the committee on Education.

House Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1137 of the General School Laws Entitled Salary and Expenses.

Was read the first and second time and referred to the committee on Education.

House Bill No. 42: A Bill for an Act to Amend and Re-enact Section 3969 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Section 79 of the Session Laws of North Dakota for the Year 1919, Relating to Excluding Farm Lands from the Limits of City, Town and Villages.

Was read the first and second time and referred to the committee on City and Municipal Corporations.

House Bill No. 50: A Bill for an Act to Amend and Re-enact Section 1146 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 213 of the Session Laws of 1917, Relating to Changing of School District Boundaries.

Was read the first and second time and referred to the committee on Education.

House Bill No. 51: A Bill for an Act to Prohibit the Use of Tobacco by Smoking in Certain Places and Providing Penalty.

Was read the first and second time and referred to the committee on Temperance.

House Bill No. 107: A Bill for an Act to Amend and Re-enact Section 10298 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 107 of the Laws of North Dakota for the Year 1910, Relating to the Season for Killing Deer.

Was read the first and second time and referred to the committee on Game and Fish.

House Bill No. 108: A Bill for an Act to Amend and Re-enact Section 28 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to Trespassing on Lands Where Hunting is Prohibited.

Was read the first and second time and referred to the committee on Game and Fish.

The courtesies of the floor were extended to S. P. Ellis of Valley City, C. O. Langer of Sanborn, C. E. Bailey of Richland County, Ex-Senator Haggart of Fargo, N. H. Butler of Cooperstown, Gust Lindbloom of Kulm, H. S. Blood of Devils Lake, S. J. DaDue of Minot, F. B. Wood of Deering, J. B. Gunderson of Aneta, G. A. Bodner of Kenmare and E. J. Pepke of Minot.

Senator Baker moved that the Senate Recess until 1 o'clock P. M. tomorrow, which motion prevailed.

W. J. PRATER,
Secretary.

CALENDAR.

Senate Bill No. 115: A Bill for an Act to Amend and Re-enact Sections 3, 6, and 12 of Chapter 157 of the Session Laws of 1919 Regular Session, Relating to the Authorizing and Regulating the Exchange of Reciprocal or Insurance Contracts Among Individuals, Partnerships and Corporations.

Senate Bill No. 103: A Bill for an Act to Compel City Councils, City Commissions and Boards of Education of Independent School Districts to Publish Proceedings of All Meetings in Official Paper to be Designated by Them.

Senate Bill No. 104: A Bill for an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

Senate Bill No. 84: A Bill for an Act to Appropriate the Sum of Eight Hundred Twenty-one and 75-100 Dollars (\$821.75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Senate Bill No. 47: A Bill for an Act Appropriating Twenty-six Thousand Dollars (\$26,000.00) for the Construction, Erection and Equipment by the State Highway Commission of an Automobile and Machine Shop at the Capitol at Bismarck.
Concurrent Resolution by Van Camp and Baird.

House Bill No. 4: A Bill for an Act Making it a Felony for a Male Person Over the Age of Sixteen Years to Take Indecent Liberties With a Child Under the Age of Fourteen Years, and Providing a Penalty Therefor.

House Bill No. 37: A Bill for an Act to Amend and Re-enact Section 466 of the Compiled Laws of North Dakota for the Year 1913, Relating to Preliminary Qualifications of Applicants for Licenses to Practice Medicine in the State of North Dakota.

House Bill No. 56: A Bill for an Act to Amend and Re-enact Section 7643 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Judgments, District and Supreme Courts to Direct.

House Bill No. 74: A Bill for an Act to Amend and Re-enact Section 7660, Compiled Laws of 1913, Relating to Causes for a New Trial.

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as Amended by Chapter 143, Session Laws of 1919.

House Bill No. 45: A Bill for an Act to Amend and Re-enact Section 3967 of the Compiled Laws of North Dakota for the Year 1913, Relating to Errors and Deficiencies in City, Town or Village Plats.

THIRTY-SIXTH DAY AFTER RECESS AND
THIRTY-SEVENTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 9, 1921.

The Senate convened at 1 o'clock P. M. pursuant to recess taken, the President presiding.

REPORTS OF STANDING COMMITTEES.

The committee on Warehouse and Grain Grades made the following report:

Mr. President: Your committee on Warehouse and Grain Grades to whom was referred:

Senate Bill No. 100: A Bill for an Act Relating to the Storing and Redelivering of Grain by Public Warehousemen.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
Chairman.

Mr. Liederbach moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

Senate Bill No. 7:

A Bill for an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Have had the same under consideration and recommend that the same be amended as follows:

Section 1 after the numeral "225" add the word "session" and after the word "Dakota" add the words "for the year."

And when so amended recommend the same do pass.

A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 66: A Bill for an Act to Promote, Foster and Encourage the Proper Marketing of Agricultural Products and By-Products, and for the Creation of a Co-Operative Marketing Association and Providing for License Fees.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 118: A Bill for an Act to Amend and Re-enact Section 5097 of the Compiled Laws of the State of North Dakota, for the Year 1913, Relating to Cemetery Corporations

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 9: A Bill Entitled, an Act to Protect Trade Mark of Workmen's Unions and the Wearing of Union Buttons.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 150: A Bill for an Act to Amend and Re-enact Section 9804 and Section 9805 of Chapter 55 of the Laws

of North Dakota for the year 1913, Regulating the Sale to and Use of Fire Arms by Minors and Providing a Penalty for the Violation Thereof.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 99: A Bill for an Act to Abolish the Present and to Provide a New System of Legal Procedure Both Civil and Criminal, by Authorizing the Supreme Court to Prescribe Forms and Rules, and Generally to Regulate Pleading, Evidence and Practice.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Cities and Municipal Corporations made the following report:

Mr. President: Your committee on Cities and Corporations to whom was referred:

Senate Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the Year 1913, Permitting Incorporated Towns and Villages Having a Population of Not Less Than Two Hundred Inhabitants to Become Incorporated as a City.

Have had the same under consideration and recommend that the same be amended as follows:

In line 5 of the Printed Bill after the word "whenever" strike out "one-twentieth" insert in lieu thereof "one tenth." Also in the same line strike out "one-tenth" and insert in lieu thereof "one-fifth." In line 17 of the Printed Bill after the word "in" strike out the word "two" and insert in lieu thereof the word "four."

And when so amended recommend the same do pass.

W. S. WHITMAN,
Chairman.

Mr. Whitman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Agriculture made the following report:

Mr. President: Your committee on Agriculture to whom was referred:

Senate Bill No. 79: A Bill for an Act to Create the Office of State Weed Commissioner, and to Amend and Re-enact Chapter 25 of the Special Session Laws of North Dakota for the Year 1919, and Making an Appropriation Therefor.

Have had the same under consideration and recommend that the same be indefinitely postponed.

OLE ETTESTAD,
Chairman.

Mr. Ettestad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 11:

A Bill for an Act Amending and Re-Enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913, Relating to Unlawful Obligations in Writing.

Have had the same under consideration and recommend that the same be amended as follows:

Strike out everything after the words "A Bill" and insert in lieu thereof the following:

For an Act Amending and Re-enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913, Relating to Unlawful Obligations in Writing.

Be it Enacted by the Legislative Assembly of the State of North Dakota.

Section 1. AMENDMENT. Section 10251, Compiled Laws of North Dakota, for the year 1913, is hereby amended and re-enacted to read as follows:

Section 10251. UNLAWFUL OBLIGATIONS IN WRITING. Every person who takes any obligation in writing for any lightning rod, or any of its attachments, or for any patent right or claimed to be a patent right, or for which any stallion or jackass shall form the whole or any part of the consideration, or for any patent medicine, or for which the whole or any part of the consideration shall be the future cure of any disease or ailment, or for the sale of the capital stock of foreign corporations shall form the whole or any part of the consideration, shall, before it is signed by the maker, stamp or write in red ink across the face of such written obligation in plain, legible writing, or print, the words "given for a lightning rod," or "given for a patent right," or "given for a stallion," or "given for a jackass," or "given for patent medicine," or "given for the cure or disease," or "given for the sale of capital stock for foreign corporations," as the case may require provided this act shall not apply to the sale of capital stock of co-operative corporations. Such obligations so stamped shall be subject to defenses in the hands of every holder or owner thereof. Any person who shall violate the provisions of this section is guilty of a misdemeanor, and upon conviction thereof is punishable by a fine of not less than two hundred and fifty dollars and not exceeding one

thousand dollars, or by imprisonment in the county jail not more than one year, or by both such fine and imprisonment, and shall be liable in a civil action to the party injured for all damages sustained by him.

Section 2. REPEAL. All Acts, or parts of Acts, in conflict with this Act, are hereby repealed.

Section 3. EMERGENCY. Whereas, it is necessary to protect the best interests of the state that this bill become a law at an early date. This act shall be considered an emergency and be in force and effect immediately after its passage and approval.

And when so amended recommend the same to pass.

R. L. FRASER,
Chairman.

Mr. Garberg moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 53: A Bill for an Act to Amend and Re-enact Chapter 160 of the Session Laws of North Dakota for the Year 1919 as Amended by Chapter No. 38 of the Special Session Laws of the 16th Legislative Assembly of the State of North Dakota for the Year 1919 Relating to State Hail Insurance.

Have had the same under consideration and recommend that the same be amended as follows:

After the enacting clause insert the following: "Chapter 160 of the Session Laws of North Dakota for the year 1919, as amended by Chapter 38 of the Special Session Laws of the 16th Legislative Assembly of the State of North Dakota for the year 1919 is hereby amended and re-enacted to read as follows:

Section 1, insert at end of section: The term year wherever used in this Act shall mean the calendar year.

Section 3, line 18 of the printed bill, strike out the entire line after the word "shall" and all of line 19, 20, 21 and 22 to the end of the sentence, and insert in lieu thereof the following: "Upon order of the Emergency Commission after it has ascertained the needs of the department, use such additional sum as may be necessary to meet such emergency."

Section 5. In line 6 and 7 strike out (except fall and winter grain).

Section 5, at the end of section insert the following: "Provided that insurance on fall and winter grain shall take effect June 1st of each year."

Section 7, line 7 of printed bill, strike out the word "same" and insert in lieu thereof the words "the department." In line 12 same section strike out the words "actually cultivated

and" and after the word land insert the word "insured." In line 16 same section after the word "cents" insert the words "per acre."

Section 11, line 2, strike out the words "coming under" and insert in lieu thereof the words "subject to." In line 7 of printed bill, section 11, after the word "owner" insert the words "and tenant." In line 13 at end of line after the word owner add the words "or tenant." In line 16, same section, after the word "owner" insert the words "and tenant if any" and in line 17, same section after the word "owner" insert the words "and tenant."

Line 12, section 13, insert the word "in" between the words "that" and "any" and in the same line insert the words "where the," between the words "county" and auditor. In same line strike out the word "who" after the word "auditor."

Section 13 on line 7, strike out the words "the county auditor of each" all of line eight and line nine over to and including the word "shall" and in lieu thereof insert the following: "Each county shall receive the sum of \$250.00 to"

Line 15, same section, strike out the word "he" and insert in lieu thereof the words "such county auditor."

Section 18 of printed bill, line 8, after the word "insured" insert the words "and of any other party having an interest in the indemnity."

Section 20 line 7, insert the letter "a" between the words "by and joint."

Section 21 line 20 of the printed bill, strike out the words "on the first" and insert in lieu thereof "prior to the 15th."

Section 22 in line 1 of printed bill change the word "Exemption" to "exempt" and insert the word "from" before the word "garnishment."

Section 23 line 14, of the printed bill strike out the words "and approval of the governor."

Section 23 line 31 after the word "be" strike out the remainder of the line and in line 32 up to and including the word "fund" and in lieu thereof insert the word "discontinued." In line 36 same section after the word "provided" insert the words "further that."

In lines 37 and 38 strike out the word "provided" and in lieu thereof insert the word "received." In line 40 same section at end of line add the following: "Provided further that \$2,000. be paid by the State Hail Insurance Department to the general fund of the state annually to care for extra work entailed upon the department of the State Auditor and State Treasurer."

Section 24, line 5, change the word "leasor" to "lessee."

Section 24, line 10 of printed bill after the word "act" insert the words "plus six cents per acre."

Section 25 lin 3, strik out the letter "s" at the end of the word "commissioners."

And when so amended recommend the same to pass.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Health made the following report:

Mr. President: Your committee on Public Health to whom was referred:

House Bill No. 40: A Bill for an Act to Amend and Re-enact the Hotel Inspection Laws of North Dakota, the Same Being Article 57 of the Political Code of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 170- Session Laws of 1915 and Chapter 133, Session Laws of 1917.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. C. GROSS,
Chairman.

M. Gross moved that the report be adopted, which motion prevailed and the report for adopted.

Mr. Rusch moved that 2,000 extra copies of Senate Bill No. 53, of the amended bill, be printed, which motion prevailed.

SENATE ROLL CALL.

On motion of Mr. Rusch that 2,000 extra copies of Senate Bill No. 53, as amended, be printed.

The question being on the motion of Mr. Rusch the roll was called and there were ayes 42, nays 0, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Carey, Eastgate, Etestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, McLachlin, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Church, Liederbach, McNair, Oksendahl, Ployhar, Ward.

So the motion prevailed.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the year 1919, Relating to compensation of Court Stenographers, and Providing for the Payment of Expenses.

Have had the same under consideration and recommend that the same be amended as follows:

That Section 780 be changed to read as follows:

Sec. 780. Each court stenographer shall receive a salary of Two Thousand Dollars (\$2,000.) per annum, payable in monthly equal installments in the counties constituting the judicial district in which he is employed, which salary shall be apportioned according and in proportion to the number of suits entered and commenced in the district court of the respective counties of such district in the preceding year. It shall be the duty of the presiding judge of each judicial district, on the first day of January, of each year, or as soon thereafter as may be, to apportion the amount of such salary to be paid by each county, in his district on the basis aforesaid, and it shall be the duty of the County Auditors of the respective counties in such judicial district to issue to the order of such court stenographer a warrant for the amount shown to be due by such apportionment. As reimbursement for expenses incurred in the performance of his official duties outside of the county where the District Court chambers are situated, the court stenographer shall receive for actual living expenses a sum not to exceed Four (\$4.00) Dollars per day and for travel, actual transportation, which sums shall be paid monthly upon the order of the District Judge, by the county wherein such court stenographer is at such time attending to his official duties. For the making of transcripts and four copies thereof, such court stenographer shall be entitled to receive compensation at the rate of fifteen cents for each one hundred words, and the same when ordered by the judge, shall be paid by the county chargeable with the costs of the action, and in all other cases, by the party requesting such transcripts; provided, however, that when five additional copies are ordered at the same time for the use of the same party, then such court stenographer shall be entitled to receive ten cents per hundred words, for such additional copies.

And when so amended recommend the same to pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. Mees moved that Senate Bill No. 31 be further amended as follows: In line 4, the word "he" be stricken out and the words "said stenographer" be substituted in lieu thereof.

Which motion prevailed.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 30: A Bill for an Act to Amend and Re-enact Section 9 of Chapter 167 of the Session Laws of North Dakota for the Year 1919, Relating to the Salary and Expenses of the District Judges.

Have had the same under consideration and recommend that the same be amended as follows:

That Sec. 9, line 2, of the printed bill, after the word "receive," the following words be inserted: "actual transportation and hotel expenses."

Also, same Section, line 6, strike out the word "without" and insert in lieu thereof the word "by;" in line 7, strike out the word "any" and insert in lieu thereof the word "an;" same line, after the word "statement," add the words "with proper board."

That Section 9, line 2, after the word "receive," strike out the words: "the further sum of One Hundred Dollars per month."

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

A Concurrent Resolution petitioning Congress of the United States to take steps toward the Establishment of a National Park in Billings County, North Dakota, Embracing the wonderful petrified forest located therein, to be called Roosevelt Park.

Have had the same under consideration and recommend that the same be adopted.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. Fraser moved that the rules be suspended in so far as it was necessary to reconsider the clincher motion on House Bill No. 5.

Which motion prevailed.

Mr. Fraser moved that the vote by which the report of the Conference Committee on House Bill No. 5 was adopted, be reconsidered.

Which motion prevailed.

Mr. Bowman moved that Conference Committee report on House Bill No. 5 be made a special order for 3 o'clock P. M.

Which motion prevailed.

CONSIDERATION OF MESSAGES FROM THE HOUSE HOUSE CHAMBER

Bismarck, N. D., Feb. 9, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 113: A Bill for an Act to Amend and Re-enact Section 2495 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Levy of Taxes for Interest for Drainage Purposes and Creating Sinking Fund.

House Bill No. 115: A Bill for an Act to Amend and Re-enact Section 6854 of the Compiled Laws of North Dakota for the Year 1913, Relating to Thresher's Liens and Who May Have.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., Feb. 9, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to:

House Bill No. 17: A Bill for an Act to Make Unlawful the Unauthorized Use of the Name, Insignia of, or the Impersonation of the Membership in the American Legion, and Providing a Penalty for the Violation Thereof.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., Feb. 9, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate concurrent resolution relating to:

Conditions in the State Training School at Mandan. The Speaker appointed Messrs. Olsen of Billings, Reichert and Kopp as members of the committee to investigate said conditions.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator Bond moved that the Senate do now adjourn.

Which motion prevailed.

THIRTY-SEVENTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 9, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Edward F. Jordan.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Thirty-fifth day after recess and the Thirty-sixth day and recommend that the same be corrected as follows:

On page 8, line 2, strike out the figures "42" and insert in lieu thereof the figures "72," strike out the balance of line 2 and all of lines 3 and 4 and insert in lieu thereof the title to Senate Bill 72.

On page 10, fifth line from the bottom of the page, correct the spelling of the word "thirty-sixth."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

PETITIONS AND COMMUNICATIONS

Petition to Sen. R. W. Patten.

To the Honorable Senators and Representatives of the 17th Legislative Assembly:

We, the undersigned, residents of the State of North Dakota, hereby urge your earnest consideration of the Senate Bill No. 2, introduced by Senator Whitman, being a concurrent resolution for an amendment to the Constitution, establishing a trunk highway system for the State of North Dakota; we endorse the general plan in such resolution contained and recommend the presentation of the said resolution with such minor amendments which may be deemed by you advisable.

F. J. TRAYNOR,
AND 64 OTHERS.

Brampton, North Dakota, Feb. 4, 1921

To the Senator and Representatives of Sargent County, North Dakota:

We, the undersigned, residents of Sargent County, North Dakota, respectfully urge you to vote against any and all Bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

GEO. W. BUCHMILLER,
AND 24 OTHERS.

Streeter, North Dakota, Feb. 4, 1921.

To the Senator and Representatives of Stutsman County, North Dakota:

We, the undersigned, residents of Stutsman County, North Dakota, respectfully urge you to vote against any and all

Bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

W. E. BARRINGER,
AND 12 OTHERS.

To the Hon. Fred Van Camp, Senator from Pembina County, North Dakota:

We, the undersigned, voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau, be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

W. J. FAHEY,
AND 15 OTHERS.

Crystal, North Dakota.

To the Members of the Legislature from Pembina County:

We, the undersigned, taxpayers of the Crystal School District No. 41, petition you to introduce and use your best efforts to have passed at the next session of the legislature a bill to more evenly distribute the taxation for maintaining high schools in villages or rural districts. As it is now, a few are burdened with heavy taxation, and others receive the same benefit with practically no tax. In districts where high schools are maintained, it costs \$1.00 per acre per year, or more, for tax, while in adjoining school districts the tax on the land is about 40c per acre per year. The high school must educate the pupils of the adjoining districts.

We ask that either the state levy a tax and maintain a fund to defray all expenses of the rural and village high schools and have the state decide where such high schools should be located, or that the state should be redistricted and the high schools given enough territory to lessen the tax burden for them.

OTTO C. SCHULZ,
AND 17 OTHERS.

To Hon T. J. Kelsch, State Capitol, Bismarck, N. D.:

We request you support Whitman Good Roads Bill pending before legislature. We want real state road system.

F. M. WALTON,
AND 6 OTHERS.

NORTH DAKOTA FEDERATION OF CIVIC AND COMMERCE ORGANIZATIONS

Re: Senate Bill No. 86.

WHEREAS, The general import and effect of Senate Bill No. 86 would be to embarrass, limit and prevent a concerted program of importance to municipal improvement; and

WHEREAS, An individual or a few individuals might by petition prevent such program or a part thereof greatly to the injury of progress in the community municipal improvement:

BE IT RESOLVED, That the North Dakota Federation of Civic and Commerce Organizations respectfully protest the passage of such bill.

G. N. KENISTON,
President.

H. N. STANTON,
Secretary.

To the Honorable Members of the Senate of the Seventeenth Legislative Assembly of the State of North Dakota:

We, the undersigned, respectfully petition your honorable body to pass House Bill 5 and Senate Bill 18, and that you pass NO LAWS permitting the sale of cigarettes.

THE FIRST BAPTIST CHURCH OF MINOT,
ANTHONY WALTON,
Chairman Board of Trustees.
GERTRUDE L. LOWE,
Clerk.

Grand Forks, N. D., Feb. 8th, 1921.

Hon. W. S. Whitman, State Senator, Bismarck, N. Dak.:

Dear Sir: The Commissioners of Grand Forks County have looked over Senate Bill No. 117, introduced by Senator Bond.

We are unanimously in favor of this bill, as the counties of the state have no regularly designated depositories for county funds at this time.

We would therefore ask you to use your best efforts in having this bill become law.

Yours very truly,

COUNTY COMMISSIONERS OF GRAND FORKS CO.

Ryder, North Dakota, February 7th, 1921.

Senator Whitman, State Senate, Bismarck, North Dakota:

Dear Mr. Whitman: I am herewith enclosing to you petition of the residents of the Ryder and territory adjacent thereto asking for action by the Legislature on your concurrent resolution establishing a highway system.

Trust that you will be able to make use of this petition and that we will hear before the week is over that the matter is in progress and has a show of passage at least.

Yours very truly,

B. A. DICKINSON,
Secretary.

Missouri Slope Good Roads Association.

To the Honorable Senators and Representatives of the Seventeenth Legislative Assembly:

We, the undersigned, residents of the State of North Dakota, hereby urge your earnest consideration of Senate Bill No. 2, introduced by Senator Whitman, being a concurrent

resolution for an amendment to the Constitution, establishing a trunk highway system for the State of North Dakota. We endorse the general plan in such resolution contained and recommend the presentation of the said resolution with such minor amendments which may be deemed by you advisable.

NORTH DAKOTA FEDERATION OF CIVIC AND COMMERCE ORGANIZATIONS

WHEREAS, The present stringent financial situation seems to threaten the normal operation of our educational, penal and charitable institutions; and

WHEREAS, That normal operation is imperative to the safety of the mental and moral well being of our state and its future citizenship; and

WHEREAS, The proposed millage tax will at once provide ample funds and enable the educational institutions to forecast the future:

BE IT RESOLVED, By the North Dakota Federation of Civic and Commerce Organizations that the 17th Session of the North Dakota Legislature be encouraged to protect the normal operation of these several institutions with such a degree of economy as shall be consistent with their normal continuance.

RESOLVED FURTHER, That we do endorse and recommend for passage such a millage as will assure permanent improvement and enlargement as each institution may require.

G. N. KENISTON,
President.

H. N. STANTON,
Secretary.

NORTH DAKOTA FEDERATION OF CIVIC AND COMMERCE ORGANIZATIONS

WHEREAS, Good roads are a fundamental necessity to the economical development of the state; and

WHEREAS, The construction of permanent good roads is a problem of engineering and finance; and

WHEREAS, Vast sums of money are being expended on temporary road construction with inadequate or permanent returns; and

WHEREAS, Intelligent road construction and improvement is dependent upon the intensive and skilled co-operation of township and county organization; and

WHEREAS, The adequate financing of the construction of a state road system in conjunction with the plans of the Federal Government thru its bureau of public roads requires skilled and adequate engineering and financing, and the support of an undivided public sentiment; and

WHEREAS, The North Dakota State Good Roads Association proposes to meet the above named and other exigencies of permanent road construction; and

WHEREAS, The Whitman Bill proposed in the present session of the Legislature seems to supply adequate finance and engineering skill:

BE IT RESOLVED, That the North Dakota Federation of Civic and Commerce Organizations cordially endorses the North Dakota State Good Road Association, and urge the immediate passage of the Whitman Bill which carries a referendum at the general election.

G. N. KENISTON,
President.
H. N. STANTON,
Secretary.

NORTH DAKOTA FEDERATION OF CIVIC AND COMMERCE ORGANIZATIONS

WHEREAS, The present stringent financial situation seems to threaten the normal operation of our educational penal and charitable institutions; and

WHEREAS, That normal operation is imperative to the safety of the mental and moral well being of our State and its future citizenship; and

WHEREAS, The proposed increased millage tax will at once provide ample funds and enable the educational institutions to forecast the future;

BE IT RESOLVED, By the North Dakota Federation of Civic and Commerce Organizations that the 17th Session of the North Dakota Legislature be encouraged to protect the normal operation of these several institutions with such a degree of economy as shall be consistent with their normal continuance.

RESOLVED FURTHER, That we do endorse and recommend for passage such a millage as will assure permanent improvement and enlargement as each institution may require.

G. N. KENISTON,
President.
H. N. STANTON,
Secretary.

Hazelton, N. Dak., February 8, 1921.

To the Legislative Assembly now in Session at the Capitol,
Bismarck, N. Dak.:

We, the undersigned, qualified voters of Hazelton and vicinity, in Emmons county, respectfully petition that the State Normal-Industrial School situated at Ellendale be continued and all legislation necessary for the continuance of said school be favorably passed.

LA DELLE H. BRIGGLE,
And 59 Others.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 21: A Bill for an Act Creating a Public Health Commission; Fixing the Membership Thereof, and Defining its Powers and Duties.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 47: A Bill for an Act Appropriating Twenty-six Thousand Dollars (\$26,000.00) for the Construction, Erection and Equipment by the State Highway Commission of an Automobile and Machine Shop at the Capitol at Bismarck.

Senate Bill No. 84: A Bill for an Act to Appropriate the Sum of Eight Hundred Twenty-one and 75-100 Dollars (\$821.-75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Senate Bill No. 103: A Bill for an Act to Compel City Councils, City Commissions and Boards of Education of Independent School Districts to Publish Proceedings of All Meetings in Official Paper to be Designated by Them.

Senate Bill No. 104: A Bill for an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 66: A Bill for an Act to Provide for the Payment of Non-Resident Tuition Fee in the High School Department of Standardized Graded and Standardized High Schools Receiving State Aid.

Have had the same under consideration and recommend that the same be amended as follows:

Section 4 of the engrossed bill. After the figure 4, strike out everything to end of section and insert in lieu thereof the following: Section 4. "REPEAL" "All Acts or parts of Acts in so far as they conflict herewith are hereby repealed."

Also amend title by adding at end of same the words "Re-

pealing acts or parts of acts in so far as they conflict with this act."

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. Garberg moved that the rules be suspended in so far as it was necessary to permit the introducing of bills, which motion prevailed.

Mr. Ingerson moved that an extension of time be given on all bills in the hands of the Insurance committee, which was granted.

SPECIAL ORDER, 3 P. M.

Mr. Fraser moved that the Senate do not accept the Conference Committee report on House Bill No. 5, which motion prevailed.

MOTIONS AND RESOLUTIONS.

Mr. Liederbach moved that rules regulating the examination of the audit of the State Industries be printed in the Journal, which motion prevailed.

RULES AND REGULATIONS GOVERNING THE PROCEDURE BEFORE THE SENATE COMMITTEE APPOINTED TO INVESTIGATE AND REPORT THE AFFAIRS OF THE STATE INDUSTRIES.

RULE 1.

The Senate Committee shall meet with the State Auditing Board in the office of the State Auditor at such times and such other places and times as it may from time to time designate.

RULE 2.

The committee shall select a secretary who shall keep a full and complete record of all proceedings had before the Committee and a complete report of all testimony taken, including papers, documents and records which may be offered in connection therewith. All testimony shall be taken in shorthand by a reporter, duly appointed and sworn for that purpose and by him transcribed. The oath of said reporter shall be the same as that of a court reporter for the District Court.

RULE 3.

The chairman shall issue subpoenas for witnesses upon application of counsel for the Committee or of any members of the Committee, which subpoenas shall be attested by the secretary, and which subpoenas shall state the time and place at which the same shall be returnable.

RULE 4.

All witnesses subpoenaed shall report to the Secretary of

said Committee and the mileage and per diem shall be paid to said witnesses the same as in civil cases before the District Courts.

RULE 5.

The Sergeant-at-Arms of the Senate shall serve such subpoenas upon witnesses from time to time, as he shall be directed by this Committee. Proof of service of such subpoena shall be the same as in civil cases before the District Court.

RULE 6.

The usual oath administered in District Court shall be administered to each witness by the Chairman of the Committee.

RULE 7.

The Attorney General of the State shall act as the attorney for the Committee but Senators Ployhar and Murphy, representing the minority of the Committee, may at their discretion employ an attorney of their own, if they so desire.

RULE 8.

The members of the State Board of Auditors shall be allowed to sit with the Committee in an advisory capacity, and shall be permitted to ask any questions or question any witnesses through the attorney or attorneys conducting the proceedings, but they shall have no vote.

RULE 9.

Any member of the Committee may call, subpoena and examine any witness, expert or otherwise, and the constitutional right of any witness to appear with counsel should not be denied.

RULE 10.

All hearings and proceedings shall be open to the public. There shall be no executive sessions.

RULE 11.

The procedure before the Committee shall be orderly conducted and without reference to formal rules of evidence and procedure.

RULE 12.

The Chairman of the Committee shall direct and make all necessary preparations for the hearing before said Committee and shall preside as Chairman at the proceedings.

RULE 13.

In the event of any witnesses failing to appear before the Committee in answer to a subpoena, the Chairman of the committee shall report such fact to the Senate, together with a complete statement of all the facts concerning same. Such statement shall be signed by the Chairman and attested by the Secretary and shall be filed with the President of the Senate for such proceedings as the Senate may deem advisable.

RULE 14.

In the event that any witness refuses to answer a question or questions put to him by counsel of the Committee, or by any member of the Committee, the Chairman shall report

same to the Senate, together with a statement showing all of the facts connected with same, which statement shall be signed by the Chairman and attested by the Secretary and shall be filed with the President of the Senate for such proceedings as the Senate may deem proper.

RULE 15.

All evidence, documents, papers and exhibits, or certified copies thereof, offered and received in this proceeding shall be filed with and kept in the custody of such Committee until the further order of the Committee.

FINAL RULE

A majority of the Committee may make additional rules and regulations from time to time, as they deem necessary or advisable.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Garberg introduced:

Senate Bill No. 190: A Bill for an Act to Amend and Re-enact Article 9 and Section 1674, and 1675 of the Compiled Laws of 1913, and to Repeal Sections 1676, 1677, 1678, and 1679 of the Compiled Laws of 1913.

Was read the first and second time and referred to the committee on Public Health.

Mr. Garberg introduced:

Senate Bill No. 191: A Bill for an Act to Amend and Re-enact Section 1679a and 1679b, Relating to Forestry and Nursery.

Was read the first and second time and referred to the committee on Public Health.

THIRD READING OF SENATE BILLS.

Mr. Ingerson moved that Senate Bill No. 115 be amended as follows: On the first line change the words "Sec. 6" to read "Sec. 2".

On line one, page 3, change the words "Sec. 12 Amended" to "Sec. 3 Amended."

Which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 115: A Bill for an Act to Amend and Re-enact Sections 3, 6, and 12 of Chapter 157 of the Session Laws of 1919 Regular Session, Relating to the Authorizing and Regulating the Exchange of Reciprocal or Insurance Contracts Among Individuals, Partnerships and Corporations.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 45, nays 0 absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardi-

ner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not Voting: Carey, Kelsch, Liederbach, Nelson.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 103: A Bill for an Act to Compel City Councils, City Commissions and Boards of Education of Independent School Districts to Publish Proceedings of All Meetings in Official Paper to be Designated by Them.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not Voting: Carey, Kendall, Liederbach, Nelson.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 104: A Bill for an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowma. i, Bryne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Carey, Kendall, Nelson.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 84: A Bill for an Act to Appropriate the Sum of Eight Hundred Twenty-one and 75-100 Dollars (\$821.-75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Was read the third time

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Carey, Nelson.

So the bill passed and the title was agreed to.

Mr. Nathan moved that further consideration of Senate Bill No. 47 be indefinitely postponed, which motion was lost.

Mr. Rusch moved that Senate Bills Nos. 106, 107 and 108 be re-referred to State Affairs Committee.

Which motion prevailed.

Mr. Olson asked for an extension of time on bills before the State Affairs Committee. Which extension was granted.

SENATE ROLL CALL

Senate Bill No. 47: A Bill for an Act Appropriating Twenty-six Thousand Dollars (\$26,000.00) for the Construction, Erection and Equipment by the State Highway Commission of an Automobile and Machine Shop at the Capitol at Bismarck.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 23, nays 26, absent and not voting 0.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church Ettestad, Fleckten, Fraser, Garberg, Gross, Ingerson, Levang, Mees, Miklethun, Noltimier, Olson, Oksendahl, Patten, Thorson, Ward, Wenstrom, Whitman.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Hagan, Kelsch, Kendall, Liederbach, McLachlin, McNair, Murphy, Nathan, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp, Wog.

So the bill was lost.

Mr. Ployhar moved that the vote by which Senate Bill No. 47 was lost be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Courtesies of the floor were extended to W. E. Cook, Harvey, N. D., Hampton Lyness, Fessenden, N. D., R. G. Meyers, Robinson, N. D., Mayor A. G. Bonhus, Alfred I. Anderson, D. W. Clark, E. C. Hilborn, Valley City; H. S. Swingen, W. H. Richardson, Hannaford, N. D.; W. D. Lynch, LaMoure; Paul V. Messer, Dickinson; J. J. Schmidt, Richardton; C. P. Stone, Grafton; O. E. Lofthus, Adams; A. S. Spicher, Des Lacs; August Krantz, Kenmare; H. C. Frahm, Minot.

Senator Baker moved that the Senate do now recess until 1 P. M. tomorrow, which motion prevailed and the Senate recessed.

W. J. PRATER,
Secretary.

THIRTY-SEVENTH DAY AFTER RECESS AND
THIRTY-EIGHTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February, 10, 1921.

The Senate convened at 1 o'clock P. M., pursuant to recess taken, the president presiding.

PRESENTATION OF PETITIONS AND COMMUNICA-
TIONS

To the Hon. Jerry Stevens, Senator from Ramsey County,
North Dakota:

We the undersigned voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration that the State Normal and Industrial School at Ellendale, The State School of Science, at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

T. H. WOLELY,
And 47 Others.

Fargo, N. D., Feb. 8, 1921.

Hon. Peter McLachlin, Bismarck, N. D.:

Dear Sir: I wish to call your attention to a bill that has been introduced to have a Board of Censors appointed to inspect all films for the movies before they can be shown in this state.

You may or may not know that we now have a National Board of Censors that cannot possibly be improved upon by any appointees of Gov. Frazier.

To send every film to Bismarck for inspection would require at least four days extra time and this would add materially to the rental value of the films, then the express charges both ways, and the fees, would make, taken altogether, a heavy increase in the cost of the films.

A further objection, many times the Censors would not run them off and return promptly and we might find ourselves without any films quite often.

I believe you will readily see the injustice of this measure without any further comment from me.

Yours truly,
W. J. HAWK.

Minot, North Dakota.

RESOLUTION BY PARK BOARD

Moved by Walker and seconded by Emerson that the following resolution be passed:

WHEREAS, The Legislature of this state has under consideration, Senate Bill No. 41, introduced by Senator PLOTT, which, if enacted into law, would prevent all Boards of Park Commissioners from issuing bonds in any and all amounts until the question had been submitted to the voters of the District, and this Board having been informed that a bill of similar nature has been introduced by Representative Noltmier in the House; and

WHEREAS, Such a bill could not help but be a hindrance to the beautifying of the cities and the health and happiness of the residents of the cities and villages of the state; and

WHEREAS, As the law now is, the people are protected from any excessive bond issue until the same is submitted to the people; and

WHEREAS, Many plans have been under consideration by different Boards of the state, and contracts entered into and obligations incurred under a belief in the stability of the law as it now exists; and

WHEREAS, while this Board believes that the people of Minot are behind it and its works, almost to a voter, yet this might not be true at other places, and, to put such a question to a vote is simply to invite and encourage factional strife and hard feelings in communities, when all should be back of the Park enterprises; and

WHEREAS, One of the first things in a development program of city beautifying and park planting is to bargain for or purchase some particularly good piece of land, woods and water in a suitable location, at a price that is right, which, of course, could not legally be done in advance of a bond issue, and when the bond issue is to be voted on, it will take time, and when these bonds are finally issued, there is always a political scramble and pull by interested parties to buy up the proposed park ahead of the Park Board and use it for speculative purposes, or to get rid of some worthless piece at a big price, the net result being that there is a contest and strife that follows, and in many cases, injunction suits are brought with the net result that there is a substantial number of people disgruntled, and oppose, not only this particular project, but other projects put forth by the same Board or its successor regardless of their merits, to the damage and disgust of the whole community; and

WHEREAS, The expense of an election is great and no one can know in advance whether or not bonds could be sold if voted, and the having of such a law would surround any rea-

sonable development with such trouble, expense and uncertainty as to discourage the Board members, who work without salary, and indefinitely postpone the development of beauty spots, which North Dakota is so greatly in need of.

NOW, THEREFORE, BE IT RESOLVED, That we, the Board of Park Commissioners of the City of Minot, urge upon Senator Bond and Representatives Burns, Carlson, Johnson and Mouck of this District, in particular, and all other Senators and Representatives in the State who are in favor of making North Dakota a more pleasant place to live in and a healthier and safer place to raise up a family, regardless of their party or factional affiliations, to vote and work against both of those bills.

RESOLVED FURTHER, That copies of this Resolution be sent by Commissioner Lambert, who is presiding at this meeting, and heartily approves this Resolution, to at least our own District members, and to as many more as he may deem advisable.

I hereby certify that the foregoing resolution was passed by a unanimous vote at a meeting of the Minot Park Board held in the City Hall in Minot, Ward County, North Dakota, on this, the first day of February, 1921.

Signed: A. H. KURTH,
Clerk.

A PETITION

Presented by D. J. Beisel.

We, the undersigned, being residents and voters of your district, most respectfully request that you use your influence and vote against any bills, which may be introduced in our Legislature, the object of which is to impose burdens or unfair conditions and restrictions or excessive license fees on rural merchants selling and delivering spices, extracts, toilet preparations, domestic and stock remedies, dips, disinfectants, etc.

We have with us such merchants, who live in our county, who are taxpayers, and carry on their business in such a way that is a great convenience to us, and we have found that in almost every instant the goods they sell are first class in every respect, and we would most seriously protest against a passage of any law that would prevent them from supplying us with their goods.

Not only do we appreciate their service, but it furnishes suitable and honorable occupation for numerous good men who are industrious and try to make an honest living for themselves and their families. We would consider it a personal injustice as well as tending to foster monopoly and increase the cost of our household necessities to pass any legislation which would deprive these men of their business and your constituents of buying from whom they please and where they please. We, therefore, earnestly protest against the passage of any such bills. We have signed this petition fully understanding the same and the situation at hand.

Respectfully yours,
E. T. HELLAND,
And 57 Others.

Feb. 7, 1921.

To the Senator and Representatives of Stutsman County,
North Dakota:

We, the undersigned, residents of Stutsman County, North Dakota, respectfully urge you to vote against any and all bills which have for their purpose the abolishment of the State Normal and Industrial School of Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

LEO. W. BORGON,
And 38 Others.

Valley City, N. Dak., Feb. 9, 1921.

C. H. Noltimier, Bismarck, N. Dak.:

Dear Sir: We, the undersigned voters, think that you should support:

1st. The appropriation for maintenance WITHOUT ANY DECREASE for the amount recommended by the State Budget Board. (\$332,926.16).

2nd. The appropriation for extension of the campus (\$30,000.) and for a physical education building (\$200,000.).

We believe these appropriations are absolutely necessary for the Valley City State Normal School.

Very truly yours,
GLENN GRANGER,
And 4 Others.

To the Hon. W. J. Church, Senator from Benson County,
North Dakota:

We, the undersigned, voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal School at Mayville, and the State School of Forestry at Bottineau, be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

R. E. Stevens,
And 29 Others.

To Hon. P. Garberg, Senator from Adams Co.:

We, the undersigned, believe that the best interests of the State will best be served by continuing and perpetuating the following State Institutions: The Normal and Industrial School at Ellendale, the School of Science at Wahpeton, the State School at Bottineau, and the Normal School at Mayville, and we urge you to exert your influence for the maintenance of these institutions.

JAMES FARRELL,
And 26 Others.

Rolla, N. Dak., Feb. 7th, 1921.

A Copy of a Resolution Adopted by the Board of County Commissioners of Rollette County, North Dakota, in Regular Adjourned Session, February 4th, 1921:

WHEREAS, There has been introduced at the Seventeenth Session of the Legislative Assembly of the State of North Dakota, a bill known as Senate Bill Number 48, which bill provides for the classification of all acre property in the state; and

WHEREAS, Said Senate Bill Number 48 has been carefully read and considered by the Board of County Commissioners of Rollette County, North Dakota, in regular adjourned session assembled, all members of the Board being present;

NOW THEREFORE, It is moved by Commissioner Berg and seconded by Commissioner Martin that it is the sense of this Board of County Commissioners that action on Senate Bill Number 48 should be deferred at this session of the Legislative Assembly for the reason that a vast majority of the counties of the State of North Dakota are in a hard financial situation resulting from non-payment of taxes; failure of bidders to purchase Tax Certificates; crop failures and the furnishing of seed and feed to farmers and that therefore the financial condition of Rolette County and a large number of other counties in the western part of the state are such that it would be a burden upon the county and the taxpayers thereof to make surveys and classifications provided for in said Senate Bill Number 48; and that for the foregoing reasons we recommend to the Legislative Assembly the action on said bill at this session be indefinitely postponed.

IT IS FURTHER MOVED, That a copy of these minutes be mailed to the members of the Legislative Assembly from the 19th Legislative District and that a copy be mailed to Senator Mees the author of the bill.

On roll call to adopt the above resolution all members were present and voted "aye;" and the above resolution was declared duly adopted.

Signed: JAS. H. PENNY,
County Auditor.

Devils Lake, N. Dak., Feb. 9, 1921.

J. E. Stevens, Senator from Ramsey County, Bismarck, N. D.:

We request you support Whitman Good Roads Bill pending before Legislature. We want real state road system. Also support budget for University North Dakota as presented by President Kane.

DEVILS LAKE ROTARY CLUB,
DEVILS LAKE COMM'L CLUB,
DEVILS LAKE CITY COMMISSION.

The following Resolution was Unanimously Adopted by the Valley City Commercial Club at its Annual Meeting held on Tuesday Evening, February 8th.:

RESOLUTION

WHEREAS, Senator Whitman of Grand Forks County has introduced in the Senate of the State of North Dakota, "Senate Bill No. 2," a Concurrent Resolution for a Constitutional Amendment, providing a bond issue for a system of state highways; and

WHEREAS, On January 1st, 1921, there were 90840 registered automobiles in the State of North Dakota, or one to each seven of our population; and

WHEREAS, Motor transportation will eventually take the place of the railroads on all short hauls of merchandise; and

WHEREAS, The increasing passenger rates on the railroads is more and more drawing our citizens and taxpayers to the use of the automobile for business and pleasure trips; and

WHEREAS, Under the Whitman resolution the cost of building and maintaining the state system of highways will be paid by special taxation on motor vehicles.

NOW THEREFORE, BE IT RESOLVED, That the Commercial Club of Valley City, No. Dak., in annual meeting assembled, approve of the passage of Senate Bill No. 2 and request that the Senators and Representatives from Barnes County, in the 17th Legislative Assembly of the State of North Dakota, vote for the Whitman resolution and further its passage in every way possible.

BE IT FURTHER RESOLVED, That we heartily endorse the work of the North Dakota State Good Roads Association in bringing before the people of our State the importance of good roads and the necessity of keeping up with the neighboring states in the construction and maintenance of trunk highways.

BE IT FURTHER RESOLVED, That a copy of these preambles and resolutions be sent to Senator Whitman and each of the Senators and Representatives of Barnes County and that a copy be given to the press.

VALLEY CITY COMMERCIAL CLUB,

J. H. S. THOMSON,
President.

I. J. MOE,
Secretary.

Valley City, North Dakota, February 9th, 1921.

Senator Whitman, Bismarck, N. D.:

Dear Senator Whitman: I am enclosing herewith a copy of the resolution which was unanimously passed at our annual Commercial Club meeting. Am also sending copies to Senators Ployhar and Noltimier as well as to Representatives Grangaard and Olson of Barnes County.

Our Commercial Club is in favor of your bill TO A MAN and I take pleasure in so informing you.

With kind personal regards, I am

Yours very truly,
I. J. MOE.

To the Senate of the State of North Dakota:

We, the undersigned citizens, living in Sargent County, do respectfully petition your honorable body to take no action that will in any way limit or restrict the plan of educational work now being carried on in the State Normal and Industrial School at Ellendale.

MRS. J. MUFFLE,
And 11 Others.

Ashley, North Dakota, Feb. 4, 1921.

To the Senator and Representatives of McIntosh County,
North Dakota:

We, the undersigned, residents of McIntosh County, North Dakota, respectfully urge you to vote against any and all bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

J. J. LAMMLE,
And 32 Others.

Wishek, North Dakota, Feb. 7th, 1921.

Senator Jacob Schrenk, Jr., Bismarck, N. Dak.:

Gentleman: Enclosed find petition which has been circulated by me for the interest of the State Normal and Industrial School at Ellendale, N. Dak.

There seems to be some rumor that the Ellendale State School might be abolished. We urge your support in maintaining this school. If anything, help build it up. The southern part of the state needs this school for the educational privileges which might deprive many a boy or girl if taken away from here.

I am a graduate of the above school and am solely interested in the school's prosperity. Your support is appreciated. We are,

Yours very truly,
FRED ACKERMANN.
And 195 Others.

To the Senator and Representatives of McIntosh County,
North Dakota:

We, the undersigned, residents of McIntosh County, North Dakota, respectfully urge you to vote against any and all bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

FRED ACKERMANN,
And 195 Others.

Zeeland, N. Dak., Feb. 7th, 1921.

Hon. Jacob Schrenk, Senator, Care Capitol, Bismarck, N. D.

Dear Sir: Herewith I beg to hand to you 2 petitions with

168 signers asking you to oppose any move or act that might come with the intention to hurt or close the School at Ellendale. We people around this town all want that school to be kept open as we think it is a good thing for all of us. There are now several young people over at Ellendale from here attending the Normal school and they are all highly pleased and are progressing and it certainly would be unfair not to give these students and others a change to finish what they have started. Any thing you will do in helping to keep the school open where it is will be very much appreciated by all the people that have signed these petitions. I wish to ask you to show these petitions to Messrs. Nagel, Kelly and Nathan and ask them, for us, to also do their best in helping along in this matter.

I hope that you will stand pat and get others to do what we want and beg to remain,

Yours very truly,

Signed by JOHN JUND,
And 168 Others.

Honorable Senator and Representatives, McIntosh and Logan Counties, Bismarck, N. Dak.

Gentlemen: We, the undersigned citizens of McIntosh County, North Dakota, wish to inform you that we are against the closing of the Ellendale Normal and Industrial School, and petition you to favor any move or act by the Legislature to keep the said school open.

MRS. GOLDEN,
And 168 Others.

Honorable Senator and Representatives, McIntosh and Logan Counties, Bismarck, N. Dak.

Gentlemen: We, the undersigned citizens of McIntosh County, North Dakota, wish to inform you that we are against the closing of the Ellendale Normal and Industrial School, and petition you to favor any act by the Legislature to keep the said school open.

JOHN JUND,
And 168 Others.

To the Honorable Senators and Representatives of the 17th Legislative Assembly:

We, the undersigned residents of the State of North Dakota hereby urge your earnest consideration of the Senate Bill No. 2, introduced by Senator Whitman, being a concurrent resolution for an amendment to the Constitution, establishing a trunk highway system for the State of North Dakota; we endorse the general plan in such resolution contained and recommended the presentation of the said resolution with such minor amendments which may be deemed by you advisable.

H. S. WISNESS,
And 22 Others.

House Chamber,
Bismarck, North Dakota,
February 10, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions, to be Operated by the State, and Making an Appropriation Therefor.

Which the House has indefinitely postponed.

C. L. DAWSON,
Chief Clerk.

THIRD READING OF SENATE BILLS.

Mr. Mees moved that action be deferred on Concurrent Resolution introduced by Van Camp and Baird until present status of same could be ascertained.

Which motion prevailed.

Mr. Mees moved that Concurrent Resolution introduced by Van Camp and Baird be placed on third reading and final passage.

Which motion prevailed.

SENATE ROLL CALL.

Van Camp and Baird Resolution in Regard to Mandan Training School

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersen, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Carey and Kelsch.

So the resolution passed.

The President named Senators Patten and Porter as a committee in accordance with Concurrent Resolution introduced by Van Camp and Baird.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 7:

A Bill for an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Senate Bill No. 118: A Bill for an Act to Amend and Re-enact Section 5097 of the Compiled Laws of the State of North Dakota, for the Year 1913, Relating to Cemetery Corporations

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 30: A Bill for an Act to Amend and Re-enact Section 9 of Chapter 167 of the Session Laws of North Dakota for the Year 1919, Relating to the Salary and Expenses of the District Judges.

Senate Bill No. 150: A Bill for an Act to Amend and Re-enact Section 9804 and Section 9805 of Chapter 55 of the Laws of North Dakota for the Year 1913, Regulating the Sale to and Use of Firearms by Minors and Providing a Penalty for the Violation Thereof.

Senate Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the Year 1913, Permitting Incorporated Towns and Villages Having a Population of Not Less Than Two Hundred Inhabitants to Become Incorporated as a City.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

THIRD READING OF SENATE BILLS. SENATE ROLL CALL.

Senate Bill No. 7:

A Bill for an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Was read the third time.

The question being on the final passage of the bill the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Ingerson and Liederbach.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which Senate Bill No. 7 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 118: A Bill for an Act to Amend and Re-enact Section 5097 of the Compiled Laws of the State of North Dakota, for the Year 1913, Relating to Cemetery Corporations

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Liederbach and Nathan.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which Senate Bill No 118 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Mr. Miklethun asked for an extension of time on Senate Bill No. 2, which extension was granted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 11:

A Bill for an Act Amending and Re-Enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913, Relating to Unlawful Obligations in Writing.

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 30, of the Special Ses-

sion Laws of North Dakota, for the year 1919, Relating to Compensation of Court Stenographers, and Providing for the Payment of Expenses.

Senate Bill No. 115: A Bill for an Act to Amend and Re-enact Sections 3, 6 and 12 of Chapter 157 of the Session Laws of 1919, Regular Session, Relating to the Authorizing and Regulating the Exchange of Reciprocal or Insurance Contracts Among Individuals, Partnerships and Corporations.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

REPORTS OF STANDING COMMITTEES.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Taxes and Tax Laws to whom was referred:

House Bill No. 52: A Bill for an Act Levying a Tax of One Mill Upon Each Dollar of Assessed Valuation of all Taxable Property Within the State for Each Year for the Purpose of Creating a fund to be known as the "Returned Soldiers' Fund," Providing for the Payment Thereof to Returned Soldiers, Defining the Powers and Duties of the Adjutant General and of the Industrial Commission with Reference Thereto and Making an Appropriation Therefor.

Have had the same under consideration and recommend that the same be amended as follows:

That Section 1 line 21 after word "Levied" add a comma, also strike out word "and" in same line. Also add a comma after word "collected" same line.

Section 3, line 19 after word "State" strike out word "Auditor" and insert the words "Auditing Board."

Section 6 line 7, after the word "State" strike out the word "Auditor" and insert the words "Auditing Board."

And when so amended recommend the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriation made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 17: A Bill for an Act to Appropriate \$10,000 to Aid in the Educational Work Being Carried on by North Dakota Tuberculosis Association, and the Prevention of the Spread of Tuberculosis more Definitely Prescribed in

Chapter 7 of the Session Laws of North Dakota for the year 1915, for the Salary and Traveling Expenses of Field Workers and Nurses.

Have had the same under consideration and recommend that the same be amended as follows:

In line ten strike out the figures 1919 and 1921 and insert in lieu thereof the figures 1921 and 1923.

And when so amended recommend the same do pass.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 51: A Bill for an Act to appropriate \$200,000.00 out of any Moneys in the Interest and Income of the Capitol Building Fund to Complete the Liberty Memorial Building, to Build a Tunnel to Connect it with the Power House, Laying Water Mains and Sewers, for the Improvement of the Grounds and Establishment of the Park.

Have had the same under consideration and recommend that the same do pass.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

MESSAGE FROM THE HOUSE

House Chamber,
Bismarck, North Dakota,
February 10, 1921.

Mr. President: I have the honor to inform you that the Speaker has appointed Messrs. Miller, Burkhart and Jardine on a conference committee to meet with the conferees appointed from the Senate for further consideration of House Bill No. 5.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Carey moved that the Senate do now adjourn, which motion prevailed.

THIRTY-EIGHTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February 10, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Edward F. Jordan.

The roll was called, all Senator being present.

READING AND CORRECTION OF THE JOURNAL.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of Thirty-sixth Day after Recess and Thirty-seventh Day and recommend that the same be corrected as follows:

Page 4 line 41 correct the spelling of "maker."

On page 9 omit line 28.

On page 19 after line 35 insert "Which motion prevailed."

On page 20 line 22 add "Rusch."

On page 21 line 23 omit the words "as amended."

On page 21 at the bottom of page add "Mr. Rusch moved that Senate Bills 106, 107 and 108 be referred to State affairs committee. Which motion prevailed."

Mr. Olson asked for an extension of time on Senate Bills before the State Affairs committee. Which extension was granted.

And when so corrected recommend that the same be approved.

R. W. PATTEN,

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

PRESENTATION OF PETITIONS AND COMMUNICATIONS.

To the Hon. C. W. Carey, Senator from Richland County, North Dakota.

We, the undersigned voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

DAVID H. JONES,

And 10 Others.

Wyndmere, N. D., Feb. 4, 1921

To the Senator and Representatives of Richland County, North Dakota.

We, the undersigned residents of Richland county, North Dakota, respectfully urge you to vote against any and all bills which have for the purpose the abolishment of the State Normal and Industrial School at Ellendale and State Science School of Wahpeton.

THURSDAY, FEBRUARY 10, 1921 15

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

B. S. OTTIS,
And 41 Others.

Lidgerwood, N. D., February 5, 1921.

WHEREAS, All our State Educational Institutions are short of funds and unable to retain or secure the most efficient instructors, or provide sufficient educational facilities, because of increased enrollment; and

WHEREAS, Our State can and should provide only the best for our boys and girls:

BE IT RESOLVED, That the Woman's Community Club and other citizens of Lidgerwood, North Dakota, petition our legislature to pass a millage tax law for the maintenance of our Higher Educational Institutions, thus giving them a permanent, adequate and efficient financial working standard.

MRS. ALICE F. WAHLWEND,
And 81 Others.

To the Hon. A. A. Liederbach, Senator, from Oliver, Mercer and Dunn Counties, North Dakota.

We, the undersigned voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

L. F. TEMMER,
And 20 Others.

To the Hon. John Fleckten, Senator from 2nd District, Ward County, North Dakota.

We, the undersigned voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

DELIA STROMSTAD,
And 20 Others.

Mr. Ingerson moved that the rules be suspended in so far as it was necessary to permit the introduction of bills by the Insurance Committee, which motion prevailed.

Mr. Stevens moved the suspension of rules for the introduction of bills, which motion prevailed.

Mr. Wenstrom moved that Senate Bill No. 122 be re-referred to the Committee on Judiciary. Which motion prevailed.

Mr. Baker asked for extension of time on Senate Bill 112, which extension was granted.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

The Insurance Committee introduced

Senate Bill No. 192: A Bill for an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the Year 1913, Relating to the fees to be paid by Insurance Companies doing Business in this State.

Was read the first and second time and referred to the committee on Insurance.

The Insurance Committee introduced:

Senate Bill No. 193: A Bill for an Act to Amend and Re-enact Section 4843 of the Compiled Laws of North Dakota for the year 1913, Relating to the Investment of the Capital Surplus and Funds of Domestic Insurance Companies.

Was read the first and second time and referred to the committee on Insurance.

The Insurance Committee introduced:

Senate Bill No. 194: A Bill for an Act Relating to Foreign Mutual Insurance Companies engaging in the Business of Fire, Lightning, Cyclone, Tornado and Windstorm Insurance. Powers and Duties of Certain Officers. Penalty.

Was read the first and second time and referred to the committee on Insurance.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 115: A Bill for an Act to Amend and Re-enact Section 6854 of the Compiled Laws of North Dakota for the Year 1919, Relating to Thresher's Liens and Who may Have.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 113: A Bill for an Act to Amend and Re-enact Section 2495 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Levy of Taxes for Interest for Drainage Purposes and Creating Sinking Fund.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

THIRD READING FOR HOUSE BILLS

Senator Mees moved that further consideration of House Bill No. 4 be indefinitely postponed. Which motion prevailed.

SENATE ROLL CALL.

House Bill No. 37: A Bill for an Act to Amend and Re-enact Section 466 of the Compiled Laws of North Dakota for the Year 1913, Relating to Preliminary Qualifications of Applicants for License to Practice Medicine in the State of North Dakota.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Ployhar.

So the bill passed and the title was agreed to.

Mr. Murphy moved that the vote by which House Bill No. 37 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL.

House Bill No. 56: A Bill for an Act to Amend and Re-enact Section 7643 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Judgments, District and Supreme Courts to Direct.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 33, nays 14, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, Mees, Murphy, Nelson, Olson, Petterson, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Benson, Berg, Byrne, Fleckten, Gross, Liederbach, McNair, Miklethun, Nathan, Noltimier, Oksendahl, Patten, Ward, Wog.

Absent and not voting: Ployhar and Wenstrom.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which House Bill No. 4 was indefinitely postponed be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL.

House Bill No. 74: A Bill for an Act to Amend and Re-enact Section 7660, Compiled Laws of 1913, Relating to Causes for a New Trial.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 49, nays 0, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersen, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the bill passed and the title was agreed to.

Mr. Miklethun moved the seventh order of business.

Which motion prevailed.

REPORT OF SELECT COMMITTEES

Mr. Liederbach moved that action on report of Conference Committee on House Bill No. 5 be deferred until tomorrow.

Which motion was lost.

The Conference Committee on House Bill No. 5 made the following report:

Mr. President: Your Conference Committee to whom was referred:

House Bill No. 5: A Bill for an Act to Prohibit Intoxicating Liquors and Beverages With Exceptions for Nonbeverage and Sacramental Purposes and Provide for Its Enforcement and the Repeal of Laws in Conflict Therewith.

Have had the same under consideration and unanimously recommend that the House do concur in the Senate amendment.

JOHN L. MIKLETHUN,
W. J. CHURCH,
W. S. WHITMAN.
Senate Committee.

Mr. Miklethun moved that the report be adopted, which motion prevailed and the report was adopted.

THIRD READING OF HOUSE BILLS
SENATE ROLL CALL

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as Amended by Chapter 143, Session Laws of 1919.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 35, nays 14, absent and not voting 0.

Ayes: Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Micklethun, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Patten, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Wog.

Nays: Baird, Church, Eastgate, Ettestad, McLachlin, Mees, Murphy, Ployhar, Porter, Rusch, Schrenk, Sperry, Storstad, Whitman.

So the bill passed and the title was agreed to.

Mr. McNair moved that the vote by which House Bill No. 23 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion was lost.

Mr. Rusch: "I am opposed to this bill, as amended, and therefore I vote 'no.'"

Senator Whitman: "I am opposed to this bill, as amended, and for that reason I vote 'no.'"

SENATE ROLL CALL

House Bill No. 9: A bill entitled, An Act to Protect Trade Mark of Workmen's Unions and the Wearing of Union Buttons.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 49, nays 0, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Micklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the bill passed and the title was agreed to.

Senator Stevens: "You will find by referring to the Senate Journal that I voted against this bill at the time it first passed. I was so busy, in fact I was so busy that I did not know what I was voting on until I was informed how I voted on the bill. I offer my apology to the members of the American Legion because I did not intend to vote against it at that time, and I do not intend to vote against it now. I vote 'yes.'"

SENATE ROLL CALL

House Bill No. 45: A Bill for an Act to Amend and Re-enact Section 3967 of the Compiled Laws of North Dakota

for the Year 1913, Relating to Errors and Deficiencies in City, Town or Village Plats.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Van Camp, Wenstrom, Whitman, Wog.

Absent and not voting: Garb rg, McNair, Ployhar, Stevens, Thorson, Ward.

So the bill passed and the title was agreed to.

MESSAGE FROM THE HOUSE
HOUSE CHAMBER

Bismarck, N. D., Feb. 10, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bill No. 5.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Mr. Mees moved the previous question.

Which motion prevailed.

SENATE ROLL CALL

House Bill No. 66: A Bill for an Act to Provide for the Payment of Non-Resident Tuition Fee in the High School Department of Standardized Graded and Standardized High Schools Receiving State Aid.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 41, nays 8, absent and not voting 0.

Ayes: Baird, Beisel, Bond, Bowman, Byrne, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman.

Nays: Baker, Benson, Berg, Church, Carey, Gross, Olson, Wog.

So the bill passed and the title was agreed to.

Mr. Murphy moved that the vote by which House Bill No. 66 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

Senator Ingerson: "I have listened to the discussions and I believe that there is an emergency existing, and while this may not be necessary for every high school in the state, I know it is a good thing where it is absolutely necessary, although it is not along the lines which I would like to see it, but I think it necessary to offer relief and therefore I vote 'aye.'"

Courtesies of the floor were extended to the following:

Hampton Lyness, Fessenden, Ellen Ellenson, Osnabrook, Howard Holte, Ellendale, Chas. Clark, Livona, C. F. Merry, Dickinson, Mr. and Mrs. Harry Johnson, C. H. Simpson, Mc-Ville.

Mr. Baker moved that the Senate do now recess until one o'clock tomorrow, which motion prevailed.

W. J. PRATER,
Secretary.

THIRTY-EIGHTH DAY AFTER RECESS AND
THIRTY-NINTH DAY.

Senate Chamber.
Bismarck, North Dakota.
February 11, 1921.

The Senate Convened at 1 o'clock P. M., pursuant to recess taken, the President presiding.

PRESENTATION OF PETITIONS AND COMMUNICATIONS.

To the Hon. O. H. Olson, Senator from Eddy County, North Dakota:

We, the undersigned voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected, and we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

M. L. VICK,
And 5 Others.

Senator Bowman presented the following communications:

Alfred, North Dakota, Feb. 4, 1921.

To the Senator and Representatives of LaMoure County, North Dakota.

We, the undersigned residents of LaMoure county, North Dakota, respectfully urge you to vote against any and all bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

C. A. CLARK,
And 37 Others.

Jud, North Dakota, Feb. 4, 1921.

To the Senator and Representatives of LaMoure County, North Dakota.

We, the undersigned residents of LaMoure County, North Dakota, respectfully urge you to vote against any and all bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

R. REMPPON,
And 31 Others.

Stanley, N. D., Feb. 9, 1921.

To the Hon. Senator Patten, Bismarck, N. D.

Dear Sir: We the undersigned teachers and residents of Stanley, N. D., having seen the bill now before your committee relating to the salary and the training of teachers of this state and believing that it is for the best interests of the teaching profession and the schools at large that some bill of the like nature be given due consideration at this time, we do hereby ask that you give this matter your most careful consideration and if at all possible report the bill favorably.

M. D. WILLEMAR,
And 10 Others.

REPORTS OF STANDING COMMITTEES

The committee on Women's and Children's Welfare made the following report:

Mr. President: Your committee on Women's and Children's Welfare to whom was referred the Concurrent Resolution Urging the Congress of the United States to Enact into Law the Bill Entitled "A Bill for the Public Protection of Maternity and Infancy and Providing a Method of Co-operation Between the Government of the United States and the Several States, and Known as the Shepard-Towner Bill," have had the same under consideration and recommend that the same be adopted.

B. F. BAKER,
Chairman.

Mr. Baker moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 143: A Bill for an Act to Prevent any Person From Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

MOTIONS AND RESOLUTIONS.

Mr. Fraser moved that Senate Bill No. 126 be rereferred to the committee on State Affairs, which motion prevailed.

RESOLUTION

(Offered by Senator McLachlin.)

WHEREAS, H. R. 11641, introduced by Mr. French in the House of Representatives at Washington, provides for the labeling of fabrics purporting to contain virgin wool, requiring that such label correctly indicate the wool and silk content of such fabrics; and

WHEREAS, The said Bill provides further for publicity which will correctly and truthfully indicate the composition, including the wool and silk content, of woven fabrics purporting to contain wool, silk or other materials out of which fabrics may be woven; and

WHEREAS, the purpose of said Bill is, as indicated therein, to insure that the truth shall be known to the consuming public as to the composition of fabrics; and

WHEREAS, We believe that a bill should be passed by Congress for accomplishing the general purpose contemplated in this act:

NOW, THEREFORE, BE IT RESOLVED, That the Senate of the Seventeenth Legislative Assembly of the State of North Dakota, and the House of Representatives thereof, concurring therein, urges upon our senators and representatives in Congress, and upon the Congress of the United States, to enact some law having for its purpose the general purpose outlined in the bill hereinbefore referred to.

BE IT FURTHER RESOLVED, That a copy of this resolution be forwarded by the Secretary of State to each representative in the National House of Representatives from North Dakota, and to each of the two Senators from the State of North Dakota at Washington.

Mr. Storstad moved that the resolution be referred to the Committee on State Affairs, which motion prevailed.

REPORTS OF STANDING COMMITTEES

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 116: A Bill for an Act to Amend and Re-enact Chapter 179 of the Session Laws of 1915; an Act to Amend Chapter 177 of the Laws of 1911 (Same Being Sections 11402 to 11428, Inclusive, Compiled Laws 1913), Entitled "Juvenile Court," by Adding Thereto Certain Provisions Giving the Court Power When Necessary to Appoint District Juvenile Commissioners, Guardians ad litem, and to Make Rules and Regulations Prescribing Their Duties and Fixing Their Compensation; also to Enact Such Other Provisions Which Are Best Calculated to Carry Out the Purpose of Said Chapter 177.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 11: A Bill Entitled, an Act to Amend Chapter 7567 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Garnishments.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. Whitman asked for extension of time on Senate Bill No. 86, which extension was granted.

THIRD READING OF SENATE BILLS. SENATE ROLL CALL

Senate Bill No. 30: A Bill for an Act to Amend and Re-enact Section 9 of Chapter 167 of the Session Laws of North Dakota for the Year 1919, Relating to the Salary and Expenses of the District Judges.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 41, nays 3, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Bond, Bowman, Byrne, Church, Carey, Ettetstad, Fraser Gardiner, Gross, Hagan, Ingerson, Kelsch, Kendall, McNair, Mees, Miklethun, Murphy, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Berg, Fleckten, Nathan, Patten.

Absent and not voting: Eastgate, Garberg, Levang, Liederbach, McLachlin.

So the bill passed and the title was agreed to.

Nathan: "I believe this bill only makes a way for bigger expenses in the future. I do not think we ought to spend the money like this because in this way, if the expenses are set for \$500 I think it ought to stay that way. I am opposed to this bill and vote 'no.'"

Ployhar: "I do not believe I have ever explained my vote. I am going to vote yes on this bill for this reason that under the old law we allowed the Judges of the district court \$500. Sometimes these men have had to spend up to \$800 and I think it would be absolutely unfair to allow only \$500. The committee thought that instead of paying five hundred dollars for expenses at would be better to pay the actual expenses and in that way it would not take as much money as it does under the old law. I vote 'yes.'"

Mr. Ettestad moved an amendment to the Emergency Clause of Senate Bill No. 98 by adding the words "and approval", which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the Year 1913, Permitting Incorporated Towns and Villages Having a Population of Not Less Than Two Hundred Inhabitants to Become Incorporated as a City.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 42, nays 0, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absen and not voting: Fraser, Gardiner, Liederbach, McLachlin, Peterson, Storstad, Thorson.

So the bill passed and the title was agreed to.

Mr. Ward moved that Senate Bill No. 150 be re-referred to the Committee on Ways and Means, which motion prevailed.

Mr. Wenstrom moved that the Senate do now adjourn, which motion prevailed.

THIRTY-NINTH DAY.

Senate Chamber,
Bismarck, North Dakota.
February 11, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Edward F. Jordan.

The roll was called, Senators Gardiner, Hagan and McLachlin being absent.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Thirty-seventh day after Recess and Thirty-eighth Day and recommend that the same be corrected as follows:

On page one correct the spelling of the name "Wodely."

On page 19 in Senator Stevens' explanation of vote on Senate Bill No. 9 insert "A Bill to Protect the Insignia of the American Legion" in place of "this bill at the time it first passed" in lines two and three.

And recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

PETITIONS AND COMMUNICATIONS.

Crete, North Dakota, Feb. 4, 1921.

To the Senator and Representatives of Sargent County, North Dakota:

We, the undersigned residents of Sargent County, North Dakota, respectfully urge you to vote against any and all Bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

S. R. COLEMAN,
And 40 Others.

Senator Stevens presented the following resolution:

BE IT RESOLVED, By the Board of Highway Improvements of Ramsey County in session February 8th, 1921, in accordance with Chapter 110, Laws of 1915, as amended by Chapter 127, Laws of 1917, that this body go on record as opposed to the passing of Senate Bill No. 48, being an act known as the Land Classification Act, inasmuch as said act would be an excessive cost for the taxpayers and the benefits to be derived therefrom would not be sufficient to warrant the proposed classification; and

BE IT FURTHER RESOLVED, That the Secretary be instructed to mail a certified copy of this resolution to the Senator and Representatives of Ramsey County, in session at Bismarck."

I, J. A. Kramer, Secretary of the Board of Highway Improvements in and for Ramsey County, which Board consists of the chairmen of the different Boards of Supervisors of the various townships, while in session February 8th at the Court House in the City of Devils Lake, hereby certify that the foregoing is a true and correct copy of a resolution adopted by said Board.

J. A. KRAMER,

Secy. Board of Highway Improvements.

Dated at Devils Lake, N. D., February 9, 1921.

REPORTS OF STANDING COMMITTEES.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 17: A Bill for an Act to Appropriate \$10,000 to Aid in the Educational Work Being Carried on by North Dakota Tuberculosis Association, and the Prevention of the Spread of Tuberculosis more Definitely Prescribed in Chapter 7 of the Session Laws of North Dakota for the year 1915, for the Salary and Traveling Expenses of Field Workers and Nurses.

Senate Bill No. 51: A Bill for an Act to Appropriate \$200,000.00 out of any Moneys in the Interest and Income of the Capitol Building Fund to Complete the Liberty Memorial Building, to Build a Tunnel to Connect it with the Power House, Laying Water Mains and Sewers, for the Improvement of the Grounds and Establishment of the Park.

Senate Bill No. 53: A Bill for an Act to Amend and Re-enact Chapter 160 of the Session Laws of North Dakota for the Year 1919 as Amended by Chapter No. 38 of the Special Session Laws of the 16th Legislative Assembly of the State of North Dakota for the Year 1919 Relating to State Hail Insurance.

Senate Bill No. 66: A Bill for an Act to Promote, Foster and Encourage the Proper Marketing of Agricultural Products and By-Products, and for the Creation of a Co-Operative Marketing Association and Providing for License Fees.

And find the same correctly engrossed.

W. J. CHURCH,
Acting Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

SENATE COMMITTEE ON ENROLLMENT AND EN-

GROSSMENT.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment respectfully report that:

Senate Bill No. 1:

A Bill for an Act to Amend and Re-Enact Section 800 of the Compiled Laws of the State of North Dakota for the Year 1913 as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

Also:

Senate Bill No. 8: A Bill for an Act to Repeal and Re-enact Section 1714 of the Compiled Laws of the State of

North Dakota for th Year 1913, as Amended by Chapter 143, of the Session Laws of 1917.

Also:

Senate Bill No. 12: A bill for An Act to Amend and Re-enact the Concentrated Feeding Stuff Law of North Dakota the same Being Article 43, Sec. 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

Were delivered to the Governor for his approval at the hour of 3 o'clock P. M.

A. G. STORSTAD,
Chairman.

Mr. Wenstrom moved the adoption of the report which motion prevailed.

THIRD READING OF SENATE BILLS.

Senator Benson moved the following amendment to Senate Bill No. 53. "In line 16, Section 10 of the printed bill after the word "act" insert the following: "And it is further provided delinquent taxes that have been levied under the provisions of this act shall be advertised and sold together with general real estate taxes and one certificate issued therefor."

Which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 53: A Bill for an Act to Amend and Re-enact Chapter 160 of the Session Laws of North Dakota for the Year 1919 as Amended by Chapter No. 38 of the Special Session Laws of the 16th Legislative Assembly of the State of North Dakota for the Year 1919 Relating to State Hail Insurance.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 43, nays 2 absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Ployhar, Porter, Patter, Rusch, Schrenk, Sperry, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman Wog.

Nays: Gardiner, Stevens.

Absent and not voting: McLachlin, Noltimier, Petterson, Steel.

So the bill passed and the title was agreed to.

Mr. Ingerson moved that the vote by which Senate Bill No. 53 passed, be reconsidered and the motion to reconsider be land on the table. Which motion prevailed.

Stevens: "I am opposed to this bill for the reason that I do not think state hail insurance is the best or the cheapest hail insurance obtainable, and for the further reason that I regard the three cent per acre flat tax as an imposition and unfair in that it does not allow the individual to use his own best judgment relating to a purely business proposition."

Senator Bond moved a recess subject to the call of the chair, which motion was lost.

The question being on the adoption of the Baker Resolution urging Congress to enact into law the Sheppard-Towner Bill, the roll was called and there were ayes 30, nays 0, absent and not voting 19.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Levang, Liederbach, McNair, Miklethun, Olson, Oksendahl, Ployhar, Patten, Rusch, Schrenk, Stevens, Thorson, Ward, Wenstrom, Wog.

Absent and not voting: Baird, Beisel, Bond, Ingerson, Kelsch, Kendall, McLachlin, Mees, Murphy, Nathan, Nelson, Noltimier, Petterson, Porter, Sperry, Steel, Storstad, Van Camp, Whitman.

So the resolution was adopted.

Mr. Baker moved that the vote by which the resolution passed, be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Courtesies of the floor were extended to Henry McLean, Hannah; J. W. Mahon, Robert Murie, Langdon; J. W. Mowbray, Wales; Neil Nicolson, Alfred Larson, Henry Schultz, Calvin; E. F. Swanson, Victor C. Johnson, C. W. Atterburn, Ex-Senator of the U. S. J. R. Burton, Salina, Kansas; Ed Peterson, M. E. Soliel, Chr. Thronson, P. G. Melby, Albert Bjortness, Ole Eliason, C. Balkan, Traill County; F. J. Alstad, Pekin, N. D.; K. Field, Kloten, N. D.; Robt. Green, J. W. Robbe Atty. Spiller, A. J. McFadden, Neche; Mr. O'Hearn, Lisbon; S. Johnson, Collins; Alex R. Wright, Oakes; C. V. Ferguson, Glenburn; Anthony Walton, Minot; H. L. Loomis, Fargo; H. S. Swingen, Hannaford; W. H. Richardson, Hannaford; E. Gilbertson, Hickson; T. Kinneberg, Hickson; Harold Welson, Horace Young, Judge Moellring, Ray; Moody O. Eide, Minot; G. W. Dahlquist, Minot; E. K. Jenkins, Park River; P. G. Hamre, Phil Myers, J. E. Thomas, Geo. Reishus, Minot.

Mr. Baker moved that the Senate do now recess until 1 o'clock P. M. next Monday, which motion prevailed.

W. J. PRATER,
Secretary.

THIRTY-NINTH DAY AFTER RECESS AND
FORTY-SECOND DAY

Senate Chamber,
Bismarck, North Dakota,
February 14, 1921.

The Senate convened at 1 o'clock P. M., pursuant to recess taken, the President presiding.

PETITIONS AND COMMUNICATIONS

Petition to the Seventeenth Legislative Assembly of the State of North Dakota From the Students of the Mayville State Normal School:

We, the undersigned, students of the Mayville State Normal School, hereby respectfully petition the members of the Senate and the House of the Seventeenth Legislative Assembly of the State of North Dakota to defeat Senate Bill No. 185, which provides for the dicontinuance of the State Normal School of this city. In support of this petition we respectfully call your attention to the following facts:

1. The normal school is located in the county having the highest assessed land value in the state. This insures a dense population and a growing need from year to year for a normal school.

2. The school is now thirty years old. The steady growth in the years that have passed gives the state assurance that it will render service in the future.

3. The present graduating class of about ninety is the largest in the history of the school.

4. More than half of the students are taking work beyond that of high school grade; this part of the work, for which the normal school was primarily established, is receiving its due emphasis.

5. The alumni of the school are in responsible positions in every county of the state. This record of service to the state should not be interrupted.

6. Many of us would not have been able to attend school this year had this normal not been here.

7. About 40% of the student body is able to reach home at week ends.

8. The graduates of last year are teaching in more than half of the counties of the state. Only eight of last year's class teach in the county in which the normal is located.

9. It will cost the state between \$200 and \$500 a year per student no matter where the student is educated. This normal is doing the work at as low a cost as any educational institution in the state.

The interest of the children of the state who need trained teachers, the welfare of the young people of the state who earnestly seek educational advantages, and the larger interests of the state itself require the intensifying rather than the diminishing of educational effort.

LELAND S. BURGUM,
And 167 Others.

Marmarth, North Dakota.

We, the undersigned, residents of Marmarth, Slope County, North Dakota, do hereby respectfully petition the members of the Legislature to vote against the Bill recommended by the Board of Administration for the abolishment of the State Normal and Industrial School at Ellendale, North Dakota.

We believe that this school is of great benefit to the people of the State and that more young people will obtain school privileges by the schools being distributed throughout the state.

W. J. JOHNSON,
And 37 Others.

Senator Eastgate presents the following communication:

At the regular meeting of the Grand Forks Trades and Labor Assembly Jan. 26, 1921, the following resolution was passed:

WHEREAS, The salaries of teachers in the state educational institutions have not risen to correspond with the cost of living; and

WHEREAS, The teachers have suffered a serious deficit of purchasing power for several years; and

WHEREAS, The state is losing the services of experienced teachers who are needed to maintain the high standard of education; and

WHEREAS, On the present low salary basis our institution finds it impossible to compete with other first class universities for men of proved ability and experience;

NOW, THEREFORE, BE IT RESOLVED, By the Trades and Labor Assembly of Grand Forks that whatever cuts may be made in the appropriations asked for in behalf of the state educational institutions, the estimates for salaries of teachers be not diminished under any circumstances; and

BE IT FURTHER RESOLVED, That copies of this resolution be sent to the governor, the board of administration, the chairman of the committee on appropriations in the state

legislature, and to the members of the legislature from Grand Forks County.

PETER MORGAN,
President.

ADOLPH LANGSETH,
Secretary-Treasurer.
And 5 Others.

Harvey, North Dakota, Feb. 7, 1921.

To the Honorable Members of the House of Representatives and the Senate, State of N. Dak.:

WHEREAS, The maintenance of Way Forces, especially in the track department, have been reduced to such an extent that it is impossible for them to meet requirements; and

WHEREAS, We, the Members of Harvey Lodge 1498, assembled in regular session, Feb. 5th, 1921, have concluded that in order to insure "Safety First" to the Public in all Railway transportation, more than 6 miles of track including ten switches or less, should not be assigned to any Section Foreman. Foreman with a greater number of switches should have mileage reduced accordingly. Also that Section crews should not consist of less than one Foreman and 3 laborers on Main Line Sections, and one Foreman and one laborer on Branch Line Sections during the winter months;

BE IT THEREFORE RESOLVED, That a copy of this resolution be sent to each of the Honorable Members of the House of Representatives and Senate of the State of North Dakota, requesting that they use their voice and vote to enact Legislation, whereby we can meet requirements and insure Safety First to the traveling public.

BE IT FURTHER RESOLVED, That a copy of this resolution be sent to the Grand President and one spread on the minutes of the meeting.

LORENCE GREENWOOD,
ARTHUR McSWIGGEN,
E. G. ERICKSON,
J. Q. DICKENSON,
Committee.

To the Hon. R. L. Fraser, Senator from McLean County, North Dakota:

We, the undersigned, voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

GLENN O. THAYER,
And 13 Others.

To the Honorable Senators and Representatives of the Seventeenth Legislative Assembly:

We, the undersigned, residents of the State of North Dakota, hereby urge your earnest consideration of Senate Bill No. 2, introduced by Senator Whitman, being a concurrent resolution for an amendment to the Constitution, establishing a trunk highway system for the State of North Dakota. We endorse the general plan in such resolution contained and recommend the presentation of the said resolution with such minor amendments which may be deemed by you advisable.

F. O. GRESSE,
And 155 Others.

To the Hon. A. M. Hagen, Representative from Bottineau County, North Dakota:

We, the undersigned, voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

A. J. DRAKE,
And 20 Others.

Williston, N. Dak., Feb. 7th, 1921.

Mr. Robert Byrne, Bismarck, N. Dak.:

Dear Senator: It has come to my attention that Senate Bill No. 2, known as the Whitman Bill, will come up for consideration soon.

I am very much interested in this bill. I am in favor of having the road laid out directly west from Williston to the Montana line, instead of having it go through the small towns along the railroad west of Williston. If you will take the trouble to look at the map of Williams County you will see that if the road is layed out due west from Williston to the Montana line that it will be available for use by a great number of the farmers from the northwest part of the county and the distance is about 10 miles less by the direct route to the connecting point in Montana.

The lower route via Trenton, Buford, etc., is along the Missouri River and is low and subject to flood in the spring time, and besides it crosses and recrosses the railroad track about eight times between Williston and Bainville, Mont. It is hardly passable in winter time owing to the number of cuts that drift full of snow. The soil is also of a Gumbo nature along the river and hard to keep in shape.

The road directly west of Williston, known as the high line, is very easy to keep in shape, there being but two small streams between Williston and Bainville, Mont., the soil is dark and sandy loam and enough gravel to make it easy to handle.

I feel that it is only fair to the tax payers of the county that the road be placed where it can serve the greater num-

ber of people of the county, when by so doing no hardship is worked upon the tourist passing from east to west.

W. W. WILDE,
And 40 Others.

To the Senate of the State of North Dakota:

We, the undersigned citizens, living in the vicinity of Cogswell, Sargent County, do respectfully petition your Honorable body to take no action that will in any way limit or restrict the plan of educational work now being carried on in the State Normal and Industrial School at Ellendale, North Dakota.

GENE MCGRAW,
And 20 Others.

To the Senate of the State of North Dakota:

We, the undersigned citizens, living in the vicinity of Cogswell, Sargent County, do respectfully petition your Honorable body to take no action that will in any way limit or restrict the plan of educational work now being carried on in the State Normal and Industrial School at Ellendale, North Dakota.

J. D. RANDAL,
And 12 Others.

To the Hon. Lynn W. Sperry, Senator from Burleigh County, North Dakota:

We, the undersigned, voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

W. B. RICHARDSON,
And 5 Others.

Finley, No. Dak., Feb. 10, 1921.

Dear Sir: At a special meeting of the Board of County Commissioners held today S. B. No. 48, introduced by Mr. Mees of Morton County, pertaining to classification of farm lands, was considered.

We have never had much trouble regarding farm land assessment and in view of the necessary expenses entailed in the operation of such a law if enacted, we are opposed to the passage of said bill.

Yours very truly,
BOARD OF CO. COMMISSIONERS OF STEELE CO.

By M. C. KLASTER, Chairman,
And 4 Others.

Ellendale, N. Dak., February 4, 1921.

Hon. C. A. Ward, Senator, Emmons County, Bismarck, N. D.:

Dear Sir: We, the Emmons County Club of the State Normal and Industrial School, do hereby request that you use

your vote and influence to see that the State Normal and Industrial School during this present session of the Legislature receive the full amount of appropriation asked.

Enclosed we are sending you a set of resolutions which we respectfully ask you to carefully read and consider.

Respectfully,
EARL CLARKE,
President.
SUSIE BUSBY,
Secretary.

BE IT RESOLVED, By the Emmons County Club of the State Normal and Industrial School at Ellendale, North Dakota, that

WHEREAS, It is currently reported that the State Board of Administration has recommended as a means of retrenchment in the expense of the state, that the State Normal and Industrial School be denied sufficient funds to enable it to carry on the work that has been outlined for the school by the constitution of the state and has been biennially approved by the preceding legislature and consistently carried out by the school authorities; and

WHEREAS, It is a matter of fact, The per capita tax in North Dakota is lower than any other northwestern state and a large proportion of our taxes go for school purposes and school taxes can only be reduced at the expense of the coming generation;" and

WHEREAS, The shortage of teachers has already caused high prices to be paid throughout the state for inferior teachers, thereby adding enormously to the actual dollars and cents in the total taxes paid by the citizens of this state as well as causing other district losses impossible to compute in dollars and cents; and

WHEREAS, It has been proven by past experience of other states,—Iowa for instance, with only one Normal school and the same percentage of attendance maintained as is maintained in North Dakota with her five Normal schools, would have an attendance of around 12,000 instead of 5,000— as well as those of our own state, that an institution of higher learning such as the State Normal and Industrial School, draws its students largely from a small radius; showing conclusively that unless a school of such a nature is close a large majority of the young people of a state is denied the privilege and incentive to attend such schools; and that where such schools are located in a community, the young people of that part of the state are encouraged and are financially enabled to attend, and do attend such schools. Many families move in close proximity to the schools solely for the privilege of having their children attend such schools, and otherwise, would not be financially able to send their children at a distance or live in more expensive communities; and

WHEREAS, It is reasonable to presume that should the State Normal and Industrial School not receive sufficient funds for it to carry on its work of graduating teachers to

help supply the state with more teachers and better trained teachers, the further shortage of teachers alone would cost the tax payers of the state in the aggregate more money during the next two years than is necessary for the entire support of the State Normal and Industrial School for the same period. The excess money paid for poor teachers is spent and gone while the money invested in the young people of the state through the State Normal and Industrial School is annually being many times repaid in hundreds of ways.

BE IT FURTHER RESOLVED THAT, WHEREAS, granted that a majority of students now attending school at the State Normal and Industrial School would attend some other similar institution—which fact we personally know is not true—such transfer of students would necessitate for their proper handling, duplicating much of the equipment now already owned by the state, and the transfer would not only cost the state direct more money than the apparent saving by denying appropriations to the State Normal and Industrial School but also at the same time it would add to the expenses of the students transferred as well as to those in the school to which they were transferred, for it is well established that crowding of accommodations for board and room increases materially the cost for such accommodation to every student; and

WHEREAS, "There is a very definite limit to the number of students that can be taught to the best advantage in the last year of the Normal School—for as a rule the opportunities for practice teaching cannot be multiplied indefinitely, and in places the attendance is purposely limited to around one hundred and where more teachers are needed the state establishes more schools instead of increasing beyond desirable limits the attendance of the school already in existence and those states with such a policy seem to be more efficiently rewarded," (see report of survey of North Dakota by United States Bureau of Education, page 102), it is unbecoming to the state of North Dakota, now ranking fifth educationally among the states and territories in the United States, because of her number of Normal Schools, to pursue a "penny wise and pound foolish" policy that would actually cost more money as well as get poorer results; and

WHEREAS, Not only will it be a direct loss to the state financially and a marked step backwards educationally to discontinue a normal school at the same time sister states are establishing others,—Oregon, for instance, is establishing two additional— but also the agricultural, industrial and commercial interests of the state will be materially adversely affected should the work of the State Normal and Industrial School be impaired and other direct as well as indirect losses to the entire state would be sustained. The prosperity and future development of the Central South portion of the state especially, is directly largely dependent upon a school of such character being in its midst to continue to furnish trained workers, for the farm, shops and offices, as well as those who go out from the school to teach others, to do better work of Americanization so dependent upon leaders trained in the best methods of thinking and doing; and

WHEREAS, There is no other school or schools in the state whose radius of marked influence extends to the territory so adequately served at present by the State Normal and Industrial School and no other school or schools would not even in theory, let alone in practice, be in position to offer the work peculiarly adapted for the continued prosperity of this section of the state to the general welfare of the whole state and country; and

WHEREAS, Unless the Seventeenth Legislative Assembly, of which Hon. Mr. Ward and Hon. Mr. Sherman are duly representatives of Emmons County, do vote the State Normal and Industrial School such funds as are now being asked for by the school and now included in Senate Bill No. 25, prepared and recommended by the Budget Committee of the Seventeenth Legislative Assembly, the State Normal and Industrial School, of which we are students, will be unable to carry on the work for which it is by virtue of its conception and location particularly fitted to perform.

THEREFORE, We, the Emmons County Club of the State Normal and Industrial School at Ellendale, North Dakota, do hereby request our Senator, Hon. Mr. Ward, and Representatives, Hon. Mr. Sherman and Hon. Mr. Weld, to vote and use their individual and collective influence to see that the Seventeenth Legislative Assembly now in session at Bismarck, does favorably pass Senate Bill No. 25, especially insofar as it appertains to the support of the State Normal and Industrial School, and that the same bill is duly approved by the Governor; and

BE IT FURTHER RESOLVED, That these resolutions be spread on the minutes of the Club and a copy be sent to each of our representatives and senators.

EARL CLARKE,
President.
SUSIE BUSBY,
Secretary.

REPORTS OF STANDING COMMITTEES.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Resolution offered by Senator McLachlin.

Have had the same under consideration and recommend that the same be adopted.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 163: A Concurrent Resolution for an Amendment to the Constitution of the State of North Da

koa, Relating to the Compensation and Mileage of Legislative Members.

Have had the same under consideration and recommend that the same be amended as follows:

Section 45, line 2, strike out the words "for each session." Line 3 after the word "dollars" add the word "for." Line seven after the word "Assembly" strike out the word "on" and insert the word "by."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Section 1334 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Interest on Bonds of Common School Districts.

Have had the same under consideration and recommend that the same be amended as follows:

Section 1334 in line 5 strike out the word "seven" and insert the word "six."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 141: A Bill for An Act to Amend and Re-enact Section 1717 of the Compiled Laws of North Dakota for the year 1913, as Amended by Section 4 of Chapter 113 of the Session Laws of 1915, and Chapter 145 of Session Laws of North Dakota for the Year 1917, Relating to the Support of Feeble Minded Persons in the Institution of the Feeble Minded.

Have had the same under consideration and recommend that the same be amended as follows:

Section 1717, line 28 after the word "guardian" strike out the word "of" and insert the word "or."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 138: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota Changing the Length of Term of Office of Commissioners of Railroads.

Have had the same under consideration and recommend that the same be amended as follows:

Section 82, line 8, after the word "unfilled" strike out the word "this" and insert "their." Line 16 after the word "receiving the" strike out "largest" and insert the word "highest." Line 17 after the word "receiving" add the word "the." In same line strike out the word "largest" and insert the word "highest." Line 18 after the word "the" add the words "one receiving the."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Taxes and Tax Laws made the following report:

Mr. President: Your committee on Taxes and Tax Laws to whom was referred:

Senate Bill No. 172: A Bill for an Act to Repeal Sections 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968 Compiled Laws of the State of North Dakota for 1913 and Amend Section 1969 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Levy and Collection of Poll Tax.

Have had the same under consideration and recommend that the same be amended as follows:

Section 1, line 2, after the numeral 1967, strike out the word "and." Same line, after the numeral 1968 add "and 1969 be and" be inserted. Strike out Section 2 and Section 1969.

And when so amended recommend the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Taxes and Tax Laws made the following report:

Mr. President: Your committee on Taxes and Tax Laws to whom was referred:

Senate Bill No. 64: A Bill for an Act to Repeal Chapter 222, Laws 1919, in Regard to Taxes on Shares of Stock.

Have had the same under consideration and recommend that the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Taxes and Tax Laws made the following report:

Mr. President: Your committee on Taxes and Tax Laws to whom was referred:

Senate Bill No. 133: A Bill for an Act to Empower Cities and Villages to Levy and Collect a Tax for the Purpose of Furnishing Musical Concerts to the Public.

Have had the same under consideration and recommend that the same be reported back without recommendation.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Railroads made the following report:

Mr. President: Your committee on Railroads to whom was referred:

Senate Bill No. 89: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 204 of the Laws of North Dakota for the Year 1915; an Act to Compel Railroad Companies to Maintain Suitable Stock Yards and Erect Suitable Barns for the Convenience of the Public; to Restrain Any Person From Using the Stock Yards for Any Other Purpose Than Shipping; and to Provide a Penalty for the Violation Thereof.

Have had the same under consideration and recommend that the same be amended as follows:

In the Title thereof strike out the word "Barns" and insert in lieu thereof the word "sheds." In Sec. 1 lines five and six strike out the words "inclosed barns for shelter of said stock" and insert the words "enclosed sheds."

And when so amended recommend the same do pass.

JOHN W. BENSON,
Chairman.

Mr. Benson moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Rusch asked the unanimous consent of the Senate to introduce a bill which request was granted.

Senator Ployhar moved that the vote by which further consideration of Senate Bill No. 50 was indefinitely postponed be reconsidered, which motion was lost.

Senator Fraser asked for additional time to consider the bills with the Judiciary committee, which extension of time was granted.

Senator Levang asked for an extension of time on Senate Bills Nos. 17 and 128, which extension was granted.

Senator Liederbach asked for an extension of time on Senate Bill No. 28, which extension was granted.

Senator Wenstrom asked for additional time to consider the bills with the Ways and Means committee, which extension was granted.

Senator Bowman asked for an extension of time to consider bills with the Taxes and Tax Laws committee, which extension was granted.

Senator Beisel moved that the Senate do now adjourn, which motion prevailed.

FORTY-SECOND DAY.

Senate Chamber,
Bismarck, North Dakota.
February 14, 1921.

The Senate convened at 2 o'clock P. M., the president presiding.

Prayer by the Chaplain, Rev. Father Hiltner.

The roll was called, all Senators being present except Senators McLachlin, Noltimier, Schrenk and Storstad.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Thirty-eighth Day after Recess and Thirty-ninth Day and find the same to be correct.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Wilton, N. D., Feb. 10, 1921.

Senator Fraser, Bismarck, N. Dak.

We, the undersigned do hereby respectfully petition you to support in every way possible the minimum salary and training bill for public school teachers.

C. L. CODDING,
And 22 Others.

Larimore, N. D., Feb. 9, 1921.

Mr. W. E. Holbein, Sec. State Good Roads Association, Bismarck, N. D.

Dear Sir: Our directors have endorsed the Whitman Con-

current Resolution and favor its adoption. You may use this letter whenever it will assist you in any way.

Yours very truly,

J. DEXTER PIERCE,
Secretary Larimore Commercial Club.

Similar communications from the Valley City Commercial Club, by J. H. D. Thompson, Secretary; and the Rugby Commercial Club, by Herbert Bardell, Secretary.

To the Honorable Jacob Schrenk, Senator from McIntosh County, North Dakota.

We, the undersigned voters of the district which you represent in the State Legislature, believe that the best interests of the State and of the young people of the State demands the rejection of the recommendation of the State Board of Administration that the following institutions be closed: The State Normal and Industrial School at Ellendale; the State School of Science at Wahpeton; The State Normal at Mayville; and the State School of Forestry at Bottineau.

And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

Signed by MRS. CARL PETTERSON,
And 27 Others.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 53: A Bill for an Act to Amend and Re-enact Chapter 160 of the Session Laws of North Dakota for the Year 1919 as Amended by Chapter No. 38 of the Special Session Laws of the 16th Legislative Assembly of the State of North Dakota for the Year 1919 Relating to State Hail Insurance.

And find the same correctly re-engrossed.

W. J. CHURCH,
Acting Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 116: A Bill for an Act to Amend and Re-enact Chapter 179 of the Session Laws of 1915; an Act to Amend Chapter 177 of the Laws of 1911 (Same Being Sections 11402to 11428, Inclusive, Compiled Laws 1913), Entitled "Juvenile Court," by Adding Thereto Certain Provisions Giving the Court Power When Necessary to Appoint District Juvenile Commissioners, Guardians ad litem, and to Make

Rules and Regulations Prescribing Their Duties and Fixing Their Compensation; also to Enact Such Other Provisions Which Are Best Calculated to Carry Out the Purpose of Said Chapter 177.

Senate Bill No. 143: A Bill for an Act to Prevent Any Person From Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

And find the same correctly engrossed.

W. J. CHURCH,
Acting Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Rusch introduced:

Senate Bill No. 195: A Bill for an Act Relating to the Taking of New Promissory Notes in Renewal of Notes Already Held by Banks, Other Corporations or Individuals, Effecting Their Legality.

Was read the first and second time and referred to the committee on Banks and Banking.

SENATE ROLL CALL.

Senate Bill No. 17: A Bill for an Act to Appropriate \$10,000 to Aid in the Educational Work Being Carried on by North Dakota Tuberculosis Association, and the Prevention of the Spread of Tuberculosis more Definitely Prescribed in Chapter 7 of the Session Laws of North Dakota for the year 1915, for the Salary and Traveling Expenses of Field Workers and Nurses.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: McLachlin, Noltimier, Storstad.

So the bill passed and the title was agreed to.

Senator Mees moved that Senate Bill No. 51 be made a special order of business for Wednesday at 3 o'clock p. m., which motion prevailed.

House Chamber,
Bismarck, North Dakota,
February 14, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 18: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 162 of the Laws of North Dakota for the Year 1919, Defining Certain Words and Phrases in said Chapter.

House Bill No. 35: A Bill for an Act to Amend and Re-enact Section 33 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 122 of the Laws of North Dakota for the Year 1917 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to Game Birds and Season for Killing.

House Bill No. 81: A Bill for an Act to Establish a Uniform Egg Law, for Regulating and Preventing the Sale of Eggs Unfit as Articles of Human Food, Requiring Eggs to be Canded, Requiring a License for Dealers in Eggs and Establishing a Penalty for Violation of This Act.

House Bill No. 99: A Bill for an Act to Amend and Re-enact Section 3529 of the Compiled Laws of North Dakota for the Year 1913, Relating to Fees of Notaries Public.

House Bill No. 100: A Bill for an Act Defining Criminal Syndicalism, Prohibiting the Advocacy Thereof and the Advocacy of Crime, Sabotage, Violence, or Other Unlawful Methods of Terrorism as a Means of Accomplishing Industrial Ends, and Assemblage for the Purpose of Such Advocacy; and Providing Penalties for the Violations of the Provisions Thereof.

House Bill No. 146: A Bill for an Act to Amend and Re-enact Section 3533 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 104 of the Session Laws of 1915, Relating to the Compensation and Office Hours of County Commissioners.

House Bill No. 147: A Bill for an Act to Amend and Re-enact Section 5179 of the Compiled Laws of 1913 as Amended and Re-enacted by Chapter 55 of the Session Laws of 1915, Relating to the Department of the State Examiner.

House Bill No. 149: A Bill for an Act Providing for the Supervision of Liquidation of Insolvent Banks by the Depositors' Guaranty Fund Commission, the Appointment of a Supervisor of Receivers and Compensation and Expenses Thereof to be Paid Out of the Depositors' Guaranty Fund.

House Bill No. 151: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 126 of the Laws of North Dakota 110 of the Laws of North Dakota for 1919, Relative to the Guarantee of Bank Deposits.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON.
Chief Clerk.

Senator Ployhar moved that all absent Senators be excused, which motion prevailed.

Senator Ingerson moved that Senate Bill No. 66 be amended as follows: In Section 17 change "10 years" to "2 years," which motion was lost.

Senator Ingerson moved to amend Senate Bill No. 66 as follows: In Section 17, change "10 years" to "5 years," which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 66: A Bill for an Act to Promote, Foster and Encourage the Proper Marketing of Agricultural Products and By-Products, and for the Creation of a Co-Operative Marketing Association and Providing for License Fees.

Was read the third time.

The question being on the final passage of the bill as amended, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Micklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: McLachlin, Noltimier, Storstad.

So the bill passed and the title was agreed to.

Senator Mees moved to amend Senate No. 31 as follows: In line 150 of the printed bill strike out "his" and insert in lieu thereof the word "such," also in line 21 change the word "his" to "such." Which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the year 1919, Relating to ompensation of Court Stenographers, and Providing for the Payment of Expenses.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 42, nays 4, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Micklethun, Murphy, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Berg, Fleckten, Nathan, Schrenk,

Absent and not voting: McLachlin, Noltimier, Storstad.

So the bill passed and the title was agreed to.

Senator Church moved to amend Senate Bill No. 143 as follows: In line 3 of the printed bill make it read "his or her own" instead of "his own", which motion prevailed.

Senator Gardiner moved to re-refer Senate Bill No. 143 to the committee from which it came, which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 116: A Bill for an Act to Amend and Re-enact Chapter 179 of the Session Laws of 1915; an Act to Amend Chapter 177 of the Laws of 1911 (Same Being Sections 11402. to 11428, Inclusive, Compiled Laws 1913, Entitled "Juvenile Court," by Adding Thereto Certain Provisions Giving the Court Power When Necessary to Appoint District Juvenile Commissioners, Guardians ad litem, and to Make Rules and Regulations Prescribing Their Duties and Fixing Their Compensation; also to Enact Such Other Provisions Which Are Best Calculated to Carry Out the Purpose of Said Chapter 177.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 42, nays 3, absent and not voting 4.

Ayes: Baird, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McNair, Mees, Miklethun, Murphy, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Nathan, Rusch, Schrenk.

Absent and not voting: Baker, Carey, Liederbach, Noltmier, Storstad.

So the bill passed and the title was agreed to.

Rusch: I vote "no" on this bill for the reason that it will provide for two juvenile courts instead of one making an additional expense of several thousand dollars.

SENATE ROLL CALL.

Senate Bill No. 11: A Bill for an Act Amending and Re-enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913, Relating to Unlawful Obligations in Writing.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 41, nays 1, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Benson, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Wog.

Nays: Berg.

Absent and not voting: Fleckten, McLachlin, Nathan, Nelson, Noltmier, Storstad, Whitman.

So the bill passed and the title was agreed to.

Senator Mees moved that the votes by which Senate Bills Nos. 11, 17, 31, 116, and 66 passed be reconsidered and the motion to reconsider be laid on the table; which motion prevailed.

Senator Baker moved that after the first and second reading of House Bills the Senate recess until tomorrow at 1 o'clock, which motion prevailed.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 35: A Bill for an Act to Amend and Re-enact Section 33 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 122 of the Laws of North Dakota for the Year 1917 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to Game Birds and Season for Killing.

Was read the first and second time and referred to the committee on game and Fish.

House Bill No. 81: A Bill for an Act to Establish a Uniform Egg Law, for Regulating and Preventing the Sale of Eggs Unfit as Articles of Human Food, Requiring Eggs to be Canded, Requiring a License for Dealers in Eggs and Establishing a Penalty for Violation of This Act.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 99: A Bill for an Act to Amend and Re-enact Section 3529 of the Compiled Laws of North Dakota for the Year 1913 Relating to Fees of Notaries Public.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 100: For an Act Defining Criminal Syndicalism, Prohibiting the Advocacy Thereof and the Advocacy of Crime, Sabotage, Violence or Other Unlawful Methods of Terrorism as a Means of Accomplishing Industrial Ends and Assemblage for the Purpose of Such Advocacy; and Providing Penalties for the Violations of the Provisions Thereof.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 146: A Bill for an Act to Amend and Re-enact Section 3533 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 104 of the Session Laws of 1915, Relating to the Compensation and Office Hours of County Commissioners.

Was read the first and second time and referred to the committee on State Affairs:.

House Bill No. 147: A Bill for an Act to Amend and Re-enact Section 5179 of the Compiled Laws of 1913 as Amended and Re-enacted by Chapter 55 of the Session Laws of 1915, Relating to the Department of the State Examiner.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 149: A Bill for an Act Providing for the Supervision of Liquidation of Insolvent Banks by the Depositors' Guaranty Fund Commission, the Appointment of a Supervisor of Receivers and Compensation and Expenses Thereof to be Paid Out of the Depositors' Guaranty Fund.

Was read the first and second time and referred to the committee on Banks and Banking.

House Bill No. 151: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 126 of the Laws of North Dakota for the Year 1917 as Amended and Re-enacted by Chapter 110 of the Laws of North Dakota for 1919, Relative to the Guarantee of Bank Deposits.

Was read the first and second time and referred to the committee on Banks and Banking.

House Bill No. 18: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 162 of the Laws of North Dakota for the Year 1919, Defining Certain Words and Phrases in said Chapter.

Was read the first and second time and referred to the committee on Insurance.

The courtesies of the floor were extended to Miss Ina Brickner of Fargo, W. J. Ray of Medora, Geo. Schafer of Watford City, G. L. Elken and Henry Levin, Mr. Collins of Grand Forks, T. H. Steen of Kulm, Herman Paulson of Adrian, Geo. Steele, James Poppe, C. E. Maller, J. R. Hollingsworth all of Nortonville, Christ Flagel of Kulm, J. C. Black of Plaza, Charles Hurley of Ryder, R. A. Nestos of Minot, Ex-U. S. Senator Burton of Kansas, C. Arterburn, L. C. Swanson of Salina, Kansas, Victor Johnson of Lindoborg, Kansas.

The Senate recessed.

W. J. PRATER,
Secretary.

FORTY-SECOND DAY AFTER RECESS AND
FORTY-THIRD DAY.

Senate Chamber,
Bismarck, North Dakota,
February 15, 1921.

The Senate convened at 1 o'clock P. M., pursuant to recess taken, the President presiding.

PETITIONS AND COMMUNICATIONS

Senator Thorson presented the following communication:

To the Seventeenth Legislative Assembly of the State of North Dakota:

We, the undersigned do most respectfully petition your honorable body to pass the following measures: Senate Bill No. 18.

Adopted by a rising vote of Grand Forks Scandinavian W. C. T. U. February 11, 1921.

B. A. HOFF,
And 20 Others.

LaMoure, North Dakota, Feb. 4, 1921.

To the Senator and Representatives at LaMoure county, North Dakota:

We, the undersigned residents of LaMoure County, North Dakota, respectfully urge you to vote against any and all bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

MRS. GEO. H. YOUNG,
And 116 Others.

To the Honorable P. A. Berg, Senator from Ransom County, North Dakota:

We the undersigned voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale,

the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

DAVID KEYES,
And 13 Others.

Grand Forks, North Dakota, Feb. 7, 1921.

Hon. W. S. Whitman, Senator, (6th Legislative District, Seventeenth Legislative Assembly, Bismarck, N. D.

Dear Sir: We, the legislative committee, of the Grand Forks Trades and Labor Assembly, do hereby inform you that a resolution, a copy of which is inclosed herein, was recently passed by our assembly.

This resolution has been forwarded to the Seventeenth North Dakota State Legislative Assembly for action.

It is our sincere desire that you give this measure your most hearty support when it appears.

Thanking you for any aid you may feel disposed to tender in behalf of this resolution, we remain,

Yours very sincerely,

MRS. MARGARET FROATS,
And 4 Others.

At the regular meeting of the Grand Forks Trades and Labor Assembly January 26, the following resolution was passed;

WHEREAS, the salaries of teachers in the state educational institutions have not risen to correspond with the cost of living; and

WHEREAS, the teachers have suffered a serious deficit of purchasing power for several years; and

WHEREAS, the state is losing the services of experienced teachers who are needed to maintain the high standard of education; and

WHEREAS, on the present low salary basis our institution finds it impossible to compete with other first class universities for men of proved ability and experience:

NOW, THEREFORE, BE IT RESOLVED, by the Trades and Labor Assembly of Grand Forks, that whatever cuts may be made in the appropriations asked for in behalf of the state educational institutions, the estimates for salaries of teachers be not diminished under any circumstances; and

BE IT FURTHER RESOLVED, that copies of this resolution be sent to the governor, the board of administration, the chairman of the committee on appropriations in the state legislature, and to the members of the legislature from Grand Forks County.

PETER MORGAN,
President.
ADOLPH LANGSETH,
Secretary-Treasurer,
And 5 Others.

Danzig, North Dakota, Feb. 4, 1921.

To the Senator and Representatives of McIntosh County,
North Dakota:

We, the undersigned residents of McIntosh County, North Dakota, respectfully urge you to vote against any and all bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

Signed by J. E. HETZLER,
And 47 Others.

REPORTS OF STANDING COMMITTEES

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 15: A Bill for an Act to Amend and Re-enact Section 1340, Compiled Laws of North Dakota for 1913, Relating to Proposals for Building School Houses.

And find the same correctly enrolled.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the year 1919, Relating to Compensation of Court Stenographers, and providing for the Payment of Expenses.

Senate Bill No. 66: A Bill for an Act to Promote, Foster and Encourage the Proper Marketing of Agricultural Products and By-Products, and for the Creation of a Co-operative Marketing Association and Providing for License Fees.

And find the same correctly re-engrossed.

W. J. CHURCH,
Acting Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 101: A Bill for an Act Prohibiting the Sale of Proprietary Drugs, Patent Medicine, or Nostroms by Anyone Who is not a Pharmacist or Physician Licensed to Practice in this State, Providing a Penalty for the Violation thereof and Declaring this Act to be an Emergency.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

SIGNING OF BILLS.

The Secretary announced that the President was about to sign:

Senate Bill No. 15: A Bill for an Act to Amend and Re-enact Section 1340, Compiled Laws of North Dakota for 1913, Relating to Proposals for Building School Houses.

And the President signed the same in the presence of the Senate.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 186: A Bill for an Act to Remove Any Disability to Act as Administratrix, Guardian, or in Any Other Legal Capacity.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 145: A Bill for an Act to Create, define and Establish the Bar Association of the State of North Dakota, and Providing for the publication of Its Proceedings, and Filing Copies Thereof With the State Bar Board and the State Libraries and as Otherwise Provided, and Making an Appropriation for the Expenses Connected Therewith.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Game and Fish made the following report:

Mr. President: Your committee on Game and Fish to whom was referred:

House Bill No. 108: A Bill for an Act to Amend and Re-enact Section 28 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to Trespassing on Lands Where Hunting is Prohibited.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 28 in line 5 after the word "allowed" insert a comma and the following: "Except no person shall at any time enter into any enclosed field, not his own, with intent to take or kill any bird or game without the permission of the owner or person in charge thereof." Further in lines 5 and 6 of Section 28 strike out the word "written." In line 9 after the word "posted" strike out the period and insert a semi-colon and add the following: "provided further no person shall enter upon such posted land unless there be a visible trail of blood clearly indicating the course of such wounded animal onto such posted land and in no event shall it be lawful for more than two persons to pursue such wounded animal."

And when so amended recommend the same do pass.

ANDREW OKSENDAHL,
Chairman.

Mr. Oksendahl moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Game and Fish made the following report:

Mr. President: Your committee on Game and Fish to whom was referred:

House Bill No. 107: A Bill for an Act to Amend and Re-enact Section 10298 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer.

Have had the same under consideration and recommend that the same be amended as follows:

In line 5 of the printed bill Section 10298, strike out the figures "21st" after the word November and insert in lieu thereof the figures "26th." In line 8 of the printed bill after the word "from" strike out the words "a dark blue or black" and insert in lieu thereof the words "bright red." Strike out everything after the word "deer" in line 10 of the printed bill to the beginning of the sentence in line 21.

And when so amended recommend the same do pass.

ANDREW OKSENDAHL,
Chairman.

Mr. Oksendahl moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 144: A Bill for an Act to Amend and Re-enact Section 3266 of the Compiled Laws of the State of North Dakota for the year 1913, Relating to the Time and Place of the Meetings of the Board of County Commissioners.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

A Concurrent Resolution introduced by Messrs Storstad and Gardiner.

Have had the same under consideration and recommend that the same be adopted.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

A Concurrent Resolution introduced by Mr. Wenstrom by request.

Senate Bill No. 185: A Bill for an Act Amending the Constitution of the State of North Dakota, Providing for the Discontinuation of a State Normal School at the City of Mayville, in the County of Traill, and an Industrial School and School for Manual Training at the Town of Ellendale, in the County of Dickey.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 60: A Bill for an Act to Regulate Assignments for Benefit of Creditors, and Provide for the Carrying Out of the Same Under Court Supervision.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 146: A Bill for an Act to Amend and Re-enact Section 7655 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Obtaining, Preparation and Settlement of Statement of the Case on Appeals in Civil Actions.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Live Stock made the following report:

Mr. President: Your committee on Live Stock to whom was referred:

Senate Bill No. 83: A Bill for an Act Amending and Re-enacting Section 2618, Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 140 of the Session Laws of North Dakota, for the Year 1919, Relating to the Herd Law.

Have had the same under consideration and recommend that the same do pass.

JOHN NATHAN,
Chairman.

Mr. Nathan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 64: A Bill for an Act to Repeal Chapter 222, Laws 1919, in Regard to Taxes on Shares of Stock.

Senate Bill No. 89: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 204 of the Laws of North Dakota for the Year 1915; an Act to Compel Railroad Companies to Maintain Suitable Stock Yards and Erect Suitable Barns for the Convenience of the Public; to Restrain Any Person From

Using the Stock Yards for Any Other Purpose Than Shipping; and to Provide a Penalty for the Violation Thereof.

Senate Bill No. 133: A Bill for an Act to Empower Cities and Villages to Levy and Collect a Tax for the Purpose of Furnishing Musical Concerts to the Public.

Senate Bill No. 138: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota Changing the Length of Term of Office of Commissioners of Railroads.

Senate Bill No. 141: A Bill for An Act to Amend and Re-enact Section 1717 of the Compiled Laws of North Dakota for the year 1913, as Amended by Section 4 of Chapter 113 of the Session Laws of 1915, and Chapter 145 of Session Laws of North Dakota for the Year 1917, Relating to the Support of Feeble Minded Persons in the Institution of the Feeble Minded.

Senate Bill No. 163: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota, Relating to the Compensation and Mileage of Legislative Members.

Senate Bill No. 172: A Bill for an Act to Repeal Sections 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968 Compiled Laws of the State of North Dakota for 1913 and Amend Section 1969 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Levy and Collection of Poll Tax.

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Section 1334 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Interest on Bonds of Common School Districts.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 147: A Bill for an Act to Amend and Re-enact Chapter 183 of the Session Laws of 1917, an Act Requiring the Owners of Personal Property to Notify the County Treasurer of the Sale of Such Property at Public Auction, Providing for the Collection of Their Personal Property Taxes and Prescribing Dates of Auctioneers in Relation Thereto.

Have had the same under consideration and recommend that the same be amended as follows:

Section 2, line 2, after the word "the" strike out the word "such."

After the word "of" in the same line insert the word "such."

In section 2, line 6, after the word "collected" strike out balance of line and all of line 7.

In Section 3, line 1, strike out the words "that every" and insert in lieu thereof the word "the."

In line 7, Section 3, strike out the word "has" and insert the word "have."

Section 4, line 2, strike out the word and numeral "five dollars" and insert in lieu thereof the words "fifty-dollars."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

RESOLUTION ON METRIC SYSTEM

Introduced by Mr. O. C. Gross, by request.

WHEREAS, there is in the United States a deplorable lack of uniformity in weights and measures, and the units used are unscientific, cumbersome, and unrelated, constituting an actual hindrance to education, industry, world trade, and the activities of daily life; and

WHEREAS, the metric system of weights and measures is a decimal system, simple, logical and easy to use, so that its adoption will result in an incalculable saving in time and energy; and

WHEREAS, the metric system has been adopted by the vast majority of enlightened nations, and its adoption by the United States is calculated to promote friendly relations and commerce with all the world; and

WHEREAS, the State of North Dakota, by reason of its great commercial and industrial activities, is vitally interested, both as a State and in behalf of its citizens, in the speedy adoption of world-wide uniform standards of weights and measures:

NOW, THEREFORE, BE IT RESOLVED, that the State Senate of the State of North Dakota respectfully urges that the units of the Metric System be adopted by the Congress of the United States as the legal standards of weights and measures after a transition period of ten (10) years, as proposed in Bills now before Congress; and

BE IT FURTHER RESOLVED, that copies hereof be forwarded to the President of the United States of America and to the Senators and Representatives of the State of North Dakota in the Congress of the United States.

Senator Gross moved that the resolution be adopted.

SENATE ROLL CALL.

The question being on the adoption of the resolution introduced by Mr. Gross, the roll was called and there were ayes 35, nays 5, absent and not voting 9.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrnes, Church, Carey, Fleckten, Fraser, Gardiner, Cross, Hagan, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Porter, Patten, Rusch, Sperry, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Eastgate, Kelsch, Petterson, Stevens.

Absent and not voting: Ettestad, Ingerson, Kendall, Noltmier, Ployhar, Schrenk, Steel, Storstad.

So the resolution was adopted.

Senator Berg asked for an extension of time on Senate Bill No. 151, which extension was granted.

Senator Fleckten asked for an extension of time, on Senate Bill No. 45, which extension was granted.

Senator Sperry asked the unanimous consent of the Senate to introduce a bill which consent was granted.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Sperry introduced:

Senate Bill No. 196: A Bill for an Act to Provide How May Consolidate, Merge or Reinsure Its Insurance Risks, Fraternal Societies Organized Under the Laws of This State May Consolidate, Merge or Reinsure Its Insurance Risks, With Any Other Fraternal Benefit Society, or Assume or Reinsure the Risks of Any Other Fraternal Benefit Society, and to Provide Penalties for the Violation of the Provisions Hereof, and Repealing Inconsistent Laws.

Was read the first and second time and referred to the committee on Insurance.

SENATE ROLL CALL.

House Bill No. 11: A Bill entitled, An Act to Amend Chapter 7567 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Garnishments.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 41, nays 0, absent and not voting 8.

Ayes: Baker, Beisel, Berg, Bowman, Church, Carey, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry,

Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Benson, Bond, Byrne, Ettestad, Kendall, Ployhar, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 52: A Bill for an Act Levying a Tax of One Mill Upon Each Dollar of Assessed Valuation of all Taxable Property Within the State for Each Year for the Purpose of Creating a fund to be known as the "Returned Soldiers' Fund." Providing for the Payment Thereof to Returned Soldiers, Defining the Powers and Duties of the Adjutant General and of the Industrial Commission with Reference Thereto and Making an Appropriation Therefor.

Was read the third time.

The question being on the final passage of the bill by the Senate, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten-Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Ettestad, Kendall, Ployhar.

So the bill passed and the title was agreed to.

Senator Miklethun moved that the Senate do now adjourn, which motion prevailed.

FORTY-THIRD DAY.

Senate Chamber,
Bismarck, North Dakota,
February 15, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

The roll was called all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Thirty-ninth Day after Recess and Forty-second Day and recommend that the same be amended as follows: Page 10, line 44, correct the spelling of the word "made." Page 17 line 1 change the figure "145" to "143." Lines 19 and 20 strike out the words "as amended." Page 19, line 27 correct the spelling of the name "Brickner." On page 17 line 33, strike out the word "take" and insert in lieu thereof the

words "provide for." Page 19, correct the spelling of the name "Lindsborg."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

SENATE ROLL CALL.

Senate Bill No. 64: A Bill for an Act to Repeal Chapter 222, Laws 1919, in Regard to Taxes on Shares of Stock.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Berg, Bond, Bowman, Byrne Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Miklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Benson, Mees, Rusch.

So the bill passed and the title was agreed to.

Senator Rusch moved that further consideration of Senate Bill No. 133 be indefinitely postponed.

Senator Whitman moved that Senate Bill No. 133 be amended as follows: In line 12 "10%" be stricken out and "50%" be substituted therefor.

Senator Thorson moved to amend the amendment offered by Senator Whitman as follows: substitute "20% for 50%", which motion prevailed.

Senator Liederbach moved to amend Senate Bill No. 133 as follows: After Sec. 3 add the following: "Provided, however, that this Act does not apply to any city or village having property value less than \$500, which motion was lost.

Senator Rusch renewed the motion to indefinitely postpone further consideration of Senate Bill No. 133.

Senator Mees moved that the motion of Senator Rusch be laid on the table, which motion prevailed.

Senator Nathan moved to amend Senate Bill No. 133 to the effect that the Act shall not apply to cities under 500 population, which motion was lost.

Senator Benson moved to further amend Senate Bill No. 133 by striking out the word "electors" and inserting the words "freeholders", which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 133: A Bill for an Act to Empower Cities and Villages to Levy and Collect a Tax for the Purpose of Furnishing Musical Concerts to the Public.

Was read the third time.

The question being on the final passage of the bill as amended, the roll was called and there were ayes 27, nays 19, absent and not voting, 3.

Ayes: Baird, Baker, Beisel, Bond, Byrne, Church, Carey, Eastgate, Gardiner, Garberg, Gross, Kendall, McLachlin, Mees, Murphy, Nelson Noltmier, Ployhar, Porter, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Whitman.

Nays: Berg, Bowman, Ettetstad, Fleckten, Fraser, Hagan, Ingerson, Kelsch, Levang, Liederbach, McNair, Miklethun, Nathan, Olson, Oksendahl, Patten, Rusch, Schrenk, Wog.

Absent and not voting: Benson, Ployhar, Wenstrom.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

Senate Bill No. 138: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota Changing the Length of Term of Office of Commissioners of Railroads.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 4, absent and not voting 1.

Ayes: Baird, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltmier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusca, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Baker, Liederbach, Nelson, Stevens.

Absent and not voting: Petterson.

So the bill passed and the title was agreed to.

Mees: (Believing this a bill in the right direction providing for continuity in office and for more efficiency in the department of the railroad commissioners, I vote "aye."

SENATE ROLL CALL.

Senate Bill No. 141: A Bill for An Act to Amend and Re-enact Section 1717 of the Compiled Laws of North Dakota for the year 1913, as Amended by Section 4 of Chapter 113 of the Session Laws of 1915, and Chapter 145 of Session Laws of North Dakota for the Year 1917, Relating to the

Support of Feeble Minded Persons in the Institution of the Feeble Minded.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 38, nays 9, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Murphy, Nathan, Nelson, Noltimier, Olson, Ployhar, Porter, Schrenk, Sperry, Steel Stevens, Storstad, Thorson, Van Camp, Wenstrom, Whitman.

Nays: Berg, Fleckten, Liederbach, Miklethun, Oksendahl, Patten, Rusch, Wog.

Absent and not voting: Fraser, Petterson.

So the bill passed and the title was agreed to.

Rusch: I vote "no" on this bill believing that the State will receive more money at fifteen dollars per month than it will at twenty-five dollars per month.

SENATE ROLL CALL.

Senate Bill No. 163: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota, Relating to the Compensation and Mileage of Legislative Members.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 36, nays 11, absent and not voting 2.

Ayes: Baird, Beisel, Benson, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Steel, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Berg, Fleckten, McLachlin, Nathan, Rusch, Schrenk, Sperry, Stevens, Ward, Wenstrom.

Absent and not voting: Fraser, Wog.

So the bill passed and the title was agreed to.

Rusch: I vote "no" on this bill for the reason it affects my salary two years hence.

Senator Bowman moved that Senate Bill No. 172 be amended as follows: Strike out all of title on printed bill and substitute in lieu thereof the following: "A Bill to Repeal Sections 1960, 1962, 1963, 1964, 1965, 1966, 1967, 1968 and 1969 Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Levy and Collection of Poll and

Road Tax"; and in Section 3 strike out the figure "3" and insert the figure "2"; which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 172: A Bill for an Act to Repeal Sections 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968 Compiled Laws of the State of North Dakota for 1913 and Amend Section 1969 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Levy and Collection of Poll Tax.

Was read the third time.

The question being on the final passage of the bill as amended, the roll was called and there were ayes 38, nays 8, absent and not voting 3.

Ayes: Baird, Baker, Benson Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Noltimier, Olson, Oksendahl, Ployhar, Patten, Rusch, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Gardiner, Kelsch, McLachlin, Nathan, Peterson, Porter, Schrenk.

Absent and not voting: Bond, Nelson, Stevens.

So the bill passed and the title was agreed to.

Senator Rusch moved to amend Senate Bill No. 187 as follows in line 5 strike out "6" and insert in lieu thereof "7"; which motion was lost.

Senator Church moved that Senate Bill No. 187 be amended as follows: In line 5 strike out the word "6" and insert in lieu thereof "7"; and in line 10 strike out "10" and insert in lieu thereof the word "five"; which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Section 1334 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Interest on Bonds of Common School Districts.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Peterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Gross.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

Senate Bill No. 89: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 204 of the Laws of North Dakota for the Year 1915; an Act to Compel Railroad Companies to Maintain Suitable Stock Yards and Erect Suitable Barns for the Convenience of the Public; to Restrain Any Person From Using the Stock Yards for Any Other Purpose Than Shipping; and to Provide a Penalty for the Violation Thereof.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 49, nays 0, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the bill passed and the title was agreed to.

Senator Mees moved that the Senate Concurrent Resolution introduced by Mr. McLachlin be placed on final passage, which motion prevailed.

SENATE ROLL CALL.

The question being on the final adoption of the Concurrent Resolution introduced by Mr. McLachlin, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Beisel, Church, Fleckten, Liederbach, Miklethun, Nathan.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which the Concurrent Resolution passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

House Chamber,
Bismarck, North Dakota,
February 15, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 119: A Bill for an Act Declaring Sow Thistle to be a Noxious Weed, Providing for Its Destruction and Providing for the Payment of Its Destruction.

House Bill No. 127: A Bill for an Act to Amend and Re-enact Section 2702 of the Compiled Laws of the State of North Dakota for 1913 as Amended by Chapter 263, Session Laws of North Dakota for the Year 1915, and Amending and Re-enacting Section 2706 of the Compiled Laws of the State of North Dakota for 1913, Relating to the Reimbursement of Owners of Tubercular Cattle.

House Bill No. 199: A Bill for an Act to Amend and Re-enact Sections 1589, 1594, and 1595 of the Compiled Laws of 1913, Relative to Normal Schools.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk

Senator Baker moved that after the first and second reading of Senate and House Bills the Senate recess until tomorrow at one o'clock P. M., which motion prevailed.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 199: A Bill for an Act to Amend and Re-enact Sections 1589, 1594, and 1595 of the Compiled Laws of 1913, Relative to Normal Schools.

Was read the first and second time and referred to the committee on Education.

House Bill No. 127: A Bill for an Act to Amend and Re-enact Section 2702 of the Compiled Laws of the State of North Dakota for 1913 as Amended by Chapter 263, Session Laws of North Dakota for the Year 1915, and Amending and Re-enacting Section 2706 of the Compiled Laws of the State of North Dakota for 1913, Relating to the Reimbursement of Owners of Tubercular Cattle.

Was read the first and second time and referred to the committee on Live Stock.

House Bill No. 119: A Bill for an Act Declaring Sow Thistle to be a Noxious Weed, Providing for Its Destruction and Providing for the Payment of Its Destruction.

Was read the first and second time and referred to the committee on Agriculture.

The courtesies of the floor were extended to G. S. Woolledge of Minot, Mrs. E. O. Bailey of Emerson, Judge Jansonius of Fessenden, J. L. Hart of Chaseley, John McKenzie, L. D. Bailey of Moffit, Mr. and Mrs. C. A. Cavet and Mrs. Snyder of Lisbon, Otto Rognlien, Mrs. Ellen Rognlien and Josie Larson of Walum, John Benson of Cooperstown, H. S. Swingen and W. H. Richardson of Hannaford, Ex-U. S. Senator Burton of Kansas, M. O. Gaulke of Grand Forks, A. J. Hauge and J. O. Grubb of Powers Lake, H. A. Kirklie of Bowbells.

The Senate recessed.

W. J. PRATER,
Secretary.

FORTY-THIRD DAY AFTER RECESS AND
FORTY-FOURTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 16, 1921.

The Senate convened at 1 o'clock P. M. pursuant to recess taken, the President presiding.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 130: A Bill for an Act Providing for Creditors of Defendant in Attachment Proceedings to File Their Claims in Said Attachment Proceedings With the Clerk of the Court.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 159: A Bill for an Act to Amend and Re-enact Chapter 179, of the Session Laws of 1915, the same being Amendatory of the Laws of 1911, Chapter 177, Entitled "Juvenile Court," Being Also Sections 11402 to 11428, Inclusive, of the Compiled Laws of North Dakota, for the Year 1913.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 122: A Bill for An Act to Provide for the survival of Actions and Causes of Action for Damages, Pain and Suffering and Personal Injuries.

Have had the same under consideration and recommend that the same be amended as follows:

In line 1 of the printed bill before the word "all" insert "Section 1."

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 124: A Bill for An Act to Provide for the Survival of Actions and Causes of Action Against the Estate of a Deceased Person.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 99: For an Act to Amend and Re-enact Section 3529 of the Compiled Laws of North Dakota for the Year 1913 Relating to Fees of Notaries Public.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 152: A Bill for an Act to Permit the Use of Certain Ground Upon the Campus of the University and to Consent to the Erection of an Alumni Building Thereupon

by the Alumni Association for Purposes of Aiding the University and the Co-operative Interest of Its Alumni and to Grant to Such Alumni Association the Right to Exercise Control and Dominion Over Such Ground and the Building to be Constructed Thereon, Subject to the Rules and Regulations of the State and of Its Board of Administration.

Have had the same under consideration and recommend that the same be amended as follows:

That the title be amended as follows: After the word "Administration" in the last line add the words "Exempting building from assessment and taxation."

In line 5, Section 1 of printed bill strike out the numeral "500" and insert in lieu thereof the numeral "300."

And when so amended recommend the same do pass.

O. H. OLSON,

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 95: A Bill for an Act for the Purpose of Encouraging and Fostering Agriculture, Establishing a System of Rural Credits, Creating a North Dakota Rural Credit Board, Defining the Scope and Manner of Its Operation and the Powers and Duties of the Persons Charged With Its Management.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred a Concurrent Resolution by Gust Wog:

Senate Bill No. 182: A Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

Have had the same under consideration and recommend that the same be amended as follows:

That in Section 173 lines 3, 4, and 5, be stricken out and the following words be inserted:

"elected in each organized county in the state, a register of deeds, county auditor, treasurer, sheriff, state's attorney and a county judge, who shall also be the clerk of District court who shall be electors of the"

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted which motion prevailed and the report was adopted.

The majority of the committee on Railroads made the following report:

Mr. President: A majority of your committee on Railroads to whom was referred:

Senate Bill No. 125: A Bill for an Act to Repeal Chapter 169 of the Session Laws of the State of North Dakota for the Year 1919, Entitled "An Act to Promote the Safety of Employes and Travelers and the Expeditious Movement of Freight on Railroads by Compelling Common Carriers by Railroad to Properly Man Their Trains; Providing Penalties and Measuring Damages for the Violation Thereof."

Have had the same under consideration and recommend that the same be indefinitely postponed.

P. A. BERG,
JOHN W. BENSON,
OLE ETTESTAD,
R. W. PATTEN,
L. W. SPERRY,
NELS PETERSON,
O. H. OLSON,
CHRIST LEVANG,
H. H. McNAIR,
C. A. WARD,
O. C. GROSS,
JOHN W. BENSON,
Chairman.

A minority of the committee on Railroads made the following report:

Mr. President: A minority of your committee on Railroads to whom was referred:

Senate Bill No. 125: A Bill for an Act to Repeal Chapter 169 of the Session Laws of the State of North Dakota for the Year 1919, Entitled "An Act to Promote the Safety of Employes and Travelers and the Expeditious Movement of Freight on Railroads by Compelling Common Carriers by Railroad to Properly Man Their Trains; Providing Penalties and Measuring Damages for the Violation Thereof."

Have had the same under consideration and recommend that the same do pass.

E. M. NELSON,
R. J. GARDINER,
ALFRED STEEL,
FRANK E. PLOYHAR,
JOHN W. BENSON,
Chairman.

Senator Benson moved that the majority report on Senate Bill No. 125 be adopted.

Senator Ployhar moved that the motion of Senator Benson be amended by substituting the word "Minority" for the word "majority," which motion was lost.

The question being on the motion of Senator Benson to adopt the majority report, the motion prevailed.

The majority of the committee on Railroads made the following report:

Mr. President: A majority of your committee on Railroads to whom was referred:

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of this Act.

Have had the same under consideration and recommend that the same be indefinitely postponed.

L. W. SPERRY,
R. J. GARDINER,
NELS PETERSON,
FRANK E. PLOYHAR,
P. J. MURPHY,
OLE ETTESTAD,
E. M. NELSON,
ALFRED STEEL,
JOHN W. BENSON,
Chairman.

The minority of the committee on Railroads made the following report:

Mr. President: A minority of your committee on Railroads to whom was referred:

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of this Act.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
CHRIST LEVANG,
H. H. McNAIR,
C. A. WARD,
R. W. PATTEN,
JOHN W. BENSON,
P. A. BERG,
JOHN W. BENSON,
Chairman.

Senator Benson moved that the minority report be adopted.

Senator Gross moved that Senate Bill No. 58 be re-referred to the committee on Railroads, which motion prevailed.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 60: A Bill for an Act to Regulate Assignments for Benefit of Creditors, and Provide for the Carrying Out of the Same Under Court Supervision.

Senate Bill No. 83: A Bill for an Act Amending and Re-enacting Section 2618, Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 140 of the Session Laws of North Dakota, for the Year 1919, Relating to the Herd Law.

Senate Bill No. 145: A Bill for an Act to Create, define and Establish the Bar Association of the State of North Dakota, and Providing for the publication of Its Proceedings, and Filing Copies Thereof With the State Bar Board and the State Libraries and as Otherwise Provided, and Making an Appropriation for the Expenses Connected Therewith

Senate Bill No. 147: A Bill for an Act to Amend and Re-enact Chapter 183 of the Session Laws of 1917, an Act Requiring the Owners of Personal Property to Notify the County Treasurer of the Sale of Such Property at Public Auction, Providing for the Collection of Their Personal Property Taxes and Prescribing Dates of Auctioneers in Relation **Thereof.**

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 133: A Bill for an Act to Empower Cities and Villages to Levy and Collect a Tax for the Purpose of Furnishing Musical Concerts to the Public.

Senate Bill No. 172: A Bill for an Act to Repeal Sections 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, and 1968 Compiled Laws of the State of North Dakota for 1913 and Amend Section 1969 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Levy and Collection of Poll Tax.

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Chapter 183 of the Session Laws of 1917, an Act Requiring the Owners of Personal Property to Notify the County Treasurer of the Sale of Such Property at Public Auction, Providing for the Collection of Their Personal Property Taxes and Prescribing Dates of Auctioneers in Relation **Thereof.**

Senate Bill No. 89: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 204 of the Laws of North Dakota for the Year 1915; an Act to Compel Railroad Companies to Maintain Suitable Stock Yards and Erect Suitable Barns for the Convenience of the Public; to Restrain Any Person From Using the Stock Yards for Any Other Purpose Than Shipping; and to Provide a Penalty for the Violation Thereof.

And find the same correctly re-engrossed.

A. G. STORSTAD.
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Miklethun moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

FORTY-FOURTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February 16, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Father Hiltner.

Roll was called all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully the Journal of the Forty-second Day after recess and Forty-third Day and recommend that the same be corrected as follows: Page 11, lines 16 and 17 strike out the words "as amended." Page 12 line 31, strike out the word "of" and insert in lieu thereof the word "for."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

Valley City, North Dakota.
To the Seventeenth Legislative Assembly of the State of North Dakota.

We, the undersigned, do most respectfully petition your honorable body to pass the following measure: House Bill No. 132.

ELLA M. GRANGER,
President W. C. T. U.

This represents the unanimous vote of 80 members.

Verona, North Dakota, Feb. 4, 1921.

To the Senator and Representatives of LaMoure County,
North Dakota:

We, the undersigned residents of LaMoure county, North Dakota, respectfully urge you to vote against any and all bills which have for their purpose the abolishment of the State Normal and Industrial School at Ellendale.

We believe that more people will secure educational privileges with the schools as now constituted rather than if centralized.

H. T. UTECHT,
And 40 Others.

To the Senate and House of Representatives of the State of
North Dakota:

WHEREAS, the necessity presents itself for Legislation making more effective the enforcement of the Volstead Act and believing that such enforcement can more fully be accomplished by the State than by local police authorities.

We, the Nonpartisan Clubs in Convention assembled most respectfully petition the Legislative Assembly of the State to pass Senate Bill No. 18 as originally passed by the Senate.

RESOLUTION COMMITTEE,
HATTIE GROSS,
Chairman.

Velva, N. D., Feb. 9, 1921.

To the Senate and the House of Representatives of the State
of North Dakota:

We, the undersigned tax-payers, petition your honorable body to pass Senate Bill No. 95, pertaining to Rural Credits, as we consider it a good measure for the farmers and the up-building of our State.

C. L. BEIGHLE,
And 21 Others.

Senator Baird moved that Rule 28 be suspended and that the vote by which Senate Bill No. 20 was indefinitely postponed be reconsidered, which motion prevailed.

Senator Baird moved that Senate Bill No. 20 be re-referred to the State Affairs committee, which motion prevailed.

Senator Ployhar moved that the vote by which Senate Bill No. 95 was indefinitely postponed be reconsidered.

A roll call was demanded.

SENATE ROLL CALL.

The question being on the motion to reconsider vote by which Senate Bill No. 95 was indefinitely postponed, the roll was called and there were ayes 23, nays 24, absent and not voting 2.

Ayes: Baird, Beisel, Bond, Eastgate, Ettetstad, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson,

Ployhar, Porter, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Rusch, Wenstrom, Wog.

Absent and not voting: Carey, Stevens.

So the motion was lost.

Rusch: I don't think the time is ripe for a bill of this kind. I vote "no."

Ward: I vote "aye" to extend the Senator the courtesy of being present when his bill is killed.

Senator Ingerson moved that the vote by which Senate Bill No. 138 passed be reconsidered.

Senator Mees moved that the motion of Senator Ingerson be laid on the table, which motion was lost.

The question being on the motion to reconsider the vote by which Senate Bill No. 138 passed, the motion prevailed.

Senator Bowman moved that Senate Bill No. 138 be referred to the committee on Ways and Means, which motion prevailed.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 143: A Bill for an Act to Prevent Any Person From Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 1, line 3, after the word "own" insert the words "Provided that the provisions of this Act shall not apply to officers of the law, when in actual performance of their duties."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 150: A Bill for an Act to Amend and Re-enact Section 9804 and Section 9805 of Chapter 55 of the Laws of North Dakota for the Year 1913, Regulating the Sale to and Use of Firearms by Minors and Providing a Penalty for the Violation Thereof.

Have had the same under consideration and recommend that the same be amended as follows:

In the printed bill Section 9804, line 3, after the word "under" strike out the word "fifteen" and insert therefor the word "twelve."

In line 5, after the word "purpose" strike out the word "and" and insert therefor the word "any."

In line 6, after the word "lead" strike out the words "in public."

In line 8, after the word "person" insert "over eighteen years of age."

In line 10, after the word "minor" insert the words "Under the age of eighteen years" and after the word "arms" insert the words "or ammunition."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 157: A Bill for an Act Entitled, an Act to Prevent Dancing in Normal Schools and High Schools.

Have had the same under consideration and recommend that the same be amended as follows:

After the words "Be it Enacted by the Legislative Assembly of the State of North Dakota" insert the words "Section 1." In line 3, after the word "state" strike out the comma and the words "or to hold any such ball or dance." In line 5, after the word "schools" insert "Section 2." Strike out figures "6, 7, 8, and 9," and insert in lieu thereof the figures "1, 2, 3, and 4."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Murphy moved that the rules be suspended insofar as is necessary to place Senate Bill No. 157 on third reading and final passage, which motion prevailed.

Senator Nathan moved that the previous question now be put, which motion was lost.

Senator Fraser moved that Senate Bill No. 157 be amended as follows: In line 5, after the word "school," insert the following: "and no school teacher or school instructor shall dance during school week except on Friday evenings in any case including rural schools." And in line 1, after the word "unlawful," insert the following: "after January 1st, 1922."

Senator Liederbach moved that action on Senate Bill No. 157 be deferred until 3 o'clock tomorrow, which motion was lost.

Senator Stevens moved that the previous question be now put, which motion prevailed.

Senator Hagan moved that Senate Bill No. 157 be rereferred to the committee on Ways and Means.

Senator Benson moved as a substitute motion that the Bill be referred to the committee on Indian Affairs, which motion was lost.

The question being on referring the bill to the committee on Ways and Means, which motion was lost.

The question being on the adoption of the amendments offered by Senator Fraser, the motion prevailed.

Senator Gardner moved that further consideration of Senate Bill No. 157 be indefinitely postponed, which motion prevailed.

Senator Murphy moved that the vote by which Senate Bill No. 157 was indefinitely postponed, be reconsidered, and the motion to reconsider be laid on the table, which motion prevailed.

HOUSE CHAMBER

Bismarck, N. D., Feb. 16, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 6: A Bill for an Act to Amend and Re-enact Section 7949 of North Dakota, 1913, Relating to Continuances of Cases.

House Bill No. 34: A Bill for an Act to Fix the Salaries of Certain County Officers, to Provide for the Payment Thereof, for the Employment and Payment of Deputies and Clerk Hire in Such Offices, the Collection and Deposit of Fees, and the Repeal of Certain Laws.

House Bill No. 63: A Bill for an Act to Amend and Re-enact Section 7644 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 1 of the Session Laws for the Year 1919 (Regular Session) Relating to Change of Judges in Civil and Criminal Actions in the District Court, for Prejudice or Bias of Judge Thereof; Providing for the Calling in of Another Judge of Another Judi-

cial District, and the Payment of His Expenses, and the Discharge of Jurors Therein.

House Bill No. 67: A Bill for an Act to Amend and Re-enact Sections 2462, 2463, 2466, 2487, 2489, 2490 Compiled Laws 1913, Relating to Drains.

House Bill No. 106: A Bill for an Act to Amend and Re-enact Section 46 of Chapter 161 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 63, of the Laws of North Dakota for the Year 1917, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Prohibiting the Trapping, Catching, Killing, or Destroying of Beaver and Otter, for a Limited Period.

House Bill No. 116: A Bill for an Act Providing for the Furnishing by the Register of Deeds of Each County to Elevators Making Application and Paying the Fee Provided Therefor, of an Abstract of all Mortgages and Liens Upon Grain Grown During Each Year, and Filed in the Office of the Register of Deeds.

House Bill No. 118: A Bill for an Act to Amend and Re-enact Sections 624 and 625 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 252 of the Laws of North Dakota for the Year 1917 and by Chapter 25 of the Laws Passed by the Special Session of the Legislative Assembly of North Dakota in 1919, Relative to the Commissioner of Noxious Weeds.

House Bill No. 140: A Bill for an Act to Amend and Re-enact Chapter 271 of the Session Laws of North Dakota for the Year 1915, Relating to Qualifications of Signers on Petition of County Commissioners.

House Bill No. 188: A Bill for a Concurrent Resolution, to Amend and Re-enact Section 45 of the Constitution of the State of North Dakota, Relating to Compensation of Members of the Legislative Assembly.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., Feb. 16, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 42: A Bill for an Act to Amend and Re-enact Section 814 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Qualifications of Jurors.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

SENATE ROLL CALL

Senate Bill No. 51: A Bill for an Act to appropriate \$200,000.00 out of any Moneys in the Interest and Income of the Capitol Building Fund to Complete the Liberty Memorial Building, to Build a Tunnel to Connect it with the Power House, Laying Water Mains and Sewers, for the Improvement of the Grounds and Establishment of the Park.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 35, nays 13, absent and not voting 1.

Ayes: Baird, Baker, Benson, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Petterson Patten, Sperry, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Berg, Bond, Carey, Eastgate, Kelsch, Nelson, Ployhar, Porter, Rusch, Schrenk, Steel, Storstad.

Absent and not voting: Gross.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which Senate Bill No. 51 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Bond: If there is any money in this fund, real cash money, I'm in favor of investing it in county feed and seed bonds and thereby give relief where there is great need.

Bowman: We started this building two years ago; what we started we should finish. I vote "aye."

Church: This building was erected as a memorial to the boys who went to war, and we should finish this building after it is started. I vote "aye" so the building can be built as a memorial to the boys.

Eastgate: For the reason that the contract has not been let and we do not know how much more money it will take to complete the building, I vote "no."

Kendall: For the same reason given by Senator Church, I vote "aye."

Ward: As the money that goes into this building is in the Capitol Building Fund and does not come from the tax payers and will not raise the taxes, and after seeing the valuable law library and the priceless collection in the museum, which, if lost, could not be replaced, and realizing this building is to serve as a memorial, I vote "aye."

Senator Mees asked that the President decide on the question of whether the vote by which a bill passed can be reconsidered by a majority vote when such a majority is less in number than a majority of the elected Senators.

The President decided that a majority of the Senators present and voting can so reconsider a vote by which a bill passed.

Senator Mees appealed from the decision of the President.

A call of the Senate was demanded.

Senator Bowman moved that the call be suspended, which motion prevailed.

Senator Mees: In view of the explanation of the ruling I withdraw the appeal.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 188: A Bill for a Concurrent Resolution, to Amend and Re-enact Section 45 of the Constitution of the State of North Dakota, Relating to Compensation of Members of the Legislative Assembly.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 6: A Bill for an Act to Amend and Re-enact Section 7949 of North Dakota, 1913, Relating to Continuances of Cases.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 34: A Bill for an Act to Fix the Salaries of Certain County Officers, to Provide for the Payment Thereof, for the Employment and Payment of Deputies and Clerk Hire in Such Offices, the Collection and Deposit of Fees, and the Repeal of Certain Laws.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 63: A Bill for an Act to Amend and Re-enact Section 7644 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 1 of the Session Laws for the Year 1919 (Regular Session) Relating to Change of Judges in Civil and Criminal Actions in the District Court, for Prejudice or Bias of Judge Thereof; Providing for the Calling in of Another Judge of Another Judicial District, and the Payment of His Expenses, and the Discharge of Jurors Therein.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 67: A Bill for an Act to Amend and Re-enact Sections 2462, 2463, 2466, 2487, 2489, 2490 Compiled Laws 1913, Relating to Drains.

Was read the first and second time and referred to the committee on Irrigation and Drainage.

House Bill No. 106: A Bill for an Act to Amend and Re-enact Section 46 of Chapter 161 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 63, of the

Laws of North Dakota for the Year 1917, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Prohibiting the Trapping, Catching, Killing, or Destroying of Beaver and Otter, for a Limited Period.

Was read the first and second time and referred to the committee on Game and Fish.

House Bill No. 116: A Bill for an Act Providing for the Furnishing by the Register of Deeds of Each County to Elevators Making Application and Paying the Fee Provided Therefor, of an Abstract of all Mortgages and Liens Upon Grain Grown During Each Year, and Filed in the Office of the Register of Deeds.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 118: A Bill for an Act to Amend and Re-enact Sections 624 and 625 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 252 of the Laws of North Dakota for the Year 1917 and by Chapter 25 of the Laws Passed by the Special Session of the Legislative Assembly of North Dakota in 1919, Relative to the Commissioner of Noxious Weeds.

Was read the first and second time and referred to the committee on Agriculture.

House Bill No. 140: A Bill for an Act to Amend and Re-enact Chapter 271 of the Session Laws of North Dakota for the Year 1915, Relating to Qualifications of Signers on Petition of County Commissioners.

Was read the first and second time and referred to the committee on State Affairs.

The courtesies of the floor were extended to Mrs. Henry Jaster, Mrs. E. A. Schulz and Miss Georgana Bromes, all of Donnybrook; Mrs. Shortridge of Kenmare; Max Gaulke of Grand Forks; Moses Rosensweig of Grand Forks; Dr. Waldron of Drayton; Mr. and Mrs. James Payne, Adolph Henke, Adolph Krueger, F. A. Bauer, of Max; Mrs. Mable Lingreen of Minot; W. J. Staiglé of Serroco; John Ogaard and R. H. Walker of Yuca; J. E. Pfeifer and C. W. Lewis, B. A. Yeager and Nels Moyvord.

Senator Bowman moved that the Senate recess until one o'clock tomorrow, which motion prevailed.

W. J. PRATER,
Secretary.

FORTY-FOURTH DAY AFTER RECESS AND
FORTYFIFTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 17, 1921.

The Senate convened at 1 o'clock P. M., pursuant to recess taken, the President presiding.

PETITIONS AND COMMUNICATIONS

Grand Forks, North Dakota, February 15, 1921.

Hon. W. S. Whitman, Senator, 6th Dist., Bismarck, N. D.:

The Board of Directors of the Grand Forks Trades and Labor Assembly, February 14th, 1921, adopted the following resolutions:

WHEREAS, The eight hour day law for women has been approved by the greatest social workers in the United States, by physicians acquainted with the physical constitution of women, by religious workers cognizant with the effects of such a law on the moral life of the community, and by Presidents of the United States, Governors and other statesmen interested in the general welfare of the country; and

WHEREAS, Such law has everywhere and always been upheld and approved by the highest courts of the land; and

WHEREAS, The State of North Dakota has already enacted such a law, and thus placed itself in line with the best thought and practice of the day.

THEREFORE, BE IT RESOLVED, By Grand Forks Trades and Labor Assembly, that we view with alarm any and all attempts to repeal or change this law and we respectfully ask the members of the legislature who are representing us both to safeguard our interests and to look after the best interest of society using their influence to preserve the law now resting upon the statutes of this state.

WHEREAS, The minimum wage law for women which we have in the State of North Dakota rests upon fundamental principles of sound economics, tends to the development of good citizenship, and meets with the approval of those who are interested in social welfare and the advancement of their state and civilization;

THEREFORE, BE IT RESOLVED, By Grand Forks Trades and Labor Assembly, that it would be an unwise and backward step for this law to be repealed or changed, and that we respectfully ask the Senators and Representatives from 5th, 6th and 7th Districts to use their utmost endeavors to prevent any such action.

Respectfully submitted,

GRAND FORKS TRADES & LABOR ASSEMBLY,

PETER MORGAN, President.

ADOLPH LANGSETH, Secretary-Treasurer.

Grafton, N. Dak., February 10th, 1921.

We wish to call your attention to Senate Bill No. 101, and ask of all of you, to vote against this particular bill.

In regard to this Bill, it seems that it might benefit one-half of one percent of the people of the state, but it would be a hardship on practically the entire rural people, as the patent medicines are prepared in factories under the supervision of the United States Government, and have to be approved by our Government before they can be put on the market for sale.

Therefore, as we feel this an injury entirely upon the rural people, we have thereby caused our names to be signed hereto, and ask one and all of you to vote against this Bill respectively.

W. F. KNIPRATH,
And 186 Others.

Mandan, N. D., Feb. 16, 1921.

Hon. Mr. F. Mees:

WHEREAS, The eight hour day for women has been approved by the greatest social workers in the United States, by physicians acquainted with the physical constitution of women, by religious workers cognizant with the effects of such a law on the moral life of the community, and the Presidents of the United States, Governors and other statesmen interested in the general welfare of the country; and

WHEREAS, Such a law has everywhere and always been upheld and approved by the highest courts of the land; and

WHEREAS, The State of North Dakota has already enacted such a law, and thus placed itself in the line with the best thought and practice of the day;

THEREFORE, BE IT RESOLVED, By the Mandan Central Labor Union, that we view with alarm any and all attempts to repeal or change this law and we respectfully ask the members of the legislature who are representing us both to safeguard our interest and to look after the best interest of society by using their influence to preserve the law now resting upon our statute books of this state.

WHEREAS, The minimum wage law for women which we have in the state of North Dakota rest upon fundamental principles of sound economics, tend to the development of good citizenship, and meets with approval of those who are interested in social welfare and the advancement of their state and civilization;

THEREFORE, BE IT RESOLVED, By the Central Labor Union of Mandan, N. D., that it would be an unwise and backward step for this law to be repealed or changed, and that we respectfully ask the Senators and Representatives from Morton County, North Dakota, to use their utmost endeavors to prevent any such action.

Respectfully submitted,

HENRY MEYERS, Sec. M. C. L. U.

BE IT RESOLVED, That we do hereby endorse a concurrent resolution, entitled Senate Bill No. 2, and introduced by W. S. Whitman, which provides for a trunk highway system to be constructed by and maintained by the State, and establishing and authorizing the creation of a fund for such purpose by the taxation of Motor Vehicles, the issuance of Bonds and otherwise as provided in said resolution.

I, J. A. Kramer, Secretary of the Board of Highway Improvements in and for Ramsey County, in session February 8th, at the Court House in the City of Devils Lake, in accordance with Chapter 110 of the 1915 Session Laws as amended by Chapter 127, Laws of 1917, hereby certify that the foregoing is a true and correct copy of a resolution adopted by said Board.

J. A. KRAMER,

Secretary, Board of Highway Improvements.

Dated at Devils Laks, N. D., February 9, 1921.

BE IT RESOLVED, That we recommend that the present weed laws be amended so as to compel every land owner to mow the weeds on the public highways around his property, and that if such weeds are not cut, then the Township Supervisor shall have such weeds cut, and the cost thereof be assessed as special tax against the property concerned.

I, J. A. Kramer, Secretary of the Board of Highway Improvements in and for Ramsey County, in session February 8th, at the Court House in the City of Devils Lake, in accordance with Chapter 110 of the 1915 Session Laws as amended by Chapter 127, Laws of 1917, hereby certify that the foregoing is a true and correct copy of a resolution adopted by said Board.

J. A. KRAMER,

Secretary, Board of Highway Improvements.

Dated at Devils Laks, N. D., February 9, 1921.

To the Hon. Otis C. Gross, Senator from Grant County, North Dakota:

We, the undersigned, voters of the district which you represent in the State Legislature, believe that the best interests of the state and of the young people of the state demand that the recommendation of the State Board of Administration, that the State Normal and Industrial School at Ellendale, the State School of Science at Wahpeton, the State Normal at Mayville, and the State School of Forestry at Bottineau, be rejected. And we hereby request that you use your efforts and influence in aiding these schools to secure the appropriation necessary for their maintenance.

R. H. LEAVITT,

And 20 Others.

RESOLUTION FROM PIERCE COUNTY

BE IT RESOLVED, That we do hereby endorse a Concurrent Resolution to be submitted to the Legislative Assembly of the State of North Dakota, to amend Section 182, Article 12, of the State Constitution, so as to enable the State to issue Bonds to improve State Highways; and

BE IT FURTHER RESOLVED, That we do hereby earnestly request and urge the Members Elect of the Senate and of the House of Representatives of the Legislative Assembly to use every honorable effort for the passage of the Concurrent Resolution; and

BE IT FURTHER RESOLVED, That we do hereby earnestly request and urge that the Legislative Assembly of the State of North Dakota enact legislation to:

1. Provide for the issuance and sale of State Highway Bonds.
2. Provide for the improvement of the State Highways from the proceeds of the State Highway Bonds under the supervision of the State Highway Commission.
3. Provide for the payment of interest on and retirement of State Highway Bonds; provide for the effective maintenance of the State Highway System, all from the proceeds of the Motor Vehicle Licensing.

Jan. 5, 1921.

Attest: O. A. SPILLUM, Co. Auditor.

Similar resolution from Benson County.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 149: A Bill for an Act to Create a Board of Suggestive Therapeutic Examiners; to Define and to Regulate the Practice of Suggestive Therapeutics and to Provide for Penalties for the Violating of this Act.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 139: An Act Entitled an Act for the Protection of Employees as Members of Labor Organizations.

Have had the same under consideration and recommend that the same do pass.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 183: A Bill for an Act to Prohibit the Manufacture, Sale, Offering for Sale, Soliciting Orders for, Storing or Delivery of Adulterated, Unlabelled, or Mislabelled Tobacco and Tobacco Products, Directing the North Dakota Government Agricultural Experiment Station at Fargo to Enforce Said Act and Providing Penalty.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 113: A Bill for an Act Relating to Money Deposited or Advanced for Use or Rental of Moving Picture Films.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The Majority of the committee on Ways and Means made the following report:

Mr. President: A Majority of your committee on Ways and Means to whom was referred:

Senate Bill No. 164: A Bill for an Act to Limit the Margin of Profit on Sales of Farm Land by Agents and Brokers.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 1, line 3, after the word "than" strike out figure "3" and insert in lieu thereof the figure "5."

In Section 2, line 3, after the word "than" strike out figures "\$500.00" and insert "\$1,000.00."

In line 4, after the word "than," strike out "30" and insert in lieu thereof "60."

In line 5, after the word "offense," insert the words "provided further that when in the sale of land there has been charged as commission an excess of \$5.00 an acre, the buyer may recover back in a civil action twice the amount paid in excess of \$5.00 an acre commission."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
JOHN E. FLECKTEN,
E. A. BOWMAN,
R. L. FRASER,
J. E. EASTGATE,
O. H. OLSON,
R. W. PATTEN,
JOHN L. MIKLETHUN,

The Minority of the committee on Ways and Means made the following report:

Mr. President: A Minority of your committee on Ways and Means to whom was referred:

Senate Bill No. 164: A Bill for an Act to Limit the Margin of Profit on Sales of Farm Land by Agents and Brokers.

Have had the same under consideration and recommend that the same be indefinitely postponed.

W. S. WHITMAN,
E. H. KENDALL,
C. W. CAREY.

Senator Wenstrom moved that the report of the Majority be adopted.

Senator Whitman moved that the word "Minority" be substituted for the word "Majority," which motion was lost.

The question being on the adoption of the Majority report, the motion prevailed, and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 153: A Bill for an Act to Amend and Re-enact Section 8122 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 180 of the Laws of 1915 and as Amended by Chapter 151 of the Laws of 1917, Relating to Foreclosure of Land Contracts.

Have had the same under consideration and recommend that the same be amended as follows:

After the word "Mr." strike out the word "Hagan" and insert in lieu thereof "Church."

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. R. L. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Cities and Municipal Corp. made the following report:

Mr. President: Your committee on Cities and Municipal Corp. to whom was referred:

House Bill No. 42: A Bill for an Act to Amend and Re-enact Section 3969 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Section 79 of the Session Laws of North Dakota for the Year 1919, Relating to Excluding Farm Lands from the Limits of City, Town and Villages.

Have had the same under consideration and recommend that the same do pass.

W. S. WHITMAN,
Chairman.

Mr. Whitman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Cities and Municipal Corp. made the following report:

Mr. President: Your committee on Cities and Municipal Corp. to whom was referred:

Senate Bill No. 86: A Bill for an Act Limiting the Powers of City Commissioners and City Councils With Reference to Putting in Improvements Where a Majority of the Property Owners Have Filed a Protest.

Have had the same under consideration and recommend that the same be indefinitely postponed.

W. S. WHITMAN,
Chairman.

Mr. Whitman moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Gross moved that the Senate do now adjourn, which motion prevailed.

FORTY-FIFTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 17, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Father Hiltner.

The roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Forty-third day after recess and Forty-fourth day and recommend that the same be corrected as follows:

Page 3, line 14, correct spelling of word "lieu."

Page 4, strike out lines 33 and 34.

Page 5, strike out lines 1 and 2.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Temperance made the following report:

Mr. President: Your committee on Temperance to whom was referred:

Senate Bill No. 16: A Bill for an Act Providing for a Reward for the Arrest and Conviction of Persons Charged with the Violation of the Prohibition Laws of this State and for Appointment of Special Deputy Sheriffs to Enforce such Prohibition Laws.

Have had the same under consideration and recommend that the same be amended as follows:

In line five of section two, strike out the word "five," insert in lieu thereof the word "ten."

And when so amended recommend the same do pass.

C. A. WARD,
Chairman.

Mr. Ward moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Temperance made the following report:

Mr. President: Your committee on Temperance to whom was referred:

House Bill No. 51: A Bill for an Act to Prohibit the Use of Tobacco by Smoking in Certain Places and Providing Penalty.

Have had the same under consideration and recommend that the same do pass.

C. A. WARD,
Chairman.

Mr. Ward moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Elections made the following report:

Mr. President: Your committee on Elections to whom was referred:

Senate Bill No. 137: A Bill for an Act to Amend and Re-enact Section 1008 of the Compiled Laws of 1913, as Amended by Chapter 121 of the Session Laws of 1919, Relating to Election Returns.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. M. HAGAN,
Chairman.

Mr. Miklethun moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Elections made the following report:

Mr. President: Your committee on Elections to whom was referred:

Senate Bill No. 189: A Bill for an Act to Amend and Re-enact Section 1008 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 121 of the Session Laws of North Dakota for the Year 1919.

Have had the same under consideration and recommend that the same be amended as follows:

After the words "introduced by" strike out the words "H. J. Rusch" and insert in lieu thereof the words "Rusch and Carey." On page three of the printed bill, in line 45, strike out the word "six" and insert "four," and in line 48 of the printed bill after the word "of" strike out the word "six" and insert the word "four."

And when so amended recommend the same do pass.

A. M. HAGAN,
Chairman.

Mr. Miklethun moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Elections made the following report:

Mr. President: Your committee on Elections to whom was referred:

Senate Bill No. 169: A Bill for an Act to Amend and Re-enact Section 967, Compiled Law 1913, Relating to Poll Books, Contents and How Delivered.

Have had the same under consideration and recommend that the same do pass.

A. M. HAGAN,
Chairman.

Mr. Miklethun moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 122: A Bill for An Act to Provide for the survival of Actions and Causes for Action for Damages, Pain and Suffering and Personal Injuries.

Senate Bill No. 152: A Bill for an Act to Permit the Use of Certain Ground Upon the Campus of the University and to Consent to the Erection of an Alumni Building Thereupon by the Alumni Association for Purposes of Aiding the University and the Co-operative Interest of Its Alumni and to Grant to Such Alumni Association the Right to Exercise Control and Dominion Over Such Ground and the Building to be Constructed Thereon, Subject to the Rules and Regulations of the State and of Its Board of Administration.

Senate Bill No. 182: A Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 143: A Bill for an Act to Prevent any Person From Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Senate Bill No. 150: A Bill for an Act to Amend and Re-enact Section 9804 and Section 9805 of Chapter 55 of the Laws of North Dakota for the Year 1913, Regulating the Sale to and Use of Firearms by Minors and Providing a Penalty for the Violation Thereof.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

Senate Bill No. 90: A Bill for an Act to Fix and Limit the License and Registration Fee of Motor Vehicles and to Make the Same Taxable the Same as Other Personal Property.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 132: A Bill for an Act Creating a Board of Arbitration to Hear Petitions of Teachers for Release From Contracts; Prescribing Duties; to Make it the Duty of Teachers to Submit to Such Board the Question of Release From Contracts to Teach; and Providing for the Filing of Findings With the Board of Education to be Acted Upon; and Providing Penalties for Breach of Teachers' Contracts.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 121: A Bill for an Act to Provide for the Acceptance of the Benefits of an Act by the Senate and House of Representatives of the United States of America in Congress Assembled. (H. R. 4438, Approved June 3, 1920) entitled "An Act to Provide for the Promotion of Vocational Rehabilitation of Persons Disabled in Industry or Otherwise and Their Return to Civil Employment"; to Provide for the Administration of Same.

Have had the same under consideration and recommend that the same do pass.

H. H. McNAIR,
Chairman.

Mr. Miklethun moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 57: A Bill for an Act to Amend and Re-enact Section 1455 of the Compiled Laws of the State of North Dakota for the Year 1913, and Section 1456 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 207 of the Session Laws of the State of North Dakota for the Year 1917, Relating to County Agricultural and Training Schools.

Have had the same under consideration and recommend that the same do pass.

H. H. McNAIR,
Chairman.

House Bill No. 97: A Bill for an Act Permitting the City to Make Advancements Upon Material Purchased by a Contractor for Use in the Performance of Contracts for Municipal Improvements.

House Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3710 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Contractors. How Paid.

House Bill No. 101: A Bill for an Act Entitled, An Act Establishing a System of State Free Employment Service, Providing for the Maintenance Thereof, Defining the Duties of Such Department, Its Officers and Employees, and Appropriating Money for the Carrying Out of the Provisions of This Act.

House Bill No. 112: A Bill for an Act to Amend and Re-enact Section 2955, 2956, of the Compiled Laws of the State of the North Dakota for the Year 1913.

House Bill No. 125: A Bill for an Act to Amend and Re-enact Section 2681 of the Compiled Laws of the State of North Dakota for 1913, Compensation for Members of State Live Stock Sanitary Board.

House Bill No. 126: A Bill for an Act Relating to the Application of the Tuberculin Test and Eradication of Bovine Tuberculosis in Townships in Counties in North Dakota under Direction of the State Live Stock Sanitary Board by Petition of a Majority of Freeholders in Such Township.

House Bill No. 155: A Bill for an Act to Amend and Re-enact Section 4624 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Conveyances and Mortgages of Railroad Corporations, so as to Provide the Manner of Execution and Manner and Place of Record of Every Conveyance or Lease, Deed of Trust, Mortgage or Assignment, or Satisfaction Thereof, Made by Any Railroad, Telegraph or Telephone Corporation.

House Bill No. 160: A Bill for an Act to Amend and Re-enact Section 52 of Chapter 161 of the Session Laws of North Dakota for the Year 1915, as Amended by Section 52 of Chapter 122 of the Session Laws for the Year 1917, Relating to Bag Limit of Game Birds.

House Bill No. 171: A Bill for an Act Authorizing the Board of Administration to Create a Students Loaning Fund in State Sormal Schools.

House Bill No. 201: A Bill for an Act Entitled, "An Act Whereby Teachers Teaching in the Public Schools of North Dakota be United States Citizens.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator Bowman asked the consent of the Senate to introduce a Bill, which consent was granted.

Senator Liederbach asked the consent of the Senate to introduce two Bills, which consent was granted.

Senator Ployhar moved that the President appoint a conference committee on House Bill No. 23, which motion prevailed, and the President appointed as such committee Senators Ployhar, Patten and Berg.

Senator Baker moved that Rule 31 of the Senate be amended by striking out the word "Reed's" and substituting therefor the word "Robert's."

Senator Baird moved that the motion of Senator Baker be referred to the committee on Rules, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS.

Mr. Bowman introduced:

Senate Bill No. 197: A Bill for an Act Making an Appropriation for the Care and Maintenance of Persons Affected with Leprosy.

Was read the first and second time and referred to the committee on Public Health.

Messrs. Liederbach and Porter introduced:

Senate Bill No. 198: A Bill for an Act to Amend and Re-enact Section 3522 of the Compiled Laws of North Dakota for the Year 1913, Prescribing the Rate of Mileage Allowed the Sheriff.

Was read the first and second time and referred to the committee on State Affairs.

Messrs. Liederbach and Porter introduced:

Senate Bill No. 199: A Bill for an Act to Repeal Section 3522 of the Compiled Laws of North Dakota for 1913, Providing for Livery Allowed Sheriffs.

Was read the first and second time and referred to the committee on State Affairs.

SENATE ROLL CALL.

Senate Bill No. 60: A Bill for an Act to Regulate Assignments for Benefit of Creditors, and Provide for the Carrying Out of the Same Under Court Supervision.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendali,

Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersen, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steen, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Wog.

Absent and not voting: Carey, McLachlin, Whitman.

So the bill passed and the title was agreed to.

Senator Fraser moved to amend Senate Bill No. 83 as follows: In line 11 strike out "voters registered" and insert the words "freeholders who are legal registered voters." Also in line 28 strike out "voters registered" and insert "freeholders who are legal registered voters," which motion was lost.

Senator Baird moved to amend Senate Bill No. 83 as follows: On page 2 of the printed bill beginning in line 20 strike out the following: "but no stallion, jack, boar, ram, bull or any animal known to be vicious shall be permitted to run at large at any time," which motion prevailed.

Senator Baker moved to further amend Senate Bill No. 83 as follows: In line 12 substitute the word "registered" for "cast," also in line 30 substitute the word "registered" for "cast," which motion prevailed.

Senator Nathan moved that Senate Bill No. 83 be referred to the committee which motion was lost.

Senator Ingerson moved that Senate Bill No. 83 be further Amended as follows: In line 9 after the word "act" add the following "provided that one or more townships may be set aside from any open or closed district upon the petition of the required number of signers as required by this act."

Senator Mees moved that the previous question be now put, which motion prevailed.

The question being on the amendment offered by Senator Ingerson the motion prevailed.

Senator Liederbach moved to Amend Senate Bill No. 83 as follows At the end of bill add the following: "Sec. 2. All stock districts of the State shall be closed until opened by the required number of signers as provided by this act," which motion prevailed.

Senator Baird moved to amend Senate Bill No. 83 as follows: After the enacting clause insert "Sec. 1. Amendment. Section 2618 of the Compiled Laws of North Dakota for 1913 as amended by Chapter 140 of the Session Laws of North Dakota for the Year 1919 be, and the same is hereby amended and re-enacted to read as follows;" also strike out the words "Sec. 1," which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 83: A Bill for an Act Amending and Re-enacting Section 2618, Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 140 of the Session

Laws of North Dakota, for the Year 1919, Relating to the Herd Law.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 39, nays 7, absent and not voting 3.

Ayes: Baird, Baker, Benson, Berg, Bowman, Byrne, Church, Eastgate, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Carey, Gardiner, Kelsch, Nelson, Petterson, Schrenk.

Absent and not voting: Bond, Murphy, Van Camp.

So the bill passed and the title was agreed to.

Senator Stevens moved that the Chair appoint a committee of three to draw suitable credentials for Mr. M. O. Hall to act as their representative in the matter of federal aid for agriculture before the United States Congress, which motion prevailed and the Chair appointed as such committee Senators Hagan, Benson and Stevens.

Senator Baker moved that after the first and second reading of House Bills the Senate recess until 1 o'clock tomorrow, which motion prevailed.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 69: A Bill for an Act to Amend and Re-enact Section 6 of Chapter 162 of the Session Laws of North Dakota for the Year 1919, Relating to and for the Benefit of Employees Injured and the Dependents of Employees Killed in Hazardous Employments, Fixing the Duties and Liabilities of Employees and Employers, and Providing Methods of Securing the Payment of Obligations Arising in Favor of Injured Employees and Their Dependents.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 14: A Bill Entitled, an Act Relating to Interfering with Rights of Employees.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 20: A Bill for an Act to Amend and Re-enact Section 8 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to the Enforcement of Payment of Premiums to the Workmen's Compensation Fund.

Was read the first and second time and referred to the committee on Insurance.

House Bill No. 68: A Bill for an Act to Amend and Re-enact Section 27 of Chapter 162 of the Session Laws of North Dakota for the Year 1919, Relating to and for the Benefit of Injured Employees and their Dependents in Hazardous Employments, and Providing Funds with which to Carry on the Work of the Workmen's Compensation Bureau.

Was read the first and second time and referred to the committee on Insurance.

House Bill No. 97: An Act Permitting the City to Make Advancements upon Material Purchased by a Contractor for Use in the Performance of Contracts for Municipal Improvements.

Was read the first and second time and referred to the committee on Cities and Municipal Corporations.

House Bill No. 72: A Bill for an Act to Amend and Re-enact Section 4924 of the Compiled Laws of North Dakota for the Year 1913, Relating to Taxation of Insurance Companies

Was read the first and second time and referred to the committee on Insurance.

House Bill No. 98: An Act to Amend and Re-enact Section 3710 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Contractors. How Paid.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 101: A Bill for an Act Entitled, An Act Establishing a System of State Free Employment Service, Providing for the Maintenance Thereof, Defining the Duties of Such Department, Its Officers and Employees, and Appropriating Money for the Carrying Out of the Provisions of This Act.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 125: A Bill for an Act to Amend and Re-enact Section 2681 of the Compiled Laws of the State of North Dakota for 1913, Compensation for Members of State Live Stock Sanitary Board.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 112: A Bill for an Act to Amend and Re-enact Section 2955, 2956, of the Compiled Laws of the State of North Dakota for the Year 1913.

Was read the first and second time and referred to the committee on Public Health.

House Bill No. 201: A Bill for an Act Entitled, "An Act Whereby Teachers Teaching in the Public Schools of North Dakota be United States Citizens.

Was read the first and second time and referred to the committee on Education.

House Bill No. 171: A Bill for an Act Authorizing the Board of Administration to Create a Students Loaning Fund in State Sormal Schools.

Was read the first and second time and referred to the committee on Education.

House Bill No. 160: A Bill for an Act to Amend and Re-enact Section 52 of Chapter 161 of the Session Laws of North Dakota for the Year 1915, as Amended by Section 52 of Chapter 122 of the Session Laws for the Year 1917, Relating to Bag Limit of Game Birds.

Was read the first and second time and referred to the committee on Game and Fish.

House Bill No. 155: A Bill for an Act to Amend and Re-enact Section 4624 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Conveyances and Mortgages of Railroad Corporations, so as to Provide the Manner of Execution and Manner and Place of Record of Every Conveyance of Lease, Deed of Trust, Mortgage or Assignment, or Satisfaction Thereof, Made by any Railroad, Telegraph or Telephone Corporation.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 126: A Bill for an Act Relating to the Application of the Tuberculin Test and Eradication of Bovine Tuberculosis in Townships in Counties in North Dakota under Direction of the State Live Stock Sanitary Board by Petition of a Majority of Freeholders in Such Township.

Was read the first and second time and referred to the committee on Live Stock.

The courtesies of the floor were extended to M. L. McBride of Dickinson, A. H. Kops of Lawton, Mrs. H. A. Thomas and Mrs. M. I. Sawyer of Driscoll, Bruce Scott of Monango, Jas. Hunter of Ludden.

The Senate recessed.

W. J. PRATER,
Secretary.

FORTY-FIFTH DAY AFTER RECESS AND

FORTY-SIXTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 18, 1921.

The Senate convened at 1 o'clock P. M., pursuant to recess taken, the President presiding.

SIGNING OF BILLS

The Secretary announced that the President was about to sign:

House Bill No. 74: A Bill for an Act to Amend and Re-enact Section 7660 of the Compiled Laws of 1913, Relating to Causes for a New Trial.

House Bill No. 66: A Bill for an Act to Provide for the Payment of Non-Resident Tuition Fee in the High School Department of Standardized Graded and Standardized High Schools Receiving State Aid.

House Bill No. 56: A Bill for an Act to Amend and Re-enact Section 7643 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Judgments, District and Supreme Courts to Direct.

House Bill No. 48: A Bill for an Act to Amend and Re-enact Section 9997 of the Compiled Laws of North Dakota for the Year 1913, Relating to Butchers' Reports of Branded Animals Killed.

House Bill No. 45: A Bill for an Act to Amend and Re-enact Section 3967 of the Compiled Laws of North Dakota for the Year 1913, Relating to Errors and Deficiencies in City, Town or Village Plats.

House Bill No. 37: A Bill for an Act to Amend and Re-enact Section 466 of the Compiled Laws of North Dakota for the Year 1913, Relating to Preliminary Qualifications of Applicants for Licenses to Practice Medicine in the State of North Dakota.

House Bill No. 17: A Bill for an Act to Make Unlawful the Unauthorized Use of the Name, Insignia of, or the Impersonation of the Membership in the American Legion, and Providing a Penalty for the Violation Thereof.

House Bill No. 11: A Bill entitled, An Act to Amend Chapter 7567 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Garnishments.

House Bill No. 9: A Bill entitled, An Act to Protect Trade Mark of Workmen's Unions and the Wearing of Union Buttons.

House Bill No. 5: A Bill for an Act to Prohibit Intoxicating Liquors and Beverages with Exceptions for nonbeverage and Sacramental Purposes and Provide for its Enforcement and the Repeal of Laws in Conflict therewith.

And the President signed the same in the presence of the Senate.

Fargo, N. D., Feb. 17, 1921.

Lieut. Gov. Howard Wood, Bismarck, N. D.:

The International Alliance of Theatrical Stage Employees and Motion Picture Operators Local 510, Fargo, do most emphatically protest against the passage of House Bills 68 and 69. The support of labor friends to kill these two measures will be highly appreciated and not forgotten.

E. J. SULLIVAN,
President.

ROY McCONNELL,
Secretary.

Granu Forks, N. D., Feb. 17, 1921.

Hon. Howard B. Wood, Bismarck, N. D.:

We respectfully request your Honorable body to vote against House Bills Sixty-eight and Sixty-nine.

INTERNATIONAL BROTHERHOOD ELEC. WORKERS,
H. M. Rosenquist, Fin. Sec'y., Local Union 672.

Grand Forks, N. D., Feb. 17, 1921.

Hon. Howard B. Wood, Bismarck, N. D.:

House Bills Numbers 68 and 69 has been passed by the House of Representatives and will be up for action in the Senate in a few days, and as these bills are passed and become law they will do away with the workmen's compensation law, and we therefore urge you to use your utmost endeavor to defeat the passage of these two bills.

STREET RAILWAYS EMPLOYEES UNION,
By Edwin Rodseth, Sec'y.

Grand Forks, N. D., Feb. 17, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, N. D.:

Vote against House Bill sixty-eight and sixty-nine.

GRAND FORKS TRADES AND LABOR ASSEMBLY,
Adolph Langseth, Sec'y.-Treasurer.

Grand Forks, N. D., Feb. 17, 1921.

Hon. Howard B. Wood, Bismarck, N. D.:

We, the members of the International Laundry Workers Union, Local 182, earnestly request that your honorable body

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do all in your power to defeat House Bills sixty-eight and sixty-nine.

MRS. MARGARET FROATH,
President, Local 182.

Grand Forks, N. D., Feb. 17, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, N. D.:

I respectfully urge upon you in behalf of the working people of North Dakota and the State Federation of Labor to use your influence towards defeating the passage of House Bills sixty-eight and sixty-nine in the state senate.

NORTH DAKOTA STATE FEDERATION OF LABOR,
By N. M. Aune, Sec'y.-Treas.

Fargo, N. D., Feb. 17, 1921.

Howard Wood, McKenzie Hotel, Bismarck, N. D.:

Fargo Women's Auxiliary of Nonpartisan League tonight by unanimous vote condemned House Bills sixty-eight and sixty-nine and ask you to convey to Nonpartisan League Senators their strong desire that this attack on our splendid workmen's compensation law be defeated.

Committee: Amelia A. Borng, Ella C. Paine, Ethelyn Neil.

Grand Forks, N. D., Feb. 18, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, N. D.:

Request your Honorable body vote against House Bills 68 and 69.

PLUMBERS LOCAL NO. 424.

Fargo, N. D., Feb. 17, 1921.

Howard B. Wood, Bismarck, N. Dak.:

Fargo Typographical Union protests against the passage of House Bills Nos. 68 and 69.

CONRAD MEYER, Sec'y.

Dickinson, N. D., Feb. 17, 1921.

Mr. Howard Wood, President of the State Senate, Bismarck, N. D.:

Mr. President: We, the members of Dickinson Lodge No. 500, B. R. C. of A., and citizens of North Dakota, are opposed to House Bills Nos. 68 and 69 being passed by your august body.

We give as our reason that they will nullify our present compensation laws.

Respectfully,

J. P. BOLTZ,
President.

RICHARD MONTEITH,
Secretary.

To the President of the Senate and Members of the Senate:
To the Speaker of the House and Members of the House of Representatives:

We, a Committee elected to represent Local Union No. 3598 of the United Mine Workers of Burlington, North Dakota, composed of 125 or more members, respectfully petition your

Honorable Body not to alter, or amend or repeal any part of our present Workmen's Compensation Law, excepting the amendments offered by the Legislative Committee representing the working men and women of this state. We are unutterably opposed to any change that will permit liability companies to do business in this state. We are also opposed to any employer being allowed to carry his own insurance.

Our local is composed of men who have worked in about every state in the Union and we are sure that there is no better workmen's compensation law in any other state. This law is not only a benefit to the worker, but also to the employer as it assures every business man that all bills due from injured workmen will be paid.

OTTO R. CASPERSON,
WM. CROSS,
JOHN POWELL.

Similar petitions from:

Local No. 3796 of Williston, N. Dak.
Local No. 5060 of Hanks, N. Dak.
Local No. 4274 of Noonan, N. Dak.
Local No. 3803 of Wilton, N. Dak.

To the Honorable Members of the Seventeenth Legislative Assembly, Bismarck, North Dakota:

We, the undersigned, residents of the State of North Dakota, who as employees come under the jurisdiction of the Eight Hour Law for Women Workers, respectfully petition the Legislature of the State of North Dakota to safeguard the women workers of the State and take no steps toward repealing or amending the Eight Hour Law for Women Workers.

MRS. MARGARET FROATS,
And 108 Others.

Similar petitions from New Rockford, Devils Lake, Williston, Bismarck, Mandan, Fargo, Dickinson and Grand Forks.

At the regular meeting of the Laundry Workers International Union, Local No. 182, held Feb. 14, 1921, the following resolutions were passed:

WHEREAS, The eight hour day law for women has been approved by the greatest social workers in the United States, by physicians familiar with the physical constitution of woman, by religious workers cognizant with the effects of such a law on the moral life of the community, and by presidents of the United States, governors and other statesmen interested in the general welfare of the country; and

WHEREAS, Such law has everywhere and always been upheld and approved by the highest courts of the land; and

WHEREAS, The State of North Dakota has already enacted such a law, and thus placed itself in line with the best thought and practice of the day;

THEREFORE, BE IT RESOLVED, By the Laundry Workers International Union, Local 182, that we view with alarm

any and all attempts to repeal or change this law, and we respectfully ask the members of the legislature who are representing us, both to safeguard our interests and to look after the best interests of society by using their influence to preserve the law now resting upon the statute books of this state.

WHEREAS, The minimum wage law for women which we have in the State of North Dakota rests upon fundamental principles of sound economics, tends to the development of good citizenship, and meets with the approval of those who are interested in social welfare and the advancement of their state and civilization;

THEREFORE, BE IT RESOLVED, By the Laundry Workers International Union, Local No. 182, that it would be an unwise and backward step for this law to be repealed or changed, and that we respectfully ask the senators and representatives from the fifth, sixth, and seventh legislative districts to use their utmost endeavors to prevent any such action.

Respectfully submitted,
MRS. MARGARET FROATS,
President.
MISS THEO ILDSTAD,
Rec.-Sec.

To the Members of the Seventeenth Legislative Assembly of the State of North Dakota:

We, the undersigned alumni, former students and friends of the state educational institutions, do hereby petition your honorable body to make a liberal appropriation for the educational institutions, and to authorize a millage tax levy for the support of the educational institutions so that these may be placed upon a more permanent basis and thus afford them better opportunities for consistent and continued development.

Dated at Minot, No. Dak., February 8, 1921.

ANDY M. CARR,
And 21 Others.

To the Members of the Seventeenth Legislative Assembly of the State of North Dakota:

We, the undersigned alumni, former students and friends of the state educational institutions, do hereby petition your honorable body to make a liberal appropriation for the educational institutions, and to authorize a millage tax levy for the support of the educational institutions so that these may be placed upon a more permanent basis and thus afford them better opportunities for consistent and continued development.

Dated at Minot, No. Dak., February 8, 1921.

R. A. NESTOS,
And 6 Others.

Steele, N. D., Feb. 15, 1921.

To Senator C. A. Ward, of the 26th Legislative District of No. Dak.:

The Pres. Sunday School of Steele, composed of 125 mem-

bers, many of them adult leaders in the community, do hereby, by unanimous vote, petition you to vote in favor of House Bill No. 132, which provides for the censorship of all moving pictures displayed in the state.

LYDIA HINMAN,

For the Sunday School of the First Pres. Church of Steele.

MESSAGE FROM THE GOVERNOR

February, 18, 1921.

To the Honorable Members of the Senate:

Gentlemen: You are hereby informed that I have approved and filed with the Secretary of State, Senate Bill No. 1, An Act to amend and re-enact Section 800 of the Compiled Laws of the State of North Dakota for the year 1913, as Amended by Chapter 70, Session Laws 1919, Relating to the Revocation or Suspension of an Attorney's Right to Practice.

Also, Senate Bill No. 8, An Act to amend and re-enact Section 1714 of the Compiled Laws of the State of North Dakota for the year 1913, as amended by Chapter 143 of the Session Laws of 1917.

Also, Senate Bill No. 12, An Act to amend and re-enact the Concentrated Feeding Stuff Law of North Dakota, the same being Article 43, Sections 2911-2921 of the Political Code of the Compiled Laws of North Dakota for 1913.

Respectfully yours,

LYNN J. FRAZIER,
Governor.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 192: A Bill for an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the Year 1913, Relating to the fees to be paid by Insurance Companies doing Business in this State.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 1, line 8, strike out the word "stock."

And when so amended recommend the same do pass.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 193: A Bill for an Act to Amend and Re-enact Section 4843 of the Compiled Laws of North Dakota for the Year 1913, Relating to the investment of the Capital Surplus and Funds of Domestic Insurance Companies.

Have had the same under consideration and recommend that the same do pass.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 97: A Bill for an Act to Authorize the Valuation of Bonds and Other Securities Held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Have had the same under consideration and recommend that the same do pass.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 114: A Bill for an Act to Amend and Re-enact Section 4863 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 163 of Session Laws of 1919, Relating to Capital Stock Required by Domestic and Other Stock Insurance Companies.

Have had the same under consideration and recommend that the same be indefinitely postponed.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 93: A Bill for an Act to Amend Chapter 162, Laws 1919, Relating to Wage Earners Accidental Insurance.

Have had the same under consideration and recommend that the same be indefinitely postponed.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 59: A Bill for an Act to Amend and Re-enact Section 2141 of the Compiled Laws of North Dakota, for the Year 1913, as Amended, Providing for the Substitution of the Commissioner of Insurance as a Member of the State Board of Equalization Instead of the State Auditor, and Making the Tax Commissioner Secretary Thereof.

Have had the same under consideration and recommend that the same do pass.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 173: A Bill for an Act Providing for Salaries of County Auditors, Registers of Deeds, County Judges, State's Attorneys, Clerks of District Courts, Sheriffs, and County Superintendents of Schools, and Repealing Chapter 112 of the Laws of 1915 and All Acts and Parts of Acts in Conflict Herewith, and Chapter 105 of the Session Laws of 1919.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 1, line 11, strike out the words "of over 5000 and."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 126: A Bill for An Act to Amend and Re-enact Section 7 of Chapter 112 of the Session Laws of 1913 Relating to the Appointment of Assistant State's Attorney's and Clerks in the Office of State's Attorney and Providing, for the payment of Their Salaries.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 188: A Bill for an Act Entitled, An Act to Create a Real Estate Board With Power to License Real Estate Brokers and Regulate Buying and Selling of Real Estate by Real Estate Brokers and Real Estate Salesmen and Defining the Powers and Duties of Such Board and Providing a Penalty.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The Majority committee on State Affairs made the following report:

Mr. President: Your Majority committee on State Affairs to whom was referred:

Senate Bill No. 107: A Bill for an Act to Amend and Re-enact Section 8205, Compiled Laws of North Dakota for 1913, Defining the Private Property Which May be Taken by Eminent Domain.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
E. A. BOWMAN.

O. H. OLSON,
Chairman.

The Minority committee on State Affairs made the following report:

Mr. President: Your Minority committee on State Affairs to whom was referred:

Senate Bill No. 107: A Bill for an Act to Amend and Re-enact Section 8205, Compiled Laws of North Dakota for 1913, Defining the Private Property Which May be Taken by Eminent Domain.

Have had the same under consideration and recommend that the same do pass.

H. H. McNAIR,
O. C. GROSS,
B. F. BAKER,
P. O. THORSON,
JOHN W. BENSON,

Senator Olson moved that the Majority report on Senate Bill 107 be adopted.

Senator Bowman moved that the reports on Senate Bills 106, 107 and 108 be made a special order of business for 2:30 P. M. today, which motion prevailed.

The committee on Women and Children's Welfare made the following report:

Mr. President: Your committee on Women and Children's Welfare to whom was referred:

Senate Bill No. 165: A Bill for an Act to Amend and Re-enact Section 6, Chapter 183 of the Session Laws of North Dakota for the Year 1915, an Act Regulating Maternity Hospitals, Boarding Houses for Children and the Business of Placing Children; Fixing Liability for the Care of Children and Providing for Their Removal; Prohibiting the Sending of Pregnant Women to Other Counties Where Their Children Become Public Dependents and Prescribing Penalties for Violation of This Act.

Have had the same under consideration and recommend that the same be indefinitely postponed.

B. F. BAKER,
Chairman.

Mr. Baker moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 161: A Bill for an Act Providing Punishment for Murder in the First Degree.

Have had the same under consideration and report the same without any recommendation.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 138: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota Changing the Length of Term of Office of Commissioners of Railroads.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 179: A Bill for an Act Prohibiting Any Person From Practicing Law, Medicine or Dentistry in the

State of North Dakota Under an Assumed Name or Under a Fictitious Name or Designation not Showing the True Name of the Person so Practicing Law, Medicine or Dentistry and Providing Penalties for so Practicing Law, Medicine or Dentistry Under an Assumed Name or Under a Fictitious Name or Designation, Not Showing the True Name of the Person so Practicing Law, Medicine or Dentistry.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 156: A Bill for an Act Restricting Rights of Litigants to Bring Actions in Courts to Set Aside Taxes or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Women and Children's Welfare made the following report:

Mr. President: Your committee on Women and Children's Welfare to whom was referred:

Senate Bill No. 134: A Bill for an Act to Amend and Re-enact Section 1, Chapter 77 of the Session Laws for the Year 1919; an Act Making it Unlawful to Separate or Cause to be Separated Any Child Under Six Months of Age From its Mother for the Purpose of Committing Such Child to a Foster Home or Institution, and to Regulate the Manner and Circumstances Under Which it May be Done, and to Provide a Penalty for Violation of Said Act.

Have had the same under consideration and recommend that the same be amended as follows:

On page two, line 17, of the printed bill, after the word "physicians" insert "designated by the Judge of the District Court."

And when so amended recommend the same do pass.

B. F. BAKER,
Chairman.

Mr. Baker moved that the report be adopted, which motion prevailed and the report was adopted.

HOUSE CHAMBER

Bismarck, N. D., Feb. 18, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 92: A Bill for an Act Providing for a Committee to Investigate the Proposed Roosevelt Park.

House Bill No. 183: A Bill for an Act to Amend and Re-enact Chapter 1342 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 141 of the Session Laws of North Dakota for the Year 1915 and Chapter 206 of the Session Laws of North Dakota for the Year 1917, Relating to Compulsory Attendance, School Age and the Transportation of Pupils.

House Bill No. 190: A Bill for an Act Empowering the State Inspector of Grades, Weights and Measures to Fix Maximum Rates for the Storage, Insurance, and Handling of Grain in Public Grain Warehouses; Requiring Warehousemen to Insure all Grain Stored in Public Grain Warehouses; and Repealing Section 3116 of the Compiled Laws of 1913.

House Bill No. 191: A Bill for an Act Empowering the State Inspector of Grades, Weights and Measures to Waive Certain Requirements of the Laws, Rules, and Regulations of the State of North Dakota, Relating to Public Grain Warehouses in the Case of Grain Warehouses Which Have Given Bond and are Licensed Under the United States Warehouse Act.

House Bill No. 124: A Bill for an Act to Amend and Re-enact Chapter 205 of the Session Laws of the State of North Dakota for the Year 1919 Prohibiting the Sale of Any New Draft Sleds Within the State of Which the Runners Measure Less Than Four Feet Six Inches from Center to Center and Making the Sale of Same a Misdemeanor and Providing for the Revocation of the License of Any Foreign Corporation to do Business in the State Which Fails to Comply With the Terms of this Act.

House Bill No. 159: A Bill for an Act to Amend and Re-enact Section 26 of Chapter 161 of the Session Laws of 1915, Relating to Hours for Shooting.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The committee on Women and Children's Welfare made the following report:

Mr. President: Your committee on Women and Children's Welfare to whom was referred:

Senate Bill No. 112: A Bill for an Act to Amend and Re-enact Chapter 170 of the Session Laws of North Dakota for the Year 1919, Relating to Hours of Labor for Females, and Permitting Such Females to Work Overtime.

Have had the same under consideration and recommend that the same be indefinitely postponed.

B. F. BAKER,
Chairman.

Mr. Baker moved that the report be adopted.

Senator Eastgate moved to amend the motion to adopt the report on Senate Bill No. 112 so as to recommend Senate Bill No. 112 to pass instead of indefinitely postponed, which motion was lost.

The question being on the adoption of the report, the motion prevailed, and the report was adopted.

Senator Church moved that the Senate do now adjourn, which motion prevailed.

FORTY-SIXTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 18, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Father Hiltner.

The roll was called, all Senators being present except Senator McLachlin.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Forty-fourth day after recess and Forty-fifth day and recommend that the same be corrected as follows:

Page 16, line 3, strike out the word "their" and insert in lieu thereof the words "the people of North Dakota."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Fargo, N. D., Feb. 18, 1921.

Howard B. Wood, President of the Senate, Bismarck, N. D.:

We protest against House Bills 68 and 69 as they leave us without proper protection.

ELECTRICAL WORKERS,
John J. Linberg, Sec'y.

Grand Forks, N. D., Feb. 17, 1921.

To: Hon. Howard Wood,
Lieut. Governor.

Subject: House Bills 68-69.

Sir: As House Bills 68-69 have been passed by the lower

House, and as they will render null and void the protection enjoyed by the laboring men and women of this state through the operation of the present splendid compensation act should they become law, I therefore urge you to exert all of your influence as presiding officer of the Senate to defeat these two measures when they are introduced in the Upper House.

Bery respectfully,

H. H. STAFFORD, Pres.,
Local Union 416, A. M. C. & B. W.,
108 North Seventh St.,
Grand Forks, N. D.

The committee on enrollment and engrossment made the following report:

Mr. President: Your committee on enrollment and engrossment have examined the following bills:

Senate Bill No. 16: A Bill for an Act Providing for a Reward for the Arrest and Conviction of Persons Charged with the Violation of the Prohibition Laws of this State and for Appointment of Special Deputy Sheriffs to Enforce such Prohibition Laws.

Senate Bill No. 83: A Bill for an Act Amending and Re-enacting Section 2618, Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 140 of the Session Laws of North Dakota, for the Year 1919, Relating to the Herd Law.

and find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on enrollment and engrossment made the following report:

Mr. President: Your committee on enrollment and engrossment have examined the following bills:

Senate Bill No. 113: A Bill for an Act Relating to Money Deposited or Advanced for Use or Rental of Moving Picture Films.

Senate Bill No. 121: A Bill for an Act to Provide for the Acceptance of the Benefits of an Act by the Senate and House of Representatives of the United States of America in Congress Assembled. (H. R. 4438, Approved June 3, 1920) entitled "An Act to Provide for the Promotion of Vocational Rehabilitation of Persons Distbled in Industry or Otherwise and Their Return to Civil Employment"; to Provide for the Administration of Same.

Senate Bill No. 139: An Act Entitled an Act for the Protection of Employees as Members of Labor Organizations.

Senate Bill No. 153: A Bill for an Act to Amend and Re-enact Section 8122 of the Compiled Laws of North Dakota for

1913, as Amended by Chapter 180 of the Laws of 1915 and as Amended by Chapter 151 of the Laws of 1917, Relating to Foreclosure of Land Contracts.

Senate Bill No. 164: A Bill for an Act to Limit the Margin of Profit on Sales of Farm Land by Agents and Brokers.

Senate Bill No. 189: A Bill for an Act to Amend and Re-enact Section 1008 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 121 of the Session Laws of North Dakota for the Year 1919.

Senate Bill No. 169: A Bill for an Act to Amend and Re-enact Section 967, Compiled Law 1913, Relating to Poll Books, Contents and How Delivered.

and find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on appropriations made the following report:

Mr. President: Your committee on appropriations to whom was referred:

Senate Bill No. 67: A Bill for an Act to Appropriate Seventy-five Hundred Dollars to the Missouri Slope Agricultural and Fair Association at Mandan for the Fairs to be Held in the Years 1921 and 1922.

Have had the same under consideration and recommend that the same be amended as follows:

In the title of the bill strike out the word "seventy-five" and insert in lieu thereof the words "twenty-five." Strike out the words "the years" and insert in lieu thereof the word "year." After 1921 strike out the words "and 1922."

In Section 1 strike out the words and figures "seven-five hundred dollars (\$7,500)" and insert in lieu thereof the word and figures "twenty-five hundred dollars (\$2,500)." Strike out the remainder of the bill after the word "Mandan" in line four.

And when so amended recommend the same do pass.

W. J. CHURCH,
Chairman.

Mr. Gardiner moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on judiciary made the following report:

Mr. President: Your committee on judiciary to whom was referred:

Senate Bill No. 148: A Bill for an Act to Amend Chapter 131 of the Session Laws of 1919, Enacted by The Sixteenth Session of the Legislative Assembly, Pertaining to the Giv-

ing of Notices of Intention to Foreclose Real Estate Mortgages.

Have had the same under consideration and recommend that the same be amended as follows:

Strike out all after the words "A Bill" and insert in lieu thereof the following:

For an Act to Amend Chapter 131 of the Session Laws of 1919 Enacted by the Sixteenth Session of the Legislative Assembly, Pertaining to the Giving of Notices of Intention to Foreclose Real Estate Mortgages.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. That Chapter 131 of the Laws of North Dakota for the Year 1919 is hereby amended and re-enacted to read as follows:

SECTION 1. Before any action or proceeding shall be commenced to foreclose a mortgage on real property, a written notice describing the land, the date and amount of the mortgage, the sum due for principal, interest and taxes respectively, and stating that if the same be not paid within thirty days from the date of the notice, proceedings will be commenced to foreclose the mortgage, shall be served more than thirty days prior to the commencement of such action or proceedings by registered mail addressed to the title owner according to the records in the Register of Deed's office at his or their postoffice address as shown by the records in the Register of Deed's office and if not shown, then addressed to said owner at the postoffice nearest the land. An affidavit of proof of such service of notice shall be filed with the clerk of the court at the time of filing complaint in any action for foreclosure and shall be filed and recorded with the notice and certificate of sale in all other cases. Provided, however, that if said owner shall, before the expiration of thirty days from the service of such notice, perform the conditions or comply with the provisions upon which the default shall have occurred, such mortgage shall be reinstated and shall remain in full force and effect the same as if no default had occurred therein.

Provided, further, that if an action or proceeding to foreclose is not begun within ninety days after the date of the notice herein provided for, then all proceedings hereunder shall be deemed to be discontinued.

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The majority committee on state affairs made the following report:

Mr. President: Your majority committee on state affairs to whom was referred:

Senate Bill No. 106: A Bill for an Act to Amend and Re-enact Subdivision 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System or Part of System of Water Works.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
E. A. BOWMAN.

O. H. OLSON,
Chairman.

The minority committee on state affairs made the following report:

Mr. President: Your minority committee on state affairs to whom was referred:

Senate Bill No. 106: A Bill for an Act to Amend and Re-enact Subdivision 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System or Part of System of Water Works.

Have had the same under consideration and recommend that the same do pass.

H. H. McNAIR,
O. C. GROSS,
B. F. BAKER,
P. O. THORSON,
JOHN W. BENSON.

O. H. OLSON,
Chairman.

Senator Olson moved that the majority report on Senate Bill No. 106 be adopted.

Senator Gross moved that the minority report be substituted for the word majority report.

Senator Church moved that the previous question be now put.

The question being on the motion of Senator Gross the motion was lost.

The question being on the motion of Senator Olson the motion prevailed.

Senator Olson moved that the report of the majority on Senate Bill No. 107 be adopted which motion prevailed.

The majority committee on state affairs made the following report:

Mr. President: Your majority committee on state affairs to whom was referred:

Senate Bill No. 108: A Bill for an Act Amending and Re-enacting Section 3742, Compiled Laws of North Dakota for 1913, Relating to the Application of the Provisions of Article

20, Compiled Laws of 1913, to Water Main and Water Works Systems, and to the Purchase Thereof.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
E. A. BOWMAN.

O. H. OLSON,
Chairman.

The minority committee on state affairs made the following report:

Mr. President: Your minority committee on state affairs to whom was referred:

Senate Bill No. 108: A Bill for an Act Amending and Re-enacting Section 3742, Compiled Laws of North Dakota for 1913, Relating to the Application of the Provisions of Article 20, Compiled Laws of 1913, to Water Main and Water Works Systems, and to the Purchase Thereof.

Have had the same under consideration and recommend that the same do pass.

H. H. McNAIR,
O. C. GROSS,
B. F. BAKER,
P. O. THORSON,
JOHN W. BENSON.

Senator Rusch moved that the majority report on Senate Bill 108 be adopted which motion prevailed and the report was adopted.

The committee on highways made the following report:

Mr. President: Your committee on highways to whom was referred Senate Bill No. 2:

A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota, Providing for and Establishing a Trunk Highway System to be Constructed, Improved and Maintained by the State; Establishing and Authorizing the Creation of a Fund for Such Purpose by the Taxation of Motor Vehicles, the Issuance of Bonds and Otherwise.

Have had the same under consideration and return same without recommendations.

JOHN L. MIKLETHUN,
Chairman.

Mr. Miklethun moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on warehouse and grain grading made the following report:

Mr. President: Your committee on warehouse and grain grading to whom was referred:

Senate Bill No. 28: A Bill for an Act Relating to the Storing and Re-delivering of Grain by Public Warehousemen.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
Chairman.

Mr. Liederbach moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

Senate Bill No. 62: A Bill for an Act to Repeal Chapter 219, Laws, 1919, Relating to Tax Supervisors.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

Senate Bill No. 74: A Bill for an Act to Amend Chapter 225, Laws 1919, Relating to the Transfer of Property by Will.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

House Bill No. 75: A Bill for an Act to Appropriate Money for the Purpose of Constructing a Beef Cattle Barn at the Langdon SubStation.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

Senate Bill No. 91: A Bill for an Act to Reduce or Cancel the Land Assessments, Tax Levies, Penalties and Sales for the Year 1919.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

Senate Bill No. 92: A Bill for an Act in Regard to the 1920 Land Assessment and Taxes.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

Senate Bill No. 184: A Bill for an Act to Amend and Re-enact Section 2263 of Article 26 of the Compiled Laws of North Dakota for the Year 1913, and All Later Enactments or Amendments, Relating to Taxation for the Promotion of Diversified Farming, Manner of Discontinuing Same and Providing for the Disposition of Accumulated Funds.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

Senate Bill No. 63: A Bill for an Act to Repeal Chapter 224, Laws 1919, The Income Tax.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on military affairs made the following report:

Mr. President: Your committee on military affairs to whom was referred:

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

Have had the same under consideration and recommend that the same be returned to the Senate without recommendation.

FRANK E. PLOYHAR,
Chairman.

Mr. Ployhar moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on military affairs made the following report:

Mr. President: Your committee on military affairs to whom was referred:

Senate Bill No. 43: A Bill for an Act Fixing the Maximum Amount Which Soldiers' Compensation Claims May Be Discounted and Providing a Penalty for the Violation Thereof.

Have had the same under consideration and recommend that the same be indefinitely postponed.

FRANK E. PLOYHAR,
Chairman.

Mr. Ployhar moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

Senate Bill No. 68: A Bill for an Act to Amend and Re-enact Section 2166 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Delinquent Personal Property Taxes.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 1 line 2 after the word "for" insert the words "the year."

In Section 2166 line 7 after the word "taxes" strike out the words "and thenceforth there shall be charged upon all delinquent taxes."

Strike out the emergency clause.

And when so amended recommend the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on tax and tax laws made the following report:

Mr. President: Your committee on tax and tax laws to whom was referred:

Senate Bill No. 61: A Bill for an Act to Repeal Chapter 218, Laws, 1919, on Annual Reports of Corporations to the Tax Commission.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. President: Your select resolution committee appointed to draw suitable credentials for Mr. M. O. Hall to act as representative of the people of North Dakota in the matter of Federal Aid for agriculture before the United States Congress report the following resolution:

SENATE CONCURRENT RESOLUTION.

Introduced by Senators Hagan, Benson and Stevens.

BE IT RESOLVED BY THE SENATE OF THE STATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING:

WHEREAS, The Legislative Assembly of the State of North Dakota did on the 31st day of January, 1921, pass a Concurrent Resolution memorializing the Congress of the United States to take immediate action towards furnishing the means whereby the farmers of North Dakota, South Dakota and Montana might be furnished financial relief in the purchase of seed grains and feed to the end that a normal crop could be seeded, and

WHEREAS, We believe that the actual situation and conditions now existing in certain localities of this state by reason of crop failures, caused by hail, drought, and grasshoppers for the past few years, making the present conditions very acute in certain portions of the state, can best be presented by one who is entirely familiar with said conditions; and,

WHEREAS, One M. O. Hall, the bearer of this resolution, a man for many years a resident and practical farmer of this state, and a man in whom we have the utmost confidence to present to the proper authorities the conditions as they actually exist in those portions of our state where help to obtain seed and feed is needed; and further by reason of the fact that he has made a thorough and careful study and investigation of the conditions as they exist in our state,

NOW, THEREFORE, BE IT RESOLVED by the Senate of the State of North Dakota, the House of Representatives concurring, that we hereby authorize and request M. O. Hall to represent the State of North Dakota in Washington, D. C., before the proper authorities and committees to obtain such action as will afford the most speedy relief.

A. M. HAGAN,
JOHN W. BENSON,
J. E. STEVENS.

Senator Benson moved that the report of the select committee be adopted which motion prevailed.

Senator Fraser moved that the rules be suspended in so far as is necessary to put the resolution of the select committee on final passage immediately which motion prevailed.

SENATE ROLL CALL.

The question being on the final passage of the Senate Concurrent Resolution authorizing M. O. Hall to represent North Dakota before Congress in the matter of Federal aid for agriculture, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Gross, McLachlin, Nelson, Porter.

So the resolution passed.

Mr. Benson moved that the vote by which the resolution passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

President Pro-tem Bowman, presiding.

SENATE ROLL CALL.

Senate Bill No. 145: A Bill for an Act to Create, define and Establish the Bar Association of the State of North Dakota, and Providing for the publication of its Proceedings, and Filing Copies Thereof With the State Bar Board and

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 31, nays 9, absent and not voting 9.

Ayes: Baird, Baker, Beisel, Benson, Bond, Bowman, Byrne, Church, Fraser, Gardiner, Garberg, Hagan, Kelsch, Kendall, Levang, Miklethun, Murphy, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Sperry, Steel, Thorson, Van Camp, Wenstrom, Whitman.

Nays: Berg, Eastgate, Fleckten, Gross, McNair, Mees, Schrenk, Stevens, Ward.

Absent and not voting: Carey, Ettestad, Ingerson, Liederbach, McLachlin, Nathan, Patten, Storstad, Wog.

So the bill passed and the title was agreed to.

Senator McNair moved to amend Senate Bill No. 147 as follows: In the fourth line of the title in the printed bill change the word "dates" to "duties." which motion prevailed.

Senator Baird moved to further amend Senate Bill No. 147 as follows: In the fifth line of the title in the printed bill insert the words "and clerks" after the word "auctioneers," which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 147: A Bill for an Act to Amend and Re-enact Chapter 183 of the Session Laws of 1917, an Act Requiring the Owners of Personal Property to Notify the County Treasurer of the Sale of Such Property at Public Auction, Providing for the Collection of Their Personal Property Taxes and Prescribing Dates of Auctioneers in Relation **Thereto**.

Was read the third time.

The question being on the final passage of the bill as amended, the roll was called and there were ayes 39, nays 1, absent and not voting 9.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Bryne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardner, Garberg, Hagan, Ingerson, Kendall, McNair, Mees, Miklethun, Murphy, Nelson, Noltmier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Kelsch.

Absent and not voting: Carey, Gross, Levang, Liederbach, McLachlin, Nathan, Petterson, Stevens, Van Camp.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

Senate Bill No. 122: A Bill for An Act to Provide for the survival of Actions and Causes of Action for Damages, Pain and Suffering and **Personal Injuries**.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall,

Levang, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Litterbach, McLachlin, Noltmier.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

Senate Bill No. 152: A Bill for an Act to Permit the Use of Certain Ground Upon the Campus of the University and to Consent to the Erection of an Alumni Building Thereupon by the Alumni Association for Purposes of Aiding the University and the Co-operative Interest of Its Alumni and to Grant to Such Alumni Association the Right to Exercise Control and Dominion Over Such Ground and the Building to be Constructed Thereon, Subject to the Rules and Regulations of the State and of Its Board of Administration.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 42, nays 0, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Eitstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Mees, Miklethun, Murphy, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Church, Liederbach, McLachlin, McNair, Nathan, Nelson, Noltmier.

So the bill passed and the title was agreed to.

Mr. Whitman moved that the vote by which Senate Bill No. 152 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Gardiner moved that Senate Bill No. 182 be referred to the committee, which motion prevailed.

Senator Benson moved to amend Senate Bill No. 143 as follows: In line 3 after the word "his" add "or her" which motion prevailed.

Senator Baker moved to amend Senate Bill No. 143 as follows: In Sec. 1, line 1, after the word "register" add "or to be registered with their knowledge and consent", which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 143: A Bill for an Act to Prevent any Person From Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 46, nays 1, absent and not voting 2.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel.

Absent and not voting: McLachlin, Noltimier.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

Senate Bill No. 150: A Bill for an Act to Amend and Re-enact Section 9804 and Section 9805 of Chapter 55 of the Laws of North Dakota for the Year 1913, Regulating the Sale to and Use of Firearms by Minors and Providing a Penalty for the Violation Thereof.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 1, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Eastgate.

Absent and not voting: Bond, McLachlin, Noltimier, Schrenk.

So the bill passed and the title was agreed to.

Senator Liederbach moved to amend Senate Bill No. 113 as follows: In line 4 after the word "in" strike out "some bank of good repute" and insert in lieu thereof "the Bank of North Dakota", which motion prevailed.

Senator Stevens moved that the vote by which the amendment of Senator Liederbach was passed be reconsidered.

A roll call was demanded.

SENATE ROLL CALL.

The question being on the motion to reconsider vote by which Liederbach amendment was adopted, the roll was called and there were ayes 24, nays 23, absent and not voting 2.

Ayes: Baird Baker, Beisel, Bond, Bowman, Byrne, Church, Carey, Ettestad, Fraser, Gross, Kelsch, Kendall, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Schrenk, Steel, Stevens, Thorson, Van Camp, Whitman.

Nays: Benson, Berg, Bowman, Eastgate, Fleckten, Gardiner, Garberg, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Olson, Oksendahl, Patten, Rusch, Sperry, Storstad, Ward, Wenstrom, Wog.

Absent and not voting: McLachlin, Noltimier.

So the motion prevailed.

Senator Rusch moved that further consideration of Senate Bill 113 be indefinitely postponed, which motion prevailed.

SENATE ROLL CALL.

Senate Bill No. 139: An Act Entitled an Act for the Protection of Employees as Members of Labor Organizations.

Was read the third time.

roll was called and there were ayes 26, nays 21, absent and not voting 2.

The question being on the final passage of the bill, the

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Olson, Oksendahl, Patten, Rusch, Stevens, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Kelsch, Kendall, Mees, Murphy, Nathan, Nelson, Petterson, Ployhar, Porter, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: McLachlin, Noltimier.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which Senate Bill No. 139 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Baird moved that further consideration of Senate Bill No. 153 be indefinitely postponed, which motion was lost.

SENATE ROLL CALL.

Senate Bill No. 153: A Bill for an Act to Amend and Re-enact Section 8122 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 180 of the Laws of 1915 and as Amended by Chapter 151 of the Laws of 1917, Relating to Foreclosure of Land Contracts.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 29, nays 18, absent and not voting 2.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Carey, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Nelson, Noltmier, Olson, Oksendahl, Patten, Sperry, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Eastgate, Gardiner, Kelsch, Kendall, Murphy, Petterson, Ployhar, Porter, Schrenk, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: McLachlin, Rusch.

So the bill passed and the title was agreed to.

Whitman: "I think if this bill passes it will have a tendency to make loans difficult, it will be a hard matter to make loans."

Senator Rusch moved that further consideration of Senate Bill No. 164 be indefinitely postponed.

Senator Baird moved that a communication purporting to come from the Immigration Department be printed in the Journal, which motion was lost.

Senator Ingerson moved that the letter be referred to the committee on State Affairs, which motion prevailed.

The question being on the motion to indefinitely postpone Senate Bill No. 164, which motion was lost.

Senator Liederbach moved to amend Senate Bill No. 164 as follows: In line 3 after the word "then" strike out "5" and insert in lieu thereof "3"; in Section 2 line 3 after the word "then" strike out the figure "500" and insert in lieu thereof "\$5,000", which motion was lost.

SENATE ROLL CALL.

Senate Bill No. 164: A Bill for an Act to Limit the Margin of Profit on Sales of Farm Land by Agents and Brokers.

Was read the third time.

The question being on the final passage of the bill, the roll, was called and there were ayes 26, nays 22, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Noltmier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: McLachlin.

So the bill passed and the title was agreed to.

Mr. Liederbach moved that the vote by which Senate Bill No. 164 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 143: A Bill for an Act to Prevent Any Person from Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

SENATE ROLL CALL.

Senate Bill No. 16: A Bill for an Act Providing for a Reward for the Arrest and Conviction of Persons Charged with the Violation of the Prohibition Laws of this State and for Appointment of Special Deputy Sheriffs to Enforce such Prohibition Laws.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 38, nays 7, absent and not voting 4.

Ayes: Baird, Baker, Benson, Berg, Bowman, Byrne, Church, Eastgate, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Miklethun, Murphy, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Carey, Ettestad, Mees, Nathan, Nelson, Schrenk.

Absent and not voting: Bond, Gardiner, McLachlin, Pettersson.

So the bill passed and the title was agreed to.

Mr. Church moved that the vote by which Senate Bill No. 16 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Baker moved to amend Senate Bill No. 189 as follows: In Section 1008, line 7 strike out "three days" and insert in lieu thereof "five days."

Senator Gardiner moved that Senate Bill No. 189 be referred to the committee, which motion prevailed.

Senator Rusch asked the consent of the Senate to introduce a bill, which consent was granted.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS.

Mr. Rusch introduced:

Senate Bill No. 200: A Bill for an Act Authorizing the Renewal of the Period of Corporate Existence of Certain Corporations Whose Period of Duration has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporation Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporations.

Was read the first and second time and referred to the committee on State Affairs.

Senator Ployhar moved that Senate Bill No. 169 be amended by inserting "Section 967", which motion prevailed.

Senator Church moved to amend Senate Bill No. 169 as follows: In line 9 of the printed bill strike out "deliver to the sheriff" and insert in lieu thereof "furnish."

Senator Storstad moved that Senate Bill No. 169 be referred to the committee, which motion prevailed.

Senator Church moved that after the first and second reading of House Bills the Senate recess until tomorrow at 1 o'clock P. M., which motion prevailed.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 92: A Bill for an Act Providing for a Committee to Investigate the Proposed Roosevelt Park.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 124: A Bill for an Act to Amend and Re-enact Chapter 205 of the Session Laws of the State of North Dakota for the Year 1919 Prohibiting the Sale of Any New Draft Sleds Within the State of Which the Runners Measure Less Than Four Feet Six Inches from Center to Center and Making the Sale of Same a Misdemeanor and Providing for the Revocation of the License of Any Foreign Corporation to do Business in the State Which Fails to Comply With the Terms of this Act.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 159: A Bill for an Act to Amend and Re-enact Section 26 of Chapter 161 of the Session Laws of 1915, Relating to Hours for Shooting.

Was read the first and second time and referred to the committee on Game and Fish.

House Bill No. 183: A Bill for an Act to Amend and Re-enact Chapter 1342 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 141 of the Session Laws of North Dakota for the Year 1915 and Chapter 206 of the Session Laws of North Dakota for the Year 1917, Relating to

Compulsory Attendance, School Age and the Transportation of Pupils.

Was read the first and second time and referred to the committee on Education.

House Bill No. 190: A Bill for an Act Empowering the State Inspector of Grades, Weights and Measures to Fix Maximum Rates for the Storage, Insurance, and Handling of Grain in Public Grain Warehouses; Requiring Warehousemen to Insure all Grain Stored in Public Grain Warehouses; and Repealing Section 3116 of the Compiled Laws of 1913.

Was read the first and second time and referred to the committee on Warehouse and Grain Grading.

House Bill No. 191: A Bill for an Act Empowering the State Inspector of Grades, Weights and Measures to Waive Certain Requirements of the Laws, Rules, and Regulations of the State of North Dakota Relating to Public Grain Warehouses in the Case of Grain Warehouses Which Have Given Bond and are Licensed Under the United States Warehouse Act.

Was read the first and second time and referred to the committee on Warehouse and Grain Grading.

The courtesies of the floor were extended to R. H. Walker of Yucca, John A. Slannon of Rolette Co., Miss Georgiana Bromes of Donnybrook, Peter Clöoten of Bismarck.

The Senate recessed.

W. J. PRATER,
Secretary.

FORTY-SIXTH DAY AFTER RECESS AND
FORTY-SEVENTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February 19, 1921.

The Senate convened at 1 o'clock P. M. pursuant to recess taken, the President presiding.

PETITIONS AND COMMUNICATIONS.

Fargo, N. D., February 18, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, North Dakota.

Stereotypers' Union No. 138 requests you to vote and use your influence against passage of House Bills Nos. 68 and 69.

A. B. ARNESON, Secy.

Fargo, N. D., February 18, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, North Dakota.

Railway Car Men's Union of Fargo, requests you to vote and use your influence against passage of House Bills Nos. 68 and 69.

JOHN LILJEDAL, Secy.

Fargo, N. D., February 18, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, North Dakota:

Painters local number 1036 of Fargo protest against house Bills Nos. 68 and 69 which bills if passed would cripple compensation law.

E. HAGELSTEIN, Secy.

Fargo, N. D., February, 18, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, North Dakota:

Boiler Makers' Local No. 708 protests against House Bills Nos. 68 and 69, which would cripple present compensation law.

WILLIAM OLSEN, President.

Fargo, N. D., February 18, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, North Dakota:

Fargo Trades and Labor Assembly, representing 1,400 union men and women protest against House Bills Nos. 68 and 69, and ask you to confer this message to league senator.

WM. OLSEN, President.

Williston, N. D., February 18, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, North Dakota:

Dear Mr. Wood: We members of the Miners' Local Union No. 3796 of Williston, N. D., do protest against the passage of Bills 68 and 69 which were passed in the House on the 16th, and urgently recommend that you do all in your power to defeat these bills when they come before the Senate.

Fraternally yours,

A. McDonald, Andrew Olson, Claude Staples, Amil Mockel, Ernest M. Smith, Henry Johnson, Joseph Johnson, Peter Colliton.

Jamestown, N. Dak., February 18, 1921.

Hon. Howard Wood, President of the Senate, Bismarck, North Dakota:

The Jamestown Central Labor Union of Jamestown and vicinity protest the repeal of House Bills 68 and 69. For the sake of our wives, sisters and daughters, keep these good laws as they are.

Yours truly,

P. J. HAAS,

Financial Secy, Jamestown Central Labor Union.

To the Honorable Howard Wood, President the Senate, North Dakota Legislature, Bismarck, N. D..

We, the undersigned, officers of the Dickinson Central Labor Union, representing the 350 members thereof, wish to enter our protest against House Bills 68 and 69 as passed by the House of Representatives, condemning them as detrimental to the interests of organized labor and designed to kill the effectiveness of one of the best laws ever placed upon the statute books of this state.

Now, therefore, through its president, we respectfully petition the honorable body of the Senate of the Seventeenth Legislative Assembly of the State of North Dakota to use its influence and power as a legislative body to prevent these measures, House Bills 68 and 69, from becoming laws.

Dated this 18th day of February, 1921.

Respectfully submitted,

DICKINSON CENTRAL LABOR UNION,

PAT DALY, Pres.

HOLGER LARSEN, Sec.-Treas.

Grand Forks, N. D., Feb. 15, 1921.

Hon. W. S. Whitman, Senator, 6th Legislative District, Seventeenth Legislative Assembly, Bismarck, N. D.

Dear Sir: We, the members of the Laundry Workers International Union, Local No. 182, do hereby inform you that resolutions, copies of which are inclosed herein, were recently passed by our union.

These resolutions have been forwarded to the Seventeenth North Dakota State Legislative Assembly for action.

It is our sincere desire that you give these measures your most hearty support when they appear.

Thanking you for any aid you may feel disposed to tender in behalf of these resolutions, we remain,

Yours very sincerely,

MRS. MARGARET FROATS,
President,

MISS THEA ILESTAD.

Rec.-Sec.

PETITION.

Senator Byrne:

We, the undersigned, believing that Senate Bill No. 101, prohibiting the sale of proprietary medicines by other than duly licensed pharmacists, is an arbitrary measure and not for the best interests of the people at large, do hereby respectfully petition you, as a representative of the people, to use your influence in defeating passage of same.

REG. J. THURLOW,
And 25 Others.

Jamestown, N. D., Feb. 18, 1921.

Mr. Howard Wood, President State Senate, Bismarck, North Dakota:

Dear Sir: WHEREAS, it has been brought to our notice that House Bills Nos. 68 and 69 have been passed by the House of Representatives of the State of North Dakota; and

WHEREAS, we are informed that said bills would injure and possibly kill the present Workmen's Compensation Bureau; and

WHEREAS, said Compensation Bureau is known by us to be the greatest boon of the laboring men in this state of North Dakota:

BE IT RESOLVED, by the members of Local 366 of the International Union of Brewery, Flour, Cereal, and Soft Drink Workers of America, that we unanimously protest against the passage of Bills Nos. 68 and 69 by the Senate of the State of North Dakota.

AND BE IT FURTHER RESOLVED that such protest be brought before the Senate of the State of North Dakota, and any party whose influence would tend to keep House Bills No. 68 and 69 from becoming laws of this state.

J. L. TEVES, President,
S. E. TANTON, Rec.-Secy.

Balta, North Dakota, Feb. 2, 1921.

Hon. Andrew H. Oksendahl, Bismarck, N. Dak.

Dear Sir: Through the Teachers' Welfare Department of the North Dakota Educational Association, the teachers of the state will soon introduce into the present session of the state legislature, and educational bill, the purpose of which is to establish a minimum wage for inexperienced teachers, the amount of advance for each successful year of teaching being left to the determination of the employing agencies.

We ask you to support this measure with a favorable vote because, it will make teaching a profession instead of a job; it will call more desirable people into the profession by establishing a respectable salary; it will raise the standards of the schools of the state by justifying the demand for better trained teachers; and it will insure the standards and success of the state's educational system because it is based on the standards and success of the teachers, since better teaching condition means better schools, because a better class of people will engage in school work.

Our vote helped you in last fall's election. Yours will help us now. May we have it?

Yours for better schools,

THE TEACHERS OF BALTA CONSOLIDATED SCHOOL,

R. L. KUHNHENN, Pres.,
OLA J. THORN,
BERTHA TORGERSON,
MELNIE TORGERSON,

Devils Lake, N. Dak., Feb. 19, 1921.

Hon. Howard Wood, President of the State Senate, Bismarck, North Dakota:

The Nonpartisan League of Devils Lake and Ramsey county among the working class are solidly opposed to the passage of House Bills Nos. 68 and 69. Organized workers here urge that every Nonpartisan member of the Senate and House oppose passage of these measures which would be a crime against the civilization of North Dakota.

Boiler Makers' Union No. 479, Machinists' Union No. 2, I. A. of M., Carmen's Union of Fed. Crafts, Stationary Engineers' and Oilers' Union, Electrical Workers' Union, Sheet Metal Workers' Union, Maintenance of Way Union, Printers Devils Lake World Shop (2), Laundry Workers' Union, Carpenters' Union, Teamsters' Union, Clerks' Union, Women's Nonpartisan Club, G. W. McDonnell, Secretary Federated Craft, C. R. Snesby, President of Crafts.

REPORT OF STANDING COMMITTEES.

The Committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 199: A Bill for an Act to Repeal Section 3522 of the Compiled Laws of North Dakota for 1913, Providing for Livery Allowed Sheriffs.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 198: A Bill for an Act to Amend and Re-enact Section 3521 of the Compiled Laws of North Dakota for the Year 1913, Prescribing the Rate of Mileage Allowed the Sheriff.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 167: A Bill for an Act to Regulate the Sale of Coal in the State of North Dakota, Requiring Dealers Offering the Same for Sale to Pay a License Fee, Procure a License, and to Conform to Certain Rules and Regulations; and Providing a Penalty for the Violation of the Provisions of This Act.

Have had the same under consideration and recommend that the same be amended as follows

In line 5, Section 3, strike out "25." and insert "5.00."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

House Bill No. 91: A Bill for an Act Appropriating the Sum of Nine Thousand Fifty-One Dollars and Five Cents (\$9051.05), for the Use of the Office of the Attorney General of the State of North Dakota, and Repealing Chapter 20 of the Laws of the Special Legislative Session of North Dakota for the Year 1919, by Which Said Chapter an Appropriation was Made for the Payment of Salaries of Special Assistant Attorneys General, of Which said Appropriation the Sum of \$9051.05 is Still in the General Fund of the State Unexpended.

Have had the same under consideration and recommend that the same be indefinitely postponed.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Liederbach moved that the resolution introduced by Senators Storstad and Gardiner be re-referred to the committee on State Affairs, which motion was lost.

SENATE ROLL CALL.

The question being on the adoption of Concurrent Resolution introduced by Storstad and Gardiner relating to replacement of funds from the Bank of North Dakota to the General Fund, the roll was called and there were ayes 29, nays 15, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Bond, Church, Carey, Eastgate, Gardiner, Garberg, Gross, Ingerson, Kelsch, McLachlin, Murphy, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Benson, Berg, Bowman, Byrne, Ettestad, Fleckten, Fraser, Hagan, Liederbach, Miklethun, Nathan, Noltimier, Patten, Wenstrom, Wog.

Absent and not voting: Kendall, Levang, McNair, Mees, Ward.

So the resolution was adopted.

Senator Thorson moved that the vote by which further consideration of Senate Bill No. 113 was indefinitely postponed be reconsidered, which motion was lost.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 147: A Bill for an Act to Amend and Re-enact Chapter 183 of the Session Laws of 1917, an Act Requiring the Owners of Personal Property to Notify the County Treasurer of the Sale of Such Property at Public Auction, Providing for the Collection of Their Personal Property Taxes and Prescribing Dates of Auctioneers in Relation Thereto.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 2:

A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota, Providing for and Establishing a Trunk Highway System to be Constructed, Improved and Maintained by the State; Establishing and Authorizing the Creation of a Fund for Such Purpose by the Taxation of Motor Vehicles, the Issuance of Bonds and Otherwise.

Senate Bill No. 59: A Bill for an Act to Amend and Re-enact Section 2141 of the Compiled Laws of North Dakota, for the Year 1913, as Amended, Providing for the Substitution of the Commissioner of Insurance as a Member of the State Board of Equalization Instead of the State Auditor, and Making the Tax Commissioner Secretary Thereof.

Senate Bill No. 67: A Bill for an Act to Appropriate Seventy-five Hundred Dollars to the Missouri Slope Agricultural and Fair Association at Mandan for the Fairs to be Held in the Years 1921 and 1922.

Senate Bill No. 68: A Bill for an Act to Amend and Re-enact Section 2166 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Delinquent Personal Property Taxes.

Senate Bill No. 97: A Bill for an Act to Authorize the Valuation of Bonds and Other Securities Held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Senate Bill No. 134: A Bill for an Act to Amend and Re-enact Section 1, Chapter 77 of the Session Laws for the Year 1919; an Act Making it Unlawful to Separate or Cause to be Separated Any Child Under Six Months of Age From Its Mother for the Purpose of Committing Such Child to a Foster Home or Institution, and to Regulate the Manner and Circumstances Under Which it May be Done, and to Provide a Penalty for Violation of Said Act.

Senate Bill No. 148: A Bill for an Act to Amend Chapter 131 of the Session Laws of 1919, Enacted by The Sixteenth Session of the Legislative Assembly, Pertaining to the Giving of Notices of Intention to Foreclose Real Estate Mortgages.

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

Senate Bill No. 156: A Bill for an Act Restricting Rights of Litigants to Bring Actions in Courts to Set Aside Taxes

or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Senate Bill No. 161: A Bill for an Act Providing Punishment for Murder in the First Degree.

Senate Bill No. 173: A Bill for an Act Providing for Salaries of County Auditors, Registers of Deeds, County Judges, State's Attorneys, Clerks of District Courts, Sheriffs, and County Superintendents of Schools, and Repealing Chapter 112 of the Laws of 1915 and All Acts and Parts of Acts in Conflict Herewith, and Chapter 105 of the Session Laws of 1919.

Senate Bill No. 192: A Bill for an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the Year 1913, Relating to the fees to be paid by Insurance Companies doing Business in this State.

Senate Bill No. 193: A Bill for an Act to Amend and Re-enact Section 4843 of the Compiled Laws of North Dakota for the Year 1913, Relating to the investment of the Capital Surplus and Funds of Domestic Insurance Companies.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 131: A Bill for an Act Entitled, an Act for the Purpose of Continuing the Work of Immigration as Provided for in Chapter 146 of the Session Laws of 1919, During the Biennial Period Beginning July 1, 1921, and Ending June 30, 1923.

Have had the same under consideration and recommend that the same be amended as follows:

By striking out the period after the figures "1923" in the fourth line of the title and inserting a comma in lieu thereof, followed by the words "by making an appropriation therefor."

Also by the addition of Section Two to said Act in the words and figures as follows:

Section 2. APPROPRIATION There is hereby appropriated out of any monies in the State Treasury, not otherwise appropriated, the sum of Sixty Thousand (\$60,000.00) Dollars, or so much thereof as may be needed to carry out the provisions of this Act.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

HOUSE CHAMBER

Bismarck, N. D., Feb. 19, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bill No. 52.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Bismarck, N. D., Feb. 19, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 118: A Bill for an Act to Amend and Re-enact Section 5097 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Cemetery Corporations.

Which the House has indefinitely postponed.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., Feb. 19, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 61: A Bill for an Act to Amend and Re-enact Section 5 of Chapter 224 of the Session Laws of North Dakota, for the Year 1919, Relating to Income Taxes.

House Bill No. 109: A Bill for an Act Legalizing Certain Acts of City, Village and School District Officials.

House Bill No. 168: A Bill for an Act to Amend and Re-enact Section 287 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 241 of the Session Laws of 1915, and as Amended by Chapter 204 of the Session Laws of 1917, and as Amended by Chapter 198 of the Session Laws of 1919, Relating to the Investment of University and School Land Funds.

House Bill No. 187: A Bill for an Act to Amend and Re-enact Chapter 138 of the Session Laws of North Dakota for the Year 1919, Creating and Establishing the Department of Grades, Weights, and Measures Under the Direction and Supervision of the Board of Railroad Commissioners; Defining and Prescribing the Duties and Powers Thereof; Providing for the Licensing of Public Warehouses, Grain Buyers and Persons Engaged in Soliciting or Procuring Consignments of Grain, Seeds or other Agricultural Products; Providing for the Establishing of Central Marketing Prices; Providing for the Appointment of State Inspector, State Deputy Inspectors

and Deputy Inspectors, Chief Elevator Accountant and Warehouse Inspectors, Defining Their Duties and Powers; Providing for Bonds from Public Warehouses to Secure all Moneys due the holders of Outstanding Grain Tickets; Requiring Public Warehouses to Keep Records of Their Business; Authorizing the fixing of a Reasonable Margin to be Paid the Producer of Grain; Providing for the Inspection of Public Warehouses; Providing for the Payment of Dockage Having Value; Authorizing Investigation of All Matters Bearing Upon the Marketing of Grain; Authorizing the Employment of Clerks, Experts and All Other Employees Necessary to Carry Out the Provisions of This Act, and Making an Appropriation Therefor; and Providing Penalties for the Violation of Any of the Provisions of This Act.

House Bill No. 16: A Bill for an Act Relative to Scaffoldings and Providing Safety Appliances in Construction Work.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 65: A Bill for an Act Requiring the Evaluation of the Board of Railroad Commissioners, of all Common Carrier Railroad Property Within the State of North Dakota; Requiring the Fixing of the Fair Value Thereof for Rate Making Purposes; and Providing for an Appropriation to Carry Out the Provisions Thereof.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Micklethun moved that the report be adopted, which motion prevailed, and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 158: A Bill for an Act to Provide for Conciliation of Controversies and to Repeal Sections 9187, 9188, 9189, 9190, 9191 and 9192 of the Compiled Laws of North Dakota, 1913.

Have had the same under consideration and recommend that the same be amended as follows:

On page 3 and line 7 of the printed bill after the word "to" strike out the remainder of that line and insert in lieu thereof "actions known as provisional or remedial remedies." Strike out all of line 8 and line 9 up to the word "actions." In line 10, after the word "estate" insert the word

"and." In line 10, after the word "over" strike out the "\$500" and insert in lieu thereof "\$200."

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 76: A Bill for an Act to Repeal Chapter 168, Laws 1919, The Coal Mine Act.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Printing made the following report:

Mr. President: Your committee on Public Printing to whom was referred:

Senate Bill No. 154: A Bill for an Act Prescribing the Fees to be Paid to Newspapers for the Publication and Printing of all Legal Notices and Repealing all Acts or Parts of Acts in Conflict Herewith.

Have had the same under consideration and recommend that the same be amended as follows:

Strike out the title and insert the following "For an Act to Amend and Re-enact Section 3540 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Fees Paid to Newspapers for the Publication of Legal Notices."

After the enacting clause insert the following: "Section 1. AMENDMENT. That Section 3540 of the Compiled Laws of 1913 is hereby amended and re-enacted to read as follows."

In line 1 of the printed bill strike out "Section 1" and insert in lieu thereof "Section 3540—Pay Required."

In line 15 of the printed bill strike out the word "ten" and insert in lieu thereof the word "nine."

In line 16 of the printed bill strike out the word "seven" and insert the word "six."

And when so amended recommend the same do pass.

P. O. THORSON,
Chairman.

Mr. Thorson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

Senate Bill No. 175: A Bill for an Act to Repeal Section 7633 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Special Verdicts.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Miklethun moved that the Senate do now adjourn, which motion prevailed and the Senate adjourned.

FORTY-SEVENTH DAY

Senate Chamber,
Bismarck, North Dakota,
February 19, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Father Hiltner.

The roll was called, all Senators being present except Messrs. Kendall, Mees and Ward.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Forty-fifth day after recess and Forty-sixth day and recommend that the same be corrected as follows:

Page 22, line 27, correct the spelling of the word "Dakota." Page 22, line 35, correct spelling of the word "with." Page 22, line 40, correct spelling of the word "conditions." Page 23, line 7, correct the spelling of the name "Hagan."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

PETITION AND COMMUNICATIONS

Jamestown, N. Dak., February 18th, 1921.

To the Hon. Howard Wood, Lieutenant Governor, Bismarck, N. D.:

Dear Sir: I herewith quote the Resolution adopted and approved by the members of the Bricklayers, Masons and

Plasters International Union of America in convention assembled.

RESOLUTION

BE IT HEREBY RESOLVED, By the Bricklayers, Masons and Plasters International Union of America, Local No. 1 of Jamestown, N. D., in convention assembled; that we hereby absolutely protest against the repeal of H. B. 68 and H. B. 69, known as the Workmen's Compensation Act, introduced and passed by the 1919 Session of the North Dakota Legislature, and which is now in force and in working condition, much to the benefit of the laboring man.

It has come to our notice from repeated rumors and also from the Public Press that such a movement is on foot, sponsored by high and influential I. V. A.'s, to either repeal said laws or to amend them so that their workable force will be lost. That we take this means of calling your attention to this state of affairs and respectfully request that you do all in your power as Lieutenant-Governor and also as a League-Labor man, to avert such a catastrophe, as the repeal of said law would be to the cause of Organized Labor and to all Workers.

Respectfully submitted,
JOHN SCHROEDER,

President of Bricklayers, Masons and Plasters Union Number 1, of Jamestown, N. D.

Senator Storstad moved that all absent Senators be excused, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 121: A Bill for an Act to Provide for the Acceptance of the Benefits of an Act by the Senate and House of Representatives of the United States of America in Congress Assembled. (H. R. 4438, Approved June 3, 1920) entitled "An Act to Provide for the Promotion of Vocational Rehabilitation of Persons Disabled in Industry or Otherwise and Their Return to Civil Employment"; to Provide for the Administration of Same.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 42, nays 0, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Eitestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Micklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Sperry, Steel, Stevens, Thorson, Van Camp, Whitman, Wog.

Absent and not voting: Kendall, Mees, Rusch, Schrenk, Storstad, Ward, Wenstrom.

So the bill passed and the title was agreed to.

Senator Ingerson moved to amend Senate Bill No. 59 as follows: In the title after the word "amended" insert "by Chapter 35 of the Session Laws of the Special Session of North Dakota for the Year 1919." In line 1, Sec. 1, after the figures "1913" insert "as amended by Chapter 35 of the Session Laws of the Special Session of North Dakota for the Year 1919."

In line 1, Sec. 1, before the word "Section 2141" strike out the figure "1" and the characted "~~#~~" and insert "Section 1. (Amendment.) That," which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 59: A Bill for an Act to Amend and Re-enact Section 2141 of the Compiled Laws of North Dakota, for the Year 1913, as Amended, Providing for the Substitution of the Commissioner of Insurance as a Member of the State Board of Equalization Instead of the State Auditor, and Making the Tax Commissioner Secretary Thereof.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 40, nays 2, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Wenstrom, Whitman, Wog.

Nays: McLachlin, Storstad.

Absent and not voting: Church, Kendall, Liederbach, McNair, Mees, Ployhar, Ward.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 97: A Bill for an Act to Authorize the Valuation of Bonds and Other Securities Held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Wenstrom, Whitman, Wog.

Absent and not voting: Church, Kendall, Liederbach, Mees, Ward.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 156: A Bill for an Act Restricting Rights of Litigants to Bring Actions in Courts to Set Aside Taxes or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Wenstrom, Whitman, Wog.

Absent and not voting: Church, Kendall, Liederbach, Mees, Ward.

So the bill passed and the title was agreed to.

Senator Miklethun moved that Senate Bill No. 161 be referred to the committee.

Senator Levang moved that the motion to re-refer be laid on the table, which motion prevailed.

Senator Wenstrom moved that further consideration of Senate Bill No. 161 be indefinitely postponed, which motion was lost.

Senator Benson moved to amend Senate Bill No. 161, as follows: In line two, strike out "suffer death or" and insert in line 3 after the word "life" the following "without pardonable privileges.

Which motion was lost.

SENATE ROLL CALL

Senate Bill No. 161: A Bill for an Act Providing Punishment for Murder in the First Degree.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 15, nays 29, absent and not voting 5.

Ayes: Baird, Bond, Eastgate, Gardiner, Kelsch, McLachlin, Murphy, Nathan, Noltimier, Petterson, Porter, Sperry, Steel, Storstad, Van Camp.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Carey, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Olson, Ok-

sendahl, Ployhar, Patten, Rusch, Schrenk, Stevens, Thorson, Wenstrom, Whitman, Wog.

Absent and not voting: Beisel, Kendall, Mees, Nelson, Ward.

So the bill passed and the title was agreed to.

Mr. Levang moved that the vote by which Senate Bill No. 161 lost, be reconsidered and the motion to reconsider be laid on the table. Which motion was lost.

Senator Byrne asked the consent of the Senate to introduce a bill, which consent was granted.

Senator Baker moved that after the first and second reading of Senate and House Bills the Senate recess until 10 o'clock A. M., Monday, which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Byrne introduced:

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands, Included Within the Williston Irrigation District.

Was read the first and second time and referred to the committee on Appropriations.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 61: A Bill for an Act to Amend and Re-enact Section 5 of Chapter 224 of the Session Laws of North Dakota, for the Year 1919, Relating to Income Taxes.

Was read the first and second time and referred to the committee on Tax and Tax Laws.

House Bill No. 109: A Bill for an Act Legalizing Certain Acts of City, Village and School District Officials.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 168: A Bill for an Act to Amend and Re-enact Section 287 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 241 of the Session Laws of 1915, as Amended by Chapter 204 of the Session Laws of 1917, and as Amended by Chapter 198 of the Session Laws of 1919, Relating to the Investment of University and School Land Funds.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 187: A Bill for an Act to Amend and Re-enact Chapter 138 of the Session Laws of North Dakota for the Year 1919, Creating and Establishing the Department of Grades, Weights, and Measures Under the Direction and Supervision of the Board of Railroad Commissioners; Defining and Prescribing the Duties and Powers Thereof; Providing for the Licensing of Public Warehouses, Grain Buyers and Persons Engaged in Soliciting or Procuring Consignments of

Grain, Seeds or Other Agricultural Products; Providing for the Establishing of Central Marketing Places, Providing for the Appointment of State Inspector, State Deputy Inspectors and Deputy Inspectors, Chief Elevator Accountant and Warehouse Inspectors, Defining Their Duties and Powers; Providing for Bonds from Public Warehouses to Secure all Moneys Due the Holders of Outstanding Grain Tickets; Requiring Public Warehouses to Keep Records of Their Business; Authorizing the Fixing of a Reasonable Margin to be Paid the Producer of Grain; Providing for the Inspection of Public Warehouses; Providing for the Payment of Dockage Having Value; Authorizing Investigation of all Matters Bearing Upon the Marketing of Grain; Authorizing the Employment of Clerks, Experts and all Other Employees Necessary to Carry Out the Provisions of This Act, and Making an Appropriation Therefor; and Providing Penalties for the Violation of Any of the Provisions of This Act.

Was read the first and second time and referred to the committee on Warehouse and Grain Grading.

House Bill No. 16: A Bill for an Act Relative to Scaffoldings and Providing Safety Appliances in Construction Work.

Was read the first and second time and referred to the committee on Ways and Means.

The courtesies of the floor were extended to C. W. Lewis of Lakota, N. D.

The Senate recessed.

W. J. PRATER,
Secretary.

FORTY-SEVENTH DAY AFTER RECESS AND
FORTY-NINTH DAY

a Senate Chamber,
Bismarck, North Dakota,
February 21, 1921.

The Senate convened at 10 o'clock A. M., pursuant to recess taken, the President presiding.

PETITIONS AND COMMUNICATIONS

Rutland, N. D.

To the Hon. Members of the Senate and House of Representatives of the Legislature of North Dakota now assembled:

We, the undersigned, taxpayers and voters of North Dakota, earnestly ask of you not to let Senate Bill 173 become law, as we feel this is no time to raise County Official's salary.

O. C. ANDERSON,
And 46 Others.

Devils Lake, N. Dak., Feb. 17, 1921.

To Hon. H. R. Wood, Pres. of the Senate, Bismarck, North Dakota:

A RESOLUTION

WHEREAS, the eight hour day law for women has been approved by the greatest social workers in the United States, by physicians acquainted with the physical constitution of woman, by religious workers cognizant with the effects of such a law on the moral life of the community, and by Presidents of the United States, Governors and other statesmen interested in the general welfare of the country; and

WHEREAS, Such law has everywhere and always been upheld and approved by the highest courts of the land; and

WHEREAS, The state of North Dakota has already enacted such a law, and thus placed itself in line with the best thought and practice of the day;

THEREFORE, BE IT RESOLVED, By the Devils Lake Boiler Makers Local No. 479, that we view with alarm any and all attempts to repeal legislation who are representing us both to safeguard our interests and to look after the best interests of society by using their influence to preserve the law now resting upon the statute books of this state.

WHEREAS, The minimum wage law for women which we have in the State of North Dakota rests upon fundamental principles of sound economics, tends to the development of good citizenship, and meets with the approval of those who are interested in social welfare and the advancement of their state and civilization;

THEREFORE, BE IT RESOLVED, By the Devils Lake Boiler Makers Local No. 479, that it would be an unwise and backward step for this law to be repealed or changed, and that we respectfully ask the Senators and Representatives from Ramsey County to use their utmost endeavors to prevent any such action.

Williston, N. Dak., February 18, 1921.

Honorable Howard Wood, President of the Senate, Bismarck, N. Dak.:

Dear Sir: I understand that House Bills 68 and 69 have passed the House and will come up for consideration in the Senate in the very near future and that if these bills become laws the present Workman's Compensation Act will be practically killed.

As a citizen of the State of North Dakota I want to earnestly protest against the passage of these bills and beg of you to do all in your power to prevent their passage in the Senate.

Very truly yours,
ALBERT NELSON,

Bonetrail, N. Dak.

Similar communicatons have been received from the following:

William Freeman and two others	Amil Morkel
William Freeman and five others	Ole Fredrickson
Georgia Young and four others	D. S. Olson
E. D. Gallagher	E. E. Cripe
Lloyd Moothart and seven others	Joseph Johnson
Adolph Stuth and one other	E. H. McCahan
Gereld D. Holmes	E. J. Benell
Warren Quick and one other	Lester Wallenfelt
Jos. Barto and three others	F. L. Barnfather
Wm. R. Landis and ten others	A. S. Tomsen
Chris Christianson	L. McLeod
Emil Stelzner	James L. Roane
Ole Hovind	Bert Wallace
L. A. Fleming	Peter Colliston
J. E. Cox	Wm. Landis
Geo. H. Hillier	Walter Harwood
Mrs. Pearl McIntyre	W. N. Grow
Ernest M. Smith	Mrs. Pearl Lang
Lincoln Seibert	Ben Morgan
Jno. Hedberg	Anton Nelson
Thos. Byrnes	Geo. Morton
E. Samuelson	Pat Durbin
	O. Falkauger
	Henry Culp
	J. G. Stroud
	Effie Irving

Howard McDonald
 John F. Merklein
 Eleanor Maguire
 Leonard Irving
 T. Keomore
 R. C. Olson
 Aleck J. Alleckson
 Dan Kauffman
 Christine Stover
 Alex Peterson
 John Cowley
 E. T. Gallagher
 O. D. Himler
 Julius Johnson
 Claude Stuples
 Edward Ramstad
 H. D. Nelson
 Clifford Hemsigen
 Marie Peterson
 Henry Erickson
 Percy Jenks
 Benj. A. Peterson
 Vern D. Hatfield
 Robt. Hanson
 Clarence Blair
 Joseph Bulle
 Percy L. Ames
 R. B. Heath
 John M. Anderson
 Perlin LaBarge
 Jess Paine
 Earl Paine
 Mary F. Robbins
 Fred W. Hanson
 H. B. Winne
 John Ginnie
 Ole Wana
 Wayne Peterson
 A. McDonald
 Ole Ellingson
 Walter Sumner
 B. H. Innis
 Axel Strom
 Alfred Haakenson
 Lee B. Hamilton
 Anthony Karkis
 F. S. Blair
 Mrs. Alice Kauffman
 Andrew O. Krohn
 Will Hunter
 Syver Melland
 Borghild Peterson
 Elmer J. Gardner
 Harry Kulas
 Mike Salo
 Martin Gartland
 John Monis
 S. M. Clark
 Daniel Bernier
 Thomas King

Willis C. Mato
 Mrs. J. F. Titus
 Dan Buckley
 A. H. Ruble
 Park Brown
 Mrs. Archie Trowbridge
 Archie Trowbridge
 William J. Pernnan
 H. W. Merrick
 T. B. Landes
 J. A. Peterson
 Frank Terence
 Marie Erchenbocher
 Frank Clark
 John Kolberg
 Arthur B. Johnson
 August Anderson
 D. Memaster
 Edw. Bruegger
 E. H. Shemarry
 Henry Strom
 W. B. Digginer
 Clara Bellach
 Oscar Bolstad
 H. Alfred Anderson
 Thomas Shen
 William Freeman
 C. C. Mackenroth
 A. E. Weyhrauch
 Chas. Salinhary
 Walter Belcher
 Mrs. Ada Hennigar
 Art Milito
 Mrs. Percy L. Ames
 A. McQuam
 Peter Parson
 Thos. Mathewson
 Oscar O. Peterson
 Oscar R. Lange
 Lina Smedbran
 Wm. Donovan
 Louis Texlu
 Edw. Ellingson
 Carl Erickson
 H. O. Snook
 Peter J. Peterson
 Wm. Robbins
 Jack Claus
 Ormo Bucklef
 Mr. J. F. Titus
 Hugo Clark
 Nels Flaget
 W. D. Lamb
 Mary A. LaBarge
 Hans Fossum
 Chloe B. Heath
 T. R. Latham
 John Baker
 Mrs. Emma Hill
 Albert W. Anderson

Sarah Severson
 Paul Bell
 L. E. Hennagor
 Ernest Pieh

Wm. Mengel
 Henry Broten
 T. Woodhams

Grand Forks, N. Dak., February 19, 1921.

Senator W. S. Whitman, Bismarck, N. Dak.:

Dear Sir: Enclosed herewith is a copy of resolutions passed by unanimous vote of each society at a joint session of the North Dakota Society of Engineers and the North Dakota Chapter of the American Association of Engineers which was held at Bismarck on February 10 and 11, 1921.

I am directed to send to you a copy of these resolutions and trust that they will receive your favorable consideration should there be occasion for you to give attention to these matters.

Yours very truly,
 E. F. CHANDLER,
 Secretary.

The North Dakota Society of Engineers and the North Dakota Chapter of the American Association of Engineers in Joint Convention at Bismarck, N. D., February 11-12, 1921:

WHEREAS, The State of North Dakota in its development is seriously handicapped by reason of its lack of improved roads; and

WHEREAS, The improved and well maintained roads when secured will inevitably be followed by better schools, better farming, development of resources, growth of population, both on the farms and in the towns and cities, greater prosperity over the entire State; and

WHEREAS, There is now in the hands of the Senate Committee on Highways a concurrent resolution, introduced by Senator W. S. Whitman, that offers great promise of furnishing the State with a well designed state highway system, properly improved and adequately maintained that will confer incalculable benefit to each of the counties and to the entire State;

NOW, THEREFORE, BE IT RESOLVED, That the North Dakota Society of Engineers and the North Dakota Chapter of the American Association of Engineers in joint convention hereby endorse, in substance, the Whitman Concurrent Resolution and respectfully and earnestly request and urge the members of the Senate and of the House of Representatives now in session assembled to use every honorable effort in favor of the passage of the Whitman Concurrent Resolution.

That this resolution be spread upon the minutes of the North Dakota Society of Engineers and upon the minutes of the North Dakota Chapter of the American Association of Engineers and that a copy of the resolution be forwarded to the Senate, to the House of Representatives, to Senator W. S. Whitman and to Mr. W. E. Hoibain, Secretary of the State Good Roads Association.

HOUSE CHAMBER

Bismarck, N. D., Feb. 19, 1921.

Mr. President: I have the honor to transmit the following
Concurrent Resolution:

CONCURRENT RESOLUTION

Introduced by Messrs. Bjorgo, Boyd, Carlson, Kitchen,
Semling, Preszier, Starke.

WHEREAS, Ignorance of the English language, American ideals, the history of our country and its form of government, is America's most powerful enemy; and

WHEREAS, A shameful condition exists in many of the schools of the nation which makes it impossible for them to build a patriotic citizenship founded upon understandings;

THEREFORE, BE IT RESOLVED, That we, the members of the House of Representatives of the Seventeenth Legislative Assembly of the State of North Dakota, the Senate concurring therein, recommend to Congress now assembled that it enact into law, immediately, measures to the end that the English language be the controlling medium in our elementary and high schools and schools of high school standing, both public and private, and that all such schools shall be required to teach at least one year of American history and civil government and all pupils attending such schools shall attend upon these studies; and

BE IT FURTHER RESOLVED, That all such schools devote at least ten minutes each day to patriotic exercises, and that the American flag be kept raised over every such school during school days, weather permitting.

BE IT FURTHER RESOLVED, In order to promote a patriotic citizenship based upon understanding, every elementary and high school and schools of high school standing of the state, both public and private, shall be required to teach American history and civil government and all pupils attending such schools shall attend upon said subjects. That every college and university, both public and private, be required to give merited credit for these subjects in their entrance examinations.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

SENATE COMMITTEE ON ENROLLMENT AND EN-
GROSSMENT

The committee on enrollment and engrossment made the following report:

Mr. President: Your committee on enrollment and engrossment respectfully report that:

Senate Bill No. 15: A Bill for an Act to Amend and Re-enact Section 1340, Compiled Laws of North Dakota for 1913, Relating to Proposals for Building School Houses.

Were delivered to the governor for his approval at the hour of 2:30 o'clock p. m., Feb. 18th.

A. G. STORSTAD,
Chairman.

The committee on election made the following report:

Mr. President: Your committee on election to whom was referred:

Senate Bill No. 189: A Bill for an Act to Amend and Re-enact Sections 1008 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 121 of the Session Laws of North Dakota for the Year 1919.

Have had the same under consideration and recommend that the same be amended as follows:

In line 7 of the printed bill after the word "within" strike out the word "three" and insert in lieu thereof "four." On page 2 and line 13 of the printed bill after the word "of" strike out the word "two" and the figure "\$2.00" and insert in lieu thereof the word "four" and the figures "\$4.00." On page 3 on line 45 of the printed bill after the word "for" strike out the word "six" and insert in lieu thereof "four." In line 48 on page 3 after the word "of" strike out the word "six" and insert in lieu thereof the word "four."

A. M. HAGEN,
Chairman.

Mr. Hagen moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on banks and banking made the following report:

Mr. President: Your committee on banks and banking to whom was referred:

Senate Bill No. 195: A Bill for an Act Relating to the Taking of New Promissory Notes in Renewal of Notes Already Held by Banks, Other Corporations or Individuals, Effecting Their Legality.

Have had the same under consideration and recommend that the same do pass.

CHRIST LEVANG,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on banks and bankng made the following report:

Mr. President: Your committee on banks and banking to whom was referred:

Senate Bill No. 128 A Bill for an Act to Amend and Re-enact Section 5170 of the Compiled Laws of the State of North Dakoto for the Year 1913 as Amended by Chapter 58 of the Session Laws of 1913 and Chapter 23 of the Special Session Laws of 1919, Relating to the Legal Reserve Fund of Banking Corporations.

Have had the same under consideration and recommend that the same be indefinitely postponed.

CHRIST LEVANG,
Chairman.

Mr. Bowman moved that the report be adopted. which motion prevailed and the report was adopted.

The committee on election made the following report:

Mr. President: Your committee on election to whom was referred:

Senate Bill No. 169: A Bill for an Act to Amend and Re-enact Section 967, Compiled Law 1913, Relating to Poll Books, Contents and How Delivered.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. M. HAGAN,
Chairman.

Mr. Baird moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on temperance made the following report:

Mr. President: Your committee on temperance to whom was referred:

Senate Bill No. 142: A Bill for An Act to Prevent the Taking or Carrying in or Having in Possession Intoxicating Liquor in Any Hotel, Theatre or Dance Hall in the State of North Dakota.

Have had the same under consideration and recommend that the same do pass.

C. A. WARD,
Chairman.

Mr. Ward moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Murphy moved that a cut of the photograph of the family of Senator Church be procured and the picture be printed in the Journal that the people may know how much Senator Church has done for his state.

SENATE ROLL CALL

The question being on the motion by Senator Murphy, the roll was called and there were ayes 41, nays 3, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Hagan, Ingerson, Kelsch, Levang, Liederbach, McNair, Murphy, Na-

than, Nelson, Noltmier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Thorstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Church, Garberg, Gross.

Absent and not voting: Byrne, Kendall, McLachlin, Mees, Miklethun, Ployhar, Steel.

So the bill passed and the title was agreed to.

Mr. Murphy moved that the vote by which the motion passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevail.

CONCURRENT RESOLUTION

Introduced by Mr. Wenstrom.

WHEREAS, The Congress of the United States enacted the Transportation Act of 1920, which said act amended the powers of the Interstate Commerce Commission, and

WHEREAS, The Interstate Commerce Commission pursuant to such amended powers has construed the act as giving them power to regulate, increase and prescribe intrastate rates for transportation of persons and property entirely within the states, to the same extent that it exercises its jurisdiction over interstate rates, and

WHEREAS, The Interstate Commerce Commission is this day holding a hearing in the City of Bismarck for the avowed purpose of investigating the entire body of intrastate rates, fares and charges applicable solely within the State of North Dakota, with a view of increasing said freight rates 35 per cent, and increasing said passenger rates 20 per cent., although the Board of Railroad Commissioners of the State of North Dakota at a full hearing found that no increase was warranted, it appearing that the carriers, based upon their own book value of property devoted to common carrier purposes in the State of North Dakota amounting to \$185,440,198, are earning over \$3,000,000 more per year than six per cent. upon such value, and

WHEREAS, The North Dakota intrastate rates which it is their avowed purpose to increase 35 per cent, judging from the action taken in similar cases in connection with the intrastate rates of other sovereign states of the union are as high now and in some instances higher than the intrastate rates of Minnesota are with the increase of 35 per cent.

WHEREAS, The increase of 35 per cent. as intended in the intrastate rates of North Dakota will make said rates 35 to 40 per cent. higher than the level of intrastate rates in Minnesota,

BE IT RESOLVED, That the Senate of North Dakota, the House concurring, memorialize the Congress of the United States, bringing to its attention this condition of assuming jurisdiction of internal affairs of the State of North Dakota, urging the Congress of the United States to amend the Interstate Commerce Act (41 Statutes at Large 474) Sec-

tion 13, Paragraph 4, the section under which the Interstate Commerce Commission is presuming to assert authority over internal affairs of this state, limiting said Commission so that it cannot authorize blanket increases in intrastate rates.

Senator Wenstrom moved that the concurrent resolution be adopted.

SENATE ROLL CALL

The question being on the final passage of the Wenstrom Resolution memorializing Congress in regard to intra-state rates, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Byrne, Kendall, McLachlin, McNair, Mees, Ployhar.

So the Resolution passed.

Mr. Wenstrom moved that the vote by which the Concurrent Resolution passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Murphy moved that a committee be appointed by the President to escort Ex-Lieut. Governor Kraabel to the rostrum, which motion prevailed, and the President appointed Senators Murphy, Ingerson and Whitman.

Senator Ingerson moved the vote by which Senate Bill No. 59 passed, be reconsidered, which motion prevailed.

Senator Ingerson moved that Senate Bill No. 59 be considered properly reengrossed and be put on third reading and final passage at this time, which motion prevailed.

Senator Ingerson moved that Senate Bill No. 59 be amended as follows:

Strike out all after "A Bill" and make a substitution in place thereof so that the same shall read as follows:

"For an Act to amend and re-enact Section 2141 of the Compiled Laws of the State of North Dakota for the year 1913, as amended by Chapter 124 of the Session Laws of 1919, as amended by Chapter 35 of the Session Laws of the Special Session of 1919, providing for the substitution of the Commissioner of Insurance as a member of the State Board of Equalization and making the Tax Commissioner secretary thereof.

Be it enacted by the Legislative Assembly of the State of North Dakota:

Section 1. Section 2141 of the Compiled Laws of the State of North Dakota for the year 1913 as amended by Chapter 124 of the Session Laws of 1919 as amended by Chapter 35 of the Session Laws of the 1919 Special Session is hereby amended and re-enacted so that the same shall read as follows:

Section 2141. The Governor, Attorney General, Commissioner of Insurance, Commissioner of Agriculture and Labor and the State Treasurer shall constitute the State Board of Equalization, a majority of whom shall constitute a quorum for the transaction of business. The Governor shall be ex-officio president of the said Board and the State Tax Commissioner shall act as its secretary and general administrative officer. The said Board shall meet annually on the first Tuesday in August, at the office of the State Tax Commissioner and shall then examine and compare the returns of the assessment of the property in the several counties of the State, and proceed to equalize the same, so that all taxable property in the several counties in the state shall be assessed uniformly within the classes and at the percentage of full and true value in money required by law. In making such equalization the Board shall be governed by the following rules:

(1) It shall raise the valuation of each class of personal property of each county, which in its opinion is returned below its true proportionate value, to such price and sum as it believes to be the true proportionate value.

(2) It shall reduce the valuation of each class of personal property of every county, which in its opinion is returned above its true proportionate value, to such price and sum as it believes to be the true proportionate value thereof.

(3) It shall add to the aggregate value of the property of every county which it believes to be valued below its true proportionate value in money, such percentum in each case as will bring the same to its true proportionate value in money.

(4) It shall deduct from the aggregate valuation of the property of every county, which it believes to be valued above its true proportionate value, such per centum in each case as will reduce the same to its true proportionate value in money.

(5) At such annual meeting the Board shall hear any and all complaints from the tax payers with regard to the assessment of any taxes required by law to be assessed or by the State Tax Commissioner or his authorized agent; and the Board is hereby authorized, required and directed to make such adjustments in such assessments as it may deem just and proper under the laws of the state, and in making such adjustments it may add to or deduct from or remit any tax previously assessed, or it may require re-assessment of such tax in any case.

(6) Upon its completion of such equalization and determination of the aggregate value of the property of the State, the said Board shall decide upon the rate of tax to be levied for the current year, together with any other special or general taxes required by law to be levied.

(7) The Board may at any time require the Tax Commissioner to appear before it to make statements, furnish information, produce records or testify with regard to any matter connected with the administration of the Tax Laws of the State.

Senator Steele moved that Senate Bill No. 59 be made a special order for 1 o'clock P. M., which motion prevailed.

Senator Church moved that the unanimous consent of the Senate be granted to reconsider Senate Bills Nos. 106, 107, and 108, Senators Bond and Whitman objected, and the motion was lost.

Senator Baird asked the consent of the Senate to introduce a bill, which consent was granted.

Senator Church moved that after the first and second reading of Senate Bills, the Senate recess until 1 o'clock P. M., which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF SENATE BILLS

Mr. Baird introduced:

Senate Bill No. 202: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 63 of the Session Laws of 1915 Prescribing and Limiting the Punishment of the Crime of Murder in the First Degree and Limiting the Time, Manner and Conditions Whereby such Person May be Pardoned.

Was read the first and second time and referred to the committee on Ways and Means.

The Senate recessed.

The Senate reassembled, the President presiding.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 65: A Bill for an Act Requiring the Evaluation of the Board of Railroad Commissioners, of all Common Carrier Railroad Property Within the State of North Dakota; Requiring the Fixing of the Fair Value Thereof for Rate Making Purposes; and Providing for an Appropriation to Carry Out the Provisions Thereof.

Senate Bill No. 131: A Bill for an Act Entitled, an Act for the Purpose of Continuing the Work of Immigration as Provided for in Chapter 146 of the Session Laws of 1919, During the Biennial Period Beginning July 1, 1921, and Ending June 30, 1923.

Senate Bill No. 154: A Bill for an Act Prescribing the Fees to be Paid to Newspapers for the Publication and Printing of all Legal Notices and Repealing all Acts or Parts of Acts in Conflict Herewith.

Senate Bill No. 158: A Bill for an Act to Provide for Conciliation of Controversies and to Repeal Sections 9187, 9188,

9189, 9190, 9191 and 9192 of the Compiled Laws of North Dakota, 1913.

Senate Bill No. 167: A Bill for an Act to Regulate the Sale of Coal in the State of North Dakota, Requiring Dealers Offering the Same for Sale to Pay a License Fee, Procure a License, and to Conform to Certain Rules and Regulations; and Providing a Penalty for the Violation of the Provisions of This Act.

Senate Bill No. 198: A Bill for an Act to Amend and Re-enact Section 3522 of the Compiled Laws of North Dakota for the Year 1913, Prescribing the Rate of Mileage Allowed the Sheriff.

Senate Bill No. 199: A Bill for an Act to Repeal Section 3522 of the Compiled Laws of North Dakota for 1913, Providing for Livery Allowed Sheriffs.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

HOUSE CHAMBER

Bismarck, N. D., Feb. 21, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 170: A Bill for an Act to Amend and Re-enact Section 7633 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to When Special Verdicts Directed to Special Findings, How Prepared and Judgment Entered Thereon.

House Bill No. 189: A Bill for an Act to Repeal Sections 811 and 812 of the Compiled Laws of North Dakota for 1913, as Amended and Re-enacted by Chapter 69 of the Laws of North Dakota (Regular Session) for 1919, Relating to License Fees for Attorneys and Counsellors at Law.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., Feb. 21, 1921.

Mr. President: I have the honor to return herewith:

Senate Bill No. 46: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

Which the House has indefinitely postponed.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

The question being on the adoption of the amendment to Senate Bill No. 59, offered by Senator Ingerson, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 59: A Bill for an Act to Amend and Re-enact Section 2141 of the Compiled Laws of North Dakota, for the Year 1913, as Amended, Providing for the Substitution of the Commissioner of Insurance as a Member of the State Board of Equalization Instead of the State Auditor, and Making the Tax Commissioner Secretary Thereof.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Carey, Kendall, Mees.

So the bill passed and the title was agreed to.

Mr. Ingerson moved that the vote by which Senate Bill No. 59 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

CONCURRENT RESOLUTION

Introduced by Committee on Appropriations.

A Bill for a Concurrent Resolution for Appropriating Money to Defray Expenses of M. O. Hall whose services have been accepted to Procure National Aid for feed and seed. Be it Resolved by the Senate of the State of North Dakota, the House of Representatives Concurring:

There is hereby appropriated out of the general fund any moneys not otherwise appropriated, the sum of Three Hundred Dollars (\$300.00) for the purpose of defraying the expenses of one M. O. Hall whose services have been accepted by resolution for securing national aid for feed and seed in behalf of needy agriculturists.

EMERGENCY: Because of the urgent need of speed in behalf of this aid for the purpose of promoting Public Welfare and Peace of our State this Act is hereby declared to be in emergency.

Senator Benson moved that the roll be suspended by the yeas and nays to pass the resolution on third reading and final passage at this time, which motion prevailed.

SENATE ROLL CALL

The question being on the final passage of the Concurrent Resolution to appropriate \$300.00 to pay expense of one M.

O. Hall, the roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Kelsch, Levang, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Gross, Ingerson, Kendall, Liederbach, Mees.

So the Concurrent Resolution passed.

Senator Garberg moved to amend Senate Bill No. 173 as follows: On page 2, line 9, after the word "of," strike out the figures "5000" and insert in lieu thereof "6000;" also in line 10, after the word "of," strike out "5000" and insert in lieu thereof "6000," which motion prevailed.

Senator Rusch moved to further amend Senate Bill No. 173: In Sec. 2, line 15, strike out the figures "2000" and insert in lieu thereof "2500," which motion prevailed.

Senator Rusch moved to further amend Senate Bill No. 173 as follows: In Sec. 1, line 18, strike out the figures "2500" and insert in lieu thereof "3000," which motion prevailed.

Senator Fraser moved to further amend Senate Bill No. 173 as follows: In Sec. 2, line 17, after the word "jurisdiction" insert the following: "provided, further, that in counties of a population of 17000 and not exceeding 19000 the county commissioners shall appoint an assistant States Attorney or clerk with a salary of not over \$600," which motion prevailed.

Senate Bill No. 173: A Bill for an Act Providing for Salaries of County Auditors, Registers of Deeds, County Judges, State's Attorneys, Clerks of District Courts, Sheriffs, and County Superintendents of Schools, and Repealing Chapter 112 of the Laws of 1915 and All Acts and Parts of Acts in Conflict Herewith, and Chapter 105 of the Session Laws of 1919.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 39, nays 7, absent and not voting 3.

SENATE ROLL CALL

Ayes: Baird, Beisel, Benson, Bond, Bowman, Byrne, Carey, Eastgate, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsch, Levang, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Baker, Berg, Ettetstad, Fleckten, Gross, Liederbach, Patten, Schrenk.

Absent and not voting: Church, Kendall, Mees.

So the bill passed and the title was agreed to.

Mr. Petterson moved that the vote by which Senate Bill No. 173 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion was lost.

Senator Bowman: I vote "aye" in order to be able to call for a reconsideration of the vote.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 111: A Bill for an Act entitled: "An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and also Providing that the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Effectual for Certain Purposes, also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws."

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 202: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 63 of the Session Laws of 1915 Prescribing and Limiting the Punishment of the Crime of Murder in the First Degree and Limiting the Time, Manner and Conditions Whereby such Person May be Pardoned.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 181: A Bill for an Act to Amend and Re-enact Section 144 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Keeping of Permanent Books of Record by the State Treasurer and the State Auditor, and Authorizing the Re-arrangement and Revision of the Present System.

Have had the same under consideration and recommend that the same be amended as follows:

In the title of the printed bill, after the word "system," insert the words "and providing an appropriation therefor."

In Section 1, line 12, after the word "offices," strike out comma, and insert the words "There is hereby appropriated out of any moneys in the State Treasury not otherwise appropriated, the sum of \$5,000.00 for the installation of book-keeping machines in the offices of the State Auditor and the State Treasurer, this amount to be divided equally between the two offices."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

Senate Bill No. 119: A Bill for an Act to Amend Section 14 of Chapter No. 147 of the Session Laws of 1919 Pertaining to Deposits of Funds and Loans by The Bank of North Dakota.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted.

A roll call was demanded.

Senator Wenstrom moved a call of the Senate, which motion prevailed.

Senator Wenstrom moved that the call of the Senate be suspended, which motion prevailed.

SENATE ROLL CALL

The question being on the motion to adopt committee report indefinitely postponing S. B. No. 119, the roll was called and there were ayes 31, nays 16, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Etestad, Fleckten, Fraser, Gardiner, Garberg, Gross Hagan, Ingerson, Levang, Liederbach, McNair, Micklethun, Nathan, Noltmier, Olson, Oksendahl, Patten, Rusch, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Bond, Carey, Eastgate, Kelsch, McLachlin, Murphy, Nelson, Petterson, Ployhar, Porter, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp.

Absent and not voting: Kendall, Mees.

So the motion prevailed.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 180: A Bill for an Act to Provide for the Annexing of Adjacent Territory to Common School Districts and for the Equalization of Assets and Liabilities of Territory and Districts Affected.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 168: A Bill for an Act to Amend and Re-enact Section 1147 of the Revised Code of 1913, as Amended by Chapter 135 of the Session Laws for the Year 1915, and Further Amended by Chapter 197 of the Session Laws for the Year 1919, Relating to the Formation of New Common School Districts.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 109: A Bill for an Act Providing for the Safe Keeping of Sinking Funds, Created for the Purpose of deeming Bonds, and Interest Thereon Issued by the State, for Any and All Purposes.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Concurrent Resolution relating to payment of William Laist of moneys due him for services rendered the State.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

REPORT OF COMMITTEE ON TAXES AND TAX LAWS ON
SENATE BILL NO. 140.

Mr. President: Your committee on Taxes and Tax Laws, to whom was referred:

Senate Bill No. 140: A Bill for an Act to Amend and Re-enact Chapter 224, Laws of North Dakota, for the Year 1919, as Amended by Chapter 60, Special Session Laws of 1919; an Act for the Purpose of Raising Revenue to defray the General Expenses of the State Government by providing for a Tax on the Incomes of Individuals, Fiduciaries, Corporations, Joint Stock Companies or Associations and Insurance Companies in the State of North Dakota; Classifying and Graduating Incomes for the Purpose of Taxation; Providing for Exemptions and Deductions in Certain Cases; Describing a Method of Levying and Collecting Said Tax; Prescribing Penalties for Non-conformance With the Provisions of this Act, and Repealing All Acts and Parts of Acts in Conflict Herewith.

Have had the same under consideration and recommend that the same be amended as follows:

On page 2, line 16, of the printed bill, strike out the word "year" and insert the word "year."

On page 3, line 27, strike out the words "January first" and insert the words "March fifteenth".

On page 3, line 30 and 31, strike out the word "corporatin" and insert the word "corporation".

On page 3, line 42, insert quotation marks after the word "incurred" before the word "shall".

On page 4, in Section 3, strike out Subdivision 1 and 2 and insert the following: 1. "Taxes imposed by this Act shall be imposed upon every resident individual, every non-resident individual and every corporation, whether foreign or domestic, with respect to such income as is derived from property located or business transacted within the state.

2. In determining taxable income, rentals, royalties, gain or profit from the operation of any farm, mine, quarry or other tangible property follow the situs of the property from which derived, and income from personal services and from land contracts, mortgages, stocks, bonds and securities shall follow the residence of the recipient."

(a) A resident of this state shall be taxed on all of his income derived from property located and business transacted within the state, and also on all income from personal services, land contracts, mortgages, stocks, bonds and securities.

(b) A non-resident shall be taxed on all income derived from property located and business transacted within the state, but not on income derived from personal services, land contracts, mortgages, stocks, bonds and securities."

On page 4, line 16, strike out the word "prperly" and insert the word "property".

On page 5, line 28, insert the word "the" before the word "taxes".

On page 5, line 29, after the word "imposed" insert the word "only".

On page 5, line 30, strike out the word "tranacted" and insert the word "transacted".

On page 7, line 28, insert the letter "k" before the word "on".

On page 8, Section 8, line 4, strike out the word "receiving" and insert the word "received".

On page 8, section 8, strike out lines 8 to 21 inclusive, and insert the following:

"(a) One per cent of the amount by which the net un-earned income exceeds \$5,000 and does not exceed \$6,000.

(b) Two per cent of the amount by which the net un-earned income exceeds \$6,000 and does not exceed \$8,000.

(c) Three per cent of the amount by which the net un-earned income exceeds \$8,000 and does not exceed \$10,000.

(d) Four per cent of the amount by which the net un-earned income exceeds \$10,000."

On page 9, Article 4, in the heading of Article 4, insert a hyphen between the word "TAX" and "INDIVIDUALS."

On page 9, Section 10, line 3, strike out the figures 14 after the word "Section" and insert the figure "15."

On page 10, Section 11, line 15, strike out the word "incomes" and insert the word "income"; line 24, after the word "devise" strike out the word "of" and insert the word "or"; on page 10, in Section 11, Subdivision (d) strike out the entire subdivision and insert the following "(d) Interest upon the obligations of the United States or its possessions; of the State of North Dakota or the obligations of any political subdivision of the State of North Dakota." In line 36, strike out the word "salarie" and insert the word "salaries."

On page 11, line 17 and 18, strike out the word "include" and insert the word "include"; in line 24, strike out the word "ditributable" and insert the word "distributable."

On page 12, Section 12, line 29, strike out the word "the" and insert the word "their".

Section 13, on page 12, line 6, strike out the word "individual" and insert the words "individual business."

On page 12, Section 15, line 8, insert a comma after the word "possession" and a comma after the word "business."

On page 13, Section 15, line 21, strike out the word "uch" and insert the word "such."

On page 13, line 24, strike out the words "so charged off."

On page 13, line 29, strike out the word "gass" and insert the word "gas"; strike out the word "well" and insert the word "wells".

On page 14, in Section 15, line 42, insert the word "paid" after the word "income"; strike out the word "assessment" and insert the word "income"; in line 47, strike out the word "tate" and insert the word "state"; in line 48, strike out the word "includued" and insert the word "included."

On page 15, in Section 16, line 10, insert the word "any" after the word "on." On page 15 in Section 17, line 14, strike out the word "eighteen and insert in lieu thereof the word "twenty-one."

On page 16, Subdivision (e) strike out line 23 and 24 and insert the following: "(e) In case of taxpayers having net income from sources without the state, the aforesaid exemptions shall be reduced to the extent of the amount of income so derived."

Section 17, on page 16, line 27, strike out the word "incomes and insert the word "income"; in line 28, strike out the word "af" and insert the word "of."

On page 17, in Section 20, line 2, insert the word "partnership" for the word "corporation."

In Section 20, page 17, line 4, insert the word "in" before the word "whatever."

On page 18, in Section 20, line 17, after the word "over" strike out the period and insert the following: "provided such income is not exempt from taxation under the provisions of this Act."

In Section 21, page 19, line 18, strike out the word "furnihed" and insert the word "furnished."

On page 19, under Article XI, after the words "IMPOSITION OF TAX ON CORPORATIONS" in line 1, strike out the entire line and insert the following: "SECTION 23. TAX ON CORPORATIONS. There shall be levied".

On page 20, Section 24, line 1, after the word "conditional" strike out the words "and dother" and insert the words "and other."

In Section 24, page 20, line 7, strike out the figure "2" and insert the figure "3".

In Section 24, page 21, line 42, strike out the word "expense" and insert the word "expenses."

In Section 24, Page 21, strike out lines 44, 45, 46 and 47.

On page 22, Section 26, line 1 at the top of the page, strike out the figures "26" and insert the figures "25"; strike out the word "gross" and insert the word "net."

On page 23, line 7, insert a comma after the word "possession"; on line 8, insert a comma after the word "business."

On page 23, line 26, strike out the words "so charged off."

On page 23, line 31, strike out the word "depreciation" and insert the word "depletion."

On page 26, Section 32, line 3, insert the word "in" after the word "include."

On page 26, Section 32, line 7, strike out the word "returns" and insert the word "return."

On page 30, Section 37, line 3, strike out the word "become" and insert the word "becomes."

On page 31, following Section 40, line 16, strike out the word "ARTICLES" and insert the word "ARTICLE" before the figures "XI."

On page 33, line 35, strike out the word "of" before employee and insert the word "or".

On page 36, in Section 45, line 6, after the word "records" strike out the word "of" and insert the word "or."

On page 36, in Section 48, line 5, strike out the word "officer" and insert the word "officer."

On page 37, line 10, strike out the word "inspetcion" and insert the word "inspection."

And when so amended, recommend that the same do pass.

E. A. BOWMAN,
Chairman.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 123: A Bill for an Act to Amend and Re-enact Section 1147, ompiled Laws of North Dakota for the Year 1913, as Amended by Chapter 197, of the Laws of North Dakota for the Year 1919, Relating to the Formation of New Common School Districts.

Have had the same under consideration and recommend that the same be amended as follows:

Strike out everything after the words "A Bill" and insert the following:

"For an Act to amend an Re-enact Section 1147 of the Compiled Laws of North Dakota for the year 1913, as amended by Chapted 135 of the Session Laws for the year 1915 and further amended by Chapter 197 of the Session Laws for the year 1919, relating to formation of new common, special or consolidated school districts, from two or more districts or from portion or portions of old districts or from an old district and portion or portions of other districts. Also to formation of special of consolidated school districts from districts or portion or portions of districts and for division of common, special or consolidated districts, or for annexation of adjacent territory to common, special or consolidated school districts, repealing all Acts or parts of Acts in conflict herewith.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

SECTION 1. Amendment. That Section 1147 of the Compiled Laws of North Dakota for the year 1913 as amended by Chapter 135 Session Laws of 1915 and as further amended by Chapter 197 of the Session Laws of 1919 be amended and re-enacted to read as follows:

Section 1147. Amendment. The Board of County Commissioners and County Superintendent of Schools may at the July meeting of the Board change the boundaries of any common, special or consolidated school district or consolidate two or more districts or organize a new school district, or from portions or districts or including a district and a portion, or portions, of another district or districts already organized, if in their judgment the same is desirable and necessary, upon being petitioned so to do. Provided, however, that the petition for the change of boundaries of any school district shall be signed by two-thirds of the voters within the portion desiring annexation to a common, special or consolidated school district, or if to consolidate two or more districts or district and portion of district or portions of two or more districts shall be signed by a majority of the voters residing in each of the districts whose boundaries will be affected by such change or consolidation.

And the petition for the organization of a new district shall be signed by at least two-thirds of the voters residing in the proposed new district.

Provided, further, that a petition for the annexation of adjacent territory to an existing common, special or consolidated school district shall be signed by two-thirds of the voters residing within three miles of the central school and three-fourths of the voters living at a greater distance than three miles from such central school. Provided further, that the school district affected thereby shall be left with an assessed valuation of not less than One Hundred Fifty Thousand (\$150,000.00) Dollars for each teacher employed in its remaining territory.

Any new district as hereinbefore provided shall embrace a contiguous tract of land containing at least 18 sections."

Section 2. All assets and liabilities of the districts affected shall be equalized in accordance with the provisions of Section 1327 Compiled Laws of North Dakota for the Year 1913.

Section 3. All Acts or parts of Acts in conflict herewith are hereby repealed.

Section 4. Emergency). This Act is hereby declared to be an Emergency."

And when so amended recommend that the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 200: A Bill for an Act Authorizing the Renewal Period of Corporate Existence of Certain Corporations Whose Period of Duration has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporation Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporations.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 4, line six, after the word "charter" insert the words "nor to any corporation whose directors have acted as trustees under the provisions of Section 4567, Compiled Laws of 1913."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 160: A Bill for an Act to Amend and Re-enact Section 15 of the Session Laws of 1919, Providing for Keeping of Funds of the State of North Dakota and for Making Loans.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted.
A roll call was demanded.

SENATE ROLL CALL.

The question being on the adoption of committee report indefinitely postponing Senate Bill No. 160, the roll was called and there were ayes 25, nays 22, absent and not voting 2.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noitimier, Olson, Oksendahl, Patten, Rusch, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Fraser, Kendall.

So the report was adopted.

Baker: Bills containing the subject matter of this bill are in the House and will undoubtedly come to the Senate, and it is a waste of time to consider this bill and amend and change the House Bill to fit the situation. Therefore, I vote "aye."

Rusch: On the assurance that Bills containing the subject matter of this bill will come from the House, I vote "aye."

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 194: A Bill for an Act Relating to Foreign Mutual Insurance Companies engaging in the Business of Fire, Lightning, Cyclone, Tornado and Windstorm Insurance. Powers and Duties of Certain Officers. Penalty.

Have had the same under consideration and recommend that the same be indefinitely postponed.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

Senate Bill No. 196: A Bill for an Act to Provide How Fraternal Societies Organized Under the Laws of This State

May Consolidate, Merge or Reinsure Its Insurance Risks, With Any Other Fraternal Benefit Society, or Assume or Reinsure the Risks of Any Other Fraternal Benefit Society, and to Provide Penalties for the Violation of the Provisions Hereof, and Repealing Inconsistent Laws.

Have had the same under consideration and recommend that the same be indefinitely postponed.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Highways made the following report:

Mr. President: Your committee on Highways to whom was referred:

Senate Bill No. 174: A Bill for an Act to Amend Section 1918, Article 1, Chapter 31 of the Compiled Laws of 1913, Relating to the Establishment of Public Highways.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JOHN L. MIKLETHUN,
Chairman.

Mr. Miklethun moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Women's and Children's Welfare made the following report:

Mr. President: Your committee on Women's and Children's Welfare to whom was referred:

Senate Bill No. 129: A Bill for an Act to Amend and Re-enact Sections 1, 2, 4, 5, and 6 of Chapter 185 of the Session Laws of 1915, Relating to the Support of Needy Women Who are the Mothers of and Who are Compelled to Support One or More Children, Under Fourteen Years of Age.

Have had the same under consideration and recommend that the same be indefinitely postponed.

B. F. BAKER,
Chairman.

Mr. Baker moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Railroads made the following report:

Mr. President: Your committee on Railroads to whom was referred:

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of this Act.

Have had the same under consideration and recommend that the same be amended as follows:

That the title be amended as follows: In line four strike out the words "a Vestibuled Cab" and insert the words "Suitable Protecting Curtains." In Section 1, line three, after the word "with" strike out balance of line, all of line four and five and line six to the word "provided" and insert the following: "Canvas curtains attached to back of cab and enclosing all opening between cab and tender of said engine. Said curtains to be of sufficient length to extend 18 inches below deck of cab.

Side curtains to be fastened to back of cab, made to slide back to front end of tender and fastened thereto with hooks or other contrivances that engine men can easily unfasten, so that all openings at step are entirely enclosed.

Back curtains to be fastened to back of cab and of sufficient length to reach over front end of tender so as to close any openings between side cuttrains and back curtains, so arranged as to slide back or roll up and may not be removed from locomotive.

Where open coal gates or boards are used on tender, a curtain shall be hung back of said coal gates or boards of sufficient width to cover openings at front of tender and reach to within 18 inches of floor of tender.

The front windows in cab, each side of cab, shall be equipped with "frost glass" in winter time.

In line 8, Section 1, strike out the words "such vestibuled cab" and insert the words "Suitable Protecting Curtains." Section 2, line 2, strike out the words Vestibuled Cab" and insert the words "Protecting curtains or other equally protective devices." In line 12, Section 2, strike out the words "Vestibuled Cab" and insert the words "Protecting curtains or other equally protective devices." Section 3, line three, strike out the word "five" and insert the word "one". In same line strike out the words "five hundred" and insert the word "one hundred."

And when so amended recommend the same do pass.

J. W. BENSON,
Chairman.

Mr. Benson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

Senate Bill No. 162: A Bill for an Act to Provide a Minimum Amount of Training, a Minimum Salary for a Teaching Experience of Less Than One School Year, and a Schedule of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 1, line three, strike out the figures "1922" and insert in lieu thereof the figures "1923." In Section 2 subdivision 1 strike out the words "Eight Hundred and ten dollars (\$810.00)" and insert in lieu thereof the figures "Six Hundred and Seventy-five dollars (\$675.00)"

Sub Section 2, line four, strike out words and figures "One Thousand Dollars (\$1000.00)" and insert in lieu thereof the words and figures "Seven Hundred and twenty dollars (\$720.00)."

Sub Section 3, in line 6 after word "of" strike out the words and figures "Eleven Hundred Dollars (\$1100.00)" and insert in lieu thereof the words and figures "Seven Hundred and Seventy-five Dollars (\$775.00)."

Sub Section 4 in line seven after the word "of" strike out the words "Twelve Hundred Dollars (\$1200.00)" and insert in lieu thereof the words and figures "Nine Hundred Dollars (\$900.00)."

Sub Section 5 in line six after the word "of" strike out the words and figures "Thirteen Hundred Dollars (\$1300.00)" and insert in lieu thereof the words and figures "Ten Hundred and Eighty Dollars (\$1080.00)."

Sub Section 6 in line five after the word "of" strike out words and figures "Fourteen Hundred Dollars (\$1400.00)" and insert in lieu thereof the words and figures "Twelve Hundred and Sixty Dollars (\$1260.00)." Provided that not less than Fifty Dollars (\$50.00) per year shall be added for each year of continuous service for a period not to exceed five years.

Provided further, that in cases of emergency, the county school superintendent may authorize the employment of persons not having the qualifications hereinbefore set forth.

After Section Six add Section 7—SALARY RETENTION. An amount not to exceed ten per centum (10%) of the salary due a teacher for services rendered in the public schools of this state may be retained by the school board or board of education until mutual termination or expiration of the contract between such teacher and such school board or board of education. The amount thus retained shall be paid by such school board or board of education upon mutual termination or expiration of the contract to such teacher.

In section seven after the word "section" strike out the figure "7" and insert in lieu thereof the figure "8". In section "8" after the word Section" strike out the figure "8" and insert in lieu thereof the figure "9."

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on state affairs made the following report:

Mr. President: Your committee on state affairs to whom was referred:

Senate Bill No. 136: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Enterprise of Furnishing Electricity for Power, Heat and Lighting Purposes to the Inhabitants and Public of the City of Bismarck and of the County of Burleigh, and to Supply Electricity to all State Buildings Owned or Leased by the State of North Dakota in Said City and County and to the State Street Car Line.

Have had the same under consideration and recommend that the same be amended as follows:

By striking out everything after the words "A Bill" and insert the following:

For an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of a Public Utility for Generating Electric Current and Distributing and Furnishing the Same for Light and Power Purposes to all State Institutions and Enterprises in the City of Bismarck and to the Inhabitants and Public of the City of Bismarck, and of the County of Burleigh, Including the State Owned Street Railway Therein; Providing for the Consolidation of the Electric Power Plants of the State Capitol and Penitentiary, and the Establishment of a Central Electric Power Plant; Defining the Powers and the Duties of the Industrial Commission of the State of North Dakota Relative Thereto, Providing for the Use of Prison Labor in the Operation Thereof and Repealing all Acts and Parts of Acts Inconsistent Therewith.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. For the purpose of avoiding the expense and waste of operating two separate electric power plants at the State Capitol and at the State Penitentiary, and desiring to engage in the business of furnishing electricity for lighting and power purposes to the inhabitants and public of the City of Bismarck and of the County of Burleigh, it is hereby declared that the State of North Dakota shall engage in the business of conducting a public utility for generating electric current and distributing and furnishing the same for lighting and power purposes to all state institutions and enterprises in the City of Bismarck and to the inhabitants and public of the said City of Bismarck and the said County of Burleigh.

SECTION 2. The Industrial Commission of the State of North Dakota shall have power and is hereby authorized to consolidate the two electric power plants aforesaid into one central plant to be located on the State Penitentiary grounds, near the City of Bismarck, and to that end such commission shall have power and it shall be its duty to construct and remodel, to acquire, hold and maintain, manage and operate in the name of the State of North Dakota such canals, reservoirs, dams, ditches, flumes, aqueducts, pipes,

water and water rights, electric lines, machinery, buildings, and other property, including the power plant now in use at the State Penitentiary, as it may in its discretion determine to be useful or necessary for generating and transmitting electricity, electric energy and electric light and power in the fulfillment of the purposes of this act.

SECTION 3. To accomplish the purpose of this act, the Industrial Commission may acquire property by exercise of the right of eminent domain, as provided in Chapter 36 of the Code of Civil Procedure, Compiled Laws of 1913.

SECTION 4. The Industrial Commission shall obtain such assistance as in its judgment may be necessary for the maintenance and operation of the public utility herein provided for, and to that end it shall appoint a manager and such subordinate officers and employees as it may deem expedient for the proper operation and management of such public utility, and fix the compensation thereof; provided that the expenditures for the operation and maintenance of the public utility shall remain within the appropriation and earnings lawfully available in each year for such purpose. It may require and fix the amount and condition of the official bond of each officer and employee.

SECTION 5. The Industrial Commission may remove and discharge any and all persons appointed in the performance of the powers granted by this act, and any such removal may be made if in the judgment of the commission the public interests require it; provided, that all removals contemplated by this act shall be so made as the commission shall deem most fit to promote the efficiency of the public service.

SECTION 6. Authority is hereby given to, and it shall be the duty of the warden of the State Penitentiary from time to time to furnish such prison labor for the operation of such public utility as the warden, in the exercise of his discretion may determine to be available, upon request therefor by the Industrial Commission.

SECTION 7. The Industrial Commission shall operate and maintain the central power plant herein authorized and provided for and shall make and enforce all necessary and proper rates, orders, rules, regulations and by-laws for the maintenance and operation thereof and for the transaction hereunder, provided, that in fixing the rates for electric current furnished for power and lighting purposes to be charged, to private consumer the Industrial Commission shall have in view the lowest rate consistent with the furnishing of adequate service.

SECTION 8. It shall be the duty of the Industrial Commission and said commission is hereby authorized, empowered and required to obtain in the name of the State of North Dakota, by purchase or otherwise, all necessary permits, licenses and franchises from the County of Burleigh and the City of Bismarck, in the State of North Dakota, for the use of roads, public highways, streets and alleys within the said county and city for the purpose of erecting, installing and maintaining wires, poles, conduits, cables and other

services and equipment necessary to the operation of said utility.

SECTION 9a It is the purpose and object of this act to furnish, from the said electric power plant, electricity for lighting, heating and power purposes to all state buildings, institutions and enterprises now or hereafter to be located in the said City of Bismarck or in the County of Burleigh, whether such buildings, institutions or enterprises are owned or leased by the state, including the state owned street railway operated in the City of Bismarck and the State Highway and the Bismarck-Mandan Missouri River Bridge, and to furnish, at a reasonable and low rate, electricity for lighting and power purposes to the inhabitants and public of the City of Bismarck and of the County of Burleigh, under such regulations and conditions as may be fixed by the Industrial Commission.

SECTION 10. It shall be the duty of the Industrial Commission to carry out the provisions of this act as soon as funds have been provided therefor by the sale of state bonds to be issued and sold as is or may be provided by law.

SECTION 11. If any part of this act shall be declared unconstitutional by the Supreme Court of the State of North Dakota, the other parts hereof, being valid, in so far as it is not unconstitutional it shall be and remain in full force and effect notwithstanding the unconstitutionality of some part thereof.

SECTION 12. All parts and parts of acts inconsistent herewith are hereby repealed.

And when so amended recommend the same do pass.

O. H. OLSEN,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

Senate Bill No. 71: A Bill for an Act to Amend and Re-enact Section 2185 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 67 of the Special Session Laws of North Dakota for the Year 1919, Relating to Real Estate Taxes Due and Delinquent and the Penalty and Interest Thereon.

Had the same under consideration and recommend that the same be amended as follows:

Strike out Section 2185 and insert the following: "Section 2185. All real estate taxes shall become due on the first day of December in each and every year for which the tax is levied. One-half of such tax shall become delinquent on the first day of March following. The full amount of hail insurance, both flat and indemnity, and all special assessments

shall likewise become delinquent on the first day of March following, and if unpaid after that date there shall attach to the entire tax, a penalty, of 5%; and on the first day of June following an additional penalty of 2%, and on the first day of November following an additional penalty of 2%. If the one-half payment hereinbefore referred to shall be paid before the same becomes delinquent the remaining part shall become delinquent on the 15th day of October and if unpaid on that date a penalty of 5% shall be added thereto; and if such part remains unpaid on the first day of November an additional penalty of 5% shall be added. All penalties prescribed in this section shall be cumulative and be charged and collected accordingly without being specially added or noted on the tax list.

And when so amended recommend the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Benson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 182: A Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

Have had the same under consideration and recommend that the same be amended as follows:

That Section 173 after the word "qualified" insert the following: "Provided in counties having increased jurisdiction a county judge and clerk of District shall be elected."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

Senate Bill No. 176: A Bill for an Act Providing that the Shall be Used by the Board of Railroad Commissioners in Fixing the Service Rates.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Benson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 135: A Bill for an Act Providing for the Issuance of Bonds of the State of North Dakota in a Sum Not Exceeding \$250,000.00, to be Known as "Bonds of North Dakota, Electric Utility Series;" Prescribing the Terms and Stating the Purposes Thereof; Providing for a Tax and Making Other Provisions for the Payment Thereof; Making Appropriations for the Payment of Interest and Principal of Said Bonds and to Carry Into Effect the Provisions of This Act.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 20: A Bill for an Act to Create and Establish the Office of State Inspector and Licensor of Automobile Engineers and repairmen, and Prescribing the Duties Thereof; Providing for the Classification, Examination and Licensing of Automobile Engineers and Repairmen; Prescribing Fees for Such Examination and License; and Regulating the Repair of Automotive Vehicles within the State of North Dakota.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Railroads made the following report:

Mr. President: Your committee on Railroads to whom was referred:

Senate Bill No. 177. A Bill for an Act to Eliminate Railroad Grade Crossings and Other Dangerous Places on State and County Highways.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 3, line 7, strike out the word "eighteen" and insert the word "twenty" and also the figure "18" and insert the figure "20."

And when so amended recommend the same do pass.

JOHN W. BENSON,
Chairman.

Mr. Benson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Warehouse and Grain Grading made the following report:

Mr. President: Your committee on Warehouse and Grain Grading to whom was referred:

Senate Bill No. 120: A Bill for an Act to Amend and Re-enact Section 23 of Chapter 133 of the Session Laws of North Dakota for the Year 1919, Regular Session, Relating to the Grading and Inspection of Grains.

Have had the same under consideration and recommend that the same do pass.

A. A. LIEDERBACH,
Chairman.

Mr. Liederbach moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on warehouse and grain grading made the following report:

Mr. President: Your committee on warehouse and grain grading to whom was referred:

Senate Bill No. 127: A Bill for An Act Providing that Every Elevator Company May File a Statement with the Register of Deeds of the County in Which It Does Business, Pay a Fee Therefore and Providing That the Holders of Mortgages Shall Not Have a Lien Upon Said Crop, Unless Registered or Personal Service Has Been Made Upon Said Elevator Company.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
Chairman.

Mr. Liederbach moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on state affairs made the following report:

Mr. President: Your committee on state affairs to whom was referred:

Concurrent Resolution, introduced in House of Representatives by C. A. Sagen.

Have had the same under consideration and recommend that the same be adopted.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Gardiner moved that the Senate do now adjourn, which motion prevailed.

FORTY-NINTH DAY

a Senate Chamber,
Bismarck, North Dakota,
February 21, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Strutz.

The roll was called, all Senators being present except Senator Kendall.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Forty-sixth day after recess and Forty-seventh day and recommend that the same be corrected as follows:

Page 15, line 28, strike out the word "prevailed" and substitute the words "was lost."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

HOUSE CHAMBER

Bismarck, N. D., Feb. 21, 1921.

Mr. President: I have the honor to transmit the following Concurrent Resolution:

Introduced by Patterson and Watt, relating to the amending of Joint Rule No. 10.

Which the House adopted, and your favorable consideration is respectfully requested.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator Rusch moved that the Senate concur with the House concurrent resolution introduced by Patterson and Watt which motion prevailed.

Senator Baker moved that after the first and second reading of House and Senate bills the Senate recess until 7:30.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 189: A Bill for an Act to Repeal Sections 811 and 812 of the Compiled Laws of North Dakota for 1913, as Amended and Re-enacted by Chapter 69 of the Laws of North Dakota (Regular Session) for 1919, Relating to License Fees for Attorneys and Counsellors at Law.

Was read the first and second time and referred to the committee on judiciary.

Senate Bill No. 170: A Bill for an Act to Limit County Tax Levies.

Was read the first and second time and referred to the committee on judiciary.

The courtesies of the floor were extended to Alex D. Groot of York, C. H. Lien of Hazelton, H. P. Beckwith, C. O. Follet, C. E. Nugent, Harry Reynolds, J. R. Cone, N. B. Black, Jug. Guptil, Amos Crowl, A. W. Fowler, all of Fargo.

The Senate recessed.

W. J. PRATER,
Secretary.

**Forty-ninth day, evening session,
will be found on page 524.**

FORTY-NINTH DAY AFTER RECESS AND
FIFTY-FIRST DAY.

Senate Chamber,
Bismarck, North Dakota,
February 23, 1921.

The Senate convened at 9 o'clock A. M., pursuant to recess taken, the President presiding.

PETITIONS AND COMMUNICATIONS

Egeland, N. D., Feb., 15, 1921.

Senator D. J. Beisel:

We, the undersigned members of the Egeland W. C. T. U. do respectfully petition your honorable body to pass the following measures: Senate Bill Nos. 16 and 18.

Adopted by the vote of Egeland W. C. T. U. and signed.

MRS. ALETA B. JUNUD,
And 100 Others.

Williston, N. Dak., February 18, 1921.

Honorable Howard Wood, Speaker of the Senate, Bismarck,
N. Dak.

Dear Sir: I understand that House Bills 68 and 69 have passed the House and will come up for consideration in the Senate in the very near future and that if these bills become laws the present Workmen's Compensation Act will be practically killed.

As a citizen of the State of North Dakota I want to earnestly protest against the passage of these bills and beg of you to do all in your power to prevent their passage in the Senate.

Very truly yours,

W. GUSTAFSON,

Similar petitions from R. A. Jewell, Joe Chauchak, S. Holmes, W. W. Slagle, Oscar Lindgren.

Wilton, North Dakota, Feb. 19, 1921.

Lieutenant Governor Howard Wood, Bismarck, N. Dak.

Dear Sir: The executive board of Local Union number 3803 United Mine Workers of America wish to protest the action of the House of Representatives in passing bills 68 and 69

amending the State Compensation Act and we ask that when the bills come before the Senate(they be killed as they are a detriment to the working people of this state of North Dakota.

C. B. THUIN, President.
R. L. SWANSON, Secretary.
A. WADDINGTON, Fin. Sec.
and Treasurer.

Minot, No. Dak., Feb. 21, 1921.

Honorable Howard R. Wood,

Dear Sir: In behalf of the Electrical Workers of Minot, I request that you use your very best efforts to defeat H. B. Sixty-eight and Sixty-nine. The union men of the city of Minot are utterly opposed to the proposed changes in the Workmen's Compensation Law. Should these bills pass the Senate, we will petition the Governor to use the power granted him as executive of the state to veto these bills, as we consistently believe that the majority of the workers of the State are satisfied with the present Compensation law. Trusting you will give this communication your due consideration at the proper time, I remain

Respectfully,

CHARLES STEVENS,
Fin. Sec. Local Union 557, I. B. E. W.

To Hon. Walter Bond, Bismarck, No. Dak.

Believing that from a standpoint of service to the traveling public, economy of construction and maintenance the Trunk Highway, Route Number 7, as shown in Senate Bill Number 2 should be built from Bismarck to Minot via Wilton, Turtle Lake, Ruso and Velva:

NOW, THEREFORE, We the undersigned, citizens and taxpayers of the state of North Dakota, do hereby petition you to use your influence and vote to amend Senate Bill No. 2. (Substituted from Original Bill) oncurrent Resolution, introduced by Hon. W. S. Whitman, by striking out the following under heading: Route No. 7, on page four (4) of said bill, the following in line seven (7): Washburn, Underwood, Coleharbor, Max, and inserting the following in lieu thereof: Turtle Lake, Ruso, Velva.

We firmly believe that Route No. 7, as we petition same to be amended would best serve the people of the territory through which it would pass and that it would be the most practical to construct.

J. L. McKINNON,
And Sixty-Three Others.

Calvin, N. Dak.

To the Seventeenth Legislative Assembly of the State of N. Dakota:

We the undersigned, do most respectfully petition your honorable body to work and vote for the following measure, House Bill No. 132 introduced by Representative Miller and Halcrow, providing for a State censorship of all films shown in the State.

Adopted by a rising vote of the Calvin W. C. T. U.
 MRS. PHIL SCHAFFER,
 Feb. 18, 1921. Acting President.

The committee on corporations other than municipal made the following report:

Mr. President: Your committee on corporations other than Municipal to whom was referred:

Senate Bill No. 151: A Bill for an Act Entitled, an Act Declaring all Corporations, Joint and Other Stock Companies or Other Organized or Incorporated Companies, Associations and Partnerships, Incorporated or Unincorporated Associations or Partnerships to be Persons, Artificial, for Certain Purposes.

Have had the same under consideration and recommend that the same be indefinitely postponed.

P. W. BERG,
 Chairman.

Mr. Berg moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriation made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 78: A Bill for an Act to Provide a Depositors' Guaranty Fund to be Placed at the Disposal of the Depositors' Guaranty Fund Commission of the State of North Dakota to be Used by Them to Pay Private Checking Deposits in Closed Banks; Making an Appropriation of \$400,000.00 or so Much Thereof as is Needed Which Shall be Known as Depositors' Guaranty Fund, and Providing for its Repayment.

Have had the same under consideration and recommend that the same be indefinitely postponed.

W. J. CHURCH,
 Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Elections made the following report:

Mr. President: Your committee on Elections to whom was referred:

Senate Bill No. 23: A Bill for an Act to Amend and Re-enact Section 988 of the Compiled Laws of North Dakota for the Year 1913, Relating to Disability of Elector and Providing a Penalty for Violation Thereof.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. M. HAGAN,
 Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Laws of North Dakota for the Year 1919 Relating to the Purchase of Cattle by County.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Banking made the following report:

Mr. President: Your committee on Banking to whom was referred:

House Bill No. 151: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 126 of the Laws of North Dakota for the Year 1917 as Amended and Re-enacted by Chapter 110 of the Laws of North Dakota for 1919, Relative to the Guarantee of Bank Deposits.

Have had the same under consideration and recommend that the same be amended as follows:

In paragraph 1 in printed bill, line 6, after the words "state" strike out "from a" and in line 7 strike out the following "list of nine men to be selected by the banks directly effected." In line 8 strike out "by the provision of this act,"

And when so amended recommend the same do pass.

CHRIST LEVANG,
Chairman

Mr. Levang moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

Senate Bill No. 48: A Bill for an Act Requiring County Commissioners to have Classified all Acre Property in the State, Providing method of Contracting for Such Work of Classification, Authorizing a Tax Levy Therefor, Fixing Classification Schedules, Providing for Notice to Public prior to Adoption of such Classification and Fixing the duties of the Board of County Commissioners, Boards of Review and Equalization and Local Assessors with respect to such Classification Schedules.

Have had the same under consideration and recommend that the same be amended as follows:

On page one Section 1 line 5 after the word under strike out the remaining portion of the section and insert in lieu thereof the following: "Under the supervision and according to the rules and regulations adopted by the County Commissioner, and approved by the State Tax Commissioner, the object of this act is to create a uniform classification of land throughout the state. The provision of this section requiring the approval of the Tax Commissioner shall be mandatory.

On page 1 Section 2 line 1 after the figure 2 insert the following: "In counties where it is deemed best by the said board of County Commisisoners the work may be let on contract."

On page 2 Section 2 line 9 after the word "County" insert the words "once a week." In the same line after the word "for," strike out the word "3" and insert the word "6" in lieu thereof. In the same line strike out the word "after" and insert in lieu thereof "also." Same Section line 19 after the word therefor insert the following: "Provided however that nothing in this section shall be so construed as to prevent local boards of review together with the County Commissioner to provide for a classification of acre property in organized townships." Same Section in line 21 strike out the word "immediately" at the end of the section.

On page 3 Section 5 in line 4 of the printed bill strike out the following: "Public highway purposes and".

On page 6 Section 7 of the printed bill at the end of the section add the following: "In arriving at the valuation aforesaid no improvements thereupon shall be taken into consideration. On page 7 Section 8 at the end of lin 28 add the following: "Provided further the same rules shall apply to the returns of local boards of review."

On page 7 Section 9 line 8 strike out the following: "as a guide to assist him in arriving at the true value of said," and insert in lieu thereof, "as the basis of value of such acre." Strike out all of Section 11.

And when so amended recommend the same do pass.

E. A. BOWMAN,
Chairman

Senator Church moved that further discussion on Senate Bill No. 2 be postponed, which motion prevailed.

The committee on Appropriation made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands, Included Within the Williston Irrigation District.

Have had the same under consideration and recommend that the same do pass.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Banks and Banking made the following report:

Mr. President: Your committee on Banks and Banking to whom was referred:

House Bill No. 149: A Bill for an Act Providing for the Supervision of Liquidation of Insolvent Banks by the Depositors Guaranty Fund Commission, the Appointment of a Supervisor of Receivers and Compensation and Expenses

Have had the same under consideration and recommend that the same do pass.

CHRIST LEVANG,
Chairman.

Mr. Levang moved that the report be adopted, which motion prevailed and the report was adopted.

A minority of the committee on mines and minerals made the following report:

Mr. President: A minority of your committee on Mines and Minerals to whom was referred:

Senate Bill No. 45: A Bill for an Act to Repeal Sections 5518 of the Compiled Laws of the State of North Dakota for the Year 1913.

Have had the same under consideration and recommend that the same be indefinitely postponed.

J. E. FLECKTEN,
P. B. GARBERG,

J. E. FLECKTEN,
Chairman.

A majority of the committee on Mines and Minerals made the following report:

Mr. President: A majority of your committee on Mines and Minerals to whom was referred:

Senate Bill No. 45: A Bill for an Act to Repeal Sections 5518 and 5519 of the Compiled Laws of the State of North Dakota for the Year 1913.

Have had the same under consideration and recommend that the same do pass.

L. R. BAIRD,
L. W. SPERRY,
WALTER R. BOND,

J. E. FLECKTEN,
Chairman.

Senator Fleckten moved that the report of the minority be adopted.

Senator Baird moved that the word "majority" be substituted for the word "minority."

The roll call was demanded.

SENATE ROLL CALL

The question being on the motion of Senator Baird to adopt the majority report, the roll was called and there were ayes 22, nays 24, absent and not voting 3.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Whitman.

Nays: : Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Absent and not voting: Gardiner, Hagan, Storstad.

So the motion was lost.

The question being on the motion of Senator Fleckten to adopt the minority report which motion prevailed.

Senator Church moved that Senate Bill No. 2 be placed at the foot of the calendar, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 192: A Bill for an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Fees to be Paid by Insurance Companies Doing Business in This State.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 45, nays 2, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: McLachlin, Rusch.

Absent and not voting: Hagan, Storstad.

So the bill passed and the title was agreed to.

Senator Olson moved that further consideration of Senate Bill No. 193 be indefinitely postponed which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 67: A Bill for an Act to Appropriate

Seventy-five Hundred Dollars to the Missouri Slope Agricultural and Fair Association at Mandan for the Fairs to be Held in the Years 1921 and 1922.

Senate Bill 67. A Bill for an act, etc.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 35, nays 12, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Bond, Bowman, Byrne, Church, Eastgate, Fraser, Gardiner, Garberg, Ingerson, Kelsch, Kedall, Levang, Liederbach, McLachlin, Mees, Murphy, Nelson, Noltimier, Olson, Peterson, Ployhar, Porter, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Whitman, Wog.

Nays: Benson, Berg, Carey, Ettestad, Fleckten, Gross, McNair, Miklethun, Nathan, Oksendahl, Patten, Wenstrom.

Absent and not voting: Hagaa, Schrenk.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which Senate Bill No. 67 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

Senator Ployhar moved that hereafter any Senator who is in his seat during roll call and does not answer be considered as voting "aye," which motion prevailed.

Senator Murphy moved that Senator Schrenk be allowed to pass on Senate Bill 67 which motion prevailed.

Senator Rusch moved to amend Senate Bill 68 as follows: "In line 18 of the printed bill strike out "April" and insert "September", which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 68: A Bill for an Act to Amend and Re-enact Section 2166 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Delinquent Personal Property Taxes.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 31, nays 16, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Bond, Byrne, Eastgate, Gardiner, Garberg, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Murphy, Olson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Whitman.

Nays: Berg, Bowman, Church, Carey, Ettestad, Fleckten, Fraser, Gross, Miklethun, Nathan, Nelson, Noltimier, Oksendahl, Patten, Wenstrom, Wog.

Absent and not voting. Hagan, Liederbach.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 134: A Bill for an Act to Amend and Re-enact Section 1, Chapter 77, of the Session Laws for the Year 1919, an Act Making it Unlawful to Separate or cause to be Separated any Child Under Six Months of Age From Its Mother for the Purpose of Committing Such Child to a Foster Home or Institution, and to Regulate the Manner and Circumstances Under Which it May be Done, and to Provide a Penalty for Violation of Said Act.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Gross, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Noltimier, Olson, Oksendahl, Peterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel Sevens, Thorson, Van Camp, Ward, Wenstrom, Whiman, Wog.

Nays: None.

Absent and not voting: Gardiner, Hagan, Liederbach, Nathan, Nelson, Storstad.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 148: A Bill for an Act to Amend Chapter 131 of the Session Laws of 1919, Enacted by The Sixteenth Session of the Legislative Assembly, Pertaining to the Giving of Notices of Intention to Foreclose Real Estate Mortgages.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Gross, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel Stevens Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: None.

Absent and not voting: Gardiner, Hagan, Liederbach, Storstad.

So the bill passed and the title was agreed to.

Senator Mees moved that the Senate recess for thirty minutes which motion was lost.

Senator Fraser moved that Senate Bill No. 155 be placed at the foot of the calendar of today, which motion prevailed.

Senator Ingerson moved that Senate Bill No. 167 be amended as follows: In line 7 section 1, strike out the figures "1500" and "500" be inserted therefor, which motion prevailed.

Senator Rusch moved that further consideration of Senate Bill No. 167 be indefinitely postponed, which motion prevailed.

Senator Nathan moved that after the committee reports be read that the Senate recess subject to the call of the chair which motion prevailed.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 59: A Bill for an Act to Amend and Re-enact Section 2141 of the Compiled Laws of North Dakota, for the Year 1913, as Amended, Providing for the Substitution of the Commissioner of Insurance as a Member of the State Board of Equalization Instead of the State Auditor, and Making the Tax Commissioner Secretary Thereof.

Senate Bill No. 173: A Bill for an Act Providing for Salaries of County Auditors, Registers of Deeds, County Judges, State's Attorneys, Clerks of District Courts, Sheriffs, and County Superintendents of Schools, and Repealing Chapter 112 of the Laws of 1915 and All Acts and Parts of Acts in Conflict Herewith, and Chapter 105 of the Session Laws of 1919.

Senate Bill No. 182: A Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

Senate Bill No. 189: A Bill for an Act to Amend and Re-enact Section 1008 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 121 of the Session Laws of North Dakota for the Year 1919.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Benson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 162: A Bill for an Act to Provide a Minimum Amount of Training, a Minimum Salary for a Teaching Experience of Less Than One School Year, and a Schedule of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

Senate Bill No. 177: A Bill for an Act to Eliminate Railroad Grade Crossings and Other Dangerous Places on State and County Highways.

Senate Bill No. 181: A Bill for an Act to Amend and Re-enact Section 144 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Keeping of Permanent Books of Record by the State Treasurer and the State Auditor, and Authorizing the Re-arrangement and Revision of the Present System.

Senate Bill No. 195: A Bill for an Act Relating to the Taking of New Promissory Notes in Renewal of Notes Already held by Banks, Other Corporations or Individuals, Effecting Their Legality.

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of this Act.

Senate Bill No. 71: A Bill for an Act to Amend and Re-enact Section 2185 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 67 of the Special Session Laws of North Dakota for the Year 1919, Relating to Real Estate Taxes Due and Delinquent and the Penalty and Interest Thereon.

Senate Bill No. 120: A Bill for an Act to Amend and Re-enact Section 23 of Chapter 138 of the Session Laws of North Dakota for the Year 1919, Regular Session, Relating to the Grading and Inspection of Grains.

Senate Bill No. 123: A Bill for An Act to Amend and Re-enact Section 1147, Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 197, of the Laws of North Dakota for the Year 1919, Relating to the Formation of New Common School Districts.

Senate Bill No. 135: A Bill for an Act Providing for the Issuance of Bonds of the State of North Dakota in a Sum Not Exceeding \$250,000.00, to be Known as "Bonds of North Dakota, Electric Utility Series;" Prescribing the Terms and Stating the Purposes Thereof; Providing for a Tax and Making Other Provisions for the Payment Thereof; Making Appropriations for the Payment of Interest and Principal of Said Bonds and to Carry Into Effect the Provisions of This Act.

Senate Bill No. 136: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Enterprise of Furnishing Electricity for Power, Heat and Lighting Purposes to the Inhabitants and Public of the City of Bismarck and of the County of Burleigh, and to Supply

Electricity to all State Buildings Owned or Leased by the State of North Dakota in Said City and County and to the State Street Car Line.

Senate Bill No. 140: A Bill for an Act to Amend and Re-enact Chapter 224, Laws of North Dakota, for the Year 1919, an Act for the Purpose of Raising Revenue to defray the General Expenses of the State Government by Providing for a Tax on the Incomes of Individuals, Fiduciaries, Corporations, Joint Stock Companies or Associations and Insurance Companies in the State of North Dakota; Classifying and Graduating Incomes for the Purpose of Taxation; Providing for Exemptions and Deductions in Certain Cases; Describing a Method of Levying and Collecting Said Tax; Prescribing Penalties for Non-conference With the Provisions of this Act, and Repealing All Acts and Parts of Acts in Conflict Herewith.

Senate Bill No. 142: A Bill for An Act to Prevent the Taking or Carrying in or Having in Possession Intoxicating Liquor in Any Hotel, Theatre or Dance Hall in the State of North Dakota.

Senate Bill No. 200: A Bill for an Act Authorizing the Renewal of the Period of Corporate Existence of Certain Corporations Whose Period of Duration has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporation Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporations.

Senate Bill No. 202: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 63 of the Session Laws of 1915, Prescribing and Limiting the Punishment of the Crime of Murder in the First Degree and Limiting the Time, Manner and Conditions Whereby Such Person May be Pardoned.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The Senate recessed.

The Senate Reassembled, the president presiding.

Senator Baird moved to amend Senate Bill No. 155 as follows: "In line four of the printed bill after the word 'is' insert the words 'hereby declared to be'; and in line 4 strike out the period and insert 'No. 11 1921.'"

SENATE ROLL CALL

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 36, nays 0, absent and not voting 13.

Ayes: Baird, Baker, Beisel, Bond, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, McLachlin, McNair, Mees, Murphy, Nahan, Nelson, Noltmier, Olson, Petterson, Ployhar, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Whitman, Wog.

Nays: None.

Absent and not voting. Benson, Berg, Ettestad, Ingerson, Kelsch, Kendall, Levang, Liederbach, Miklethun, Oksendahl, Porter, Steel, Wenstrom.

So the bill passed and the title was agreed to.

House Chamber,
Bismarck, North Dakota,
February 23, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 27: A Bill for an Act to Amend and Re-enact Section 1045 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 148 of the Laws of North Dakota for the Year 1919, Relating to the Compensation of Election Officers.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
February 23, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 19: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 162 of the Session Laws of the State of North Dakota for the Year 1919, as Amended by Chapter 73 of the Laws Passed at the Special Session of the Sixteenth Legislative Assembly in December, 1919, Relating to the Creation of the Workmen's Compensation Bureau of North Dakota, the Appointment and Removal of the Commissioners Thereof, the Salary of such Commissioners and the Powers and Duties of such Bureau.

House Bill No. 49: A Bill for an Act to Amend and Re-enact Section 814 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Jurors.

House Bill No. 105: A Bill for an Act to Amend and Re-enact Chapter 118 of the Session Laws of 1919, which Amends and Re-enacts Section 890 of the Compiled Laws of North Dakota, for the Year 1913, Pertaining to the Selection of County and State Committeemen.

House Bill No. 114: A Bill for an Act to Amend and Re-enact Chapter 171 of the Session Laws of North Dakota for the Year 1919, Limiting the Power of Courts to Grand In-

junctions and Prohibiting the Issuing of Restraining Orders and Injunctions in Certain Labor Matters.

House Bill No. 128: A Bill for an Act to Amend and Re-enact Section 2110 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 221 of the Session Laws of 1919, Relating to the Listing of Property of Corporations, Joint-Stock Companies or Associations for Taxation.

House Bill No. 132: A Bill for an Act Relating to Motion Picture Films, Reels, and Views, Providing a System of Examination, Approval and Regulation Thereof, and of the Banners, Posters and Other Advertising Matter Used in Connection Therewith; Creating a Bureau of Inspectors of Motion Pictures and Providing Penalties for the Violation of this Act.

House Bill No. 137: A Bill for an Act Amending and Re-enacting Section 5742, Compiled Laws of North Dakota for 1913, Relating to the Application of the Provisions of Article 20, Compiled Laws of 1913, to Water Main and Water Works Systems, and to the Purchase Thereof.

House Bill No. 139: A Bill for an Act to Amend and Re-enact Section 3296 of the Compiled Laws of North Dakota for the Year 1913, Relating to County Commissioners' Powers and Duties With Respect to Contracts Let on Competitive Bids.

House Bill No. 148: A Bill for an Act Making it a Felony for Any Person to Enter Any Room Wherein, in Whole or in Part, a General Banking Business is Carried on, or Wherein in Whole or in Part, a Business of Receiving Securities, Evidence of Debts or Any Other Valuable Papers on Deposit or for Safe Keeping, in Which There is at the Time a Human Being, With Intent to Commit a Felony Therein by Means of Threats, Force or Violence, and Prescribing the Punishment Therefor.

House Bill No. 154: A Bill for an Act to Amend and Re-enact Section 10184 and 10185 of the Compiled Laws of North Dakota for 1913, Prohibiting the Manufacture, Sale, Disposing of, Giving Away, and Soliciting Orders for Cigarettes, or Cigarette Papers and Providing Penalty.

House Bill No. 158: A Bill for an Act to Amend and Re-enact sections 948 and 968 of the Compiled Laws of 1913, and to Repeal Section 991 of the Compiled Laws of 1913, Relating to Elections.

House Bill No. 169: A Bill for an Act to Amend and Re-enact Section 4671 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Size and Construction of Caboose Cars.

House Bill No. 174: A Bill for an Act to Amend and Re-enact Section 1190 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 199 of the Laws of North Dakota for the Year 1919, as Amended by Chapter 53 of the Laws of North Dakota, Special Session of the Year 1919, Relating to the Consolidation of Schools; and Con-

tracting for the Transportation of Pupils and From Said Schools; and Providing for a Board of Arbitration.
 crimination in Purchasing Dairy Products.

House Bill No. 186: A Bill for a Concurrent Resolution, Amending the Constitution of the State of North Dakota Relating to the Term of Office of the Judges of the Supreme Court.

House Bill No. 197: A Bill for an Act to Provide for State and County Ballots for the Primary and General Elections and for Nomination and Election of all Elective State Officers, Members of the Legislative Assembly, Judge of the Supreme Court and District Court, Superintendent of Public Instruction and all Elective County Officers and to Repeal Sections 904, 905, 906, 907, 908, 909, 917, 918 and 919 of the Compiled Laws of the State of North Dakota for the Year 1913 and Chapter 117 of the Session Laws of 1919, as Well as all Other Acts or Parts of Acts that are in Conflict With the Provisions Hereof.

House Bill No. 198: A Bill for an Act to Provide for Nomination of Candidates for the Offices of Presidential Electors, United States Senator, and Member of Congress and to Elect Delegates to the National Party Convention, National Committeeman and Pary Precinct Committeeman and to Repeal Sections 917, 918 and 919 of the Compiled Laws of North Dakota for the Year 1913, and all Other Acts or Parts of Acts that are in Conflict with the Provisions Hereof.

House Bill No. 206: A Bill for an Act Authorizing Boards of County Commissioners to Issue Refunding Bonds to Fund or Refund for the Purpose of Seed Grain or Seed and Feed Grain Bonds or Warrants Theretofore Issued Pursuant to Law for the Purchase of Seed Grain and Feed or Either.

House Bill No. 210: A Bill for an Act to Cancel Uncollected Personal Property Taxes Assessed for 1910 and Prior Years.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
 Chief Clerk.

SENATE ROLL CALL

Senate Bill No. 158: A Bill for an Act to Provide for Conciliation of Controversies and to Repeal Sections 9187, 9188, 9189, 9190, 9191 and 9192 of the Compiled Laws of North Dakota, 1913.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 31, nays 14, absent and not voting 4.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, McLachlin, McNair, Micklethun, Nelson, Noltmier, Olson, Oksendahl, Ployhar, Pattten, Sperry, Thorson, Ward, Wenstrom, Whittman, Wog.

Nays: Baird, Beisel, Bond, Gardiner, Kelsch, Mees, Murphy, Petterson, Porter, Rusch, Schrenk, Stevens, Storstad, Van Camp.

Absent and not voting: Liederbach, Nathan, Steel.

So the bill passed and the title was agreed to.

Senator Rusch moved that further consideration of Senate Bill No. 65 be indefinitely postponed, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 131: A Bill for an Act Entitled an Act for the Purpose of Continuing the Work of Immigration as Provided for in Chapter 146 of the Session Laws of 1919, During the Biennial Period Beginning July 1, 1921, and Ending June 30, 1923.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 28, nays 20, absent and not voting 1.

Ayes: Baker, Benson, Berg Bond, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Ward, Wenstrom, Whitman, Wog.

Nays: Baird, Beisel, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp.

Absent and not voting: Patten.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 154: A Bill for an Act Prescribing the Fees to be Paid to Newspapers for the Publications and Printing of All Legal Notices and Repealing All Acts or Parts of Acts in Conflict Herewith.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 45, nays 2, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, Mees, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman.

Nays: Carey, Nelson.

Absent and not voting: McNair, Wog.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 189: A Bill for an Act to Amend and Re-enact Section 1008 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 121 of the Session Laws of North Dakota for the Year 1919.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 38, nays 5, absent and not voting 6.

Ayes: Baird, Baker, Beisel, Bond, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, Murphy, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman.

Nays: Benson, Liederbach, McNair, Nathan, Patten.

Absent and not voting: Berg, Bowman, Ettestad, Mees, Miklethun, Wog.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 195: A Bill for an Act Relating to the Taking of New Promissory Notes in Renewal of Notes Already Held by Banks, Other Corporations or Individuals, Effecting their Legality.

Was read the third time.

The question being on the final passage of the bill, as the roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Bond, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman.

Nays: None.

Absent and not voting: Berg, Bowman, Ettestad, Mees, Wog.

So the bill passed and the title was agreed to.

Senator Kendall moved that further consideration of Senate Bill 142 be indefinitely postponed.

Senator Murphy moved to amend Senate Bill No. 142 as follows: In line 3 of Section 1 and Section 2, after the word "hotel" add the words "in Bismarck while the legislature is in session," which motion was lost.

The question being on the motion to indefinitely postpone Senate Bill No. 142, which motion was lost.

SENATE ROLL CALL

Senate Bill No. 142: A Bill for An Act to Prevent the Taking or Carrying in or Having in Possession Intoxicating Liquor in Any Hotel, Theatre or Dance Hall in the State of North Dakota.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 34, nays 14, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Micklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Patten, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp, Ward, Wenstrom, Wog.

Nays: Beisel, Bond, Carey, Eastgate, Ettestad, Gardiner, Kelsch, Mees, Petterson, Ployhar, Porter, Rusch, Thorson, Whitman.

Absent and not voting: Baird.

So the bill passed and the title was agreed to.

Mr. Baker moved that the vote by which Senate Bill No. 142 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

Senate Bill No. 170: A Bill for an Act to Limit County Tax Levies.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

Senate Bill No. 171: A Bill for an Act to Limit County, City, Town, Village, Township and School Tax Levies.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

Senate Bill No. 38: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 214 of the Laws of North Dakota for the Year 1919 as Amended and Re-enacted by Chapter 61 of the Special Session Laws of North Dakota for the Year 1919, Relating to the Limitations of Tax Levies, Debt Limits and the Powers and Duties of Certain Officers.

Have had the same under consideration and recommend that the same be amended as follows:

After line 6 of the printed bill insert the following: "Provided however, that any school district may levy in excess of the average of such combined levy not to exceed 30% of the average of such combined levies." In line 7, before the word "provided," insert the word "and." And after the word "provided" insert the word "further." After the word "county" in the same line insert the word "school district;" after the word "levy" insert the figure "20%."

And when so amended recommend the same do pass.

E. A. BOWMAN,
Chairman.

The committee on Public Health made the following report:

Mr. President: Your committee on Public Health to whom was referred:

Senate Bill No. 191: A Bill for an Act to Amend and Re-enact Section 1679a and 1679b, Relating to Forestry and Nursery.

Have had the same under consideration and recommend that the same do pass.

O. C. GROSS,
Chairman.

Mr. Gross moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Health made the following report:

Mr. President: Your committee on Public Health to whom was referred:

Senate Bill No. 190: A Bill for an Act to Amend and Re-enact Article 9 and Section 1674, and 1675 of the Compiled Laws of 1913, and to Repeal Sections 1676, 1677, 1678, and 1679 of the Compiled Laws of 1913.

Have had the same under consideration and recommend that the same do pass.

O. C. GROSS,
Chairman.

Mr. Gross moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Health made the following report:

Mr. President: Your committee on Public Health to whom was referred:

Senate Bill No. 197: A Bill for an Act Making an Appropriation for the Care and Maintenance of Persons Affected with Leprosy.

Have had the same under consideration and recommend that the same do pass.

O. C. GROSS,
Chairman.

Mr. Gross moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Health made the following report:

Mr. President: Your committee on Public Health to whom was referred:

Senate Bill No. 178: A Bill for an Act to Amend and Re-enact Section 400 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Powers and Duties of the Board of Health.

Have had the same under consideration and recommend that the same do pass.

O. C. GROSS,
Chairman.

Mr. Gross moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 25: A Bill for an Act to Appropriate Money for the Expenses of the Executive, Legislative and Judicial Departments of the State Government, and for Public Schools, Specifying the Amount and Time for Which Such Appropriations Shall be Available, and Repealing Sections 1416, 1418 and 1419 of the Compiled Laws of 1913, as Amended by Chapter 34 of the Session Laws of 1915, and All Other Acts and Parts of Acts in so far as the Same Relate to Appropriations Conflicting Herewith or the Appropriations for the Same Matters or Purposes Provided for Herein.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriation made the following report:

Mr. President: Your committee on Appropriation to whom was referred:

Senate Bill No. 52: A Bill for an Act to Amend and Re-enact Section 369 of the Compiled Laws of 1913 as Amended by the Referendum Election on November 2, 1920, and Providing the Requirements that the State Board of Auditors Semi-annually Examine and Audit the Accounts, Books, Vouchers, Records, Papers, Documents and all other Transactions of the State Treasurer and of all County, Township, School District, City, Organized Towns and Village Treasurers, and of the Bank of North Dakota and all Other Banks, Including National Banks in which Public Funds are Deposited, and all of the Industrial Institutions of the State; and Requiring the Various Treasurers to File Reports with the Secretary of the Board of Auditors in Regard to the Public Funds, and Providing a Penalty for the Violation of this Act, and Making an Appropriation for Carrying out the Provisions of Same, and Repealing all Acts and Parts of Acts in Conflict herewith.

Have had the same under consideration and recommend that the same be indefinitely postponed.

W. J. CHURCH,
Chairman.

Mr. W. J. Church moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways & Means made the following report:

Mr. President: Your committee on Ways & Means to whom was referred:

Senate Bill No. 111: A Bill for an Act entitled: "An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations and also Providing that the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Effectual for Certain Purposes, also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws."

Have had the same under consideration and recommend that the same be amended as follows:

Be It Enacted By The Legislative Assembly Of The State Of North Dakota:

Section 1. AMENDMENT. That Section 4557 of the Compiled Laws of North Dakota, for the year 1913 is hereby amended and re-enacted to read as follows:

Section 4557. POWERS OF CORPORATION. INCREASING OR DIMINISHING STOCK. Every corporation may increase or diminish its capital stock at a regular or special meeting, called for that purpose, by the directors, as follows:

1. Notice of the time and place of the meeting stating its object and the amount to which it is proposed to increase or diminish its capital stock, must be served on each stockhold-

er by depositing and registering the same in the post office, postage paid, properly directed to each stockholder at the post office of his last known place of residence as shown by the stock register of such corporation and return receipt demanded at least sixty days prior to the time of such meeting; and the notice must be given to stockholders whose place of residence is unknown or who are not residents in the state by the publication of such notice in a newspaper published in the county where the principal office of the corporation is situated, not less than once a week for sixty days prior to such meeting; provided, that the capital stock of any railway company organized under the laws of this state may be increased to such an amount as may by its stockholders be deemed necessary for the purchase or construction of any railroad which it may be legally empowered to purchase or construct; for additions to or improvements of its railroad or property; for additional equipment which may be necessary in the operation of its railroad and for real estate that may be needed by said corporation for railway purposes, by a majority vote of all its stock, in person or by proxy at any annual meeting, or at any meeting called by its directors for that purpose, by a notice in writing to each stockholder to be served on him personally or by depositing the same in the post office, postage paid, properly directed to him at the post office nearest his usual place of residence at least forty days prior to such meeting. Such notice shall state the time and place of such meeting, its object and the amount to which it is proposed to increase such capital stock. No vote in favor of such increase shall take effect until the proceedings of such meeting, showing the names of all the stockholders voting therefor and the amount of stock owned by each, shall be entered upon the records of such corporation.

Every such corporation so increasing its capital stock shall file with the secretary of state, whenever issues of stock shall be made under this section, a report showing the amount issued and the purposes to which it has been, or is to be, devoted, which report shall be verified by the oath of the president or the general manager thereof and of the chief engineer.

2. The capital stock must in no case be diminished to an amount less than the indebtedness of the corporation, or the estimated cost of the works which it may be the purpose of the corporation to construct.

3. At least two-thirds of the entire capital stock, except as hereinbefore provided, must be represented by the vote in favor of the increase or diminution before it can be effected.

4. A certificate must be signed by the chairman and the secretary of the meeting and a majority of the directors, showing a compliance with the requirements of this section the amount to which the capital stock has been increased or diminished, the amount of stock represented at the meeting and the vote by which the object was accomplished.

5. The certificate must be filed in the office of the secretary of state, there to be recorded in the book of corpora-

tions, and thereupon the capital stock shall be so increased or diminished.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The Majority of the committee on Banks and Banking made the following report:

Mr. President: Your Majority committee on Banks and Banking to whom was referred:

Senate Bill No. 117: A Bill for an Act Empowering the Board of County Commissioners of Each County to Designate Depositories for County Funds and Providing the Procedure and the Regulations Under Which Such Funds May be Deposited.

Have had the same under consideration and recommend that the same be amended as follows:

Amend the title by striking it out and insert in lieu thereof the following: "For an Act designating Legal Depositories for the Funds of all Public Corporations and Providing the Procedure and the Regulations Under Which Such Funds Shall be Deposited." After the enacting clause strike out all of the rest of the bill, and in lieu thereof insert the following:

Sec. 1. All state and national banks in the State of North Dakota complying with the provisions of this Act, and the Bank of North Dakota are hereby declared to be legal depositories of the public funds of the various counties, townships, school districts, cities and villages and the various treasurers of said corporations shall deposit all funds in their custody in such banks.

Sec. 2. Before any deposit shall be made in any depository by or in behalf of any of the corporations enumerated in Section 1 of this Act, such depository shall furnish a bond payable to the public corporation making such deposit, in an amount that shall at least equal the largest deposit that may at any time be in such depository; said bond shall be in conformity to a form prescribed by the Attorney General and the amount and sufficiency by the board or governing body of such corporation. If the board fails or refuses to approve any such bond the same may be presented to the Judge of the District Court upon three days notice to the clerk or auditor of the board of the corporation to which such bond was submitted, and the Judge shall forthwith proceed to hear and determine the amount and sufficiency of such bond and may approve or disapprove the same as the facts warrant. If he approves such bond the said bank shall be declared a depository of the funds of such corporation. The sureties on all bonds required by public corporations according to the provisions of this law shall justify as required by law in arrest and bail proceedings; Provided, however, that in lieu of

such personal bond the board or governing body of the corporation involved may require such bank designated as depository to file a surety bond in the sum equal to the amounts of funds such bank may receive according to the provisions of this Act. The bond when approved, shall be deposited with the county auditor. Such bond shall be a continuing bond and shall continue binding, but in no case involving the deposit of funds of public corporations shall such bond be continued without a renewal thereof for a longer period than four years. This section shall not apply to public corporations as enumerated in Section 1 of this Act where the amount in the treasury of such corporations does not exceed the sum of Five Hundred Dollars. The treasurer of public corporations having on hand less than Five Hundred Dollars and therefore not within the provisions of this Section, shall deposit all the funds belonging to such corporation in some bank under such conditions and restrictions as shall seem adequate to protect the public interest.

Section 3. When two or more banks in the same county or the county in which such corporation is located, proposing to become depositories offer the same rate of interest it shall be the duty of the treasurer to select depositories as offer ample security for such deposit. In estimating the value of the security offered by any proposed depository the capital, surplus and general credit of the bank shall be taken into consideration, as well as the bonds proposed to be given. Provided, however, that if the rate of interest offered by the Bank of North Dakota is equal to or greater than, that offered by the state or national banks within said county, the treasurer of such corporation may deposit so much of the public funds of the said corporation in the Bank of North Dakota as he shall deem proper without regard to the amount on deposit in State or National Banks.

Sec. 4. To the extent that public funds are deposited as herein provided the legal custodian thereof and the sureties on his bond, shall be exempt from all liability thereon by reason of loss of any such funds from failure, or other act of any such depository.

Sec. 5. Each depository shall furnish to the county treasurer on the first day of each month an itemized statement of the account of such county and of each township, school district, city, town or village in such county with such depository duly verified by the proper officer of said bank, which statement shall be filed and carefully preserved in the office of the county treasurer. Such statement shall show all time deposits and demand deposits, the rate of interest paid and by whom deposited.

Sec. 6. It shall be the duty of the county treasurer in each county to compile the reports filed by all depositories in which public funds of said county are deposited and therefrom make a report showing the amount deposited in each of such depositories, the rate of interest paid by each such depository on time deposits and demand deposits separately and a statement of any offers made to him for the deposit of public funds by any bank. He shall also compile the reports of all depositories who have deposits of funds of any of the public corporations within such county and therefrom make

a report showing the amount of school district, township, city, and village deposits in each such depository, the rate of interest paid on time deposits and demand deposits. Before the last day of February, May, August and November of each year he shall publish a statement in the official paper of his county, setting forth the facts as above provided as of the first day of each of these months.

Sec. 7. Any treasurer of any public corporation in this state who shall deposit public funds in any State or National Bank in excess of the bond furnished by such bank, or shall deposit in any State or National Bank funds in excess of \$500.00 without a bond, and any Treasurer of a Public Corporation or the officials of any State or National Bank who fails to make the reports required herein, and any county treasurer who fails to publish the statements as required by this Act, shall be guilty of a misdemeanor.

Sec. 8. Emergency. This is hereby declared to be an emergency measure, and shall be in full force upon its passage and approval.

E. A. BOWMAN,
JOHN L. MIKLETHUN,
JOHN W. BENSON,
JAMES A. WENSTROM,
OLE ETTESTAD,
RALPH INGERSON.
P. A. BERG,
CHRIST LEVANG,

And when so amended recommend the same do pass.

CHRIST LEVANG,
Chairman.

Mr. Levang moved that the report be adopted, which motion prevailed and the report was adopted.

The Minority of your committee on Banks and Banking made the following report:

Mr. President: Your Minority committee on Banks and Banking to whom was referred:

Senate Bill No. 117: A Bill for an Act Empowering the Board of County Commissioners of Each County to Designate Depositories for County Funds and Providing the Procedure and the Regulations Under Which Such Funds May be Deposited.

Have had the same under consideration and recommend that the same be indefinitely postponed.

WALTER R. BOND,
L. W. SPERRY,
PETER McLACHLIN,
H. J. RUSCH,
J. E. STEVENS,
T. J. KELSH,
ALFRED STEEL.

Senator Levang moved that the report of the Majority be adopted.

Roll call was demanded.

SENATE ROLL CALL

The question being on the adoption of majority report on Senate Bill 117, the roll was called and there were ayes 25, Nays 24.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the report of the majority was adopted.

Senator Ployhar moved that the Senate do now adjourn, which motion prevailed.

FIFTY-FIRST DAY

Senate Chamber,
Bismarck, North Dakota,
February 23, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Strutz.

Roll was called, all Senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Forty-seventh day after recess and Forty-ninth day and recommend that the same be corrected as follows:

Page 6, strike out line 38; page 16, add at bottom of page the last three lines on page 17. On page 17, at the top of the page, put the first 8 lines on page 18, and strike out the last three lines on the page.

On page 18, strike out the first 8 lines. On page 30, line 38, strike out "House Bill No. 71" and insert in lieu thereof "Senate Bill No. 71;" also insert correct title in lieu of House Bill title.

In the supplement, page 1, strike out "Journal of the Senate," "Seventeenth Legislative Assembly," and "Forty-ninth day after Supper."

Page 9, line 29, strike out the words "committee report" and insert in lieu thereof "motion." Page 10, line 11, after the word "be" insert "considered properly engrossed and." Strike out lines 42, 43 and 44. Page 10, line 29, strike out word "nays" and insert word "ayes."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

HOUSE CHAMBER

Bismarck, N. D., Feb. 23, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 136: A Bill for an Act to Amend and Re-enact Section 8205, Compiled Laws of North Dakota for 1913, Defining the Private Property Which May be Taken by Eminent Domain.

House Bill No. 134: A Bill for an Act to Amend and Re-enact Sub-division 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System or Part of System of Water Works.

House Bill No. 90: A Bill for an Act Requiring Railroad Companies to Provide Separate Compartments for Carriage of Sick People and Providing a Penalty for Violation Thereof.

House Bill No. 185: A Bill for an Act to Amend and Re-enact Section One, Chapter 124, of Session Laws of 1917, as Amended by Chapter 136, Session Laws of 1919, Relating to Witness Fees in Garnishment Proceedings.

House Bill No. 75: A Bill for an Act to appropriate Money for the Purpose of constructing a Beef Cattle Barn at the Langdon Sub-Station.

House Bill No. 60: A Bill for an Act Appropriating Five Thousand (\$5,000.00) Dollars for the Purpose of Erecting a Suitable Dairy Barn at the Experimental Station, Situated at Hettinger, Adams County, North Dakota.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Minot, North Dakota, February 20, 1921.

Hon. Howard R. Wood, President of the Senate, Bismarck, N. D.:

Dear Sir: House Bills 68 and 69, as passed by the House on the 16th, will, if passed by the Senate, kill the present Compensation Law, and on behalf of Minot Lodge 765, Inter-

national Association of Machinists, I respectfully request that the Senate be urged to defeat these two bills.

Respectfully yours,
ED. J. McGUIRE,
Secretary.

Williston, N. Dak., February 18. 1921.

Honorable Howard Wood, President of the Senate, Bismarck, N. Dak.:

Dear Sir: I understand that House Bills 68 and 69 have passed the House and will come up for consideration in the Senate in the very near future and that if these bills become laws the present Workmen's Compensation Act will be practically killed.

As a citizen of the State of North Dakota I want to earnestly protest against the passage of these bills and beg of you to do all in your power to prevent their passage in the Senate.

Very truly yours,
M. S. PHILLIPS.

Same petition from Radnor E. Smith.

Communication from Senator Nathan:

That the Highway Commission working for the State of North Dakota asked for an increase of appropriation. The State replied: "If you are worth it I will be pleased to give it to you. Now let us see what you do in a year, Highway Commission. We have 365 days in a year; you sleep eight hours every day, which makes 122 days you sleep. This taken from 365 days leaves 243. Now you have eight hours of recreation every day, which makes 121 days. This taken from 243 days leaves 122 days. We have 52 Sundays in a year which you have off, leaving you 69 days. You have 14 days vacation; take this off and you have 55 days left. You don't work Saturday afternoons; this makes 26 days in a year. Take this off and you have 29 days left. Now, Highway Commission, you allow 1½ hours for meals, which total in a year 28 days. Take this off and you have one day left, so I ask you, Highway Commission, if you are entitled to a raise?"

Highway Commission then answered, "Well, what the deuce have I been doing then?"

SENATE ROLL CALL

Senate Bill No. 181: A Bill for an Act to Amend and Re-enact Section 144 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Keeping of Permanent Books of Record by the State Treasurer and the State Auditor, and Authorizing the Re-arrangement and Revision of the Present System.

Was read the third time.

The question being on the final passage of the bill the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: None.

Absent and not voting: Byrne.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 123: A Bill for An Act to Amend and Re-enact **Section 1147, Compiled Laws of North Dakota** for the Year 1913, as Amended by Chapter 197, of the Laws of North Dakota for the Year 1919, Relating to the Formation of New Common School Districts.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes, 38, nays 10, absent and not voting 1.

Ayes: Baird, Baker, Benson, Bond, Bowman, Byrne, Church, Carey, Eastgate, Fraser, Gardiner, Garberg, Gross, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mikelthun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Patten, Rusch, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman,

Nays: Beisel, Berg, Ettestad, Fleckten, Hagan, McLachlin, Mees, Schrenk, Storstad, Wog.

Absent and not voting: Porter.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 200: A Bill for an Act Authorizing the Renewal of the Period of Corporate Existence of Certain Corporations Whose Period of Duration has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporation Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporations.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter,

Patten, Rusch, Schrenk, Sperry Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Whitman, Wog.

Nays: None.

Absent and not voting: Liederbach, Mees, Ployhar, Wenstrom.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of this Act.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 47, nays 2, absent and not voting, none.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Kelsch, Stevens.

Absent and not voting: None.

So the bill passed and the title was agreed to.

Senator Byrne moved to amend Senate Bill No. 162 as follows: In lines 9 and 10, Classification No. 1, substitute \$720 for the figures in the bill; in Classification No. 2, line 14, substitute \$810; Classification No. 3, line 20, substitute \$1000; Classification No. 4, line 27, substitute \$1100; Classification No. 5, lines 33 and 34, substitute \$1200; in Classification No. 6, line 39, substitute \$1300; also change the date when the schedules become effective to the date of the printed bill, which motion prevailed.

Senator Baker moved to further amend Senate Bill No. 162 so that the date when the schedule becomes effective back as in the engrossed bill, August 31st, 1923, which motion prevailed.

Senator Thorson moved to amend Senate Bill No. 162: strike out the word "continuous" and insert after the word "service," "in the profession of teaching" in sub-section 6, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 162: A Bill for an Act to Provide a Minimum Amount of Training, a Minimum Salary for a Teaching Experience of Less Than One School Year, and a Schedule

of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 45, nays 3, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Carey, Kelsch, Nathan.

Absent and not voting: Benson.

So the bill passed and the title was agreed to.

Mr. Byrne moved that the vote by which Senate Bill No. 162 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

Senator Liederbach moved that Senate Bills 136 and 135 be made a special order of business for 10:00 o'clock A. M. tomorrow, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 71: A Bill for an Act to Amend and Re-enact Section 2185 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 67 of the Special Session Laws of North Dakota for the Year 1919, Relating to Real Estate Taxes Due and Delinquent and the Penalty and Interest Thereon.

Was read the third time.

The question being on the final passage of the bill the roll was called and there were ayes 29, nays 13, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Berg, Bowman, Byrne, Eastgate, Ettetstad, Gardiner, Garberg, Gross, Kelsch, Kendall, Levang, Liederbach, Mees, Murphy, Noltimier, Olson, Petterson, Porter, Patten, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Whitman.

Nays: Church, Carey, Fleckten, Hagan, Miklethun, Nathan, Nelson, Ployhar, Rusch, Stevens, Ward, Wenstrom, Wog.

Absent and not voting: Benson, Bond, Fraser, Ingerson, McLachlin, McNair, Oksendahl.

So the bill passed and the title was agreed to.

Rusch: I vote "no," believing the penalty too great on the second payment.

SENATE ROLL CALL

Senate Bill No. 177. A Bill for an Act to Eliminate Railroad Grade Crossings and Other Dangerous Places on State and County Highways.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 25, nays 23, absent and not voting 1.

Ayes: Baker, Benson, Berg, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Steel, Thorson, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Bowman, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Storstad, Van Camp, Whitman.

Absent and not voting: McNair.

So the bill passed and the title was agreed to.

Mr. Ettestad moved that the vote by which Senate Bill No. 177 passed, be reconsidered.

Which motion prevailed.

Senator Ettestad moved that further consideration of Senate Bill No. 177 be indefinitely postponed.

Roll call was demanded.

SENATE ROLL CALL

The question on the motion to indefinitely postpone further action on Senate Bill No. 177, the roll was called and there were ayes 28, nays 20, absent and not voting 1.

Ayes: Baird, Beisel, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Gardiner, Gross, Kelsch, Kendall, McLachlin, Mees, Murphy, Nathan, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Byrne, Fleckten, Fraser, Garberg, Hagan, Ingerson, Levang, Lieberbach, McNair, Miklethun, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

So the motion prevailed.

Senator Nathan: I'm in favor of the Railroad standing the expense as is no more than right. I vote "aye" on the motion.

SENATE ROLL CALL

Senate Bill No. 120: A Bill for an Act to Amend and Re-enact Section 23 of Chapter 138 of the Session Laws of North Dakota for the Year 1919, Regular Session, Relating to the Grading and Inspection of Grains.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 36, nays 13, absent and not voting none.

Ayes: Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Patten, Rusch, Sperry, Steel, Storstad, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Baird, Beisel, Carey, Eastgate, Gardiner, Kelsch, Murphy, Nelson, Petterson, Porter, Schrenk, Stevens, Van Camp.

Absent and not voting: None.

So the bill passed and the title was agreed to.

Mr. Church moved that the vote by which Senate Bill No. 120 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Concurrent Resolution, introduced by Senators Hagan, Benson and Stevens.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Baker moved that after the first and second reading of House Bills the Senate recess until 7:30 this evening which motion prevailed.

Senator Gardiner moved that the communication from Mr. Hall be printed in the Journal.

Senator Ingerson moved as a substitute motion that the communication be referred to the committee on Appropriations.

Which motion prevailed.

House Chamber,
Bismarck, North Dakota,
February 23, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 41: A Bill for an Act, Providing for the Preservation and Control of the Artesian Waters of the State

House Bill No. 104: A Bill for an Act to Amend and Re-enact Chapter 59, Laws of North Dakota, 1917, and Chapter

220, Laws of North Dakota, 1919, Relating to the Classification of Property for Assessment.

House Bill No. 162: A Bill for an Act to Amend and Re-enact Section 13b and Section 43 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 19: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 162 of the Session Laws of the State of North Dakota for the Year 1919, as Amended by Chapter 73 of the Laws Passed at the Special Session of the Sixteenth Legislative Assembly in December, 1919, Relating to the Creation of the Workmen's Compensation Bureau of North Dakota, the Appointment and Removal of the Commissioners Thereof, the Salary of such Commissioners and the Powers and Duties of such Bureau.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 49: A Bill for an Act to Amend and Re-enact Section 814 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Jurors.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 60: A Bill for an Act Appropriating Five Thousand (\$5,000.00) Dollars for the Purpose of Erecting a Suitable Dairy Barn at the Experimental Station, Situated at Hettinger, Adams County, North Dakota.

Was read the first and second time and referred to the committee on Appropriations.

House Bill No. 41: A Bill for an Act Providing for the Preservation and Control of the Artesian Waters of the State.

Was read the first and second time and referred to the committee on Irrigation and Drainage.

House Bill No. 75: A Bill for an Act to appropriate Money for the Purpose of Constructing a Beef Cattle Barn at the Langdon SubStation.

Was read the first and second time and referred to the committee on appropriation.

House Bill No. 90: A Bill for an Act Requiring Railroad Companies to Provide Separate Compartments for Carriage of Sick People and Providing a Penalty for Violation Thereof.

Was read the first and second time and referred to the committee on railroads.

House Bill No. 104: A Bill for an Act to Amend and Re-enact Chapter 59, Laws of North Dakota, 1917, and Chapter 220, Laws of North Dakota, 1919, Relating to the Classification of Property for Assessment.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

House Bill No. 105: A Bill for an Act to Amend and Re-enact Chapter 118 of the Session Laws of 1919, Which Amends and Re-enacts Section 890 of the Compiled Laws of North Dakota, for the Year 1913, Pertaining to the Selection of County and State Committeemen.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 114: A Bill for an Act to Amend and Re-enact Chapter 171 of the Session Laws of North Dakota for the Year 1919, Limiting the Power of Courts to Grand Injunctions and Prohibiting the Issuing of Restraining Orders and Injunctions in Certain Labor Matters.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 128: A Bill for an Act to Amend and Re-enact Section 2110 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 221 of the Session Laws of 1919, Relating to the Listing of Property of Corporations, Joint-Stock Companies or Associations for Taxation.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

House Bill No. 132: A Bill for an Act Relating to Motion Picture Films, Reels, and Views, Providing a System of Examination, Approval and Regulation Thereof, and of the Banners, Posters and Other Advertising Matter Used in Connection Therewith; Creating a Bureau of Inspectors of Motion Pictures and Providing Penalties for the Violation of this Act.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 134: A Bill for an Act to Amend and Re-enact Sub-division 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System or Part of System of Water Works.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 136: A Bill for an Act to Amend and Re-enact Section 8205, Compiled Laws of North Dakota for 1913, Defining the Private Property Which May be Taken by Eminent Domain.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 137: A Bill for an Act Amending and Re-enacting Section 5742, Compiled Laws of North Dakota for 1913, Relating to the Application of the Provisions of Article 20, Compiled Laws of 1913, to Water Main and Water Works Systems, and to the Purchase Thereof.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 139: A Bill for an Act to Amend and Re-enact Section 3296 of the Compiled Laws of North Dakota for the Year 1913, Relating to County Commissioners' Powers and Duties With Respect to Contracts Let on Competitive Bids.

Was read the first and second time and referred to the committee on Counties.

House Bill No. 148: A Bill for an Act Making it a Felony for Any Person to Enter Any Room Wherein, in Whole or in Part, a General Banking Business is Carried on, or Wherein in Whole or in Part, a Business of Receiving Securities, Evidence of Debts or Any Other Valuable Papers on Deposit or for Safe Keeping, in Which There is at the Time a Human Being, With Intent to Commit a Felony Therein by Means of Threats, Force or Violence, and Prescribing the Punishment Therefor.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 154: A Bill for an Act to Amend and Re-enact Section 10184 and 10185 of the Compiled Laws of North Dakota for 1913, Prohibiting the Manufacture, Sale, Disposing of, Giving Away, and Soliciting Orders for Cigarettes, or Cigarette Papers and Providing Penalties.

Was read the first and second time and referred to the committee on Ways and Means.

House Bill No. 158: A Bill for an Act to Amend and Re-enact Sections 948 and 968 of the Compiled Laws of 1913, and to Repeal Section 991 of the Compiled Laws of 1913, Relating to Elections.

Was read the first and second time and referred to the committee on Elections.

House Bill No. 162: A Bill for an Act to Amend and Re-enact Section 13b and Section 43 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Was read the first and second time and referred to the committee on Tax and Tax Laws.

House Bill No. 169: A Bill for an Act to Amend and Re-enact Section 4671 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Size and State Inspector of Grades, Weights and Measures to Waive Certain Requirements of the Laws, Rules, and Regulations of the State of North Dakota Relating to Public Grain Warehouses in the Case of Grain Warehouses Which Have Given Bond and are Licensed Under the United States Warehouse Act.

Was read the first and second time and referred to the committee on Railroads.

House Bill No. 174: A Bill for an Act to Amend and Re-enact Section 1190 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 199 of the Laws of North Dakota for the Year 1919, as Amended by Chapter 53 of the Laws of North Dakota, Special Session of the Year 1919, Relating to the Consolidation of Schools; and Contracting for the Transportation of Pupils and From Said Schools; and Providing for a Board of Arbitration.

Was read the first and second time and referred to the committee on Education.

House Bill No. 185: A Bill for an Act to Amend and Re-enact Section One, Chapter 124, of Session Laws of 1917, as Amended by Chapter 136, Session Laws of 1919, Relating to Witness Fees in Garnishment Proceedings.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 186: A Bill for a Concurrent Resolution, Amending the Constitution of the State of North Dakota Relating to the Term of Office of the Judges of the Supreme Court.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 197: A Bill for an Act to Provide for State and County Ballots for the Primary and General Elections and for Nomination and Election of all Elective State Officers, Members of the Legislative Assembly, Judge of the Supreme Court and District Court, Superintendent of Public Instruction and all Elective County Officers and to Repeal Sections 904, 905, 906, 907, 908, 909, 917, 918 and 919 of the Compiled Laws of the State of North Dakota for the Year 1913 and Chapter 117 of the Session Laws of 1919, as Well as all Other Acts or Parts of Acts that are in Conflict With the Provisions Hereof.

Was read the first and second time and referred to the committee on Judiciary.

House Bill No. 198: A Bill for an Act to Provide for Nomination of Candidates for the Offices of Presidential Electors, United States Senator, and Member of Congress and to Elect Delegates to the National Party Convention, National Committeeman and Party Precinct Committeeman and to Repeal Sections 917, 918 and 919 of the Compiled Laws of North Dakota for the Year 1913, and all Other Acts or Parts of Acts that are in Conflict with the Provisions Hereof.

Was read the first and second time and referred to the committee on Elections.

House Bill No. 206: A bill for an Act Authorizing Boards of County Commissioners to Issue Refunding Bonds to Fund or Refund for the Purpose of Seed Grain or Seed and Feed Grain Bonds or Warrants Thereof Issued Pursuant to Law for the Purchase of Seed Grain and Feed or Either.

Was read the first and second time and referred to the committee on State Affairs.

House Bill No. 210: A Bill for an Act to Cancel Uncollected Personal Property Taxes Assessed for 1910 and Prior Years.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

The courtesies of the floor were extended to H. J. Fenling of Aberdeen, R. E. Barron, W. J. Shaw, C. J. Fisk, J. Pierpont Morgan, Ed Sherley all of Minot; Ex-Senator Ed S. Hammerly, Sherwood, N. D.; George Tham of Goodrich.

The Senate Recessed until 7:30 o'clock, P. M.

W. J. PRATER,
Secretary.

Fifty-first day after recess, evening session, will be found on page 535.

The Senate reassembled at 7:30 P. M., pursuant to recess taken, the President pro tem presiding.

HOUSE CHAMBER

Bismarck, N. D., Feb. 21, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate concurrent resolution authorizing M. O. Hall to represent the state of N. D. in Washington, D. C., in an effort to obtain seed and feed for the farmers of the state.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., Feb. 21, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate Concurrent Resolution relating to the labeling of fabrics.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

The committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

Senate Bill No. 25: A Bill for an Act to Appropriate Money for the Expenses of the Executive, Legislative and Judicial Departments of the State Government, and for Public Schools, Specifying the Amount and Time for Which Such Appropriations Shall be Available, and Repealing Sections 1416, 1418 and 1419 of the Compiled Laws of 1913, as Amended by Chapter 34 of the Session Laws of 1915, and All Other Acts and Parts of Acts in so far as the Same Relate to Appropriations Conflicting Herewith or the Appropriations for the Same Matters or Purposes Provided for Herein.

Have had the same under consideration and recommend that the same be amended as follows:

In line 4, Section 1, strike out "\$8,506,794.85" and insert in lieu thereof "\$8,463,228.03."

In line 3 of sub-division No. 1, strike out the figures "3000" and "6000" and insert in lieu thereof the figures "2,800" and "5,600." In line 4 of sub-division No. 1, strike out the figures "1800" and "3600" and insert in lieu thereof the figures "1500" and "3000." In line 12, strike out the figures "11,125" and "22,250" and insert in lieu thereof the figures "10,625" and "21,250."

In line 6 of sub-division No. 3, strike out the figures "5,520" and "11,040" and insert in lieu thereof the figures "4,800" and "9,600." In line 17 of same sub-division, strike out the figures "38,050" and "76,100" and insert in lieu thereof the figures "37,330" and "74,660."

In line 1 of sub-division No. 5, strike out the figures "2,800" and "5,600" and insert in lieu thereof the figures "2,500" and "5,000." Strike out all of line 2 and in line 12 strike out the figures "6,175" and insert in lieu thereof the figures "4,375." Strike out the figures "12,350" and insert in lieu thereof the figures "8,750."

In line 2 of sub-division No. 6, strike out the figures "2,800" and "5,600" and insert in lieu thereof the figures "2,500" and "5,000." In line 4 of same sub-division, strike out the figures "1,800" and "3,600" and insert in lieu thereof the figures "1,500" and "3,000." In line 5, strike out the figures "1,500" and "3,000" and insert in lieu thereof the figures "1,400" and "2,800." In line 6, strike out the figures "2,820" and "5,640" and insert in lieu thereof the figures "2,400" and "4,800." In line 7, strike out the figures "1,320" and "2,640" and insert in lieu thereof the figures "1,200" and "2,400." In line 14, strike out the figures "400" and "800" and insert in lieu thereof the figures "300" and "600." In line 18, strike out the figures "300" and "600" and insert in lieu thereof the figures "200" and "400." In line 24, strike out the figures "21,565" and "43,130" and insert in lieu thereof the figures "20,125" and "40,250."

In the sub-division under the title "Public Printing by Secretary of State," strike out all of line three and four and insert in lieu thereof "Printing of political party registration blanks and report books \$2,000." In line fifteen, strike out the figures "3,950" and "27,800," and insert in lieu thereof the figures "5,950" and "14,800."

In line 3 of sub-division No. 7, strike out the figures "2,800" and "5,600" and insert in lieu thereof the figures "2500" and "5000." In line 4, strike out the figures "2000" and "4000" and insert in lieu thereof the figures "1800" and "3600." In line 7, strike out the figures "1800" and "3600" and insert in lieu thereof the figures "1500" and "3000." In line 24, strike out the figures "18,350" and "36,700" and insert in lieu thereof the figures "17,550" and "35,100."

In line 3 of sub-division No. 8, strike out the figures "2800" and "5600" and insert in lieu thereof the figures "2500" and "5000." In line 4, strike out the figures "2000" and "4000" and insert in lieu thereof the figures "1800" and "3600." In

line 8, strike out the figures "1320" and "2640" and insert in lieu thereof the figures "1200" and "2400." In line 9, strike out the figures "1500" and "3000" and insert in lieu thereof the figures "1200" and "2400." In line 17, strike out the figures "19,195" and "38,390" and insert in lieu thereof the figures "18,275" and "36,550."

In line 19 of sub-division No. 11, insert words and figures "money to run office from January 1, 1921, to July 1, 1921. \$12,000." In line 20, strike out the figures "39,550" and "79,100" and insert in lieu thereof "51,550" and "91,100."

In line 2 of sub-division No. 12, strike out the word "two" and insert in lieu thereof the word "one." In line 6, strike out the word "two" and insert the word "one." Strike out all of line 12 and in line 13 strike out the word "schools" and strike out the figures "8000" and insert in lieu thereof the figures "7000." In line 22, strike out the figures "2800" and "5600" and insert in lieu thereof the figures "2500" and "5000." In line 23, strike out the figures "2200" and "4400" and insert in lieu thereof the figures "2000" and "4000." In line 25, strike out the figures "1800" and "3600" and insert in lieu thereof the figures "1500" and "3000." In line 26, strike out the figure "5760" and insert in lieu thereof the figure "5000." In line 42, strike out the figures "21,325" and "48,410" and insert in lieu thereof the figures "20,525" and "46,050."

In line 3 of sub-division No. 13, strike out the figures "2,800" and "5,600" and insert in lieu thereof "2500" and "5000." In line 5, strike out the figures "1800" and "3600" and insert in lieu thereof the figures "1500" and "3000." In line 20, strike out the figures "16,800" and "34,200" and insert in lieu thereof the figures "16,200" and "33,000."

In line 5 of sub-division No. 15, strike out the figures "2,800" and "5600" and insert in lieu thereof the figures "2500" and "5000." In line 6, strike out the figures "1800" and "3,600" and insert in lieu thereof the figures "1500" and "3000." In line 8, strike out the figures "1800" and "3600" and insert in lieu thereof the figures "1500" and "3000." In line 10, strike out the figures "6,660" and "13,320" and insert in lieu thereof the figures "6000" and "12000." In line 19, strike out the figures "5000" and "10,000" and insert in lieu thereof the figures "10,000" and "20,000." In line 26, strike out the figures "43,035" and "86,070" and insert in lieu thereof the figures "51,475" and "102,950."

In sub-division No. 16, in line 3, strike out the figures "2,800" and "5,600" and insert in lieu thereof the figures "2500" and "5000." In line 7, strike out the figures "2800" and "5600" and insert in lieu thereof the figures "2400" and "4800." In line 16, strike out the figures "700" and "1400" and insert in lieu thereof the figures "400" and "800." In line 22, strike out the figures "19,257.50" and "38,515" and insert in lieu thereof the figures "18,257.50" and "36,515."

In line 3 of sub-division No. 17, strike out the figures "2800" and "5600" and insert in lieu thereof the figures "2,500" and "5,000." In line 19, strike out the figures "20,000" and "40,000" and insert in lieu thereof the figures "25,000" and "45,000." In line 22, insert the words and figures "five

extra examiners, \$10,000." In line 23, strike out the figures "69,695" and "139,390" and insert in lieu thereof the figures "84,395" and "153,790."

In line 3 of sub-division No. 18, strike out the figures "2,800" and "5,600" and insert in lieu thereof the figures "2,500" and "5,000." In line 4, strike out the figures "2500" and "5000" and insert in lieu thereof the figures "2250" and "4500." In line 5, strike out the figures "2400" and "4800" and insert in lieu thereof the figures "2100" and "4200." In line 6, strike out the figures "2400" and "4800" and insert in lieu thereof the figures "2100" and "4200." In line 8, strike out the figures "2000" and "4000" and insert in lieu thereof the figures "1500" and "3000." In line 12, strike out the figures "1500" and "2640" and "5280" and insert in lieu thereof the figures "1200" and "2400" and "4800." In line 14, strike out the figures "3720" and "7440" and insert in lieu thereof the figures "3600" and "7200." In line 24, strike out the figures "35,010" and "70,020" and insert in lieu thereof the figures "33,000" and "66,000."

In line 4 of sub-division No. 19, strike out the figures "31,200" and "72,400" and insert in lieu thereof the figures "22,200" and "54,400." In line 17, strike out the figures "50,160," and "111,120" and insert in lieu thereof the figures "41,160" and "93,120."

In line 1 of sub-division No. 20, strike out the figures "2,600" and "5,200" and insert in lieu thereof the figures "2250" and "4500." In line 3, strike out "1800" and "3600" and insert in lieu thereof "1500" and "3000." In line 4, strike out "1800" and "3600" and insert in lieu thereof "1500" and "3000." In line 19, strike out "10,500" and "21,000" and insert in lieu thereof "9,550" and "19,100."

In sub-division No. 26, strike out all of line 6. In line 8, strike out the figures "27,450" and "53,400" and insert in lieu thereof "25,950" and "51,900."

In line 12 of sub-division No. 27, strike out the figures "337,285" and "609,570" and insert in lieu thereof "321,000" and "642,000." In line 24, strike out the figures "41,960" and "79,150" and insert in lieu thereof "42,000" and "84,000." In line 37, strike out "42,500" and "85,000" and insert in lieu thereof "40,000" and "80,000." In line 47, strike out "470,535" and "900,670" and insert in lieu thereof "451,790" and "932,950." In line 61, strike out "57,000" and insert in lieu thereof "67,000." In line 62, after the words "New buildings" insert the figures "150,000," in the second column. Strike out all of lines 65, 66 and 67. In line 91, strike out "414,600" and insert in lieu thereof "286,600."

In line 3 of sub-division No. 32, strike out the figures "38,710" and "77,420" and insert in lieu thereof "35,000" and "70,000." Strike out all of line 17. In line 25, strike out "222,960" and "408,420" and insert in lieu thereof "206,750" and "388,500."

In line 5 of sub-division No. 34, strike out "25,000" and "50,000" and insert in lieu thereof "30,000" and "60,000." In line 8, strike out "1,000" and "2,000" and insert in lieu thereof "2500" and "5000." In line 20, strike out "7,000" and "14,-

000" and insert in lieu thereof "3500" and "7000." In line 29, strike out "2500" and "5000" and insert in lieu thereof "7500" and "15000." In line 31, strike out "169,350" and "317,950" and insert in lieu thereof "177,350" and "333,950." Strike out "1200" in sub-division No. 39 and insert in lieu thereof "1000."

In line 2, sub-division No. 42, strike out the figures "1200" and "2400" and insert in lieu thereof "1000" and "2000." Strike out line 3 after line 5 and insert in lieu thereof line 5½ and the words "office supplies." In line 11, strike out "1925" and "3850" and insert in lieu thereof "1725" and "3,450."

In line 3 of sub-division No. 44, strike out "12,000" and "24,000" and insert "10,000" and "20,000." Strike out the figures "800" and "1600" in line 5 and insert in lieu thereof "500" and "1000." After line 5 insert line 5½ and the words and figures "Independent water system, 750 and 1500." After line 19, insert line 19½ and insert the words and figures "student welfare, 500 and 1000." In line 34, strike out "100" and "200" and insert in lieu thereof "250" and "500." In line 38, strike out "250" and "500" and insert in lieu thereof "750" and "1500." After line 41 insert line 41½ and the words and figures "additional land on condition that the city abate the taxes on special improvements, 5,000 and 10,000." In line 43, strike out the figures "110,025" and "219,050" and insert in lieu thereof "113,925" and "227,850."

In line 10 of sub-division No. 45, strike out "2500" and "5000" and insert in lieu thereof "2000" and "4000." In line 12 insert the figures "500" and "1000." In line 19, strike out "2000" and "4000" and insert "1000" and "2000." Strike out all of line 24. In line 25, strike out the word "east" and insert in lieu thereof "west." In line 40, strike out "101,063" and "202,126" and insert in lieu thereof "98,260" and "196,520." In line 43, strike out "156,126" and insert in lieu thereof "142,520."

In line 3, sub-division No. 46, strike out the word "rewiring" and insert in lieu thereof "repairing." Strike out all of line 4.

In line 17 of sub-division No. 49, strike out "22,000" and insert in lieu thereof "44,000." In line 19, strike out "120,000" and insert in lieu thereof "240,000." In line 27, strike out "69,475" and insert in lieu thereof "91,475" and strike out "262,100" and insert "382,100."

In line 5a, sub-division No. 56, insert the words and figures "bedding 4000 and 4000." In line 6, strike out the figures "77,000" and "154,000" and insert "81,000" and "158,000."

In line 4 of sub-division No. 57, strike out "37,500" and "75,000" and insert in lieu thereof "50,000" and "100,000." In line 10, strike out "114,495" and "228,990" and insert in lieu thereof "126,995" and "253,990."

In sub-division No. 58, strike out the figures "10,000" and "20,000" and insert in lieu thereof "12,000" and "24,000."

In line 19 of sub-division No. 59, strike out "2,330" and insert in lieu thereof "1,000." In line 21, strike out "334,730" and insert "333,400."

In sub-division No. 60, after line 9, insert line 9½ and the words and figures "dormitory for 1922, 100,000." In line 13, strike out "17,600" and "17,600" and insert in lieu thereof "29,000" and "29,000." In line 20, strike out "4000" and "4000" and insert in lieu thereof "5000" and "5000." In line 22, strike out the word "hauling" and insert in lieu thereof "handling." In line 27, strike out "113,650" and "186,050" insert in lieu thereof "126,050" and "298,450."

In line 2 of sub-division No. 61, strike out "60,000" and "120,000" and insert "51,000" and "102,000." After line 8, insert line 8½ and the words and figures "hospital and dental equipment, 2000 and 2000." In line 19 insert the words "deficit from Jan. 1, 1921 to June 30, 1921, 67,600 and 67,600." In line 20, strike out "168,500" and "337,000" and insert in lieu thereof "229,100" and "388,600."

In line 25 of sub-division No. 62, strike out "100" and "200" and insert in lieu thereof "250" and "500." In line 25a, strike out the figures "100" and "200" and insert "200" and "400." In line 32 insert the words "traveling expense," and the figures "125" and "250." In line 33, strike out "57,800" and "113,000" and insert in lieu thereof "58,175" and "113,650."

In line 22 of sub-division No. 65, strike out "1500" and "6000" and "12,000" and insert in lieu thereof "1200," "4800" and "9600." In line 10, strike out the figures "100" and "200" and insert in lieu thereof "5000" and "10,400." In line 12, strike out "96,050" and "192,100" and insert in lieu thereof "100,000" and "200,000."

Strike out all of sub-division No. 66.

In line 1, sub-division No. 71, strike out "1500" and "3000" and insert in lieu thereof "750" and "1500." Strike out all of line 2 and line 3 up to the word "the." Strike out the word "to" in line 3 and insert in lieu thereof "may." Strike out the "300" in line 7 and insert "150."

In line 1 of sub-division No. 76, strike out "20,000" and "40,000."

In sub-division No. 83, strike out "1380.82."

In sub-division No. 84, strike out "1000" and "2000."

In line 5 of subdivision No. 85, strike out "5000" and insert in lieu thereof "10,000." In line 7, strike out "5000" and insert "10,000." In line 9, strike out "10,000" and insert "20,000."

In line 4 of sub-division No. 87, strike out the year "1921" and insert in lieu thereof the year "1922," also in line 4, strike out "2500" and insert in lieu thereof "5000." In line 5, strike out "1922" and insert in lieu thereof "1923," also in line 5, strike out "2500" and insert in lieu thereof "5000." In line 7, strike out "5000" and insert in lieu thereof "10,000."

In line 1, sub-division No. 91, strike out "2800" and "5600" and insert in lieu thereof "2500" and "5000." In line 10, strike out "5300" and "10,600" and insert in lieu thereof "5000" and "10,000."

In line 2, sub-division No. 92, strike out "1800" and "3600" and insert in lieu thereof "1200" and "2400." In line 10, strike out "5700" and "11,400" and insert in lieu thereof "5,100" and "10,200."

In line 2, sub-division No. 93, strike out "3000" and "6000" and insert in lieu thereof "2500" and "5000." In line 4, strike out "1500" and "2000" and insert in lieu thereof "1200" and "2400." In line 14, strike out the figures "11,150" and "22,300" and insert in lieu thereof "10,350" and "20,700."

In line 2, sub-division No. 96, strike out "2800" and "5600" and insert in lieu thereof "2500" and "5000." In line 4, strike out "1500" and "3000" and insert in lieu thereof "1200" and "2400." In line 16, strike out "5,175" and "10,350" and insert in lieu thereof "4,575" and "9,150."

And when so amended recommend the same do pass.

J. W. CHURCH,
Chairman.

Mr. Garberg moved to amend the Committee report on Senate Bill No. 25 as follows: In subdivision 7 line 3 leave it as in the original bill and change totals to correspond which motion prevailed.

Mr. Steele moved to amend the committee report on Senate Bill No. 25 as follows, strike out lines 2, "2500" and "5,000" and insert in lieu thereof, "2800" and "5600" which motion was lost.

Senator Church moved to amend the committee report on Senate Bill No. 25 so that all the totals which may be changed by amendment be reconciled, which motion prevailed.

Senator Gardiner moved to amend the committee report on Senate Bill No. 25 as follows: In subdivision 8 line 3, strike out "2500" and "5000" and insert in lieu thereof "2800" and "5,600", which motion prevailed.

Senator Rush moved to amend the committee report on Senate Bill No. 25 as follows: Strike out lines 13, 14, 15, 16, 17 and 18 and insert in lieu thereof "Minnesota Drainage Case and other cases which motion prevailed.

Senator Rush moved to amend the committee report on Senate Bill No. 25 as follows: In subdivision No. 13 line 6, strike out "3000" and "6000" and insert in lieu thereof "2400" and "4800" which motion prevailed.

Senator Church moved to amend the committee report on Senate Bill No. 25 as follows: In subdivision 18, line 15 to read "250", "500" line 16 to read "Contingency fund to be used only to comply with Chapters 153 and 154, 1919 session laws, and Chapter 24 special session 16th assembly in case bonds are sold which motion prevailed.

Senator Gardiner moved to amend the committee report on Senate Bill No. 25, as follows: In subdivision 17, line 3, strike out "1320" and "2640" and insert 1200 and 2400 which motion was lost.

Senator Garberg moved to amend the committee report on Senate Bill No. 25 as follows in line 3, subdivision 17, strike out "2500" and "5000" and insert "2800" and "5600" which motion prevailed.

Senator Church moved to amend the committee report on Senate Bill No. 25 as follows: Strike out in subdivision 24, lines 5, 6, 7, 8, 9, 10 and 11 which motion prevailed.

Senator Church moved that the committee report be amended as follows: In subdivision 26 strike out line 5, which motion prevailed.

Senator Church moved that the committee report on Senate Bill No. 25 be amended as follows: In subdivision 27 strike out lines 65, 66, 68 and 69 which motion prevailed.

Senator Baker moved that the appropriation of 150,000 for new Law Building be held in abeyance until later which motion was lost.

Senator Ployhar moved that the committee report be amended by striking out lines 10, 11 and 12 in subdivision 30, which motion prevailed.

Senator Bowman moved to amend the committee report by reinserting in subdivision No. 32 the item Demonstration Cottage—12,500 which motion was lost.

Senator Rusch moved to amend the committee report on Senate Bill No. 4, by striking out line 4, in subdivision No. 32, which motion was lost.

Senator Ployhar moved that subdivision 32 be passed for the present, which motion prevailed.

Senator Liederbach moved to amend the committee report on Senate Bill No. 25, as follows: Strike out subdivision No. 38 which motion was lost.

Senator Liederbach moved to amend the committee report on Senate Bill No. 25, in subdivision 38: Strike out line 8 which motion was lost.

Senator Liederbach moved that the committee report on Senate Bill No. 25 be amended as follows: Strike out line 9 in subdivision 38, which motion was lost.

Senator Ployhar moved to amend the committee report on Senate Bill No. 25 as follows: Insert in subdivision 43, line 5 1-2 for purchase of real estate \$15,000, \$30,000 which motion prevailed.

Senator Senator Gardiner moved to amend the committee report as follows: Strike out line 7 in subdivision 44 which motion prevailed.

Senator Church moved to amend the committee report on Senate Bill No. 25 by inserting line 7 New Building, \$100,000 in subdivision 44 which motion prevailed.

Senator Bowman moved that the vote by which Senate Bill No. 111 was indefinitely postponed be reconsidered, which motion prevailed.

Senator Bowman moved that Senate Bill No. 111 be re-referred to the Ways and Means committee which motion prevailed.

Senator Wenstrom moved that House Bill No. 69 be re-referred to the committee on insurance which motion prevailed.

Senator McLachlin moved that the committee report be amended as follows: In line 25 subdivision 49 to read: Dormitory, \$9,000, \$9,000 which motion prevailed.

Senator Rush moved to amend the committee report on Senate Bill No. 25 so as to reduce the totals of subdivision 65, 50 percent and allow the department to rearrange their expense items to meet the reduced appropriation which motion prevailed.

Senator Church moved to amend the committee report by reinserting subdivision 76 into the Bill, which motion prevailed.

Senator Murphy moved that the committee report be amended so that subdivision 83 be re-inserted in the bill which motion prevailed.

Senator Nathan moved to amend the committee report by striking out \$10,000 in lines 5 and 7 and insert in lieu thereof \$15,000 be inserted also change the total to \$10,000 in subdivision 85.

Senator Whitman moved to amend the motion by striking out \$10,000 in lines 5 and 7 and insert in lieu thereof \$15,000 and change the total to \$30,000 which motion was lost.

The question being on the motion of Senator Nathan which motion was lost.

Senator Nathan moved to amend the report of the committee so that the figures in lines 4 and 5 of subdivision 87 read \$2,500 instead of \$5,000 which motion was lost.

Senator Rush moved that the committee report on Senate Bill No. 25 be amended so that the totals of subdivision 95 be reduced 50 percent and the department reorganize to meet the appropriation.

Senator McNair moved as substitute that the committee report in regard to subdivision 95 be not changed, which motion prevailed.

Senator Ployhar moved that the committee report be amended so that in line 6 subdivision 3, 4800 and 9600 be stricken out and 6000 and 12000 be inserted which motion was lost.

Senator Church moved to amend the committee report so that in line 4 in subdivision 4, the figures be changed to \$7500 and \$15,000 which motion prevailed.

Senator Whitman moved that the vote by which the appropriation under subdivision 65 was reduced 50 percent be reconsidered which motion was lost.

Senator Church moved that the report of the committee on Senate Bill No. 25 be adopted as amended which motion prevailed.

Senator Church moved that the rules be suspended in so far as is necessary and that Senate Bill No. 25 be considered properly re-engrossed and put on third reading and final passage immediately which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 25: A Bill for an Act to Appropriate Money for the Expenses of the Executive, Legislative and Judicial Departments of the State Government, and for Public Schools, Specifying the Amount and Time for Which Such Appropriations Shall be Available, and Repealing Sections 1416, 1418 and 1419 of the Compiled Laws of 1913, as Amended by Chapter 34 of the Session Laws of 1915, and All Other Acts and Parts of Acts in so far as the Same Relate to Appropriations Conflicting Herewith or the Appropriations for the Same Matters or Purposes Provided for Herein.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 41, nays, 0, absent and not voting, 8.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsh, Levang, Liederbach, McLachlin, McNair, Mees, Mikethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Ployhar, Patten, Rush, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman, Byrne, Gross, Kendall, Petterson, Porter, Schrenk, Stevens.

So the bill passed and the title was agreed to.

Mr. Church moved that the vote by which Senate Bill No. 25 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Church asked the consent of the Senate to introduce a bill which consent was granted.

Senator Liederbach moved that Senate Bill No. 117 be re-referred to the committee on State Affairs which motion prevailed.

INTRODUCTION, FIRST AND SECOND READING OF
SENATE BILLS

Mr. Church introduced:

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Session Laws of North Dakota for the Year 1919, Relating to the Purchase of Cattle by County.

Was read the first and second time and referred to the committee on State affairs.

Senator Benson moved that the Senate recess until Wednesday at 9 o'clock a. m.

Which motion prevailed.

W. J. PRATER,
Secretary.

FIFTY-FIRST DAY AFTER RECESS AND
FIFTY-SECOND DAY.

Senate Chamber,
Bismarck, North Dakota,
February 23, 1921.

The Senate Convened at 7:30 o'clock P. M., the President presiding.

SENATE ROLL CALL

Senate Bill No. 182: A Bill for a Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 33, nays 5, absent and not voting 11.

Ayes: Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Hagan, Ingerson, Levang, Liederbach, McLachlin, Mees, Micklethun, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Patten, Rusch, Sperry, Steel, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Baird, Carey, Kelsh, Schrenk, Storstad.

Absent and not voting: Bond, Gardiner, Gross, Kendall, McNair, Murphy, Nelson, Petterson, Porter, Stevens, Thorson.

So the bill passed and the title was agreed to.

Senator Fraser moved to amend Senate Bill No. 199 as follows:

Strike out everything after the words 'A Bill,' and substitute in place thereof the following:

"For an Act to Amend and Re-enact Section 3522 of the Compiled Laws of North Dakota for the Year 1913, Providing for Livery allowed Sheriffs.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

Section 1. AMENDMENT. Section 3522 of the Compiled laws of North Dakota for the Year 1913 be amended and re-enacted as follows.

Section 3522. **LIVERY.** The sheriff or his deputies shall be allowed as reimbursement for livery hire necessarily used in the performance of his or their official duties, but not while traveling by train, the actual expenses of such livery or automobile hire, which shall in no case exceed five dollars per day; forty miles or major fractions thereof shall be reckoned as one day's drive; twenty miles or less shall be reckoned as one-half day's drive, the same ratio shall apply to all drives extending over forty miles.

Which motion was lost.

SENATE ROLL CALL

Senate Bill No. 199: A Bill for an Act to Repeal Section 3522 of the Compiled Laws of North Dakota for 1913, Providing for Livery Allowed Sheriffs.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Nelson, Stevens.

So the bill passed and the title was agreed to.

Senator Fraser moved to amend Senate Bill No. 198 as follows: Strike out "15" and insert in lieu thereof "20" in line 6, which motion was lost.

Senator Baker moved to amend Senate Bill No. 198 as follows:

In line 9 strike out the word "state" and insert the word "county" in lieu thereof, which motion was lost.

SENATE ROLL CALL

Senate Bill No. 198: A Bill for an Act to Amend and Re-enact Section 3522 of the Compiled Laws of North Dakota for the Year 1913, Prescribing the Rate of Mileage Allowed the Sheriff.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun,

Murphy, Nathan, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Nelson, Stevens.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 140: A Bill for an Act to Amend and Reenact Chapter 224, Laws of North Dakota, for the Year 1919, an Act for the Purpose of Raising Revenue to defray the General Expenses of the State Government by Providing for a Tax on the Incomes of Individuals, Fiduciaries, Corporations, Joint Stock Companies or Associations and Insurance Companies in the State of North Dakota; Classfyng and Graduatng Incomes for the Purpose of Taxation; Providing for Exemptions and Deductions in Certain Cases; Describing a Method of Levying and Collecting Said Tax; Prescribing Penalties for Non-conformance With the Provisions of this Act, and Repealing All Acts and Parts of Acts in Conflict Herewith.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 34, nays 11, absent and not voting 4.

Ayes: Baird, Baker, Benson, Berg, Bowman, Byrne, East, gate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Sperry, Steel, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Bond, Carey, McLachlin, Murphy, Petterson, Ployhar, Porter, Rusch, Schrenk, Storstad.

Absent and not voting: Church, Gross, Nelson, Stevens.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which Senate Bill No. 140 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Rusch: I vote "no" on this proposition because it discriminates between resident and non-resident taxpayers.

Senator Mees moved to amend Senate Bill No. 202 as follows: In line six strike out the words "fifty per cent" and substitute therefor "ninety percent," which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 202: A Bill for an Act to Amend and Reenact Section 2 of Chapter 63 of the Session Laws of 1915 Prescribing and Limiting the Punishment of the Crime of Murder in the First Degree and Limiting the Time, Manner and Conditions Whereby Such Person May be Pardoned.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 40, nays 7, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsh, Kendall, Levang, Liederbach, McLachlin, Mees, Miklethun, Murphy, Nathan, Noltimier, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Whitman, Wog.

Nays: Bowman, Fleckten, Ingerson, McNair, Olson, Oksendahl, Wenstrom.

Absent and not voting: Nelson, Stevens.

So the bill passed and the title was agreed to.

Mr. Porter moved that the vote by which Senate Bill No. 202 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands. Included Within the Williston Irrigation District.

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Laws of North Dakota for the Year 1919 Relating to the Purchase of Cattle by County.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Whitman moved that the Senate consider Senate Bill No. 2 as a committee of the whole.

Senator Murphy moved that Senate Bill No. 2 be placed at the foot of the calendar, which motion prevailed.

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Laws of North Dakota for the Year 1919 Relating to the Purchase of Cattle by County.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 1, absent and not voting 4.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nolti-

mier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel.

Absent and not voting: Ingerson, Nelson, Rusch, Stevens.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which Senate Bill No. 201 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

House Chamber,
Bismarck, North Dakota,
February 23, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate concurrent resolution memorializing Congress to bring its attention to the Interstate Commerce Commission hearing now being held in Bismarck, and urging Congress to limit said Commission so that it cannot authorize blanket increases in intrastate rates.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Nathan moved that the vote by which Senate Bill No. 65 was indefinitely postponed be reconsidered, which motion prevailed.

Senator Nathan.

In Section 4 line 1 strike out the words "one hundred" and "fifty" be inserted in lieu thereof. Also strike out "\$100,000)" and insert in lieu thereof "\$50,000," which motion prevailed.

Senator Miklethun moved that the rules be suspended and Senate Bill No. 65 be considered properly re-engrossed and be placed on third reading and final passage, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 65: A Bill for an Act Requiring the Evaluation by the Board of Railroad Commissioners of All Common Carrier Railroad Property Within the State of North Dakota; Requiring the Fixing of the Fair Value Thereof for Rate Making Purposes; and Providing for an Appropriation to Carry Out the Provisions Thereof.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 29, nays 17, absent and not voting 3.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun,

Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Whitman, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, Murphy, Petterson, Ployhar, Porter, Rusch, Schrenk, Steel, Storstad, Thorson, Van Camp.

Absent and not voting: Nelson, Sperry, Stevens.

So the bill passed and the title was agreed to.

Mr. Bowman moved that the vote by which Senate Bill No. 65 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Church moved to amend Senate Bill No. 210 as

SENATE ROLL CALL

follows: Strike out the words "belonging to the General School Fund" which motion prevailed.

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands, Included Within the Williston Irrigation District.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Nelson, Stevens.

So the bill passed and the title was agreed to.

Mr. Byrne moved that the vote by which Senate Bill No. 201 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 202: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 63 of the Session Laws of 1915 Prescribing and Limiting the Punishment of the Crime of Murder in the First Degree and Limiting the Time, Manner and Conditions Whereby Such Person May be Pardoned.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Wenstrom moved that the votes by which the Senate Bills passed today be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

House Chamber,
Bismarck, North Dakota,
February 23, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 212: A Bill for an Act Designating Depositories of all Public Funds and Fixing the Minimum Rate of Interest; Requiring Competitive Bids for Such Deposits; Providing for Publicity with Reference to Such Funds and Depositories; Prescribing Penalties for Violation of This Act; Defining Terms Used Herein, and Repealing Sections 370 to 374, Inclusive, Sections 1472 to 1488, Inclusive, and Sections 3315 to 3329, Inclusive, of the Compiled Laws of 1913.

House Bill No. 25: A Bill for an Act to Amend and Re-enact Section 2078 of the Compiled Laws of North Dakota for the Year 1913 and Chapter 223 of the Session Laws of North Dakota for the Year 1919, Relating to the Exemption of Property from Taxation.

House Bill No. 192: A Bill for an Act to Amend and Re-enact Chapter 97 of the Session Laws of 1917, as Amended by Chapter 99 of the Session Laws of 1919, and by Chapter 29 of the Special Session Laws of 1919, Relating to Cooperative Associations and to Repeal Chapter 13 of the Civil Code of the Compiled Laws of 1913, Chapter 92 of the Session Laws of 1915, and Chapters 95 and 96 of the Session Laws of 1917.

House Bill No. 203: A Bill for an Act to Amend and Re-enact Section 69 of the Compiled Laws of North Dakota for 1913, Relating to the Printing of the Popular Edition of the Session Laws; Fixing the Specifications for the Unauthenticated Edition of the Session Laws of the State of North Dakota, and Repealing All Acts and Parts of Acts in Conflict Therewith.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
February 23, 1921.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 79: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

House Bill No. 176: A Bill for an Act to Amend and Re-enact Section 2078, Compiled Laws of North Dakota for the

Year 1913, as Amended by Chapter 223, Session Laws of 1919, Relating to the Exemption of Property From Taxation.

House Bill No. 77: A Bill for an Act Fixing the Compensation of Election Officers.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

GENERAL ORDERS.

Senator Steel moved that the Senate resolve itself into a committee of the whole for the consideration of general orders which motion prevailed and the Senate resolved itself into a committee of the whole.

The President called Senator Steel to the chair.

When the committee arose it submitted the following report:

Mr. President: The committee of the whole have had under consideration Senate Bill No. 2 and have no recommendation to make.

ALFRED STEEL,
Chairman.

Senator Bowman moved that the report of the committee of the whole be adopted, which motion prevailed.

Senator Whitman moved to amend Senate Bill No. 2 as follows:

Amend the declaration, above line one on page 1, to read "In order to place the issue before the people of the State of North Dakota;

Be it resolved by the Senate of the State of North Dakota the House of Representatives concurring:

On page 2, line 9, strike out the word "which" and substitute therefor "said highways."

On page 2 between lines 10 and 11 insert "may be authorized by the Legislature, provided that there."

On page 2 in line 11 correct the spelling of the word "terminals."

On page 2 in line 13 after the word "through" insert "or by,"

On page 3 amend the description of "Route No. 6" to read:

From the South Dakota state line south of Ellendale north-erly by Ellendale, Edgeley, Franklin, Nortonville, Millarton, Jamestown, Parkhurst, Buchanan, Pingree, Edmunds, Melville, Carrington, New Rockford, Sheyenne, Devils Lake, Starkweather and Clyde to the International Boundary.

On page 4 amend the description of "Route No. 9" to read:

From the South Dakota state line south of Bowman to Route No. 8 at or near Bowman, then from Route No. 8 at or near Marmarth northerly by Golva, Beach, Alexander, Williston, Alamo and Crosbgy to the International Boundary.

On page 5 amend the description of Route No. 14 to read:

From Fargo southwesterly and westerly by Davenport, Leonard, Sheldon, and Lisbon to Route 13 north of Verona, then from Route No. 13 at or near Verona by LaMoure to Route No. 6 north of Ellendale then from Route No. 6 at or near Edgeley westerly, northerly and westerly by Napoleon to Route No. 7 at or near Hazelton then from Route No. 7 south of Linton southwesterly to Route No. 15 at or near Fort Yates.

On pages 5 and 6 amend the descriptions of Route No. 15 to read: "Beginning at the South Dakota state line south of Fort Yates northwesterly by Fort Yates, Cannonball, Gwyther, Schmidt, Harmon, Price, Sanger, Fort Clark, Hazen, Beulah, Golden Valley and Elbowoods to Route No. 11 east of Parshall then from Route No. 11 east of Parshall northerly to Route No. 1 at or near Stanley then from Route 1 at or near Palermo northerly to Bowbells.

On page No. 6 in line No. 1 of the description of Route No. 19" strike out the word "at" and substitute therefor "and."

Page No. 7 amend the description of Route No. 20 to read:

From Route No. 5 between Lisbon and Fingal by Alice, Buffalo, Paige, Colgate and Hope to Route No. 19 south of Finley then from Route No. 13 on or near the county line between the counties of Griggs and Nelson by New Rockford and Fessenden to Route No. 10 south of Harvey, then from Route No. 5 at or near Drake westerly to Route No. 7 north of Max.

On page No. 7 amend the description of "Route No. 21" to read:

From Route No. 11 at or near Arnegard southerly and westerly by Mary, Killdeer, Dunn Center, Werner and Dodge to Route No. 15 at or near Golden Valley then from Route No. 15 south of Stanton northerly to Stanton and then easterly to Route No. 7 at or near Washburn then from Route No. 12 east of Wilton southerly to Route No. 2 at or near McKenzie then from Route No. 7 at or near Hull south to the South Dakota line.

On page No. 7 amend the description of "Route No. 23" to read:

From Route No. 21 between Mary and Killdeer southerly by Fairfield to Route No. 2 at or near Belfield then from Route No. 2 at or near Fryburg southerly to Route No. 12 at or near Amidon.

On page No. 7 amend the description of "Route No. 24" to read:

From Route No. 14 at or near LaMoure northwesterly to Route No. 2 at or near Jamestown then from Route No. 6 north of Sheyenne by Oberon and Minnewaukan to Route No. 1 at or near Niles then from Route No. 1 at or near Churchs Ferry by Cando and Arndt to Route No. 4 at or near Rock-Lake then from Route No. 4 north of Rock Lake northerly, westerly and northerly to the International Boundary.

After the descriptions of Route No. 25 on page 7, add descriptions or routes Nos. 26, 27, 28, 29, 30 and 31 as follows:

ROUTE NO. 26.

From the South Dakota state line south of Hettinger northerly through Hettinger to Route No. 12 at or west of Regent then from Route No. 12 at or near Mott northerly to Route No. 2 at or near Richardton.

ROUTE NO. 27.

From Route No. 15 north of Center southerly by Center to Route No. 2 at or near Sedalia then from Route No. 2 west or southwest of New Salem south by Carson to the South Dakota state line.

ROUTE NO. 28.

From Route No. 3 at or near Fairmount westerly by Hankinson, Stiles, Lidgerwood, Alicia to Route No. 5 at or near Forman.

ROUTE NO. 29.

From Route No. 14 south of Gackle northerly by Gackle, Cleveland, Woodworth to Route No. 11 east of Sykeston then from Route No. 1 at near York, north through Rolla to the International Boundary.

ROUTE NO. 30.

From Route No. 6 at or near Pingree westerly to Route No. 29.

ROUTE NO. 31.

From Route No. 7 east of Garrison, westerly through Garrison to Route No. 15, north of Elbowoods.

On page 8 in line 4 of section 2 after the word "authorized" insert "and no transfer or payment shall be made from said fund except that" and the following word "The" change capital to a small letter. On the same page between lines 8 and 9 of the same section insert "no transfer or payment shall be made from the Trunk Highway Fund except for the purposes herinafter described."

On page 8 in line No. 9 of Section No. 2 strike out the word "solely" and after the word "articles," in line No. 10 insert "and for paying the necesasry costs of maintaining and operating the State Highway Commission." In line 15 strike out the word "Commissioner" and substitute therefor "Commission." In line 21 strike out the words "and such expend-

iture" and substitute therefor "which improvement." In line 22 after the word "Commission" use a period in place of the comma and strike out the remainder of line 22 on page 8 and all the following lines 23, 24, 25, 26, 27, 28 and 29 on page 9.

On page 9 at the end of line 9, in Section No. 4 and on page 10 at the beginning of line 10, of the same section, strike out the word "sinking." On page 10, in section 2, after the word "shall" strike out the words "before a term not exceeding 20 years," and substitute therefor "bear interest at the rate of not exceeding six per centum per annum, payable semi-annually and shall mature serially and be paid within a period not exceeding thirty years from the date of their issuance." In line No. 3 and in line No. 3(a), following of this same section, strike out the words "and shall not be at interest at a greater rate than six per cent. per annum."

On page No. 10 after line 9 of section 4 add "Section 5. This amendment shall take effect and be in force on and after January first 1923."

On page 10 in line one of "Section 5" strike out the numeral "5" and substitute therefor the numeral "6".

On page No. 10 in line 1 of "Section No. 6" strike out the numeral "6" and substitute the numeral "7". On page 10 in line one of Section 7 strike out the numeral "7" and substitute therefor the numeral "8."

On page 10 in line 2 of the amended "Section 8" strike out the word "general" and substitute therefor the word "primary." In the same line and in the following line No. 3, strike out the words "next ensuing after the passage of this act." and substitute therefor "of June 1922."

On page 5 under the description of Route No. 12, in line 5, strike out the word "to" and substitute therefor "of."

Which motion prevailed.

Senator Gardiner moved that the rules be suspended and Senate Bill No. 2 be considered properly engrossed and placed on third reading and final passage, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 2: A Concurrent Resolution for an Amendment to the Constitution of the State of North Dakota, Providing for and Establishing a Trunk Highway System to be Constructed, Improved and Maintained by the State; Establishing and Authorizing the Creation of a Fund for Such Purpose by the Taxation of Motor Vehicles, the Issuance of Bonds and Otherwise.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 10, nays 32, absent and not voting 7.

Ayes: Baird, Beisel, Gardiner, Kelsh, Mees, Noltmier, Steel, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Nathan, Olson, Oksendahl, Ployhar, Porter, Rusch, Schrenk, Sperry, Storstad, Ward, Wenstrom, Wog.

Absent and not voting: Byrne, Garberg, Murphy, Nelson, Petterson, Patten, Stevens.

So the bill was lost.

Senator Baker: I wish to vote "aye" on this question for the reason that I believe that the Good Roads movement will prove a benefit to the people of North Dakota but I do not think we are ready to undertake the proposition at this time. Therefore, I vote "no."

Senator Benson: I am confident that the good roads movement will be retarded by the passage of this bill at this time and therefore I vote "no."

Senator Bond: I do not think that we are ready at this time to go into an enterprise of this kind and for this reason I vote "no."

Senator Bowman: I am for good roads, heart and soul, but the passage of this bill at this time will hurt the good roads movement.

Senator Ettetstad: According to the facts of the Senator from Grand Forks it is going to take a large sum of money to build these roads and our Highway department has already spent a big amount and are still asking for more. Therefore I vote "no" on this bill.

Senator Gardiner. I am for good roads. I believe in a uniform system but I am not sure what the people want in this state and I am willing to submit this to the people because I think it is up to them. I vote "aye."

Senator Liederbach: I am always behind any proposition regarding good roads, but I believe at this particular time that the State of North Dakota needs other improvements that are much more essential at this particular time than this road plan. I think this plan is too extensive for the people to undertake at this particular time and I do not think the plan advisable just now. I vote "no."

Senator McNair: We have been carried away up to this time by the idea that we must be able to do what the United States government is doing for us on the plea that we are getting these things for nothing. Now, gentlemen, we are not getting these things for nothing but are paying dearly for what we get. We know that our state is not ready to undertake a proposition of this kind and for that reason I vote "no."

Senator Mees. I believe we ought to give to the people of this state an opportunity to express themselves whether or not they wish to build roads on a uniform system or whether they wish to spend as much money in the old style of work as has been carried out throughout the state. I think the peo-

ple ought to decide this question for themselves. Therefore, I vote "aye."

Senator Van Camp: I feel that this is a nation-wide movement that we are taking up and there is no danger of the people going wrong in regard to the building of good roads and in view of the fact that this movement is going to benefit the people of this state I think it is wise to go ahead. I vote "yes."

Senator Ward: I do not believe that any man enjoys good roads more than I do and I am heartily in favor of this proposition but I do not think it is wise to take up at this time. I vote "no."

Senator Wenstrom: I am for good roads but for the reason that I do not believe that the people are ready to vote in favor of this proposition at this time for the reason that they did not use very good judgment in the last election. Therefore I vote "no."

Senator Baker moved that after the first and second reading of House Bills the senate recess until 9 o'clock A. M. tomorrow, which motion prevailed.

Therefore. They ought to decide this question for themselves. I vote "aye."

FIRST AND SECOND READING OF HOUSE BILLS.

House Bill No. 192: A Bill for an Act to Amend and Re-enact Chapter 97 of the Session Laws of 1917, as Amended by Chapter 99 of the Session Laws of 1919, and by Chapter 29 of the Special Session Laws of 1919, Relating to Cooperative Associations and to Repeal Chapter 13 of the Civil Code of the Compiled Laws of 1913, Chapter 92 of the Session Laws of 1915, and Chapters 95 and 96 of the Session Laws of 1917.

Was read the first and second time and referred to the committee on Corporations other than Municipal.

House Bill No. 212: A Bill for an Act Designating Depositories of all Public Funds and Fixing the Minimum Rate of Interest; Requiring Competitive Bids for Such Deposits; Providing for Publicity with Reference to Such Funds and Depositories; Prescribing Penalties for Violation of This Act; Defining Terms Used Herein, and Repealing Sections 370 to 374, Inclusive, Sections 1472 to 1488, Inclusive, and Sections 3315 to 3329, Inclusive, of the Compiled Laws of 1913.

Was read the first and second time and referred to the committee on Banks and Banking.

House Bill No. 176: A Bill for an Act to Amend and Re-enact Section 2078, Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 223, Session Laws of 1919, Relating to the Exemption of Property From Taxation.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

House Bill No. 79: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

Was read the first and second time and referred to the committee on Public Printing.

House Bill No. 77: A Bill for an Act Fixing the Compensation of Election Officers.

Was read the first and second time and referred to the committee on Elections.

House Bill No. 25: A Bill for an Act to Amend and Re-enact Section 2078 of the Compiled Laws of North Dakota for the Year 1913 and Chapter 223 of the Session Laws of North Dakota for the Year 1919, Relating to the Exemption of Property from Taxation.

Was read the first and second time and referred to the committee on Taxes and Tax Laws.

House Bill No. 203: A Bill for an Act to Amend and Re-enact Section 69 of the Compiled Laws of North Dakota for 1913, Relating to the Printing of the Popular Edition of the Session Laws; Fixing the Specifications for the Unauthenticated Edition of the Session Laws of the State of North Dakota, and Repealing All Acts and Parts of Acts in Conflict Therewith.

Was read the first and second time and referred to the committee on Public Printing.

The Senate recessed.

Senate Chamber,
Bismarck, North Dakota,
February 24, 1921.

The Senate reassembled at 9 o'clock A. M., pursuant to recess taken, the President presiding.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 38: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 214 of the Laws of North Dakota for the Year 1919 as Amended and Re-enacted by Chapter 61 of the Special Session Laws of North Dakota for the Year 1919, Relating to the Limitations of Tax Levies, Debt Limits and the Powers and Duties of Certain Officers.

Senate Bill No. 197: A Bill for an Act Making an Appropriation for the Care and Maintenance of Persons Affected With Leprosy.

Senate Bill No. 190: A Bill for an Act to Amend and Re-enact Article 9 and Section 1674, and 1675 of the Compiled Laws of 1913, and to Repeal Sections 1676, 1677, 1678, and 1679 of the Compiled Laws of 1913.

Senate Bill No. 191: A Bill for an Act to Amend and Re-enact Section 1679a and 1679b, Relating to Forestry and Nursery.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Church moved that Senate Bills No. 135 and 136 be placed at the foot of the calendar, which motion prevailed.

Senator Bowman moved that Senate Bill No. 38 be put at the foot of the calendar, which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 197: A Bill for an Act Making an Appropriation for the Care and Maintenance of Persons Affected with Leprosy.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carev, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, McLachlin, McNair, Mees, Micklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Ployhar, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Van Camp, Ward, Westrom, Whitman, Wog.

Absent and not voting: Fleckten, Liederbach, Petterson, Porter, Steel, Thorson.

So the bill passed and the title was agreed to.

Senator Storstad moved that further consideration of Senate Bill No. 190 be indefinitely postponed, which motion prevailed.

Senator Garberg moved that further consideration of Senate Bill No. 191 be indefinitely postponed, which motion prevailed.

Senator Gardiner moved that Senate Bill No. 38 be made a special order for 1 o'clock P. M. which motion prevailed.

Senator Stevens moved that further consideration of Senate Bill No. 48 be indefinitely postponed, which motion was lost.

SENATE ROLL CALL

Senate Bill No. 48: A Bill for an Act Requiring County Commissioners to have Classified all Acre Property in the State, Providing method of Contracting for Such Work of Classification, Authorizing a Tax Levy Therefor, Fixing Classification Schedules, Providing for Notice to Public prior to Adoption of such Classification and Fixing the duties of the Board of County Commissioners, Boards of Review and Equalization and Local Assessors with respect to such Classification Schedules.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 33, nays 15, absent and not voting 1.

Ayes: Baird, Beisel, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fraser, Gardiner, Garberg, Gross, Ingerson, Kendall, Levang, Liederbach, McNair, Mees, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Patten, Sperry, Steel, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Baker, Benson, Berg, Fleckten, Hagan, Kelsh, McLachlin, Miklethun, Nelson, Petterson, Porter, Rusch, Schrenk, Stevens, Storstad.

Absent and not voting: Murphy.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

Senate Bill No. 117: A Bill for an Act Empowering the Board of County Commissioners of Each County to Designate Depositories for County Funds and Providing the Procedure and the Regulations Under Which Such Funds May be Deposited.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 26, nays 23, absent and not voting 0.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, Kendall, McLachlin, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the bill passed and the title was agreed to.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands. Included Within the Williston Irrigation District.

Senate Bill No. 65: A Bill for an Act Requiring the Evaluation by the Board of Railroad Commissioners of All Common Carrier Railroad Property Within the State of North Dakota; Requiring the Fixing of the Fair Value Thereof for Rate Making Purposes; and Providing for an Appropriation to Carry Out the Provisions Thereof.

Senate Bill No. 162: A Bill for an Act to Provide a Minimum Salary for a Teaching Experience of Less Than One School Year, and a Schedule of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

And find the same correctly re-engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 111: A Bill for an Act Entitled: An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and Also Providing That the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Affectual for Certain Purposes, Also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws.

Senate Bill No. 178: A Bill for an Act to Amend and Re-enact Section 400 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Powers and Duties of the Board of Health.

Senate Bill No. 117: A Bill for an Act Empowering the Board of County Commissioners of Each County to Designate Depositories for County Funds and Providing the Procedure and the Regulations Under Which Such Funds May be Deposited.

Senate Bill No. 48: A Bill for an Act Requiring County Commissioners to have Classified all Acre Property in the State, Providing method of Contracting for Such Work of Classification, Authorizing a Tax Levy Therefor, Fixing Classification Schedules, Providing for Notice to Public prior to Adoption of such Classification and Fixing the duties of

the Board of County Commissioners, Boards of Review and Equalization and Local Assessors with respect to such Classification Schedules.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

SENATE ROLL CALL

Senate Bill No. 178: A Bill for an Act to Amend and Re-enact Section 400 of the Compiled Laws of North Dakota for the Year 1913, and Relating to Powers and Duties of the Board of Health.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 18, nays 30, absent and not voting 1.

Ayes: Baker, Benson, Berg, Byrne, Church, Fleckten, Garberg, Gross, Ingerson, Levang, Liederbach, McNair, Miklethun, Noltimier, Olson, Patton, Ward, Wog.

Nays: Baird, Beisel, Bond, Bowman, Carey, Eastgate, Ettestad, Gardiner, Hagan, Kelsch, Kendall, McLachlin, Mees, Murphy, Nathan, Nelson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Wenstrom, Whitman.

Absent and not voting: Fraser.

So the bill was lost.

Senator Bowman moved that Senate Bill No. 111 be amended as follows: In line seven strike out the word "60" and insert in lieu thereof "30." Line 12 strike out the word "60" and insert in lieu thereof the word "30" which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 111: A Bill for an Act entitled: "An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and also Providing that the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Effectual for Certain Purposes, also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws."

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 47, nays 2, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Gardiner,

Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Ettestad, McLachlin.

So the bill passed and the title was agreed to.

Senator Baker moved that the vote by which Senate Bill No. 117 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Mees moved that the vote by which Senate Bill No. 48 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Ployhar moved that the vote by which Senate Bill No. 111 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Mees moved to amend Senate Bill 136 as follows: In line 5 of the title of the bill after the word Bismarck insert "and the State Training School in the city of Mandan, county of Morton."

In Section 1 add at the end of the Section "and the State Training School at Mandan, County of Morton."

Section 8 line 6 after the word "Bismarck" add "and the county of Morton and the city of Mandan."

Section 9, line 5 after the word "Burleigh" add "and such State institutions located at Mandan, county of Morton."

A roll call was demanded.

SENATE ROLL CALL

Senate Bill No. 136: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Enterprise of Furnishing Electricity for Power, Heat and Lighting Purposes to the Inhabitants and Public of the City of Bismarck and of the County of Burleigh, and to Supply Electricity to all State Buildings Owned or Leased by the State of North Dakota in Said City and County and to the State Street Car Line.

The question being on the motion of Senator Mees to amend Senate Bill No. 136, the roll was called and there were ayes 24, nays 25, absent and not voting 0.

Ayes: Baird, Beisel, Bond, Eastgate, Gardiner, Garberg, Kelsh, Kendall, McLachlin, McNair, Mees, Murphy, Nelson, Petterson, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Carey, Ettestad, Fleckten, Fraser, Gross, Hagan, Ingerson, Levang, Liederbach, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Patten, Ward, Wenstrom, Wog.

So the motion lost.

SENATE ROLL CALL

Senate Bill No. 136: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Enterprise of Furnishing Electricity for Power, Heat and Lighting Purposes to the Inhabitants and Public of the City of Bismarck and of the County of Burleigh, and to Supply Electricity to all State Buildings Owned or Leased by the State of North Dakota in Said City and County and to the State Street Car Line.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 30, nays 18, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Patten, Ward, Wenstrom, Whitman, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, McLachlin, Mees, Petterson, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp.

Absent and not voting: Porter.

So the bill passed and the title was agreed to.

Mr. Liederbach moved that the vote by which Senate Bill No. 136 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Mees: Inasmuch as the majority of this senate has seen fit not to adopt the amendments which would provide for lighting the state institutions located in close proximity to the state penitentiary and inasmuch as they contemplate going into competition for private use here in the city of Bismarck, attempting to monopolize the resources of the state for the benefit of the city of Bismarck, I vote no.

Senator Sperry: I vote no for the reason that materials are high and money is scarce and I think the bill should not be put through at this time. I vote no.

Senator Rusch moved that Senate Bill No. 135 be amended as follows: In Section 3, line 7, strike out "7 percent" and insert in lieu thereof "6 percent," which motion prevailed.

Senator Liederbach moved that Senate Bill No. 135 be amended as follows: In Section 4, line 10, after the word number insert the figures "136" which motion prevailed.

SENATE ROLL CALL

Senate Bill No. 135: A Bill for an Act Providing for the Issuance of Bonds of the State of North Dakota in a Sum Not Exceeding \$250,000.00, to be Known as "Bonds of North Dakota, Electric Utility Series;" Prescribing the Terms and Stating the Purposes Thereof; Providing for a Tax and Mak-

ing Other Provisions for the Payment Thereof; Making Appropriations for the Payment of Said Bonds and Other Provisions for the Payment of Interest and Principal of Said Bonds and to Carry Into Effect the Provisions of This Act.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 30, nays 18, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Ployhar, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Kelsh, McLachlin, Mees, Petterson, Porter, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Steel.

So the bill passed and the title was agreed to.

Mr. Liederbach moved that the vote by which Senate Bill No. 135 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Senator Bowman moved to amend Senate Bill No. 38 as follows: Section 1, in line 14, of the engrossed bill between the words "city" and "written" insert "or school district," which motion prevailed.

Senator Kendall moved to amend Senate Bill No. 38 in Section 1, line 9, strike out the word majority and insert in lieu thereof 60 per cent of the voters, which motion was lost.

Senator Rusch moved that further consideration of Senate Bill No. 38 be indefinitely postponed, which motion was lost.

HOUSE CHAMBER

Bismarck, N. D., Feb. 24, 1921.

Mr. President: I have the honor to inform you the House requests the return of House Bill No. 25.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., Feb., 24, 1921

Mr. President: I have the honor to inform you that the House requests the return of House Bill No. 104.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Storstad moved that the Senate return to the eight order of business which motion prevailed.

Senator Mees moved that House Bills No. 104 and House Bill 25 be returned to the House.

Senator Bowman moved that the motion of Senator Mees be laid on the table.

Which motion prevailed.

Senator Ployhar moved that House Bills 104 and House Bill 25 be withdrawn from the committee.

Which motion was lost.

Senator Bowman moved that the Sergeant at Arms be instructed to bring Mr. Twitchell before the bar of the Senate to apologize for his statements in regard to the Senate.

Senator Whitman moved that the motion of Senator Bowman be laid on the table, which motion prevailed.

Senator Rusch moved to amend Senate Bill No. 38 as follows: Add at the end of section 1 "Providing this act shall not apply to cities over 5000 inhabitants.

Senator Murphy moved that further consideration of Senate Bill No. 38 be indefinitely postponed, which motion prevailed.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 111: A Bill for an Act entitled: "An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and also Providing that the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Effectual for Certain Purposes, also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws."

Senate Bill No. 135: A Bill for an Act Providing for the Issuance of Bonds of the State of North Dakota in a Sum Not Exceeding \$250,000.00, to be Known as "Bonds of North Dakota, Electric Utility Series;" Prescribing the Terms and Stating the Purposes Thereof; Providing for a Tax and Making Other Provisions for the Payment Thereof; Making Appropriations for the Payment of Interest and Principal of Said Bonds and to Carry Into Effect the Provisions of This Act.

And find the same correctly Re-engrossed.

A. G. STORSTAD.
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Gardiner moved that the Senate do now adjourn which motion prevailed and the Senate adjourned.

FIFTY-SECOND DAY

Senate Chamber,
Bismarck, North Dakota,
February 24, 1921.

The Senate convened at 2 o'clock p. m. the president presiding.

Prayer by the Chaplain, Rev. Strutz.

The roll was called, all Senators being present except Senator Byrne.

Senator Church moved that all absent Senators be excused which motion prevailed.

Senator Storstad moved that action on the correction and revision of the journal be deferred which motion prevailed.

Cando, N. Dak., Feb., 23, 1921

J. D. Beisel,
Senate Bismarck, N. Dak.

The undersigned legal voters of Towner county urgently request you to support the extension appropriation in the Agricultural College budget. We believe that Agricultural Extension Work is vital to the interests of better and more profitable agriculture and must have proper state support,

ALEX CURRIE, and 23 others.

Williston, North Dak., Feb., 18, 1921.

Honorable Howard Wood,,
President of the Senate.
Bismarck, North Dak.

Dear Sir:

I understand that House Bills 68 and 69 have passed the House and will come up for consideration in the Senate in the very near future and that if these bills become laws the present Workmen's Compensation Act will be practically killed.

As a citizen of the State of North Dakota I want to earnestly protest against the passage of these bills and beg of you to do all in your power to prevent their passage in the Senate.

Yours very truly,

(Signed) MARTIN OLSEN, and 34 others.

Tappen, North Dakota, Feb., 23, 1921

Senator Ward.
Bismarck, North Dakota.

We urge that you support the Extension appropriation in the agricultural college budget curtailment of funds for this department would be disastrous and not in line with the desires of our people.

P. F. HAASE,
F. S. HORLACHER,
A. TISHLER,
O. E. ERICKSON.

Steele, North Dakota, Feb., 23, 1921

Sen. Ward.

Care, McKenzie Hotel, Bismarck, N. Dak.

The majority of our farmers are in favor of Extension work, we therefore urge you to support the extension appropriation in the agricultural college budget.

ROSS HARBICK,
F. P. MURPHY,
J. C. GARLAND,
A. DANFORTH.

Ruso, N. D.

Sen. Fraser, Bismarck, N. D.

Believing that from a standpoint of service to the traveling public, economy of construction and maintenance the Trunk Highway, Route No. 7, as shown in Senate Bill No.2 should be built from Bismarck to Minot via Wilton, Turtle Lake, Ruso, and Velva.

We, The undersigned, citizens and taxpayers of the State of North Dakota, do hereby petition you to use your influence and vote to amend Senate Bill No. 2 (Substituted for Original Bill) Concurrent Resolution, introduced by Hon. W. S. Whitman, by striking out the following under heading: Route No. 7, on page four (4) of said bill, the following in line seven (7): Washburn, Underwood, Cloeharbor, Max, and insetting the following in lieu thereof: Turtle Lake, Ruso, Velva.

We firmly believe that route No. 7 as we petition same to be amended would best serve the people of the territory through which it would pass and that it would be the most practical to construct.

P. A. WHIPPLE, Ruso, N. D. and 50 others

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Concurrent Resolution, introduced by Mr. Wenstrom.

And find the same correctly engrossed.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred.

House Bill No. 115: A Bill for an Act to Amend and Re-enact Section 6854 of the Compiled Laws of North Dakota for the Year 1913, Relating to Thresher's Liens and Who May Have.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred.

House Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3710 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Contractors. How Paid.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred.

House Bill No. 124: A Bill for an Act to Amend and Re-enact Chapter 205 of the Session Laws of the State of North Dakota for the Year 1919 Prohibiting the Sale of Any New Draft Sleds Within the State of Which the Runners Measure Less Than Four Feet Six Inches from Center to Center and Making the Sale of Same a Misdemeanor and Providing for the Revocation of the License of Any Foreign Corporation to do Business in the State Which Fails to Comply With the Terms of this Act.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred.

House Bill No. 59: A Bill for an Act to Amend and Re-enact Section 3905 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Building and Repairing of Sidewalks by Villages, the Giving of Notice Thereof, the Duties of Real Property Owners, and the Powers of the Board of Trustees in Regard Thereto.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Agriculture made the following report:

Mr. President: Your committee on Agriculture to whom was referred.

House Bill No. 118: A Bill for an Act to Amend and Re-enact Sections 624 and 625 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 252 of the Laws of North Dakota for the Year 1917 and by Chapter 25 of the Laws Passed by the Special Session of the Legislative Assembly of North Dakota in 1919, Relative to the Commissioner of Noxious Weeds.

Have had the same under consideration and recommend that the same be amended as follows:

On page 3 of the engrossed Bill, in Section 2, line 4, after the figures 1917, insert, as amended by Chapter 25, Special Session Laws of 1919.

And when so amended recommend the same do pass.

OLE ETTESTAD,
Chairman.

Mr. Ettestad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Agriculture made the following report:

Mr. President: Your committee on Agriculture to whom was referred.

House Bill No. 119: A Bill for an Act Declaring Sow Thistles to be a Noxious Weed, Providing for Its Destruction and Providing for the Payment of the Expense of Its Destruction.

Have had the same under consideration and recommend that the same do pass.

OLE ETTESTAD,
Chairman.

Mr. Ettestad moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Gardiner moved that the concurrent resolution introduced in the House by Mr. Sagen be adopted.

SENATE ROLL CALL

Was read the third time.

The question being on the adoption of the Concurrent Resolution by Sagen in regard to St. Lawrence-Great Lakes Tidewater Project, the roll was called and there were ayes 40, nays 0, absent and not voting 9.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Hagan, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Petterson,

Ployhar, Patten, Rusch, Schrenk, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Byrne, Church, Garberg, Gross, Ingerson, Nathan, Oksendahl, Porter, Sperry.

So the Concurrent Resolution was adopted.

The courtesees of the floor were extended to Geo. J. Brown of Dickinson, G. I. Gullickson of Grand Forks, Sam Mauck of Moffet, John Holste, Kentyre, Edward Steins of Hazelton, C. H. Copper of Crackon, W. E. Jackle of Fessenden, E. C. Kaufman of Hillsboro, C. A. Swanson of Driscoll, M. J. Sawyer of Driscoll, Delmer Syverson of Driscoll, E. E. Scott of Cannonball, N. N. King of Cannonball, Miss Aughney, Maude Wheelock and Fannie Young, Bismarck.

Senator Baker moved that the Senate recess until one o'clock p. m. tomorrow which motion prevailed.

W. J. PRATER,
Secretary.

FIFTY-SECOND DAY AFTER RECESS AND
FIFTY-THIRD DAY.

Senate Chamber,
Bismarck, North Dakota,
February, 25, 1921.

The Senate convened at 1 o'clock P. M., the President presiding.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 146: A Bill for an Act to Amend and Re-enact Section 3533 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 104 of the Session Laws of 1915, Relating to the Compensation and Office Hours of County Commissioners.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 34: A Bill for an Act to Fix the Salaries of Certain County Officers, to Provide for the Payment Thereof, for the Employment and Payment of Deputies and Clerk Hire in Such Offices, the Collection and Deposit of Fees, and the Repeal of Certain Laws.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 206: A Bill for an Act Authorizing Boards of County Commissioners to Issue Refunding Bonds to Fund or Refund for the Purpose of Seed Grain or Seed and Feed Grain Bonds or Warrants Theretofore Issued Pursuant to Law for the Purchase of Seed Grain and Feed or Either.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 92: A Bill for an Act Providing for a Committee to Investigate the Proposed Roosevelt Park.

Have had the same under consideration and recommend that the same be indefinitely postponed.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 125: A Bill for an Act to Amend and Re-enact Section 2681 of the Compiled Laws of the State of North Dakota for 1913, Compensation for Members of State Live Sock Sanitary Board.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 168: A Bill for an Act to Amend and Re-enact Section 287 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 241 of the Session Laws of 1915, and as Amended by Chapter 204 of the Session Laws of 1917, and as Amended by Chapter 198 of the Session

Laws of 1919, Relating to the Investment of University and School Land Funds.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 140: A Bill for an Act to Amend and Re-enact Chapter 271 of the Session Laws of North Dakota for the Year 1915, Relating to Qualifications of Signers on Petition of County Commissioners.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Ployhar moved that action on the committee report on House Bill No. 101 be deferred, which motion prevailed.

Senator Mees moved to amend House Bill No. 107 as follows: Beginning with line 11 strike out everything up to and including line 20 of the printed bill, which motion prevailed.

Senator Liederbach moved to amend Senate Bill No. 107 as follows: In the fourth line of the title after the figures "1919," add the following: "and Section 36 of Chapter 161 of the Laws of North Dakota for the year of 1915 as amended by Chapter 134, Laws of North Dakota for the year 1919."

After Section 1 insert "Section 36 of the Year 1915 as amended by Chapter 134 of the Laws of North Dakota for the Year 1919 amended as follows." Insert "resident licenses for hunting deer shall be sold for one hundred dollars" between "each" and "resident trapping."

Senator Mees moved that the amendment of Senator Liederbach be laid on the table, which motion prevailed.

Senator Ward moved that the motion to lay on the table be reconsidered, which motion prevailed.

The question being on the motion to lay on the table, the motion was lost.

The question being on the amendment offered by Senator Liederbach, which motion was lost.

Senator Liederbach moved to amend by making the resident license \$25.00, which motion was lost.

Senator Mees moved the previous question be now put which motion prevailed.

SENATE ROLL CALL

House Bill No. 107: A Bill for an Act to Amend and Re-enact Section 10298 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 38, nays 9, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsh, Kendall, Levang, McLachlin, McNair, Mees, Murphy, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp, Ward, Whitman, Wog.

Nays: Benson, Berg, Gross, Liederbach, Miklethun. Nathan, Nelson, Patten, Wenstrom.

Absent and not voting: Byrne, Thorson.

So the bill passed and the title was agreed to.

Mr. Mees moved that the vote by which House Bill No. 107 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Sperry: I object to this bill in lots of ways but I realize it is the best we can get. therefore I vote "aye."

Liederbach: I vote "no" for the reason I believe that the passage of this bill will exterminate all of the deer in North Dakota. I might have changed my vote to "yes" if we had been permitted to have the amendment that Senator Ward offered, but it looks as though there is a faction here that have forgotten all sense of fair play in moving the previous question and we did not get a full discussion, a thing that has very seldom been done in this body.

Senator Liederbach moved that House Bill No. 108 be put at the foot of the Calendar, which motion prevailed.

SENATE ROLL CALL

House Bill No. 99: For an Act to Amend and Re-enact Section 3529 of the Compiled Laws of North Dakota for the Year 1913 Relating to Fees of Notaries Public.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there wer ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Byrne, Eastgate, Thorson.

So the bill passed and the title was agreed to.

Senator Church moved that the Senate do now adjourn, which motion prevailed.

FIFTY-THIRD DAY.

Senate Chamber,
Bismarck, North Dakota,
February, 25, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplin, Rev. Dewhurst.

The roll was called, all Senators being present except Senator Byrne.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Forty-ninth Day After Recess and Fifty-First Day and recommend that the same be corrected as follows: Page 1 correct spelling of the name "Gustafson." Page 10, line 13, change "report" to "reports." Page 12 after line 37 insert "The Senate recessed." Page 16 line 4, correct spelling of word "Olsen." Page 22 line 43 correct spelling of word "may." Page 24, line 33, between "State" and "National" strike out comma and insert word "or." Lines 52 and 56 correct spelling of the word "depositories." Page 25, line 9 between "state" and "national" strike out comma and insert word "or." Page 26 strike out "Senate Bill No. 117, also title of same at top of page. Line 7 strike out "final passage of the". Page 31 line 33 strike out "as amended." Page 32, line 6, strike out "as amended." Page 33 after line 36 add "which motion prevailed." Page 35 after "House Bill No. 128" insert "House Bill No. 132" and title. Page 38 correct spelling of name Hammerly.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

COMMUNICATIONS.

To E. A. Bowman, Senator for LaMoure County, North Dakota, Bismarck, N. Dak.

Dear Sir: We the undersigned voters of Gladstone Township, LaMoure County, North Dakota, earnestly urge that you stand by the "Industrial Commission" and vote to sustain them in the present crisis.

TORGER BJONRUD,
And 7 Others.

Litchville, N. D., Feb. 21, 1921.

Senator Eric Bowman, Bismarck, N. D.:

Honorable Sir: We are informed that a desperate effort is being made by the I. V. A. forces to defeat or weaken the Industrial program in the closing days of the session.

We, the undersigned, voters of the Twenty-fourth legislative district respectfully beg to advise you that we stand squarely behind the Industrial Commission and demand that you do all in your power to aid them in carrying out the farmers' program. Thanking you for your fearless stand in the past and hoping that you will not fail us now we beg to remain

Respectfully,

(Signed) CARL O. BOTNER,
And 27 Others.

Washington, D. C., February 22, 1921.

Hon. O. C. Gross, State Legislature, Bismarck, North Dakota.

My Dear Senator: I am in receipt of the copy of the resolution introduced by yourself with reference to the adoption of the metric system. I am filing this with the proper Committee in the House so that it will receive consideration when this legislation comes up.

From all accounts you are having a lively session at Bismarck. I sincerely trust that our fellows will stand pat and not be routed by the smoke barrage of the enemy. The policy of the latter in their attempts to destroy the industrial program is having a disastrous effect upon the credit of the state, and cannot fail to injure all of our citizens, regardless of political belief.

With kind regards, I am,

Yours very truly,

J. H. SINCLAIR,

The committee on Game and Fish made the following report:

Mr. President: Your committee on Game and Fish to whom was referred:

House Bill No. 159: A Bill for an Act to Amend and Re-enact Section 26 of Chapter 161 of the Session Laws of 1915, Relating to Hours for Shooting.

Have had the same under consideration and recommend that the same be amended as follows:

Section 1, line 2, of the Printed Bill after the word "amended" insert the words "and re-enacted."

And when so amended recommend the same do pass.

ANDREW OKSENDAHL,
Chairman.

Mr. Oksendahl moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Game and Fish made the following report:

Mr. President: Your committee on Game and Fish to whom was referred:

House Bill No. 35: A Bill for an Act to Amend and Re-enact Section 33 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 122 of the Laws of North Dakota for the Year 1917 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to Game Birds and Season for Killing.

Have had the same under consideration and recommend that the same be indefinitely postponed.

ANDREW OKSENDAHL,
Chairman.

Mr. Oksendahl moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Game and Fish made the following report:

Mr. President: Your committee on Game and Fish to whom was referred:

House Bill No. 106: A Bill for an Act to Amend and Re-enact Section 46 of Chapter 161 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 63, of the Laws of North Dakota for the Year 1917, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Prohibiting the Trapping, Catching, Killing, or Destroying of Beaver and Otter, for a Limited Period.

Have had the same under consideration and recommend that the same do pass.

ANDREW OKSENDAHL,
Chairman.

Mr. Oksendahl moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Game and Fish made the following report:

Mr. President: Your committee on Game and Fish to whom was referred:

enact Section 52 of Chapter 161 of the Session Laws of North Dakota for the Year 1915, as Amended by Section 52 of Chap-

House Bill No. 160: A Bill for an Act to Amend and Re-ter 122 of the Session Laws for the Year 1917, Relating to Bag Limit of Game Birds.

Have had the same under consideration and recommend that the same do pass.

ANDREW OKSENDAHL,
Chairman.

Mr. Oksendahl moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 171: A Bill for an Act Authorizing the Board of Administration to Create a Students Loaning Fund in State Sormal Schools.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 3, line 7 of the engrossed bill (Section 3, line 6, printed bill), strike out the figures "\$500.00" and insert in lieu thereof the figures "\$300.00."

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1137 of the General School Laws Entitled Salary and Expenses.

Have had the same under consideration and recommend that the same be amended as follows:

That title be amended as follows:—

In line 2 of the engrossed bill after the figures "1913" insert the words and figures "As amended and re-enacted by Section 4, Chapter 112, Session Laws of 1915."

After the enacting clause insert the following: "Section 1. Amendment. Section 1137 of the Compiled Laws of North Dakota as amended by Section 4, Chapter 112, Session Laws for the year 1915 as amended by Chapter 105 of the Session Laws of 1919 is hereby amended and re-enacted to read as follows."

In line 14. printed bill, between the words "the" and the word "distance" insert the word actual."

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 28: A Bill for an Act to Amend and Re-enact Section 1136 of the General School Laws Entitled Deputies. How Appointed. Salary.

Have had the same under consideration and recommend that the same be amended as follows:

After the enacting clause insert the following words and figures: "Section 1136 of the Compiled Laws of North Dakota for the year 1913 as amended and re-enacted by Chapter 208 of the Session Laws of 1917 as amended and re-enacted by Chapter 104 of the Session Laws of 1919 is hereby amended and re-enacted to read as follows:"

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 109: A Bill for an Act Legalizing Certain Acts of City, Village and School District Officials.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 81: A Bill for an Act to Establish a Uniform Egg Law, for Regulating and Preventing the Sale of Eggs Unfit as Articles of Human Food, Requiring Eggs to be Canded, Requiring a License for Dealers in Eggs and Establishing a Penalty for Violation of This Act.

Have had the same under consideration and recommend that the same be amended as follows:

Printed bill, Section 3 in line 15 after the word than strike out the word two and insert in lieu thereof the word one.

In line 16 strike out the word inches and insert in lieu thereof the word inch. In line 22 after the word than strike out the word two and insert in lieu thereof the word one. In line 23 strike out the word inches and insert in lieu thereof the word inch.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

M. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 154: A Bill for an Act to Amend and Re-enact Section 10184 and 10185 of the Compiled Laws of North Dakota for 1913, Prohibiting the Manufacture, Sale, Disposing of, Giving Away, and Soliciting Orders, or Cigarette Papers and Providing Penalty.

Have had the same under consideration and recommend that the same be amended as follows:

In the Printed bill, Section 2 line 23, 24, 25 and 26 after the word shall strike out the words when such is proved to the satisfaction of the court that such was kept for sale be held to be prima facie evidence by any court where such owner, clerk or employee shall be on trial for violating any provision of this Act, and insert in lieu thereof comma be prima facie evidence of the keeping of the same for sale.

M. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 21: A Bill for An Act to Amend and Re-enact Section 5 of Chapter 162 of the Laws of North Dakota for 1919, Relating to Information Furnished by Employers to the Workmen's Compensation Bureau of North Dakota and Penalty for Failure to Furnish Information Required.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 189: A Bill for an Act to Repeal Sections 811 and 812 of the Compiled Laws of North Dakota for 1913, as Amended and Re-enacted by Chapter 69 of the Laws of North Dakota (Regular Session) for 1919, Relating to License Fees for Attorneys and Counsellors at Law.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 63: A Bill for an Act to Amend and Re-enact Section 7644 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 1 of the Session Laws for the Year 1919, (Regular Session), Relating to Change of Judges in Civil and Criminal Actions in the District Court, for Prejudice or Bias of Judge Thereof; Providing for the Calling in of Another Judge of Another Judicial District, and the Payment of His Expenses, and the Discharge of Jurors Therein, and Repealing All Acts or Parts of Acts in Conflict Therewith.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 155: A Bill for an Act to Amend and Re-enact Section 4624 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Conveyances and Mortgages of Railroad Corporations, so as to Provide the Manner of Execution and Manner and Place of Record of Every Conveyance or Lease, Deed of Trust, Mortgage or Assignment, or Satisfaction Thereof, Made by Any Railroad, Telegraph or Telephone Corporation.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 6: A Bill for an Act to Amend and Re-enact Section 7949 of North Dakota, 1913, Relating to Continuances of Cases.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 170: A Bill for an Act to Amend and Re-enact Section 7633 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to When Special Verdicts Directed to Special Findings, How Prepared and Judgment Entered Thereon.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Cities and Municipal Corporations made the following report:

Mr. President: Your committee on Cities and Municipal Corporations to whom was referred:

House Bill No. 97: A Bill for an Act Permitting the City to Make Advancements Upon Material Purchased by a Contractor for Use in the Performance of Contracts for Municipal Improvements.

Have had the same under consideration and recommend that the same do pass.

W. S. WHITMAN,
Chairman.

Mr. Whitman moved that the report be adopted, which motion prevailed and the report was adopted.

The majority of the committee on State Affairs made the following report:

Mr. President: A majority of your committee on State Affairs to whom was referred:

House Bill No. 101: A Bill for an Act Entitled, An Act Establishing a System of State Free Employment Service, Providing for the Maintenance Thereof, Defining the Duties of

Such Department, Its Officers and Employees, and Appropriating Money for the Carrying Out of the Provisions of This Act.

Have had the same under consideration and recommend that the same be amended as follows:

At the end of section 7 the following amendment be inserted which shall be known as section 8: "The Commissioner of Agriculture and Labor is hereby authorized and empowered to co-operate with the Federal government in the establishment and maintenance within the State of North Dakota of one or more employment bureaus for the purpose of bringing together the man and the job. Such co-operative employment bureaus, when established, shall be under the joint management of the co-operating parties, and the cost and expense of establishing and of carrying on any such bureau, shall be borne by the co-operative parties, upon an equitable basis to be agreed upon between them."

In section 8 of the engrossed bill correct the number to read "Section 9." In Section 9 of the engrossed bill correct the number to read "number 10."

In Section 8 of the engrossed bill the words and figures "6,000.00" be stricken out, and the words and figures "\$10,000.00" be inserted.

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

The minority of the committee on State Affairs made the following report:

Mr. President: A minority of your committee on State Affairs to whom was referred:

House Bill No. 101: A Bill for an Act Entitled, An Act Establishing a System of State Free Employment Service, Providing for the Maintenance Thereof, Defining the Duties of Such Department, Its Officers and Employees, and Appropriating Money for the Carrying Out of the Provisions of This Act.

Have had the same under consideration and recommend that the same be indefinitely postponed.

FRANK E. PLOYHAR,
C. W. CAREY,
ALFRED STEEL,
WALTER R. BOND.

Senator Olson moved that the report of the majority on House Bill No. 101. A roll call was demanded.

SENATE ROLL CALL

Was read the third time.

The question being on the adoption of the majority report on House Bill No. 101, the roll was called and there were ayes 25, nays 22, absent and not voting 2.

Ayes: Baker, Benson, Berg, Bowman, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Storstad, Ward, Wenstrom.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Whitman, Wog.

Absent and not voting: Byrne, Ingerson.

So the bill passed and the title was agreed to.

Senator Miklethun moved that all absent senators be excused.

A RESOLUTION.

Introduced by Bond and Fraser.

WHEREAS, The State of North Dakota has an investment of approximately \$20,000.00 and the counties of the state an additional investment of approximately \$12,000.00 in films depicting the great advantages, resources and natural beauty of our state; and

WHEREAS, We, as patriotic citizens and as Legislators wish to secure all possible information regarding our state.

THEREFORE BE IT RESOLVED: That this Senate request the Immigration Department to show the above mentioned films at the Auditorium in this city next Saturday evening at 8:00 o'clock.

Senator Bond moved that the resolution be adopted, which motion prevailed.

CONCURRENT RESOLUTION.

Introduced by Wenstrom.

Whereas, The State Flood Commission is authorized to make investigations to determine proper means of controlling the tributaries of the Red River in order to prevent recurrence of the past disastrous floods, and

Whereas, The Canadian provincial and federal officials have, in conference with our state officials at Winnipeg, expressed great desire to co-operate with the States of North Dakota and Minnesota in working out a broad plan of control, and

Whereas, The basin of the Pembina river, consisting of 3,700 square miles lies partly in the United States and partly in Manitoba, and

Whereas, Its flood waters cause great damage to Pembina county and Manitoba;

Be It Resolved. That the Senate and House of Representatives concurring, does hereby authorize the Flood Engineer to negotiate with the like department in Manitoba to the end that they jointly make such investigations and surveys as are necessary to determine the improvements needed to

fit in with the general plan of flood protection now being prepared by the state to submit to the War Department.

Senator Wenstrom moved the adoption of the concurrent resolution.

SENATE ROLL CALL

WENSTROM FLOOD CONTROL

The question being on the adoption of the Concurrent Resolution in regard to Flood Control, introduced by Senator Wenstrom, the roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Baker, Byrne, Liederbach, Storstad, Van Camp.

So the Concurrent Resolution passed.

Mr. Wenstrom moved that the vote by which the Concurrent Resolution passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL.

House Bill No. 42: A Bill for an Act to Amend and Re-enact Section 3969 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Section 79 of the Session Laws of North Dakota for the Year 1919, Relating to Excluding Farm Lands From the Limits of City, Town and Villages.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 29, nays 13, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Benson, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, McNair, Miklethun, Nathan, Nelson, Noltimier, Oksendahl, Patten, Steel, Thorson, Ward, Wenstrom, Wog.

Nays: Bond, Gardiner, Kelsh, McLachlin, Petterson, Porter, Rusch, Schrenk, Sperry, Stevens, Storstad, Van Camp, Whitman.

Absent and not voting: Berg, Bowman, Byrne, Liederbach, Mees, Murphy, Ployhar.

So the bill passed and the title was agreed to.

Mr. Fraser moved that the vote by which House Bill No. 42 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The courtesies of the floor were extended to D. P. Barnes of Glen Ullin, Eugene Weigel of Hebron, McManus of Grand Forks, J. G. Johnson of Bowbells.

Senator Baker moved that after some messages have been taken over to the House the Senate recess until tomorrow at 1 o'clock, which motion prevailed.

W. J. PRATER,
Secretary.

FIFTY-THIRD DAY AFTER RECESS AND
FIFTY-FOURTH DAY.

Senate Chamber,
Bismarck, North Dakota,
February 26, 1921.

The Senate Convened at 1 o'clock P. M. pursuant to recess taken, the President presiding.

REPORTS OF STANDING COMMITTEES

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

House Bill No. 72: A Bill for an Act to Amend and Re-enact Section 4924 of the Compiled Laws of North Dakota for the Year 1913, Relating to Taxation of Insurance Companies.

Have had the same under consideration and recommend that the same do pass.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Live Stock made the following report:

Mr. President: Your committee on Live Stock to whom was referred:

House Bill No. 127: A Bill for an Act to Amend and Re-enact Section 2702 of the Compiled Laws of the State of North Dakota for 1913, as Amended by Chapter 263, Session Laws of North Dakota for the Year 1915, and Amending and Re-enacting Section 2706 of the Compiled Laws of the State of North Dakota for 1913, Relating to the Reimbursement of Owners of Tubercular Cattle.

Have had the same under consideration and recommend that the same do pass.

JOHN NATHAN,
Chairman.

Mr. Nathan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 185: A Bill for an Act to Amend and Re-enact Section 1, Chapter 124 of Session Laws of 1917 as Amended by Chapter 136, Session Laws of 1919, Relating to Witness Fees in Garnishment Proceeding.

Have had the same under consideration and recommend that the same be amended as follows:

In line 8 of the engrossed bill after the word "of" strike out the word "one" and insert in lieu thereof "two." In line 9 of the engrossed bill strike out the figure "\$1.00" and insert in lieu thereof "\$2.00."

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 147: A Bill for an Act to Amend and Re-enact Section 5179 of the Compiled Laws of 1913 as Amended and Re-enacted by Chapter 55 of the Session Laws of 1915, Relating to the Department of the State Examiner.

Have had the same under consideration and recommend that the same do pass.

R. L. FRASER,
Chairman.

Mr. Baird moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 186: A Bill for a Concurrent Resolution Amending the Constitution of the State of North Dakota Relating to the Term of Office of the Judges of the Supreme Court.

Have had the same under consideration and recommend that the same be indefinitely postponed.

R. L. FRASER,
Chairman.

Mr. Baird moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 31: For an Act Creating a Children's Code Commissions; Fixing the Membership Thereof; Defining Its Powers and Duties; and Making an Appropriation Therefor.

Have had the same under consideration and recommend that the same be amended as follows:

In the printed bill Section 2 line 9 after the word "Association" strike out the period and insert in lieu thereof "State Federation of Labor and Member of the State Minimum Wage Department."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 116: A Bill for an Act Providing for the Furnishing by the Register of Deeds of Each County to Elevators Making Application and Paying the Fee Provided Therefor, of an Abstract of all Mortgages and Liens Upon Grain Grown During Each Year, and Filed in the Office of the Register of Deeds.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Live Stock made the following report:

Mr. President: Your committee on Live Stock to whom was referred:

House Bill No. 126: A Bill for an Act Relating to the Application of the Tuberculin Test and Eradication of Bovine Tuberculosis in Townships in Counties in North Dakota Under Direction of the State Live Stock Sanitary Board by Petition of a Majority of Freeholders in Such Township.

Have had the same under consideration and recommend that the same do pass.

JOHN NATHAN,
Chairman.

Mr. Nathan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

House Bill No. 22: A Bill for an Act to Amend and Re-enact Section 3 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to the Payment of Compensation to Injured Employees, or their dependents, and the Payment of Burial Expenses in the Event of Death Resulting from Injuries.

Have had the same under consideration and recommend that the same do pass.

RALPH INGERSON,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

House Bill No. 20: A Bill for an Act to Amend and Re-enact Section 8 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to Manner and Enforcement of Payment of Premiums to the Workmen's Compensation Fund.

Have had the same under consideration and recommend that the same do pass.

RALPH INGERSON,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

House Bill No. 18: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 162 of the Laws of North Dakota for the Year 1919, Defining Certain Words and Phrases Contained in said Chapter.

Have had the same under consideration and recommend that the same do pass.

RALPH INGERSON,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Taxes and Tax Laws made the following report:

Mr. President: Your committee on Taxes and Tax Laws to whom was referred:

House Bill No. 210: A Bill for an Act to Cancel Uncollected Personal Property Taxes Assessed for 1910 and Prior Years.

Have had the same under consideration and recommend that the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Taxes and Tax Laws made the following report:

Mr. President: Your committee on Taxes and Tax Laws to whom was referred:

House Bill No. 128: A Bill for an Act to Amend and Re-enact Section 2110 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 221 of the Session Laws of 1919, Relating to the Listing of Property of Corporations, Joint-Stock Companies or Associations for Taxation.

Have had the same under consideration and recommend that the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

MOTIONS AND RESOLUTIONS.

Mr. Wenstrom moved that the vote by which House Bill No. 109 was indefinitely postponed be reconsidered, which motion prevailed.

Mr. Wenstrom moved that House Bill No. 109 be placed upon the calendar for third reading and final passage, which motion prevailed.

Mr. Wog moved that the vote by which House Bill No. 92 was indefinitely postponed be reconsidered which motion prevailed.

Mr. Wog moved that House Bill No. 92 be rereferred to the committee on Appropriations, which motion prevailed.

Mr. Bowman moved that House Bill No. 92 be permitted to remain in the House, which motion was lost.

Mr. Gardiner moved that House Bill No. 92 be recalled from the House, which motion prevailed.

Mr. Wenstrom moved that House Bill No. 109 be recalled from the House, which motion prevailed.

Mr. Benson moved that all absent Senators be excused, which motion prevailed.

REPORTS OF STANDING COMMITTEES.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 183: A Bill for an Act to Amend and Re-enact Chapter 1342 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 141 of the Session Laws of North Dakota for the Year 1915 and Chapter 206 of the Ses-

sion Laws of North Dakota for the Year 1917, Relating to Compulsory Attendance, School Age and the Transportation of Pupils.

Have had the same under consideration and recommend that the same be amended as follows:

Amend the title as follows: In line 3 of the printed bill after the figures "1915" strike out the word "and" and insert in lieu thereof the words "as amended by."

In line of the engrossed bill after the enacting clause strike out the figure "1" and insert in lieu thereof the words and figure "section 1 amendment."

In line 3 of the printed bill after the figures "1915" strike out the word "and" and insert in lieu thereof the words "as amended by", and in line 4 after the word "amended" insert the words "and re-enacted."

In line 51 of the printed bill strike out the word "more" and insert in lieu thereof the word "two."

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. Ployhar moved that House Bill No. 51 be amended as follows:

In the title after the word "prohibit" insert the words "chewing and".

In line 2 Section 1, after the word "to" insert "chew or." Which motion prevailed.

Mr. McLachlin moved that House Bill No. 51 be amended as follows: In next to the last line of the bill insert the figures "\$5.00" in lieu of the figures "\$10.00" and in the last line insert the figure "\$25.00" in lieu of the figure "\$50.00." which motion prevailed.

Mr. Whitman moved that further consideration of House Bill No. 51 be indefinitely postponed.

Mr. Liederbach moved a call of the Senate, which motion prevailed.

Mr. Stevens moved that the call of the Senate be suspended, which motion prevailed.

Mr. Nathan moved that after the word "eating room" in line 5 of Section 1 of House Bill No. 51, the word "Senate" be inserted, which motion was lost.

Mr. Bowman moved that House Bill No. 51 be amended by inserting the words "House and Senate Chamber" which motion was lost.

Mr. Church moved that all the motions by which House Bill No. 51 was amended be reconsidered, which motion prevailed.

SENATE ROLL CALL

Was read the third time.

The question being on the motion of Senator Church to reconsider the vote by which House Bill No. 51 was amended, the roll was called and there were ayes 26, nays 22, absent and not voting 1.

Ayes: Baker, Berg, Bowman, Church, Ettestad, Fleckten, Fraser, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Stevens, Van Camp, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Benson, Bond, Carey, Eastgate, Gardiner, Garberg, Kelsh, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Whitman.

Absent and not voting: Byrne.

So the amendments to the bill were reconsidered.

Mr. Bowman moved that the first amendment to House Bill No. 51 be stricken out, which motion prevailed.

Mr. Bowman moved to strike out Mr. McLachlin's amendment to House Bill No. 51, which motion was lost.

SENATE ROLL CALL

House Bill No. 51: A Bill for an Act to Prohibit the Use of Tobacco by Smoking in Certain Places and Providing Penalty.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 33, nays 15, absent and not voting 1.

Ayes: Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Nathan, Nelson, Noltimier, Olson, Oksendahl, Patten, Schrenk, Sperry, Steel, Stevens, Van Camp, Ward, Wenstrom, Wog.

Nays: Baird, Carey, Eastgate, Gardiner, Hagan, Ingerson, Mees, Murphy, Petterson, Ployhar, Porter, Rusch, Storstad, Thorson, Whitman.

Absent and not voting: Byrne.

So the bill passed and the title was agreed to.

Mr. Bowman moved that the vote by which House Bill No. 51 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Mr. Nathan moved that the Senate do now adjourn, which motion prevailed.

FIFTY-FOURTH DAY AFTER RECESS.

Senate Chamber,
Bismarck, North Dakota,
February 26, 1921.

The Senate convened pursuant to recess taken, at 1 o'clock P. M., the president presiding.

Prayer by Rev. Strutz.

The roll was called, all Senators being present except Byrne.

Mr. Liederbach moved that all absent Senators be excused, which motion prevailed.

PETITIONS AND COMMUNICATIONS.

Park River, N. Dak., Feb. 22, 1921.

Hon. Christ Levang, State Senator, 3rd District, Walsh County, Bismarck, N. D.

We, the undersigned residents and taxpayers of Walsh county, North Dakota, do hereby petition the members of the Legislative Assembly of the State of North Dakota, to vote against House Bill No. 165, a bill which provides for the collection of taxes of railroad companies by the state treasurer.

Very respectfully,

W. C. Kern, and 59 others.

To Honorable W. J. Church, Senator:

We understand the appropriation for the State Highway Commission has passed the Senate in such reduced amount that it will be impossible for the State Highway Commission to award any more contracts. Work has been started on two ends of a project in Benson county, leaving about 15 miles of unfinished road that has been surveyed, and if this work is not completed the public will get no benefit from the money already expended on this road. Now, therefore, we the undersigned citizens of Benson county, respectfully petition you to use your influence to have the bill reconsidered and appropriate sufficient funds for the State Highway Commission to complete this work.

GUST TWEETEN, and 50 others.

To Chris Levang, Senator, Bismarck, N. Dak.

Dear Sir:—

We, the undersigned voters of the Third Legislative District of Walsh county, do hereby register a protest against House Bill No. 165 as the same, if enacted, will greatly disturb the distribution of school funds and take away from many of the most needy districts, funds that rightfully belong to them.

We respectfully ask that you use your best efforts to defeat this bill.

N. C. Olson, and 31 others.

The undersigned, voters of North Dakota, do hereby petition to the Legislature now in session in Bismarck to pass

House Bill 180, it providing that counties may by consent of the electorate construct and maintain hospitals, also that counties may contribute to aid and assist public hospitals within their political sub-divisions where no hospitals are maintained by the county. We also favor the emergency clause to this bill.

T. J. NEILSON, and 36 others.

Fargo, N. D., Feb. 15, 1921.

To our N. D. Industrial Commission and Legislature:

We, the undersigned take this method of expressing our sincere thanks for the great service rendered in the present fight, and our sincere appreciation and approval of your stand in refusing to compromise with the enemies of N. D. They started the fight, let us finish it. We believe that now, the people of North Dakota will be able to see the necessity of doing business with their friends, instead of their enemies. Please use as you see fit.

MRS. JAS. A. McCULLOCH, and 62 others.

REPORTS OF STANDING COMMITTEES.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Fifty-first day after recess and Fifty-second day and recommend that the same be corrected as follows:

Page 1, line 35, correct the spelling of the word "Legislative." Page 2, line 12, correct the spelling of the word "ratio." Page 2, line 15, after Senate roll call, insert Senate Bill 199 "Pick up Title." Page 4, line 44, after the word "nays" insert figure "1." Page 4, line 45, after the word "voting" strike out "5" and insert "4." Page 6, line 47, after the word "Mr." insert the word "Storstad." Page 21, line 29, after the word "therefore" strike out the figure "6" and insert "60."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriation made the following report:

Mr. President: Your committee on Appropriation to whom was referred:

House Bill No. 75: A Bill for an Act to Appropriate Money for the Purpose of Constructing a Beef Cattle Barn at the Langdon Sub-station.

Have had the same under consideration and recommend that the same do pass.

W. J. CHURCH,
Chairman.

Mr. Stevens moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Appropriation made the following report:

Mr. President: Your committee on Appropriation to whom was referred:

House Bill No. 60: A Bill for an Act Appropriating Three Thousand Five Hundred (\$3,500.00) Dollars for the Purpose of Erecting a Suitable Dairy Barn at the Experimental Station, Situated at Hettinger, Adams County, North Dakota.

Have had the same under consideration and recommend that the same do pass.

W. J. CHURCH,
Chairman.

Mr. Garberg moved that the report be adopted, which motion prevailed and the report was adopted.

MOTIONS AND RESOLUTIONS.

Concurrent Resolution by Wenstrom.

WHEREAS, Coal is the greatest basic necessity of our country, and

WHEREAS, In the year 1920, with the greatest production of bituminous coal in the history of the United States, excepting only the war year of 1918, the output of American mines was so manipulated that different sections of the country, and particularly the Northwest, were threatened with a fuel famine and prices of coal, reached a point unprecedented in the history of the United States—without any warrant, or legitimate basis, therefore, and due to the manipulation of the coal market by coal operators, speculators and profiteers; and

WHEREAS, The Committee on Reconstruction and Production of the United States Senate, since July 1920, has been investigating the coal industry, and the facts relating thereto, during the year 1920, and as the result of such investigation, there has been introduced in the Senate, a bill known as "Senate File 4828"—entitled, "A Bill to promote the general welfare by gathering information respecting the ownership, production, distribution, costs, sales and profits in the coal industry and by publication of same, and to recognize and declare coal and its production and distribution charged with public interest and use, and for other purposes"—known as the "Calder Bill," the purpose of which is to regulate the coal industry so as to insure a supply of coal to the people and industries of the United States at reasonable prices.

RESOLVED, by the Senate, the House of Representatives concurring, that the Legislative Assembly of the State of North Dakota hereby memorialize Congress to enact the Calder Bill (S. 4828) now before that body.

RESOLVED, That all senators and representatives in Congress be and are hereby, urged and requested to use all hon-

orable means to secure the adoption of this measure; and be it further

RESOLVED, That duly authenticated copies of these resolutions be transmitted to each of our representatives and senators in Congress.

Mr. Wenstrom moved the adoption of the resolution, which motion prevailed.

SENATE ROLL CALL

The roll being called on the adoption of Resolution offered by Mr. Wenstrom, and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Lieberbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Beisel, Byrne, Storstad.

So the resolution passed.

Mr. Wenstrom moved that the vote by which the concurrent resolution offered by himself passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

MESSAGE FROM THE HOUSE.

HOUSE CHAMBER.

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to Appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge across the Red River, at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Senate Bill No. 37: A Bill for an Act Entitled, an Act to Cure Defects in the Title of Real Estate Caused by Failure of Foreign Corporations to Comply with Section 5238 Compiled Laws 1913.

Senate Bill No. 30: A Bill For an Act to Prevent the Adulteration and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the Same.

Senate Bill No. 33: A Bill for an Act to Amend and Re-enact Section 2625, Compiled Laws of North Dakota for 1913, Relating to Trespass of Animals.

Senate Bill No. 34: A Bill for an Act Legalizing and Validating all Notices and Publications Commenced in an Official Newspaper Prior to the 1st day of January, 1921.

Senate Bill No. 35: A Bill for an Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Negotiable Instruments Made Payable at a Bank.

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 187 of the Session Laws of North Dakota for the Year 1919.

Senate Bill No. 96: A Bill for an Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota of 1913, Relating to the Appointment of District Court Bailiff's and Compensation Thereof.

Which the House has passed unchanged.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 30: A Bill for an Act to Amend and Re-enact Section 9 of Chapter 167 of the Session Laws of North Dakota for the Year 1919, Relating to the Salary and Expenses of the District Judges.

Senate Bill No. 56: A Bill for an Act Providing for the Cancellation of Mortgages by Order of the District Court Judges of the State of North Dakota.

Senate Bill No. 83: A Bill for an Act Amending and Re-enacting Section 2618, Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 140 of the Session Laws of North Dakota, for the Year 1919, Relating to the Herd Law.

Senate Bill No. 87: A Bill for an Act to Amend and Re-enact Section 8657 of the Compiled Laws of North Dakota for the Year 1913, Relating to Letters of Administration, and Who are Entitled Thereto.

Senate Bill No. 88: A Bill for an Act to Amend and Re-enact Section 8551 of the Compiled Laws of North Dakota for the Year 1913, Relating to Citations and Notices Issued by the County Court and How the Same Must be Served.

Senate Bill No. 139: An Act Entitled an Act for the Protection of Employees as Members of Labor Organizations.

Senate Bill No. 141: A Bill for An Act to Amend and Re-enact Section 1717 of the Compiled Laws of North Dakota for the year 1913, as Amended by Section 4 of Chapter 113 of the Session Laws of 1915, and Chapter 145 of Session Laws of North Dakota for the Year 1917, Relating to the Support of Feeble Minded Persons in the Institution of the Feeble Minded.

Senate Bill No. 150: A Bill for an Act to Amend and Re-enact Section 9804 and Section 9805 of Chapter 55 of the Laws of North Dakota for the Year 1913. Regulating the Sale to and Use of Firearms by Minors and Providing a Penalty for the Violation Thereof.

Senate Bill No. 164: A Bill for an Act to Limit the Margin of Profit on Sales of Farm Land by Agents and Brokers.

Senate Bill No. 172: A Bill for an Act to Repeal Sections 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968 Compiled Laws of the State of North Dakota for 1913 and Amend Section 1969 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Levy and Collection of Poll Tax.

Senate Bill No. 189: A Bill for an Act to Amend and Re-enact Section 1008 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 121 of the Session Laws of North Dakota for the Year 1919.

Senate Bill No. 198: A Bill for an Act to Amend and Re-enact Section 3522 of the Compiled Laws of North Dakota for the Year 1913, Prescribing the Rate of Mileage Allowed the Sheriff.

Senate Bill No. 199: A Bill for an Act to Repeal Section 3522 of the Compiled Laws of North Dakota for 1913 Providing for Livery Allowed Sheriffs.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate Concurrent Resolution requesting Congress facilitate and expedite in every possible way the work of Great Lakes-St. Lawrence Tidewater Association.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to inform you that the

House has concurred in the Senate Concurrent Resolution relating to the State Flood Commission.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate Concurrent Resolution relating to re-imburement of the general fund by the Bank of North Dakota with the funds now accumulated in the legislative repayment reserve fund.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

SENATE ROLL CALL

House Bill No. 57: A Bill for an Act to Amend and Re-enact Section 1455 of the Compiled Laws of the State of North Dakota for the Year 1913, and Section 1456 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 207 of the Session Laws of the State of North Dakota for the Year 1917, Relating to County Agricultural and Training Schools.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 44, nays 2, absent and not voting 3.

Ayes: Baird, Baker, Benson, Berg, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Petterson.

Absent and not voting: Bond, Byrne, Liederbach.

So the bill passed and the title was agreed to.

PETITIONS AND COMMUNICATIONS.

Linton, N. Dak., Feb. 25, 1921.

Hon. C. A. Ward, care Senate, Bismarck, N. Dak.

The board of commissioners in and for Emmons county passed resolutions requesting the representatives of said county in the Senate and House of Representatives that it is their duty to make such provision that the State Highway Commission will be able to handle the work necessary to be done to secure the full benefit of the federal aid to the state of North Dakota.

T. P. LEE,
Chairman.

Grand Forks, No. Dak., Feb. 26, 1921.

Senator W. S. Whitman, State Capitol, Bismarck N. Dak.

We urge you use influence to prevent slashing of state highway budget appropriation to such an extent as would prevent states benefiting from federal aid for highway construction.

Commercial Club of Grand Forks,

H. M. STANTON,
Secretary.

Grand Forks, 11:15 a. m., Feb. 26, 1921.

Senator P. O. Thorson, Bismarck, N. Dak.

We urge you use influence to prevent slashing of state prevent states benefiting from federal aid for highway construction.

Commercial Club, of Grand Forks.

H. M. STANTON,
Secretary.

SENATE ROLL CALL

House Bill No. 124: A Bill for an Act to Amend and Re-enact Chapter 205 of the Session Laws of the State of North Dakota for the Year 1919 Prohibiting the Sale of Any New Draft Sleds Within the State of Which the Runners Measure Less Than Four Feet Six Inches from Center to Center and Making the Sale of Same a Misdemeanor and Providing for the Revocation of the License of Any Foreign Corporation to do Business in the State Which Fails to Comply With the Terms of this Act.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 37, nays 8, absent and not voting 4.

Ayes: Baird, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Patten, Rusch, Sperry, Steel, Stevens, Thorson, Ward, Wenstrom, Whitman.

Nays: Eastgate, Kelsh, Kendall, Petterson, Porter-Schrenk, Storstad, Wog.

Absent and not voting: Baker, Byrne, Ployhar, Van Camp.

So the bill passed and the title was agreed to.

Ettestad: "There are many farmers who have asked me if this law is any good and if they would not be allowed to use any kind of sled they wish to. I think this law is better than the old one and I vote aye."

Mr. Liederbach moved that the senate do now recess until 10 o'clock on Monday.

Senator Mees moved that we continue working on the calendar until 3:45 today, which motion was lost.

Mr. Mees moved that we continue working on the calendar until 3:15 o'clock, which motion prevailed.

Mr. McNair moved as a substitute motion that we continue working on the calendar until 3 o'clock, which motion was lost.

Mr. Baker moved to amend House Bill No. 59 as follows: By inserting the word "six" in lieu of the word "two" in line 13 of page two of the engrossed bill, which motion was lost.

SENATE ROLL CALL

House Bill No. 59: A Bill for an Act to Amend and Re-enact Section 3905 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Building and Repairing of Sidewalks by Villages, the Giving of Notices Thereof, the Duties of Real Property Owners, and the Powers of the Board of Trustees in Regard Thereto.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 36, nays 11, absent and not voting 2.

Ayes: Baird, Beisel, Benson, Bond, Bowman, Carey, Eastgate, Ettetad, Gardiner, Garberg, Hagan, Kelsh, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Wenstrom, Whitman, Wog.

Nays: Baker, Berg, Church, Fleckten, Gross, Ingerson, Liederbach, Noltimier, Patten, Stevens, Ward.

Absent and not voting: Byrne, Fraser.

So the bill passed and the title was agreed to.

MESSAGES FROM THE HOUSE.

HOUSE CHAMBER.

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to return herewith the following bills:

House Bill No. 109: A Bill for an Act Legalizing Certain Acts of City, Village and School District Officials.

House Bill No. 92: A Bill for an Act Providing for a Committee to Investigate the Proposed Roosevelt Park.

Pursuant to your request of Feb. 26.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bill No. 52.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Liederbach moved that House Bill No. 146 be amended as follows: "In line fourteen the word "nine" be

stricken out and the word "eight" be substituted in lieu thereof.

In line fifteen the word "five" be stricken out and the word "six" be substituted in lieu thereof.

Which motion was lost.

Mr. Liederbach moved that further consideration of House Bill No. 146 be indefinitely postponed, which motion was lost.

Mr. Kelsh moved that House Bill No. 146 be amended as follows: In line nine the word five be stricken out and the word eight be substituted in lieu thereof, which motion was lost.

Mr. Ward moved that House Bill No. 146 be amended as follows: In line nine the word "five" be stricken out and the word "six" be substituted in lieu thereof, which motion prevailed.

SENATE ROLL CALL

House Bill No. 146: A Bill for an Act to Amend and Re-enact Section 3533 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 104 of the Session Laws of 1915, Relating to the Compensation and Office Hours of County Commissioners.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 42, nays 5, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Hagan, Ingerson, Kelsh, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Gardiner, Liederbach, Nathan, Noltimier, Patten.

Absent and not voting: Byrne, Gross.

So the bill passed and the title was agreed to.

Courtesies of the floor were extended to the following: George Witte, Larson, J. P. Sundjuist, Chas. Simonson, Aneta; K. M. Nupen, Steele; Geo. E. Brastrup, Courtenay; W. H. Lansburn, Cooperstown; C. C. Simonson, Aneta; Fred Stroble, C. B. Magch, Kulm; L. B. Lambert, Minot; A. N. Fremburg, Hillsboro; Wm. C. Fraser, M. M. Millan, Hesper; C. W. Hall, New Rockford; D. J. Buckley, Daglum; Math Mulholland, Hurdsfield; John M. Lloyd, Albert Ranting, Fessenden; Wm. Stern, A. O. Madson, Fargo; L. L. Griffith, Fargo; Wm. Kane, E. J. Pepke, Geo. Jones, Minot.

Senator Baker moved that the Senate do now recess until 10 a. m. Monday, Feb. 28, which motion prevailed.

W. J. PRATER,
Secretary.

FIFTY-FIFTH DAY AFTER RECESS AND
FIFTY-SIXTH DAY

Senate Chamber,
Bismarck, North Dakota,
February, 28. 1921.

The Senate convened at 10 o'clock a. m., pursuant to recess taken, the president presiding.

Third Reading of House Bills.

SENATE ROLL CALL.

House Bill No. 118: A Bill for an Act to Amend and Re-enact Sections 624 and 625 of the Compiled Laws of North Being, with Intent to Commit a Felony by Means J. M. Devine, as well as by the officers of the institution, four single beds, far too many for the cubic air space of the strom, Whitman, Wog.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 41, nays 1, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Benson Berg, Bond, Bowman, Church Carey, Eastgate, Ettetstad, Fleckten, Garberg, Gross, Hagan, Ingerson, Kelsch, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Steel.

Absent and not voting: Byrne, Fraser, Gardiner, Kendall, Levang, Nelson, Petterson.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 119: A Bill for an Act Declaring Sow Thistle to be a Noxious Weed, Providing for Its Destruction and Providing for the Payment of Its Destruction.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 44, nays 1, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Gardiner, Garberg, Gross, Hagan, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Steel.

Absent and not voting: Byrne, Fraser, Ingerson, Kendall.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 206: A Bill for an Act Authorizing Boards of County Commissioners to Issue Refunding Bonds to Fund or Refund for the Purpose of Seed Grain or Seed and Feed Grain Bonds or Warrants Theretofore Issued Pursuant to Law for the Purchase of Seed Grain and Feed or Either.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Byrne, Fraser, Kendall, McNair, Nathan.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 125: A Bill for an Act to Amend and Re-enact Section 2681 of the Compiled Laws of the State of North Dakota for 1913, Compensation for Members of State Live Sock Sanitary Board.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, McLachlin, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk,

Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Byrne, Fraser, Kendall, Liederbach, McNair, Nathan.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 168: A Bill for an Act to Amend and Re-enact Section 287 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 241 of the Session Laws of 1915, and as Amended by Chapter 204 of the Session Laws of 1917, and as Amended by Chapter 198 of the Session Laws of 1919, Relating to the Investment of University and School Land Funds.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Byrne, Fraser, Kendall.

So the bill passed and the title was agreed to.

Mr. Olson moved that House Bill No. 140 be placed at the bottom of the calendar which motion prevailed.

SENATE ROLL CALL.

House Bill No. 159: A Bill for an Act to Amend and Re-enact Section 26 of Chapter 161 of the Session Laws of 1915, Relating to Hours for Shooting.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 41, nays 4, absent and not voting 4.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Garberg, Gross, Hagan, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Gardiner, Ingerson, Kelsch, Porter.

Absent and not voting: Beisel, Byrne, Fraser, Kendall.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 106: A Bill for an Act to Amend and Re-enact Section 46 of Chapter 161 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 63, of the Laws of North Dakota for the Year 1917, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Prohibiting the Trapping, Catching, Killing, or Destroying of Beaver and Otter, for a Limited Period.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 38, nays 8, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Fleckten, Garberg, Gross, Hagan, Kelsch, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Ettestad, Gardiner, Ingerson, McLachlin, Murphy, Ployhar, Porter, Storstad.

Absent and not voting: Byrne, Fraser, Kendall.
So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 160: A Bill for an Act to Amend and Re-enact Section 52 of Chapter 161 of the Session Laws of North Dakota for the Year 1915, as Amended by Section 52 of Chapter 122 of the Session Laws for the Year 1917, Relating to Bag Limit of Game Birds.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 42, nays 2, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Gardiner, Kelsch.

Absent and not voting: Bond, Byrne, Fraser, Kendall, Mees.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 171: A Bill for an Act Authorizing the Board of Administration to Create a Students Loaning Fund in State Normal Schools.

Was read the third time.

The question being on the final passage of the bill as amended, the roll was called and there were ayes 47, nays 1, absent and not voting 1.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall,

Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel.

Absent and not voting: Mees.

So the bill passed and the title was agreed to.

Mr. McNair moved that further consideration of House Bill No. 29 be indefinitely postponed, which motion prevailed.

Mr. Murphy moved that House Bill No. 28 be placed at the foot of the Calendar, which motion prevailed.

Mr. Kelsch moved that further consideration of House Bill No. 81 be indefinitely postponed, which motion was lost.

Mr. McNair moved that House Bill No. 81 be amended as follows:

In Section 1, line 5, the word "of" be stricken out and the word "in" be inserted in lieu thereof.

Which motion prevailed.

SENATE ROLL CALL.

House Bill No. 81: A Bill for an Act to Establish a Uniform Egg Law, for Regulating and Preventing the Sale of Eggs unfit as Articles of Human Food, Requiring Eggs to be Canded, Requiring a License for Dealers in Eggs and Establishing a Penalty for Violation of this Act.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 27, nays 22, absent and not voting 0.

Ayes: Baird, Benson, Berg, Bowman, Byrne, Church, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Nathan, Olson, Ployhar, Patten, Ward, Wenstrom, Whitman, Wog.

Nays: Baker, Beisel, Bond, Carey, Ettestad, Kelsch, McLachlin, Mees, Murphy, Nelson, Noltimier, Oksendahl, Petterson, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp.

So the bill passed and the title was agreed to.

Mr. Mees moved that further consideration of House Bill No. 154 be indefinitely postponed.

Mr. Miklethun moved the previous question which motion prevailed.

Roll Call Demanded.

SENATE ROLL CALL.

The roll being called on the indefinite postponement of House Bill No. 154, there were ayes 16, nays 33, absent and not voting 0.

Ayes: Baird, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Nathan, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Storstad, Whitman.

Nays: Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Patten, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Wog.

So the motion was lost.

Senator Whitman moved that House Bill No. 154 be amended as follows:

In Section 1, line 9, after the word "dispose" strike out the words "of or give away."

Which motion was lost.

Mr. Nathan moved that House Bill No. 154 be amended as follows:

In Section 3, line 7, strike out the figure "25" and insert in lieu thereof the figure "10." In the same line strike out the figures "100" and insert in lieu thereof the figures "50."

Which motion was lost.

Senator Baker moved that House Bill No. 154 be amended as follows:

In line 9, section 3, strike out the word "and" and insert in lieu thereof the word "or."

Which motion prevailed.

SENATE ROLL CALL.

House Bill No. 154: A Bill for an Act to Amend and Re-enact Section 10184 and 10185 of the Compiled Laws of North Dakota for 1913, Prohibiting the Manufacture, Sale, Disposing of, Giving Away, and Soliciting Orders for Cigarettes, or Cigarette Papers and Providing Penalties.

Was read the third time.

The question being on the final passage of the bill, as

amended, the roll was called and there were ayes 32, nays 17, absent and not voting 0.

Ayes: Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Fleckten, Fraser, Garberg, Gross, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Porter, Patten, Steel, Thorson, Van Camp, Ward, Wenstrom, Wog.

Nays: Baird, Carey, Eastgate, Ettestad, Gardiner, Hagar, McLachlin, Mees, Nathan, Petterson, Ployhar, Rusch, Schrenk, Sperry, Stevens, Storstad, Whitman.

So the bill passed and the title was agreed to.

Mr. Ettestad: "I do not believe this law is an improvement over the old law therefore I vote "No."

Mr. Church moved that the Senate do now adjourn which motion prevailed.

FIFTY-SIXTH DAY

Senate Chambers,
Bismarck, North Dakota,
February 28, 1921

The Senate convened at 2 o'clock p. m., the President presiding.

Prayer by the Chaplain, Rev. Dewhurst.

The roll was called all Senators being present.

Senator McNair moved that action on revision and correction of the Journal be deferred.

Which motion prevailed.

REPORTS OF STANDING COMMITTEES

The Committee on Warehouse and Grain Grading made the following report:

Mr. President: Your committee on Warehouse and Grain Grading to whom was referred:

House Bill No. 187: A Bill for an Act to Amend and Re-enact Chapter 138 of the Session Laws of North Dakota for the Year 1919, Creating and Establishing the Department of Grades, Weights, and Measures Under the Direction and Supervision of the Board of Railroad Commissioners; Defining and Prescribing the Duties and Powers Thereof; Providing for the Licensing of Public Warehouses, Grain Buyers and Persons Engaged in Soliciting or Procuring Consignments of Grain, Seeds or other Agricultural Products; Providing for the Establishing of Central Marketing Prices; Providing for the Appointment of State Inspector, State Deputy Inspectors and Deputy Inspectors, Chief Elevator Accountant and Warehouse Inspectors, Defining Their Duties and Powers; Providing for Bonds from Public Warehouses to Secure all Moneys due the holders of Outstanding Grain Tickets; Requiring Public Warehouses to Keep Records of Their Business; Authorizing the fixing of a Reasonable Margin to be Paid the Producer of Grain; Providing for the Inspection of Public Ware-

houses; Providing for the Payment of Dockage Having Value; Authorizing Investigation of All Matters Bearing Upon the Marketing of Grain; Authorizing the Employment of Clerks, Experts and All Other Employees Necessary to Carry Out the Provisions of This Act, and Making an Appropriation Therefor; and Providing Penalties for the Violation of Any of the Provisions of This Act.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
Chairman.

Mr. Liederbach moved that the report be adopted, which motion prevailed and the report was adopted.

The Committee on Warehouse and Grain Grading made the following report:

Mr. President: Your committee on Warehouse and Grain Grading to whom was referred:

House Bill No. 191: A Bill for an Act Empowering the State Inspector of Grades, Weights and Measures to Waive Certain Requirements of the Laws, Rules, and Regulations of the State of North Dakota, Relating to Public Grain Warehouses in the Case of Grain Warehouses Which Have Given Bond and are Licensed Under the United States Warehouse Act.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
Chairman.

Mr. Liederbach moved that the report be adopted, which motion prevailed and the report was adopted.

The Committee on Warehouse and Grain Grading made the following report:

Mr. President: Your committee on Warehouse and Grain Grading to whom was referred:

House Bill No. 190: A Bill for an Act Empowering the State Inspector of Grades, Weights and Measures to Fix Maximum Rates for the Storage, Insurance, and Handling of Grain in Public Grain Warehouses; Requiring Warehousemen to Insure All Grain Stored in Public Grainwarehouses; and Repealing Section 3116 of the Compiled Laws of 1913.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. A. LIEDERBACH,
Chairman.

Mr. Liederbach moved that the report be adopted, which motion prevailed and the report was adopted.

The Committee on Appropriations made the following report:

Mr. President: Your committee on Appropriations to whom was referred:

House Bill No. 92: A Bill for an Act Providing for a Committee to Investigate the Proposed Roosevelt Park.

Have had the same under consideration and recommend that the same be amended as follows

In Section 3, line Three, strike out the figures "\$500.00" and insert in lieu thereof the figures "\$300.00."

And when so amended recommend the same do pass.

W. J. CHURCH,
Chairman.

Mr. Gardiner moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to Appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge across the Red River, at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Senate Bill No. 33: A Bill for an Act to Amend and Re-enact Section 2625, Compiled Laws of North Dakota for 1913, Relating to Trespass of Animals.

Senate Bill No. 34: A Bill for an Act Legalizing and Validating all Notices and Publications Commenced in an Official Newspaper Prior to the 1st Day of January, 1921.

Senate Bill No. 35: A Bill for an Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Negotiable Instruments Made Payable at a Bank.

Senate Bill No. 37: A Bill for an Act Entitled, an Act to Cure Defects in the Title of Real Estate Caused by Failure of Foreign Corporations to Comply with Section 5233 Compiled Laws 1913.

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 187 of the Session Laws of North Dakota for the Year 1919.

Senate Bill No. 96: A Bill for an Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota of 1913, Relating to the Appointment of District Court Bailiffs and Compensation thereof.

And find the same correctly enrolled.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 80: A Bill for an Act to Prevent the Adulteration and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the Same.

And find the same correctly enrolled.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Railroads made the following report:

Mr. President: Your committee on Railroads to whom was referred:

House Bill No. 169: A Bill for an Act to Amend and Re-enact Section 4671 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Size and Construction of Caboose Cars.

Have had the same under consideration and recommend that the same do pass.

JOHN W. BENSON,
Chairman.

Mr. Benson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Election made the following report

Mr. President: Your committee on Election to whom was referred:

House Bill No. 158: A Bill for an Act to Amend and Re-enact Sections 948 and 968 of the Compiled Laws of 1913, and to Repeal Section 991 of the Compiled Laws of 1913, Relating to Elections.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. M. HAGAN,
Chairman.

Mr. Hagan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Election made the following report:

Mr. President: Your committee on Election to whom was referred:

House Bill No. 198: A Bill for an Act to Provide for Nomination of Candidates for the Offices of Presidential Electors, United States Senator, and Member of Congress and to Elect Delegates to the National Party Convention, National Committeeman, and Party Precinct Committeeman and to Repeal Sections 917, 918 and 919 of the Compiled Laws of North Dakota for the Year 1913, and All Other Acts or Parts of Acts That are in Conflict with the Provisions Hereof.

Have had the same under consideration and recommend that the same be indefinitely postponed.

A. M. HAGAN,
Chairman.

Mr. Hagan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Election made the following report:

Mr. President: Your committee on Election to whom was referred:

House Bill No. 77: A Bill for an Act Fixing the Compensation of Election Officers.

Have had the same under consideration and recommend that the same be amended as follows:

In section 1 after the word exceed strike out the words two hundred and figures 200 in parenthesis and insert in lieu thereof the words one hundred and figures 100 in parenthesis.

And when so amended recommend the same do pass.

A. M. HAGAN,
Chairman.

Mr. Hagan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Printing made the following report:

Mr. President: Your committee on Public Printing to whom was referred:

House Bill No. 79: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

Have had the same under consideration and recommend that the same do pass.

P. O. THORSON,
Chairman.

Mr. Thorson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Printing made the following report:

Mr. President: Your committee on Public Printing to whom was referred:

House Bill No. 203: A Bill for an Act to Amend and Re-enact Section 69 of the Compiled Laws of North Dakota for 1913, Relating to the Printing of the Popular Edition of the Session Laws; Fixing the Specifications for the Unauthenticated Edition of the Session Laws of the State of North Dakota, and Repealing All Acts and Parts of Acts in Conflict Therewith.

Have had the same under consideration and recommend that the same be amended as follows:

HOUSE BILL NO. 203

Change the Title to read as follows:

An Act to Amend and Re-Enact Sections 46, 51, and 69 of the Compiled Laws of North Dakota for 1913, Classifying Public Printing and Relating to the Printing of the Popular Edition of the Session Laws; Fixing the Specifications for the Unauthenticated Edition of the Session Laws of the State of North Dakota, and Repealing All Acts and Parts of Acts in Conflict Therewith.

Section 1. AMENDMENT. Section 46 of the Compiled Laws of North Dakota for the year 1913, is Hereby Amended and Re-Enacted to read as follows:

Section 46. CLASSES OF PRINTING. The Printing of the state is hereby divided into five classes, to be let in separate contracts as follows:

1. The printing of bills, resolutions and other documents for the use of and incident to the legislative assembly shall constitute the first class.
2. The printing and binding of the Journals of the senate and house of representatives shall constitute the second class.
3. The printing and binding of executive and public documents and reports shall constitute the third class.
4. The printing and binding of the volume of laws, with the joint resolutions, which shall be included in said volume, shall constitute the fourth class.
5. The printing of all blanks, circulars and other miscellaneous job work necessary for the use of the executive departments, other than such as are printed in pamphlet form and not entering into the volumes of executive documents, and all printing not included in the foregoing classes shall constitute the fifth class. (R. C. 1905, S. 38; 1890, ch. 119, S. 2; R. C. 1899, S. 39.)

Section 2. AMENDMENT. Section 51 of the Compiled Laws of the year 1913 is hereby amended and re-enacted to read as follows:

OPENING OF BIDS. AWARDS. The commissioners, or any two of them, shall within two days after the expiration of the term for receiving proposals as aforesaid, and not later than the first Tuesday after the first Monday in August proceed to open in public all such proposals received by them and to award the contract for each class of printing to the lowest bidder therefor, subject to the reservations of the preceding section, provided, however, that contracts shall not be awarded to the same individual or corporation for more than two classes of public printing. If two or more persons bid the same and the lowest price for any class, or classes of printing, the commissioners shall award the contract to such one or more of them as in their opinion will best subserve the interests of the state. (R. C. 1905, S. 43; 1890, ch. 119, S. 6; R. C. 1899, ch. 44.)

In line 1, section 1, printed bill, after the word "section" strike out figure 1, and insert in lieu thereof figure "3."

In section 2, line 1 printed bill, after the word "section" strike out figure "2" and insert in lieu thereof the figure "4."

In section 3, line 1, printed bill, after the word "section" strike out the figure "3" and insert in lieu thereof the figure "5."

And when so amended recommend the same do pass.

P. O. THORSON,
Chairman.

Mr. Thorson moved that the report be adopted, which motion prevailed and the report was adopted.

MESSAGES FROM THE HOUSE

HOUSE CHAMBER

Bismarck, N. D., Feb. 28, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 59: A Bill for an Act to Amend and Re-enact Section 2141 of the Compiled Laws of North Dakota, for the Year 1913, as Amended, Providing for the Substitution of the Commissioner of Insurance as a Member of the State Board of Equalization Instead of the State Auditor, and Making the Tax Commissioner Secretary Thereof.

Senate Bill No. 68: A Bill for an Act to Amend and Re-enact Section 2166 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Delinquent Personal Property Taxes.

Senate Bill No. 120: A Bill for an Act to Amend and Re-enact Section 23 of Chapter 138 of the Session Laws of North Dakota for the Year 1919, Regular Session, Relating to the Grading and Inspection of Grains.

Senate Bill No. 122: A Bill for an Act to Provide for the Survival of Actions and Causes of Action for Damages, Pain and Suffering and Personal Injuries.

Senate Bill No. 134: A Bill for an Act to Amend and Re-enact Section 1, Chapter 77 of the Session Laws for the Year

1919; an Act Making it Unlawful to Separate or Cause to be Separated Any Child Under Six Months of Age From its Mother for the Purpose of Committing Such Child to a Foster Home or Institution, and to Regulate the Manner and Circumstances Under Which it May be Done, and to Provide a Penalty for Violation of Said Act.

Senate Bill No. 142: A Bill for an Act to Prevent the Taking or Carrying in or Having in Possession Intoxicating Liquor in Any Hotel, Theatre or Dance Hall in the State of North Dakota.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D. Feb. 28, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 57: A Bill: Concurrent Resolution for an Amendment to the Constitution Relating to the Residence Required of an Elector.

Senate Bill No. 97: A Bill for an Act to Authorize the Valuation of Bonds and Other Securities Held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Senate Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the Year 1913, Permitting Incorporated Towns and Villages Having a Population of Not Less Than Two Hundred Inhabitants to Become Incorporated as a City.

Senate Bill No. 102: A Bill for an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Senate Bill No. 104: A Bill for an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

Senate Bill No. 143: A Bill for an Act to Prevent any Person From Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Which the House has passed unchanged.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The majority of the committee on Insurance made the following report:

Mr. President: Your committee on Insurance to whom was referred:

House Bill No. 68: A bill for an Act to Amend and Re-enact Section 27 of Chapter 162 of the Session Laws of North

Dakota for the Year 1919, Relating to and for the Benefit of Injured Employees and their Dependents in Hazardous Employments, and Providing Funds with which to Carry on the Work of the Workmen's Compensation Bureau.

Have had the same under consideration and recommend that the same be indefinitely postponed.

RALPH INGERSON
H. H. McNAIR,
P. B. GARBERG
O. H. OLSON,
J. E. FLECKTEN,
CHRIST LEVANG.

RALPH INGERSON,
Chairman.

The Minority of the committee on Insurance made the following report:

Mr. President: A minority of your committee on Insurance to whom was referred:

House Bill No. 68: A Bill for an Act to Amend and Re-enact Section 27 of Chapter 162 of the Session Laws of North Dakota for the Year 1919, Relating to and for the Benefit of Injured Employees and their Dependents in Hazardous Employments, and Providing Funds with which to Carry on the Work of the Workmen's Compensation Bureau.

Have had the same under consideration and recommend that the same do pass.

T. J. KELSH,
A. G. STORSTAD,
P. J. MURPHY,
JACOB SCHRENK.

Mr. Ingerson moved that the majority report on House Bill No. 68 be adopted.

Mr. Thorson moved that action be deferred on adoption of the report which motion was lost.

Roll Call demanded on adoption of majority report on House Bill No. 68.

SENATE ROLL CALL.

The question being on the adoption of the majority report on House Bill No. 68, the roll was called and there were ayes 26, nays 23, absent and not voting 0.

Ayes: Baker, Benson, Berg, Bowman, Bryne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Micklethun, Nathan, Noltmier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the majority report was adopted.

The majority of the committee on Insurance made the following report:

Mr. President: A majority of your committee on Insurance to whom was referred:

House Bill No. 69: A Bill for an Act to Amend and Re-enact Section 6 of Chapter 162 of the Session Laws of North Dakota for the Year 1919, Relating to and for the Benefit of Employees Injured and the Dependents of Employees Killed in Hazardous Employments, Fixing the Duties and Liabilities of Employees and Employers, and Providing Methods of Securing the Payment of Obligations Arising in Favor of Injured Employees and their Dependents.

Have had the same under consideration and recommend that the same be indefinitely postponed.

RALPH INGERSON
H. H. McNAIR
P. B. GARBERG,
JOHN E. FLECKTEN
O. H. OLSON
CHRIST LEVANG

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the majority report be adopted.

Roll call demanded.

The minority of the committee on Insurance made the following report:

Mr. President: A minority of your committee on Insurance to whom was referred:

House Bill No. 69: A Bill for an Act to Amend and Re-enact Section 6 of Chapter 162 of the Session Laws of North Dakota for the Year 1919, Relating to and for the Benefit of Employees Injured and the Dependents of Employees Killed in Hazardous Employments, Fixing the Duties and Liabilities of Employees and Employers, and Providing Methods of Securing the Payment of Obligations Arising in Favor of Injured Employees and Their Dependents.

Have had the same under consideration and recommend that the same do pass.

T. J. KELSH
A. G. STORSTAD
P. J. MURPHY
JACOB SCHRENK

Roll call demanded on adoption of majority report.

SENATE ROLL CALL.

The question being on the adoption of the majority report on House Bill No. 69 the roll was called and there were ayes 25, nays 23, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson,

Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Kendall.

So the majority report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 148: A Bill for an Act Making it a Felony for Any Person to Enter Any Room Wherein, in Whole or in Part, a General Banking Business is Carried on, or Wherein in Whole or in Part, a Business of Receiving Securities, Evidence of Debts or Any Other Valuable Papers on Deposit or for Safe Keeping, in Which There is at the Time a Human Being, With Intent to Commit a Felony by Means of Threats, Force or Violence, and Prescribing the Punishment Therefor.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Insurance made the following report

Mr. President: Your committee on Insurance to whom was referred:

House Bill No. 19: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 162 of the Session Laws of the State of North Dakota for the Year 1919, as Amended by Chapter 73 of the Laws Passed at the Special Session of the Sixteenth Legislative Assembly in December, 1919, Relating to the Creation of the Workmen's Compensation Bureau of North Dakota, the Appointment and Removal of the Commissioners Thereof, the Salary of such Commissioners and the Powers and Duties of such Bureau.

Have had the same under consideration and recommend that the same do pass.

RALPH INGERSON,
Chairman.

Mr. Ingerson moved that the report be adopted, which motion prevailed and the report was adopted.

The majority of the committee on Ways and Means made the following report:

Mr. President: A majority of your committee on Ways and Means to whom was referred:

House Bill No. 132: A Bill for an Act Relating to Motion Picture Films, Reels, and Views, Providing a System of Examination, Approval and Regulation Thereof, and of the Banners, Posters and Other Advertising Matter Used in Connection Therewith; Creating a Bureau of Inspectors of Motion Pictures and Providing Penalties for the Violation of This Act.

Have had the same under consideration and recommend that the same do pass.

JAMES A WENSTROM
E. A. BOWMAN
R. L. FRASER,
R. W. PATTEN
O. H. OLSON
J. E. FLECKTEN,
JOHN L. MIKLETHUN

James A. Wenstrom,
Chairman.

Mr. Wenstrom moved that the report be adopted.

The minority of the committee on Ways and Means made the following report

Mr. President: A minority of your committee on Ways and Means to whom was referred:

House Bill No. 132: A Bill for an Act Relating to Motion Picture Films, Reels, and Views, Providing a System of Examination, Approval and Regulation Thereof, and of the Banners, Posters and Other Advertising Matter Used in Connection Therewith; Creating a Bureau of Inspectors of Motion Pictures and Providing Penalties for the Violation of This Act.

Have had the same under consideration and recommend that the same be indefinitely postponed.

J. E. EASTGATE
E. H. KENDALL
W. S. WHITMAN
C. W. CAREY

JAMES A. WENSTROM,
Chairman.

Mr. Whitman moved that the word "minority" be substituted for the word "majority" on the question of adoption the committee report on House Bill No. 132.

Roll Call demanded.

SENATE ROLL CALL.

The question being on the adoption of the amendment to substitute the word "minority" for the word "majority" in the adoption of the report on House Bill No. 132, the roll was called and there were ayes 24, nays 25, absent and not voting 0.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ploy-

har, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltmier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

So the majority report was adopted.

Mr. Ingerson moved that the vote, by which the majority reports on House Bills No. 68 and 69 were adopted, be reconsidered, and the motion to reconsider be laid on the table.

Which motion prevailed.

CONCURRENT RESOLUTION

Introduced by Mees

WHEREAS, the Motion Picture Industry is rapidly approaching first rank in the field of industries through out the United States of America; and,

WHEREAS. In the past there have been produced and shown throughout the United States of America certain pictures as do not tend toward the development of good moral and educational influence; and,

WHEREAS. We believe such pictures should not have been produced which would have prevented their being shown; and,

WHEREAS, Several states contemplate at this time the passage of legislation which will enable the governing body of such states to regulate the showing of such motion picture films with the view of eliminating the objectionable films from the screen; and,

WHEREAS, We believe that the proper place to effect such elimination is at the source of production.

NOW THEREFORE BE IT RESOLVED, BY THE SENATE OF THE STATE OF NORTH DAKOTA; THE HOUSE CONCURRING THEREIN, That we respectfully petition the Congress of the United States of America in session assembled that they take the necessary steps to pass such legislation as will enable this government to supervise the production of all films to be shown throughout the United States of America,—to the end that none but such films as are of a good, moral and educational character may hereafter be produced and shown.

BE IT FURTHER RESOLVED, That the Secretary of State be and he is hereby directed to mail copies of this Resolution to the President of the Senate and the Speaker of the House of Representatives and to each of the Representatives from the State of North Dakota at Washington, D. C.

Mr. Mees moved that the Resolution be adopted.

Mr. Fraser moved that resolution introduced by Mr. Mees be referred to the committee on Ways and Means.

Which motion was lost.

Mr. Mees renewed his motion for the adoption of the resolution.

Mr. Bowman moved that the resolution introduced by Mr. Mees be placed at the foot of the Calendar which motion was lost.

Mr. Mees renewed his motion for the adoption of the report.

Mr. Bowman moved that the Senate recess until 9 o'clock tomorrow morning which motion was lost.

Mr. Ingerson moved to strike out the word "Educational" wherever it appears in the resolution.

Which motion was declared lost.

Roll call demanded.

SENATE ROLL CALL.

The question being on the adoption of the amendment offered by Mr. Ingerson to the Resolution introduced by Mr. Mees, the roll was called and there were ayes 25, nays 24, absent and not voting 0.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the amendment was adopted.

Mr. Steel: "For the reason that the adoption of this amendment would be a reflection on the United States government, I vote "no."

SENATE ROLL CALL.

The question being on the adoption of the resolution introduced by Mr. Mees, the roll was called and there were ayes 41, nays 8, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsch, Kendall, Levang, McNair, Mees, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman.

Nays: Fleckten, Ingerson, Liederbach, McLachlin, Miklethun, Nathan, Patten, Wog.

So the resolution was adopted.

Mr. Mees moved that the vote by which the resolution passed, be reconsidered and the motion to reconsider be laid on the table. Which motion was lost.

Mr. Ingerson: "For the reason that a resolution memorializing Congress to pass legislation censoring the morality of moving picture films would be a reflection on the United States government, I vote "No."

Mr. Church moved that after the signing of bills the Senate recess until 9 o'clock tomorrow morning.

Which motion prevailed.

SIGNING OF BILLS

The Secretary announced that the President was about to sign:

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to Appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$35,000.00 for the Construction of a Bridge across the Red River(at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Senate Bill No. 33: A Bill for an Act to Amend and Re-enact Section 2625, Compiled Laws of North Dakota for 1913, Relating to Trespass of Animals.

Senate Bill No. 34: A Bill for an Act Legalizing and Validating all Notices and Publications Commenced in an Official Newspaper Prior to the 1st Day of January, 1921.

Senate Bill No. 35: A Bill for an Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the ear 1913, Relating to Negotiable Instruents Made Payable at a Bank.

Senate Bill No. 37: A Bill for an Act Entitled, an Act to Cure Defects in the Title of Real Estate Caused by Failure of Foreign Corporations to Comply with Section 5238 Compiled Laws, 1913.

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 187 of the Session Laws of North Dakota for the Year 1919.

Senate Bill No. 96: A Bill for an Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota for 1913, Relating to the Appointment of District Court Bailiffs and Compensation Thereof.

Senate Bill No. 80: A Bill for an Act to Prevent the Adulteration and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the Same.

And the President signed the same in the presence of the Senate.

The Senate then recessed.

W. J. PRATER,
Secretary.

FIFTY-SIXTH DAY AFTER RECESS AND
FIFTY-SEVENTH DAY.

Senate Chamber,
Bismarck, North Dakota,
March 1, 1921.

The Senate convened at 9 o'clock a. m. pursuant to recess taken, the President presiding.

READING AND APPROVAL OF THE JOURNAL.

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the 52nd day after recess and 53d day and recommend that the same be corrected as follows:

On page 11 after the end of line 26 add the following: "And repealing all acts or parts of acts in conflict therewith."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Fifty-third day after recess and Fifty-fourth day and recommend that the same be corrected as follows:

On page one on the seventh line from the bottom correct the spelling of the word "the."

Page two, line 22, correct the spelling of the word "amended."

Page 3, line two, correct the spelling of the word "commission."

Also line 18 correct the spelling of the word "referred."

Page four, line 17, strike out the word "the" after the word "to" and insert in lieu thereof the words "manner and."

Page 4, line 30, after the word "phrases" add the word "contained."

Page 8, line ten from the bottom correct the spelling of the word "hereby."

Page 9, line 17 from the bottom correct the spelling of the word "the."

Page 10, line 7, after the word appropriating strike out the word "five" and insert in lieu thereof the word "three."

On page 10, line 8, after the word "thousand" strike out the figures "\$5,000.00" and insert in lieu thereof the words "five hundred" and the figures "\$3,500.00."

Page 15, line 14, after the word "states" insert the word benefiting.

Page 17, line 14, correct the spelling of the word "indefinitely."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

PETITIONS AND COMMUNICATIONS.

Honorable Howard Wood,

Dear Sir:

The attached copy of letter was presented to the Central Labor body for its endorsement. If this bill will be detrimental to the upkeep of the public parks of the state, the Central Labor body will consider it as vicious legislation. We are asking you to give this bill a close scrutiny, and if such is the case, that you use your best efforts to have this bill indefinitely postponed. Thanking you for your past efforts in behalf of the working people of the state, and assuring you of the co-operation of the Central Labor body. I remain,

Yours respectfully,
CHARLES STEVENS,
President Central Labor Union,
Box 503, Minot, No. Dak.

To the Members of the 17th Legislative Assembly:

In looking over the bills that have been presented at this session I note there is a bill in regard to voting bonds for the maintenance of city parks and if this bill should pass, it would do away with all supports for city parks, Senate Bill No. 44 and here in Minot we would be compelled to shoot the bear if this bill is passed. Now I cannot see the object of this bill. The park here in Minot is the only place that the farmers and laboring people really can resort to for any kind of a meeting when halls and school houses are closed against them and the farmers for miles around come to Minot in the summer time and use this park for picnics and for a day's outing.

It should be made clear to the farmer members that the city parks are maintained exclusively by taxes of city property, therefore the farmers get the full benefit of the park and without paying a single cent in the way of taxes for the maintenance of same. It would seem foolish for some one to refuse something which he very much enjoys and that is what it would mean if the farmer members in either house would vote against this measure. I cannot see why any legislature should vote to pass this measure.

REPORTS OF SELECT COMMITTEES.

Report made by the Legislative Committee on the State Training School at Mandan, North Dakota.

Mr. President: Your committee appointed to make an examination of the State Training School at Mandan, North Dakota, beg to report as follows: Your committee spent the entire day of February 22nd, 1921, investigating the general needs, methods employed, charges as to venereal diseases and the results accomplished at the State Training School located at Mandan.

We were offered every opportunity by the superintendent, J. M. Devine, as well as by the officers of the institution, in getting any and all information regarding the character and condition of the buildings of the institution; Main Building, in which the large boys are housed; "C" Cottage in which the little boys live and the Girl's Building, which is situated some distance from the other institutional buildings. We find that these three buildings, in which the inmates and officers live cost the state all told \$54,000.00. These buildings as well as all other buildings are the institution, including horse barn, dairy barn, hog and chicken houses, were erected by the labor of the inmates themselves, with the single exception of the Main Building, which was erected by contract labor twenty years ago.

We were given every opportunity to meet with and talk with the inmates personally, and took the occasion to do so.

The buildings are faulty in construction. The radiators in all of them are of ancient type and should be replaced by a newer, better type. In the Main Building the second and third floors are laid with four inch pine flooring and have been in constant use for twenty years. The wear and tear of every day use and constant scrubbing have worn them **until but little of the original thickness remains.** This should be remedied as soon as possible. There are two dormitories (sleeping departments or halls 28x48) in this building. Each contains twenty single beds, which is their full capacity, and when measured by the fact that there is no system of ventilation, makes them unsanitary and unhealthful. The building is in so many ways so defective that we feel it should be remodeled, special attention being given to ventilation and heating.

The Little Boy's Building also lacks a system of ventilation and has the same defective heating system. The dormitory of this building is 25x30x9 1-2 and contains twenty-four single beds, far too many for the cubic air space of the room. The superintendent informed us that at times he

has, in this building, from twenty-four to thirty-nine little boys and is therefor often obliged to "double up" placing two in several of the beds.

The Girl's Building was visited and carefully inspected. Interviews were had with both the officers in charge and the inmates. As in the case with the other buildings we find this one well managed and directed, and everything neat and clean. The regular eighth grade course of study, as adopted by the state, is followed. Those completing the course take the regular examination. When graduated they secure the state diploma, with graduating exercises held as in any other graded school.

We found the plastered walls and ceiling were in very bad condition owing to faulty plumbing. In several of the rooms the ceiling plaster had fallen off from considerable areas.

Senator Dr. Porter expressed his surprise at not finding a trained nurse at this state institution where girls suffering from venereal diseases are committed and supposed to be treated. The medical profession acknowledges the fact that no person who has not had a nurse training is competent to handle cases of this kind, administering treatment to the patients and guarding the health of the other inmates and officers against these damnable diseases. Therefore we advise that this legislature demand that the Board of Administration secure a competent nurse for the Training School at Mandan at once. Said nurse to have charge of carrying out the instructions of the medical advisors of the entire institution.

Three or four years ago an appropriation of \$5,000.00 was secured for repairing the Girl's Building. The roof was raised and a third story completed. On this floor was constructed an isolation ward or hospital room, with linen closet, toilet and bath room, thus providing an opportunity to segregate, in the safest possible manner, inmates when necessary. Since that time all inmates coming to this building have been placed on this particular floor until full assurance was obtained that no contagious disease of any character existed.

We might add that 75 percent of the girls committed to this institution were sent there for immoral conduct; 60 percent are affected with venereal disease, either in active form or resulting ailments. There are two at the present time that show gonorrhoea in the active form, none suffering from syphilis. Dr. Nickerson also informed us that all girls arriving at the institution must undergo a rigid examination as to their physical condition in all lines.

There is practically no drainage system except an open ditch, which flows from the Girls' Building on the west directly by the other building on the east and finally empties into a pond made by nature, and there largely remains and has for twenty years. This pond or cess pool, as it is called, is about one hundred fifty yards from the center of activities of the school, namely the buildings of the little and large boys. A process of destroying mosquitoes and flies is employed by pouring kerosene into the head of the ditch and

over this cess pool twice each week, from the first of May to October. An appropriation to put in a modern, up-to-date drainage system in the sum of \$25,000.00 was appropriated by the 16th Legislative Assembly.

The need of a gymnasium is imperative. While baseball, football and basket ball each go on in their season, still these can be played only during the late spring and summer months, leaving the long winter months, with their long evenings, in which the boys, particularly, are obliged to remain in their stuffy, ill ventilated school rooms until the order for retiring at night is given. This condition should, we believe, be remedied promptly.

We found the buildings orderly and in a clean well kept condition. Inmates are well clothed and well fed and in general appearance and health show proper personal attention and care.

On being received at the institution all boys and girls are examined by the institution's physician, Dr. Nickerson for general physical defects; Dr. Larabee for eye, ear, nose and throat troubles and Dr. Percy for any dental needs, and whatever difficulties are found to exist are at once given the proper treatment necessary to remove the evil or defect. The activity along these lines is indicated by the amount expended during the past biennial period for these specific purposes. Itemized as follows it is:

Drs. Nickerson and Altnow.....	\$1,452.00
Dr. Speilman	531.50
Dr. Larabee	170.00
Dr. Percy	434.50
Mandan Hospital	826.25
Mandan Drug Store	137.99
Taylor Drug Co.	7.00
Dr. A. O. Henderson, Chiropractic.....	10.00
	<hr/>
	\$3,369.23

In conversation regarding these matters the superintendent stated that eighty-five percent of all inmates who come to the institution need the services of a physician or surgeon; eye, ear, nose and throat specialists or dentist, and quite a large percent need all three.

Tooth brushes and paste are furnished all inmates and not a few have to be taught how to use them.

RECOMMENDATIONS.

POWER HOUSE: We recommend a new power house and new boilers. This should be built at some point safe from high water.

HEATING PLANT: We recommend the remodeling of the entire heating plant.

GYMNASIUM: We recommend a new building for a gymnasium of sufficient capacity to afford dormitory accommodations in the upper story.

TEACHER FOR BIG BOYS: At present time the big boys have no teacher. A teacher should be provided at the earliest possible time, and a teacher for small boys so as to relieve the matron of that duty and enable her to devote her time to the care and supervision of the small boys committed to the institution.

Very respectfully,
 R. W. PATTEN,
 W. H. PORTER,
 CARL B. OLSEN,
 PIUS KOPP,
 C. W. REICHERT.

Mr. Patten moved that the report be adopted, which motion prevailed.

Mr. President: Your Conference committee on:

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as amended by Chapter 143, Session Laws of 1919.

Have had the same under consideration and beg leave to report that they cannot agree, and ask to be discharged.

FRANK E. PLOYHAR,
 Chairman.

Mr. Ployhar moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. Ployhar moved that a conference committee of three, and a like committee from the House, be appointed to consider House Bill No. 23, which motion prevailed.

The President appointed Senators Ployhar, Fraser and Ettestad, agreeably to this motion.

SENATE ROLL CALL.

House Bill No. 21: A Bill for An Act to Amend and Re-enact Section 5 of Chapter 162 of the Laws of North Dakota for 1919, Relating to Information Furnished by Employers to the Workmen's Compensation Bureau of North Dakota and Penalty for Failure to Furnish Information Required.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 36, nays 9, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Church, Carey, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McLachlin, McNair, Micklethun, Nathan, Nelson, Noltimer, Olson, Oksendahl, Patten, Rusch, Sperry, Stevens, Storstad, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Bond, Eastgate, Kelsch, Mees, Petterson, Ployhar, Porter, Schrenk, Van Camp.

Absent and not voting: Byrne, Kendall, Murphy, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 63: A Bill for an Act to Amend and Re-enact Section 7644 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 1 of the Session Laws for the Year 1919, (Regular Session), Relating to Change of Judges in Civil and Criminal Actions in the District Court, for Prejudice or Bias of Judge Thereof; Providing for the Calling in of Another Judge of Another Judicial District, and the Payment of His Expenses, and the Discharge of Jurors Therein.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 38, nays 6, absent and not voting 5.

Ayes: Baird, Baker, Benson, Berg, Bowman, Church, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Nathan, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Schrenk, Stevens, Storstad, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Bond, Carey, Eastgate, Sperry, Van Camp.

Absent and not voting: Byrne, Kendall, Murphy, Pette-son, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 155: A Bill for an Act to Amend and Re-enact Section 4624 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Conveyances and Mortgages of Railroad Corporations, so as to Provide the Manner of Execution and Manner and Place of Record of Every Conveyance or Lease, Deed of Trust, Mortgage or Assignment, or Satisfaction Thereof, Made by Any Railroad, Telegraph or Telephone Corporatio..

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bryne, Gardiner, Kendall, Ployhar, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 6: A Bill for an Act to Amend and Re-enact Section 7949 of North Dakota, 1913, Relating to Continuances of Cases.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Kendall, Steel.

So the bill passed and the title was agreed to.

Mr. Garberg moved that the vote by which House Bill No. 6 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL

House Bill No. 170: A Bill for an Act to Amend and Re-enact Section 7633 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to When Special Verdicts Directed to Special Findings, How Prepared and Judgment Entered Thereon.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Kendall, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 97: A Bill for an Act Permitting the City to Make Advancements Upon Material Purchased by a Contractor for Use in the Performance of Contracts for Municipal Improvements.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 22, nays 25, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Storstad, Thorson, Van Camp, Whitman.

Nays: Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Stevens, Ward, Wenstrom, Wog.

Absent and not voting: Kendall, Steel.

So the bill was lost.

SENATE ROLL CALL

House Bill No. 101: A Bill for an Act Entitled, An Act Establishing a System of State Free Employment Service, Providing for the Maintenance Thereof, Defining the Duties of Such Department, Its Officers and Employees, and Appropriating Money for the Carrying Out of the Provisions of This Act.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 28, nays 18, absent and not voting 3.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Noltimier, Olson, Oksendahl, Patten, Storstad, Ward, Wenstrom, Whitman, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Mees, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Thorson, Van Camp.

Absent and not voting: Kendall, Nathan, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 72: A Bill for an Act to Amend and Re-enact Section 4924 of the Compiled Laws of North Dakota for the Year 1913, Relating to Taxation of Insurance Companies

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun,

Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Kendall, Steel.

So the bill passed and the title was agreed to.

Mr. Ingerson moved that the vote by which House Bill No. 72 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL

House Bill No. 127: A Bill for an Act to Amend and Re-enact Section 2702 of the Compiled Laws of the State of North Dakota for 1913 as Amended by Chapter 263, Session Laws of North Dakota for the Year 1915, and Amending and Re-enacting Section 2706 of the Compiled Laws of the State of North Dakota for 1913, Relating to the Reimbursement of Owners of Tubercular Cattle.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman, Kendall, Steel.

So the bill passed and the title was agreed to.

Mr. Baird moved that House Bill No. 185 be amended as follows:

Line 4, Section one of the printed bill the word "one" be stricken out and the word "two" be substituted in lieu thereof; also figure (\$1) and the figure (\$2) substituted in lieu thereof.

Which motion prevailed.

SENATE ROLL CALL

House Bill No. 185: A Bill for an Act to Amend and Re-enact Section 1, Chapter 124 of Session Laws of 1917 as Amended by Chapter 136, Session Laws of 1919, Relating to Witness Fees in Garnishment Proceeding.

Was read the third time.

The question being on the final passage of the bill as amended by the Senate, the roll was called and there were ayes 49, nays 0, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Boad, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Nolttimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman; Wog.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which House Bill No. 185 passed, be reconsidered and the motion to reconsider be laid on the table: Which motion prevailed.

Senator Rusch moved that House Bill No. 147 be amended as follows:

In line 16, Section 1 of the engrossed bill, after the word "dollars" add the words "and not more than two hundred dollars."

In line 15 strike out the word "minimum."

Which motion prevailed.

SENATE ROLL CALL

House Bill No. 147: A Bill for an Act to Amend and Re-enact Section 5179 of the Compiled Laws of 1913 as Amended and Re-enacted by Chapter 55 of the Session Laws of 1915, Relating to the Department of the State Examiner.

Was read the third time.

The question being on the final passage of the bill as amended by the Senate, the roll was called and there were ayes 27, nays 21, absent and not voting 1.

Ayes: Baird, Beisel, Bond, Byrne, Church, Carey, Eastgate, Gardiner, Hagan, Kelsch, Kendall, McLachlin, Mees, Murphy, Nolttimier, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Ettestad, Fleckten, Fraser, Gross, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Nelson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Absent and not voting: Olson.

So the bill passed and the title was agreed to.

Mr. Church moved that House Bill No. 31 be amended as follows:

In line 2 Section 1 of the printed bill strike out the figure "5" and insert the figure "7" in lieu thereof.

Which motion prevailed.

SENATE ROLL CALL

House Bill No. 31: A Bill for an Act Creating a Children's Code Commission; Fixing the Membership Thereof; Defining its Powers and Duties; and Making an Appropriation Therefor.

Was read the third time.

The question being on the final passage of the bill as amended, the roll was called and there were ayes 40, nays 8, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Patten, Rusch, Sperry, Steel, Stevens, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Ettestad, Gardiner, McLachlin, Nathan, Porter, Schrenk, Storstad, Van Camp.

Absent and not voting: Petterson.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which House Bill No. 31 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL

House Bill No. 116: A Bill for an Act Providing for the Furnishing by the Register of Deeds of Each County to Elevators Making Application and Paying the Fee Provided Therefor, of an Abstract of All Mortgages and Liens Upon Grain Grown During Each Year, and Filed in the Office of the Register of Deeds.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 49, nays 0, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the bill passed and the title was agreed to.

Mr. Stevens moved that the vote by which House Bill No. 116 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL

House Bill No. 126: A Bill for an Act Relating to the Application of the Tuberculin Test and Eradication of Bovine

Tuberculosis in Townships in Counties in North Dakota Under Direction of the State Live Stock Sanitary Board by Petition of a Majority of Freeholders in Such Township.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 1, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Liederbach.

Absent and not voting: Gross, Noltimier.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 22: A Bill for an Act to Amend and Re-enact Section 3 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to the Payment of Compensation to Injured Employees, or their dependents, and the Payment of Burial Expenses in the Event of Death Resulting from Injuries.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 41, nays 4, absent and not voting 4.

Ayes: Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Gardiner, Garger, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Sperry, Stevens, Storstad, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Kelsch, Nathan, Nelson, Schrenk.

Absent and not voting: Baird, Fraser, Steel, Van Camp.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 20: A Bill for an Act to Amend and Re-enact Section 8 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to the Enforcement of Payment of Premiums to the Workmen's Compensation Fund.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 26, nays 22, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Steel.

So the bill passed and the title was agreed to.

SENATE ROL CALL

House Bill No. 210: A Bill for an Act to Cancel Uncollected Personal Property Taxes Assessed for 1910 and Prior Years.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 17, nays 30, absent and not voting 2.

Ayes: Baird, Ettestad, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Schrenk, Sperry, Stevens, Ward, Wenstrom, Wog.

Absent and not voting: Bond, Steel.

So the bill was lost.

SENATE ROLL CALL

House Bill No. 128: A Bill for an Act to Amend and Re-enact Section 2110 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 221 of the Session Laws of 1919, Relating to the Listing of Property of Corporations, Joint-Stock Companies or Associations for Taxation.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 46, nays 9, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry,

Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting, Gross, Mees, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 18: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 162 of the Laws of North Dakota for the Year 1919, Defining Certain Words and Phrases in said Chapter.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 43, nays 3, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Kelsch, Petterson, Schrenk.

Absent and not voting: Gross, Mees, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 162: A Bill for an Act to Amend and Re-enact Section 13b and Section 43 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift, or by Intestate Law.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Mees.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 109: A Bill for an Act Legalizing Certain Acts of City, Village and School District Officials.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Bowman.

So the bill passed and the title was agreed to.

Senator Baker moved that the Senate recess subject to the call of the chair, which motion prevailed.

The Senate reassembled pursuant to recess taken, the President presiding.

Mr. McNair moved the 8th order of business, which motion prevailed.

Mr. McNair moved that the House be asked to return House Bill No. 183, which motion prevailed.

Mr. Church moved that the vote by which the committee reports indefinitely postponing House Bills No. 190 and 191 be reconsidered, which motion prevailed.

Mr. Church moved that the House be asked for the return of House Bills No. 190 and 191, which motion prevailed.

Mr. Church moved that House Bills No. 190 and 191 be placed on the calendar for third reading and final passage, which motion prevailed.

SENATE ROLL CALL

House Bill No. 60: A Bill for an Act Appropriating Five Thousand (\$5,000.00) Dollars for the Purpose of Erecting a Suitable Dairy Barn at the Experimental Station, Situated at Hettinger, Adams County, North Dakota.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Fraser, Gardiner, Garberg, Hagan, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Ettestad, Gross, Ingerson, Mees.

So the bill passed and the title was agreed to.

Mr. Garberg moved that the vote by which House Bill No. 60 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL

House Bill No. 75: A Bill for an Act to Appropriate Money for the Purpose of Constructing a Beef Cattle Barn at the Langdon Sub-station.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 34, nays 11, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Berg, Bond, Church, Carey, Eastgate, Gardiner, Garberg, Kelsch, Kendall, Levang, McLachlin, McNair, Miklethun, Murphy, Nelson, Noltmier, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Benson, Bowman, Byrne, Fleckten, Fraser, Hagan, Liederbach, Nathan, Olson, Oksendahl, Patten.

Absent and not voting: Ettetstad, Gross, Ingerson, Mees.

So the bill passed and the title was agreed to.

Mr. Levang moved that the vote by which House Bill No. 75 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

REPORTS OF STANDING COMMITTEES.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 57: A Concurrent Resolution for an Amendment to the Constitution Relating to the Residence Required of an Elector.

Senate Bill No. 97: A Bill for an Act to Authorize the Valuation of Bonds and Other Securities Held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Senate Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the Year 1913, Permitting Incorporated Towns and Villages Having a Population of Not Less Than Two Hundred Inhabitants to Become Incorporated as a City.

Senate Bill No. 102: For an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Senate Bill No. 104: A Bill for an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

Senate Bill No. 143: A Bill for an Act to Prevent Any Person from Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Senate Bill No. 152: A Bill for an Act to Permit the Use of Certain Ground Upon the Campus of the University and to Consent to the Erection of an Alumni Building Thereupon by the Alumni Association for Purposes of Aiding the University and the Co-operative Interest of Its Alumni and to Grant to Such Alumni Association the Right to Exercise Control and Dominion Over Such Ground and the Building to be Constructed Thereon, Subject to the Rules and Regulations of the State and of Its Board of Administration.

And find the same correctly enrolled.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 7: A Bill for an Act Providing for the Appointment of County Brand Inspectors; Defining the Duties of Railways in the Shipment of Certain Stock; Penalty.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 100. A Bill for an Act Defining Criminal Syndicalism, Prohibiting the Advocacy Thereof and the Advocacy of Crime, Sabotage, Violence, or Other Unlawful Methods of Terrorism as a Means of Accomplishing Industrial Ends, and Assemblage for the Purpose of Such Advocacy; and Providing Penalties for the Violation of the Provisions Thereof.

Have had the same under consideration and recommend that the same be amended as follows:

Strike out all after the word "A Bill" and insert the following:

HOUSE BILL NO. 100.

Introduced by Mr. Roy Johnson.

A Bill For an Act Defining Criminal Syndicalism, Prohibiting the Advocacy Thereof and the Advocacy of Crime,

Sabotage, Violence, or Other Unlawful Methods of Terrorism as a Means of Accomplishing Industrial Ends, and Assemblage for the Purpose of Such Advocacy; and Providing Penalties for the Violation of the Provisions Thereof.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

Section I. CRIMINAL SYNDICALISM DEFINED.) Criminal syndicalism is hereby defined as the doctrine which advocates crime, sabotage, violence, or other unlawful methods of terrorism as a means of accomplishing industrial ends, and includes and comprehends all unlawful combinations in restraint of trade and all combinations of bankers, merchants, or others, which raises the price of any commodity or merchandise above what the price of such commodity or merchandise would be under the ordinary course of supply and demand, or the charging of a higher rate of interest than is customary in like communities where no combination exists; the printing or publishing, wilfully or knowingly, of any false rumor or report which tends to destroy the confidence of the people in the government of the State of North Dakota or of the United States, or which tends to destroy the people's confidence in any industry in which the State of North Dakota or in which the government of the United States is engaged; the entering into combinations or agreements by telephone or telegraph companies, railway companies, bankers, or any other group of men for the purpose of forcing down wages or for the purpose of black-listing or combining against any man or woman or any group of men or women who work for wages; the charging or receiving by any corporation, company, or person of a rental for any flat, dwelling house, or other property, in any city or organized town or village, that would produce a rate of income greater than twelve per centum per annum on the original cost to the present owner of said flat, dwelling house, or other property, after paying the tax and all reasonable and necessary charges for insurance and repairs thereon. The advocacy of such doctrine, whether by word or mouth or writing, or the doing of any such acts, is hereby declared a felony punishable as in this Act otherwise provided.

Section II. TEACHING OR ADVOCATING SYNDICALISM DECLARED A FELONY.) Any person who by word of mouth or writing advocates or teaches the duty, necessity or propriety of crime, sabotage, violence or other unlawful methods of terrorism as a means of accomplishing industrial ends, or prints, publishes, edits, issues or knowingly circulates, sells, distributes, or publicly displays any book, paper, document or written matter in any form, containing or advocating, advising or teaching the doctrine that individual ends should be brought about by crime and with the intent of advocating, advising, or teaching sabotage, violence, or other unlawful methods of terrorism, or who does any of the acts set forth in Section I hereof, is guilty of felony and punishable by imprisonment in the penitentiary for not more than five years, or by a fine of not more than one thousand (\$1,000.00) dollars, or by both such imprisonment and fine.

Section III. ASSEMBLING FOR PURPOSE DECLARED A FELONY.) Whenever two or more persons assemble for

the purpose of advocating, practicing, or teaching doctrines of criminal syndicalism as defined in this Act, such assemblage is unlawful and every person voluntarily and knowingly participating therein or aiding or instigating the same is guilty of a felony and punishable by imprisonment in the penitentiary for not more than two years or by a fine of not more than five hundred (\$500.00) dollars, or by both such imprisonment and fine; provided, however, that nothing in the above three (3) sections shall be construed to abridge the legitimate rights of organized labor.

Section IV. REPEAL.) All Acts and parts of Acts in conflict with this Act are hereby repealed.

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Corporations other than Municipal made the following report:

Mr. President: Your committee on Corporations other than Municipal to whom was referred:

House Bill No. 192: A Bill for an Act to Amend and Re-enact Chapter 97 of the Session Laws of 1917 as Amended by Chapter 99 of the Session Laws of 1919 and by Chapter 29 of the Special Session Laws of 1919, Relating to Co-operative Associations and to Repeal Chapter 13 of the Civil Code of the Compiled Laws of 1913, Chapter 92 of the Session Laws of 1915 and Chapters 95 and 96 of the Session Laws of 1917.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 2, line three, after the word "Agricultural" insert the words "Grain Elevators."

In Section 3, strike out lines seven and eight. In line nine, strike out the words "of such certificate." Also in line 9, same section, change the letter "t" to capital "T" in the word "The" before the word "Secretary." Also in line 9, section 3, after the word "secretary" insert the words "of state." In sub-section 5 of section 12, line 7, after the word "units" strike out the word "as" and insert in lieu thereof the word "at."

Section 16, line 19, beginning with the word "they" strike out all the rest of the sentence.

And when so amended recommend the same do pass.

P. A. BERG,
Chairman.

Mr. Berg moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 105: A Bill for an Act to Amend and Re-enact Chapter 118 of the Session Laws of 1919, Which Amends and Re-enacts Section 890 of the Compiled Laws of North Dakota, for the Year 1913, Pertaining to the Selection of County and State Committeemen.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom voved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways and Means made the following report:

Mr. President: Your committee on Ways and Means to whom was referred:

House Bill No. 16: A Bill for an Act Relative to Scaffoldings and Providing Safety Appliances in Construction Work.

Have had the same under consideration and recommend that the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways & Means made the following report:

Mr. President: Your committee on Ways & Means to whom was referred:

House Bill No. 14: A Bill entitled, An Act Relating to Interfering with Rights of Employees.

Have had the same under consideration and recommend that the same be amended as follows:

In Sec. 1, Paragraph b, line 1, after the word "corporation" insert "employing labor." In line 6, after the word "corporation" insert "employing labor;" and after the word "or" insert "other" and after the word "employer" insert "of labor."

In Paragraph c. line 1, after the word "corporation" strike out the comma and insert "employing labor."

And when so amended recommend the same do pass.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Ways & Means made the following report:

Mr. President: Your committee on Ways & Means to whom was referred:

House Bill No. 114: A Bill for an Act to Amend and Re-enact Chapter 171 of the Session Laws of North Dakota for the Year 1919, Limiting the Power of Courts to Grand Injunctions and Prohibiting the Issuing of Restraining Orders and Injunctions in Certain Labor Matters.

Have had the same under consideration and recommend that the same be indefinitely postponed.

JAMES A. WENSTROM,
Chairman.

Mr. Wenstrom moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 49: A Bill for an Act to Amend and Re-enact Section 814 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Jurors.

Have had the same under consideration and recommend that the same be amended as follows:

On page 2 of the engrossed bill in the 5th line after the word "the" insert the words "clerk of."

And when so amended recommend the same do pass.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Judiciary made the following report:

Mr. President: Your committee on Judiciary to whom was referred:

House Bill No. 197: A Bill for an Act to Provide for State and County Ballots for the Primary and General Elections and for Nomination and Election of all Elective State Officers, Members of the Legislative Assembly, Judges of the Supreme Court and District Court, Superintendent of Public Instruction and all Elective County Officers and to Repeal Sections 904, 905, 906, 907, 908, 909, 917, 918, 919 of the Compiled Laws of the State of North Dakota for the Year 1913 and Chapter 117 of the Session Laws of 1919, as Well as All Other Acts or Parts of Acts That are in Conflict With the Provisions Hereof.

Have had the same under consideration and recommend that the same is reported in without recommendation.

R. L. FRASER,
Chairman.

Mr. Fraser moved that the report be adopted, which motion prevailed and the report was adopted.

FIFTY-SEVENTH DAY

Senate Chamber,
Bismarck, North Dakota,
March 1, 1921.

The Senate convened at two o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Dewhurst.

The roll was called, all Senators being present.

Mr. Patten moved that action be deferred on report of committee on revision and correction of the Journal.

Which motion prevailed.

PETITIONS AND COMMUNICATIONS

Senator Baker presents the following communication:

Washington, D. C., Feb. 28th, 1921.

Hon. B. F. Baker, State Legislature, Bismarck, N. Dak.:

House just passed amendment to agricultural appropriation bill authorizing two million dollars for aid to farmers in purchase of seed. Limit two hundred dollars to each individual. This is best we could get. Inform these interested.

J. H. SINCLAIRE.

Senator Ingerson moved: That House Bill No. 108 be amended as follows: After the word "agent" in line 6 of the printed bill insert "Any person or persons entering upon the premises of another without permission, as above provided for, who shall have in his or her possession any gun or fire-arms shall prima facie be presumed to have entered said premises for the purpose of hunting game within the meaning of this act."

In the Committee report after the word "animal" strike out period and insert: "and if any such wounded animal is killed on posted land the carcass shall be divided equally with the owner, tenant or other occupant of such posted land." Also after the word "allowed" in the Committee report strike out the "comma" and insert the words "except no person shall at any time enter into any enclosed field not his own with intent to take or kill any bird or game without the permission of the owner or person in charge thereof." In line 5 of the printed bill after the word "obtaining" insert the word "written."

SENATE ROLL CALL

House Bill No. 108: A Bill for an Act to Amend and Re-enact Section 28 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to Trespassing on Lands Where Hunting is Prohibited.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes, 37, nays 10, absent and not voting 2.

Ayes: Baird, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Nathan, Nelson, Olson, Oksendahl, Ployhar, Patten, Sperrv, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Ettestad, Gardiner, Kelsch, McLachlin, Mees, Noltmier, Petterson, Porter, Rusch, Schrenk.

Absent and not voting: Church, Murphy.

So the bill passed and the title was agreed to.

Senator Stevens: "Inasmuch as the amendments adopted were killed, I want to be at the wake, therefore I vote 'aye.'"

SIGNING OF BILLS

The Secretary announced that the President was about to sign:

House Bill No. 42: A Bill for an Act to Amend and Re-enact Section 3969 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Section 79 of the Session Laws of North Dakota for the Year 1919, Relating to Excluding Farm Lands from the Limits of City, Town and Villages.

House Bill No. 51: A Bill for an Act to Prohibit the Use of Tobacco by Smoking in Certain Places and Providing Penalty.

House Bill No. 52: A Bill for an Act Levying a Tax of One Mill Upon Each Dollar of Assessed Valuation of all Taxable Property Within the State for Each Year for the Purpose of Creating a fund to be known as the "Returned Soldiers' Fund." Providing for the Payment Thereof to Returned Soldiers, Defining the Powers and Duties of the Adjutant General and of the Industrial Commission with Reference Thereto and Making an Appropriation Therefor.

House Bill No. 99: A Bill for an Act to Amend and Re-enact Section 3529 of the Compiled Laws of North Dakota for the Year 1913 Relating to Fees of Notaries Public.

House Bill No. 107: A Bill for an Act to Amend and Re-enact Section 10298 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 162 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to the Season for Killing Deer.

And the President signed the same in the presence of the Senate.

SIGNING OF BILLS

The Secretary announced that the President was about to sign:

Senate Bill No. 57: A Bill: Concurrent Resolution for an Amendment to the Constitution Relating to the Residence Required of an Elector.

Senate Bill No. 97: A Bill for an Act to Authorize the Valuation of Bonds and Other Securities Held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Senate Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the Year 1913, Permitting Incorporated Towns and Villages Having a Population of Not Less Than Two Hundred Inhabitants to Become Incorporated as a City.

Senate Bill No. 102: A Bill for an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Senate Bill No. 104: A Bill for an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

Senate Bill No. 143: A Bill for an Act to Prevent Any Person From Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Senate Bill No. 152: A Bill for an Act to Permit the Use of Certain Ground Upon the Campus of the University and to Consent to the Erection of an Alumni Building Thereupon by the Alumni Association for Purposes of Aiding the University and the Co-operative Interest of Its Alumni and to Grant to Such Alumni Association the Right to Exercise Control and Dominion Over Such Ground and the Building to be Constructed Thereon, Subject to the Rules and Regulations of the State and of Its Board of Administration.

And the President signed the same in the presence of the Senate.

SENATE ROLL CALL

House Bill No. 151: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 126 of the Laws of North Dakota for the Year 1917 as Amended and Re-enacted by Chapter 110 of the Laws of North Dakota for 1919, Relative to the Guarantee of Bank Deposits.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 47, nays 1, absent and not voting 1.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy., Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel.

Absent and not voting: Church.

So the bill passed and the title was agreed to.

House Bill No. 149: A Bill for an Act Providing for the Supervision of Liquidation of Insolvent Banks by the Depositors' Guaranty Fund Commission, the Appointment of a Supervisor of Receivers and Compensation and Expenses Thereof to be Paid out of the Depositors' Guaranty Fund.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersen, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Church.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 140: A Bill for an Act to Amend and Re-enact Chapter 271 of the Session Laws of North Dakota for the Year 1915, Relating to Qualifications of Signers on Petition of County Commissioners.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 1, absent and not voting 0.

Ayes: Baird, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Pettersen, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Baker.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 28: A Bill for an Act to Amend and Re-enact Section 1136 of the General School Laws entitled Deputies. How Appointed. Salary.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethua, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 92: A Bill for an Act Providing for a Committee to Investigate the Proposed Roosevelt Park.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 23, nays 24, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Bond, Byrne, Eastgate, Gardiner, Garberg, Gross, Kelsch, Kendall, Levang, Mees, Murphy, Nelson, Ployhar, Porter, Sperry, Stevens, Thorson, Van Camp, Whitman, Wog.

Nays: Benson, Berg, Carey, Ettestad, Fleckten, Fraser, Hagan, Ingerson, Liederbach, McLachlin, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Petterson, Patten, Rusch, Schrenk, Storstad, Ward, Wenstrom.

Absent and not voting: Bowman, Steel.

So the bill was lost.

Mr. Benson moved that the vote by which House Bill No. 92 was indefinitely postponed be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL

House Bill No. 169: A Bill for an Act to Amend and Re-enact Section 4671 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Size and Construction of Caboose Cars.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 39, nays 8, absent and not voting 2.

Ayes: Baird, Baker, Benson, Berg, Bond, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Carey, Eastgate, Gardiner, Kelsch, Nelson, Petterson, Schrenk,

Absent and not voting: Bowman, Steel.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 77: A Bill for an Act Fixing the Compensation of Election Officers.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 79: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Church, Gross, McNair, Petterson, Stevens, Van Camp.

So the bill passed and the title was agreed to.

SENATE ROLL CALL.

House Bill No. 148: A Bill for an Act Making it a Felony for Any Person to Enter Any Room Wherein, in Whole or in Part, a General Banking Business is Carried on, or Wherein in Whole or in Part, a Business of Receiving Securities, Evidence of Debts or Any Other Valuable Papers on Deposit or

for Safe Keeping, in Which There is at the Time a Human Being, With Intent to Commit a Felony Therein by Means of Threats, Force or Violence, and Prescribing the Punishment Therefor.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 37, nays 8, absent and not voting 4.

Ayes: Baird, Beisel, Berg, Bond, Bowman, Byrne, Church, Etestad, Fleckten, Fraser, Gardiner, Garberg, Hagan, Kelsh, Kendall, Levang, McLachlin, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Whitman.

Nays: Benson, Carey, Eastgate, Ingerson, Liederbach, Nathan, Patten, Wog.

Absent and not voting: Baker, Gross, McNair, Wenstrom.

So the bill passed and the title was agreed to.

Mr. Storstad moved that House Bill No. 19 be amended as follows:

In Paragraph b, strike out the words "three thousand" and insert in lieu thereof "twenty-five hundred."

Also the figures "\$3,000" and insert in lieu thereof "\$2,500."

Which motion prevailed.

SENATE ROLL CALL.

House Bill No. 19: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 162 of the Session Laws of the State of North Dakota for the Year 1919, as Amended by Chapter 73 of the Laws Passed at the Special Session of the Sixteenth Legislative Assembly in December, 1919, Relating to the Creation of the Workmen's Compensation Bureau of North Dakota, the Appointment and Removal of the Commissioners Thereof, the Salary of Such Commissioners and the Powers and Duties of Such Bureau.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll by the Senate was called and there were ayes 39, nays 9, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Eastgate, Etestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Bond, Carey, Kelsh, Kendall, Murphy, Nelson, Petterson, Ployhar, Porter.

Absent and not voting: Schrenk.

So the bill passed and the title was agreed to.

Mr. Storstad moved that the vote by which House Bill No. 19 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Bismarck, N. D., March 1, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 7: A Bill for an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Senate Bill No. 60: A Bill for an Act to Regulate Assignments for Benefit of Creditors, and Provide for the Carrying Out of the Same Under Court Supervision.

Senate Bill No. 154: A Bill for an Act Prescribing the Fees to be Paid to Newspapers for the Publications and Printing of All Legal Notices and Repealing All Acts or Parts of Acts in Conflict Herewith.

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

Senate Bill No. 148: A Bill for an Act to Amend Chapter 131 of the Session Laws of 1919, Enacted by the Sixteenth Session of the Legislative Assembly, Pertaining to the Giving of Notices of Intention to Foreclose Real Estate Mortgages.

Senate Bill No. 192: A Bill for an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the Year 1913, Relating to the fees to be paid by Insurance Companies doing Business in this State.

Which the House has passed unchanged.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 1, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 135: A Bill for an Act Providing for the Issuance of Bonds of the State of North Dakota in a Sum Not Exceeding \$250,000.00, to be Known as Bonds of North Dakota, Electric Utility Series; Prescribing the Terms and Stating the Purposes Thereof; Providing for a Tax and Making Other Provisions for the Payment Thereof; Making Appropriations for the Payment of Said Bonds and Other Provisions for the Payment of Interest and Principal of Said Bonds and to Carry Into Effect the Provisions of This Act.

Senate Bill No. 126: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Enterprise of Furnishing Electricity for Power, Heat, and Lighting Purposes to the Inhabitants and Public of the City of Bismarck and of the County of Burleigh, and to Supply Electricity to All State Buildings Owned or Leased by the State of North Dakota in Said City and County and to the State Street Car Line.

Senate Bill No. 21: A Bill for an Act Creating a Public Health Commission; Fixing the Membership Thereof, and Defining its Powers and Duties.

Senate Bill No. 89: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 204 of the Laws of North Dakota for the Year 1915; an Act to Compel Railroad Companies to Maintain Suitable Stock Yards and Erect Suitable Barns for the Convenience of the Public; to Restrain Any Person From Using the Stock Yards for Any Other Purpose Than Shipping; and to Provide a Penalty for the Violation Thereof.

Which the House has indefinitely postponed.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

SENATE COMMITTEE ON ENROLLMENT AND ENGROSSMENT

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment respectfully report that:

Senate Bill No. 29: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws Passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, Begun and Held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth Day of November, A. D. 1919, and Concluding Thursday, December the Eleventh, 1919, Being an Act to Appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota, and the Further Sum of \$25,000.00 for the Construction of a Bridge across the Red River, at Pembina, Pembina County, and Kittson County, Minnesota, Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919; and Such Appropriation Be Made From the State Highway Fund; which Act was Approved 9:00 A. M. December 12, 1919.

Senate Bill No. 33: A Bill for an Act to Amend and Re-enact Section 2625, Compiled Laws of North Dakota for 1912. Relating to Trespass of Animals.

Senate Bill No. 34: A Bill for an Act Legalizing and Validating all Notices and Publications Commenced in an Official Newspaper Prior to the 1st Day of January, 1921.

Senate Bill No. 35: A Bill for an Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the Year 1913 Relating to Negotiable Instruments Made Payable at a Bank.

Senate Bill No. 37: A Bill for an Act Entitled, an Act to Cure Defects in the Title of Real Estate Caused by Failure of Foreign Corporations to Comply with Section 5238 Compiled Laws, 1913.

Senate Bill No. 44: A Bill for an Act to Amend and Re-enact Section 4 of chapter 187 of the Session Laws of North Dakota for the year 1919.

Senate Bill No. 57: A Concurrent Resolution for an Amendment to the Constitution Relating to the Residence Required of an Elector.

Senate Bill No. 80: A Bill for an Act to Prevent the Adulteration and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the Same.

Senate Bill No. 96: A Bill for an Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota of 1913, Relating to the Appointment of District Court Bailiff's and Compensation Thereof.

Senate Bill No. 97: A Bill for an Act to Authorize the Valuation of Bonds and Other Securities Held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Senate Bill No. 98: A Bill for an Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the Year 1913, Permitting Incorporated Towns and Villages Having a Population of Not Less Than Two Hundred Inhabitants to Become Incorporated as a City.

Senate Bill No. 102: A Bill for an Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the Year 1913, Relating to Compensation of Aldermen.

Senate Bill No. 104: A Bill for an Act to Repeal Section 153, Compiled Laws of North Dakota for 1913, Relating to Fees for the Registration of Bonds.

Senate Bill No. 143: A Bill for an Act to Prevent Any Person from Registering as a Guest in Any Hotel in the State of North Dakota Under a Fictitious or False Name.

Senate Bill No. 152: A Bill for an Act to Permit the Use of Certain Ground Upon the Campus of the University and to Consent to the Erection of an Alumni Building Thereupon by the Alumni Association for Purposes of Aiding the University and the Co-operative Interest of Its Alumni and to Grant to Such Alumni Association the Right to Exercise Control and Dominion Over Such Ground and the Building to be Constructed Thereon, Subject to the Rules and Regulations of the State and of Its Board of Administration.

Were delivered to the governor for his approval at the hour of 3 o'clock P. M.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved the adoption of report, which motion prevailed.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the 55th day after Recess and 56th day and recommend that the same be corrected as follows:

Page 1, in title of H. B. 118, after the word "Re-" insert "enact Section 624 and 625 of the Compiled Laws North."

Page 4, line 10. correct letters "wre" to "were."

Page 17, line 19, strike out the word "therein."

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Courtesies of the floor were extended to J. J. Coyle, Major Person, Minot; Ora Martin, Maude Wheelock, Bismarck.

Mr. Baker moved that the Senate do now recess until tomorrow at 10 o'clock A. M., which motion prevailed.

W. J. PRATER,
Secretary.

FIFTY-SEVENTH DAY AFTER RECESS AND
FIFTY-EIGHTH DAY.Senate Chamber,
Bismarck, North Dakota,
March 2, 1921.

The Senate convened at 10 o'clock a. m. pursuant to recess taken, the President presiding.

THIRD READING OF HOUSE BILLS.

SENATE ROLL CALL

House Bill No. 132: A Bill for an Act Relating to Motion Picture Films, Reels, and Views, Providing a System of Examination, Approval and Regulation Thereof, and of the Banners, Posters and Other Advertising Matter Used in Connection Therewith; Creating a Bureau of Inspectors of Motion Pictures and Providing Penalties for the Violation of this Act.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 23, nays 25, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Fleckten, Fraser, Garberg, Gross, Hagan, Levang, Liederbach, McNair, Miklethun, Nathan, Noltmier, Olson, Oksendahl, Patten, Ward, Weinstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Ettetstad, Gardiner, Ingerson, Kelsh, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Stevens.

So the bill was lost.

Mr. Murphy moved that the vote by which House Bill No. 132 was lost be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Mr. Mees moved that House Bill No. 100 be placed at the foot of the calendar, which motion prevailed.

Mr. Bowman moved that House Bills No. 190, 191, 192 be left over until tomorrow, which motion was lost.

Mr. Bowman moved that further consideration of House Bill No. 192 be indefinitely postponed, which motion prevailed.

Mr. Bowman moved that action be deferred on House Bill No. 105, which motion prevailed.

SENATE ROLL CALL

House Bill No. 16: A Bill for an Act Relative to Scaffoldings and Providing Safety Appliances in Construction Work.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 32, nays 15, absent and not voting 2.

Ayes: Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Steel, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Baird, Bond, Eastgate, Gardiner, Kelsch, McLachlin, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Storstad.

Absent and not voting: Stevens, Van Camp.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 14: A Bill Entitled, an Act Relating to Interfering with Rights of Employees.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 32, nays 16, absent and not voting 1.

Ayes: Baird, Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Steel, Thorson, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Bond, Carey, Eastgate, Kelsch, McLachlin, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Storstad, Van Camp.

Absent and not voting: Stevens.

So the bill passed and the title was agreed to.

Mr. Bond: "I favor some parts of this bill. On page two, Section "6" it appears to me that this bill would prohibit from writing a letter or otherwise stating the exact facts as to the discharge of an employe. I therefore vote "no."

SENATE ROLL CALL

House Bill No. 49: A Bill for an Act to Amend and Re-enact Section 814 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Jurors.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Micklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Pettersson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Eyrne, Nathan, Stevens.

So the bill passed and the title was agreed to.

Mr. Baker moved that House Bill No. 105 be amended as follows:

To the engrossed bill add: "890 a, Penalty."

"After all contests are settled affecting the election of any committeeman as provided in this act, any person who wilfully and falsely impersonates any committeeman elected as provided in this act shall be deemed guilty of a misdemeanor and shall be subject to a fine of not less than Fifty Dollars (\$50.00) nor more than Five Hundred Dollars (\$500.00)."

Which motion prevailed.

Mr. Baker moved that the title of House Bill No. 105 be amended as follows:

Add to the end of the title the words: "And to provide a penalty for the violation of this act."

Which motion prevailed.

SENATE ROLL CALL

House Bill No. 105: A Bill for an Act to Amend and Re-enact Chapter 118 of the Session Laws of 1919, Which Amends and Re-enacts Section 890 of the Compiled Laws of North Dakota, for the Year 1913, Pertaining to the Selection of County and State Committeemen.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 33, nays 16 absent and not voting 0.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Ettetstad, Fleckten, Fraser, Garberg, Gross,

Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Mees, Mixlethun, Nathan, Nelson, Noltimier, Olson, Oksendahl, Fatten, Sperry, Thorson, Ward, Wenstrom, Wog.

Nays: Beisel, Eastgate, Gardiner, Kelsch, McLachlin, Murphy, Petterson, Ployhar, Porter, Rusch, Schrenk, Steel, Stevens, Storstad, Van Camp, Whitman.

So the bill passed and the title was agreed to.

The committee on Drainage and Irrigation made the following report:

Mr. President: Your committee on Drainage and Irrigation to whom was referred:

House Bill No. 67: A Bill for an Act to Amend and Re-enact Sections 2462, 2463, 2466, 2487, 2489, 2490 Compiled Laws 1913. Relating to Drains.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 2466 line 4 of the engrossed bill after the word law strike out the comma and insert a period and strike out the remainder of that section.

And when so amended recommend the same do pass.

E. M. NELSON,
Chairman.

Mr. Nelson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Railroads made the following report:

Mr. President: Your committee on Railroads to whom was referred:

House Bill No. 90: A Bill for an Act Requiring Railroad Companies to Provide Separate Compartments for Carriage of Sick People and Providing a Penalty for Violation Thereof.

Have had the same under consideration and recommend that the same be amended as follows:

In section 1, line four of the printed bill, after the word "compartment" insert the words "made by curtains or otherwise."

In line six of same section after the word "enclosed" insert the words "by curtains or otherwise."

In line six same section, after the word "located" strike out "and" and all of lines 7, 8, 9, and 10, and down to the word "Provided" in line 11, and insert in lieu thereof the following:

"Such railroad companies shall provide and carry on trains, one good heavy mattress, at least 8 inches thick, of

proper width to fit inside of seats. That arrangements be made to remove the back of one seat thereby making room for one mattress. That these seats arranged to receive such mattress be enclosed with curtains for carriage of sick."

In line 12, same section, after the word "roads" strike out the balance of line and line 13 down to the words "upon which."

And when so amended recommend the same do pass.

JOHN W. BENSON,
Chairman.

Mr. Benson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 199: A Bill for an Act to Amend and Re-enact Sections 1589, 1594, and 1595 of the Compiled Laws of 1913, Relative to Normal Schools.

Have had the same under consideration and recommend that the same be amended as follows:

In line 1, after the words "Section 1" insert the subtitle "Amendment."

After the words and figure "Section 2" insert the subtitle "Amendment."

After the word and figure "Section 3" insert the subtitle "Amendment."

In Section 2, line 5, strike out the word "Trustees" and insert the word "Administration."

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 201: A Bill for an Act Entitled, "An Act Whereby Teachers Teaching in the Public Schools of North Dakota be United States Citizens."

Have had the same under consideration and recommend that the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Taxes and Tax Laws made the following report:

Mr. President: Your committee on Taxes and Tax Laws to whom was referred:

House Bill No. 113: A Bill for an Act to Amend and Re-enact Section 2495 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Levy of Taxes for Interest for Drainage Purposes and Creating Sinking Fund.

Have had the same under consideration and recommend that the same be amended as follows:

In line seven after the word drain insert the following: Provided that this section shall not apply to lands upon which payment has been made into the county treasury for the full amount of the assessment as provided in section 2494 of the Compiled Laws of 1913.

And when so amended recommend the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Drainage and Irrigation made the following report:

Mr. President: Your committee on Drainage and Irrigation to whom was referred:

House Bill No. 41: A Bill for an Act Providing for the Preservation and Control of the Artesian Waters of the State.

Have had the same under consideration and recommend that the same do pass.

E. M. NELSON,
Chairman.

Mr. Nelson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 7:

A Bill for an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Senate Bill No. 60: A Bill for an Act to Regulate Assignments for Benefit of Creditors, and Provide for the Carrying Out of the Same Under Court Supervision.

Senate Bill No. 148: A Bill for an Act to Amend Chapter 131 of the Session Laws of 1919, Enacted by The Sixteenth Session of the Legislative Assembly, Pertaining to the Giv-

ing of Notices of Intention to Foreclose Real Estate Mortgages.

Senate Bill No. 154: A Bill for an Act Prescribing the Fees to be Paid to Newspapers for the Publications and Printing of All Legal Notices and Repealing All Acts or Parts of Acts in Conflict Herewith.

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

Senate Bill No. 192: A Bill for an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the Year 1913, Relating to the fees to be paid by Insurance Companies doing Business in this State.

And find the same correctly enrolled.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Counties made the following report:

Mr. President: Your committee on Counties to whom was referred:

House Bill No. 139: A Bill for an Act to Amend and Re-enact Section 3296 of the Compiled Laws of North Dakota for the Year 1913, Relating to County Commissioners' Powers and Duties With Respect to Contracts Let on Competitive Bids.

Have had the same under consideration and recommend that the same be amended as follows:

In line 7, after the word "in" strike out "some" and insert in lieu thereof the word "official."

In line 44 of the printed bill strike out the word "some" and insert in lieu thereof the word "official."

And when so amended recommend the same do pass.

T. J. KELSH,
Chairman.

Mr. Kelsh moved that the report be adopted, which motion prevailed and the report was adopted.

The majority of the committee on Taxes and Tax Laws made the following report:

Mr. President: A majority of your committee on Taxes and Tax Laws to whom was referred:

House Bill No. 176: A Bill for an Act to Amend and Re-enact Section 2078, Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 223, Session Laws of 1919, Relating to the Exemption of Property From Taxation.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
P. A. BERG,
B. F. BAKER,
H. H. McNAIR,
GUST WOG,
OLE ETTESTAD.
E. A. BOWMAN,
Chairman.

The minority of the committee on Taxes and Tax Laws made the following report:

Mr. President: A minority of your committee on Taxes and Tax Laws to whom was referred:

House Bill No. 176: A Bill for an Act to Amend and Re-enact Section 2078, Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 223, Session Laws of 1919, Relating to the Exemption of Property From Taxation.

Have had the same under consideration and recommend that the same do pass.

F. W. MEES,
A. G. STORSTAD,
E. M. NELSON,
P. O. THORSON,
W. S. WHITMAN.

Mr. Bowman moved that the majority report on House Bill No. 176 be adopted.

Mr. Mees moved that the minority report be substituted for the majority report.

Roll call being demanded on question of adoption of minority report on House Bill No. 176 it was so ordered.

SENATE ROLL CALL

The question being on the adoption of the minority report on House Bill No. 176, the roll was called and there were ayes 24, nays 25, absent and not voting 0.

Ayes: Baird, Beisel, Bond Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Pettersen, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

So the motion was lost.

Mr. Bowman moved that the vote by which the minority report on House Bill No. 176 was lost, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The question being on the adoption of the motion of Mr. Bowman to adopt the majority report the motion prevailed and the majority report was adopted.

Mr. Baker moved that the Senate do now recess until 1:30 o'clock p. m., which motion prevailed.

The Senate re-assembled at 1:30 o'clock p. m., the President presiding.

SIGNING OF BILLS.

The Secretary announced that the President was about to sign:

Senate Bill No. 7:

A Bill for an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Senate Bill No. 60: A Bill for an Act to Regulate Assignments for Benefit of Creditors, and Provide for the Carrying Out of the Same Under Court Supervision.

Senate Bill No. 148: A Bill for an Act to Amend Chapter 131 of the Session Laws of 1919, Enacted by the Sixteenth Session of the Legislative Assembly, Pertaining to the Giving of Notices of Intention to Foreclose Real Estate Mortgages.

Senate Bill No. 154: A Bill for an Act Prescribing the Fees to be Paid to Newspapers for the Publications and Printing of all Legal Notices and Repealing all Acts or Parts of Acts in Conflict Herewith.

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

Senate Bill No. 192: A Bill for an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Fees to be Paid by Insurance Companies Doing Business in This State.

And the President signed the same in the presence of the Senate.

The majority of the committee on State Affairs made the following report:

Mr. President: The majority of your committee on State Affairs to whom was referred:

House Bill No. 134: A Bill for an Act to Amend and Re-enact Sub-division 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System or Part of System of Water Works.

Have had the same under consideration and recommend that the same be amended as follows:

Amend the title after the word "relating" insert the words "to public utilities and." After the word "works" strike out the comma and insert a period, and add the following: "And Authorizing the State of North Dakota to Engage in the Enterprise of Furnishing Electricity for Power and Lighting Purposes to the Inhabitants and Public of the City of Bismarck and of the County of Burleigh and to Supply Electricity to All State Buildings Owned or Leased by the State of North Dakota in said City and County and to the State Street Car Line, and Making Provision for the Issuance of Bonds."

After the enacting clause strike out all of the bill and insert the following:

Section 70. Any city may purchase, acquire by eminent domain, erect, lease, rent, manage, and maintain any system of water works, well, reservoirs, pipes, machinery, buildings,

and all other property comprising a water works system, hydrants, and supply of water, telegraphing, fire signals or fire apparatus that may be of use in the prevention and extinguishment of fires, and to pass all ordinances, penal or otherwise, that shall be necessary for the full protection, maintenance, management, and control of the property so leased, purchased or erected, and to fix and regulate the rates, use and sale of water; and in the same manner any city may acquire, establish and maintain a plant for the purpose of furnishing electricity and power for lighting purposes to its inhabitants and may regulate and fix the rates to its patrons.

Section 70 A. And the State of North Dakota is hereby authorized to engage in the enterprise of furnishing electricity for power and lighting purposes to the inhabitants and public of the City of Bismarck and of the County of Burleigh and to supply electricity to all buildings owned or leased by the State of North Dakota in said city and county and to the state street car line; and in the same manner the Industrial Commission of the State of North Dakota shall have power and is authorized to consolidate the two separate electric plants, one at the State Capitol and the other at the State Penitentiary, and locate same on the State Penitentiary grounds near the City of Bismarck, and to manage and operate the same, and to make and enforce rates, orders, rules, regulations and by-laws for the operation thereof, and for the transaction of said business, and in carrying on said business, said commission shall utilize prison labor as far as possible.

In fixing the rates for current furnished for power and lighting purposes to be charged to private consumers the Industrial Commission shall have in view the lowest rate consistent with the furnishing of adequate service.

It shall be the duty of the Industrial Commission, and said commission is hereby empowered and authorized to obtain, in the name of the State of North Dakota by permission or otherwise, licenses and franchises from the County of Burleigh and the City of Bismarck, in the State of North Dakota, for the use of roads, public highways, streets and alleys for the purpose of installing all necessary wire, poles, conduits, cables and other services and equipment necessary to the operation of said utility.

Section 70 B. For the purpose of carrying out the provisions of this Act, the Industrial Commission is hereby authorized to issue bonds of the State of North Dakota in a sum not exceeding \$250,000, to be known as Bonds of North Dakota, Electric Utility Series, which bonds are to bear interest at a rate not exceeding six percent per annum, and said bonds shall be issued, insofar as possible, pursuant to the conditions and provisions of Chapter 153, Session Laws of North Dakota, 1919.

Section 70 C. If any part of this act shall be declared unconstitutional by the supreme court of the State of North Dakota, the other parts hereof, being valid, insofar as it is not unconstitutional it shall be and remain in full force and effect notwithstanding the unconstitutionality of some part thereof.

Section 70 E. EMERGENCY. This Act is hereby declared to be an emergency measure, and shall be in full force and effect from any after the date of its passage and approval.

And when so amended recommend the same do pass.

J. E. FLECKTEN,
B. P. BAKER,
H. H. McNAIR,
E. A. BOWMAN,
O. H. OLSON,
JAMES A. WENSTROM,
JOHN L. MIKLETHUN,
JOHN W. BENSON,
A. A. LIEDERBACH,
O. C. GROSS.
O. H. OLSON,
Chairman.

Mr. Olson moved that the majority report be adopted, which motion prevailed and the report was adopted.

The minority of the committee on State Affairs made the following report:

Mr. President: The minority of your committee on State Affairs to whom was referred:

House Bill No. 134: A Bill for an Act to Amend and Re-enact Sub-division 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System or Part of System of Water Works.

Have had the same under consideration and recommend that the same be indefinitely postponed, as amended.

WALTER R. BOND,
P. J. MURPHY,
W. H. PORTER,
ALFRED STEEL,
P. O. THORSON,
C. W. CAREY.

Mr. Olson moved that the majority report be adopted.

Mr. Murphy moved that the minority report be substituted for the majority report, which motion was lost.

The question being on the adoption of the majority report on House Bill No. 134, the motion prevailed and the majority report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 137: A Bill for an Act Amending and Re-enacting Section 5742, Compiled Laws of North Dakota for 1913, Relating to the Application of the Provisions of Article 20, Compiled Laws of 1913, to Water Main and Water Works Systems, and to the Purchase Thereof.

Have had the same under consideration and recommend that the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 136: A Bill for an Act to Amend and Re-enact Section 8205, Compiled Laws of North Dakota for 1913, Defining the Private Property Which May be Taken by Eminent Domain.

Have had the same under consideration and recommend that the same be amended as follows:

In section 1, paragraph 5 after the word "works" insert "electric light and power plant."

In the same section after the word "system" insert "electric light and power system."

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. Olson moved that the Senate do now adjourn, which motion prevailed.

FIFTY-EIGHTH DAY.

Senate Chamber,
Bismarck, North Dakota,
March 2, 1921.

The Senate convened at 2 o'clock p. m., the President presiding.

Prayer by the Chaplain, Rev. Dewhurst.

The roll was called, all senators being present.

Mr. Patten moved that the report of the committee on revision and correction of the journal be deferred, which motion prevailed.

PETITIONS AND COMMUNICATIONS

To the Legislative Assembly, State of North Dakota, Bismarck, N. D.

Honorable Sir: The undersigned pastor and trustees of the First German Baptist church of Hebron, State of North Dakota at the request of the congregation composed of 103 American citizens, hereby bring to your attention their protest against the use by the Republic of France of uncivilized black tribesmen in the occupied districts of Germany.

The common people of Germany are a cultured and civilized people of the white race, devoted to their church and family life, and wholly blameless in their present misfortune. These black tribesmen brought there by the French commit the most bestial offenses against married women and girls alike. Even boys are subjected to the most brutal sexual offenses. By authority of the French government the people in these districts are compelled to provide brothels and girls who are compelled to accommodate the lusts of these negroes, under penalty that on failure, young girls will be drafted from among the inhabitants and delivered to the brothels for the gratification of these bestial French blacks. It is needless to add that under these conditions syphilis and venereal disease is being spread broadcast in that once happy land.

We consider such conduct by a so-called civilized nation an outrage and disgrace to the family of civilized nations, and an open insult to the United States of America who entered the war on the side of France on the lofty principles laid down by President Wilson.

We respectfully request that this petition be brought to the attention of Congress, with a view that it take such action as shall be necessary to stop this disgrace to the civilized world and womankind.

P. J. JUNGERS,
And 285 Others.

Fessenden, N. D., March 1, 1921.

Sen. J. A. Wenstrom, Care Capitol, Bismarck, N. D.

We urge appropriation for state highway commission sufficient to obtain liberal federal aid. Wells county has twenty one miles surveyed and ready to commence work immediately in spring.

WELLS COUNTY COMMISSIONERS.

Copperstown, N. Dak., Feb. 24, 1921.

Hon. John Mikkethun, Care McKenzie Hotel, Bismarck, North Dakota.

Support original bill introduced in senate by senate appropriation committee for use state highway commission.

B. W. HAZARD,
MIKE MOGARD
OTTO PRITZ,
County Commissioners, Griggs County.
P. A. MELGARD
County Auditor.

Binford, N. Dak., Feb. 24, 1921.

John L. Mikkethun, Senate, Bismarck, N. Dak.

We urge necessity supporting original appropriation for state highway commission as next to education good roads is most important item for advancement of all interests on the state.

BINFORD BOOSTER CLUB,
OSCAR GREENLAND,
President.

The committee on conference made the following report:

Mr. President: Your committee on conference to whom was referred:

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as Amended by Chapter 143, Session Laws of 1919.

Have had the same under consideration and recommend that the Senate recede from its amendments.

FRANK E. PLOYHAR

R. L. FRASER

OLE OTTESTAD

For the Senate.

A. B. CARLSON

ROBT E. BOYD

LAURENCE R. BJORGO

For the House.

Mr. Ployhar moved that the report be adopted.

SENATE ROLL CALL

The question being on the adoption of the conference committee report on House Bill No. 23, the roll was called and there were ayes 27, nays 22, absent and not voting 0.

Ayes: Baird, Beisel, Bond, Ettestad, Fraser, Garberg, Ingerson, Kelsch, Kendall, Levang, McLachlin, Murphy, Nelson, Olson, Petterson, Ployhar, Porter, Rusch, Schrenk, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Fleckten, Gardiner, Gross, Hagan, Liederbach, McNair, Mees, Miklethun, Nathan, Noltimier, Oksendahl, Patten, Sperry, Stevens.

So the conference committee report was adopted.

Senator Baker: I vote no on this bill and I do it because I agree with the Senator from Ramsay. I think the day will come and come very soon when we will realize that Armistice Day should not be celebrated as a public holiday. I think the greatest tribute that we can pay to the American Legion is that they be covered with the tribute of Memorial Day. I wish that the remarks of the Senator from Ramsey had been taken down and printed in the journal but I hope that he will give the same talk in the explanation of his vote.

Senator Church: I was raised in a country where they had a celebration on July 12th. Now I never could see any reason for the holding of this celebration as it only stirred up bigotry and hatred at all times and for that reason I vote no.

Senator Garberg: I think this body has the wrong conception of Armistice Day. As I understand it, it is not a day for celebration, it is this, we cannot afford to forget Armistice Day and we cannot afford to forget what those fellows went over there for. I think the purpose of Armistice Day is that

we shall not forget what led up to that day. We want to link the American Legion with that silent legion sleeping under the forest of the crosses that sprang up in the wake of our army and if we bear this in mind we shall not permit international politicians to trade away the fruits of our victory. Therefore I vote "aye".

Senator Mees: In addition to the remarks of the Senator from Ramsey, which I heartily endorse, I am compelled to vote no on this proposition for the reason that we have not as yet declared peace with the country with whom we have **been at war and I vote no.**

HOUSE CHAMBER

Bismarck, N. D. March 2, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bills Nos. 118, 159, 146, 171, 154, and 81.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Mr. Bowman moved that the vote by which House Bill No. 192 was indefinitely postponed, be reconsidered.

Which motion prevailed.

Mr. Bowman moved that House Bill No. 192 be placed on the calendar for tomorrow.

Which motion prevailed.

CONSIDERATION OF MESSAGES FROM THE SENATE

HOUSE CHAMBER

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 32: A Bill for an Act to Amend and Re-enact Sections 11114 and 11115, Compiled Laws of the State of North Dakota for 1913, Relating to the Admitting to Bail of Persons Charged with the Offense of Homicide.

Which the House has passed amended as follows:

Section 1. That just before the word "when" and just after the word "actions," in line three (3) of Section one (1) insert the following "when the offense is punishable by death or,"

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Mr. Garberg moved that the Senate concur in the House amendments to Senate Bill No. 32.

SENATE ROLL CALL

The question being on the adoption of the House Amend-

ments to Senate Bill No. 32, the roll was called and there were ayes 41, nays 3, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Miklethun, Murphy, Nathan, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Benson, Fleckten, Mees.

Absent and not voting: Bond, Liederbach, Nelson, Patten, Rusch.

So the amendment was concurred in.

HOUSE CHAMBER

Bismarck, N. D., Feb. 26, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 54: A Bill for an Act to Appropriate Money to Take Care of the Deficit in the Maintenance Account of the Hail Insurance Department for the Year Beginning January 1st, 1920, and Ending December 31st, 1920.

Which the House has amended as follows:

In the printed bill, in the first line of the title, strike out the word "appropriate" and substitute in lieu thereof the word "transfer." After the word "money" in the same line, insert "from the hail insurance fund."

In line 1, Section 1, strike out the word "appropriation" and insert in lieu thereof the word "transfer." In the second line of Section 1, strike out the word "appropriated" and insert in lieu thereof the word "transferred." In line 3, of the same section, strike out the words "State Treasury, not otherwise appropriated," and insert in lieu thereof "Hail Insurance Fund." In the same section, line 6, strike out the words "said sum to be" and after the numerals "1920" insert a "period." In the same section, strike out the lines 7 and 8.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Church moved that the Senate do concur in the House amendments to Senate Bill No. 54.

SENATE ROLL CALL

The question being on the adoption of the House amendments to Senate Bill No. 54, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petter-

son, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Kendall, Ployhar.

So the amendment was concurred in.

HOUSE CHAMBER

Bismarck, N. D., Feb. 28, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official Dockets and Papers of Justices of the Peace.

Which the House has amended as follows:

Section 3. That Section three (3) be amended to read as follows: "Section 3. Any county justice of the peace, or any person, violating any of the provisions of this act, shall be liable to a fine of not less than ten dollars nor more than one hundred dollars, to be recovered in a civil action by the county."

C. L. DAWSON,
Chief Clerk.

Senator Sperry moved that the Senate concur in the House amendment to Senate Bill No. 55.

SENATE ROLL CALL

The Question being on the adoption of the House Amendment to Senate Bill No. 35, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, Mees, Micklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Fleckten, Liederbach, McNair.

So the House amendment was concurred in.

HOUSE CHAMBER

Bismarck, N. D., Feb. 28, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 24: A Bill for an Act to Amend and Re-enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

Which the House has amended as follows:

In Section 4400, line 3, strike out the words "in open" and in line 4 the word "court."

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Mr. Church moved that the Senate do concur in the House amendment to Senate Bill No. 24.

SENATE ROLL CALL

The question being on the adoption of the House Amendment to Senate Bill No. 24, the roll was called and there were ayes 43, nays 1, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Gross, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Fleckten.

Absent and not voting, Berg, Garberg, Hagan, Liederbach, Steel.

So the amendment was concurred in.

HOUSE CHAMBER

Bismarck, N. D., March 2, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 162: A Bill for an Act to Provide a Minimum Amount of Training, a Minimum Salary for a Teaching Experience of Less Than One School Year, and a Schedule of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

Which the House has amended as follows:

The emergency clause to be stricken off.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Mr. McNair moved that the Senate concur in the House amendments to Senate Bill No. 162.

SENATE ROLL CALL

The question being on the adoption of the House amendments to Senate Bill No. 162, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Byrne, Liederbach.

So the amendment was concurred in.

HOUSE CHAMBER

Bismarck, N. D., March 2, 1921.

Mr. President: I have the honor to return herewith the following bills:

House Bill No. 183: A Bill for an Act to Amend and Re-enact Chapter 1342 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 141 of the Session Laws of North Dakota for the Year 1915 and Chapter 206 of the Session Laws of North Dakota for the Year 1917, Relating to Compulsory Attendance, School Age and the Transportation of Pupils.

House Bill No. 190: A Bill for an Act Empowering the State Inspector of Grades, Weights and Measures to Fix Maximum Rates for the Storage, Insurance, and Handling of Grain in Public Grain Warehouses; Requiring Warehousemen to Insure all Grain Stored in Public Grain Warehouses; and Repealing Section 3116 of the Compiled Laws of 1913.

House Bill No. 191: A Bill for an Act Empowering the State Inspector of Grades, Weights and Measures to Waive Certain Requirements of the Laws, Rules, and Regulations of the State of North Dakota Relating to Public Grain Warehouses in the Case of Grain Warehouses Which Have Given Bond and are Licensed Under the United States Warehouse Act.

Pursuant to your request of March 2nd.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 2, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 16: A Bill for an Act Providing for a Reward for the Arrest and Conviction of Persons Charged with the Violation of the Prohibition Laws of this State and for Appointment of Special Deputy Sheriffs to Enforce such Prohibition Laws.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 2, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 17: A Bill for an Act to appropriate \$10,000 to Aid in the Educational Work Being Carried on by North Dakota Tuberculosis Association, and the Prevention respect, love and esteem in which he was held by the mem-

Chapter 7 of the Session Laws of North Dakota for the year of the Spread of Tuberculosis more Definitely Prescribed in 1915, for the Salary and Traveling Expenses of Field Workers and Nurses.

Senate Bill No. 121: A Bill for an Act to Provide for the Acceptance of the Benefits of an Act by the Senate and House of Representatives of the United States of America in Congress Assembled. (H. R. 4438, Approved June 3, 1920) entitled "An Act to Provide for the Promotion of Vocational Rehabilitation of Persons Disabled in Industry or Otherwise and Their Return to Civil Employment"; to Provide for the Administration of Same.

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Section 1334 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Interest on Bonds of Common School Districts.

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands, Included Within the Williston Irrigation District.

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Laws of North Dakota for the Year 1919 Relating to the Purchase of Cattle by County.

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Laws of North Dakota for the Year 1919 Relating to the Purchase of Cattle by County.

Which the House has passed unchanged.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Mr. Nathan moved that further consideration of House Bill No. 197 be indefinitely postponed.

Roll call demanded.

SENATE ROLL CALL

The question being on the indefinite postponement of further consideration of House Bill No. 197, the roll was called and there were ayes 25, nays 24, absent and not voting 0.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsch, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the bill was indefinitely postponed.

Mr. Fraser moved that the vote by which House Bill No.

197 was indefinitely postponed be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

THIRD READING OF HOUSE BILLS

Mr. Mees moved that House Bill No. 203 be amended as follows:

Page 13, beginning of line 8, after the word "however," strike out the remainder of line 8, and of line 9 and part of line 10, up to the period.

Which motion prevailed.

Mr. Thorson moved that the amendment offered by Senator Mees be amended by striking out the entire amendment.

Which motion was lost.

SENATE ROLL CALL

House Bill No. 203: An Act to Amend and Re-enact Section 69 of the Compiled Laws of North Dakota for 1913, Relating to the Printing of the Popular Edition of the Session Laws; Fixing the Specifications for the Unauthenticated Edition of the Session Laws of the State of North Dakota, and Repealing all Acts and Parts of Acts in Conflict Therewith.

Was read the third time.

The question being on the final passage of the bill as amended, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Etestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun-Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Wog.

Absent and not voting: Whitman.

So the bill passed and the title was agreed to.

SENATE COMMITTEE ON ENROLLMENT AND ENGROSSMENT

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment respectfully report that:

Senate Bill No. 7: A Bill for an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Senate Bill No. 60: A Bill for an Act to Regulate Assign-

ments for Benefit of Creditors, and Provide for the Carrying Out of the Same Under Court Supervision.

Senate Bill No. 148: A Bill for an Act to Amend Chapter 131 of the Session Laws of 1919, Enacted by The Sixteenth Session of the Legislative Assembly, Pertaining to the Giving of Notices of Intention to Foreclose Real Estate Mortgages.

Senate Bill No. 154: A Bill for an Act Prescribing the Fees to be Paid to Newspapers for the Publication and Printing of all Legal Notices and Repealing all Acts or Parts of Acts in Conflict Herewith.

Senate Bill No. 155: A Bill for an Act Defining Duration of the War.

Senate Bill No. 192: A Bill for an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the Year 1913, Relating to the fees to be paid by Insurance Companies doing Business in this State.

Were delivered to the governor for his approval at the hour of 3:10 o'clock P. M.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved adoption of report.

Senator Baker moved that after the announcement of the vote on House Bill No. 203, the Senate recess until 10 o'clock A. M. tomorrow.

Which motion prevailed.

Courtesies of the floor were extended to: Frank G. Prater, Arena; E. O. Beastrom, Anton Larson, Hazelton; Father J. Halloran, Stanley; O. O. Odegaard, Dunn Center, N. D.; Torger Sinnes, Minnewaukon, N. D.; Alfred Arneson, Arena, N. D.

So the Senate recessed.

W. J. PRATER,
Secretary.

FIFTY-EIGHTH DAY AFTER RECESS AND
FIFTY-NINTH DAY.

Senate Chamber,
Bismarck, North Dakota,
March 3, 1921.

The Senate assembled at 10 o'clock a. m. pursuant to recess taken, the President presiding.

SIGNING OF BILLS.

The Secretary announced that the President was about to sign:

House Bill No. 6: A Bill for an Act to Amend and Re-enact Section 7949 of North Dakota, 1913, Relating to Continuances of Cases.

House Bill No. 18: A Bill for an Act to Amend and Re-enact Section 2 of Chapter 162 of the Laws of North Dakota for the Year 1919, Defining Certain Words and Phrases in said Chapter.

House Bill No. 20: A Bill for an Act to Amend and Re-enact Section 8 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to the Enforcement of Payment of Premiums to the Workmen's Compensation Fund.

House Bill No. 21: A Bill for An Act to Amend and Re-enact Section 5 of Chapter 162 of the Laws of North Dakota for 1919, Relating to Information Furnished by Employers to the Workmen's Compensation Bureau of North Dakota and Penalty for Failure to Furnish Information Required.

House Bill No. 22: A Bill for an Act to Amend and Re-enact Section 3 of Chapter 162 of the Laws of North Dakota for the Year 1919, Relating to the Payment of Compensation to Injured Employees, or their dependents, and the Payment of Burial Expenses in the Event of Death Resulting from Injuries.

House Bill No. 57: A Bill for an Act to Amend and Re-enact Section 1455 of the Compiled Laws of the State of North Dakota for the Year 1913, and Section 1456 of the Compiled Laws of the State of North Dakota for the Year 1913, as Amended by Chapter 207 of the Session Laws of the State of North Dakota for the Year 1917, Relating to County Agricultural and Training Schools.

House Bill No. 59: A Bill for an Act to Amend and Re-enact Section 3905 of the Compiled Laws of North Dakota for the Year 1913, Relating to the Building and Repairing of Side Walks by Villages, the Giving of Notices Thereof, the Duties of Real Property Owners, and the Powers of the Board of Trustees in Regard Thereto.

House Bill No. 60: A Bill for an Act Appropriating Five Thousand (\$5,000.00) Dollars for the Purpose of Erecting a Suitable Dairy Barn at the Experimental Station, Situated at Hettinger, Adams County, North Dakota.

House Bill No. 72: A Bill for an Act to Amend and Re-enact Section 4924 of the Compiled Laws of North Dakota for the Year 1913, Relating to Taxation of Insurance Companies.

House Bill No. 106: A Bill for an Act to Amend and Re-enact Section 46 of Chapter 161 of the Laws of North Dakota for the Year 1915, as Amended by Chapter 63, of the Laws of North Dakota for the Year 1917, as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Prohibiting the Trapping, Catching, Killing, or Destroying of Beaver and Otter, for a Limited Period.

House Bill No. 109: A Bill for an Act Legalizing Certain Acts of City, Village and School District Officials.

House Bill No. 116: A Bill for an Act Providing for the Furnishing by the Register of Deeds of Each County to Elevators Making Application and Paying the Fee Provided Therefor, of an Abstract of All Mortgages and Liens Upon Grain Grown During Each Year, and Filed in the Office of the Register of Deeds.

House Bill No. 119: A Bill for an Act Declaring Sow Thistles to be a Noxious Weed, Providing for Its Destruction and Providing for the Payment of the Expense of Its Destruction.

House Bill No. 124: A Bill for an Act to Amend and Re-enact Chapter 205 of the Session Laws of the State of North Dakota for the Year 1919 Prohibiting the Sale of Any New Draft Sleds Within the State of Which the Runners Measure Less Than Four Feet Six Inches from Center to Center and Making the Sale of Same a Misdemeanor and Providing for the Revocation of the License of Any Foreign Corporation to do Business in the State Which Fails to Comply With the Terms of this Act.

House Bill No. 125: A Bill for an Act to Amend and Re-enact Section 2681 of the Compiled Laws of the State of North Dakota for 1913, Compensation for Members of State Live Stock Sanitary Board.

House Bill No. 126: A Bill for an Act Relating to the Application of the Tuberculin Test and Eradication of Bovine Tuberculosis in Townships in Counties in North Dakota Under Direction of the State Live Stock Sanitary Board by Petition of a Majority of Freeholders in Such Township.

House Bill No. 127: A Bill for an Act to Amend and Re-enact Section 2702 of the Compiled Laws of the State of North Dakota for 1913, as Amended by Chapter 263, Session

Laws of North Dakota for the Year 1915, and Amending and Re-enacting Section 2706 of the Compiled Laws of the State of North Dakota for 1913, Relating to the Reimbursement of Owners of Tubercular Cattle.

House Bill No. 128: A Bill for an Act to Amend and Re-enact Section 2110 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 221 of the Session Laws of 1919, Relating to the Listing of Property of Corporations, Joint-Stock Companies or Associations for Taxation.

House Bill No. 155: A Bill for an Act to Amend and Re-enact Section 4624 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Conveyances and Mortgages of Railroad Corporations, so as to Provide the Manner of Execution and Manner and Place of Record of Every Conveyance or Lease, Deed of Trust, Mortgage or Assignment, or Satisfaction Thereof, Made by Any Railroad, Telegraph or Telephone Corporation.

House Bill No. 160: A Bill for an Act to Amend and Re-enact Section 52 of Chapter 161 of the Session Laws of North Dakota for the Year 1915, as Amended by Section 52 of Chapter 122 of the Session Laws for the Year 1917, Relating to Bag Limit of Game Birds.

House Bill No. 162: A Bill for an Act to Amend and Re-enact Section 13b and Section 43 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

House Bill No. 168: A Bill for an Act to Amend and Re-enact Section 287 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 241 of the Session Laws of 1915, as Amended by Chapter 204 of the Session Laws of 1917, and as Amended by Chapter 198 of the Session Laws of 1919, Relating to the Investment of University and School Land Funds.

House Bill No. 170: A Bill for an Act to Amend and Re-enact Section 7633 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to When Special Verdicts Directed to Special Findings, How Prepared and Judgment Entered Thereon.

House Bill No. 206: A Bill for an Act Authorizing Boards of County Commissioners to Issue Refunding Bonds to Fund or Refund for the Purpose of Seed Grain or Seed and Feed Grain Bonds or Warrants Theretofore Issued Pursuant to Law for the Purchase of Seed Grain and Feed or Either.

House Bill No. 63: A Bill for an Act to Amend and Re-enact Section 7644 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 1 of the Session Laws for the Year 1919, (Regular Session), Relating to Change of Judges in Civil and Criminal Actions in the District Court, for Prejudice or Bias of Judge Thereof; Providing for the Calling in of Another Judge of Another Judicial District, and the Payment of His Expenses, and the Discharge of Jurors Therein, and Repealing All Acts or Parts of Acts in Conflict Therewith.

House Bill No. 75: A Bill for an Act to Appropriate Money for the Purpose of Constructing a Beef Cattle Barn at the Langdon Sub-Station.

And the President signed the same in the presence of the Senate.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 65: A Bill for an Act Requiring the Evaluation by the Board of Railroad Commissioners of All Common Carrier Railroad Property Within the State of North Dakota; Requiring the Fixing of the Fair Value Thereof for Rate Making Purposes; and Providing for an Appropriation to Carry Out the Provisions Thereof.

Senate Bill No. 123: A Bill for An Act to Amend and Re-enact Section 1147, Compiled Laws of North Dakota for the Year 1913, as Amended by **Chapter 197, of the Laws** of North Dakota for the Year 1919, Relating to the Formation of New Common School Districts.

Which the House has indefinitely postponed.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bills No. 31, 185 and 101.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate Concurrent Resolution Relative to So-operation of Flood Control Engineer With Province of Manitoba Regarding Survey of Red River.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator McNair moved that further consideration of House Bill No. 183 be indefinitely postponed, which motion prevailed.

Senator Bowman moved that further consideration of House Bill 190 be indefinitely postponed, which motion prevailed.

Senator Bowman moved that further consideration of House Bill No. 191 be indefinitely postponed, which motion prevailed.

Senator Storstad offered the following amendment to House Bill 100: Strike out everything after the word "A Bill" and insert in lieu the following:

For an Act Defining Criminal Syndicalism, Prohibiting the Advocacy Thereof and the Advocacy of Crime, Sabotage, Violence, or Other Unlawful Methods of Terrorism as a Means of Accomplishing Industrial Ends, and Assemblage for the Purpose of Such Advocacy; and Providing Penalties for the Violation of the Provisions Thereof.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

Section 1. CRIMINAL SYNDICALISM DEFINED. Criminal syndicalism is hereby defined as the doctrine which advocates crime, sabotage, (this word as used in this bill meaning malicious damage or injury to the property of an employer by an employee), violence or other unlawful methods of terrorism as a means of accomplishing industrial ends. The advocacy of such doctrine, whether by word or mouth or writing is hereby declared a felony punishable as in this act otherwise provided.

Section 2. TEACHING OR ADVOCATING SYNDICALISM DECLARED A FELONY. Any person who by word of mouth or writing, advocates or teaches the duty, necessity or propriety of crime, sabotage, violence or other unlawful methods of terrorism as a means of accomplishing industrial ends, or prints, publishes, edits, issues or knowingly circulates, sells, distributes, or publicly displays any book, paper, document, or written matter in any form, containing or advocating, advising or teaching the doctrine that individual ends should be brought about by crime and with intent of advocating, advising or teaching sabotage, violence, or other unlawful methods of terrorism, is guilty of a felony and punishable by imprisonment in the penitentiary for not more than five years or by a fine of not more than one thousand (\$1,000.00) dollars or by both such imprisonment and fine.

Section 3. ASSEMBLING FOR PURPOSE DECLARED A FELONY. Whenever two or more persons assemble for the purpose of advocating or teaching doctrines of criminal syndicalism defined in this act, such assemblage is unlawful and every person voluntarily and knowingly participating therein, or aiding or instigating the same, is guilty of a felony and punishable by imprisonment in the penitentiary for not more than two years or by a fine of not more than five hundred (\$500.00) dollars or by both such imprisonment and fine; provided, however, that nothing in the above three sections shall be construed to abridge the legitimate rights of organized labor.

Section 4. REPEAL. All acts and parts of acts in conflict with this act are hereby repealed.

Senator Storstad moved that the amendment be adopted.

Roll call was demanded.

SENATE ROLL CALL

The question being on the amendment offered by Senator

Storstad, the roll was called and there were ayes 23, nays 25, absent and not voting 1.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Absent and not voting: Kendall.

So the motion was lost.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 200: A Bill for an Act Authorizing the Renewal Period of Corporate Existence of Certain Corporations Whose Period of Duration has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporation Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporations.

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of this Act.

Which the House has passed unchanged.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator Stevens moved to further amend House Bill No. 100 as follows: At the end of Sec. 3 add "provided further that the term "organized labor" as herein defined is intended to mean and does mean I. W. Wism, I. V. Aism or any other ism that may by reason of the enactment of such legislation as this choose to defy the laws of North Dakota or any other state of the American union, which motion was lost.

Senator Murphy moved that further consideration of House Bill No. 100 be indefinitely postponed, which motion was lost.

SENATE ROLL CALL

House Bill No. 100: A Bill for an Act Defining Criminal Syndicalism, Prohibiting the Advocacy Thereof and the Advocacy of Crime, Sabotage, Violence, or Other Unlawful Methods of Terrorism as a Means of Accomplishing Indus-

trial Ends, and Assemblage for the Purpose of Such Advocacy; and Providing Penalties for the Violations of the Provisions Thereof.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 25, nays 23, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, McLachlin, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Kendall.

So the bill passed and the title was agreed to.

Mr. Church moved that the vote by which House Bill No. 100 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 116: A Bill for an Act to Amend and Re-enact Chapter 179 of the Session Laws of 1915; an Act to Amend Chapter 177 of the Laws of 1911 (Same Being Sections 11402 to 11428, Inclusive, Compiled Laws 1913) Entitled "Juvenile Court," by Adding Thereto Certain Provisions Giving the Court Power When Necessary to Appoint District Juvenile Commissioners, Guardians ad litem, and to Make Rules and Regulations Prescribing Their Duties and Fixing Their Compensation; also to Enact Such Other Provisions Which Are Best Calculated to Carry Out the Purpose of Said Chapter 177.

Which the House has amended as follows:

TITLE: That all of the title to said bill be stricken out and in lieu thereof insert the following:

"For an Act to Amend and Re-enact Chapter 177 of the Session Laws of 1911 (same being Sections 11402 to 11428, both Inclusive, of the Compiled Laws of North Dakota for the year 1913) entitled: "Juvenile Court," by adding thereto certain provisions, giving the court power when necessary to appoint District Juvenile Commissioners, Guardians ad litem, and to make rules and regulations prescribing their duties and fixing their compensation; to enact such other provisions as are best calculated to carry out the provisions of said chapter 177 and to amend and re-enact Chapter 179 of the Session Laws of North Dakota for the year 1915."

SECTION 4. That same be stricken out and in lieu thereof insert the following:

"SECTION 4. Said juvenile commissioners shall receive as full compensation for their services such an amount per diem as shall be approved by the district judge for all the time actually and necessarily employed in the duties of their office, not in any case exceeding the sum of Eight Dollars (\$8.00) per day or exceeding \$150.00 as such compensation in any one month. Such per diem and expenses to be apportioned by said judge between the several counties where the work originates or is done. Such compensation to be paid monthly by the County Treasurers of such counties respectively on bills duly made out and verified as other bills or accounts against the county, and upon an order of the district judge."

SECTION 5. That same be stricken out and in lieu thereof insert the following:

"SECTION 5. The purpose and intent of this act is not to take from the court or judge any power he may now possess, but rather to supplement the efficiency of the work of the district court or judge by casting upon the juvenile commissioners the labor of caring for details and making it only necessary to exercise a judicial function by trying a case or making a final order, and to that end said commissioners shall be subject to appointment and removal by the district judge as they may deem it necessary."

SECTION 6. That same be stricken out and in lieu thereof insert the following:

"SECTION 6. EMERGENCY.) Whereas an emergency exists, now therefore this act shall be in effect from and after its passage and approval."

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Church moved that the Senate do not concur in the House amendments to Senate Bill No. 116, which motion prevailed.

SENATE ROLL CALL

House Bill No. 192: A Bill for an Act to Amend and Re-enact Chapter 97 of the Session Laws of 1917, as Amended by Chapter 99 of the Session Laws of 1919, and by Chapter 29 of the Special Session Laws of 1919, Relating to Cooperative Associations and to Repeal Chapter 13 of the Civil Code of the Compiled Laws of 1913, Chapter 92 of the Session Laws of 1915, and Chapters 95 and 96 of the Session Laws of 1917.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 41, nays 0, absent and not voting 8.

Ayes: Baird, Baker, Beisel, Benson, Berg, Byrne, Church, Eastgate, Etestad, Flekten, Fraser, Gardiner, Garberg, Gross,

Hagan, Ingerson, Kelsh, Levang, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Bowman, Carey, Kendall, Liederbach, Mees, Ployhar, Sperry.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 67: A Bill for an Act to Amend and Re-enact Sections 2462, 2463, 2466, 2487, 2489, 2490 Compiled Laws 1913, Relating to Drains.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 43, nays 0, absent and not voting 6.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman, Carey, Kendall, Mees, Floyhar, Stevens.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 90: A Bill for an Act Requiring Railroad Companies to Provide Separate Compartments for Carriage of Sick People and Providing a Penalty for Violation Thereof.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Carey, Kendall, Mees.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 199: A Bill for an Act to Amend and Re-enact Sections 1589, 1594 and 1595 of the Compiled Laws of 1913, Relative to Normal Schools.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Wog.

Absent and not voting: Benson, Carey, Kendall, Whitman.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 201: A Bill for an Act Entitled, "An Act Whereby Teachers Teaching in the Public Schools of North Dakota be United States Citizens.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 1, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Levang, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Schrenk, Steel, Sperry, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Rusch.

Absent and not voting: Benson, Kendall, Liederbach, Patten.

So the bill passed and the title was agreed to.

SENATE ROLL CALL

House Bill No. 113: A Bill for an Act to Amend and Re-enact Section 2495 of the Compiled Laws of the State of North Dakota for the Year 1913. Relating to Levy of Taxes for Interest for Drainage Purposes and Creating Sinking Fund.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, McLachlin, Mees, Miklethun, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten,

Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Wog.

Absent and not voting: Benson, Liederbach, McNair, Whitman.

So the bill passed and the title was agreed to.

Senator Stevens moved that after the result of the roll call on House Bill No. 41 is announced the Senate recess until 1 o'clock, which motion prevailed.

SENATE ROLL CALL

House Bill No. 41: A Bill for an Act Providing for the Preservation and Control of the Artesian Waters of the State.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 46, nays 1, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: McLachlin.

Absent and not voting: Kendall, Nelson.

So the bill passed and the title was agreed to.

Mr. Kelsh moved that the vote by which House Bill No. 41 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The Senate recessed.

The Senate reassembled at 1 o'clock p. m., the President presiding.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921

Mr. President: I have the honor to return herewith the following bill:

Senate Bill No. 39: A Bill for an Act to Appropriate the Sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River From Burleigh County to Morton County in the State of North Dakota Under the Provision of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919, in Addition to the Sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly, Approved December 12, 1919, and That

Such Appropriation be Made From the State Highway Fund.

Which the House has passed unchanged.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921

Mr. President: I have the honor to inform you that the House refuses to concur in the Senate amendments to House Bill No. 147 and the Speaker has chosen on a conference committee Messrs. Grangaard, Burkhart and Root.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

The President appointed Senators Bowman, Rusch and Wenstrom as conferees on the part of the Senate for House Bill No. 147.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921

Mr. President: I have the honor to inform you that the Speaker has appointed as conferees on Senate Bill 116 Messrs. McGavren, Burns and Durkee.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

The President appointed Senators Church, Bond and Micklethun as conferees on House Bill No. 116.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 17: A Bill for an Act to Appropriate \$10,000 to Aid in the Educational Work Being Carried on by North Dakota Tuberculosis Association, and the Prevention of the Spread of Tuberculosis more Definitely Prescribed in Chapter 7 of the Session Laws of North Dakota for the year 1915, for the Salary and Traveling Expenses of Field Workers and Nurses.

Senate Bill No. 24: A Bill for an Act to Amend and Re-enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

Senate Bill No. 54: A Bill for an Act to Appropriate Money to Take Care of the Deficit in the Maintenance Account of the Hail Insurance Department for the Year Beginning January 1st, 1920, and Ending December 31st, 1920.

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official Dockets and Papers of Justices of the Peace.

Senate Bill No. 121: A Bill for an Act to Provide for the Acceptance of the Benefits of an Act by the Senate and House of Representatives of the United States of America in Congress Assembled. (H. R. 4438, Approved June 3, 1920) entitled "An Act to Provide for the Promotion of Vocational Rehabilitation of Persons Disabled in Industry or Otherwise and Their Return to Civil Employment"; to Provide for the Administration of Same.

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Section 1334 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Interest on Bonds of Common School Districts.

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands, Included Within the Williston Irrigation District.

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Laws of North Dakota for the Year 1919 Relating to the Purchase of Cattle by County.

And find the same correctly enrolled.

A. G. STORSTAD,
Chairman.

Mr. Ployhar moved that the report be adopted, which motion prevailed and the report was adopted.

SIGNING OF BILLS.

The Secretary announced that the President was about so sign:

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Laws of North Dakota for the Year 1919 Relating to the Purchase of Cattle by County.

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands, Included Within the Williston Irrigation District.

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Section 1334 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Interest on Bonds of Common School Districts.

Senate Bill No. 121: A Bill for an Act to Provide for the Acceptance of the Benefits of an Act by the Senate and House of Representatives of the United States of America in Congress Assembled. (H. R. 4438, Approved June 3, 1920) entitled "An Act to Provide for the Promotion of Vocational Rehabilitation of Persons Disabled in Industry or Otherwise and Their Return to Civil Employment"; to Provide for the Administration of Same.

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official DoDockets and Papers of Justices of the Peace.

Senate Bill No. 54: A Bill for an Act to Appropriate Money to Take Care of the Deficit in the Maintenance Account of the Hail Insurance Department for the Year Beginning January 1st, 1920, and Ending December 31st, 1920.

Senate Bill No. 24: A Bill for an Act to Amend and Re-enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

Senate Bill No. 17: A Bill for an Act to Appropriate \$10,000 to Aid in the Educational Work Being Carried on by North Dakota Tuberculosis Association, and the Prevention of the Spread of Tuberculosis more Definitely Prescribed in Chapter 7 of the Session Laws of North Dakota for the year 1915, for the Salary and Traveling Expenses of Field Workers and Nurses.

And the President signed the same in the presence of the Senate.

SENATE ROLL CALL

House Bill No. 139: A Bill for an Act to Amend and Re-enact Section 3296 of the Compiled Laws of North Dakota for the Year 1913, Relating to County Commissioners' Powers and Duties With Respect to Contracts Let on Competitive Bids.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 49, nays 0, absent and not voting 0.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Peterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

So the bill passed and the title was agreed to.

Senator Rusch moved that further consideration of House Bill No. 134 be indefinitely postponed.

A roll call was demanded.

SENATE ROLL CALL

The question being on the motion to indefinitely postpone further consideration of House Bill No. 134, the roll was called and there were ayes 18, nays 31, absent and not voting 0.

Ayes: Baird, Beisel, Carey, Gardiner, Kelsh, McLachlin, Mees, Murphy, Nelson, Petterson, Porter, Rusch, Schrenk, Steel, Stevens, Storstad, Thorson, Whitman.

Nays: Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Eastgate, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan,

Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Patten, Sperry, Van Camp, Ward, Wenstrom, Wog.

So the motion lost.

Senator Sperry moved to amend House Bill No. 134 as follows: Strike out everything after the words "A Bill" and insert the following:

For an Act to Amend and Re-enact Subdivision 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System of System of Water Works.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

Section 1. **AMENDMENT.** Subdivision 70 of Section 3818 of the Compiled Laws of North Dakota for the year 1913, is hereby amended to read as follows:

70. To purchase, acquire by eminent domain, erect, lease, rent, manage, and maintain any system of water works, wells, reservoirs, pipes, machinery, buildings, and all other property comprising a water works system, hydrants and supply of water, telegraphing, fire signals or fire apparatus that may be of use in the prevention and extinguishment of fires, and to pass all ordinances, penal or otherwise, that shall be necessary for the full protection, maintenance, management and control of the property so leased, purchased or erected.

Section 2. **Emergency.** Whereas, an emergency exists in this, that cities do not now have the authority to acquire a water works system, by eminent domain, this act shall take effect and be in force from and after its passage and approval.

SENATE ROLL CALL

The question being on the motion by Senator Sperry to amend House Bill No. 134, the roll was called and there were ayes 23, nays 26, absent and not voting 0.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, Kendall, McLachlin, Mees, Murphy, Nelson, Petterson, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Patten, Ward, Wenstrom, Wog.

So the motion was lost.

Senator Baird moved to amend House Bill No. 134 as follows:

After subdivision 70 C of the engrossed bill, add the following:

Sec. 70 D ("Provided, that in the event that such property is acquired by condemnation proceedings the city or municipality instituting such proceedings shall be bound by the decision of the court and jury in such proceedings, and shall pay into court, within six months after the rendering of the verdict therein, the full amount found by the jury to be the amount of the damages for such taking.")

SENATE ROLL CALL

House Bill No. 134: A Bill for an Act to Amend and Re-enact Sub-division 70 of Section 3818, Compiled Laws of North Dakota for 1913, Relating to the Purchase and Acquisition by a City of Any System or Part of System of Water Works.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 28, nays 21, absent and not voting 0.

Ayes: Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Miklethun, Nathan, Noltmier, Olson, Oksendahl, Ployhar, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Bond, Carey, Eastgate, Gardiner, Kelsh, McLachlin, Mees, Murphy, Nelson, Petterson, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which House Bill No. 134 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Mr. Ployhar: Mr. President: This bill as originally passed by the House was introduced for the purpose of granting certain relief asked for by the citizens of Bismarck, but as it is now amended, it is my best judgment that it will not pass the House, and the only hope the citizens of Bismarck have is that a conference committee may be able to get together and in some manner grant the relief asked for by them, therefore I vote "aye."

Senator Rusch moved that House Bill 136 be amended as follows:

Add paragraph 7 as follows:

("Provided, that in the event that such property is acquired by condemnation proceedings the city or municipality instituting such proceedings shall be bound by the decision of the court and jury in such proceedings, and shall pay into court, within six months after the rendering of the verdict

therein, the full amount found by the jury to be the amount of the damages for such taking.”)

Which motion prevailed.

SENATE ROLL CALL

House Bill No. 136: A Bill for an Act to Amend and Re-enact Section 8205, Compiled Laws of North Dakota for 1913, Defining the Private Property Which May be Taken by Eminent Domain.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 27, nays 21, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, McLachlin, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Sperry.

So the bill passed and the title was agreed to.

Mr. Wenstrom moved that the vote by which House Bill No. 136 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

SENATE ROLL CALL

House Bill No. 137: A Bill for an Act Amending and Re-enacting Section 5742, Compiled Laws of North Dakota for 1913, Relating to the Application of the Provisions of Article 20, Compiled Laws of 1913, to Water Main and Water Works Systems, and to the Purchase Thereof

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 44, nays 5, absent and not voting 0.

Ayes: Baird, Baker, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McLachlin, McNair, Mees, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Beisel, Eastgate, Kelsh, Petterson, Stevens.

So the bill passed and the title was agreed to.

Mr. Miklethun moved that the vote by which House Bill No.

137 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

House Bill No. 25: A Bill for an Act to Amend and Re-enact Section 2078 of the Compiled Laws of North Dakota for the Year 1913, and Chapter 223 of the Session Laws of North for the Year 1919, Relating to the Exemption of Property from Taxation.

Have had the same under consideration and recommend that the same be amended as follows:

After the word "A BILL" strike out everything and insert the following:

For an Act to Amend and Re-enact Sub-Section 11 and Sub-Section 15 of Chapter 223, Session Laws of North Dakota for the Year 1919, Relating to Taxation and More Specifically to the Exemption of Property from Taxation; and Providing for a Limitation of Tax Levies Upon all Taxable Property.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

Section 1. AMENDMENT. That Sub-section 11 and Sub-section 15 of Chapter 223 of the Session Laws of North Dakota for the year 1919 are hereby amended and re-enacted to read as follows:

Sub-Section 11. Structures and improvements, when used as a place of residence and when personally occupied by the legal or equitable owner on village, town or city lots to the amount of five hundred dollars (\$500.00).

Sub-Section 15. The tools, implements or other equipment of a farmer, to the amount of five hundred dollars, (\$500.00).

Section 2. The total amount of taxes levied for any purpose, except special levies for local improvements and for the maintenance of sinking funds in any county or political subdivision thereof in any village, town or city within the state shall not exceed an amount equal to one-fifth of the total combined levies, which were made for the years 1916, 1917, 1918, 1919 and 1920, except that school districts may levy not to exceed 30 percent in excess of such amount, and provided that any county or political subdivision thereof or any village, town or city may increase such levy in the same proportion as the assessed property valuation increases or has increased over that of the year 1919. Provided, however, that the electors of any county or political subdivision thereof or any village, town or city within the state, may by a majority vote authorize a levy of 25 percent in excess of this limit.

Section 3. EMERGENCY. This is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

And when so amended recommend the same do pass.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

House Bill No. 104: A Bill for an Act to Amend and Re-enact Chapter 59, Laws of North Dakota, 1917, and Chapter 220, Laws of North Dakota, 1919, Relating to the Classification of Property for Assessment.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Tax and Tax Laws made the following report:

Mr. President: Your committee on Tax and Tax Laws to whom was referred:

House Bill No. 61: A Bill for an Act to Amend and Re-enact Section 5 of Chapter 224 of the Session Laws of North Dakota, for the Year 1919, Relating to Income Taxes.

Have had the same under consideration and recommend that the same be indefinitely postponed.

E. A. BOWMAN,
Chairman.

Mr. Bowman moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 50: A Bill for an Act to Amend and Re-enact Section 1146 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 213 of the Session Laws of 1917, Relating to Changing of School District Boundaries.

Have had the same under consideration and recommend that the same be indefinitely postponed.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Education made the following report:

Mr. President: Your committee on Education to whom was referred:

House Bill No. 174: A Bill for an Act to Amend and Re-enact Section 1190 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 199 of the Laws of North Dakota for the Year 1919, as Amended by Chapter 53 of the Laws of North Dakota, Special Session of the Year 1919, Relating to the Consolidation of Schools; and Contracting for the Transportation of Pupils to and From Said Schools; and Providing for a Board of Arbitration.

Have had the same under consideration and recommend that the same be amended as follows:

On page 2 of the engrossed bill subdivision 3, line 3, after the word by insert the word "Public" and in line 4 and 5 of the same subdivision strike out the words "of the two first proposals."

On page 2 of the engrossed bill, at the end of line 12, after the word "election" insert a comma and the following, "except as herein otherwise provided."

And when so amended recommend the same do pass.

H. H. McNAIR,
Chairman.

Mr. McNair moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Public Health made the following report:

Mr. President: Your committee on Public Health to whom was referred:

House Bill No. 112: A Bill for an Act to Amend and Re-enact Section 2955, 1956, of the Compiled Laws of the State of North Dakota for the Year 1913.

Have had the same under consideration and recommend that the same do pass.

O. C. GROSS,
Chairman.

Senator Stevens moved that the report be amended so as to recommend House Bill No. 112 do not pass, which motion prevailed.

The committee on Banks and Banking made the following report:

Mr. President: Your committee on Banks and Banking to whom was referred:

House Bill No. 212: A Bill for an Act Designating Depositories of all Public Funds and Fixing the Minimum Rate of

Interest; Requiring; Competitive Bids for Such Deposits Providing for Publicity with Reference to Such Funds and Depositories; Prescribing Penalties for Violation of This Act. Defining Terms Used Herein, and Repealing Sections 370 to 374, Inclusive, Sections 1472 to 1488, Inclusive, and Sections 3315 to 3329, Inclusive, of the Compiled Laws of 1913.

Have had the same under consideration and recommend that the same be amended as follows:

Strike out everything after the words 'A Bill for an Act.' and insert the following:

"Designating Legal Depositories for the funds of all Public Corporations and providing the procedure and the Regulations under which such Funds shall be deposited.

"Be it Enacted by the Legislative Assembly of the State of North Dakota:

"SECTION 1. All state and National Banks in the State of North Dakota complying with the provisions of this Act, and the Bank of North Dakota are hereby declared to be legal depositories of the public funds of the various counties, townships, school districts, cities and villages and the various treasurers of said corporations shall deposit all funds in their custody in such banks.

"SECTION 2. Before any deposit shall be made in any depository by or in behalf of any of the corporations enumerated in Section 1 of this Act, such depository shall furnish a bond payable to the public corporation making such deposit, in an amount that shall at least equal the largest deposit that may at any time be in such depository; said bond shall be in conformity to a form prescribed by the Attorney General and the amount and sufficiency by the board or governing body of such corporation. If the board fails or refuses to approve any such bond the same may be presented to the Judge of the District Court upon three days' notice to the clerk or auditor of the board of the corporation to which such bond and may approve or disapprove the same as the ceed to hear and determine the amount and sufficiency of such bond and may approve or disapprove the same as the facts warrant. If he approves such bond the said bank shall be declared a depository of the funds of such corporation. The sureties on all bonds required by public corporations according to the provisions of this law shall justify as required by law in arrest and bail proceedings; Provided, however, that in lieu of such personal bond the board or governing body of the corporation involved may require such bank designated as depository to file a surety bond in a sum equal to the amounts of funds such bank may receive according to the provisions of this act. The bond when approved, shall be deposited with the county auditor. Such bond shall be a continuing bond and shall continue binding, but in no case involving the deposit of funds of public corporations shall such bond be continued without a renewal thereof for a longer period than four years. This section shall not apply to public corporations as enumerated in Section 1 of this Act where

the amount in the treasury of such corporations does not exceed the sum of Five Hundred Dollars. The treasurer of public corporations having on hand less than Five Hundred Dollars and therefore not within the provisions of this Section, shall deposit all the funds belonging to such corporation in some bank under such conditions and restrictions as shall seem adequate to protect the public interest.

"SECTION 3. When two or more banks in the same county or the county in which such corporation is located, proposing to become depositaries offer the same rate of interest it shall be the duty of the treasurer to select depositaries as offer ample security for such deposit. In estimating the value of the security offered by any proposed depository the capital, surplus and general credit of the bank shall be taken into consideration, as well as the bonds proposed to be given. Provided, however, that if the rate of interest offered by the Bank of North Dakota is equal to or greater than, that offered by the state or national banks within said county, the treasurer of such corporation may deposit so much of the public funds of the said corporation in the Bank of North Dakota as he shall deem proper without regard to the amount on deposit in State or National Banks.

"Section 4. To the extent that public funds are deposited as herein provided the legal custodian thereof and the sureties on his bond, shall be exempt from all liability thereon by reason of loss of any such funds from failure, or other act of any such depository.

"SECTION 5. Each depository shall furnish to the county treasurer on the first day of each month an itemized statement of the account of such county and of each township, school district, city, town or village in such county with such depository duly verified by the proper officer of said bank, which statement shall be filed and carefully preserved in the office of the county treasurer. Such statement shall show all time deposits and demand deposits, the rate of interest paid and by whom deposited.

"SECTION 6. It shall be the duty of the county treasurer in each county to compile the reports filed by all depositaries in which public funds of said county are deposited and therefrom make a report showing the amount deposited in each of such depositaries, the rate of interest paid by each such depository on time deposits and demand deposits separately and a statement of any offers made to him for the deposit of public funds by any bank. He shall also compile the reports of all depositaries who have deposits of funds of any of the public corporations within such county and therefrom make a report showing the amount of school district, township, city and village deposits in each such depository, the rate of interest paid on time deposits and demand deposits. Before the last day of February, May, August and November of each year he shall publish a statement in the official paper of his county, setting forth the facts as above provided as of the first day of each of these months.

"SECTION 7. Any treasurer of any public corporation in this state who shall deposit public funds in any State or

National Bank in excess of the bond furnished by such bank, or shall deposit in any state or National Bank funds in excess of \$500.00 without a bond, and any Treasurer of a public Corporation or the officials of any State or National Bank who fails to make the reports required herein, and any county treasurer who fails to publish the statements as required by this act, shall be guilty of a misdemeanor.

"SECTION 8. Emergency. This is hereby declared to be an emergency measure, and shall be in full force upon its passage and approval."

And when so amended recommend the same do pass.

CHRIST LEVANG,
Chairman.

Mr. Levang moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on State Affairs made the following report:

Mr. President: Your committee on State Affairs to whom was referred:

House Bill No. 188: A Bill for a Concurrent Resolution to Amend and Re-enact Section 45 of the Constitution of the State of North Dakota, Relating to Compensation of Members of the Legislative Assembly.

Have had the same under consideration and recommend that the same be amended as follows:

In Section 45, line 2, strike out all after the word "services" and insert the following: "One Thousand (\$1,000.00) Dollars for each Biennium, payable Two Hundred and Fifty (\$250.00) Dollars February 1st, and Two Hundred and Fifty (\$250.00) Dollars March 1st each year, and ten cents for each mile of necessary travel in going and returning from the place of the meeting of the Legislative Assembly by the most usual route, each session or special session.

And when so amended recommend the same do pass.

O. H. OLSON,
Chairman.

Mr. Olson moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Federal Relations made the following report:

Mr. President: Your committee on Federal Relations to whom was referred:

Concurrent Resolution introduced by Senator Liederbach Requesting the President of the United States to protest against the retention of the French colored troops in the occupied area of Germany.

Have had he same under consideration and recommend that the same do pass.

R. J. GARDINER,
Chairman.

Mr. Nathan moved that the report be adopted, which motion prevailed and the report was adopted.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Fifty-sixth Day after recess and Fifty-seventh Day and recommend that the same be corrected as follows:

Page 2, line 21. correct spelling of name "Devine."

Page 3, 2nd line from bottom between words "cubic" and "space" insert the word "air."

Page 9, line 28, striek out one name "Whitman."

Page 14, line 26 add the name Gross after the name "Garberg."

Page 25, line 10 from the bottom after the name "Bond" insert the name "Bowman."

Page 27, line 27, strike out the words "passed and the title was agreed to" and insert the word "lost" in lieu thereof.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Senator McNair moved the Senate do now adjourn which motion prevailed.

FIFTY-NINTH DAY.

Senate Chamber,
Bismarck, North Dakota,
March 3, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Dewhurst.

Roll was called all senators being present.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Fifty-seventh day after recess and Fifty-Eighth day and recommend that the same be corrected as follows:

On page 4 strike out lines 31, 32 and 33.

Page 6 line 13 correct spelling of word "apply."

Page 7 after line 29 insert the following: "In line 44 of the printed bill strike out the word 'some' and insert in lieu thereof the word 'official.'"

Page 10, line 19 strike out the last word and insert in lieu thereof the word "the."

Page 11 line 39 after the word "majority" insert the word "report."

Page 15 line 8 change the word "hardly" to 'heartily.'

Page 21 after line 11 insert Senate Bill No. 203 with its title.

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

SENATE CONCURRENT RESOLUTION

Introduced by Senator Gross. Advisory Boards for Public Utilities.

BE IT RESOLVED: That, the Governor be petitioned to appoint a Non-political Advisory Board in connection with each of the major industries, namely the Mill and Elevator the Bank of North Dakota and the Home Building Association;

That, each Board be made up in the following manner: Two Independents and two Nonpartisans;

That, All the general policies be discussed with this Advisory Board and that as fast as it is safe to do so that the management of this industry be gradually more and more given to them, thus relieving the Industrial Commission of a portion of the burden and taking the first step toward making the management of the Industries non-political;

That, The term of office extend to the next biennial session of the Legislature at which time more permanent arrangements can be made;

That, the actual expenses of the members of these Boards shall be met from the general fund of the State on presentation of vouchers in the usual manner.

Senator Gross moved that action on the resolution be deferred until tomorrow, which motion prevailed.

CONCURRENT RESOLUTION

Introduced by Mr. Wenstrom.

A Concurrent Resolution to the People of the United States Concerning the State of North Dakota and its Terminal Mill and Elevator.

Be it Resolved by the Senate, the House of Representatives Concurring:

Section 1. Whereas, the bonded indebtedness of the State of North Dakota is but a small fraction of its great wealth, and its resources over its liabilities aggregate, per capita, as high as any other states in the Nation, and WHEREAS, by the vote of the people, expressed at the polls on numerous occasions, and by legislative action, there have been authorized, pursuant to the Constitution and laws of this State, the issuance and sale of the bonds of said State in the sum of \$2,000,000., for the purpose of building, maintaining and operating a terminal mill and elevator to assist the people of the State in the production and marketing of grain, the principal source of wealth in this State, and

WHEREAS, the State now has such mill and elevator with their gigantic capacity, now partially constructed at the city of Grand Forks, North Dakota, and it is necessary, under present financial conditions, that such bonds be sold and said mill and elevator completed in time to care for this season's crop, and to carry out the expressed will of the people,

NOW, THEREFORE, BE IT RESOLVED AND AFFIRMED, That the faith, honor and credit of the State of North Dakota are solemnly pledged for the payment of such bonds, both principal and interest, and the people of this State, and of the Nation, are respectfully urged and requested to assist and co-operate in the subscription and sale of said bonds.

Senator Wenstrom moved the resolution be adopted.

Senator Gardiner moved that action be deferred until tomorrow, which motion prevailed.

CONCURRENT RESOLUTION

Introduced by E. A. Bowman.

A Concurrent Resolution, Concerning the Rights of this State, and the Protection of its People and Their industries, in Intra-State Railroad Rates.

Be it Resolved by the Senate, the House of Representatives Concurring:

SECTION 1. WHEREAS, for years the State of North Dakota has suffered unjust discrimination through unreasonable intra-state railroad rates, as compared with other states, and such discrimination has resulted in hampering and hindering the natural growth and development of the industrial, agricultural and jobbing, as well as manufacturing, industries in the State, all of which is demonstrated by the fact that there are no large and important cities in this state as compared with the State of Minnesota on the east, or even Manitoba or Saskatchewan on the north; and

WHEREAS, through the interest, energy and activity of William Lemke, as Special Assistant Attorney General, this State has already, during the past few months, been enabled

to save for its citizens amounts of money sufficient to purchase a large portion of the bonds, which the State is now seeking to sell, to raise funds for the construction of its Mill and Elevator, and to make loans to farmers in this State; and

WHEREAS, it is necessary for the citizens of this State to unite, co-operate and assist in the effort now being made to secure for North Dakota intra-state railroad rates that are just and reasonable, and to prevent an increase of the present rates, to the detriment of our people and their industries.

NOW, THEREFORE, BE IT RESOLVED: That the best interests of the State of North Dakota require that all of our people, and all of our farming, industrial and business interests, unite, co-operate and assist the State in its fight for fair and reasonable intra-state railroad rates, and that William Lemke, Attorney General, be, and he is hereby urged and directed to expend every energy reasonably necessary and proper to defeat the attempt of the railroads, or any other interests, to increase and impose unreasonable, unjust and discriminatory intra-state railroad rates upon the people of this state.

Senator Liederbach moved that the resolution be adopted, which motion prevailed.

CONCURRENT RESOLUTION

Introduced by Mr. Gross.

A Concurrent Resolution, Concerning the Banks in North Dakota and Financial Conditions.

Be it Resolved by the Senate, the House of Representatives Concurring:

SECTION 1. WHEREAS, the citizens of this State, and particularly the farmers, have lost millions of dollars within the past few months by reason of price reductions and market conditions, affecting all cereal crops, which constitute the basis of wealth and prosperity in this State; and

WHEREAS, the banks of this State, on account of such conditions, have been, generally, unable to collect their loans and discounts as they become due, and to realize upon their assets so as to meet the obligations and demands made upon them for debts owing, moneys borrowed or deposited, both within and without the State; and

WHEREAS, the Bank of North Dakota, and the banks within this State form and constitute one banking system in which each and every bank is mutually dependent upon the other, to a large extent, for their several ability to meet the claims and demands made, or that may be made, upon each other; and

WHEREAS, by reason of market conditions over which the State has no control, and for which it is in no way responsible, and the withdrawals of moneys from the banks of this State in times of need by large reserve and banking interests

outside of this State, have occasioned a financial stringency within the State which condition has been accentuated and magnified by partisan politics to the great harm and detriment of the State, and

WHEREAS, by reason of such condition many people in this State are ceasing to deposit their funds in the banks of this State:

NOW, THEREFORE, IT IS HEREBY AFFIRMED AND RESOLVED: That no state in the Union has greater resources and less liabilities per capita than the State of North Dakota, and that the citizens of this State are ready, willing and able to respond to all just and reasonable claims and demands made upon them if given an opportunity to liquidate their assets under fair and reasonable market conditions; and

BE IT FURTHER RESOLVED: That each and every bank doing business in this State, or having business connections with the Bank of North Dakota, be urgently requested by the Industrial Commission to confer in a joint meeting, to be held in the near future, for the purpose of considering and devising ways and means of assisting and sustaining the banks of this State and restoring the confidence of the people to the end that they will deposit their funds therein, and of co-operating with each other and the State in liquidating mutual claims and demands.

Section 2. That the Secretary of the Senate transmit a copy of this Resolution to every bank in this State, and that the State Examiner and the Industrial Commission cooperate in fixing a date and place for such conference.

Senator Gross moved that the resolution be adopted.

Senator Bond moved that Action be deferred until tomorrow, which motion prevailed.

COMMUNICATIONS

Grand Forks, N. D., March 3, 1921.

W. S. WHITMAN, State Capitol, Bismarck, N. D.

Please extend invitation to the State Senate to visit Grand Forks following adjournment for purpose of inspecting State University, State Fair Grounds and State Mill and Elevator Construction. We believe such a visit would be of exceptional value in acquainting legislators as to the prominence of these three institutions in the development of North Dakota. Appreciate cooperation.

COMMERCIAL CLUB OF GRAND FORKS, N. D.

Senator Whitman: I want to emphasize the invitation and assure you that you will be well received.

House Chamber,
Bismarck, North Dakota,
March 3, 1921.

Mr. President: I have the honor to return herewith the following bills:

Senate Bill No. 84: A Bill for an Act to appropriate the Sum of Eight Hundred Twenty-one and 75-100 Dollars (\$821.-75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Senate Bill No. 153: A Bill for an Act to Amend and Re-enact Section 8122 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 180 of the Laws of 1915 and as Amended by Chapter 151 of the Laws of 1917, Relating to Foreclosure of Land Contracts.

Senate Bill No. 11: A Bill for an Act Amending and Re-enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913, Relating to Unlawful Obligations in Writing.

Which the House has passed unchanged.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
March 3, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bills No. 28, 19, and 77.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Church moved that the Senate go into executive session, which motion prevailed.

IN OPEN SESSION.

It was announced that the Senate advised and consented to the appointment of O. E. Lofthus of Nelson county as State Examiner for the two year term beginning March 11, 1921. Also, Dr. H. E. French of Grand Forks county as Superintendent of the State Board of Health for the two year term beginning the first Tuesday in April, 1921. Also, Henry Beal of Barnes county as a member of the Board of Trustees of the Soldiers' Home at Lisbon for the term ending July 1, 1922. Larry B. McLain of Stutsman county as a member of the Board of Trustees of the Soldiers Home at Lisbon for the term ending July 1, 1923. Alexander Hay of Richland county as a member of the Board of Trustees of the Soldiers' Home at Lisbon for the term ending July 1, 1924. E. E. Wands of Ransom County as a member of the Board of Trustees of the Soldiers' Home at Lisbon for the term ending July 1, 1925.

Senator Nathan moved that the following communication be printed in the Journal, which motion prevailed.

Department of State,
Bismarck, North Dakota, March 3, 1921.

To the Seventeenth Legislative Assembly:

Sirs: I have the honor to transmit herewith, Concurrent

Resolution, adopted by the Legislative Assembly of the State of South Dakota, relating to an investigation to determine the cost of crop and live stock production;

Also Concurrent Resolution adopted by the Legislative Assembly of the State of South Dakota, relating to national legislation to provide for government review and approval of moving picture films;

Also copy of Senate Bill No. 162, relating to powers and duties of the Department of Agriculture, enacted as an emergency measure by the Legislative Assembly of the State of South Dakota.

Also letter of transmittal accompanying said resolutions and Bill, from the Secretary of State of the State of South Dakota.

Yours very truly,

THOMAS HALL,
Secretary of State.

Department of State,

Pierre, S. D., February, 28, 1921.

Honorable Secretary of State:

Dear Sir: I have the pleasure to forward to you herewith an enrolled copy of Concurrent Resolution adopted by the Legislature of this state, now in session, requesting co-operation on the part of the several states of the Union in a thorough and practicable investigation as to the cost of crop and live stock production, which resolution you will kindly transmit to the Legislature of your state for their consideration.

It also gives me pleasure to enclose with this resolution a re-print of Senate Bill No. 162, introduced by our committee on Agriculture, establishing a Department of Agriculture, prescribing its powers and duties, etc., which measure is passed with an emergency clause and becomes a law upon its approval by the Governor.

Also a copy of Concurrent Resolution requesting Congress of the United States to enact National legislation to provide for governmental review and approval of moving picture film to be used in interstate commerce and showing to the public.

Yours very truly,

C. A. BURKHART,
Secretary of State.

A CONCURRENT RESOLUTION

Memorializing and Inviting the Legislative Assemblies of the Several States of the Union to Cooperate in a Thorough and Practical Investigation as to the Cost of Crop and Live-stock Production.

Be it Resolved by the Senate of the State of South Dakota, the House of Representatives Concurring:

WHEREAS, The Cost of Production of farm products, including grain, livestock, poultry, dairy products, vegetables, fruits, hay, etc., ought to be a carefully considered factor in determining agricultural methods and plans; and

WHEREAS, Such costs, if known, would have a vital bearing upon the success and prosperity of the farmers of this state and of the Union; and

WHEREAS, The determination of such costs of production, and normal observance of the conclusions drawn from such information, would result in a better balanced farm output, adjust farm land valuations on a basis of earning capacity, and bring about reasonable returns for money invested and labor performed; and

WHEREAS, Efforts heretofore put forth to ascertain such costs of Production have been too largely theoretical and impractical; and

WHEREAS, the Legislative Assembly of the State of South Dakota, now in regular session, contemplate adequate provision for a thorough and practical investigation as to such Costs of Production:

THEREFORE, BE IT RESOLVED, By the Senate of the State of South Dakota, the House of Representatives concurring, that the Legislative Assembly of the State of South Dakota hereby invites and requests the Legislative assemblies of the several states of the Union, and particularly of our neighboring states and those other states principally engaged in and dependent upon agricultural pursuits, likewise to make adequate provision for determining Costs of Production of Farm Products, and to cooperate with the State of South Dakota in securing information by use of which the business of farming and livestock raising may be placed upon a more known and exact foundation, and, so far as possible, the elements of chance and guesswork eliminated from farming methods, and also a basis determined upon which proper financial return may be intelligently and fairly estimated; and be it further

RESOLVED, That the Secretary of the Senate be and is hereby directed to transmit a certified copy of this resolution to the legislative assemblies of the several states of the Union.

C. O. BERDAHL,
Speaker of the House,
WRIGHT TARBELL,
Chief Clerk of the House,
CARL GUNDERSON,
President of the Senate,
A. B. BLAKE,
Secretary of the Senate.

A CONCURRENT RESOLUTION

Requesting the Congress of the United States to enact national Legislation to provide for government review and approval of moving picture film to be used in interstate commerce and showing to the public.

Be it Resolved by the House of Representatives of the State of South Dakota, the Senate Concurring:

WHEREAS, There is a widespread agitation for a better supervision of moving pictures which are to be shown in places of public amusement; and

WHEREAS, there is now no government regulation for review and approval of such film to be transported in interstate commerce and shown to the public; and

WHEREAS, state review and legislation interferes with and makes a burden on the local exhibitor instead of correcting the subject at the source of production:

THEREFORE, BE IT RESOLVED, That we petition the Congress of the United States to enact such remedial legislation as will require the producers of all moving pictures calculated to be offered for transportation in interstate commerce and showing to the public to be reviewed by a legal board under authority of Congress to the end that all such films may have legal approval for public showing uniformly in public places of amusement within the states and territories of the United States and not be subject to individual, local or state restriction.

RESOLVED, That the Secretary of State be instructed to send a copy of this memorial to each of the representatives from the State of South Dakota in the Congress of the United States and to the presiding officers of the House and Senate of the United States Congress, and to each legislative assembly now convened and in session in the various states of the United States.

C. O. BERDAHL,
Speaker of the House,
WRIGHT TARBELL,
Chief Clerk of the House,
CARL GUNDERSON,
President of the Senate,
A. B. BLAKE,
Secretary of the Senate.

SEVENTEENTH SESSION, LEGISLATIVE ASSEMBLY,
STATE OF SOUTH DAKOTA.

Reprint

SENATE BILL NO. 162.
Introduced by Committee on Agriculture.

A Bill for an Act Entitled, An Act Establishing a Department of Agriculture of the State of South Dakota, Prescribing Its Powers and Duties, Absorbing the Powers and Duties of the Department of Marketing and Repealing Sections 7985, 7986 and 7989 of the South Dakota Revised Code of Nineteen Hundred Nineteen.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. There is hereby created and established a Department of Agriculture of the State of South Dakota. Said

department shall be in charge of a commissioner under the general supervision of the governor, to be known as the "Commissioner of Agriculture," who shall be appointed by the governor with the advice and consent of the Senate, for a term of two years, or until his successor is appointed and qualifies. The said commissioner shall receive a salary to be fixed by the governor, but not to exceed the sum of five thousand dollars per annum, and shall be allowed his actual and necessary expenses incurred in the performance of his official duties when absent from the State Capital. Before entering upon the duties of his office the said director shall take and subscribe the oath of office required of state officials and shall execute a bond to the state in accordance with Chapter 318 of the Session Laws of South Dakota of 1919, or Acts in amendment thereof, in the amount of five thousand dollars (\$5,000.00). The said director may be removed by the governor at any time at the will of the governor.

The Department of Agriculture shall be provided suitable office and equipment at the seat of government. The Commissioner of Agriculture shall have authority, subject to the approval of the governor, to appoint such assistants, agents, inspectors and employees as may be necessary to carry out the powers and duties of said department, and fix their salaries and compensation. All assistants, agents, inspectors and employees may be removed at the will of the director.

Section 2. It shall be the duty of the Department of Agriculture to encourage and promote the development of agricultural industries, investigate production and marketing conditions affecting the marketing of farm products, assist farmers, producers and consumers in the organization and management of co-operative enterprises and the co-operative marketing of farm products; and it shall be the duty of said department to co-operate with the proper agencies of the Federal government, of the governments of other states, and with the state institutions of South Dakota and all voluntary or official organizations formed within the state or any section thereof, in all ways that may be beneficial to the agricultural interests of the state.

Section 3. The Department of Agriculture shall promote organized effort to encourage better production methods, improve transportation, increase storage and credit facilities and open markets both domestic and foreign, for agricultural products, it shall assist in the organization of primary, centralized or terminal co-operative selling agencies for grain, livestock, wool, potatoes, milk, eggs, and other agricultural products by making thorough preliminary investigations, reporting suggestions and rendering service in organization, and perform such other services in connection with co-operative organization and management as may be desirable and be requested, and to prescribe rules and regulations under which such service shall be rendered, and prescribe fees for auditing service and for any other individual service that may be performed not of a general nature nor of strictly public interest.

Section 4. The Department of Agriculture shall make as complete and exhaustive study as possible of the cost of producing the following farm products under average conditions in this state, namely: Grain, livestock, wool, potatoes, poultry, dairy products, vegetables, fruit and hay. The commissioner and any assistant, agent or inspector employed pursuant to the provisions of this Act are authorized and directed to secure information which they will require in making their computations from the records and accounts of farmers, threshers, elevators, public warehouses, local livestock buyers, grain dealers, commission merchant, brokers, mills, railroads and other transportation companies, the State College of Agriculture and other state educational institutions, boards of trade at primary and terminal markets, and from all other proper sources; and it shall be the duty of all farmers, threshers, managers of elevators, and public warehouses, all local livestock buyers, grain dealers, commission merchants, brokers, millers, all officers and employees of railroads and other transportation companies, all officers, instructors and teachers in the State College of Agriculture and in other state educational institutions and all other officers and employees of the state government, and all officers of boards of trade at primary or terminal markets in this state, to co-operate with and to assist the commissioner and his assistants, agents and inspectors in securing such information as they shall require in making their investigations. The commissioner of the Department of Agriculture shall prepare a comprehensive plan or outline of the study and investigation to be made and of the information to be secured; and the assistants, agents and inspectors shall be required to observe such plan and outline in securing, recording and preserving all the information which he or they shall secure. All papers, records, documents, information and data of every kind collected or secured by the commissioner or his assistants, agents and inspectors shall be kept and preserved in the office of the Department of Agriculture. On or before the first day of March, 1922, and annually thereafter, the commissioner shall prepare and submit to the governor a complete and comprehensive report of the study and investigation made and of information secured, indicating there in detail and by means of explanations, computations, tables, graphic illustrations and otherwise, the methods employed in pursuing the investigations and the conclusions reached, and showing separately the estimated cost of producing each of the farm products hereinbefore specified. The commissioner shall take into consideration in reaching his conclusions all proper items and elements of expense entering into the cost of production, including among other things: investment in land, structures, work animals, machinery, tools and all other equipment, depreciation thereon, seed, planting, harvesting, loss of fertility, transportation, maintenance, materials used, stock, feed and labor devoted to the production of farm products whether employed for wages or contributed by the farmer or members of his family.

Section 5. The Commissioner of Agriculture with the approval of the governor, may at such time as seems advisable and in the manner deemed most advantageous, arrange for

representation at Washington, D. C., for the purpose of obtaining Federal legislation helpful to the agricultural interests of the country, either individually or in co-operative arrangement with another state or states of like interest, or in co-operation with national or local farmers' organizations.

Section 6. All powers and duties conferred upon the Department of Marketing by Sections 7982, 7983, 7984, 7987, 7988, 7990, 7991, 7992, 7993, 7994, 7995, 7996, 7997, 7998, 7999, 8000, 8001, 8002, 8003, 8004, 8005, 8006 and 8077 of the South Dakota Revised Code of Nineteen Hundred Nineteen, and all provisions thereof are hereby transferred to and shall apply to the Department of Agriculture, and wherever the word "Director" occurs therein it shall be construed to mean and be "Commissioner of Agriculture."

Section 7. The Department of Agriculture shall by systematic publicity and advertising render available for public benefit such facts and conclusions in regard to its activities as shall tend to promote the interests of agriculture, provided that no information of a private nature shall be disclosed.

Section 8. All fees for specific service rendered, collected by the Department of Agriculture in accordance with its rules and regulations, shall be deposited in the state treasury.

Section 9. All salaries of the commissioner, his assistants, agents, inspectors and employees and all expenses incurred by the Department of Agriculture in carrying out its powers and duties shall be paid out of the appropriations available for that purpose, upon vouchers approved by the commissioner.

Section 10. Sections 7985, 7986 and 7989 of the South Dakota Revised Code of Nineteen Hundred Nineteen are hereby repealed.

Section 11. Whereas, this Act is necessary for the immediate support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

Senator Wog moved that the Senate do concur in the House amendments to Senate Bill No. 182.

Senator Gardiner moved that the Senate do not concur in the House amendments to Senate Bill No. 182.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 156: A Bill for an Act Restricting Rights of Litigants to Bring Actions in Courts to Set Aside Taxes or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Which the House has amended as follows:

Strike out all of Section 2 of the engrossed bill and insert in lieu thereof the following:

"SECTION 2. EMERGENCY. Whereas an emergency exists, this act shall be in full force and effect from and after its passage and approval."

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator Bowman moved that the Senate concur in the House amendments to Senate Bill No. 156.

SENATE ROLL CALL

Senate Bill No. 156: A Bill for an Act Restricting Rights of Litigants to Bring Actions in Courts to Set Aside Taxes or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Was read the third time.

The question being on the final passage of the bill, as amended by the House, the roll was called and there were ayes 47, nays 0, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Senrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Mees.

So the bill passed and the title was agreed to.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 111: A Bill for an Act entitled: "An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and also Providing that the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Effectual for Certain Purposes, also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws."

Which the House has amended as follows:

In line eight in the engrossed bill, Section one after the word least strike out the word thirty and insert in lieu thereof the word sixty.

In line 29, Section one after the word least strike out the word forty and insert in lieu thereof the word sixty.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

Senator Thorson moved that the Senate do concur in the House amendment to Senate Bill No. 111.

SENATE ROLL CALL.

Senate Bill No. 111: A Bill for an Act entitled: "An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and also Providing that the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Effectual for Certain Purposes, also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws."

Was read the third time.

The question being on the final passage of the bill, as amended by the House, the roll was called and there were ayes 48, nays 0, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Mees.

So the bill passed and the title was agreed to.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 41: A Bill for an Act to Amend and Re-enact Section 4059 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-enacted to Read as Follows:

Which the House has amended as follows:

In line 6, page 1, of the printed bill, preceding the figures (1), insert "Section 4059. POWERS OF PARK COMMISSION, LIMITED LEVY, BONDS; THE PARK COMMISSION SHALL HAVE POWER."

In Sub-division 5, on page 2, line 24, of the printed bill, after the word "engineer" insert "and surveyor of such park commission, and to procure the services of a clerk for such commission."

In line 26 strike out "twenty-five dollars" and insert "fifty dollars."

In line 27 of said sub-division 5, on page 2, strike out the words "for the performance of manual labor."

Strike out sub-division 6 and insert in lieu thereof as sub-division 6 the following:

Sub-division 6. To issue negotiable bonds of such park district in an amount not to exceed one percent (1%) of the assessed value of the taxable property within such park district for the preceding year; provided, further, that no bonds shall be issued as hereinbefore provided, unless at a general or special election after twenty days notice in a newspaper published in the city, stating the purpose for which such bonds are to be issued and the amount thereof, the legal voters of such park district shall by a majority vote, determine in favor of issuing such bonds; provided, further, that at or before the time of issuing such bonds or incurring the indebtedness for which the same are to be issued provision shall be made for the collection of direct annual tax sufficient to pay the interest upon said debt or such bonds when the same falls due and to pay and discharge the principal thereof when the same becomes due, and such provisions for the collection of such annual tax shall be ir-repealable until such debt is paid; provided, further, that no bonds issued under the provisions of this chapter shall be issued for a longer period than twenty years and that such bonds shall bear interest at a rate not to exceed six percent (6%) and shall be sold for not less than their par value. Bonds as hereinbefore provided to be issued, shall be so issued and used exclusively for the purchasing and acquiring of land, boulevards and ways for such parks or park system or for the permanent improvement thereof including the erection of buildings, pools, ponds and the erection of dams in waters adjacent thereto. The Board of Park Commissioners are hereby empowered and authorized to issue bonds in place of or to supply means to meet maturing bonds or for the consolidation or funding of the same.

In Sub-division 7, on page 3, in line 43, after the word "Board" insert "the proceeds of which said taxes shall also be available for use in payment for any land in such year or theretofore purchased or for improvements theretofore made for park purposes."

In line 44 of said sub-division 7, strike out the word "one and one-half" and insert in lieu thereof the word "two."

Strike out all of such sub-division 7 after the word "government" in line 48 thereof.

Insert Sub-division 12.

Sub-division 12. To plat and lay out such portions of park property as is not needed for the accommodation of the general public and to lease, let and demise such lots or portions as are now or may hereafter be laid out for residential or concession purposes, and to provide by ordinances the use that shall be made of said leaseholds, the character of structures that may be reared or placed thereon and to generally regulate the use and enjoyment thereof by the lessees or their successors.

Also strike out emergency.

Very respectfully,
C. L. DAWSON,
 Chief Clerk.

Senator Ployhar moved that the Senate do concur in the House amendments to Senate Bill 41.

SENATE ROLL CALL

Senate Bill No. 41: A Bill for an Act to Amend and Re-the Year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-Enacted to read as Follows:

Was read the third time.

The question being on the final passage of the bill, as amended by the House, the roll was called and there were ayes 46, nays 0, absent and not voting 3.

Ayes: Baird, Baker, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom.

Absent and not voting: Beisel Bond, Mees, Whitman, Wog.

So the bill passed and the title was agreed to.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return herewith the following bill:

Senate Bill No. 133: A Bill for an Act to Empower Cities and Villages to Levy and Collect a Tax for the Purpose of Furnishing Musical Concerts to the Public.

Which the House has indefinitely postponed.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the year 1919, Relating to compensation of Court Stenographers and Providing for the Payment of Expenses.

Which the House has amended as follows:

SECTION 1. That all of Section one (1) be stricken out and in lieu thereof inserted the following:

"Section 1. That Section 780 of the Compiled Laws of North Dakota for the year 1913, as amended by Chapter 30, of the Special Session Laws of North Dakota for the year 1919, be amended and re-enacted to read as follows:

"SECTION 780. Each Court Stenographer shall receive a salary of Two Thousand (\$2,000.00) per annum, payable in monthly equal installments in the counties constituting the judicial district in which such stenographer is employed, which salary shall be apportioned according and in proportion to the number of suits entered and commenced in the district court of the respective counties of such district in the preceding year. It shall be the duty of the presiding judge of each judicial district, on the first day of January, of each year, or as soon thereafter as may be, to apportion the amount of such salary to be paid by each county, in his district on the basis aforesaid, and it shall be the duty of the County Auditors of the respective counties in such judicial district to issue to the order of such Court Stenographer a warrant for the amount shown to be due by such apportionment. As reimbursement for expenses incurred in the performance of such official duties outside of the county where the District Court Chambers are situated, the Court Stenographer shall receive for actual living expenses a sum not to exceed Four (\$4.00) Dollars per day and for travel, actual transportation, which sums shall be paid monthly, upon itemized statements submitted to the District Judge, upon the order of the District Judge, by the county wherein such Court Stenographer is at such time attending to such official duties. For making of the transcript such Court Stenographer shall be entitled to receive compensation at the rate of fifteen cents for each one hundred words, and the same when ordered by the Judge, shall be paid by the county chargeable with the costs of the action, and in all other cases, by the party requesting such transcripts; provided, however, that when four additional copies are ordered at the same time for the use of the same party, then such Court Stenographer shall be entitled to receive ten cents per hundred words, for such additional copies.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Olson moved that the Senate concur in the House amendments to Senate Bill No. 31.

SENATE ROLL CALL

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the year 1919, Relating to Compensation of Court Stenographers, and Providing for the Payment of Expenses.

Was read the third time.

The question being on the final passage of the bill, as

amended by the House, the roll was called and there were ayes 47, nays 1, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McLachlin, McNair, Miklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Fleckten.

Absent and not voting: Mees.

So the bill passed and the title was agreed to.

HOUSE CHAMBER.

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to inform you that the house refuses to concur in the Senate amendments to House Bill No. 151. The Speaker has appointed as conferees Messrs. Grangaard, Johnson of Ward and Vogel.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to inform you that the House refuses to concur in the Senate Amendments to House Bill No. 108. The Speaker has appointed Messrs. Bauer, Whitmer and Cole as conferees.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The President appointed as conferees on House Bill No. 108 Senators Liederbach, Ingerson and Oksendahl.

The President appointed as conferees on House Bill No. 151 Senators Levang, Ployhar and Ingerson.

The President appointed as conferees on Senate Bill No. 182 Senators Wog, Gardiner and Fraser.

The President appointed as conferees on House Bill No. 147 Senators Levang, Rusch and Wenstrom.

Courtesies of the floor were extended to Ferdinand Diederle of Skogmo, M. J. Burns of Sherwood, R. W. Frazier of Cros-

by, Senator Frank Hyland and Mrs. Hyland of Devils Lake.

Senator Baker moved that the Senate do now adjourn until 10 o'clock tomorrow, which motion prevailed.

W. J. PRATER,
Secretary.

FIFTY-NINTH DAY AFTER RECESS AND
SIXTIETH DAY

Senate Chamber,
Bismarck, North Dakota,
March 4, 1921.

The Senate convened at 10 o'clock A. M. pursuant to recess taken, the President presiding.

The Secretary announced that the President was about to sign

House Bill No. 149: A Bill for an Act Providing for the Supervision of Liquidation of Insolvent Banks by the Depositors' Guaranty Fund Commission, the Appointment of a Supervisor or Receivers and Compensation and Expenses Thereof to be Paid out of the Depositors' Guaranty Fund.

House Bill No. 101: A Bill for an Act Entitled, An Act Establishing a System of State Free Employment Service, Providing for the Maintenance Thereof, Defining the Duties of Such Department, Its Officers and Employees, and Appropriating Money for the Carrying Out of the Provisions of said act.

House Bill No. 16: A Bill for an Act Relative to Scaffoldings and Providing Safety Appliances in Construction Work.

House Bill No. 79: A Bill for an Act to Amend and Re-enact Sections 48 and 49 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Public Printing and Binding.

House Bill No. 81: A Bill for an Act to Establish a Uniform Egg Law, for Regulating and Preventing the Sale of Eggs unfit as Articles of Human Food, Requiring Eggs to be Canded, Requiring a License for Dealers in Eggs and Establishing a Penalty for Violation of this Act.

House Bill No. 169: A Bill for an Act to Amend and Re-enact Section 4671 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Size and Construction of Caboose Cars.

House Bill No. 171: A Bill for an Act Authorizing the Board of Administration to Create a Students Loaning Fund in State Normal Schools.

House Bill No. 31: A Bill for an Act Creating a Children's Code Commission; fixing the Membership Thereof; Defining

its Powers and Duties; and Making an Appropriation Therefor.

House Bill No. 118: A Bill for an Act to Amend and Re-enact Sections 624 and 625 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 252 of the Laws of North Dakota for the Year 1917 and by Chapter 25 of the Laws Passed by the Special Session of the Legislative Assembly of North Dakota in 1919, Relative to the Commissioner of Noxious Weeds.

House Bill No. 140: A Bill for an Act to Amend and Re-enact Chapter 271 of the Session Laws of North Dakota for the Year 1915, Relating to Qualifications of Signers on Petition of County Commissioners.

House Bill No. 146: A Bill for an Act to Amend and Re-enact Section 3533 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 104 of the Session Laws of 1915, Relating to the Compensation and Office Hours of County Commissioners.

House Bill No. 148: A Bill for an Act Making it a Felony for Any Person to Enter Any Room Wherein, in Whole or in Part, a General Banking Business is Carried on, or Wherein in Whole or in Part, a Business of Receiving Securities, Evidence of Debts or Any Other Valuable Papers on Deposit or for Safe Keeping, in Which There is at the Time a Human Being, With Intent to Commit a Felony Therein by Means of Threats, Force or Violence, and Prescribing the Punishment.

House Bill No. 154: A Bill for an Act to Amend and Re-enact Section 10184 and 10185 of the Compiled Laws of North Dakota for 1913, Prohibiting the Manufacture, Sale, Disposing of, Giving Away, and Soliciting Orders for Cigarettes, or Cigarette Papers and Providing Penalties.

House Bill No. 159: A Bill for an Act to Amend and Re-enact Section 26 of Chapter 161 of the Session Laws of 1915, Relating to Hours for Shooting.

House Bill No. 185: A Bill for an Act to Amend and Re-enact Section One, Chapter 124, of Session Laws of 1917, as Amended by Chapter 136, Session Laws of 1919, Relating to Witness Fees in Garnishment Proceedings.

And the President signed the same in the presence of the Senate.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment respectfully report that:

Senate Bill No. 17: A Bill for an Act to Appropriate \$10,000 to Aid in the Educational Work Being Carried on by North Dakota Tuberculosis Association, and the Prevention of the Spread of Tuberculosis more Definitely Prescribed in Chapter 7 of the Session Laws of North Dakota for the year 1915, for the Salary and Traveling Expenses of Field Workers and Nurses.

Senate Bill No. 24: A Bill for an Act to Amend and Re-

enact Section 4400 of the Compiled Laws of North Dakota, 1913, Relating to Affirmative Proof Required in Divorce Actions.

Senate Bill No. 54: A Bill for an Act to Appropriate Money to Take Care of the Deficit in the Maintenance Account of the Hail Insurance Department for the Year Beginning January 1st, 1920, and Ending December 31st, 1920.

Senate Bill No. 55: A Bill for an Act to Amend and Re-enact Sections 9014 and 9015, Compiled Laws of North Dakota for the Year 1913, Relating to the Depositing of Official Dockets and Papers of Justices of the Peace.

Senate Bill No. 121: A Bill for an Act to Provide for the acceptance of the Benefits of an Act by the Senate and House of Representatives of the United States of America in Congress Assembled. (H. R. 4438, Approved June 2, 1920) entitled "An Act to Provide for the Promotion of Vocational Rehabilitation of Persons Disabled in Industry or Otherwise and Their Return to Civil Employment"; to Provide for the Administration of Same.

Senate Bill No. 187: A Bill for an Act Amending and Re-enacting Section 1334 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to the Interest on Bonds of Common School Districts.

Senate Bill No. 201: A Bill for an Act Making an Appropriation to Pay the Irrigation or Water Tax on State School Lands, Included Within the Williston Irrigation District.

Senate Bill No. 203: A Bill for an Act to Amend and Re-enact Section 10 of Chapter 31 of the Special Laws of North Dakota for the Year 1919 Relating to the Purchase of Cattle by County.

were delivered to the governor for his approval at the hour 11 o'clock A. M.

A. G. STORSTAD,
Chairman.

Mr. Wenstrom moved adoption of report, which motion prevailed.

Senator Rusch moved that House Bill No. 25 be amended as follows: Add "Provided, further that this section shall not apply to cities of over 5,000 inhabitants" at the end of Section 2, which motion was lost.

SENATE ROLL CALL

House Bill No. 25: A Bill for an Act to Amend and Re-enact Section 2078 of the Compiled Laws of North Dakota for the Year 1913 and Chapter 223 of the Session Laws of North Dakota for the Year 1919, Relating to the Exemption of Property from Taxation.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate. The roll was called and there were ayes 28, nays 12, absent and not voting 9.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Mees, Nathan, Noltimier, Olson, Patten, Rusch, Sperry, Steel, Stevens, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Carey, Eastgate, Kelsh, Murphy, Nelson, Petterson, Schrenk, Storstad, Thorson, Whitman.

Absent and not voting: Bond, Church, Kendall, McLachlin, Miklethun, Oksendahl, Ployhar, Van Camp, Porter.

So the bill passed and the title was agreed to.

Senator Rusch moved that the vote by which House Bill No. 25 passed be reconsidered, which motion was lost.

Senator Bowman moved that the vote which House Bill No. 25 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

Senator Bowman moved that the rules be suspended insofar as is necessary to reconsider the vote by which House Bill No. 107 was indefinitely postponed, which motion prevailed.

Senator Ward moved that House Bill No. 7 be recalled from the House, which motion prevailed.

Senator Rusch moved that the vote by which House Bill No. 61 was indefinitely postponed be reconsidered which motion prevailed.

Senator Steel moved that House Bill No. 61 be recalled from the House, which motion prevailed.

SENATE ROLL CALL

House Bill No. 174: A Bill for an Act to Amend and Re-enact Section 1190 of the Compiled Laws of North Dakota for the year 1913, as Amended by Chapter 199 of the Laws of North Dakota for the 1919, as Amended by Chapter 53 of the Laws of North Dakota, special session of the year 1919. Relating to the Consolidation of Schools; and Contracting for the Transportation of Pupils to and from said schools; and providing for a Board of Arbitration.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate. The roll was called and there were ayes 39, nays 2, absent and not voting 8.

Ayes: Baird, Beisel, Benson, Berg, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Kendall, Levang, McNair, Micklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Ployhar, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Nays: Kelsh, Petterson.

Absent and not voting: Baker, Bond, Bowman, Church, Ingerson, Liederbach, McLachlin, Mees, Porter.

So the bill passed and the title was agreed to.

Mr. Nathan moved that the vote by which House Bill No. 174 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

SENATE ROLL CALL

House Bill No. 212: A Bill for an Act Designating Depositories of all Public Funds and Fixing the Minimum Rate of Interest; Requiring Competitive Bids for Such Deposits; Providing for Publicity with Reference to Such Funds and Depositories; Prescribing Penalties for Violation of This Act; Defining Terms Used Herein, and Repealing Sections 370 to 374, Inclusive, Sections 1472 to 1488, Inclusive, and Sections 3315 to 3329, Inclusive, of the Compiled Laws of 1913.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate. The roll was called and there were ayes 34, nays 11, absent and not voting 4.

Ayes: Baird, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser Gardiner, Garberg, Gross, Hagan, Ingerson, Kendall, Levang, Liederbach, McNair, Mees, Micklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Patten, Sperry, Steel, Stevens, Ward, Wenstrom, Wog

Nays: Beisel, Bond, Carey, Eastgate, Kelsh, Rusch, Schrenk, Storstad, Thorson, Van Camp, Whitman.

Absent and not voting: Baker McLachlin, Ployhar, Porter,

So the bill passed and the title was agreed to.

Mr. Benson moved that the vote by which House Bill No. 212 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

Senator Mees moved that House Bill No. 188, be amended as follows: Strike out the Senate Amendment and insert the original House Bill.

Senator Murphy moved that the previous question be now put, which motion prevailed.

The question being on motion of Senator Mees to amend House Bill 188.

A roll call was demanded.

The question being on the motion of Senator Mees to amend House Bill No. 188. The roll was called and there were ayes 19, nays 29, absent and not voting 1.

Ayes: Baird, Berg, Eastgate, Ettestad, Fleckten, Gardiner, Gross, Hagan, Mees, Nathan, Noltimier, Oksendahl, Rusch, Schrenk, Sperry, Thorson, Van Camp, Ward, Wenstrom.

Nays: Baker, Beisel, Benson, Bond, Bowman, Byrne,

Church, Carey, Fraser, Garberg, Ingerson, Kelsh, Kandall, Levang, Liederbach, McNair, Micklethun, Murphy, Nelson, Olson, Petterson, Ployhar, Porter, Patten, Steel, Stevens, Storstad, Whitman, Wog.

Absent and not voting: McLachlin.

So the motion lost.

SENATE ROLL CALL

House Bill No. 188: Concurrent resolution. A Concurrent Resolution to Amend and Re-enact Section 45 of the Constitution of the State of North Dakota, Relating to Compensation of Members of the Legislative Assembly.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate. The roll was called and there were ayes 33, nays 15, absent and not voting 1.

Ayes: Baird, Baker, Beisel, Benson, Bowman, Byrne, Church, Carey, Eastgate, Garberg, Gross, Ingerson, Kelsh, Kendall, Levang, Liederbach, McNair, Micklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Steel, Storstad, Van Camp, Ward, Whitman, Wog.

Nays: Berg, Bond, Ettestad, Fleckten, Fraser, Gardiner, Hagan, Mees, Nathan, Patten, Schrenk, Sperry, Stevens, Thorson, Wenstrom.

Absent and not voting: McLachlin.

So the bill passed and the title was agreed to.

Mr. Murphy moved that the vote by which House Bill No. 188 passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

Senator Baker moved that the Senate recess, subject to the call of the chair, which motion prevailed.

The Senate reassembled, the President presiding.

SIGNING OF BILLS

The Secretary announced that the President was about to sign

House Bill No. 23: A Bill for an Act Designating the Legal Holidays in the State of North Dakota and to Amend and Re-enact Section 7297 of the Compiled Laws of North Dakota, 1913, as Amended by Chapter 143, Session Laws of 1919.

House Bill No. 19: A Bill for an Act to Amend and Re-enact Section 4 of Chapter 162 of the Session Laws of the State of North Dakota for the Year 1919, as Amended by Chapter 73 of the Laws Passed at the Special Session of the Sixteenth Legislative Assembly in December, 1919, Relating to the Creation of the Workmen's Compensation Bureau of North Dakota, the Appointment and Removal of the Com-

missioners Thereof, the Salary of Such Commissioners and the Powers and Duties of Such Bureau.

House Bill No. 28: A Bill for an Act Relating to the Storing and Re-delivering of Grain by Public Warehousemen.

House Bill No. 77: For an Act Fixing the Compensation of Election Officers.

House Bill No. 41: A Bill for an Act Providing for the Preservation and Control of the Artesian Waters of the State.

House Bill No. 137: A Bill For an Act Amending and Re-enacting Section 3742, Compiled Laws of North Dakota for 1913, relating to the Application of the Provisions of Article 20, Compiled Laws of 1913, to Water Main and Water Works Systems, and to the Purchase thereof.

House Bill No. 67: A Bill for an Act to Amend and Re-enact Sections 2462, 2463, 2466, 2487, 2489, 2490 Compiled Laws 1913, Relating to Drains.

House Bill No. 201: A Bill for an Act Entitled an Act Whereby Teachers Teaching in the Public Schools of North Dakota be United States Citizens.

and the President signed the same in the presence of the Senate.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bills No. 203 and 49.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to return herewith the following bills:

House Bill No. 7: A Bill for an Act Providing for the Appointment of County Board Inspectors; Defining the Duties of Railways in the Shipment of Certain Stock; Penalty.

House Bill No. 61: A Bill for an Act to Amend and Re-enact Section 5 of Chapter 224 of the Session Laws of North Dakota, for the Year 1919, Relating to Income Taxes.

Pursuant to your request of March 4th.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment have examined the following bills:

Senate Bill No. 11: A Bill for an Act Amending and Re-enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913 Relating to Unlawful Obligations in Writing.

Senate Bill No. 31: A Bill for an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the Year 1919, Relating to Compensation of Court Stenographers, and Providing for the Payment of Expenses.

Senate Bill No. 32: A Bill for an Act to Amend and Re-enact Sections 11114 and 11115, Compiled Laws of the State of North Dakota for 1913, Relating to the Admitting to Bail of Persons Charged With the Offense of Homicide.

Senate Bill No. 39: A Bill for an Act to Appropriate the sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River From Burleigh County to Morton County in the State of North Dakota Under the Provisions of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919, in Addition to the Sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly, Approved December 12, 1919, and That Such Appropriation be Made From the State Highway Fund.

Senate Bill No. 41: A Bill for an Act to Amend and Re-enact Section 4059 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-enacted to Read as Follows:

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation, Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of This Act.

Senate Bill No. 84: A Bill For an Act to Appropriate the sum of eight hundred twenty-one and 75-100 dollars (\$821.75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Senate Bill No. 111: A Bill for an Act Entitled: An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and Also Providing That the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Affectual for Certain Purposes, Also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws.

Senate Bill No. 153: A Bill For an Act to Amend and Re-enact Section 8122 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 180 of the Laws of 1915 and as Amended by Chapter 151 of the Laws of 1917, Relating to Foreclosure of Land Contracts.

Senate Bill No. 156: A Bill for an Act Restricting Rights

of Litigants to Bring Action in Courts to Set Aside Taxes or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Senate Bill No. 162: A Bill For an Act to provide a Minimum Amount of Training, a Minimum Salary for a Teaching Experience of Less Than One School Year, and a Schedule of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

Senate Bill No. 200: A Bill for an Act Authorizing the Renewal of the Period of Corporate Existence of Certain Corporations Whose Period of Duration has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporation Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporations.

and find the same correctly enrolled.

A. G. STORSTAD,
Chairman.

Mr. Storstad moved that the report be adopted, which motion prevailed and the report was adopted.

SIGNING OF BILLS

The Secretary announced that the President was about to sign

Senate Bill No. 11:

A Bill for an Act Amending and Re-Enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913, Relating to Unlawful Obligations in Writing.

Senate Bill No. 31: A Bill For an Act to Amend and Re-enact Section 780 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the Year 1919, Relating to Compensation of Court Stenographers, and Providing for the Payment of Expenses.

Senate Bill No. 32: A Bill for an Act to Amend and Re-enact Sections 11114 and 11115, Compiled Laws of the State of North Dakota for 1913, Relating to the Admitting to Bail of Persons Charged with the Offense of Homicide.

Senate Bill No. 39: A Bill for an Act to Appropriate the sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota Under the Provision of Chapter 73 of the Laws Passed at the Sixteenth Session of the Legislative Assembly of North Dakota Approved March 5, 1919, in Addition to the sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly, Approved December 12, 1919, and that such Appropriation be made from the State Highway Fund.

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1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-enacted to Read as Follows:

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of this Act.

Senate Bill No. 84: A Bill For an Act to appropriate the sum of eight hundred twenty-one and 75-100 dollars (\$21.75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Senate Bill No. 111: A Bill For an Act Entitled: An Act Prescribing What Number of Stockholders Shall Constitute a Quorum in Stockholders' Meetings of Domestic Corporations, and Also Providing That the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Affected for Certain Purposes, Also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting Laws.

Senate Bill No. 153: A Bill For an Act to Amend and Re-enact Section 8122 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 180 of the Laws of 1915 and as Amended by Chapter 151 of the Laws of 1917, Relating to Foreclosure and Land Contracts.

Senate Bill No. 156: A Bill For an Act Restricting Rights of Litigants to Bring Action in Courts to Set Aside Taxes or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Senate Bill No. 162: A Bill For an Act to Provide a Minimum Amount of Training, a Minimum Salary for a Teaching Experience of Less Than One School Year, and a Schedule of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

Senate Bill No. 200: A Bill For an Act Authorizing the Renewal of the Period of Corporate Existence of Certain Corporations Whose Period of Duration has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporations Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporations.

and the President signed the same in the presence of the Senate.

A majority of the committee on Appropriations made the following report:

Mr. President: A majority of your committee on Appropriations to whom was referred

House Bill No. 33: A Bill For an Act to appropriate \$12,000 out of Any Money in the State Treasury not Otherwise Appro-

riated, or so Much as Thereof as May be Necessary for the Purpose of Paying All Expenses connected with the Auditing of the Various State Industries as Required by Section 369 of the Compiled Laws of 1913, as Amended November 2nd, 1920, by a Vote of People, Providing How Such Appropriations Shall be Paid.

Have had the same under consideration and recommend that the same be indefinitely postponed.

W. J. CHURCH,
Chairman.

A minority of the committee on Appropriation made the following report:

Mr. President: A minority of your committee on Appropriation to whom was referred:

House Bill No. 33: A Bill For an Act to Appropriate \$12,000 out of Any Money in the State Treasury not Otherwise Appropriated, or so Much as hTereof as May be Necessary for the Purpose of Paying All Expenses connected with the Auditing of the Various State Industries as Required by Section 369 of the Compiled Laws of 1913, as Amended November 2nd, 1920, by a Vote of People, Providing How Such Appropriations Shall be Paid.

Have had the same under constideration and recommend that the same do pass.

Minority members: R. J. Gardiner, E. H. Kendall, Nils Petterson, J. E. Stevens, C. W. Carey, A. G. Storstad, Fred Van Camp.

Senator Liederbach moved a call of the Senate which motion prevailed.

Senator Ployhar moved that the call be suspended which motion prevailed.

Senator Liederbach moved that the majority report be adopted.

Senator Gardiner moved that the minority report be substituted for the majority report.

Senator Rusch moved that House Bill No. 33 be re-referred to the committee which motion prevailed.

The committee on Appropriation made the following report:

Mr. President: Your committee on Appropriation to whom was referred:

House Bill No. 33: A Bill For an Act to Appropriate \$12,000 out of Any Money in the State Treasurer not Otherwise Appropriated, or so Much as Thereof as May be Necessary for the Purpose of Paying All Expenses connected with the Auditing of the Various State Industries as Required by Section 369 of the Compiled Laws of 1913, as Amended November 2nd, 1920, by a Vote of People, Providing How Such Appropriation Shall be Paid.

Have had the same under consideration and recommend that the same be amended as follows:

In engrossed Bill after the word People in line 6 in Sec. 1, strike out everything and insert in lieu thereof the words "and said money shall be dispersed by the State Auditing Board upon presentation of proper vouchers."

And when so amended recommend the same do pass.

W. J. CHURCH,
Chairman.

Mr. Church moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Ployhar moved that Senate do now adjourn which motion prevailed.

SIXTIETH DAY

Senate Chamber,
Bismarck, North Dakota,
March 4, 1921.

The Senate convened at 2 o'clock P. M., the President presiding.

Prayer by the Chaplain, Rev. Dewhurst.

Roll was called all Senators being present except Senator McLachlin.

The committee on Revision and Correction of the Journal made the following report:

Mr. President: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Fifty-eighth day after recess and Fifty-ninth day and recommend that the same be corrected as follows: Page 8 line 35 strike out "now" insert in lieu thereof "not". Page 15 strike out lines 32, 33, 35, 36, 37, 38, and 39. Page 23 strike out line 24. Page 25 line 36 correct the spelling of the word "general". Page 36 lines 25 and 26 strike out "and the President appointed as conferees". Page 39 after line 27 insert the following "Insert subdivision 12".

And when so corrected recommend that the same be approved.

R. W. PATTEN,
Chairman.

Mr. Patten moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. President: Your conference committee on House Bill No. 151 to whom was referred:

House Bill No. 151: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 126 of the Laws of North Dakota for the Year 1917 as Amended and Re-enacted by Chapter 110 of the Laws of North Dakota for 1919, Relative to the Guarantee of Bank Deposits.

Have had the same under consideration and beg leave to

report that the House accedes to the Senate amendments to House Bill No. 151.

Mr. O. Grangaard, F. A. Vogel, A. Johnson, For the House.

Christ Levang, Frank E. Ployhar, Ralph Ingerson, For the Senate.

Mr. Ployhar moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. President: Your conference committee appointed on House Bill No. 147 beg leave to recommend that the Senate shall recede from its amendment to said Bill.

E. A. BOWMAN.
H. J. RUSCH.
JAMES A. WENSTROM.

Mr. Bowman moved that the report be adopted.

SENATE ROLL CALL

House Bill No. 147: A Bill for an Act to Amend and Re-enact Section 5179 of the Compiled Laws of 1913 as Amended and Re-enacted by Chapter 55 of the Session Laws of 1915, Relating to the Department of the State examiner.

Was read the third time.

The question being on the final passage of the bill. The roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bowman, Byrne, Church, Carey, Eastgate, Ettetstad, Flecksten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Mees, Murphy, Nathan, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bond, Liederbach, McLachlin, McNair, Miklethun.

So the bill passed and the title was agreed to.

Your conference committee on House Bill No. 108 submits the following report:

In Section 28, line 7 of the engrossed bill after the word "agent" insert "Any person or persons entering upon the premises of another without permission as above provided for, who shall have in his or her possession any gun or firearms, shall prima facie be presumed to have entered said premises for the purpose of hunting game within the meaning of this act."

In Section 28, line 10 of the engrossed bill strike out the period after the word "posted" and insert a semicolon and add the following "provided further, no person shall enter upon such posted land unless there be a visible trail of blood clearly indicating the course of such wounded animal onto such posted land and in no event shall it be lawful for more

than two persons to pursue such wounded animal. (In lieu of Senate amendment.)

W. Bauer, Chris M. Martin, L. E. Cole, House Committee.

Andrew Oksendahl, Ralph Ingerson, A. A. Liederbach, Senate Committee.

Mr. Ingerson moved that the report be adopted.

SENATE ROLL CALL

House Bill No. 108: A Bill for an Act to Amend and Re-enact Section 28 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919. Relating to Trespassing on Lands Where Hunting is Prohibited.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsch, Kendall, Levang, McNair, Murphy, Nathan, Nelson, Noltmier, Olson, Oksendahl, Pettersen, Polyhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Byrne, Liederbach, McLachlin, Mees, Miklethun.

So the bill passed and the title was agreed to.

Bismarck, North Dakota, March 4, 1921.

To the Honorable Members of the Senate:
Gentlemen:

You are hereby informed that I have approved and filed with the Secretary of State, Senate Bill No. 33, being An Act to Amend and Re-enact Section 2625, Compiled Laws of North Dakota for 1913, relating to Trespass of Animals.

Also Senate Bill No. 34, being An Act Legalizing and Validating all Notices and Publications commenced in an Official Newspaper Prior to the first day of January, 1921.

Also Senate Bill No. 35, being An Act Repealing Section 6972 of the Compiled Laws of the State of North Dakota for the year 1913 Relating to Negotiable Instruments Made Payable at a Bank.

Also Senate Bill No. 44, being An Act to Amend and Re-enact Section 4, of Chapter 187 of the Session Laws of North Dakota for the year 1919.

Also Senate Bill No. 57, being A Concurrent Resolution For an Amendment to the Constitution Relating to the Residence of an Elector.

Also Senate Bill No. 80, being An Act to Prevent the Aulter-

ation and Deception in Varnishes and Varnish Substitutes and Providing for the Proper Labeling of the same.

Also Senate Bill No. 96, being An Act to Amend and Re-enact Section 3550 of the Compiled Laws of the State of North Dakota of 1913, relating to the Appointment of District Court Bailiffs and Compensation thereof.

Also Senate Bill No. 97, being An Act to Authorize the Valuation of Bonds and Other Securities held by Life Insurance Companies, Assessment Life Associations and Fraternal Beneficiary Associations by the Amortization Method.

Also Senate Bill No. 98, being An Act to Amend and Re-enact Section 3552, Compiled Laws of North Dakota for the year 1913, Permitting Incorporated towns and vilages having a population of not less than Two Hundred Inhabitants to become incorporated as a City.

Also Senate Bill No. 102, being An Act to Amend and Re-enact Section 3621, Compiled Laws of North Dakota for the year 1913, Relating to Compensation of Aldermen.

Also Senate Bill No. 104, Being An Act to Repeal Section 153 Compiled Laws of North Dakota for 1913 Relating to Fees for the Registration of Bonds.

Also Senate Bill No. 143, being An Act to Prevent any Person from Registering as a Guest in any Hotel in the State of North Dakota under a fictitious or false name.

Also Senate Bill No. 152, being an Act to permit the use of certain ground upon the campus of the University and to consent to the erection of an Alumni Building thereupon by the Alumni Association for purposes of aiding the University and the cooperative interest of its Alumni and to grant to such Alumni Association the right to exercise control and dominion over such ground and the building to be constructed thereon, subject to the rules and regulations of the State and its Board of Administration; exempting building from assessment and taxation.

Also Senate Bill No. 15, being an Act to Amend and Re-enact Section 1340, Compiled Laws of North Dakota for 1913, Relating to Proposals for Building School Houses.

Also Senate Bill No. 7, being an Act to Repeal Section 14 of Chapter 225, Laws of North Dakota, 1919, Relating to the Taxation of Transfers of Property by Will, Gift or by Intestate Law.

Also Senate Bill No. 29, being an Act to Amend and Re-enact Section 1 of Chapter 4 of the Laws passed by the Special Session of the Sixteenth Legislative Assembly of the State of North Dakota, begun and held at Bismarck, the Capital of said State, on Tuesday, the Twenty-fifth day of November, A. D. 1919, and concluding Thursday, December the Eleventh, 1919, being an Act to appropriate \$225,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County, in the State of North Dakota, and the further sum of \$35,000.00 for the Construction of a Bridge Across the Red River,

at Pembina, Pembina County, and Kittson County, Minnesota, under the provisions of Chapter 73 of the Laws passed at the Sixteenth Session of the Legislative Assembly of North Dakota, approved March 5, 1919; and such Appropriation be made from the State Highway Fund; which Act was Approved 9:00 A. M., December 12, 1919.

Also Senate Bill No. 192, being an Act to Amend and Re-enact Section 4929 of the Compiled Laws of North Dakota for the year 1913, Relating to the Fees to be Paid by Insurance Companies Doing Business in this State.

Also Senate Bill No. 37, being an Act Entitled an Act to Cure Defects in the Title of Real Estate Caused by Failure of Foreign Corporations to Comply with Section 5238, Compiled Laws, 1913.

Also Senate Bill No. 154, being an Act to Amend and Re-enact Section 3540 of the Compiled Laws of North Dakota for the year 1913, relating to the fees paid to newspapers for the publication of legal notices.

Respectfully yours,
LYNN J. FRAZIER,
Governor.

Senator Porter moved that the Journals of the Fifty-ninth day after recess and Sixtieth day be mailed to the Senators by the mailing clerk.

SENATE ROLL CALL

The question being on the motion that the mailing clerk be instructed to mail to each Senator a copy of the Journals of the 59th day after recess and 60th day, the roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Levang, Liederbach, McNair, Micklethun, Murphy, Nathan, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Bowman, Kendall, McLachlin, Mees.

So the motion carried.

RESOLUTION

WHEREAS, The House of Representatives of the State of North Dakota has caused to be appointed a Committee, which is known as the House Audit Committee, for the purpose of investigating and considering the audit of Bishop-Brisman & Company, of the Bank of North Dakota and other state industries; and

WHEREAS, Said Committee has been in session for the past thirty days, engaged in such investigation, and as it has employed attorneys, investigators, accountants, bailiffs, officers, stenographers, and other employees; and

WHEREAS, The Senate of the 17th Legislative Session of

the State of North Dakota is desirous of obtaining a report as to the amount of the expenses incurred in said investigation, who has been paid such expenses, and who has contracted to pay such expenses:

NOW, THEREFORE, BE IT RESOLVED: That the following named persons, to-wit: Francis J. Murphy, John Sullivan, Staale Hendrickson, E. B. McCutcheon, D. E. Shipley, and M. O. Grangaard, be subpoenaed to appear before the Senate of the 17th Legislative Session of the State of North Dakota on the 4th day of March, 1921, at the hour of 7:00 o'clock P. M., then and there to give testimony relating to the matters above set forth; and that the Attorney General of the State of North Dakota be empowered and requested to examine the said persons hereinbefore mentioned as to any knowledge they may have concerning said matters hereinbefore set forth.

Senator Liederbach moved that the resolution be adopted, which motion prevailed.

HOUSE CHAMBER

Bismarck, N. D., March 3, 1921.

Mr. President: I have the honor to return

Senate Bill No. 182: A Bill for a Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

Which the House has amended as follows:

In Section 173 of the engrossed bill, line 6 after the word "attorney" strike out the words "and a;" after the word "judge" insert the words "and a clerk of the district court." Strike out the words "who shall also be clerk of the district court." In the tenth line of the same section, after the word "having" insert the following: "Ten thousand population or less, the county judge shall also be the clerk of the district court." In the eleventh line strike out the words "increased jurisdiction a county judge and clerk of the district court shall be elected." In the seventeenth line strike out the words "sheriff and," in the eighteenth line strike out the words "their respective offices" and insert in lieu thereof the word "office."

Also strike out last sentence in bill.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House refuses to concur in Senate amendments to House

Bill No. 105. The Speaker has appointed Messrs. Johnson of Cass, Olsgard and Hanson of Grand Forks as conferees.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to return:

Senate Bill No. 25: A Bill for an Act to Appropriate Money for the Expenses of the Executive, Legislative and Judicial Departments of the State Government, and for Public Schools, Specifying the Amount and Time for Which Such Appropriations Shall be Available, and Repealing Sections 1416, 1418 and 1419 of the Compiled Laws of 1913, as Amended by Chapter 34 of the Session Laws of 1915, and All Other Acts and Parts of Acts in so far as the Same Relate to Appropriations Conflicting Herewith or the Appropriations for the Same Matters or Purposes Provided for Herein.

Which the House has amended as follows:

IN THE PRINTED ENGROSSED BILL.

On Page 1, Section 1, Line 6, after the word "appropriated" insert the following, "unless otherwise designated herein." On page 2, Sub-division No. 1, Line 3, strike out the numerals 2,800 and 5,600 and insert in lieu thereof the numerals 2,500 and 5,000. After the 9th line in said Sub-division No. 1 insert "contingent 625 and 1250." Under the last named numerals insert a line and the following numerals, 10325, 20650. On page 2 strike out "Sub-division No. 3 Supreme Court" and all of line 1, 2, 10, 11 and 12 in said sub-division.

On page 3, at the top of the page insert: SUB-DIVISION NO. 3.

SUPREME COURT.

1	Salary 5 judges at \$5,500 per year....	\$27,500	\$55,000
2	Salary Clerk of Court at \$2,500 per yr..	2,500	5,000

SUB-DIVISION NO. 3, strike out line 4 and line 6 and the printed matter between lines 6 and 7. Strike out the word "at" in line 5 and insert the following numerals, 5,280 and 10,560. Strike out the numerals 4,800 and 9,600 in line 6. In line 17 strike out the numerals \$37,330 and \$74,660 and insert in lieu thereof \$37,810 and \$75,620.

SUB-DIVISION No. 5, line 1, strike out the numerals 2,500 and 5,000 and insert in lieu thereof the numerals 2,000 and 4,000. Strike out in line 11 the numerals 4,375 and 8,750 and insert in lieu thereof the numerals 3,875 and 7,750.

SUB-DIVISION No. 6, line 4, strike out the numerals 1,500 and 3,000 and insert in lieu thereof the numerals 1,800 and 3,600. In line 6 strike out the numerals 2,400 and 4,800

and insert in lieu thereof the numerals 2,640 and 5,280. Strike out lines 19a, 20, 21 and 22. In line 24 strike out the numerals 20,125 and 40,250 and insert in lieu thereof the numerals 20,665 and 41,330. Under line 13 insert "Publicity Pamphlets and Postage 10,000." In line 15 strike out the numerals 14,800 and insert in lieu thereof 24,800.

SUB-DIVISION NO. 7, line 5, strike out the numerals 1,800 and 3,600 and insert in lieu thereof the numerals 1,500 and 3,000. Strike out all of lines 8, 9 and 10. In line 24 strike out the numerals 17,850 and 35,700 and insert in lieu thereof the numerals 15,150 and 30,300.

SUB-DIVISION No. 8, line 4, strike out the numerals 1,800 and 3,600 and insert in lieu thereof the numerals 2,000 and 4,000. In line 5 strike out the numerals 1,800 and 3,600 and insert in lieu thereof the numerals 1,600 and 3,200. In line 8, strike out the numerals 1,200 and 2,400 and insert in lieu thereof the numerals 1,320 and 2,640. In line 9, strike out the numerals 1,200 and 2,400 and insert in lieu thereof the numerals 1,500 and 3,000. In line 22, strike out the numerals 22,700 and 41,000 and insert in lieu thereof the numerals 23,120 and 42,240.

SUB-DIVISION NO. 11, line 3, strike out the numerals 13,000 and insert in lieu thereof the numerals 10,400 and 20,800. In line 4, strike out the numerals 6,500 and 13,000 and insert in lieu thereof the numerals 5,000 and 10,000. Strike out all of lines 12, 14 and 15. In line 13 strike out the numerals 5,000 in the first column and insert in lieu thereof the numerals 10,000. In line 17 strike out the numerals 51,550 and 91,100 and insert in lieu thereof the numerals 33,250 and 56,500.

SUB-DIVISION No. 12, line 22, strike out the numerals 2,500 and 5,000 and insert in lieu thereof the numerals 2,800 and 5,600. In line 26 insert in the first column of the figures 3,960. In same line strike out the numerals 5,000 and insert in lieu thereof 7,920. In line 39 strike out the numerals 20,525 and 46,050 and insert in lieu thereof the numerals 24,785 and 49,570.

SUB-DIVISION NO. 13, line 5, strike out the numerals 1,500 and 3,000 and insert in lieu thereof the numerals 1,800 and 3,600. In line 6, strike out the word "two." In line 12, strike out the numerals 1,250 and 2,500 and insert in lieu thereof the numerals 800 and 1,600. Strike out all of line 14. In line 20, strike out the numerals 15,600 and 31,800 and insert in lieu thereof the numerals 15,050 and 30,700.

SUB-DIVISION NO. 14, line 1, strike out the numerals 2,800 and 5,600 and insert in lieu thereof the numerals 2,500 and 5,000. In line 15 strike out the numerals 12,850 and 25,700 and insert in lieu thereof the numerals 12,550 and 25,100.

SUB-DIVISION No. 15, line 10, strike out the numerals 6,000 and 12,000 and insert in lieu thereof the numerals 6,600 and 13,200. In line 19 strike out the numerals 10,000 and 20,000 and insert in lieu thereof the numerals 6,000 and 12,000. In line 26 strike out the numerals 46,475 and 92,950 and insert in lieu thereof the numerals 43,075 and 86,150.

SUB-DIVISION NO. 16, line 7, strike out the numerals 2,400 and 4,800 and insert in lieu thereof the numerals 2,640 and 5,280. In line 22 strike out the numerals 18,257.50 and 36,515 and insert in lieu thereof the numerals 18,497.50 and 36,995.

SUB-DIVISION NO. 17, line 5, strike out the numerals 19,800 and 39,600 and insert in lieu thereof the numerals 18,000 and 36,000. In line 6 strike out the numerals 13,200 and 26,400 and insert in lieu thereof the numerals 12,000 and 24,000. In line 24 strike out the numerals 7,695 and 148,390.

SUB-DIVISION NO. 18, line 3, strike out the numerals 2,500 and 5,000 and insert in lieu thereof the numerals 2,800 and 5,600. In line 8 strike out the numerals 1,500 and 3,000 and insert in lieu thereof the numerals 1,800 and 3,600. In line 12 strike out the numerals 2,400 and 4,800 and insert in lieu thereof the numerals 2,640 and 5,280. In line 13 strike out the numerals 1,200 and 2,400 and insert in lieu thereof the numerals 1,320 and 2,640. In line 19 strike out the numerals 400 and 800 and insert in line 21,400 and 800. In line 17 strike out the numerals 750 and 1,500 and insert in lieu thereof 500 and 1,000. In line 24 strike out the numerals 33,000 and 66,000 and insert in lieu thereof the numerals 33,710 and 67,420.

SUB-DIVISION No. 19 strike out all of line 3 and line 4. After line 5 insert the following lines: Executive Secretary 3,000 6,000; Chief Clerk 1,800 3,600; Stenographer 1,500 3,000; Auditor and Accountant 2,800 5,600; Assistant Auditor and bookkeeper 1,800 3,600; bookkeeper 1,500 3,000; Purchasing Agent 2,400 4,800; Supply Clerk and Stenographer 1,200 2,400; Supply Clerk and Stenographer 1,020 2,040. In line 17 strike out the numerals 41,160 and 93,120 and insert in lieu thereof the numerals 35,680 and 72,160.

SUB-DIVISION No. 23, strike out lines 4, 7 and 8.

SUB-DIVISION No. 24, strike out all of line 3. In line 4 after the word "clerk" insert the words "and stenographer," and strike out the numerals in said line 4, 960 and 1,920 and insert in lieu thereof the numerals 1,400 and 2,800. Strike out all of lines 5, 6, 7, 8, 9, 10 and 11. In line 19 strike out the numerals 5,170 and 10,340 and insert in lieu thereof the numerals 4,650 and 9,300.

SUB-DIVISION NO. 26. After the words and figures Sub-division No. 26 insert the following: "to be appropriated from the State Oil Inspection Fund." In line 4 strike out the numerals 29,950 and insert in lieu thereof the numerals 25,950. Strike out lines 5, 6 and 7.

SUB-DIVISION NO. 27, line 12, strike out the numerals 321,000 and 642,000 and insert in lieu thereof the numerals 254,000 and 508,000. In line 47 strike out the numerals 451,790 and 932,950 and insert in lieu thereof the numerals 384,790 and 798,950. In line 60 strike out the word "as" and in line 61 the words "per schedule B." Strike out lines 62, 63 and 64. In line 72 insert in the proper column the figures 10,000 and 20,000. Strike out all of lines 85, 86, 87, 88 and 89. In line 91 strike out the numerals 276,600 and in-

ert in lieu thereof the numerals 126,600.

SUB-DIVISION NO. 29. After the words and figures Sub-division No. 29 insert the following: "To be appropriated from the Hotel Inspection Fund."

SUB-DIVISION NO. 32, line 2, strike out the numerals 24,000 and 48,000 and insert in lieu thereof the numerals 22,000 and 44,000. In line 14 strike out the words "New buildings," and insert in lieu thereof "demonstration cottage 8,000 8,000." Strike out lines 15, 16 and the numerals 5,000 and 10,000 in line 21. In the proper column in line 22 insert the numerals 5,000 and 10,000. In line 25 strike out the numerals 206,750 and 388,500 and insert in lieu thereof the numerals 187,750 and 367,500.

SUB-DIVISION NO. 34, line 3, strike out the numerals 36,000 and 72,000 and insert in lieu thereof the numerals 34,000 and 68,000. Strike out line 15. In line 25 strike out the numerals 7,500 and 15,000 and insert in lieu thereof the numerals 5,000 and 10,000. In line 31 strike out the numerals 177,350 and 333,950 and insert in lieu thereof the numerals 170,350 and 319,950.

SUB-DIVISION NO. 35, in line 5, strike out the numerals 35,000 and 70,000 and insert in lieu thereof the numerals 30,000 and 60,000. In line 13 strike out the numerals 15,000 and 30,000 and insert in lieu thereof the numerals 10,000 and 20,000. In line 15 strike out the numerals 50,000 and 100,000 and insert in lieu thereof the numerals 40,000 and 80,000.

SUB-DIVISION NO. 38, in line 1 strike out the numerals 50,000 and insert in lieu thereof the numerals 55,896. In line 3 strike out the numerals 52,000 and insert in lieu thereof the numerals 61,102. In line 4 strike out the numerals 102,000 and insert in lieu thereof the numerals 116,998. In line 8 strike out the numerals 25,000 and insert in lieu thereof the numerals 17,501. In line 9 strike out the numerals 25,000 and 50,000 and insert in lieu thereof the numerals 17,501 and 35,002.

SUB-DIVISION NO. 43, strike out the lines 1, 2, 3 and 4. In line 5 strike out the words "net amount requested for." In same line strike out the numerals 142,520.20 and 235,040.00 and insert in lieu thereof the numerals 125,000.00 and 250,000.00. In line 5a strike out the numerals 15,000.00 and 30,000.00 and insert in lieu thereof the numerals 13,000.00 and 13,000.00. In line 10 strike out the numerals 181,463.08 and 362,926.16 and insert in lieu thereof the numerals 161,943.08 and 310,886.16.

SUB-DIVISION NO. 96. In line 4 strike out the numerals

SUB-DIVISION NO. 44. Strike out line 6a. In line 43 strike out the numerals 327,250 and insert in lieu thereof the numerals 227,250.

SUB-DIVISION No. 45. Line 2 strike out the numerals 46,000 and 92,000 and insert in lieu thereof the numerals 23,000 and 46,000. In line 24 insert in the proper column the numerals 1,000 and 2,000. Strike out line 25. In line 35 strike out the figure 7 and insert in lieu thereof the word "and." In line 40 strike out the numerals 98,260 and 196,526 and insert in lieu thereof the numerals 75,260 and 150,520. In line 38 in the second column strike out the figure 6 and insert a cipher in lieu thereof. Strike out lines 41, 42 and 43.

SUB-DIVISION NO. 47. Strike out line 1 and 2 and the portion of the word in line 3 "tached." In line 3 place the words "General Maintenance." Strike out line 4. In line 5 strike out the words "fuel and light" and insert in lieu thereof "new boiler 5,000 5,000." In line 10 strike out the numerals 25,836 and 51,672 and insert in lieu thereof the numerals 30,836 and 56,672.

SUB-DIVISION NO. 51. Line 1 strike out the numerals 2,400 and 4,800 and place in lieu thereof the numerals 2,000 and 4,000. In line 6 strike out the numerals 12,500 and 25,000 and insert in lieu thereof the numerals 12,100 and 24,200.

SUB-DIVISION NO. 55. In line 1 strike out the numerals 36,840 and 73,680 and insert in lieu thereof the numerals 35,880 and 71,760. In line 2 strike out the numerals 14,750 and 34,500 and insert in lieu thereof the numerals 9,750 and 19,500. In line 5 strike out the numerals 51,590 and 118,180 and insert in lieu thereof the numerals 45,630 and 101,260.

SUB-DIVISION NO. 57. After line 8 insert the following "Fire Escape 3,000 3,000." Strike out in line 10 the numerals 126,995 and 253,990 and insert in lieu thereof the numerals 129,995 and 256,990.

SUB-DIVISION NO. 58 strike out lines 2 and 3.

SUB-DIVISION No. 59 in line 9 in the second column strike out the numerals 125,000 and insert in lieu thereof 62,500. In line 10 second column, strike out the numerals 100,000 and insert in lieu thereof 50,000. In line 11 second column strike out the numerals 30,000 and insert in lieu thereof 15,000. In line 14 in the first column strike out the numerals 300. In line 16 in the first column strike out the numerals 6,900. In line 17 in the first column strike out the numerals 3,000. In line 18 first column strike out the numerals 500. In line 21 strike out the numerals 165,700 and 333,400 and insert in lieu thereof the numerals 155,000 and 205,900.

SUB-DIVISION No. 60, line 13, strike out the numerals 29,000 and 29,000 and insert in lieu thereof the numerals 25,000 and 25,000. In line 27 strike out the numerals 128,050 and 298,450 and insert in lieu thereof the numerals 122,050 and 294,450.

SUB-DIVISION NO. 61, line 1, strike out the numerals 50,750 and 101,500 and insert in lieu thereof the numerals 45,750 and 91,500. Line 2 strike out the words "explanatory sheet attached." In the same line strike out the numerals 51,000 and 102,000 and insert in lieu thereof the numerals 46,000 and 92,000. In line 6 strike out the numerals 7,000 and 14,000 and insert in lieu thereof the numerals 6,000 and 12,000. Strike out line 8a. In line 14 strike out the numerals 2,000 and 4,000 and insert in lieu thereof the numerals 1,250 and 2,500. In line 21 strike out the numerals 229,100 and 388,600 and insert in lieu thereof the numerals 215,350 and 362,100.

SUB-DIVISION NO. 62, line 2a strike out the numerals 18,000 and 36,000 and insert in lieu thereof the numerals 21,000 and 42,000. In line 33 strike out the numerals 58,175 and 113,750 and insert in lieu thereof the numerals 61,175 and 119,750. At the end of the sub-division insert the following: "The appropriation of \$110,000.00 made by chapter 14 of the Special Session Laws of the 16th Legislative As-

sembly to provide for the building of a little boy's building, gymnasium, boiler room and equipment and water supply and sewage is hereby continued until July 1st, 1923."

SUB-DIVISION No. 63 after the words and figures Sub-division No. 63, insert "To be appropriated from the Game and Fish Fund."

SUB-DIVISION NO. 64. After the words and figures Sub-division No. 64 insert the following, "To be appropriated from the State Highway Fund." Line 1, strike out the numerals 3,000 and 6,000 and insert in lieu thereof the numerals 2,000 and 4,000. Strike out lines 2, 3, 4, 5, and 6. In line 7 strike out the word "seven." Strike out line 13, line 16 and line 19. In line 23 strike out the numerals 56,345 and 112,120 and insert in lieu thereof the numerals 50,775 and 101,550.

SUB-DIVISION NO. 65. After the words and figures Sub-division No. 65 insert the following, "To be appropriated from the State Highway Fund."

Strike out all of SUB-DIVISION NO. 71.

Strike out all of SUB-DIVISION NO. 84.

Strike out all of SUB-DIVISION NO. 86.

SUB-DIVISION NO. 93. After line 14 insert the following: "Any unexpended portion of the appropriation under this sub-division at the end of the biennial period shall be credited to the several vocational schools receiving federal aid."

Strike out all of SUB-DIVISION NO. 95.

SUB-DIVISION NO. 96. In line 4 strike out the numerals 1,200 and 2,400 and insert in lieu thereof the numerals 1,320 and 2,640. In line 16 strike out the numerals 4,575 and 91,125 and insert in lieu thereof the numerals 4,695 and 9,415.

SUB-DIVISION NO. 99. In line 1 strike out the numerals 50,000 and 100,000 and insert in lieu thereof the numerals 10,000 and 10,000.

Strike out all of SUB-DIVISION NO. 109.

SUB-DIVISION NO. 18. That the words "at twelve hundred dollars" and the figures "1200" after the word stenographer, be stricken out in sub-division 18.

An amendment to amendment on sub-division No. 27.

Line 12 (as amended by the committee) strike out the numbers 254,000 and 508,000 and insert in lieu thereof the numbers 279,525 and 559,050. Line 47, correct the totals to read 425,000 850,000. Line 64 in bill as amended by Senate strike out numerals 15,000 and insert in lieu thereof 150,000.

SUB-DIVISION NO. 43. In the bill as amended by the Senate. In line 5a strike out the words purchase of real estate \$15,000.00 \$30,000.00 and insert in lieu thereof Gymnasium 50,000 50,000. Line 10, strike out the totals 181,463.08 and 362,926.16 and insert in lieu thereof 198,943.08 and 347,886.16.

SUB-DIVISION NO. 44. In the bill as amended by the Senate. Line 6a after the word building insert "and equipment 100,000." Line 42 strike out "on condition that the city." Line 43 strike out "abate the taxes on special improvements. So that line 42 should read "additional land 5,000 10,000."

That subdivision 98 be stricken out.

SUBDIVISION 18. That the words "at twelve hundred dollars" and the figures "1200" after the word stenographer, be stricken out in subdivision 18.

An amendment to amendment on subdivision No. 27.

Line 12 (as amended by the committee) strike out the numbers 254,000 and 508,000 and insert in lieu thereof the numbers "279,525 and 559,050.

Line 47—correct the totals to read 425,000 850,000.

Line 64 in Bill as amended by Senate strike out numerals 15,000 and insert in lieu thereof 150,000.

SUBDIVISION NO. 43. In the bill as amended by the Senate.

In line 5 strike out the words "purchase of real estate \$15,000.00 \$30,000.00" and insert in lieu thereof "Gymnasium 50,000 50,000.

Line 10, strike out the totals 181,463.08 and 362,926.16 and insert in lieu thereof 198,943.08 and 347,886.16.

SUBDIVISION NO. 44. In the bill as amended by the Senate.

Line 6a after the word "building" insert "an equipment 100,000."

Line 42 strike out "on condition that the city."

Line 43 strike out "abate the taxes on special improvements."

So that line 42 should read "additional land 5,000, 10,000."

That subdivision 98 be stricken out.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

Senator Church moved that the Senate do not concur in the House amendments to Senate Bill No. 25, which motion prevailed, and the President appointed as conferees Senators Church, Van Camp and Levang.

The President appointed as conferees on House Bill No. 105, Senators Baker, Patten and Byrne.

Senator Baker moved that House Bill No. 33 be amended as follows: Strike out \$12,000 and insert in lieu thereof \$30,000.00, in both the title and where the figures occur in the bill, which motion prevailed.

SENATE ROLL CALL

House Bill No. 33: A Bill for an Act to Appropriate \$12,000 out of Any Money in the State Treasury not Otherwise Appropriated, or so Much as Thereof as May be Necessary for the Purpose of Paying All Expenses Connected With the Auditing of the Various State Industries as Required by Section 369 of the Compiled Laws of 1913, as Amended November 2nd, 1920, by a Vote of People, Providing How Such Ap-

appropriation Shall be Paid.

Was read the third time.

The question being on the final passage of the bill, as amended by the Senate, the roll was called and there were ayes 36, nays 11, absent and not voting 2.

Ayes: Baird, Baker, Beisel, Bond, Byrne, Church, Carey, Eastgate, Ettestad, Fraser, Gardiner, Garberg, Gross, Hagan, Kelsh, Kendall, McNair, Mees, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Rusch, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman.

Nays: Benson, Berg, Bowman, Fleckten, Ingerson, Levang, Liederbach, Miklethun, Nathan, Patten, Schrenk.

Absent and not voting: McLachlin, Wog.

So the bill passed and the title was agreed to.

Mr. Storstad moved that the vote by which House Bill No. 33 passed, be reconsidered and the motion to reconsider be laid on the table. Which motion prevailed.

Ward: I vote "aye" on this bill because on last Nov. 2 the people demanded that these audits be made.

SENATE ROLL CALL

House Bill No. 7: A Bill for an Act Providing for the Appointment of County Brand Inspectors; Defining the Duties of Railways in the Shipment of Certain Stock; Penalty.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 41, nays 1, absent and not voting 7.

Ayes: Baird, Baker, Beisel, Berg, Bond, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Levang, Liederbach, McNair, Mees, Miklethun, Murphy, Nelson, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, Ward, Wenstrom, Whitman.

Nays: Nathan.

Absent and not voting: Benson, Bowman, Church, McLachlin, Stevens, Van Camp, Wog.

So the bill passed and the title was agreed to.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bill No. 136.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bill No. 14.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

SENATE ROLL CALL

House Bill No. 61: A Bill for an Act to Amend and Re-enact Section 5 of Chapter 224 of the Session Laws of North Dakota, for the Year 1919, Relating to Income Taxes.

Was read the third time.

The question being on the final passage of the bill, the roll was called and there were ayes 23, nays 22, absent and not voting 4.

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, Kendall, Mees, Murphy, Nelson, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltmier, Olson, Oksendahl, Patten, Ward.

Absent and not voting: Baker, McLachlin, Wenstrom,

Senator Church reported that the conference committee on Wog.

So the bill was lost.

House Bill No. 116 failed to agree.

Senator Miklethun moved that a new conference committee be appointed, which motion prevailed, and the President appointed as such committee Senators Benson, McNair and Steel.

Senator Gross moved that the concurrent resolution concerning the Banks in North Dakota and Financial conditions be adopted.

Senator Stevens moved that the Senate recess subject to the call of the chair, which motion prevailed.

The Senate reassembled, the President presiding.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bills Nos. 90, 192, 199, and 113.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the Speaker has appointed as conferees on Senate Bill No. 116, Messrs. McGauvran, Nagel and Preszler.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House has accepted the conference report on House Bill No. 108.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House refuses to concur in Senate amendments to House Bill No. 134, and the Speaker has appointed as conferees, Messrs. Larson of Pierce, Root and Ulland.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House refuses to concur in the Senate amendments to House Bill No. 190. The Speaker has appointed as conferees, Messrs. Johnson of Cass, Hansen of Grand Forks and Plath.

Very respectfully,
C. L. DAWSON,
Chief Clerk.

The President appointed as conferees on House Bill No. 134, Senators Olson, Wenstrom and Liederbach.

The President appointed as conferees on House Bill No. 100, Senators Patten, Nathan and Hagan.

SENATE COMMITTEE ON ENROLLMENT AND
ENGROSSMENT

The committee on Enrollment and Engrossment made the following report:

Mr. President: Your committee on Enrollment and Engrossment respectfully report that:

Senate Bill No. 11:

A Bill for an Act Amending and Re-Enacting Section 10251 of the Compiled Laws of North Dakota for the Year 1913, Relating to Unlawful Obligations in Writing.

Senate Bill No. 31: A Bill for an Act to Amend and Re-

enact Section 780 of the Compiled Laws of North Dakota, for the Year 1913, as Amended by Chapter 30, of the Special Session Laws of North Dakota, for the Year 1919, Relating to Compensation of Court Stenographers, and Providing for the Payment of Expenses.

Senate Bill No. 32: A Bill for an Act to Amend and Re-enact Sections 11114 and 11115, Compiled Laws of the State of North Dakota for 1913, Relating to the Admitting to Bail of Persons Charged with the Offense of Homicide.

Senate Bill No. 39: A Bill for an Act to appropriate the sum of \$175,000.00 for the Purpose of Aiding in the Construction of a Bridge Across the Missouri River from Burleigh County to Morton County in the State of North Dakota Un-Sixteenth Session of the Legislative Assembly of North Dakota, Approved March 5, 1919, in Addition to the sum Appropriated by Chapter 4 of the Special Session of the Sixteenth Legislative Assembly,, Approved December 12, 1919, and that such Appropriation be made from the State Highway Fund.

Senate Bill No. 41: A Bill for an Act to Amend and Re-enact Section 4059 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 71, Session Laws of 1915, and Chapter 178, Session Laws of 1917, Relating to Powers of Park Commission, be Amended and Re-enacted to Read as Follows:

Senate Bill No. 58: A Bill for an Act Making it Unlawful for Any Railroad Corporation, Doing Business in North Dakota, to Operate Any Locomotive Engine Propelled by Steam or Electric Power, Without Equipping Such Engine With a Vestibuled Cab; and Prescribing a Penalty for the Violation of This Act.

Senate Bill No. 84: A Bill for an Act to appropriate the Sum of Eight Hundred Twenty-one and 75-100 Dollars (\$821.-75) for Printing the 1917-1918 Biennial Report of the Attorney General.

Senate Bill No. 111: A Bill for an Act Entitled: An Act Prescribing What Number of Stockholders Shall constitute a Quorum in Stockholders' Meetings of Domestic Corporations and Also Providing That the Written Consent of the Holders of a Majority in Value of the Subscribed Capital Stock Shall be Affectual for Certain Purposes, Also Making Provision for Notice for Stockholders' Meetings, and Repealing Conflicting

Senate Bill No. 153: A Bill for an Act to Amend and Re-enact Section 8122 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 180 of the Laws of 1915 and as Amended by Chapter 151 of the Laws of 1917, Relating to Foreclosure of Land Contracts.

Senate Bill No. 156: A Bill for an Act Restricting Rights of Litigants to Bring Actions in Courts to Set Aside Taxes or Assessments or to Recover Taxes Before Submitting Their Claims to the Board of County Commissioners for Adjustment and Dismissing Actions Heretofore Brought.

Senate Bill No. 162: A Bill for an Act to Provide a Minimum Amount of Training, a Minimum Salary for a Teaching Experience of Less Than One School Year, and a

Schedule of Salary Minimums for a Teaching Experience of From One to Six Years Inclusive, for the Teachers in the Public Schools of North Dakota.

Senate Bill No. 200: A Bill for an Act Authorizing the Renewal of the Period of Corporate Existence of Certain Corporations Whose Period of Duration has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporation Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporations.

Were delivered to the governor for his approval at the hour of 5:15 o'clock P. M.

P. A. BERG,
Acting Chairman.

Senator Berg moved that the report be adopted, which motion prevailed.

SIGNING OF BILLS

The Secretary announced that the President was about to sign:

House Bill No. 49: A Bill for an Act to Amend and Re-enact Section 814 of the Compiled Laws of North Dakota for the Year 1913, Relating to Jurors.

House Bill No. 203: An Act to Amend and Re-enact Section 69 of the Compiled Laws of North Dakota for 1913, Relating to the Printing of the Popular Edition of the Session Laws; Fixing the Specifications for the Unauthenticated Edition of the Session Laws of the State of North Dakota, and Repealing all Acts and Parts of Acts in Conflict Therewith.

And the President signed the same in the presence of the Senate.

Senator Rusch moved that a committee of three be appointed by the President to draw suitable letters of congratulations to be sent to President Harding on the day of his inauguration which motion prevailed, and the President appointed as such committee Senators Steel, Stevens and Baker.

Senator Baker moved that the Senate now proceed to the examination of those called to appear before the Senate, which motion prevailed.

Senator Baker moved a call of the Senate, which motion prevailed.

Senator Church moved that the call of the Senate be suspended, which motion prevailed.

Senator Ployhar moved that all absent Senators be excused, which motion prevailed.

Bismarck, N. D., March 4, 1921.

Mr. President: Your conference committee on House Bill No. 105. Beg leave to report that we met with the conference

committee from the House and were unable to come to any agreement.

B. F. Baker,
ROBERT BYRNE,
R. W. PATTEN,

Senate Committee.

C. W. JOHNSON,

House Committee.

Senator Benson moved that the report of the conference committee on House Bill No. 105 be accepted, the committee discharged and a new committee be appointed, which motion prevailed, and the President appointed as such committee, Senators Ettestad, Fleckten and Noltmier.

Mr. President: Your conference committee appointed to confer on House Bill 134, have met with a like committee of the House and beg to report that all can not agree.

O. H. Olson,
JAMES A. WENSTROM,
A. A. Liederbach,

Committee of Senate.

L. A. LARSON,
J. D. ROOT,
C. ULLAND,

Committee of House.

Senator Olson moved that the report of the conference committee on House Bill No. 134 be adopted, the committee discharged and a new committee appointed, which motion prevailed, and the President appointed as such committee Senators Oksendahl, Patten and Olson.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendment to House Bill No. 174, 151.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

SIGNING OF BILLS

The Secretary announced that the President was about to sign:

House Bill No. 108: A Bill for an Act to Amend and Re-enact Section 28 of Chapter 161 of the Laws of North Dakota for the Year 1915 as Amended by Chapter 134 of the Laws of North Dakota for the Year 1919, Relating to Trespassing on Lands Where Hunting is Prohibited.

House Bill No. 136: A Bill for an Act to Amend and Re-enact Section 8205, Compiled Laws of North Dakota for 1913, Defining the Private Property Which May be Taken by Eminent Domain.

House Bill No. 90: A Bill for an Act Requiring Railroad

Companies to Provide Separate Compartments for Carriage of Sick People and Providing a Penalty for Violation Thereof.

House Bill No. 7:

A Bill for an Act Providing for the Appointment of County Brand Inspectors; Defining the Duties of Railways in the Shipment of Certain Stock; Penalty.

House Bill No. 139: A Bill for an Act to Amend and Re-enact Section 3296 of the Compiled Laws of North Dakota for the Year 1913, Relating to County Commissioners' Powers and Duties With Respect to Contracts Let on Competitive Bids.

House Bill No. 113: A Bill for an Act to Amend and Re-enact Section 2495 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Levy of Taxes for Interest for Drainage Purposes and Creating Sinking Fund.

House Bill No. 199: A Bill for an Act to Amend and Re-enact Sections 1589, 1594 and 1595 of the Compiled Laws of 1913, Relative to Normal Schools.

And the President signed the same in the presence of the Senate.

The committee on Conference made the following report:

Mr. President: Your committee on Conference to whom was referred Senate Bill No. 116. A Bill for an Act to amend and re-enact chapter 179 of the Session Laws of 1915; an act to amende Chapter 177 of the Laws of 1911 (Same being Sections 11402 to 11428, inc., Compiled Laws of 1913), Entitled "Juvenile Court," by Adding thereto certain provisions giving the Court Power when necessary to appoint District Juvenile Commissioners, Guardians as litem, and to make Rules and Regulations prescribing their duties and fixing their compensation; also to enact such other provisions which are best calculated to carry out the purpose of said Chapter 177.

Have had the same under consideration and recommend that the same be amended as follows:

Section four (4) in line five (5) of the engrossed bill, strike out the word five and insert the word six.

At the end of section four, add the following, (Provided that the per diem to be paid to either commissioner shall not exceed \$150.00 in any one month.)

And when so amended recommend the same do pass.

JOHN W. BENSON,
Chairman.

Mr. Benson moved that the report be adopted.

SENATE ROLL CALL

Senate Bill No. 116: A Bill for an Act to Amend and Re-enact Chapter 179 of the Session Laws of 1915; an Act to Amend Chapter 177 of the Laws of 1911 (Same Being Sections 11402, to 11428, Inclusive, Compiled Laws 1913, Entitled "Juvenile Court," by Adding Thereto Certain Provisions Giv-

ing the Court Power When Necessary to Appoint District Juvenile Commissioners, Guardians ad litem, and to Make Rules and Regulations Prescribing Their Duties and Fixing Their Compensation; also to Enact Such Other Provisions Which Are Best Calculated to Carry Out the Purpose of Said Chapter 177.

Was read the third time.

The question being on the final passage of the bill, as amended. The roll was called and there were ayes 41, nays 0, absent and not voting 8.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Levang, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Van Camp, Ward, Wenstrom, Whitman.

Absent and not voting: Kendall, Liederbach, McLachlin, Murphy, Nelson, Ployhar, Storstad and Wog.

So the bill passed and the title was agreed to.

The select committee made the following report:

BE IT RESOLVED by the Senate of the tState of North Dakota the House concurring therein, that the following telegram signed by the President of the Senate and the Speaker of the House be sent to Warren G. Harding, President of the U. S. A.:

"We, the members of the Seventeenth Legislative Assembly of the State of North Dakota on the eve of adjournment Sine Die this fourth day of March, 1921, do wish to congratulate you upon your inauguration today as the chief executive officer of the greatest nation on earth. May God in his wisdom guide and protect you in the discharge of your duties."

Senator Steel moved that the concurrent resolution be adopted.

SENATE ROLL CALL

The question being on the Passage of the Concurrent resolution Congratulating Pres. Harding. The roll was called and there were ayes 45, nays 0, absent and not voting 4.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Church, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kandall, Levang, Liederbach, McNair, Mees, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Petterson, Ployhar, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Ward, Wenstrom, Whitman.

So the Concurrent resolution passed.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the

House refuses to concur in Senate Amendmnet to House Bill No. 33. The Speaker appointed as conferees Messrs. Shipley, Grangaard and Freeman.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The President appointed as a conference committee on House Bill No. 33, Senators Garberg, Ward and Miklethun.

Mr. President: The members of the Senate conference committee on House Bill No. 100. Met with the House conference committee on this bill and beg leave to report that we were unable to agree on the amendments.

R. W. PATTEN,
JOHN NATHAN,
A. M. HAGAN,
Senate Committee.

ROY JOHNSON,
JOHN G. PLATH,
P. G. HANSON,
House Committee.

House Committee.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House has concurred in the Report of Conference on Senate Bill No. 116.

Very resepectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the Speaker has appointed as conferees on Senate Bill No. 182, Messrs. Bauer, Botz and Kitchen.

Very resepectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House refuses to concur in the Senate amendments to House Bill No. 25. The Speaker has chosen Messrs. Jardine, Sagen and Sproul.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the Speaker has appointed as Conferees on Senate Bill No. 25, Messrs. Watt, Kelly and Olson of Billings.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

A CONCURRENT RESOLUTION

Introduced by Mr. Bowman.

WHEREAS, it is important that the members of the House and Senate should be provided with a copy of the corrected bound journals of the House and Senate;

BE IT RESOLVED, by the Senate, the House of Representatives concurring therein, that the Secretary of State be and is hereby authorized and directed to send to each member of the Senate and House, the President and Secretary of the Senate, and Chief Clerk of the House, and to each district judge in the state, a copy of the Senate and House journals and a copy of the Session Laws.

Bowman moved that the Concurrent resolution be adopted.

SENATE ROLL CALL

The question being on the final passage of the Bowman Concurrent Resolution relating to bound journals. The roll was called and there were ayes 30, nays 0, absent and not voting 19.

Ayes: Baird, Baker, Benson, Bond, Bowman, Byrne, Carey, Eastgate, Ettetstad, Fleckten, Gross, Hagan, Ingerson, Kesh, Kendall, Liederbach, McNair, Nathan, Olson, Oksendahl, Peterson, Porter, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Wenstrom, Whitman.

Absent and not voting: Beisel, Berg, Church, Fraser, Gardiner, Garberg, Levang, McLachlin, Mees, Miklethun, Murphy, Nelson, Noltmier, Ployhar, Patten, Rusch, Van Camp, Ward and Wog.

So the Concurrent Resolution passed.

The President appointed as Conferees on House Bill No. 25, Senators Bowman, Ettetstad, and Benson.

HOUSE CHAMBER

Bismarck, N. D., March 4, 1921.

Mr. President: I have the honor to inform you that the House refuses to concur in Senate amendments to House Bill No. 188. The Speaker has appointed as conferees Messrs. Harding, Carlson and Anderson of Burleigh.

Very respectfully,

C. L. DAWSON,
Chief Clerk.

The President appointed as Conferees on House Bill No. 188, Senators Gross, Kendall and Ingerson.

Mr. President: Your conference committee to whom was referred Senate Bill No. 182,

Senate Bill No. 182: A Bill for an Act Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

Have had the same under consideration and the

Conference committee recommends where "Ten Thousand" appears in House amendment be changed to "Eight Thousand."

That the words "sheriff and" and also "their respective offices" of the last sentence of the engrossed bill be re-inserted.

That the conference committee concurs in the balance of the House amendments.

GUST WOG,
R. L. FRASER,
R. J. GARDINER,

Senate Conference Committee.

W. BAUER, Chairman,
D. L. PETTERS,
JOSEPH A. KITCHEN,

House Conference Committee.

Mr. Gardiner moved that the report be adopted.

SENATE ROLL CALL

Senate Bill No. 182: A Concurrent Resolution to Amend and Re-enact Section 173 of Article 10 of the Constitution of the State of North Dakota Providing for the Election of County Officials.

Was read the third time.

The question being on the final passage of the bill, as amended. The roll was called and there were ayes 33, nays 0, absent and not voting 16.

Ayes: Baird, Beisel, Benson, Berg, Bowman, Byrne, Carey, Ettestad, Fleckten, Fraser, Gardiner, Hagan, Ingerson, Liederbach, McNair, Miklethun, Murphy, Nathan, Noltimier, Olson, Petterson, Porter, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Thorson, Ward Wenstrom, Whitman, Wog.

Absent and not voting: Baker, Bond, Church, Eastgate, Garberg, Gross, Kelsh, Kendall, Levang, McLachlin, Mees, Nelson, Oksendahl, Ployhar, Storstad and Van Camp.

So the bill passed and the title was agreed to.

Mr. President: Your conference committee to whom was referred House Bill No. 33.

House Bill No. 33: A Bill for an Act to Appropriate \$12,000 out of Any Money in the State Treasury not Otherwise Appropriated, or so Much as Thereof as May be Necessary for the Purpose of Paying All Expenses connected with the Auditing of the Various State Industries as Required by Section 369 of the Compiled Laws of 1913, as Amended November 2nd, 1920, by a Vote of People, Providing How Such Appropriation Shall be Paid.

Beg leave to report that we have failed to arrive at any agreement.

P. B. GARBERG,
JOHN L. MIKELTHUN
C. A. WARD,

Senate Committee.

D. E. SHIPLEY,
M. O. GRANGAARD,
JOHN T. FREEMAN,
House Committee.

Mr. Mikelthun moved that the report be adopted, which motion prevailed and the report was adopted.

Senator Liederbach moved that the Senate proceed with the examination of the witnesses who are now present, which motion prevailed.

Senator Liederbach moved that Francis Murphy and John Sullivan be cited for contempt of the Senate.

Senator Liederbach moved a call of the Senate which motion prevailed.

Senator Bowman moved that the call of the Senate be suspended which motion prevailed.

Senator Baker moved that the charge by which Mr. Murphy was brought here be dismissed which motion prevailed.

Senator Baker moved that the Senate issue a warrant for the arrest of Francis J. Murphy for contempt of the senate.

Roll Call was demanded.

SENATE ROLL CALL

The question being on the motion to issue a warrant for the arrest of Francis J. Murphy, the roll was called and there were ayes 25, nays 22, absent and not voting 2.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross Hagan, Ingerson, Levang, Liederbach, McNair, Mikelthun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, Kendall, Mees, Murphy, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp Whitman.

Absent and not voting: McLachlin, Nelson.

So the motion prevailed.

Senator Liederbach moved that as John Sullivan refuses to testify he be placed in charge of the Sergeant at Arms of the Senate until he is ready to testify.

SENATE ROLL CALL

The question being on the motion of Senator Liederbach the roll was called and there were ayes 25, nays 23, absent and not voting 1.

Ayes: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Mikelthun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, Kendall Mees, Murphy, Nelson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp-Whitman.

Absent and not voting: McLachlin.

Which motion prevailed.

Senator Porter moved that Mr. Sullivan be given three minutes to explain his reasons.

SENATE ROLL CALL

The question being on the motion of Senator Porter, the roll was called and there were ayes 22, nays 25, absent and not voting 2..

Ayes: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, eKlsh, Kendall, Mees, Murphy, Petterson, Ployhar, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Van Camp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Patten, Ward, Wenstrom, Wog.

Absent and not voting: McLachlin, Nelson.

So the motion was lost.

Senator Baker moved that John Sullivan be declared in contempt of the Senate and be sentenced to jail for the remainder of the session.

SENATE ROLL CALL

The question being on the motion of Senator Baker that Mr. Sullivan be cited for contempt, the roll was called and there were ayes 27, nays 20, absent and not voting 2.

Ayes, Baker, (Benson, Berg, Bowman, Byrne, Church, Ettestad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Levang, Liederbach, McNair, Miklethun, Nathan, Noltimier, Olson, Oksendahl, Ployhar, Patten, Thorson, Ward, Wenstrom, Wog.

Nays: Baird, Beisel, Bond, Carey, Eastgate, Gardiner, Kelsh, Kendall, Mees, Murphy, Petterson, Porter, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Van Camp, Whitman.

Absent and not voting: McLachlin, Nelson.

So the motion prevailed.

Mr Ployhar moved that the vote by which the motion passed be reconsidered, Senator McNair, moved that the motion to reconsider be laid on the table.

Which motion prevailed.

Senator Ployhar moved that the motion by which the moton to reconsider was laid on the table be reconsidered.

SENATE ROLL CALL

The question being on the Senator Ployhars motion to reconsider, the roll was called and there were ayes 19, nays 28, absent and not voting 2

Ayes: Baird, Beisel, Bond, Carey, Eastgate Gardiner, Kelsh, Kendall, Mees, Murphy, Petterson, Rusch, Schrenk, Sperry, Steel, Storstad, Thorson, VanCamp, Whitman.

Nays: Baker, Benson, Berg, Bowman, Byrne, Church, Ettetstad, Fleckten, Fraser, Garberg, Gross, Hagan, Ingerson, Olson, Oksendahl, Ployhar, Porter, Patten, Stevens, Ward, Wenstrom, Wog.

Absent and not voting: McLachlin and Nelson.

Which motion was lost.

Senator Ingerson moved that the senate proceed with the next witness which motion prevailed.

Senator Wenstrom moved that the chair appoint a temporary Sargeant at Arms of the Senate which motion prevailed. Mr. O. A. Hall was appointed and the oath of office administered by the President.

SIGNING OF BILLS

The Secretary announced that the President was about to sign:

House Bill No. 192: A Bill for an Act to Amend and Re-enact Chapter 97 of the Session Laws of 1917, as Amended by Chapter 99 of the Session Laws of 1919, and by Chapter 29 of the Special Session Laws of 1919, Relating to Cooperative Associations and to Repeal Chapter 13 of the Civil Code of the Compiled Laws of 1913, Chapter 92 of the Session Laws of 1915, and Chapters 95 and 96 of the Session Laws of 1917.

House Bill No. 174: A Bill for an Act to Amend and Re-enact Section 1190 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 199 of the Laws of North Dakota for the Year 1919, as Amended by Chapter 53 of the Laws of North Dakota, Special Session of the Year 1919, Relating to the Consolidation of Schools; and Contracting for the Transportation of Pupils to and From Said Schools; and providing for a Board of Arbitration.

House Bill No. 151: A Bill for an Act to Amend and Re-enact Section 1 of Chapter 126 of the Laws of North Dakota for the Year 1917 as Amended and Re-enacted by Chapter 110 of the Laws of North Dakota for 1919, Relative to the Guarantee of Bank Deposits.

And the President signed the same in the presence of the Senate.

Senator Murphy moved that both the majority and minority reports of the Senate Investigation committee be printed in the Journal which motion prevailed.

Senator Baker moved that the vote by which the motion of Senator Murphy passed be reconsidered which motion prevailed.

Senator Baker presented the following Senate Resolution.

SENATE RESOLUTION

WHEREAS, at the last general election an initiated law was adopted requiring the State Board of Auditors to audit the Bank of North Dakota and other industrial institutions of the state and make a public report thereof, and

WHEREAS upon said law becoming operative the State Board of Auditors caused to be made an examination of the Bank of North Dakota, the Mill and Elevator Association and the Home Building Association and the report thereof made by the Bishop Brissman Company has been filed with the Board of Auditors and the Senate and House of the Seventeenth Legislative Assembly respectively, and

WHEREAS the Senate Special committee appointed to investigate the accuracy of said report has conducted public hearings to determine the facts relating to said report and the state industries, and in said hearings the testimony of a large number of witnesses has been taken and the transcript of all of the evidence produced before the House Audit Committee has been introduced and the report of the Industrial Commission of North Dakota, filed in the office of the Secretary of State on February 1st, 1921, has been examined and investigated, and

WHEREAS no steps have been taken to make the results of said investigation public,

NOW THEREFORE BE IT RESOLVED, that the Senate of the 17th Legislative Assembly does hereby authorize and direct the printing of a complete copy of the transcript of all the testimony taken before the Senate Special Committee and all of the exhibits introduced before it, a complete copy of the report of the Industrial Commission for the year 1920 and a complete copy of the majority and minority report of the Senate Special Committee as a public document, and that a copy of such public document when so printed be immediately distributed by the State Auditor to the clerks of all townships, villages, school districts and to the auditors of all counties and cities of the state, and to all public libraries, and that five copies be furnished to each member of the Seventeenth Legislative Assembly and fifteen copies be furnished to the manager of each state industry.

BE IT FURTHER RESOLVED, that the expense of the printing and distribution of such public document is hereby declared to be a part of the legislative expense of the Senate of the 17th Legislative Assembly.

BE IT FURTHER RESOLVED that in addition to the foregoing such public document be printed as a part of the Journal of the Senate of the 17th Legislative Assembly as of the last day of this session, and there be printed 5,000 additional copies of said journal for said day, which said copies shall be distributed by the State Auditor, D. C. Poindexter, to be by him distributed in such manner as he may deem best.

The expense of the printing and distribution of such addi-

tional Senate Journal is hereby declared to be a part of the legislative expense of the Senate of the 17th Legislative Assembly;

And that the State Auditor is hereby ordered and directed to issue his warrant on the State Treasurer, in payment of the printing and distribution of said public document and of the said Senate Journals respectively, upon receipt of proper vouchers therefor.

Senator Baker moved that the resolution be adopted.

SENATE ROLL CALL

The question being on the adoption of the resolution introduced by Senator Baker. The roll was called and there were ayes 44, nays 0, absent and not voting 5.

Ayes: Baird, Baker, Beisel, Benson, Berg, Bond, Bowman, Byrne, Carey, Eastgate, Ettestad, Fleckten, Fraser, Gardiner, Garberg, Gross, Hagan, Ingerson, Kelsh, Kendall, Liederbach, McNair, Mees, Miklethun, Murphy, Nathan, Noltmier, Olson, Oksendahl, Petterson, Ployhar, Patten, Rusch, Schrenk, Sperry, Steel, Stevens, Storstad, Thorson, Ward, Wenstrom, Whitman, Wog.

Absent and not voting: Church, Levang, McLachlin, Nelson, Van Camp.

So the resolution was adopted.

Bismarck, N. D., March 4, 1921.

To the Secretary of the Senate

of the Seventeenth Legislative Assembly:

There is submitted herewith a duplicate original of the report of the Senate Special Committee upon the investigation conducted by it.

As soon as the same is completed, there will be submitted to you for filing as a part of this report the complete transcript of the testimony taken before the House Auditing Committee and a complete transcript of the testimony taken before the Senate Special Committee, together with such exhibits as were not made a part of such transcript or released by the committee and returned to the institutions from which they were produced.

Very truly yours,

A. A. LIEDERBACH.
W. J. CHURCH.
B. F. BAKER.

TO THE HONORABLE SENATE OF THE SEVENTEENTH
LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH
DAKOTA:

We, the undersigned, constituting the special committee authorized and selected under and by virtue of the authority of motions and resolution adopted by your body and recorded as hereinafter set forth, do respectfully submit the following report and move its adoption:

ORIGIN OF COMMITTEE

The origin and authority of the committee is obtained by and through the resolutions of the Senate of the Seventeenth Legislative Assembly, adopted by it and appearing as follows on page four of the Senate Journal for January 11th, 1921:

"WHEREAS, the House of Representatives passed a resolution asking that the auditing firm of Bishop, Brissman & Company shall submit its report and audit of the Industrial institutions of the state to the Speaker of the House and whereas the Senate passed a similar resolution requesting Bishop, Brissman & Company to submit its audit and report to the Senate and to submit at the same time for examination the persons who made such audit, and

WHEREAS, by initiated measures the people of this state passed a law which cannot be amended, or changed or repealed by resolution of either house except by a bill properly introduced and passed by a two-thirds majority of all members elected to both houses and the approval by the governor, which makes the State Auditors the proper parties to whom such audit is to be reported.

Therefore, I move that the President of the Senate appoint a committee of three to confer with the Auditing Board and make arrangements for receiving the report and for the examination of the members of the Bishop, Brissman Company who made the audit so that the truthfulness and correctness of said audit may be confirmed and so that the body and the people of the state may know whether this was an honest attempt to make an audit or a political audit for the benefit of a political faction. Nothing in this Resolution shall change or affect the resolution heretofore adopted on this subject.

Senator Ployhar moved, as an amendment, that the Resolution introduced by Senator Liederbach be referred to the State Affairs Committee.

A division was called for and the motion was lost.

Senator Steel moved, as an amendment, that action on the resolution be deferred until tomorrow.

A division was called for and the motion was lost.

The question being on the adoption of the resolution introduced by Senator Liederbach.

A division was called for and the resolution was adopted.

Senator Bowman moved that the vote by which the resolution was adopted be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

The President appointed as the committee asked for in the resolution introduced by Senator Liederbach; Senators Liederbach, Church and Ployhar.

On page four of the Senate Journal of January 25th, 1921, appears the following:

"Senator Wenstrom moved that the report of the auditors, Bishop, Brissman & Co., be referred to the State Affairs committee.

Senator Liederbach moved, as a substitute motion, that the auditors' report be referred to the special committee consisting of Senators Liederbach, Church and Ployhar and that the committee be authorized to subpoena Mr. Lee, who audited the bank, and Mr. Altman who audited the mill and elevator association and such other witnesses and auditors as may be deemed advisable, which motion prevailed."

On page six of the Senate Journal of Wednesday, January 26th, 1921, appears the following:

"REPORT OF SPECIAL COMMITTEE SELECTED TO REPORT ON AUDIT OF STATE INDUSTRIES.

Beg leave to report: That report as being filed is very voluminous and incomplete as to the Mill and Elevator at Drake, Home Building Association and Workmen's Compensation Bureau and the only industry that has a complete report made of its operations is the Bank of North Dakota, and that the committee has not had sufficient time to act intelligently on the report, as filed, so we are asking for more time and we recommend that a permanent committee of five members, three from the majority and two from the minority, be appointed by the President of the Senate to co-operate with the State Auditing Board in the investigation of the audit report of Bishop, Brissman & Co., and its contents, and to report its findings to the Senate of the Whole, so the Senate can then examine any witnesses or official they deem advisable and that this committee have authority to hire such attorneys and accountants as is necessary to get out a true, unbiased and correct report at the least possible expense to the taxpayers of the State.

A. A. LIEDERBACH,
W. J. CHURCH,
FRANK E. PLOYHAR,
Committee.

Senator Church moved that the report of the Select Committee be adopted, which motion prevailed.

On page eleven of the Senate Journal of January 26th, 1921, appears the following:

"The President appointed as a Special Committee to consider the Auditor's Report submitted by Bishop, Brissman & Co., Senators Liederbach, Ployhar, Church, Baker and Murphy."

ADOPTION OF RULES

On February 8th, 1921, the Special Committee prepared for the investigation of the Bishop Brissman Audit report and of the State Industries, by the adoption of rules, which read as follows:

"RULES AND REGULATIONS GOVERNING THE PROCEDURE BEFORE THE SENATE COMMITTEE TO INVESTIGATE AND REPORT THE AFFAIRS OF THE STATE INDUSTRIES.

Rule 1.

The Senate Committee shall meet with the State Auditing

Board in the office of the State Auditor at such times and such other places and times as it may from time to time designate.

Rule 2.

The Committee shall select a secretary who shall keep a full and complete record of all proceedings had before the Committee and a complete record of all testimony taken, including papers, documents and records which may be offered in connection therewith. All testimony shall be taken in shorthand by a reporter, duly appointed and sworn for that purpose and by him transcribed. The oath of said reporter shall be the same as that of a court reporter for the District Court.

Rule 3.

The chairman shall issue subpoenas for witnesses upon application of counsel for the Committee or of any members of the Committee, which subpoenas shall be attested by the secretary, and which subpoenas shall state the time and place at which the same shall be returnable.

Rule 4.

All witnesses subpoenaed shall report to the Secretary of said Committee and the mileage and per diem shall be paid to said witness the same as in civil cases before the District Courts.

Rule 5.

The Sergeant-at-Arms of the Senate shall serve such subpoenas upon witnesses from time to time, as he shall be directed by this Committee. Proof of service of such subpoena shall be the same as in civil cases before the District Court.

Rule 6.

The usual oath administered in District Court shall be administered to each witnesses by the Chairman of the Committee.

Rule 7.

The Attorney General of the State shall act as the Attorney for the Committee, but Senators Ployhar and Murphy, representing the minority of the Committee, may at their discretion employ an attorney of their own, if they so desire.

Rule 8.

The members of the State Board of Auditors shall be allowed to sit with the Committee in an advisory capacity, and shall be permitted to ask any questions or question any witness through the attorney or attorneys conducting the proceedings, but they shall not vote.

Rule 9.

Any member of the Committee may call, subpoena and examine witnesses, expert or otherwise, and the constitutional right of any witness to appear with counsel should not be denied.

JOURNAL OF THE SENATE

Rule 10.

All hearings and proceedings shall be open to the public. There shall be no executive sessions.

Rule 11.

The procedure before the Committee shall be orderly conducted and without reference to formal rules of evidence and procedure.

Rule 12.

The Chairman of the Committee shall direct and make all necessary preparations for the hearing before said Committee and shall preside as Chairman at the proceedings.

Rule 13.

In the event of any witnesses failing to appear before the Committee in answer to a subpoena, the Chairman of the Committee shall report such fact to the Senate, together with a complete statement of all the facts concerning same. Such statement shall be signed by the Chairman and attested by the Secretary and shall be filed with the President of the Senate for such proceedings as the Senate may deem advisable.

Rule 14.

In the event that any witness refuses to answer a question or questions put to him by counsel of the Committee, or by any member of the Committee, the Chairman shall report same to the Senate, together with a statement showing all of the facts connected with same, which statement shall be signed by the Chairman and attested by the Secretary and shall be filed with the President of the Senate for such proceedings as the Senate may deem proper.

Rule 15.

All evidence, documents, papers and exhibits, or certified copies thereof, offered and received in this proceeding shall be filed with and kept in the custody of such Committee until the further order of the Committee.

Final Rule.

A majority of the Committee may make additional rules and regulations from time to time, as they deem necessary or advisable."

INVESTIGATION

The investigation of the Audit Report, the report of the Industrial Commission and of the State Industries and their books and records has been continued by almost daily open and public hearings, at which the testimony of witnesses has been taken and hundreds of exhibits and records have been introduced in evidence. The examination of witnesses has been conducted by the Attorney General, by Attorney Sinkler, representing the Attorney General, by the Secretary of the Industrial Commission, and by the members of the Committee. No person has been refused the opportunity to appear

and testify. No person has been refused the right to have counsel represent him while testifying. An effort has been made to ascertain all of the facts about the industries. No effort has been made to prevent testimony which might be either favorable or unfavorable to the industries being presented to the Committee. In order that the Senate Committee might have the full benefit of all evidence produced before the House Committee, the entire transcript record of the proceedings before the House Committee have been introduced in evidence before this Committee, and by it considered.

WITNESSES

Witnesses are divided into three classes:

First: Those who testified before the House Committee and whose testimony has been introduced before this Committee, a list of whose names follows

1. B. F. Baker
2. W. A. Anderson
3. H. A. Paddock
4. F. W. Cathro
5. A. Johannson
6. E. G. Lee
7. J. W. Brinton
8. J. H. Newton
9. Max O'Connell
10. O.E.Lofthus
11. M. W. Thatcher
12. S. W. Johnson
13. J. R. Waters.
14. S. P. Ellis
15. Lee Cowell
16. John E. Staub
17. L. P. McAneny
18. John N. Hagan
19. H. L. Altman
20. G. A. Ebert
21. B. H. Stary
22. Alan McManus
23. E. L. Fouks
24. J. O. Lyngstad
25. H. M. Temple
26. L. A. Winter
27. Thos. Hall
28. John Steen

Second: Those who testified before this Senate Committee, a list of whom follows:

1. J. W. Brinton
2. M. W. Thatcher
3. F. W. Cathro
4. O. E. Lofthus
5. R. H. Walker
6. L. L. Stair
7. S. P. Ellis
8. Lee Cowell
9. H. L. Aultman
10. E. L. Fouks
11. P. R. Trubshaw

12. L. P. McAneney
13. G. A. Ebbert
14. B. H. Story
15. Gilbert Semingson
16. J. W. Greenfield
17. L. A. Winter
18. D. C. Poindexter
19. Rose H. Kellar
20. J. N. Hagen
21. H. A. Paddock
22. H. D. Paulson
23. J. B. Adams
24. J. O. Lynstad
25. J. H. Newton
26. Ray O. Johnson
27. Clarence I. Buslee
28. Oscar A. Christensen
29. William Kellar
30. Rufus Tree
31. L. E. Goodlackson
32. Charles Weigel
33. Wm. Lemke
34. H. B. Dunbar
35. C. C. Wattam

Third: Those who failed, neglected and refused to appear to testify before the Senate Committee, a list of whom follows:

1. E. L. Bishop
2. H. A. Smith
3. Francis J. Murphy
4. John Sullivan
5. J. R. Waters
6. E. G. Lee
7. H. L. Aultman

These witnesses are naturally divided into several different classes, first there is E. L. Bishop, one of the members of the firm of Bishop, Brissman Company, who signed the report known as the Bishop, Brissman report, and which was the report under investigation. He was wired repeatedly and requested to come before this committee and before the Senate itself to be questioned concerning his report. He was likewise requested to bring with him Mr. H. A. Smith and Mr. H. L. Altman and the working papers on the audit report which had been made. With clever evasive answers he constantly refused to appear and this committee is faced with the necessity of bringing in a report upon an audit made by a man who for some reason or other appeared to be ashamed to come before the committee and testify concerning his work. Neither Mr. Smith nor Mr. Altman appeared in response to the request of the Senate Committee, but when Mr. Altman was sent for by wire by Francis J. Murphy, Attorney for the House Audit Committee, he appeared promptly and was promptly subpoenaed by this committee. After he was examined for a few moments on one afternoon and for about three hours on another afternoon he then, without receiving the consent of the Senate Committee, left the city of Bismarck and State of North Dakota, and has not reappeared, though he intimated to one member of this commit-

tee that he intended to reappear. Even while he was in Bismarck it was with the greatest difficulty that the Senate Committee was able to secure his appearance before them on account of orders from the Chairman of the House Committee and its attorneys.

Mr. E. G. Lee of the Bishop, Brissman Company appeared before the House Committee to testify concerning the report of his company. He was called before the Senate Committee and the substance of his testimony was that he knew little or nothing about the reports themselves. He then asked the counsel for the Senate Committee whether he could leave for a day or two and return. He left. He never came back.

In a separate and distinct class we find the name of J. R. Waters. He appeared before the House Committee and his attorneys in their opening questions carefully and thoroughly questioned him to show that he was ill. He proceeded to tell a highly colored and dramatic story, and strange to relate as soon as he had completed what seemed to be his most sensational disclosures, the gentleman appeared to faint. He was removed to his room in the McKenzie Hotel, where he has been visited daily by various persons, but when served with a subpoena to appear before the Senate Committee for examination concerning his dramatic story, he claimed he was unable to appear. This committee sent one of its members, its attorney and its reporter to his room to take his testimony, and again he refused to be examined. This is possibly explained by the fact that the following day there was introduced before this Committee a large number of letters signed by that gentleman, which conclusively proved that his testimony the preceding day was plain unadulterated perjury.

Last and perhaps the strangest class of witnesses who failed, neglected and refused to appear is the case of Francis J. Murphy and John Sullivan, the attorneys who directed the investigation or inquisition on behalf of the majority of the House Audit Committee. These gentlemen were subpoenaed to appear before the Senate. Every one who had any contact with the doings of the House Audit Committee knows that they directed nearly every act that was done. Immediately following the service of the subpoena upon them they secured from the House Audit Committee an order ordering them not to appear before the Senate Special Committee. In view of the disclosures made by an analysis of the evidence which they had presented before the House Committee, which disclosure showed that they had been guilty of gross misapplication of facts, misleading interpretation of the law and misreading of records into the evidence, it is perhaps not strange that they were afraid to appear for cross examination before the Senate Committee.

All in all the record of these witnesses who failed to appear, or who ran away, would lead the unbiased observer to believe that they were all afraid that the light of day and truth would strike down the false barricades they had prepared.

MATTERS INVESTIGATED

This Committee has had under consideration and careful investigation:

First: The Industrial Commission report on the state industries.

Second: The Bishop, Brissman report on the Bank of North Dakota, the Home Building Association and the Drake Mill.

Third: The charges preferred against the state industries and the testimony thereon presented by the attorneys and witnesses for the House Auditing Committee.

As this report continues, we shall endeavor to take up each of the three subjects in the order named.

INDUSTRIAL COMMISSION'S REPORT

Mr. Thatcher, President of the Equitable Audit Company, Inc., chartered accountants, with offices at Minneapolis, Minn., and Fargo, N. Dak., while appearing as witness before this committee read the following prepared statement:

DRAKE MILL AND ELEVATOR ASSOCIATION

"With reference to the work which we did in assisting Mr. H. A. Paddock, Secretary to the Industrial Commission, to make up the annual report covering the operations of the North Dakota State Industries for the calendar year 1920, we have to state that we made a complete audit of the mill at Drake, North Dakota, and the statements in connection with this institution as found in the report of the Industrial Commission are correct and we certify same. Of course, the report which we will render to the Industrial Commission will be much voluminous and some of the general items which appear on the balance sheet will be supplemented with detailed schedules.

We have already had the pleasure of submitting to and discussing with the Senate Audit Committee many of these schedules.

FARGO OFFICE—MILL AND ELEVATOR ASS'N.

We made a detailed audit of the books of account at Fargo, N. Dak., which might be termed "Office of the Field Department." This office was under the management of Mr. J. A. McGovern. The Fargo office has incurred expenses, as shown in the Industrial Commission's report, in making such investigation as have been necessary in appraising mills and investigating mill sites.

Mr. McGovern has not given much time or incurred much expense in connection with the Drake mill and, while obviously some of the Fargo expenditures are applicable to and chargeable against the Drake mill, yet such an amount is quite arbitrary and would be but nominal.

GRAND FORKS—MILL AND ELEVATOR ASSOCIATION

Time did not permit our making a detailed audit of the construction accounts of the mill and elevator at Grand Forks, N. Dak. However, our investigation was such that we are quite satisfied that the statement prepared and set forth in the Industrial Commission's report on the Grand Forks mill is approximately correct.

The method of accounting the expenditures of the Grand Forks mill, whereby copies of all transactions are sent in daily and weekly to the office of the Secretary of the Industrial Commission and that all amounts to be disbursed over and above a nominal sum must be passed upon first by the Industrial Commission, is a further warrant for our opinion that the statement filed is an approximately correct one.

HOME BUILDING ASSOCIATION

The accounting work for the Home Building Association has been very annoying in that the accounting system was not designed and installed before the building program was begun. It was some time after building had been started that we were called upon to design a complete system of accounting for this association. There was some delay while the bids were being made up for the printing and making up of these special forms, books and binders. By the time the system was ready for installation there was incurred a large amount of expenditures for material, labor, etc., at the various projects, and it was with much difficulty that we were able to write up the books of account. This has been accomplished at this date, with this exception; we are advised by Mr. J. B. Adams, the temporary manager acting for Mr. Blakemore that this one thing which has not been audited is now ready for examination. The exception is this: the complete distribution of materials to the various homes. He states that this distribution has been made and is completed, all except the computations for extensions and footings of the materials.

Although we have audited all the expenditures for materials, yet this detail of distribution to the houses had not been completed, and, inasmuch as he has advised us that it is now subject to our investigation, we will soon audit the same.

We found all funds of the Home Building Association duly accounted for.

For a few months there was an oversight in not renewing Mr. Blakemore's bond, but we are advised that it has now been taken care of.

BANK OF NORTH DAKOTA

The audit of the books of account of The Bank of North Dakota has been materially delayed owing to the fact that we were called upon to do special work and prepare such statements and secure such data for the inspection of the Senate Audit Committee as might be requested. I have necessarily had to confine most of my time to preparing certain statements required to assist Messrs. Paddock and Sinkler in their presentation of facts to this committee. I have also spent some time appearing before the House Investigating Committee, not with reference at all to any of the state industries but only in connection with the affairs of the Scandinavian-American Bank as shown by my statement in October, 1919, and further in figuring reserves for the attorney of the House Investigating Committee.

It may be of some interest to this Senate Audit Committee for me to state that the attorneys for the House Investigating

Committee did not only not question me with reference to any of the state industries but spent practically all of the time having me put down figures for them, the first being to figure the reserve of the Scandinavian-American Bank on a statement of October, 1919, and under a defunct law and which was never applied against any state bank in North Dakota other than the Scandinavian-American Bank of Fargo by one P. E. Halvorson and one F. J. Murphy.

Further, I was compelled to make a lot of meaningless computations with respect to the reserve of the Bank of North Dakota by using the same defunct law.

* * * * *

We have had working several accountants of our staff on the audit of the Bank of North Dakota and the audit has progressed to such an extent that we are able to make some definite observations at this time.

We are securing verifications of all of the assets and liabilities. The majority of the reconcilements with reference to the bills receivable, rediscounts, redeposits, and depositors' accounts has been made.

We have found some errors in the report of the Industrial Commission, amounting to approximately \$102,000.00 of which \$100,683.34 has been corrected, and such corrections were made by Mr. H. A. Paddock as a witness before this committee. These errors have to do with an addition to the assets and a corresponding increase to the net profits.

The omitted assets represent \$100,000 deposited with the State Treasurer Oct. 21, 1920; and a further asset in connection therewith being accrued interest at 2% on this amount from Aug. 21, 1920, to Dec. 31, 1920, \$683.34. Another omitted asset is that of \$1397.00 representing the unearned insurance premium paid on Fidelity Bonds. The three corrections which we have called attention to represent an increase in the profits of \$102,030.34.

The surplus and net profits account for the Bank of North Dakota as originally filed by the Industrial Commission state surplus and profits \$175,998.50, which was later corrected by the Secretary of the Commission to read \$276,681.84. To this latter amount, \$276,681.84 we have a further correction of \$1397.00, making the total net profits for the entire period of the Bank's operation to Dec. 31, 1920, in amount \$278,078.84.

Out of this \$278,078.84 there has been set aside, and for which a check was issued to the State Treasurer, an amount of \$100,000 covering one year's interest on the \$2,000,000 Bank Series bonds.

Of this \$100,000 the State Treasurer has since paid to the Bank of North Dakota \$97,503.75 representing the interest due the said Bank of North Dakota on its unsold bonds up to the interest date of July 1st, 1920. The amount shown "Bonds \$1,951,400," we will show on our report as Bonds on hand \$751,400, \$1,200,000 Bonds as collateral to \$1,000,000 Bills Payable and complete commentary in connection therewith.

We are advised by the administration's attorneys that the

redeposits are protected under the Guaranty Fund Law.

A close scrutinization has been made of the Bills Receivable and collateral back of same and this class of assets seems amply secured. There may be some losses as there are in every bank, but they are not apparent to us.

With the foregoing qualifications, and in ordinary times, we would certify that the statement of the Industrial Commission sets forth a condensed statement of the affairs of the Bank of North Dakota as of Dec. 31, 1920.

The Committee has carefully considered the report of the Industrial Commission, and after the thorough investigation which it has made, as hereinbefore set forth, do hereby approve the report as correctly setting forth the condition of the state industries.

The Committee also especially concurs in the comment of Mr. Thatcher, of the Equitable Audit Company, upon said state industries, which is hereinbefore set forth.

AUDIT REPORTS SUBMITTED BY BISHOP, BRISSMAN & COMPANY

HOME BUILDING ASSOCIATION

*The Bishop, Brissman & Company's report on the Home Building Association is incomplete for good reasons in that the accounting was not entirely up to date. We find, however, that their statement that some \$57,000 of expenditures could not be authenticated is incorrect and misleading. All funds are accounted for and the reason for their having made this statement we find is because the vouchers supporting the checks had not been assembled and attached to the cancelled checks. At the time the Bishop, Brissman & Company made its investigation of the Home Building Association another Audit Company, viz: the Equitable Audit Company, had been engaged since October, 1920, in putting the accounts of the Home Building Association in proper shape. The majority of the expenditures had been assembled, that is, the vouchers and papers supporting the checks had been attached thereto by the Equitable Audit Company and were turned over to the representatives of the Bishop, Brissman & Company for their inspection. Because the remaining vouchers and checks had not been assorted and attached, the Bishop, Brissman & Company made no endeavor to go any further in this particular instance but rested on the statement: "In schedule number 2 is presented a list of checks issued for which no supporting invoices were found in the files, or produced for examination, and representing a total disbursement of \$57,985.72."

It is pertinent to point out that inasmuch as the Bishop, Brissman & Company submitted a statement of cash transactions setting forth the cash receipts and disbursements, and further that they state their verification of the bank account therefor, it is obvious that all of the disbursements were examined and the checks passed through their hands or they could not have made the aforementioned statements.

Funds of the Home Building Association are disbursed on

a folding voucher check and it is O. K.'d by the signature of the manager and a counter signature of the cashier. This folding voucher check states the payee and the full information on the face of the check setting forth what the settlement covers. A review of this \$57,000 which has been so misrepresented to the people through some of the largest newspapers in the state shows that these expenditures covers mostly freight, labor, supplies, rent, express, salaries and materials. At this time all of the papers in connection with the voucher checks are now attached.

Either one of the representatives of the Bishop, Brissman Company, who have appeared at times over a period of several days before the House Audit Committee, could have gone to the Home Building Association office and thus have been in a position of clearing this matter in the minds of the people. In this respect they were either thoughtless or derelict in their duty.

We find the further misstatement in the Bishop, Brissman Company report with reference to their commentary on page five, which reads as follows: "Cash receipts in the sum of \$2022.00 including \$6.00 deposited Dec. 4th, 1919 were not deposited in the Bank up to Dec. 3, 1920, but were used as a cash fund from which duly entered and vouchered disbursements were made. This practice should be discontinued. All cash received should be covered into the Bank and an imprest or petty cash fund established in sufficient amount as desired."

By referring to page 11 of their report under the statement of cash transaction receipts appears: "sundry receipts not deposited, certificates of deposit two for \$1000 each, \$2000."

No doubt the above commentary referred to, wherein the Home Building Association was criticized for not having deposited the \$2000, was an oversight on the part of the Bishop, Brissman Company, as their later statement referred to on page 11 indicates, because they certainly know better and fully realize that bank certificates of deposit are not subject to deposit with any bank as cash.

DRAKE MILL

We have spent considerable time investigating this report and there has been a large amount of testimony given before this committee with reference to the Drake Mill.

Bishop, Brissman Company sets forth a statement of cash transactions and under the heading of receipts states: "Loan Bank of North Dakota \$211,795.40." This is a misstatement in two respects: First, the amount should be \$173,536.40; second, they were not loans made by the Bank of North Dakota, but represented checks drawn by the Drake Mill on the deposit of the Mill and Elevator Association account with the Bank of North Dakota. The difference, \$38,259, is accounted for by a return draft of \$38,000 which the Bishop, Brissman Company representative did not discover, and further by the said representative having carelessly taken into account an entry of \$259 as a cash transaction.

On page 1 of the Bishop, Brissman Company report is set up an item of \$491.70, \$100, \$423.96, \$936.40 and \$17.10. With

respect to these five items the said Bishop, Brissman Company report states that they were not to be found on the cash journal, whereas the Drake records identified to this committee, show that the representatives of the Bishop, Brissman Company who were at Drake saw records for all of these items except one and that is an item of \$423.96, appraisal of the Drake Mill, which was never on the books at Drake, but represents disbursements by the Fargo office in settlement of the appraisal costs at the time the Drake Mill was purchased. Any discussion with reference to these five items is meaningless except to show that the audit was not complete, and that the Bishop, Brissman Company representative who appeared under oath before the committee either absolutely forgot himself or testified falsely.

There are many misstatements in the report that we do not feel it necessary to discuss in detail, but it is of value to point out that the report is absolutely worthless in so far as any intelligible knowledge can be gathered as to what has been the results of operating the experimental mill at Drake, because the following necessary information is not shown in this report:

A statement of assets and liabilities;

Income and profit and loss account;

Statement of operating expenses;

Amount of wheat ground;

Percentage of flour and mill feed manufactured out of wheat ground;

Number of bushels and pounds used to manufacture a barrel of flour;

Percentage of patent and bakers' flour made out of straight

Invisible loss or shrinkage in weights;

Amount of flour manufactured;

Amount of mill feed manufactured;

As to whether or not the manufactured products have been accounted for.

By referring to the report on the Drake Mill submitted by the Industrial Commission we find this needed information.

We further find that the inventory prices used as a whole by the Industrial Commission are less than those used by the Bishop, Brissman Company.

The Bishop, Brissman report on the Drake mill is so incomplete with so many statements incorrectly made, that it is practically valueless.

BANK OF NORTH DAKOTA

This is a very voluminous statement and we have not had the opportunity to go through this in the same manner as

we have had the reports on the Home Building Association and the Drake Mill. We have, however, had evidence produced before the Senate Committee to show some very serious mistakes. We find that the Bishop, Brissman Company state the surplus and profits for the period that the bank has been opened amounts to \$180,335.57, whereas the actual net profits have been understated \$101,969.22, and is accounted for as follows:

OMITTED ASSETS

Deposited with the State Treasurer \$100,000 to meet bond interest on the bonds of the Bank of North Dakota falling due January 1st, 1921 and July 1st, 1921.

Accrued interest on this deposit, which was made August 21st, 1920, to December 3rd, 1920, \$572.22.

Unexpired portion of premiums paid for Fidelity bonds \$1397.

These three omitted assets aggregate \$101,969.22.

Out of the net profits there was transferred and charged against profit and loss as interest paid \$100,000 to meet the bond interest as above stated.

A cancelled check and a voucher in support thereof was evidently overlooked by the Bishop, Brissman Company auditors, because they make no mention of it in their report and as previously stated understood the assets and profits due to this oversight. As further evidence of their oversight and incorrect audit report, we have been shown the State Treasurer's check payable to the Bank of North Dakota and given to it under date of February 9th, 1921 for \$97,503.75, which is in settlement of the bank's portion of the interest on bonds.

The sum and substance of this transaction is that the Bank of North Dakota deposited a check with the State Treasurer for \$100,000 to cover one year's interest on Two Million Dollars bonds. The bank paid this \$100,000 out of its profits and as at December 3rd, 1920, the date of the Bishop, Brissman report, the asset of \$100,000 deposited with the State Treasurer should have been so stated on the said audit report and a corresponding liability should have been set up under the liabilities of the said report under the caption of "set aside out of profits to provide for reimbursing the state on the first year's interest on 2,000,000 bank bonds."

The audit company figured the interest receivable on these bonds for the first year and the five months and three days ending December 3rd, 1920, in an amount aggregating \$137,948.74. The amount of money which the Bank of North Dakota received from the State Treasurer on February 9th, 1921, \$97,503.75, has been credited to this accrued bond interest and leaves a sum due and owing of the December 3rd interest amounting to \$40,444.99.

If the representatives of the Bishop, Brissman Company while making the audit of the Bank, had made an investigation of the account of the bank's books showing the transactions of the Mill and Elevator Association with the Bank,

the said auditors could have learned that there was deposited to the credit of the Mill and Elevator Association \$60,000 representing interim receipts given to people at Grand Forks and representing money paid for bonds of the Mill and Elevator Series which are to be delivered for the aforementioned \$60,000.

On pages 20 and 21 of their commentary they criticize the lack of provision made for a reasonable and sufficient mobility and liquidity of the bank's assets at all times. Nearly every one in this state is acquainted with the stringency that not only now exists but has for a long time, and the situation of the Bank of North Dakota is no different than it is with any other bank in this state, or banks in most states.

It is significant on the same page 21 of this audit company's commentary, they call attention to the fact that the bank apparently found it necessary or advisable to draw upon its redeposits of public funds in local banks in the amount of \$1,390,000, and further state that this could only effect an increased stringency and decrease the ability of the local banks to assist the local merchants and farmers at the time of their greatest need. This audit company's commentary expresses conflicting views with respect to this situation. They point out that the bank should be more liquid and have mobility sufficient to be in a position to extend considerable relief, and in the following paragraph state that it is significant that the bank found it necessary to draw upon redeposits of public funds to local banks.

If the bank did not do as all banks do, that is, draw on its funds deposited with other banks and thereby have funds on hand that it might furnish some relief by meeting the demands upon it, it would only have one other recourse, that is, collect on its loans which would have the same effect because the loans are due from banks, or it would have to get in outside funds through the sale of bonds or by borrowing money.

No one could expect the bank to sell its bonds or borrow with the present guns of the financial interests and subsidized press bombarding it. Sherman was right!

As before stated, this is a voluminous report and outside of the discussion as recited above appears to be nothing but a copy of the bank's records.

Testimony of Herbert Temple before House Committee on Bishop, Brissman report and Industrial Commission report.

Herbert E. Temple of the Temple Webb Company, an auditing firm of St. Paul and Minneapolis, Minnesota, was brought to Bismarck during the time the House and Senate investigation was being conducted. He was very anxious that it should not be known he was in Bismarck and did not register at the hotel at which he was stopping. During the period he was here under cover he was working with the attorneys for the House Investigating Committee and looking over the various reports on the state industries made by the Industrial Commission and by the Bishop, Brissman Company. So far as the record of the House Auditing Committee shows, Mr. Temple had never made any examination of

any of the state industries, nor come into contact with any of their records or their business institutions. All his testimony was based upon his guesses as to the meaning of the reports laid before him.

It will be of interest to North Dakota people to know that this is the same Mr. Temple who was associated with Mr. Francis J. Murphy, one of the attorneys for the House Investigating Committee in the Townley bankruptcy case, and that in that case Mr. Temple was the accountant whose testimony or conclusions concerning the Townley bankruptcy case were by the decisions of the United States District and Circuit Courts not accepted, that in this hearing he had associated with him Mr. E. B. McCutcheon as special investigator, of the House Audit Committee, who was also trustee in the Townley bankruptcy case, and that Francis J. Murphy the attorney for the House Auditing Committee, who apparently secured the assistance of McCutcheon and Temple, is the same Francis J. Murphy who attempted to destroy the Equity Co-operative Exchange in the famous Linde vs. the Co-operative Exchange case, and who is known to North Dakota farmers as one of the attorneys who has attempted much to destroy the farmers program.

With reference to that testimony given before the House Investigating Committee and his analysis covering the annual report of the Industrial Commission for the year 1920 and the joint report of the Scandinavian American Bank of Fargo, North Dakota, presented to the Supreme Court of North Dakota in October 1919, by Mr. M. W. Thatcher of the Equit-

1st—DRAKE MILL

Said Temple used the Industrial Commission's statement of a loss at the Drake Mill in amount of \$17,668.31 and adds thereto the expense of maintaining the Fargo office \$15,088.09 and creates a total of \$32,756.40 as a "loss of the Drake Mill."

By referring to Ex-22 of the Industrial Commission's report it will be observed that this same amount is charged off as expenses.

The only difference between the Temple analysis and the statement of the Industrial Commission is as to whether the Fargo office expense of some \$15,000.00 is chargeable against the Drake mill as he concludes or whether it is chargeable in the general expenses of the Mill & Elevator Association and as set forth by the Industrial Commission.

If the Temple statement is to be accepted, it must be further accepted that the following is a true statement of facts:

That the Fargo office has been maintained only for the benefit of the Drake Mill.

That all of Mr. McGovern's time and traveling expenses were entirely for the benefit of the Drake mill.

That when he and his associates were traveling over the State investigating mills and mill sites and paying out of the Mill & Elevator fund salaries, traveling expenses, appraisals able Audit Company has submitted the following analysis:

of various mills and mill sites incident thereto, that all of the expenditures were for the Drake mill.

That all the expenses of Mr. McGovern and associates incident to the Grand Forks project are Drake Mill expenses.

It requires a mind biased and unfair to make such unreasonable and unwarranted conclusions and is unworthy of further discussion.

The reference made to Pay Roll, stating five millers, six packers, seven engineers, etc., and making a total of twenty-one people employed, is consistent with his conclusion as to the Drake losses. The impression left is that twenty-one people are working in the Drake Mill whereas the fact is several people have worked who either left or were requested to leave. The Mill runs three eight hour shifts and has nine regular employees.

HOME BUILDING ASSOCIATION

The Temple comments on this subject are substantially correct, but it has been stated and restated that the book-keeping was not completed in time for a definite statement, and I believe everyone but Mr. Temple is aware of all these conditions.

THE BANK OF NORTH DAKOTA

Said Temple refers to a list of accounts as slow assets, non-liquid, among which are the following:

1st. Past due notes and certificates of deposits \$1,147,605.35. Temple has not examined this paper, knows little if anything of the makers, endorsers or collateral to the loans and, therefore, could give no opinion of value with reference to the actual value of the paper or its liquidity.

By his reasoning the immature paper is a liquid asset. Now give a collector two bundles of notes, one bundle due and past due and the other bundle not due, which bundle do you think he would take were he collecting on a commission basis?

Under the present financial stress bankers generally are avoiding renewal of their bills receivable and prefer to have their bills receivable demand or past due so they can collect on them immediately if necessary.

2nd. Warehouse Receipts \$69,122.00. Same commentary generally applies as above stated with reference to notes and certificates of deposit.

3rd. Collection Items Rejected \$991,777.94. By referring to the statement of The Bank of North Dakota as at February 16, 1921, this class of assets has been reduced \$560,332.74 so it would appear over one-half million of this was liquid.

4th. Farm Loans and Special Deposits \$2,906,369.00. This class of assets are of course long time maturities but would it not be reasonable to conclude that a bank with nearly three million farm mortgage loans could raise a few dollars on them?

5th. Accrued Interest on Bonds \$360,386.38. Now there is a funny story in connection with this item and it is this: During his testimony the said Temple discusses the manner of accounting that should be used by the State Treasurer with reference to the Bonds with the purpose, no doubt, of confusing the minds of the people so as to leave the impression that he is discussing The Bank of North Dakota. The said Temple relates that he went to the State Treasurer's office with reference to the Bonds of the State Industries. Now, it is strange that he didn't find the State Treasurer had a credit balance for the Bond Interest of \$100,000.00 deposited by The Bank of North Dakota. Of course, it was, no doubt, an oversight on the part of Temple or he wouldn't have listed all of this same \$360,000.00 Bond Interest as slow because The Bank of North Dakota received the State Treasurer's Check No. 47192, dated February 9, 1921, for \$97,503.75.

Now this check was issued several days prior to his arriving here, altho the hotel register doesn't show when he came in. But from testimony adduced before the Senate Audit Committee it appears he was in Bismarck several days after the date this check for \$97,503.75 was paid to The Bank of North Dakota. His reasoning and conclusion are not entirely based on facts and are of such a character with reference to The Bank of North Dakota as to not merit discussion on this subject. (His discussion of the Industrial Commission's Profit and Loss Statement covering the State Industries is not based on facts of his own knowledge, and his statements together with his oversight of the \$100,000.00 Bishop, Brissman & Company's error are such as to not merit any discussion.)

SCANDINAVIAN AMERICAN BANK

Said Temple undertakes to make an analysis of the statement of the Scandinavian American Bank which was prepared by the Equitable Audit Company Inc., M. W. Thatcher, President, and O. E. Lofthus, State Examiner. This statement sets forth a comparative balance sheet, one being prepared by former Deputy Bank Examiner Haldorson as at September 27, 1919, and the other one prepared by said Audit Company and State Examiner as of October 14, 1919.

By referring to House Ex. No. 159, which is a copy of the aforesaid mentioned balance sheet, it will be observed that by considering the available funds there was a net increase with respect to bank balances and cash of \$65,105.19 in the Equitable Audit Company's statement of October 14, 1919, as compared with the Haldorson statement of Sept. 27, 1919. An increase of \$65,105.19 in available funds consisting of net balances with banks and cash on hand would hardly indicate anything but progress.

Between Accountant Temple and Attorney Murphy they make certain not to introduce in the testimony before the House Investigating Committee the fact that the bank was not closed September 27 and was not raided by Haldorson, Sheets, et al, until October 2, 1919, and for several days thereafter remained in charge of said Haldorson former Deputy Bank Examiner. To what extent, if any, Messrs. Sheets and Haldorson played any favorites I do not know.

The comparative statement set up by the said Accountant Temple is self-explanatory of facts had he so cared to state while under oath before the House Investigating Committee.

On an analysis of the Temple report shows that the were reduced \$80,212.58 and the following accounts for this reduction:

Paid out on amounts due banks.....	\$ 13,884.28	
Paid out on demand deposits.....	81,594.55	
Paid out on time certificates.....	6,474.79	
Paid out on savings deposits.....	458.68	
Paid out on certified checks.....	89.74	
Paid out on cashier's checks.....	2,288.88	
Cleared the cash average.....	140.13	
		104,931.05
Less Acc'd Int. Payable set up as liability	\$ 11,220.58	
Transferred to Credit of Undivided Pro- fits	13,497.89	24,718.47
		\$ 80,212.58

Thus accounting for Assets Decreased

Mr. Paddock, will you here please read House Transcript, page 1092, line 17, to line 10 on page 1093?

Now this Temple accountant has another orgy of figuring in an attempt to show that the Bank lost \$4,304.55 from September 27 to October 14, 1919.

This is a situation hard to explain to the average layman. The point is this: Most all state banks carry their earnings and expenses from day to day and month to month on a cash basis, that is, they do not take into account any accrued earnings, such as accrued interest, until it is received in cash, and in the same manner do not take into account any accrued interest payable or expenses until paid out in cash.

Now, this period under discussion covers September 27, 1919, to October 14, 1919. It will be observed that this period, therefore, goes past the end of the month and into October, 1919. During this period of October, the salaries and expenses of September were paid. There may have been paid on October 1st and 2nd by the Bank and before it was closed some considerable amount of accrued expense items. All of these transactions being on a cash basis rather than on an accrued basis as previously discussed.

Mr. Temple knows better than to make such statements and he carefully adds the joker on House Transcript, page 1111. "Exclusive of Interest Computation." Surplus \$2,580.96 and Loss for period \$4,304.55.

Taking Temple's own statements he sets up on House Transcript, pages 1110 and 1111, whereon is shown a net increase to Surplus in the amount of \$13,497.89 between September 27, 1919, and October 14, 1919. If we accept his theory that during these seventeen days there was a loss of \$4,304.55 and yet a net increase to Surplus of \$13,497.89 for the same seventeen days, then we must further state that from the night of October 13 to the morning of October 14 the Bank made a profit of \$17,802.44.

Mr. Temple's theory, coupled with the joker on page 1111 of the House Transcript together with the questions of Attorney Murphy, and Temple's answers thereto (according to line 20 on page 1091 to line 14 on page 1092) is a misrepresentation of the actual earnings of the Bank, and his experience and training do not warrant such a misstatement."

This concludes M. W. Thatcher's analysis of Temple's testimony.

GENERAL CONDITIONS

The straightened condition of the state banks in the State of North Dakota and, no doubt most of the national banks in this State is apparent when one analyses the abstract of the bank reports made to the state examiner as of December 29th, 1920. We examined the state examiner's abstract covering all state banks in the State of North Dakota as of December 29th, 1920, and found whereas at this date the law requires less than one-half of the cash reserve that was required a year ago, yet with this big concession the state banks had but 40.6 per cent of their required cash reserve.

All cash on hand in state banks as of December 29th, 1920, was only \$2,097,300.00.

According to the sixth annual report of the Federal Reserve Bank of Minneapolis, dated January 1st, 1921, the amount of money borrowed by North Dakota national banks from the Federal Reserve Bank of North Dakota local notes in 1917 was \$3,060,000; in 1918, \$17,518,000; in 1919, \$18,665,000; in 1920, \$50,332,000.

There were over sixteen times as much of these loans in 1920 as in 1917 and almost three times as much in 1920 as in either 1918 or 1919. These loans probably run an average of ninety days. Therefore the \$50,332,000 in loans in 1920 represents an annual average of \$12,444,000 in money borrowed by national banks in the State of North Dakota from The Federal Reserve Bank. The state deflation in the state banks for the year 1920 is as follows:

Deposits decreased.....	\$26,882,700.00
Decrease in profits, surplus and capital.....	1,825,000.00
Increase to banks borrowers, only.....	907,200.00
Increase in bank fixtures and real estate by banks.....	404,300.00
Total liquid deflation for the year 1920 in state banks.....	30,019,200.00
This deflation in the state banks is accredited for as follows:	
Increased bills payable.....	\$14,241,300.00
Rediscounts.....	713,100.00
Miscellaneous Liabilities.....	1,300.00
Cash balances and cash items reduced.....	11,238,600.00
Ovredrafts, warrants, stocks, bonds and governmental issues decreased.....	3,824,900.00

Thus accounting for the deflation in state funds for one year \$30,019,200. It is apparent that the deflation in this state for the year 1920 is nearly \$50,000,000, and \$39,000,000 of this is in the state banks alone. By state banks I mean

all banks other than national banks within the State of North Dakota.

By referring to the monthly report of the crop and business conditions as stated in the issue of February 1921 by the Federal Reserve Bank of Minneapolis, it is interesting to note under the title "Banking Conditions on February 21," the following:

"BANKING CONDITIONS ON FEBRUARY 21. Country merchants have been much more successful in collecting from their customers than have the country bankers. Wholesalers have been able to collect their accounts and reduce their debts to city banks, whereas the country bankers have not accomplished very much in the same direction. The total loans of this bank in the first three weeks of February were reduced from 78 millions to 74 millions. This is to be accounted for almost entirely by collections from city member banks. Such sums as were collected from country districts were reloaned to other sections. The total accommodation to the district is fully 10 million dollars larger than a year ago, and while we have paid all our rediscounts to other Federal Reserve banks, we were lending to them a year ago. The decline in general business, increase in unemployment, and fall in prices have created a surplus of currency which has been returned to us for redemption. These redemptions have been sufficient to reduce our Federal Reserve Notes outstanding by \$11,000,000 as compared with a year ago." Observe this deflation.

To us it is further interesting to note that apparently the grain is not being held back to the extent many people believe, for by reference to the daily market record of Minneapolis of February 26th, it will be seen that this official paper states, "to date this year the spring wheat receipts have been 52,626,130 bushels as against 38,469,500 bushels of a year ago." North Dakota is a spring wheat state and the fact that the spring wheat receipts so far this year exceed those of a year ago by over 14,000,000 bushels, it is reasonable to believe that there is not a big holding of spring wheat on which no money has been received by the farmers at this time.

There may be a large amount of storage tickets outstanding in the state, yet these statistics would indicate that although the farmers hold the storage receipts the grain has been shipped to the terminal market.

Most farmers borrow money on their storage tickets, therefore the cash equivalent for this stored grain has approximately been received and cannot be counted on materially for future payment of obligations.

Covering all grains received at the terminal market in Minneapolis on this year's crop there has been 108,692,000 bushels as against a year ago 107,310,000.

Now going back to the matter of The Bank of North Dakota with reference to the distribution of its funds the Bank management has been criticised with reference to farm loans, redeposits and loans to various country banks. The Bank of North Dakota has done nothing more on the one hand than the state banks as a whole would have done on the other.

This distribution may have been somewhat different but it would only differ in a few isolated cases. Generally the policy of this bank is stated as being to send the funds where they were most needed.

The Bank of North Dakota has placed these funds out over the state through state banks at a low rate of interest and this has obviously been of a great advantage to the people of this state, provided the local banker has been anywhere near as fair as the state Bank with respect to interest rates.

Especially has The Bank of North Dakota done much good to the extent that it has been able to grant farm loans at a low rate of interest and further it is questionable whether his class of borrowers could have effected loans at their local banks, due to the shortage of money and high interest rates, and been able to carry such costly loans and eventually pay the obligation. The Bank has been criticised for making these long time farm loans but no one can doubt that it is fortunate for the farmer who received the same and it is to be regretted that The Bank of North Dakota has not several million more to loan to these worthy farmers who are the backbone of this state and on which this state alone depends. Loans have been made to the various state banks on notes given by the state banks and with apparently a great sufficiency of collateral backing them. The very fact that some of this collateral represents notes signed by farmers who have a certain political affiliation does not at all indicate to any fair minded man that such collateral is worthless because of his political faith.

The deflation is not alone confined to the State of North Dakota but is general and it was deliberately planned by the financial interests because they met, agreed and so acted upon it. Deflation always begins with the raw material, thus affecting the producer. It began and it has affected the people, and the loss to this state has been at least \$50,000,000. Farmer and merchant alike have taken their loss on stock and inventory on hand on an average of from thirty to sixty per cent; the labor class has taken its loss through lack of employment, thus the great majority has suffered.

No political party of North Dakota has had anything at all to do with this situation.

There is much discussion about frozen funds and those who carry on this discussion with the thought and statement of attributing it to any political program preach mere buncombe. Any funds which are frozen are for the sustenance of the individuals in this state and not outside as is frequently the case with state funds. It must be borne in mind that the larger amount of funds taken by the Bank of North Dakota in 1919 was taken over by bookkeeping and not the actual transfer of the funds.

It has been charged that funds are frozen in the state industries, and this is buncombe because the state has less money invested in state industries with respect to the portion that has been sent outside of the state, than the Bank of North Dakota, one of the state industries, has borrowed from outside of the state.

This is a simple calculation because much of the money spent on the state industries has been spent with people inside of the state. The only part that went outside the state was that paid for materials hauled in to build the terminal elevator and mill at Grand Forks. That amount is much less than the \$1,000,000 that was borrowed in Chicago and brought in by the Bank of North Dakota. This \$1,000,000 was secured by a loan from a Chicago bank and state bonds were put up as collateral therefor.

The criticism directed against The Bank of North Dakota by some people appears political rather than constructive. This state bank has been an aid in these times of financial stress. It has given farmer, merchant and townspeople aid through the local state banks to which it has sent redeposits and to which it has made loans and such money so received by these local state banks has been available for local distribution. The Bank of North Dakota can stand so long as the state is behind it and thus protect these hundreds of country banks which have in turn loaned the funds out to local patrons. The Bank of North Dakota cannot be closed by a few outside financiers or loan sharks unless these non-residents receive the further aid of politicians within the state.

Every thoughtful and well meaning person should stand shoulder to shoulder in an honest endeavor to re-establish the credit of this state which has been so maligned by these politicians. This state needs assistance and is very worthy of assistance because of the great wealth that it has as compared with its small indebtedness. The state has the distinction of having maintained low land values while in other states land values have jumped beyond reason. The state needs funds and as before stated every thought and energy of every honest citizen should be bent towards that end and at least for the time being, he should lay aside any political selfishness.

The financial analysis and statistics set forth in this discussion are worthy of study by every person looking to the state's welfare and are submitted for that purpose only and not as an argument for or against—State owned industries.

CHARGES PRESENTED BEFORE THE HOUSE AUDITING COMMITTEE

Before going into the details of the charges presented before the House Audit Committee, it would be very pertinent to examine into the method pursued in the investigation before that committee. The rules adopted prevented any witness appearing by attorney or other than in person. He was not permitted any representation whatever in the hearing. He was not permitted to present any evidence favorable to himself or to the industry which he represented. No evidence could be introduced which did not meet with the approval of the majority of the committee. No witness was presented against the objections of the attorneys for the majority of the committee. No cross examination of the witnesses presented was allowed. Whenever testimony was offered which would explain any previous testimony elicited by a witness, its offer was refused. Witnesses were told to

go and tell their story to the Senate Committee. When collateral was questioned or loans were questioned as to where they originated witnesses were refused the opportunity to tell that the loans had been good and were paid. There seemed to be an effort to produce only testimony against the state industries and to prevent any testimony creeping in which might throw the light of real truth upon the situation. Men were charged by witnesses with embezzlement, and when they tendered themselves for examination concerning the matter were told to wait and they would be given an opportunity to be heard later. That opportunity never came and it is the opinion of this committee that the promise to those men to appear was not made in good faith. In some cases witnesses who had been promised an opportunity to explain, offered their explanations and after they had partially made them the committee under the directions of attorneys had the same expunged from the records. At all times the attorneys for the majority insisted that the witness had no right to representation. Witnesses were compelled to answer only such questions as were put to them and were not allowed opportunity to make any explanation of their answers. So far as the information of this committee is concerned it is our opinion that never in the history of the United States has a proceeding of this kind been heretofore tolerated. Witnesses were presented for examination in a manner which tended to show that they had offered themselves as witnesses, to-wit one J. W. Brinton. On further investigation by the Senate Committee, it was found he had been served with a subpoena in the City of St. Paul before he came. The only conclusion that can be reached is that the House Committee, or its attorneys, were ashamed to have it known that this man was subpoenaed by them, and their case rested upon the testimony of a man whose veracity was so doubtful. All through the examination endeavors were made to present evidence in such a manner as to give opportunity for false and misleading newspaper stories. For illustration when W. A. Anderson, former Secretary of the Industrial Commission, was examined at the close of his testimony one of the attorneys leaned over to the other and suggested one further question. It called for an answer to the effect that Mr. Anderson had never been in the state before he accepted his position as Secretary of the Commission. This one question and answer was used the next day by the newspapers in an endeavor to destroy Mr. Anderson's reputation by some misleading stories concerning his previous occupation and was very apparently asked for no purpose relevant at all to the investigation.

Later the attorneys for the majority in the House Audit Committee presented for examination a boy by the name of O'Connell and asked him concerning some blank notes which he claimed to have found in a dance hall. These notes were signed by men who were employed by or had been employed by the Nonpartisan League. They did not have any marks upon them, there was no connection between them and the state industries, yet again this testimony, entirely irrelevant, was introduced to give opportunity for another newspaper story, which was used in an effort to lead the people, by innuendo, to believe that the Bank of North Dakota was being used by the Nonpartisan League from which to get money.

THE BANK OF NORTH DAKOTA

One of the chief witnesses upon whom the success or failure of the House investigation rests, was J. W. Brinton. He charged that Mr. Cathro, Director General of the Bank, had embezzled \$1,500 of the funds of the bank and paid them to one J. J. Hastings. Later, on examination, he admitted that the money had been paid to Hastings by Waters, and that Waters had explained the reason he paid the money in cash was because he didn't want people to know the details. It further appeared later in the testimony that the record of the Bank showing who authorized the expenditures was signed by J. R. Waters. Clearly then, this witness perjured himself when he charged that Mr. Cathro had embezzled the money. The matter of this so-called embezzlement was fully cleared up in the testimony, and it was positively proved that this money was legitimately advanced for the purpose of endeavoring to make a sale of the bonds of the State of North Dakota, and that there was nothing hidden or under-handed in any manner about it, that the accusation by Mr. Brinton was a mere fiction in his own mind and was clear perjured testimony.

RESERVES

The attorneys for the House Committee endeavored to show that The Bank of North Dakota had no reserve. In order to do so they utterly ignored the decision of the Supreme Court in the case of *State ex rel Lofthus* and entirely misinterpreted and falsely interpreted the decision of the Supreme Court in that case in applying the 1915 reserve law to The Bank of North Dakota. They utterly ignored the fact that that law did not apply to The Bank of North Dakota, and the further fact that the depository banks were authorized under The Bank of North Dakota law and by order No. 3 of The Bank of North Dakota, and that under the law and order applying to The Bank of North Dakota, it had millions of reserves in excess of any requirements either of banking principles or of any law which may have applied. This was plainly done to deceive and mislead the members of the House Committee, the members of the House and the people of the State of North Dakota. Further than that during this very proceeding the decision of the Supreme Court in that case was presented to them for examination and they utterly ignored the same, thus proving beyond a question of a doubt that their purpose as attorneys was to mislead and deceive the House Committee, the House of Representatives and the people of the State of North Dakota.

BANK UNABLE TO MAKE DRAFTS

The attorneys at another point in the investigation presented testimony to show that the Bank of North Dakota was unable to meet its drafts. In order to give the complete information to the House Committee, the House of Representatives and the people, they should then have proceeded to show why it was unable to meet its drafts. The witness at this time demanded the right to explain why the bank was unable to meet its drafts, but this privilege was denied him. The facts were that there were four hundred and some odd banks in the state in which the Bank of North Dakota had money redeposited, all of whom were unable to meet their

obligation to the Bank of North Dakota. The attorneys and the committee were apparently unwilling to have the truth known that it was not the Bank of North Dakota that was responsible but was rather the private banks in the State of North Dakota. Again we have a very apparent attempt on the part of the attorneys and perhaps the committee to deceive the House of Representatives and the people of the State of North Dakota.

INSOLVENCY OF BANKS

In examining the State Examiner, Attorney Sullivan, who has the reputation of being well informed upon the law, managed by shrewd examination to appear to show that a bank was insolvent when its reserve fell below the point fixed by law. This was done for the purpose of hooking it up with the apparent misleading showing made on The Bank of North Dakota, in order to try to demonstrate that The Bank of North Dakota was insolvent. Mr. Sullivan knew at the time he asked this question that the falling of reserve below the point fixed by law does not constitute insolvency and apparently this was so done for the purpose of misleading the House of Representatives and the people of the state.

VALLEY CITY BANK

Two witnesses were produced by the attorneys for the House and allowed to testify to hearsay evidence to the effect that the Bank of North Dakota had sent money to the Valley City Bank to be reloaned to farmers and for the use of the Nonpartisan League. They made no effort to investigate the real records and ascertain the real facts. There was produced before the Senate Committee the Assistant Cashier of the Valley City bank with a certified copy of the records of that bank and his testimony is positive and the records corroborate his testimony to the effect that the Bank of North Dakota had never sent a dollar of deposit to the bank in question at the time or after the time when the two hearsay witnesses claimed it had been sent, that the only deposit which had been made by the Bank of North Dakota had been made months before the alleged deal was supposed to have taken place.

Again this appears to have been a plain effort to put into the records, something which the least investigation would have proved the falsity of the charge.

FARM LOANS

In examining Mr. F. W. Cathro an effort was made by innuendo and inference to show that he had favored a bank with which he formerly was connected in Bottineau County, by making a large number of farm loans and putting the money therefor into his own bank to take up poor obligations. His testimony actually showed that of \$234,100 loaned in Bottineau County, only four loans had been made within a radius of twenty miles of the bank in which Mr. Cathro was interested, and that only one had up to that time been made through his bank.

This again was an apparent effort on the part of the attorneys for the House Committee to lead by inference and

innuedo the people of the state to believe that the Bank of North Dakota had been used for the benefit of Mr. Cathro and his bank when a little investigation would have revealed to them the falsity of that theory.

COLLATERAL SENT FROM THE SCANDINAVIAN AMERICAN BANK

Another charge made by J. W. Brinton was that Mr. Cathro and Mr. Lemke had endeavored to accept into The Bank of North Dakota \$323,000 worth of paper covering loans made by the Scandinavian-American Bank to the League Institutions, and that he and Waters had prevented its acceptance. That statement was used as an excuse by the newspapers to charge that The Bank of North Dakota had accepted \$330,000 worth of League paper into the Bank. The evidence discloses a denial by both Mr. Cathro and Mr. Lemke of the statement of the witness and further the written records shows that no such paper was ever received into the Bank, and it further shows that Mr. Cathro is the man who sent the paper back and refused to accept it.

The witness Brinton testified that the paper was in large bundles piled upon the table when he saw it in the Bank. The testimony of the rest of the witnesses show that it only amounted to 32 notes, which would make a very small bundle.

It appeared to the unbiased observed that the witness Brinton was plainly perjuring himself and making the story up in an endeavor to revenge himself and Mr. Waters for their having been released from the services of the League and the services of the Bank, respectively.

MICHIGAN CITY BANK

The charge was made that The Bank of North Dakota had accepted for rediscount from the Michigan City Bank a large amount of paper secured by warehouse receipts, and the attorneys for the House Committee endeavored by inference and innunendo to show that these warehouse receipts were for automobiles for the use of the Nonpartisan League. The testimony, however, showed absolutely that they were for no such purpose. Then by inference they endeavored to show that the paper was accepted into The Bank of North Dakota by Mr. Cathro. The witness, however, testified positively that he had made the arrangements for accepting the paper with Mr. J. R. Waters, that he knew no other man in The Bank of North Dakota at that time, and that shortly prior to that time he had sold Mr. J. R. Waters a Cadillac car, for which he accepted his personal unsecured note, and that the note still remains unpaid.

Further than that, in examining the witness Lee, Mr. Murphy by asking the questions in a peculiar manner got the testimony from Lee that the total amount of security for the loan standing on the books as at December 3rd was \$27,800, when as a matter of fact the warehouse receipts were in the amount of \$31,800.

The further evidence before the Senate Committee clearly showed that all of this rediscounted paper was guaranteed by the Michigan City Bank, that the man who signed the

paper originally, or rather the company which issued the storage receipts, had a financial net worth of approximately \$80,000, it therefore being evident that The Bank of North Dakota was well secured on the rediscounted paper.

It further appeared that on the total amount of paper discounted in the same manner by this man Stary a total amount of \$36,000 had been paid in the summer of 1920, and that during all of this period he had sold practically no cars at all to any one connected with the Nonpartisan League, with the exception perhaps of two or three Fords sold to organizers, and that during this period, other than above set forth, the man Stary had done no business whatever with the Nonpartisan League or the so-called associated institutions.

REDEPOSITS GUARANTEED

By clever and artful questioning and by inference and innuendo Attorney Sullivan for the House Committee endeavored to make it show that redeposits by The Bank of North Dakota in state banks were not guaranteed under the guaranty fund. In order to do so he endeavored to class them with time certificates of deposit and to make it appear that in a great many cases a time certificate of deposit was not guaranteed. This was plainly an endeavor to get into record the information which would mislead the members of the House and the public generally as to the facts, because the testimony of the State Examiner before the Senate Committee clearly shows that never has there been any question about demand or checking deposits being guaranteed under the guaranty fund law, and that all of the redeposits by The Bank of North Dakota in state banks were demand or checking deposits. It is therefore conclusively shown that all of the redeposits of The Bank of North Dakota in state banks are positively guaranteed under the guaranty fund law and that this was merely another attempt to mislead the House and the public as to the real facts.

MONEY IN CLOSED BANKS

The attorneys for the House Committee very carefully offered evidence to show how much money The Bank of North Dakota had on deposit in and on loan to closed banks within the State of North Dakota. In order that the public might know whether good judgment had been exercised by The Bank of North Dakota in making such deposits and such loans, Mr. Cathro, Manager and Director General of the Bank, offered to produce in the evidence of the House investigation an exhibit showing how much had been loaned to each of the banks by other banks and, by big Twin City reserve banks outside of the state. The exhibit clearly showed that the amount of money loaned by other banks and banks outside of the state was a great deal more than the amount loaned and redeposited by The Bank of North Dakota. The attorneys for the House Committee prevented this evidence getting into the record clearly for the purpose of preventing the House Committee and the people of the state from knowing that the amount of credit extended and the amount of redeposits made by The Bank of North Dakota in closed banks was much smaller than that made by the large banks of the Twin Cities and outside of the state. Clearly

another effort to deceive the public as to the real facts by holding back a part of the truth.

CRITICIZED COLLATERAL IN THE BANK OF NORTH DAKOTA

During the course of the investigation the attorneys for the House Committee called to the attention of the committee and brought into the record a number of items of collateral which were shown to be in The Bank of North Dakota. The first which they called to attention was some notes placed in The Bank of North Dakota as collateral by the First State Bank of Kloten. They were given by E. A. Bowman, of Kulm, Christian Hall, S. Semington, R. W. Frazier of Crosby, H. J. Nelson and George Moellering of Ray. The only charge that was made against these men was that they were members of the Nonpartisan League and some of them members of the legislature. No effort was made to show what the net worth of any of these men was, no effort was made to show that the notes were not worth their face value. So far as the records show any of these men may be worth \$100,000. The only crime that seems to be laid at their door and the only reason that this collateral seems to be criticised seems to be that they are members of the Nonpartisan League. In the absence of any proof otherwise, the presumption is that these men are worth the amount of their notes and to those who know them there is no doubt but that that presumption is correct. In the discussion of these notes placed in The Bank of North Dakota as collateral, the attorney also called in to question, the note of H. R. Wood, Lieutenant-Governor of the State of North Dakota. It is significant to note that the note of H. R. Wood was not placed as collateral by the Kloten Bank but was sent into The Bank of North Dakota by the First Farmers Bank of Minot, and in this case there is no evidence to show that the note is not worth its face value, the only charge against it is that the man is Lieutenant-Governor of the state, elected by the political faction which the attorneys and the House Committee oppose.

The next collateral which is discussed is that placed in the Bank of North Dakota by the Scandinavian-American Bank of Fargo. In discussing this collateral Mr. Murphy discusses all of it as if it were loans made by The Bank of North Dakota. Not anywhere does he call attention to the fact that it is collateral put up in proportion to the loan. This collateral consists of notes given by A. M. Gorsvenor, Peoples Power and Fuel Co., E. G. Wheeler, M. G. Myhre, P. C. Day, O. O. Ganslow, Ingvald Johnson, John H. Killian, O. M. Hatlie, certificates of deposit from the Peoples' State Bank of Leith, Ransom County Farmers Bank, note of L. C. Frenberg, and note of Ole Knudson. The total amount of collateral which has been discussed under this subject is \$109,150.49. A great deal of this collateral has not been criticized by any definite charges as to the inability of the makers to pay, nor has there been any showing that they are not financially able to pay; it has been much criticized by inference and innuendo based upon a report by P. E. Haldorson, Deputy State Examiner, which report has been so misleading that the Supreme Court of the State has already ruled against it. And it was also criticized for the reason that the attorneys for the House Committee condemn any

thing which ever was in or near the Scandinavian-American Bank of Fargo. It is significant to note that the total amount of collateral deposited by the Scandinavian-American Bank with The Bank of North Dakota was \$337,179.94. In other words, the total amount criticized by inference and innuendo is only \$109,150.49 leaving \$228,029.45 unmentioned and uncriticized and since the attorneys appear to criticize the collateral about which they know nothing, simply because it is found in The Bank of North Dakota, it is very apparent that they were unable to dig up anything about the \$228,000 worth of collateral uncriticized left to secure a loan of \$178,823.51. In other words, there was left \$49,295.94 of uncriticized collateral of the total amount of the loans. In this connection it is significant to note that the attorneys for the House investigation committee when unable to find sufficient collateral to criticize went over the same collateral with two witnesses in a number of different cases in an endeavor to make it appear that there was more collateral criticized than was actually mentioned. As a matter of fact, there is no definite evidence in this record anywhere to show that this collateral is not good, while there is positive proof that the collateral is as good as can be found and that every dollar of the loans can be collected.

The next collateral criticized is \$14,874.92 and \$582 of warrants in the People State Bank at Leith. It is not apparent from the testimony and is not clear that this is merely collateral in the Bank of North Dakota that the actual amount of money loaned by the Bank of North Dakota to the Bank at Leith secured by over \$15,000 worth of collateral is only \$9,000. There is no criticism whatever of the collateral itself, nothing in the record to show that it is not good. It simply appears to be another case of criticizing a loan because of political dislike for the man who was director in that bank, Mr. J. I. Cahill.

The next collateral discussed is \$25,000 from the Crocus State Bank. In examining Mr. E. G. Lee, Attorney Murphy by misleading questions and answers makes it appear that the Bank of North Dakota loaned \$25,000. While the facts are that the Bank of North Dakota loaned \$5,920.96 to the Crocus State Bank and held as security \$32,771.86 worth of collateral. This again appears to be another attempt to mislead the House Committee, House of Representatives, and the people of the state as to the true facts.

The next collateral criticized is \$1,000 of Bank of North Dakota bonds put up as collateral by the Citizens State Bank of Dawson and \$250 worth of bonds put up as collateral by a Dunseith Bank and \$1,000 worth of Bank of North Dakota bonds put up by Equity State Bank of Golden Valley. It is significant to note that the attorneys for the House Committee offer a criticism of bonds of the State of North Dakota as collateral. The state of North Dakota has very little bonded indebtedness. The bond laws of the state were passed upon by the Supreme Court of the state and by the Supreme Court of the United States. These attorneys have for selfish political bias against the administration seen fit to criticize the best security that lies in the Bank of North Dakota. The apparent reason for criticizing this other than political bias of the attorneys, is their endeavor to show that

The Bank of North Dakota cannot accept its own bonds as security under laws of the state, but they, as able attorneys, know this interpretation is not correct, that the Bank of North Dakota operates under a law separate and complete in and of itself and it can accept its own bonds because the Bank of North Dakota Law specifically provides that it can purchase the bonds of the state of North Dakota.

The next loan criticized is that of \$6,000 to a Grace City bank with \$9,104.33 of collateral. The only discussion concerning this loan is that it appears that a part of the collateral is a note for a chattel mortgage signed by B. C. Larkin and given to The Bank of North Dakota. Again the purpose of the criticism is not to show that the note is not worth its face value, but the only charge made by the house attorney is that the man is a member of the legislature elected by the Nonpartisan League.

The next loan is one to the Farmers State Bank of Gwinner. No mention is made on the record about the size of the loan or whether it is secured by collateral. It appears to be the note of J. C. Miller, league legislator. However, this is misleading since it is really signed by J. E. Miller, Vice President of the Farmers State Bank of Gwinner, and who, Attorney Murphy could have discovered if he had cared to learn the truth, is not a leaguer nor a member of the legislature.

The next collateral criticized is one that comes from the Ransom County Farmers Bank at Lisbon. The only note mentioned are two given by P. A. Berg. It appears that P. A. Berg is a senator elected by the Nonpartisans. There is no effort to show that P. A. Berg is not worth the money for the amount of notes put in the Bank of North Dakota as collateral. This evidence is put in merely for political propaganda.

The next collateral is a note of \$20,000 delivered as collateral to the Bank of North Dakota by the First Farmers Bank of Minot. It is a note given by the Equity Co-operative Packing Company. It was not a loan by Bank of North Dakota, it was a part of \$36,550.52 worth of collateral put up in Bank of North Dakota for a loan to the First Farmers Bank of \$16,092.72. Mr. Ebbert, Cashier of the First Farmers Bank of Minot was subpoenaed before the House Committee to testify about it. The attorneys refused to let the witness testify as to its payment or security. From the testimony before the Senate Auditing Committee it appears that the note was well secured and according to Mr. Ebbert it appears that at the time Bishop-Brisman & Co began this work, the amount unpaid was only \$4,000 and on December 8th, a considerable time prior to the completion of their audit, the entire loan was paid. This apparently was an effort on the part of the House Audit Committee attorneys to again prevent the truth from appearing.

The next loan criticized is from the Farmers State Bank of Baker to The Bank of North Dakota. It shows a loan made by the Baker bank to Senator W. J. Church, which is secured by warehouse receipts for wheat and flax to cover the amount of the loan. Again it is significant to note no criticism was made of the amount of the security or the worth of the makers. It is apparent again that an effort was made to create political propaganda and by inference and innuendo to make

the people believe it is poor paper. Senator Church being a member of the Senate Investigating Committee.

The next is collateral put up in three different loans. One in German State Bank of Beulah, one in First National Bank of Zap, and one in Citizens State Bank of Hazen. They are notes of the Lucky Strike Coal Co., and only part of the collateral in each of the foregoing cases. No effort was made to show that the notes are not perfectly good and that the makers are not worth the money for the amount of the note. It is merely another attempt to lead the people to believe that the security is not good. The next collateral found in the Bank of North Dakota which is criticized is put into the testimony under a question which Mr. Murphy asked, being a note of L. L. Stair to State Bank of Newburg for \$3,652.50. In putting this note in the record, it was misread, for the Bishop Brissman report shows that it is a note of Hans Aaro, endorsed by L. L. Stair and the State Bank of Newburg and that it is not for \$3,652.52, but is \$1,794.80. This note is secured by eight head of horses, sixteen head of cattle, complete set of farm machinery to operate 600 acres of land, and an insurance policy upon the life of the maker for \$2,000. It is very evident that it was the purpose of the house committee to make this note appear that it was not a good note and not properly secured simply because Mr. Stair was formerly speaker of the House of Representatives and warden of the penitentiary appointed by the present administration.

The next note held by the Bank of North Dakota is one of C. F. Dupus' sent to The Bank of North Dakota by the State Bank of Tioga. No effort is made to show that the note is not good, but by inference and innuendo it is criticized because it was given by a man formerly a nominee of the Nonpartisan League and that therefore they believe it should be considered poor.

The next note mentioned is a rediscount of note for \$1200 given by Gilbert Semingson to the Citizens State Bank of Grana. The criticism is that he is a League appointee under the league administration, and further that it is not secured. By an investigation in the Bank of North Dakota it has been disclosed that it is secured by a first mortgage on farm lands put up as collateral. In this connection it is of interest to note that there is a criticism offered at this point in the transcript of a collateral note held by The Bank of North Dakota of L. L. Stair for \$2362.62, and as far as the transcript reveals it would appear that this was not in The Bank of North Dakota at the time of the Bishop-Brissman audit. The fact is that there was such a note in the Bank but it was paid in full long before the Bishop-Brissman audit began. Another note that is mentioned and that is under the same category is the note of C. H. Stary, for \$2,073.50. It would appear from the testimony in the House Auditing Committee that it was sent The Bank of North Dakota by the Peoples Bank of Grand Forks and to one who reads the testimony it would appear as still being in the Bank of North Dakota, but the truth is that it was paid long before the Bishop-Brissman report began.

The next collateral criticized is a note of R. H. Walker

for \$3,792.60 sent to The Bank of North Dakota by the bank of Oliver County at Center. This note it appears from testimony before the Senate Committee is well secured by a first mortgage on 560 acres of land in Oliver county; and there appears to be no criticism of the note or the worth of the man in the House transcript, yet the attorneys appear to discredit the note on the grounds that Mr. Walker was once a nominee of the Nonpartisan League.

The next collateral criticized is found in the Bank of North Dakota as collateral to loans made to the ePeople's State Bank of Grand Forks. It consists of the notes of J. P. Hemington \$1,000; T. C. Paskie for \$2,100, O. K. Lageson for \$2,000, Carl Clemenson for \$1,000 and Theodore Heraldson for \$1,650. None of these makers are criticized as not being good security. Apparently the attorneys for the House Audit Committee wanted it considered that the collateral is no good simply because it comes from a bank which does not agree politically with the House Committee and its attorneys.

The total collateral in the Bank of North Dakota mentioned and criticized by the attorneys for the House Committee as shown by the transcript has not been set forth and the total amount of such collateral is approximately \$250,000. It is significant to note that the Bank of North Dakota, according to the Bishop-Brissman report, holds \$5,605,167.14 of collateral to secure loans of \$2,407,645.24, or a proportion of more than two and one-quarter dollars of collateral for each dollar of loans. In other words, if we were to consider that every bit of collateral mentioned in a derogatory manner before the House Audit Committee, were of no value, we would still have not criticized or consider but an extremely small percentage of the total collateral held, and there would still be probably a higher margin of protection to The Bank of North Dakota than any bank in the State holds on loans secured by collateral.

It should be further called to attention that no collateral placed in The Bank of North Dakota by any bank is collateral only to a single loan. Under the collateral notes used by the Bank of North Dakota every bit of collateral is security for every obligation of that bank to the Bank of North Dakota, so that if one piece of collateral should prove to be uncollectable, still all of the rest of the collateral placed by that bank with the Bank of North Dakota would cover the loan in question. It should be remembered that if all of the paper held as collateral by the Bank of North Dakota which has been even mentioned by the House Audit committee and the best part of which has not been in any manner criticised as to its sufficiency or value, were not considered at all, the Bank of North Dakota would still have \$5,355,167.14 as collateral to cover \$2,407,645.24 of loans, or a proportion of more than \$2.22 to every dollar of loans.

Out of the total of \$5,605,167.14 there has been an absolute failure to prove that a single dollar of collateral was not worth its face. There has been no proof that any of the makers of a single note held as collateral are not well worth the face value of the note. The entire proof has been directed by innuendo and inference to show that these men are in sympathy with the state administration, or that the insti-

tutions which gave the notes are institutions owned by the farmers.

It is very evident that since these attorneys have been extremely zealous, as well as their committee members, in searching the records from end to end to find paper that was given by members of the Nonpartisan League and out of over \$5,000,000 worth of collateral paper held in the bank they have brought forth a list of paper amounting to approximately only \$250,000, it is very evident that no favoritism has been shown by the Bank of North Dakota in accepting collateral only of leaguers.

It is further very evident that the Bank of North Dakota is in extremely good condition with respect to collateral held by it as security for loans, in fact this Committee doubts whether there is a bank in the northwest that is as well secured on its loans as is the Bank of North Dakota, for when a bank can submit to the minute and detailed investigation of those who would destroy it and they can bring forth nothing of real merit it surely must be in fine condition. Its condition is further testified to with respect to these loans by experts in banking, men who have spent years in examining other banks in the state, who say that it is in ideally good condition with respect to security on the loans made.

REDEPOSITS

The Bank of North Dakota has been criticized severely by the House Committee attorneys on account of the amount of redeposits made in certain named banks within the state, the first mentioned of course is the Scandinavian American Bank, because it has always been the target of the politicians, and was again attacked first by the political investigating committee. There was positive proof over the signed signature of J. R. Waters, the man who says he was driven out of the Bank of North Dakota or compelled to resign, to the effect that he himself ordered the redeposits made in the Scandinavian American Bank, that they were all made within a period of forty-five days following the opening of The Bank of North Dakota, and some of them were made before the Bank of North Dakota opened, by checks actually drawn by J. R. Waters himself. It is clearly evident since no redeposits have been made after the expiration of that period of forty-five days, that no one is responsible for the size of that reposit except J. R. Waters, the man who is now trying to assist in destroying the Bank of North Dakota, and under the law creating the bank he at that time had entire authority and control of the bank.

The second reposit is the balance of \$124,045.36 on reposit in the Bismarck Bank, at Bismarck, North Dakota. The records of the bank show that there was on deposit in that bank prior to the creation of the Bank of North Dakota \$232,000. Therefore since the creation of the Bank that amount has been reduced by over \$100,000. In other words the officials of the Bank of North Dakota did not place that deposit there but have actually reduced the deposit that they found there.

A criticism is made of the reposit in the Williams county

State Bank of Williston in the sum of \$103,732.74. The records of the Industrial Commission show that there were several large Twin City banks that had heavy loans in the Williams County State Bank at Williston, and that those large Twin City banks who had the heavy loans themselves are a party to an agreement to keep that bank open. It would seem to the impartial observer that if it is good judgment for the Twin City banks to assist in keeping that bank open, then it is not bad judgment on the part of the Bank of North Dakota to do likewise. It might be commented that the Williams County State Bank is the largest state bank in the state of North Dakota.

Then follows criticism of the redeposit of \$18,000 in the Blaisdell state Bank; of a redeposit of \$17,000 in the Citizens State Bank of Tagus; of \$60,000 in the American State Bank of Burlington, of a redeposit of \$40,000 in the Farmers State Bank of Sanish; of a redeposit of \$26,000 in the Scandinavian-American bank of Van Hook. These last five banks mentioned are what is called the Jorgen Olson string of banks, and the undisputed testimony and the House records show that J. R. Waters is responsible for having placed these redeposits.

There has been absolutely no evidence of any kind to show that the management of the Bank of North Dakota has withdrawn funds and deposited money in banks in any appreciable amounts other than those in which the funds originated except as set forth above. In practically every case in which the counsel for the House Committee has laid the charge that the redeposit was out of proportion, the facts are that the funds on deposit in those banks were found there and were transferred by check or rather by book entry through the Bank of North Dakota back to the credit of the Bank of North Dakota in the criticized banks, and the Bank of North Dakota, according to the testimony of the officials of the bank, has never been able to get those funds out of those banks. In other words the actual funds never came into the possession of the Bank of North Dakota in the majority of instances, but were merely transferred to its books and it in turn was compelled to carry the deposits in the same banks from which they were transferred, for the reason that those banks have never been able to meet the withdrawals of such public funds, and on account of that inability the size of those deposits in the same banks from which they were transferred, for the reason that those banks have never been able to meet the withdrawals of such public funds, and on account of that inability the size of those deposits has not been cut down as it has in other banks which were able to meet withdrawals and did so.

Since there has been no evidence introduced to show that this statement of the bank officials is not correct, the evidence is uncontradicted that that is the situation and that that is the situation and that therefore the general policy was in the main to leave the funds in the banks from which the various treasurers made their transfers for credit to the Bank of North Dakota.

CONCLUSION

With all the zeal of political fanaticism urging them on

the ablest attorneys that could be hired and the ablest accountants that could be secured by the House Audit committee, have been unable to find in the aBnk of North Dakota a single note or obligation, either direct to the Bank, or as collateral, from the Consumers United Stores Company, the Non-partisan eLeague, the League exchange, the Publisher's National Service Bureau, the Courier News, or any other so-called League enterprise, likewise they have been unable to find any notes by any of the managers or employees of the leagu institutions which can in any mann be interpreted as representing loans to those so-called league institutions. There has been absolutely no proof of any embezzlement or misappropriation of funds of the Bank of North Dakota. There has been proof that the former manager J. R. Waters, attempted to use the influence of the bank for his personal gain, and it is the opinion of this committee that however it came about it is a good thing that his resignation was turned in and accepted and that he is no longer the manager of the bank.

It is the conclusion of this committee tha tthe criticisms offered by the hearsay and inference testimony before the House Committee were practically all in their nature political and as we have analyzed them contain little if any merit.

SCANDINAVIAN AMERICAN BANK

The attorneys for the House Audit Committee after carefully investigating the Bishop-Brissman report upon The Bank of North Dakota apparently came to the conclusion that they had absolutely no evidence of any kind against the Bank of North Dakota on any ground or pretext, so they lead the House Audit investigation from an investigation of the Bank of North Dakota into an investigation of the Scandinavian American Bank of Fargo. Even there, they were faced with the necessity of placing hearsay testimony in the record an presenting the testimony in a misleading and deceiving manner. The charge was made by Brinton that an \$11,000 embezzlement had taken place i nthe Scandinavian American Bank. In his examination before the Senate committee, it was revealed tha tthis was a loan to the United States Sisal Trust, an institution of which Mr. Brinton himself was manager. It was further revealed that, at the time the Scandinavian American Bank was Closed in October, 1919, Mr. Lemke and Mr. Lotfhus the attorney for the Exam.ner and the State Examiner, respectively had forced the Sisal Trust Company to pay the loan and that the loan had actually been paid. Mr. Brinton testified that he had a prior arrangement with these two gentlemen in the presence of Mr. Thatcher to the effect that his check was no good with which he paid the loan, but that they should hold it and that the purpose of taking the check was to make a showing before the Supreme Court that the loan had been paid. The records of the Supreme Court show that at the time they made up the statement the loan was not carried as paid but was carried as one of the loans and discounts, but that just before they closed their report a payment had been made, the note itself shows that it was paid on the 22nd day of October, the date of the report, (and Mr. Brinton himself has testified that the paid note was delivered to him at that date so far as he can rec-

ollect. The newspapers used this story without any investigation to the effect that Mr. Lofthus, Mr. Lemke and Mr. Thatcher had attempted to deceive the Supreme Court and it was so presented before the House Committee by the attorneys for th House Committee, while the evidenc clearly shows that there was no attempted misrepresentation to the Supreme Court at all. There is no question but that the loan was paid, paid by this check, that the check given was paid and that Mr. Lemke and Mr. Lofthus forced the payment out of Brinton who is now under arrest for perjuring himself in the testimony before the House Audit Committee.

The testimony of Mr. Thatcher, Mr. Lofthus and Mr. Lemke all controverted the testimony of J. W. Brinton with respect to this loan. They all deny that so far as they know any such arrangement was ever made, and in view of the positive proof that was submitted in the Senate committee of Mr. Brinton's false testimony no faith can be put in the charge that he here made.

RESERVE OF THE SCANDINAVIAN AMERICAN BANK

The attorneys for the House Audit Committee then discussed with different witnesses the reserve of the Scandinavian American Bank at the time it was closed. They utterly ignored the decision of the Supreme Court interpreting the reserve law of 1915. They utterly ignored the fact that their interpretation of the law had never been applied to any bank in the history of the state except the Scandinavian American at the time it was closed and the Bank of North Dakota, by their own examination before the house Audit committee. It is plainly evident that their purpose in construing the law against the decision of the supreme Court, of which they had knowledge, was to deceive and mislead the people of the state as to the true facts in that case.

LOANS CRITICIZED IN THE SCANDINAVIAN AMERICAN BANK

The House Committee attorney, Mr. Murphy, in criticizing the loan to the Great Western Live Stock Company, of which one Mr. Ridings is an officer, states to one witness that Thatcher had stated in his report to the Supreme Court that "Mr. Ridings is a man of good character." Attorney Murphy had in his hands at that time the report which plainly set forth that this was a statement taken from mthe Bradstreet report on Mr. Ridings. This apparently was merely another effort to mislead and deceive the public and the House Committee concerning the real facts.

Again in examining a witness concerning the loan in the Scandinavian American Bank H. D. Haggarty, Incorporated, Mr. Murphy, the attorney for the House Committee, states that Mr. Thatcher said in his report: "that he is very successful, meets his obligations promptly." At the time Mr. Murphy said that to a witness he had before him the report made by Mr. Thatcher to the Supreme Court, which plainly and specifically shows it was a quotation from Bradstreet's report on Mr. Haggarty, and the statement made to the witness was plainly for the purpose of deceiving the witness, the House Committee and the public as to what the true facts were.

In criticizing the condition of the Scandinavian American Bank at the time it was closed Attorney Murphy used the report of P. E. Halldorson to attempt to show that the bank was in poor condition. He fails to call attention to the fact that Halldorson's report no where cites his authority for his statements that loans are poor, while the Thatcher and Lofthus report cites in each case the authority for their statements. Mr. Murphy utterly ignored the fact that Halldorson's report was so poorly prepared that he failed to give the bank credit for over \$7900 which had been paid on the Haggarty loan.

DEPOSITS OF SCANDINAVIAN AMERICAN BANK WITH DULUTH BANK

In examining a witness concerning the deposit shown in reserve agencies, Attorney Murphy endeavored to show that the deposit in the Duluth Bank was not subject to withdrawal, and therefore that the witness Thatcher deceived the Supreme Court in listing the deposit in that bank as available funds. While Attorney Murphy at that time had before him the report of P. E. Halldorson, H. A. Engemoë and Attorney Sheets, which specifically shows that the paper which had been sent to the Duluth bank for credit, had been returned to the Scandinavian American Bank on September 12th, and that therefore the evidence was plainly before Mr. Murphy that there was no strings attached to the Duluth deposit, and his questioning of the witness Thatcher must have been either through ignorance or with intent to deceive the House committee and the public generally as to the exact condition of that deposit in the Duluth bank.

LEAGUE INSTITUTION LOANS

The charge was made by the witness Brinton that there was an agreement between Mr. Cathro and Mr. Lemke and the Scandinavian American Bank that money should be sent from the Bank of North Dakota and placed on deposit with the Scandinavian American to be reloaned to so-called league institutions and that that thing was actually done.

There is absolutely no evidence before the House Committee of any loans made to League Institutions after the Bank of North Dakota was created. The evidence before the Senate Committee shows that the so-called League Institutions had been loaned over \$300,000 by the Scandinavian American Bank through accommodation notes prior to the passage of the law creating the Bank of North Dakota. It further shows that at the time the Scandinavian American was closed within the last two weeks the league institutions through accommodation paper and through direct paper owed the Scandinavian American Bank less than \$150,000.

It is clearly evident therefore that the charge that the Scandinavian American Bank was used by the Bank of North Dakota as a medium through which to make loans to league institutions is absolutely false, it being clearly evident that instead of increasing the amount of obligations the league institutions have been constantly paying funds into the Scandinavian American Bank upon the obligations which they owed it through accommodation notes.

WATERS DESIRE TO PURCHASE

Both Waters and Brinton have testified that the Scandinavian American Bank was in rotten condition, that in January 1920 its condition was worse than the newspapers charged, yet at that time, according to Waters' own testimony, he offered to purchase the bank, providing the stockholders in the bank would take paper out of the bank for the amount of their stock, which was only \$50,000. Clearly his testimony concerning the rotten condition of the bank was false, or he would never have made an offer such as he did to purchase it. It is very evident that his purpose was to so disparage the condition of the bank and run down its value in order that he personally might purchase it for little or nothing and have it for himself.

Since it is plainly evident that the loans through accommodation paper to the league and league institutions have been rapidly paid up and that the slow loans are the loans to Haggarty, Incorporated; Knaack, Grosvenor, the Great Western Live Stock Company, Danielson Brothers, etc., all of which were loans put into the Scandinavian American Bank by J. J. Hastings with the knowledge of State Examiner Waters, it is very clear that if the Scandinavian American Bank was in poor shape it was not on account of loans to league institutions, and it is also very clear that if the contention of Mr. Brinton and Mr. Waters and the House Audit Committee, is correct, the Nonpartisan League was justified in severing its relations with J. J. Hastings, J. R. Waters and J. W. Brinton.

All of this discussion, however, concerning the Scandinavian American Bank has nothing whatever to do with the present management of The Bank of North Dakota for the reason that it has been positively proven by the signed letters and statements of J. R. Waters that the redeposits made in the Scandinavian American Bank were made by him, and that the present management of the bank of North Dakota is not responsible therefor, and for the further reason that the evidence clearly shows that all of the loans made by the Bank of North Dakota to the Scandinavian American Bank are well secured.

The present management of the Bank of North Dakota can not be criticized for the redeposits made in the Scandinavian American, nor are they responsible for the loans put into the Scandinavian American Bank by J. J. Hastings with the knowledge, approval and consent of J. W. Brinton and J. R. Waters.

HAGAN'S HOUSE AND FARM LOAN

Evidence was presented before the Senate Committee by examination of Commissioner of Agriculture and Labor, John N. Hagan, to show that he had received a farm loan from the Bank of North Dakota, and that a home had been built for him by the North Dakota Home Building Association. Then the attorneys for the House Auditing committee quoted to him a law which appeared to provide that he could not have made such contracts without violating the law and would be subject to removal for making such a contract. If the

attorneys for the House Audit committee knew anything about the constitution of the State of North Dakota at the time, they must have known that they were deliberately misrepresenting Mr. Hagan when they said he had violated that law, because the constitution provides that the law regarding removals does not affect state officials who are elected under the provision of the constitution. Their only purpose in so misrepresenting the law must certainly have been to give ground work for the misleading newspaper stories which immediately followed in the anti-league press of the state. The constitution is very plain and specific as to the grounds upon which impeachment of state officers can be had, and those grounds do not include an honest and legitimate transaction such as took place between the Home Building Association, the Bank of North Dakota, and Mr. Hagan.

POLLARD'S RAKE OFF

Another bit of irrelevant testimony which was introduced before the House Committee apparently with the purpose of making the basis for a newspaper story, was the testimony of Mr. Waters that Pollard claimed to have made a rake off on the purchase of lumber for the Home Building Association. The evidence produced before the Senate Committee clearly shows that all the lumber was purchased at mill prices, being far cheaper than any prices that could be secured from yards within North Dakota. Immediately upon the testimony having been produced before the House Committee the Senate Committee called upon the Attorney General to investigate the charge and if he found any basis for it, to see that the crime was properly punished. However, the papers of the state used the story apparently with the idea that it was something derogatory to the state industries. As far as this committee is concerned we can not see that it reflects in any manner upon the state industries. It, however, if the charge is true, does show that the management of the Home Building Association was justified in firing Mr. Pollard. The witness who testified to this story said in his testimony that when he was told by Mr. Pollard that Pollard was receiving a rake off he said to Pollard in substance: "Red, get yours while the getting is good," and so far as this committee is concerned there is no record of the witness Waters ever having made any effort to have Mr. Pollard apprehended for the crime which he confessed to Mr. Waters. In view of his failure to attempt to have a warrant issued for Pollard, or report the matter and of his comment which he admits he made to Pollard, the Committee seriously doubts the truth of the statement made by him and further than that can not see how it is in any manner derogatory to the management of the state industries.

SHOULD THE INDUSTRIAL COMMISSION TELL THE TRUTH TO THE PEOPLE

Immediately upon these false and unfounded attacks being made by the Twitchelite politicians and anti-league press upon the state industries, in an endeavor to destroy them, the Industrial Commission began publishing a series of advertisements telling the truth about the real situation of the state industries in North Dakota. The House Auditing Committee took this matter up for investigation and tried to make

it appear that the Industrial Commission was hiding the fact that it was doing the advertising, when the evidence actually showed that each advertisement carried the name of the Industrial Commission in large print. The House Audit Committee, through its attorneys, attempted to show that the Industrial Commission had no right to do such advertising. The Industrial Commission justified their position by showing that under the law they had the authority to so advertise, and further that if they failed to protect the industries which the people placed in their charge, they would be derelict in their duty. When the story came out showing that the First National Bank of Fargo did not have as high a percentage of liquid assets as the Bank of North Dakota, the First National Bank of Fargo immediately published a full page ad telling about how sound they were financially. In other words the contention of the House Auditing Committee was that the state industries must suffer the attacks of the enemy without answering them, while privately owned business has the right to advertise at any time to explain its position. Clearly in the opinion of this Committee it was the duty of the Industrial Commission to present the real facts to the public of the State of North Dakota.

SALE OF BONDS

Another charge which has been made before the House Committee and which was made in the Bishop, Brissman report is that the bonds of North Dakota should have been sold.

The Committee finds that on Sept. 23rd, 1919, a contract was entered into by and between the William R. Compton Investment Company and Halsey Stuart and Company and the Bank of North Dakota, which contract was approved by the Industrial Commission, whereby the said William R. Compton Investment Company and Halsey Stuart and Company agreed to buy two million dollars of bank series bonds and one million dollars of real estate series bonds to be dated November 1st, 1919, to bear interest at 5 per cent, all of said bonds to be delivered and paid for on or before January 1st, 1920, and that the said contract provided for a further option on any additional issue of real estate series bonds and any of the mill and elevator series bonds for a period of six months, the purpose of this option being to protect the purchasers in establishing and maintaining a market for the three million dollars of bonds then being purchased and also to permit the purchasers to establish with the Bank a relation of bankers or fiscal agents for the sale of all North Dakota bonds then authorized (towit: ten million dollars of Real Estate series bonds, and five million dollars of Mill and Elevator bonds in addition to two million dollars of Bank series bonds.)

That prior to the delivery of the foregoing bonds their legality was to be approved by Mr. John C. Thompson, Attorney, of New York, and Judge Chas. B. Wood, Attorney, of Chicago, for which the Bank was to pay charges not to exceed the sum of \$1,500, the purchasers to pay any charge in excess thereof. Prior to the entering into of this contract the constitutionality and legality of these several issues of bonds had been contested in a suit known as the Forty-two Tax Payers suit, which had been decided favorably to the state by Judge Amidon in the United States District Court for the

District of North Dakota and was at that time pending before the United States Supreme Court on appeal, all of which was well known to the purchasers of the bonds.

From informal discussion of the validity of the bonds between purchasers and one of the attorneys above named, the purchasers expressed themselves that a favorable decision would be rendered by the United States Supreme Court, nevertheless, when requested to submit a formal opinion the attorney decided that it would not be wise to do so while their validity was judicially undetermined. The decision of the United States Supreme Court was not handed down until June 1st, 1920. In the meantime the purchasers determined that they should be relieved of their contract, by reason of the refusal of the bond attorney to render the decision when requested.

In the meantime the bond market had resolved itself into higher interest rates so that as favorable rate as 5 per cent could not then be obtained, and from the time of the handing down of the decision of the Supreme Court on June 1st, 1920, until the present time, there has not been a bond market that would justify the hope of disposing of the bonds except at a rate very much in excess of the rate of 5 per cent, and through adverse publicity and vicious and misleading statements as to the credit of the state, a market for the bonds has not been found at any rate within the limits fixed by law.

During the dependency of negotiations for the sale of the bonds and during the time that the Forty-two Tax Payers case was on appeal before the United States Supreme Court there seemed to be a reasonable presumption that the bonds would be sold at a rate favorable to the state, and that the Bank was justified in negotiating such farm loans as could reasonably be expected to be covered by bonds to be sold. During this period there was an influx of foreign money arising from payment of taxes by nonresidents (to wit: Railroad taxes, Standard Oil taxes, other Foreign Corporations taxes and Nonresidents Land Owners taxes) to such an extent as to permit investment of large amounts of money in farm loans without depleting the revenues derived from taxes within the state.

At all times the placing of farm loans was kept well within the legal limitation of 20 per cent of deposits and 30 per cent of the capital of the bank, in fact, did not reach the limit of 20 per cent of the deposits alone.

Had the bonds been sold within the reasonable expectations of the officers of the bank after the decision of the Supreme Court of the United States, ample funds would have been derived to take up all existing farm loans held by the bank.

The failure to sell the bonds at a favorable rate up to the present time has been solely attributed to the institution and prosecution of the Forty-two Taxpayers suit and to the vicious attacks and pitiless publicity by citizens within and without the State of North Dakota in the public press and otherwise upon the Bank of North Dakota. It appears from evidence which has been introduced that it is the opinion of some of the best bond attorneys of the United States that the

true cause of the failure to sell the bonds of the State of North Dakota is attributable to the Forty-two Taxpayers suit and the pitiless publicity that has been given this matter in the public press. It is the opinion of the committee that had these bonds been sold in conformity with the original contract made and entered into, there would have been by this time received in the state not only the three million dollars covered by such contract but a vast amount of additional money, which would have been derived from the sale of additional bonds up to the limit authorized by law, all of which would have inured to the great benefit of the State of North Dakota and to her citizens.

After the most careful, thorough and painstaking investigation that was possible in the period of time allotted this Committee after examining all of the testimony introduced both in the House Auditing Committee and in this Senate Committee; all of the exhibits introduced before both committees, the Industrial Commission report; the Bishop, Brissman report; the analysis of Mr. Temple on those reports, as well as the analysis of Mr. Temple's testimony by M. W. Thatcher; this Committee has come to the following conclusions:

1. That all funds in the state industries were duly accounted for.
2. That the state industries were not only self-sustaining during the period of their operation up to December 31st, 1920, but showed an actual profit on their operation of \$217,111.09, this amount being the net profit of all the state industries after deducting the losses that occurred in the Drake Mill and the Fargo Mill and Elevator office, as well as the deferred asset in the Home Building Association. It is very apparent to this Committee that the House Committee will in its report endeavor to ignore the earnings made by the state industries as a whole and will endeavor to set out most prominently the losses which occurred in the Drake Mill and the Fargo office of the Mill and Elevator Association as well as the deferred asset in the Home Building Association, but that is not a fair handling of the business management and administration of the state industries by the Industrial Commission, for they should all be taken under consideration in one statement.
3. That this remarkable success in the first year of the establishment of the great state industries has been made in the face of the most terrific concentrated financial and political attacks both from the platform and the pulpit, and in the press, that the United States has ever seen made against any program of progress.
4. The investigation has merely again revealed the fact that the opposition to the progress of state industries in North Dakota have no intention of any fair presentation of the facts, that their purpose only is to gain political advantage even at the cost of misrepresentations and deceit to the people of the State of North Dakota.
5. Two witnesses have been produced before the House Committee both of whom have given testimony, the purpose of which has been to discredit as much as possible the indus-

trial program and all who have been connected with it. Those two witnesses are J. W. Brinton and J. R. Waters and we are considering their testimony together because it manifestly appears that they have entered into a conspiracy to perjure themselves in order to discredit the farmers movement in the State of North Dakota. These men at one time were the trusted servants of those who have been instrumental in promulgating what is known as the Industrial Program of the Farmers of the State of North Dakota. They enjoyed the confidence of such faithful servants of the people as Lynn J. Frazier, William Lemke and John Hagan. They were apparently heart and soul for the program until it was discovered by those who were charged with the responsibility of that program's success, that they were using the position they occupied to further their own interests. It was selfishness that actuated those two men. They were not in the movement because they believed in it, but for personal aggrandizement. As soon as their true nature was discovered their connection with the political organization with which they were affiliated was severed by requests for their resignations. They were traitors to the cause that they were supposed to espouse. As soon as they found that they could no longer deceive those who trusted them and their services were no longer wanted, they commenced a system of attack on the Nonpartisan League and those connected with it. While they were in the League and before their perfidious characters had been discovered, they seemingly stood for the program, but they were no sooner out than they commenced to concoct every conceivable scheme to undermine and destroy the foundations of the Industrial Program which had been enacted into law by the people of the state. J. R. Waters was the last one of the two to quit. He severed his connections with the Bank of North Dakota on the 1st day of April, 1920. His resignation was requested. That resignation has been offered in evidence here. His genuine signature was affixed to that resignation. It was claimed by Waters that the resignation was a forgery.

It was so heralded by him in a letter which he caused to be published in the Fargo Forum. It was so claimed by him in his testimony before the House Committee. This is absolutely false. The signature attached to that resignation is unquestionably the signature of J. R. Waters. From an examination of several signatures shown in evidence the committee is satisfied beyond a reasonable doubt that Waters signed that resignation. Just as soon as this resignation was signed the co-conspirator of Waters, J. W. Brinton, wrote a letter to the Governor of the State in which he severely criticized the Bank of North Dakota and J. W. Cathro. We find that this letter was written not for the purpose of aiding the Industrial Program nor from good motives on the part of Brinton but simply for the purpose of revenge for the discharge of Waters and to seek to prejudice the Industrial Commission against Mr. Cathro, Director General of the Bank of North Dakota. It appears that this letter was the joint production of the two men we have under consideration. From that time on these two men have been affiliated with the enemies of the League Program. And most of the campaign "thunder" that has been printed in the papers antagonistic to the Industrial Program has been furnished by

these two men. On their false testimony has been based a large part of the criticism of the Bank of North Dakota. J. W. Brinton has charged Mr. Cathro with embezzlement and his charge has been conclusively established to be without foundation. Waters has charged that Cathro sent large sums of money as redeposits down to the Scandinavian-American Bank at Fargo from the Bank of North Dakota and by Waters' own letters it conclusively is established that such moneys were sent down by Waters himself. On every material matter the testimony of these two men has been shown to be false. By the overwhelming testimony and the facts and circumstances shown before this committee it appears that these men have perjured themselves.

It is a rule of law that where a witness has testified falsely as to any material fact in a matter under investigation, we have the right to disregard all the testimony of such witness unless his testimony is corroborated by other credible evidence in the matter under investigation or by facts and circumstances proven. Applying such rule to the testimony of Waters and Brinton we feel that they having testified falsely upon several material matters that their testimony is absolutely unworthy of any credence whatsoever and should be totally disregarded.

6. It is the opinion of this Committee that the whole purpose of the House Auditing Committee investigation and of the attacks now being made upon the Bank of North Dakota is to destroy the entire Industrial Program. Your Committee is absolutely satisfied beyond question that a well organized conspiracy exists to bring about the destruction of the entire Industrial Program and that the enemies of the program realize that if they can destroy the Bank of North Dakota the program will die. Knowing this they claim to be friends of the Mill and Elevator, while at the same time they strike at the very heart and life blood of the Mill and Elevator program by attempting to destroy the bank. If the Industrial Program is to continue and go on it is the opinion of your committee that the Bank of North Dakota must be held intact at all costs.

7. This Committee does respectfully recommend that the Industrial Commission prepare and distribute broadcast to the people of the State of North Dakota a careful analysis of this report and the documents upon which it is based. We request that this be done in order that the people of the state may learn the truth about their state industries, and we further suggest that the expenditures made for printing and distribution be taken out of the appropriation heretofore made for the Industrial Commission of the State of North Dakota.

Respectfully submitted,

SENATE SPECIAL COMMITTEE,

A. A. LIEDERBACH,

B. F. BAKER,

W. J. CHURCH,

Majority Members.

SUPPLEMENTAL REPORT

We find from the evidence in this case that on or about the 17th day of February, 1921, a subpoena duces tecum was served on William Lemke, one of the members of the Industrial Commission; that said subpoena required him to bring before the House Audit Committee all of the records of the Drake mill. Mr. Lemke made inquiry of E. G. Lee, who was here in Bismarck representing Bishop-Brissman & Company, as to what records he desired, and Mr. Lemke was given a specific description of the records which he was required to produce. On the 17th day of February, 1921, Mr. Lemke sent a telegram to the Drake mill, requesting that such records described by Mr. Lee be forthwith forwarded to him. That said records were forwarded to Mr. Lemke and by Mr. Lemke turned over to Mr. Paddock, who produced such records before the House Committee and testified as to the identity of such records, and no further on other records than those produced by Mr. Paddock were required or asked for by said House Audit Committee or its attorneys. Both Mr. Sullivan and Mr. Murphy of the House Audit Committee informed Mr. Sinkler, who represented Mr. Lemke, on the 17th day of February, or thereabouts, that they did not desire the presence of Mr. Lemke but that they did want the records which had been described by said E. G. Lee. On said date Mr. Sinkler called Mr. Lemke over the phone at his office, where he was engaged in the preparation of the Railroad Rate case, and told him that he did not need to appear and that the Committee did not want him to appear at that time.

We further find that Mr. Lemke and Mr. E. R. Sinkler appeared before the House Audit Committee the day after one J. W. Brinton had completed his testimony before said House Audit Committee and demanded of the committee and the attorneys for the committee that William Lemke be permitted to go upon the witness stand for the purpose of refuting the testimony which had been given by said J. W. Brinton, and that Mr. Sinkler and Mr. Lemke were informed that they could not hear Mr. Lemke at that time but would call him later and notify Mr. Lemke or Mr. Sinkler when they would be ready to hear his testimony. That since said time they have not notified either Mr. Lemke or Mr. Sinkler of a time when Mr. Lemke could be heard and give testimony before said House Audit Committee.

We further find that the failure of the House Audit Committee to notify Mr. Lemke of a time when he could appear before them to refute the testimony of said J. W. Brinton appears to be an intentional effort on the part of said House Audit Committee and its attorneys to allow the malicious, false and scurrilous testimony and attack of said J. W. Brinton to be sent out over the state and published in the state newspapers without refutation.

A. A. LIEDERBACH,
B. F. BAKER,
W. J. CHURCH,
Senate Special Committee.

REPORT OF MINORITY MEMBERS OF SENATE AUDIT
COMMITTEE

The business of this committee, as set forth in the several resolutions adopted by the senate, was to determine whether or not the report of the audit of state industries submitted by Bishop Brissman & Co., was political or not. It was not the intention of the Senate that this committee should go outside of that field, as the following resolutions clearly disclose:

IN THE SENATE
SEVENTEENTH LEGISLATIVE ASSEMBLY
STATE OF NORTH DAKOTA

January 7, 1921.

RESOLUTION.

Introduced by Mr. A. A. Liederbach.

WHEREAS, The House of Representatives of the Seventeenth Legislative Assembly did on the 6th day of January, A. D. 1921, pass and adopt a resolution which is hereinafter set forth:

THEREFORE BE IT RESOLVED, That the House of Representatives of the Seventeenth Legislative Assembly do hereby direct and order its chief clerk, to file a formal order in the name of the House of Representatives of the State with the accounting firm of Bishop, Brissman & Co., through their representative J. A. Cull of Fargo, N. D., forthwith to deliver to the Speaker of this House, a correct and complete copy of the result of their examination and audit as soon as their findings have been compiled and that said firm of accountants be urged to complete their report as speedily as possible;

Also that the chief clerk be and is hereby ordered to file with His Excellency the Governor a formal request that the House of Representatives be furnished with a copy of the report now being compiled by the accounting firm of Bishop, Brissman & Co., without unnecessary delay;

Also that the order on the representative of the firm of Bishop, Brissman & Co. be served by telegraph and a copy of special messenger and a notice of said order also be given the main office of the accounting company at St. Paul by telegraph and a copy thereof be forwarded to said office by registered mail. That the request on the Governor be delivered by a special messenger immediately upon the adoption of this resolution; and.

WHEREAS, It is just as important that the Senate of the Seventeenth Legislative Assembly of the State of North Dakota be fully informed concerning the state industries as that the House should be so informed so that they may know all of the facts concerning the state industries and the purported audit said to have been made by the Bishop, Brissman & Co., of St. Paul, Minnesota; and

WHEREAS, It appears that the resolution introduced in

the House should have been a concurrent resolution so that the Senate also might have a copy of said report, and that the resolution was purposely not a concurrent resolution because a certain faction in the House did not desire that the report should be given fair consideration by both houses of the legislative Assembly but should be treated as the partisan wishes of the majority in the House dictated:

NOW, THEREFORE, BE IT RESOLVED, That the Senate of the Seventeenth Legislative Assembly do hereby direct and order the secretary of the Senate to file a formal order in the name of the Senate of the State of North Dakota with the accounting firm of Bishop, Brissman & Co., thru their representative, J. A. Cull, of Fargo, North Dakota forthwith to deliver to the president of this Senate a correct and complete copy of the result of their examination and audit as soon as their findings have been compiled. Also that they produce for examination by the members of this Senate and the Chairman of the Board of Auditors of the state of North Dakota as referred to in Section 369 of the Compiled Laws of North Dakota for the year 1913 as amended, before the Senate sitting as a committee of the whole all of the persons that were engaged in making the examinations upon which said report is based and all of the persons who assisted in any way in making up the report.

Also that the order on the representative of the firm of Bishop-Brissman & Co. be served by telegraph and a copy by special messenger and a notice of said order be given the main office of the accounting company at St. Paul by telegraph and a copy thereof be forwarded to said office by registered mail.

January 11th, 1921.

Senator Liederbach introduced the following resolution:

WHEREAS, The House of Representatives passed a resolution asking that the auditing firm of Bishop, Brissman & Company shall submit its report and audit of the Industrial institutions of the state to the Speaker of the House and whereas the Senate passed a similar resolution requesting Bishop, Brissman & Company to submit its audit and report to the Senate and to submit at the same time for examination the persons who made such audit; and

WHEREAS, by initiated measures the people of this state passed a law which cannot be amended, or changed or repealed by resolution or either house except by a bill properly introduced and passed by a two-thirds majority of all members elected to both houses and the approval by the governor, which makes the State Auditors the proper parties to whom such audit is to be reported.

Therefore, I move that the president of the Senate appoint a committee of three to confer with the Auditing Board and make arrangements for receiving the report and for the examination of the members of the Bishop, Brissman Company who made the audit so that the truthfulness and correctness of said audit may be confirmed and so that the body and

the people of the state may know whether this was an honest attempt to make an audit or a political audit for the benefit of a political faction. Nothing in this resolution shall change or affect the resolution heretofore adopted on this subject.

January 26th, 1921.

REPORT OF SPECIAL COMMITTEE SELECTED TO REPORT ON AUDIT OF STATE INDUSTRIES

Beg leave to report: That report as being filed is very voluminous and incomplete as to the Mill and Elevator at Drake, Home Building Association and Workmen's Compensation Bureau and the only industry that has a complete report made of its operations is the Bank of North Dakota, the Workmen's Compensation Bureau, where every courtesy telligently on the report, as filed, so we are asking for more time and we recommend that a permanent committee of five members, three from the majority and two from the minority, be appointed by the president of the Senate to cooperate with the State Auditing Board in the investigation of the audit report of Bishop, Brissman & Co., and its contents, and to report its findings to the Senate of the Whole, so the Senate can then examine any witness or official they deem advisable and that this committee have authority to hire such attorneys and accountants as is necessary to get a true, unbiased and correct report at the least possible expense to the taxpayers of the state.

A. A. LIEDERBACH,
W. J. CHURCH,
FRANK E. PLOYHAR,

Committee.

January 26th, 1921.

The president appointed as a special committee to consider the auditor's report submitted by Bishop, Brissman & Co., Senators Liederbach, Ployhar, Church, Baker and Murphy.

At no time during this entire investigation, which has been conducted in channels remote from that prescribed by the senate, has any evidence been produced or any information placed before this committee that would lead the minority members thereof to conclude that the audit is anything other than a fair and accurate audit of the accounts of the state departments with which the audit was concerned, namely, The Bank of North Dakota, the North Dakota Mill and Elevator Association, and the North Dakota Home Builders association.

The audit report itself is the best evidence of the fact that political considerations in no manner entered into the case. The commentary sections of the reports are those usually found in reports covering business such as were audited in this instance.

The only question of accuracy that has been raised is in connection with the affairs of the flour mill operated under the direction of the North Dakota Mill and Elevator association at Drake. Stress has been laid by the attorneys of the industrial commission, and the accountant employed by the

Industrial commission, who have at all times been in com- upon certain phases of the report of Bishop, Brissman & Co., on the Drake Mill. Because of that fact, it is only right that the report of Bishop, Brissman & Co., on the Drake mill should be quoted insofar as it relates to the conditions under which the audit was made. These sections of the Drake mill report are quoted for the purpose of indicating that in the event there are errors of any nature whatsoever in the Drake mill audit, the reasons therefor can be made understandable. The following is what Bishop, Brissman & Co., say in their report of the circumstances under which their work at Drake was conducted.

"We profoundly regret that we were unable to prepare and present Balance Sheet and Operating Statement of the North Dakota Mill and Elevator Association, for the following reasons; the limitation of time imposed for the completion of the field work by December 31, 1920. The fact that the records maintained at Drake, N. D., pertained only to the operations at the Drake Mill and did not include the operations at Grand Forks and the general office at Fargo. We were advised that additional records were also maintained at the Grand Forks and Fargo offices, but these could not be examined by us, as is explained herein.

"The general ledger at Drake was not posted to date of close of audit, but only to November 13, 1920. We took off trial balance of the said general ledger as at November 13, 1920.

"The trial balance included 'storage' accounts which represented the accounts of the flour consigned and remittance therefor by the consignees, when the flour was sold, and at the market prices as at date of sale.

"We requested Mrs. Kellar, the bookkeeper, to furnish us with the original reports from the consignees of these consignment sale, and were informed by her that these records were either at the office of the Association at Fargo, or at the office of the Industrial Commission at Bismarck, and that none of the transactions of correspondence in connection with the consignment sales were in the Drake office or in her possession at that time.

"We inquired of the Secretary of the Industrial Commission at Bismarck for these records, and were advised that all of the record of the North Dakota Mill and Elevator Association were either at the Drake Mill or at the offices of the Association at Fargo or Mill Office at Grand Forks.

"We inquired for these consignment records at the office of the association at Fargo. Mr. McGovern's secretary, Mrs. Dodd, informed us that Mr. McGovern was absent from the city at the time; and in regard to the consignment sales records, that no such records were at the Fargo office but that weekly reports were made by the consignees to the office at Drake or to the Industrial Commission's office at Bismarck.

"Mrs. Dodd also informed us that the bookkeeping records of the Fargo office has been turned over to the Equitable

Audit Co., for audit the latter part of the preceding month, and to the best of her knowledge, were still in their possession.

"We next inquired of Mr. Darling, the representative of the said Equitable Audit Co. then at Bismarck, if he knew where these records were obtainable, and were advised by him that part of them were in a suit case of his locked up in Fargo, and that the remainder were in his possession at Bismarck; that the records were in confused condition and he had been engaged in endeavoring to straighten them out, when he was called away from Fargo. We asked if it would be possible to get an order from him for the records at Fargo, and were informed that nobody but himself could get at them.

"We next inquired of the manager of the Consumers United Stores Company, at Fargo, to whom we were referred by Mrs. Dodd. The reason for this call was that this company by the records at the Drake Mill, represented the greater portion of the consignments and it was considered probably might be able and willing to furnish us with desired information and verification of the consignments to this company. He advised us that reports were sent to the mill at Drake with every remittance as made. We asked if we might receive or make copies of such reports from his record, and he advised us that he had no authority to give us such information.

"We next inquired of Mr. Paulson, manager of the mill under construction at Grand Forks, if any records of consignment sales were at his office, and he informed us that there were none.

"It will be apparent that these records of consignment sales are absolutely necessary for the production of correct statements of financial condition and earnings. The records at Drake, as produced and examined, reflected the remittances only in cash amounts. Such consignment sales reports would afford not only verification of such consignments and remittances, but would supply the following necessary information not otherwise available:

- 1—Quantities of flour sold by consignees;
- 2—Resulting quantities of flour on hand by consignees unsold as at date of audit.
- 3—Dates of sale and corresponding market prices.
- 4—Amount of freight or other charges paid by consignees and surcharged the mill.

"Such information is necessary for the following analyses and verifications:

- 1—Acknowledgment by consignees of quantities of flour received, sold, and on hand as at date of audit.
- 2—Comparison and authentication of sales prices reported with current market prices.
- 3—Computation and verification of actual profits or losses to the mill covering the consigned sales.

4—The asset valuation on balance sheet of unsold consigned product.

"On December 31, 1920, we were advised by the secretary of the Industrial Commission that 'A proper audit of the association requires a physical inventory of the mill products at Drake and all consignment points' and that 'No audit is worthy of the name unless based upon physical inventories.'

"Physical inventory of the product at the Drake mill, unsold and unconsigned as at date of audit had been duly taken, as already mentioned in the within report.

"We wish to make clear and emphasize the fact that goods out on consignment are not verified by physical inventories but by examination of the records, supported by the acknowledgment of the consignees.

"Not only would it be clearly impossible to take the physical inventory of all goods out on consignment at a certain date at many and widely scattered stores of all possible consignees, but such a physical inventory would be valueless. Not only would it be impossible to identify the items and quantities represented in such consigned goods on hand, but there would be no means of determining whether such goods had not been sold and remained undelivered, or the extent of goods in transit, if any.

"In the within report we have confined ourselves to presenting only the transactions and information subject to verification by us and from the records available for examination.

"We regret that we are unable to present a complete and comprehensive report of Financial Condition and Operating Results, due to the deficiency in the records available.

"Contrary to our experience in the examination of the Bank of North Dakota, the Home Building Association and Workmen's Compensation Bureau, where every courtesy and cooperation was extended, we regret to report that we failed to receive such customary assistance in facilitating our work and in availability of the necessary records in this examination, except on the part of Mr. W. H. Hibbard, manager."

This policy of withholding records apparently was not confined to the time that the principal audit was under way, but has been maintained ever since then, and up to within the last few days when at least one accountant engaged on the work of completing the audit in Bismarck was given practically no opportunity to work on the accounts, for the reason that he was placed under subpoenae of this committee.

While considering the question of politics, the minority of your committees would turn attention for just a moment to the conditions under which this committee has operated since its establishment. The salaries and other expense of the court reporters who were employed to report the pro-

ceedings have been paid by the industrial commission, the affairs of which commission were presumed to be under investigation. The secretary of the industrial commission, H. A. Paddock, has been in absolute charge of the examination of the witnesses that were before the committee, assisted by E. R. Sinkler, the appointee of the Attorney General Lemke who is himself a member of the industrial commission, and whose conduct while a member of the commission and prior thereto, when he was exercising a power over the affairs of the commission, has been a subject of inquiry. Furthermore, the accountant whose services and advice this committee has relied upon, is M. W. Thatcher, constantly employed by the industrial commission during the entire period over which the inquiry has extended.

While it was not within the scope of the committee, as created by the senate, to wander into fields remote from that to which it was assigned, the fact that the committee has seen fit to engage itself with issues entirely foreign to the question of whether or not the Bshop, Brissman & Co. audit was an honest audit or a political audit, the minority of your committee will discuss briefly the things that have been developed. In this connection, the minority is basing its conclusions not only upon the matter brought to public attention through the hearings held by the senate committee, but it takes into consideration also the proceedings had by the audit committee of the house of representatives, for it has been repeatedly stated during the sessions of the senate committee, and is a matter of record, that it was the intention of the members of this committee to so consider the whole case.

Here, then, are the conclusions of the minority members of this committee:

THE SENATE COMMITTEE HEARINGS.

The general purpose of the hearings has been not so much to investigate the affairs managed by the Industrial Commission, but to seek to impeach the testimony given by citizens, rather than to determine whether or not the conditions laid before the committee in fact existed.

The hearings have been directed throughout by the employees of the Industrial Commission, the official body whose operations were presumed to be under investigation.

No effort has been made to determine whether or not politics have entered into the conduct of the several departments under the management of the industrial commission; evidence tending to show the real condition of the state institutions managed by the commission has been ignored, and every possible step has been taken to cover up the shortcoming of the commission.

THE INDUSTRIAL COMMISSION:

Actions of the industrial commission, since its establishment in March, 1919, have been governed almost wholly by political considerations.

Commission members were chargeable with the conduct

of the Bank of North Dakota over the whole period since its organization, and during which public funds have been handled in such manner that the bank is not able today to meet demands made upon it by depositors, and it has approximately a million dollars of public moneys in insolvent banks on which the state cannot realize for many years.

Commission members are directly, responsible for the fact that nearly a half million dollars of public money was placed in the Scandinavian American Bank of Fargo, an institution controlled by the Nonpartisan League, and which was recently closed by order of the state bank examiner. The governor of the state was appraised more than a year and a half ago of the condition of the Fargo bank, and since October 22, 1919, though having knowledge of its condition at that time permitted the Bank of North Dakota to place more than \$160,000 of additional public funds in the institution with the result that when it closed, the state bank had between \$400,000 and \$500,000 in redeposits or loans to the bank.

At least one member of the commission, John N. Hagan, has made contracts with departments under the direction of the commission, namely the Bank of North Dakota and the North Dakota Homebuilders Association, through which he has personally profited, this notwithstanding the fact that the state law specifically provides that members of boards must not, on pain of removal from office, enter into contract relationship with the state institutions of which they are officers. The recent advent of Wm. Lemke to membership on the industrial commission places him in a like position by reason of the fact that he, too, holds a contract with the North Dakota Homebuilders association over which he now exercises official authority.

The industrial commission, members permitted the Bank of North Dakota to handle public moneys in such manner as to finance political operations of the Nonpartisan League. They are directly responsible for the fact that a group of favored banks have been given large sums of public moneys either in the form of redeposits or loans, with the understanding that certain favored Nonpartisan League subsidiary corporations, such as the newspapers, stores, etc., should be extended credit by the favored banks.

Permitted the employment in the Bank of North Dakota of a policy of favoritism in the distribution of public funds to private banks that is largely responsible for the fact that today the Bank of North Dakota cannot meet its obligations.

Failed to establish proper control over the North Dakota Home Builders' Association, with the result that today its affairs are hopelessly muddled.

Appointed officials to manage the Drake Flour Mill and approved contracts between that mill and private merchants of the state, especially with the Consumers United Stores Company, which is a subsidiary corporation of the Nonpartisan League, with the result that serious losses were sustained by the state.

Countenanced a policy in the Bank of North Dakota by which approximately \$2,000,000 of the live claims totalling \$5,200,000 against solvent banks are against a group of 37 banks, most of these banks being classed as "league banks", or at least "friendly" in a political way.

Approved and permitted officials of the Bank of North Dakota to so deposit public funds in private banks with the result that today approximately \$1,400,000 of these funds are tied up in insolvent banks, the Scandinavian American Bank of Fargo, controlled by the League Exchange, another Non-partisan League subsidiary corporation, affording the most notable instance of this policy of favoritism.

Permitted the Bank of North Dakota to so handle the funds under its direction that approximately \$2,700,000 is invested in 30 year farm mortgages, and the commission did itself transfer \$1,185,000 of the public funds to industries under its control, with the result that today there is \$5,285,000 of public funds that must be looked upon as "frozen" the \$1,400,000 in insolvent banks entering into this computation.

The commission engaged in a transaction for the handling of the North Dakota bonds, bank series, by which the state turned \$2,000,000 of such bonds over to the Bank of North Dakota and is today obligated to the bank in that amount, though the state has at no time received any consideration for the bonds so transferred.

Permitted the Bank of North Dakota officials to make re-deposits of public funds in private banks without consideration as to the solvency of the banks in which the money was being placed, and without consideration as to their safety as disclosed by the fact that today, out of about \$6,650,000 of claims carried by the bank's own statement against private banks, \$1,400,000 is in closed banks. In other words, 20 per cent. of all claims against banks lie against insolvent banks, while 30 per cent of all the claims held by the Bank of North Dakota lie against a number of private banks that have been favored with excessive re-deposits or loans for political considerations only, and with no thought as to the ability of these bank to repay to the Bank of North Dakota the money due.

Countenanced the policy by which the Bank of North Dakota is holding as collateral to loans to banks, notes that are purely political in character; notes that are described as "accommodation" notes only, given by makers who received no consideration themselves.

These conclusions, which are respectfully submitted for your consideration, are based, as previously stated, not alone upon the few matters that were brought to the attention of the senate committee direct, but by consideration also of the testimony placed before the committee of the House of Representatives which the record of this committee discloses it was intended to consider in the compilation of the report.

FRANK E. PLOYHAR,
P. J. MURPHY.

Bismarck, N. D., Feb. 1, 1921.

The Honorable House of Representatives,
Seventeenth Legislative Assembly,
State of North Dakota.

The Industrial Commission of North Dakota, knowing that every tax payer in the state of North Dakota is vitally interested in the state industries and that every member of the Legislature of the State North Dakota is vitally interested in the state industries, does respectfully submit herewith a true and correct triplicate original of the report of the Industrial Commission of North Dakota, this day filed with the Secretary of State of the State of North Dakota.

Very truly yours,

THE INDUSTRIAL COMMISSION OF NORTH DAKOTA.

By H. A. PADDOCK.

(SEAL)

As its Secretary.

Bismarck, N. D., Feb. 1, 1921.

The Honorable Senate,
Seventeenth Legislative Assembly,
State of North Dakota.

The Industrial Commission of North Dakota, knowing that every tax payer in the state of North Dakota is vitally interested in the state industries and that every member of the Legislature of the State of North Dakota is vitally interested in the state industries, does respectfully submit herewith a true and correct triplicate original of the report of the Industrial Commission of North Dakota, this day filed with the Secretary of State of the State of North Dakota.

Very respectfully yours,

THE INDUSTRIAL COMMISSION OF NORTH DAKOTA.

By H. A. PADDOCK.

(SEAL)

As its Secretary.

Bismarck, N. D., Feb. 1, 1921.

Secretary of State of the State of North Dakota:
Bismarck, North Dakota.

Dear Sir:

You are hereby requested to file in the office of the Secretary of State of the State of North Dakota the report of the Industrial Commission of North Dakota, for the calendar year 1920, which is herewith submitted in accordance with the provisions of section 6 of Chapter 151 of the Laws of North Dakota for the year 1919.

Very truly yours,

THE INDUSTRIAL COMMISSION OF NORTH DAKOTA.

By H. A. PADDOCK.

(SEAL)

As its Secretary.

INTRODUCTORY

The annual report of The Industrial Commission for the year ended December 31st, 1920 is submitted herewith, together with statements covering the various activities and appropriations as indexed below, with commentary immediately following the exhibits thereon.

INDEX

- Exhibit I Summary showing results of the State's Industrial Program to December 31st, 1920.
- Exhibit II Statement of General Fund of the mill and elevator association, year ended December 31, 1920.
- Exhibit III Balance Sheet—Mill and Elevator Association as at December 31st, 1920.
- Exhibit IV Balance Sheet—Drake Mill, as at December 31st, 1920.
- Exhibit V Income and Profit and Loss Account of the Drake Mill for year ended December 31st, 1920, together with a statement of expenses incident thereto.
- Exhibit VI Pay Roll of Drake Mill for year ended December 31st, 1920.
- Exhibit VII Statement of Receipts and Expenditures of the Mill and Elevator Association of Grand Forks, North Dakota for period ended December 31st, 1920 together with balance sheet as at December 31st, 1920.
- Exhibit VIII Balance Sheet of the Bank of North Dakota as at December 31st, 1920.
- Exhibit IX Income and Profit and Loss Account of the Bank of North Dakota for year ended December 31st, 1920.
- Exhibit X Balance Sheet of the Home Builders Association as at December 31st, 1920.
- Exhibit XI Statement of Deferred Expenses as at December 31st, 1920—Home Builders Association.
- Exhibit XII Statement of Home Builders Association Pay Roll, year ended December 31st, 1920.
- Exhibit XIII Statement of The Industrial Commission Appropriation as at December 31st, 1920.
- Exhibit XIV Statement of the appropriation for Lignite Coal Survey as at December 31st, 1920.
- Exhibit XV Statement of Returned Soldiers Fund and the appropriation therewith, as at December 31st, 1920.
- Exhibit XVI Appropriation of Bank of North Dakota as at December 31st, 1920.
- Exhibit XVII Appropriation Home Builders Association as at December 31st, 1920.
- Exhibit XVIII Appropriation for bonds, Bank Series, as at Dec. 31, 1920.
- Exhibit XIX Appropriation for Bonds, Mill and Elevator Association Series, as at December 31st 1920.
- Exhibit XX Appropriation for Bonds, Real Estate, as at December 31st, 1920.
- Exhibit XXI Appropriation for Bonds, Home Builders Association as at December 31st, 1920.
- Exhibit XXII Summary setting forth the result of the State Industries for the eighteen months ended December 31st, 1920.

EXHIBIT I.

The Industrial Program of North Dakota for its entire period of operation is summarized as follows:

1. Bank of North Dakota:

Profits to Dec. 31st, 1920	\$309,967.23
Less	
Appropriation which was used, and which the reserve has been provided as shown by Exhibit VIII	24,108.07
Profit exceeding used appropriation	\$285,859.16
Less	
Paid to the State Treasurer for interest on \$2,000,000 Bank Bonds due Jan. 1, 1921 and July 1, 1921	100,000.00
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	\$185,859.16
Less reserve for depreciation on fixtures	9,860.66
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Bank of North Dakota surplus Dec. 31, 1920....	\$175,998.50
LESS:	
Loss on Drake mill	\$17,668.31
Home Builders Ass'n.	15,000.00
(Deferred Expense)	
Expense of Industrial Commission	11,814.35
Mill and Elevator Ass'n. Field work	15,088.09
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	59,570.75
Total Net Profit of N. D. St. Industries	\$116,427.75

This net profit is over and above all expenses—property depreciation, market losses, organizations and development expenses.

EXHIBIT II

Mill and Elevator Association. General Fund.	Year Ended
December 31st 1920.	
Balance on Hand Dec. 31, 1919....	\$49,236.70
Interest on Deposits	324.06
Unpaid Accounts	270.63
Received from Drake 1919 expense advances	1,142.26
Received on Sale of Bonds	60,000.00
Received on Demand Loans to Bank of N. Dak.	650,000.00
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	760,973.65
Less Expenditures	
Cash Advances to Grand Forks..	905,841.51
Cash Advances to Drake 1920....	48,504.38
Sundry Expense, Drake	11.91
Furniture, Fixtures	22.13
Misc. Expense	112.44
Traveling Expense	907.09
Book-keeper Salary	1,425.00
Manager, Salary	5,000.00
Secretary's Salary	721.56

Postage	44.00	
Mileage	660.00	
Auditing	232.70	
Stationery & Printing	139.44	
Insurance	500.00	
Expenses 1919 paid in 1920	42.40	
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Total expenditures		964,164.56
		<hr/>
Bank Overdraft		203,190.91
Bank Overdraft as above	203,190.91	
Less Outstanding Checks	72,582.77	
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Overdraft shown by Bank of No. Dak.	130,608.14	

This Exhibit represents the general fund of the Mill and Elevator Association and is the control account of the Drake mill, the Grand Forks terminal and the Fargo office of the Mill and Elevator Association.

The Exhibit is self-explanatory with the exception perhaps of the item of traveling expense \$907, bookkeeper's salary \$1425, Manager's salary \$5000, and Secretary's salary \$721.56. The Manager was Mr. J. A. McGovern of Frgo, North Dakota. The Secretary during the period he was retained was Mr. A. W. Luehrs, and the bookkeeper was Mrs. S. Dodd. The item of traveling expense constitutes the expenditures made in transportation by Mr. McGovern.

The only other item which is not self-explanatory is the item of bank overdraft \$203,190.91 and the item of \$130,608.14 overdraft shown by Bank of North Dakota. In other words the overdraft shown by the Bank of North Dakota plus the outstanding checks which have not yet been presented for payment equals the overdraft shown by the general fund of the Mill and Elevator Association.

Referring to exhibit 8, you will find in the assets of the Bank of North Dakota, Mill and Elevator Association overdraft \$130,608.14. Under the law the Industrial Commission and the Bank of North Dakota are authorized to transfer funds to the state industries to be repaid to the bank by such industries. In order that the Commission might at all times know the amounts that were being expended in construction on the Grand Forks project, it was deemed advisable to carry the checks drawn by the Grand Forks, Fargo and Drake businesses as overdrafts and to have the Industrial Commission thereby be kept informed as to the amounts being invested at Grand Forks. Then at the end of different periods the Commission would authorize transfers and the execution of notes therefor. Since Dec. 31st the Commission has authorized a transfer to the Mill and Elevator Association and such transfer has been made and note executed to the Bank of North Dakota for the sum of \$200,000 to take care of the overdraft shown in this exhibit.

EXHIBIT III

Mill and Elevator Ass'n of North Dakota Balance Sheet
Dec. 31st 1920.

	Assets	Liabilities
State of No. Dak. Terminal Elev. Fund		124,322.47
Furniture and Fixtures	444.03	
Grand Forks Mill & Elev. Ass'n. Cash	905,841.51	
Grand Forks Mill & Elev. Ass'n. Int.	13,494.16	
Drake Mill and Elev. Ass'n.	138,504.38	
Accounts Payable		264.63
Interim Receipts covering Bonds sold		60,000.00
Field Dept. 1919-1920-Organization Exp.	15,088.09	
Bank of No. Dak. General Account		203,190.91
Notes payable to Bk. of N. Dak. . . .		650,000.00
Treasury Bonds, Nos. 252 1203 incl. with Bank of No. Dak.	95,200.00	
Bonds executed, Nos. 1-1203 incl.		120,300.00
Accrued Interest on Interim Re- ceipts		1,088.33
Accrued Interest on notes payable.		9,405.83
	1,168,572.17	1,168,572.17

N. B. Whereas the above balance sheet shows an amount due from the Drake Mill, \$138,504.38, it should be noted that this is subject to an accumulated deficit, in amount \$17,668.-31, and which is clearly set forth on Exhibit IV.

Exhibit III is self-explanatory with perhaps one exception, that is, the item which reads: field department 1919-1920 organization expense \$15,088.09. This item constitutes the whole amount expended by the Mill and Elevator Association during the period of its existence, outside of the operation of the Drake Mill and the construction of the Grand Forks terminal. It is the expense of the maintenance of the Fargo office, it is properly an item of deferred expense representing the costs of establishment of the business and in the accounting of private businesses would be carried as a deferred asset to be absorbed over a period of years by the operation of the business. It is carried on this exhibit as a deferred asset, but by referring to exhibits 1 and 22, it will be seen that it has been charged off as an actual loss and not carried as a deferred asset in the manner customary in the accounting on private businesses.

EXHIBIT IV

Mill and Elevator Association, Drake, North Dakota, Balance Sheet as at December 31, 1920.

	Assets	Liabilities
Accounts Receivable	\$10,082.58	
Cash on hand	50.00	
Cash at Bank of No. Dak.	16,162.41	
Cash at bank of Drake	144.39	16,356.80
Inventories: Wheat	4,563.39	
Screenings	712.49	

Sacks	4,371.19		
Bran	1,087.50		
Cereals	54.50		
Supplies	1,000.00		
Shorts	3,562.35		
Flour	15,793.35		
Coal	170.00		
Consignments	29,861.72	61,176.49	
Equity Cooperative Exchange	....	2,452.12	
Claims, Soo line	.....	301.93	
Unexpired Insurance Premiums	..	1,777.61	
Plant and Equipment	.....	30,836.54	
Less Reserve for Depreciation	.....	2,148.00	28,688.54
Advanced from General Fund	....		138,504.38
Deficit as below	.....	17,668.31	
		<hr/>	
		138,504.38	138,504.38
Surplus, reported December 31st			
1919	.....		2,748.23
Interest adjustment	.....		989.71
Loss on Inventory of Consignments due to collapse of wheat prices	..	25,591.36	
Milling Profit for Year		4,185.11
Balance deficit as above		17,668.31
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		25,591.36	25,591.36

N. B. Of the above consignments, \$29861.72, there has been sold \$14,290.15 for which remittances had not been received as at Dec. 31st, 1920.

Bank of No. Dak.
 balance \$16162.41
 Transit items .. 1837.59

As Per Bank's Statement .. 18000.00

The assets shown on this exhibit are carried at their realizable value. Market prices were used for inventories. With the possible exception of consignments at Grand Forks and Bismarck all assets are correctly stated. In those two cases there is a possibility of partial loss, the amount being entirely a matter of conjecture.

A contingent liability is the accrued loss on open trades on December 31st. These trades were converted to March options and are still open at the date of filing this report. They are as follows:

Sold Dec. 1, 1920 4000 bus. Minneapolis March wheat \$1.48¾

Sold Dec. 24, 5000 bus. Minneapolis March wheat 1.61 7-8

Sold Dec. 24th, 4000 bus. Minneapolis March wheat 1.61 5-8

EXHIBIT V.

Mill and Elevator Association, Drake, No. Dak. Income and profit and loss account. Year ended Dec. 31st 1920.

The break in prices was so rapid that grain purchased in the afternoon could not be fully protected by options for frequently the opening price the following morning would be several cents lower.

The Drake mill during 1920 while running manufactured approximately 500 barrels of clear flour per month. Due to little or no demand for clear flour during the market collapse the Drake mill was forced to carry on hand and on consignment about 2500 barrels of clear flour. This represents about 12,000 bushels of manufactured wheat. During this period stocks accumulated in all mills and immediately prices on clear flour fell much lower proportionately than prices of wheat and nearly every mill suffered heavy losses on stocks on hand. In the face of such a condition, hedging with options on wheat was insufficient protection since the price of clear flour fell more heavily than the price of wheat. Clear flour represents about twenty per cent of the flour output of the Drake mill, so the losses resulting from the above conditions affected about twenty per cent of the total flour production.

Between July 15th 1920 and September 19th 1920 no options were sold to cover wheat and flour on hand and on consignment resulting in a loss due to the fall in the price of wheat.

Attention is called to the small manufacturing profit upon the investment and the reasons therefor.

One of the contributing factors to this is the fact that the mill paid from nine to twelve cents above the market for local wheat receipts, local wheat receipts representing approximately forty two per cent of the total wheat ground. The purpose of the purchase and operation of the Drake mill was to learn whether wheat could be purchased for the Minneapolis price less freight while others were deducting an additional nine to twelve cents per bushel for margin or profit and expenses and still operate the mill and produce a manufacturing profit.

Another contributing factor to the small manufacturing profit was the rapid decline in cotton and cotton goods. During the latter part of 1919 and the early part of 1920 it was almost impossible to purchase sacks and be sure of deliveries. Knowing this condition the management anticipated its requirements for a continuous run of the mill and placed orders for the required amount. Its stocks on hand and ordered on December 31st 1919 amounted to over \$17,000. When the bottom fell out in the cotton market the price of sacks collapsed and a decline of approximately forty per cent was sustained. This meant a considerable loss to the Drake Mill.

The most important contributing factor to the small manufacturing profit is the small size of the experimental mill. It is a well known fact among all persons versed in the milling trade that the manufacturing expenses are extremely high in a small mill. Such persons knew that the same amount of expenses for management, superintendents and office, can handle the production of a five hundred barrel mill. The in-

crease in the size of the mill merely requires an additional three or four laborers.

A few figures on the production during the year might be of interest; flour manufactured for the year—23,914 barrels; mill feed manufactured for the year 967 1-2 tons. The yield was four bushel and forty pounds per barrel. The invisible shrinkage was 1.135 per cent.

The experience with the Drake Mill has demonstrated that even with a small mill expensive to operate, the farmer can be paid a price for his wheat higher than the market at elevators, in addition to paying him for his screenings, and flour can be produced at a manufacturing profit which will show a good return on investment. In a large modern equipped mill, such as is being constructed at Grand Forks, vastly better returns are positively assured.

EXHIBIT VI

Pay roll at State Mill, Drake, N. D., Jan. 1st 1920 to Dec. 31, 1921.

	Total of Salary and overtime	Average Salary per month Exclusive of overtime
Harold Heimerdinger, Manager....	640.00	160.00
Fred Heimerdinger, Miller.....	601.46	175.00
Henry Schwerdtfeger, Miller	616.00	175.00
L. L. DeWester, Miller	618.66	175.00
J. H. Miller, Miller.....	1969.95	12 hrs per day 234.00
Bert E. Maxfield, Miller	1647.03	12 hrs per day 226.00
W. B. Hibbard, Manager	1357.67	175.00
A. W. Schwartz, Packer	250.00	104.00
H. R. Hibbard, Packer.....	129.00	104.00
Joseph Kellar, Packer	1163.46	104.00
Orris Iverson, Packer	888.25	104.00
Oscar Christanson, Packer helper..	583.95	156.00
William S. Kellar, Packer		100.00
Manager		175.00
Grain buyer		115.00
Office		115.00
Assistant	1479.33	
Claf Trulson, Engineer	237.95	115.00
Albert Trulson, Engineer	574.86	104.00
Ole Christianson, Engineer	84.75	104.00
P. O. Canestorp, Engineer	131.00	104.00
W. J. Putzke, Engineer	1471.29	104.00
N. P. Anderson, Engineer	1014.70	104.00
Edwin Gerber, Engineer	388.57	104.00
Rose H. Kellar, Bookkeeper and Treasurer	1653.90	125.00

EXHIBIT VII

Mill and Elevator Association, Grand Forks, North Dakota, December 31st, 1920.

Receipts		
Mill and Elevator Ass'n advances..	\$905,841.51	
Industrial Commission ..	2,053.67	
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Total Receipts ..	\$907,895.18	
Expenditures		
H. O. Paulson, Salary.....	1,974.91	
H. O. Paulson Exp. Traveling	78.76	
Labor ..	250,483.93	
Materials net ..	515,430.95	
Sundry Contracts ..	108,619.11	
Advances on Materials ..	17,479.11	
Spur Track ..	13,280.00	
Advances, Railway Fares, Etc. ...	478.91	
Sundry Expense ..	59.50	
Total Expenditures ..	907,885.18	
Balance on Hand ..	10.00	
Balance Sheet, as at December 31, 1920.		
Assets		Liabilities
Mill and Elevator Ass'n., cash		\$905,841.51
Mill and Elevator Ass'n., Interest		13,494.16
Industrial Commission ..		2,053.67
Mill and Elevator Construction ...	921,379.34	
Cash on Hand ..	10.00	
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	\$921,389.34	921,389.34

After extensive investigation by the Industrial Commission, the contract for the engineering work on the mill and elevator at Grand Forks, North Dakota, was let to the Charles L. Pillsbury Co. of Minneapolis and Saint Paul. This company was found to be not only the oldest and largest engineering firm in the Northwest, but to possess a reputation for professional ability and integrity of a high order.

The Charles L. Pillsbury Co. has for more than twelve years done all the engineering work for the Minnesota state institutions, during which time they have planned and supervised all of the modern power plants at those institutions. They have been the engineers on a large variety of industrial plants, municipal and public service plants, and have a business aggregating several million dollars a year.

This company laid no claim to having done very much in the flour mill and elevator line, but as far as the general lay-out, buildings, power plant, electrical work and all details, except the mill and elevator machinery, they had done and were doing a large amount of work of a similar nature, and in many cases on even a larger scale. To supplement their staff to take care of the mill and elevator machinery they offered the commission the best talent available.

For the mill they retained Mr. J. H. Hammil, who no doubt has designed more mills than any other one man in the country. Mr. Hammil designed the mills for the Quaker Oats Company, including the new 3,000 barrel mill at Cedar Rap-

ids, and the 3,000 barrel mill at Peterboro, Canada. He is chief consulting engineer for the Sperry Flour Co., Spokane, that operate seven mills in that territory, and to which he has made extensive additions. The following is a partial list of mills designed by Mr. Hammill in addition to the above:

Gamble Manufacturing Company, Baltimore.....	2,500 bbls
Kooler Milling Company, St. Louis	3,000 bb's
Lake of the Woods Milling Co., Kewatin, Can.....	4,000 bbls
Maple Leaf Milling Co., Kenora, Can.....	2,500 bbls
Maple Leaf Milling Co., Port Colburn, Can.....	4,500 bbls
St. Lawrence Mills, Montreal, Can.....	2,500 bbls
Ontario & Manitoba Milling Co. Sudburg Can.....	1,200 bbls
J. Allen Smith Co., Knoxville, Tenn.....	1,200 bbls
Wells-Abbott-Nieman Co., Schuler, Neb.....	3,000 bbls
Lukena Milling Co., Atchinson, Neb.....	1,000 bbls
Bay City Milling Co., Winona, Minn.....	3,000 bbls
Quaker City Milling Co., Philadelphia.....	3,000 bbls
Louisville Milling Co., Louisville, Ky.....	1,500 bbls
Maple Leaf Milling Co., Medicine Hat, Can.....	1,000 bbls
Marfield Milling Co., Chillicothe, Ohio	1,200 bbls
Pillsbury "A" Mill, Minneapolis	3,500 bbls
Washburn-Crosby "D" Mill, Minneapolis.....	2,000 bbls
Washburn-Crosby "C" Mill, Minneapolis.....	1,200 bbls
Washburn-Crosby "A" and "B" Mills, Buffalo....	20,000 bbls
Sheffield-King Milling Co., Faribault, Minn.....	1,000 bbls

Mr. Hammill as engineer in chief on the committee in charge of mills and milling under the Food Administration, during the war.

In addition, the Industrial Commission has had the mill plans checked by other mill engineers for which the Charles L. Pillsbury Co. has paid the cost under their contract.

For the design of the elevator, Mr. F. L. Hague was selected by the Charles L. Pillsbury Co. as chief designing engineer. Mr. Hague was formerly chief draftsman for the Toltz Engineering Company in charge of the design of the western Maryland Elevator at Baltimore—1,500,000 bushels—The Chicago Northwestern Elevator, Milwaukee—2,500,000 bushels, and the Equity Elevator, Saint Paul.

As chief designing engineer for James Stewart Co. of Chicago, Mr. Hague was in charge of the design of the following terminals:—

	bushels
Northern Central, Baltimore	5,000,000
Baltimore and Ohio, Philadelphia	6,000,000
Cargill Elevator, Minneapolis	1,000,000
Washburn Crosby Co. Minneapolis	2,000,000
Duluth & Superior Elevator	1,000,000
Rosenbaum Bros., Chicago	750,000
Calumet "a", Chicago	1,000,000
Valier and Speer, St. Paul	1,500,000

In addition to Mr. Hague, some of the best elevator engineers in the country were selected as his assistants to work out the details:

Mr. M. E. Crosby, who has been designing engineer with James B. Stewart Co., Barnett & Record Co., J. C. Metcalf Co., Witherspoon, Englar Co., all recognized as the leading elevator engineers and builders in the country.

Mr. H. S. Onstad, designing engineer on a large number of terminals. All the Canadian Government terminals, Port Arthur, Vancouver, Moose Jaw, Saskatoon, Calgary, aggregating 14,500,000 bushels capacity.

	bushels
Canadian Northern, Port Arthur	8,000,000
David Hoon Elev. Fort William ..	1,500,000
Davidson Smith, Port Arthur	1,000,000
Electric Steels, Minneapolis ..	2,000,000
Grand Trunk, Port Arthur	1,000,000

C. R. Conkey, Designing engineer on all the Canadian Government elevators.

International Milling Co., Moose Jaw, Lake of the Woods Milling Co., Saskatchewan Cooperative, Port Arthur, Mutual Elevator Co., Fort William. Western Terminal "A", Fort William, Canada Government R. R. Terminal Elevator, Transcona Canada Government R. R. Terminal Elevator, St. Johns.

C. A. Money, and others, have been called as consultants. Mr. Money has been designing engineer in connection with such terminals as the Girard Point Terminal for the Pennsylvania Railroad 3,000,000 bushels. Sunset Elevator, Galveston, Texas, 2,000,000 bushels. Louisiana St. Terminal, New Orleans, La. 3,000,000 bushels. Chicago Terminal, Chicago, Illinois, 10,000,000 bushels. N. W.

The Industrial Commission has the fullest assurance that no elevator has ever been built that has had more or better engineering talent behind it, and they cannot help but feel that they are getting the best possible design.

The contract for the building was let to the Fegles Construction Company of Minneapolis and Fort Williams as submitting the best proposition. No bids were received on a lump sum basis and the contract was let on the basis of a fixed sum for the contractor's profit, plant and superintendence and a guaranteed cost basis for labor and material, in which the contractor is penalized 20 per cent. for any excess over the bid and given a bonus of 20 per cent. of any saving.

The contractor has had extensive experience in similar work, and has built a number of the larger Canadian terminals, and is himself a mill and elevator man of extensive experience.

All machinery, equipment and materials for the mill, elevator and power plant has been and is being bought on bids in open competition in which everybody having anything to offer is asked to submit a price. Originals of all bids are kept in the office of the commission with detailed tabulation of same made by the engineers.

The Industrial Commission maintains on the job a very de-

tailed system of bookkeeping and cost record. Every item of labor or material, and these is no exceptions to this even down to a penny purchase, is requisitioned on a special form signed by the representative of the engineer, the fiscal agent of the Industrial Commission, as well as the contractor. No money is paid out except on bills or pay rolls accompanied by such requisitions with evidence of service or delivery of the material.

The Grand Forks Terminal Elevator and Mill will include a mill of 3,000 barrels per day capacity, consisting of two 1,000 barre spring wheat units and one 1,000 barrel macaroni unit, with independent cleaning and tempering units for each. The mill building will be 42x160 feet, with eight stories and basement. The construction will be reinforced concrete, with brick and tile exterior curtain walls and metal sash and doors, making a fire-proof structure throughout. On either end of the mill there will be a one-story and basement wing 42-200 feet long, of the same construction as the main building.

The entire first floor of the mill will be used for storage, giving a storage floor of 42x160 feet, with a ceiling 16 feet in height. The packers will be located on the second floor and the sacked flour and other products dropped through the floor near the packers onto belts that will distribute the sacks to any desired location on the storage floor or any loading floor; or the sacks may be shot by gravity direct from the packers into the cars.

The capacity of the storage floor is seventy carloads or eight or ten days grind. There are twelve loading doors on each side with one track on one side and two tracks on the other so that thirty-six cars can be spotted for loading at a time.

Owing to the necessity of keeping stored products at car bottom height the basement will not be used to any considerable extent in connection with milling operations. Except for the fact that the basement can be constructed at comparatively little additional cost on account of its being necessary to go down a certain depth in order to reach durable footings, the basement might have been eliminated. However it will serve excellently for cold storage and general warehouse purposes. Practically the entire 42x560 feet will be available for this purpose with all necessary trackage facilities already in place and cheap power from the mill plant for refrigeration. The entire arrangement of the mill plant is such as to produce the maximum product with a minimum amount of manual handling.

The Storage Plant: The storage plant consists of thirty-two circular bins each thirty feet in diameter and ninety feet deep, having a capacity of 33,000 bushels each, and 21 interspace bins with a capacity of 13,500 bushels each, and 21 a total storage capacity of 1,659,600 bushels. The incoming grain is distributed to the several bins by belts and unloaders housed on top of the bins and the outgoing grain is handled by four belts running in tunnels under the bins. All belts can be operated simultaneously.

The storage bins are constructed entirely of re-enforced concrete and are provided with a system of temperature indicators connected with a board in the superintendent's office, so that any rise in temperature in any bin is indicated; and the proper action can be taken to prevent heating of the grain.

The Work House: This is 60x120 feet and 184 feet high above the foundation mat. It is constructed of re-enforced concrete throughout, with brick and tile curtain walls. There are three pairs of unloading pits, capable of handling from 12 to 18 cars of grain an hour. Power unloaders are used, the grain dropping from the car directly into the scale hopper, which is located under the tracks. Here the grain is weighed before being moved or elevated thus eliminating any possibility of loss. It is then elevated to a system of garners at the very top of the workhouse. From these garners the grain flows by gravity to belts which distribute it to the storage bins, or to individual carload capacity bins in the workhouse itself; or it may flow from the garners through any set of separators or cleaning machines desired, and from there to a storage bin, or into a shipping hopper.

Cleaning Machinery: All the cleaning machinery is located in the top stories of the workhouse, above the bin floor, a feature not possessed by any other terminal in the northwest. This arrangement not only eliminates a large number of expensive elevator lgs, but also the necessity of elevating grain the entire height of the building two or three times during the cleaning operation, as is the case where the cleaning is done on the ground floor. Equipment is provided for cleaning and recleaning all kinds and grades of grain with a minimum amount of handling. Throughout the entire design the aim has been to drop the grain from one process to the next by gravity, thus very greatly reducing costs of operation. All the different elements in the screenings are similarly taken care of, and each seed and grain separated and recleaned.

That portion of the screenings that is to be ground to feed drops through a house bin to the grinders and packers on the first floor. The entire first floor of the workhouse will be used for grinding, packing and storing feed, and for sacking and shipping the more valuable seeds recovered in the process of screening. Seed grains and other seeds may also be handled.

WASHING AND DRYING:

The wokhouse is provided with a grain washer and dryer, having a capacity of 1,000 bushels per hour. All damp grain is run through the dryer before it is put into storage or re-shipped. Smutty, musty, bin-burned or off-colored grain is washed and dried. This is one of the most important and valuable features of the plant. By means of the washer and dryer grain can often be raised one or more grades. In some seasons this one item would pay the entire cost of the terminal.

Shipping Facilities: The elevator has two receiving and two shipping tracks. From 100 to 150 cars can be loaded

and unloaded per day of ten hours. As the cleaning plant, when completely installed, will take care of 20,000 bushels an hour, the shipping facilities exactly equal the capacity of the cleaning plant. Receiving, cleaning and shipping operations can go on at the same time, thus enabling the terminal to receive, clean condition, grade and re-ship from ten to fifteen million bushels of grain per season.

Power Plant: The power plant is designed for 2000 horse-power boiler capacity, of which 1500 horse-power will be installed at this time. Automatic stokers and coal and ash handling equipment is provided in order to obtain the highest efficiency and to reduce labor costs to a minimum. It is designed to utilize lignite coal, at least in part. The generator units will be turbine driven. Three units, of 750 killo-watts each, will be installed at this time. Space is available in the building for future extension of the power plant to meet all possible needs of the mill and elevator, and for refrigeration machinery for cold storage. When completed the terminal will have the most efficient steam-power plant in the State.

Other Important Features of the Terminal: Individual consignments of grain can be received, cleaned, washed, dried or otherwise treated, or stored and shipped without being mixed in with other grains. Grains can be unloaded weighed in, cleaned weighed-out and returned to the same cars in a very short time, and with a minimum amount of handling. These features will enable the terminal to perform a very important service to the State in receiving cleaning and distributing seed for planting, enabling farmers to obtain pure seed at a greatly reduced cost. All grain can be transferred and put through the various cleaning operations with less handling and re-elevation than in any other terminal in this part of the country, and therefore at a greatly reduced cost per bushel.

The contract for its constructions was awarded to the Fegles Construction C., Limited, on April 29, 1920.

If operated for 300 days of the year, the Grand Forks mill will produce 900,000 barrels of flour annually. This would be more than enough to supply the present population of the state with flour.

EXHIBIT VIII

The Bank of North Dakota. Balance Sheet. As at December 31, 1920.

ASSETS		
Ten year 5 per cent bonds at \$50	96,500.00	
Ten year 5 per cent bonds at 100..	385,400.00	
Ten year 5 per cent bonds at 500..	477,500.00	
15 year 5 per cent bonds at 1000..	992,000.00	1,951,400.00
U. S. War Saving Stamps and Liberty Bonds in Trust	8,150.00	
Liberty Bonds	2,000.00	
Coupon Account	1,443.75	
Mill & Elev. Bond Coupons	557.50	
Certs. of Dep. held in trust	38,941.19	51,092.44

Correspondent Bank Deposits	110,286.91	
Redeposit of Public Funds, Ledger No. 1	6,227,040.61	6,337,327.52
Bills Receivable	2,732,813.64	
Bills Rec. Home Builders Associa- tion	225,000.00	
Bills Receivable, Mill & Elevator Association	650,000.00	3,607,813.64
Farm Loans	2,672,849.52	
Farm Loan Sp. Deposit	214,100.00	2,886,949.52
Furniture & Fixtures		52,003.26
Items out for collection	1,023,127.63	
Cash Items	3,745.38	
Cash on Hand	14,189.16	
Special Collections	96,286.52	1,137,348.69
Home Builders Acc't. O. D.	42,761.77	
Mill & Elevator Acc't. O. D.	130,608.14	
State School Acc't. O. D.	252.54	173,622.45
Int. earned but not col.		
Deferred Asset (Inventory of Sup- plies)		14,115.33
Total Assets		16,481,110.83
The Bank of North Dakota, balance sheet as at December 31st, 1920.		

LIABILITIES

Individual Deposits	19,435.91	
Due Depository Banks	994,079.47	
Due City Treasurers	228,169.16	
Due County Treasurers	3,612,642.25	
Due Township Treasurers	513,562.82	
Due School Treasurers	964,887.70	
Due State Treasurers	3,280,402.39	
Due Drake Mill	18,000.00	
Due State Institutions	128,479.73	9,759,659.43
Cert. of Deposit held in Trust	38,941.19	
War Stamps & bonds in trust	8,150.00	47,091.19
Sinking Funds, Public Deposits . . .		3,192,898.03
Time Certificates of Deposit		186,729.84
Cashiers Checks	14,494.03	
Certified Checks	466.00	14,960.03
Transit & Exchange items carried over		64,289.05
Bills Payable		1,000,000.00
Appraisal Fees		5,515.23
Reserve to Repay Appropriation.. . .	24,108.87	
Reserve for Depreciation	9,860.66	33,969.53
Capital		2,000,000.00
Surplus	40,000.00	
Net Profits	135,998.50	175,998.50
Total		16,481,110.83

In explanation of the assets shown on Exhibit VIII only the following items appear to need discussion:

REDEPOSIT OF PUBLIC FUNDS

Redeposit of public funds \$6,227,040.61. Of this amount \$492,546.05 are redeposits in closed banks. The redeposits in state banks are secured by the guaranty fund with its power of assessment, also by the financial worth of the bank itself and by the double liability of its stockholders. While it is possible that the guaranty fund may not be able immediately to meet all its liabilities, all claims against the guaranty fund draw five per cent interest from the time their amount is ascertained, and since that rate is nearly as high as the highest rate charged by the Bank of North Dakota, it would seem that these claims against the guaranty fund are adequately secured. Redeposits in national banks are secured by indemnity bonds (furnished by Trust and Surety companies) running to The Bank of North Dakota, by the financial worth of the national banks and by the double liability of stockholders.

In a recent decision in a case brought by Stutsman County to recover from a Surety Company money on deposit in the Medina State Bank at the time it closed, the District Court held that the money drew interest from the time the amount was determined until it was paid by the Surety Company at seven per cent per annum. Seven per cent is a higher rate than the Bank of North Dakota has ever charged. Therefore it would seem that redeposits in closed national banks constitute the highest interest bearing loans carried by the Bank of North Dakota, and are adequately secured.

While the Bank of North Dakota had redeposits in a considerable number of banks that have been closed, it should be remembered that this condition would be sure to arise, for since October 15th and up to December 31st 1920 the Bank of North Dakota has carried redeposits in approximately 800 out of the 900 state and national banks in the state.

Further than that the Bank of North Dakota was created and is being operated with a view to creating an elasticity in credit conditions in the state and stabilizing the financial situation. In the face of falling prices and heavy withdrawals of funds by institutions outside the state, the Bank of North Dakota has used its resources in an effort to prevent disaster from falling upon the financial institutions within the state. This is in marked contrast to the action of the Federal Reserve Bank of this district which forced vast amounts of liquidation within the State of North Dakota at a time when it was extending further credit to other sections in the same district. The reserve bank also refused to extend credit to enable the farmer to hold his crop for a reasonable price at the same time that it was extending credits in such manner that the milling interests of the Twin Cities were enabled to use those credits to hold the same crop after it got into their hands.

The Bank of North Dakota was created as a people's bank and is being run for the benefit of the people which explains its policy with reference to the situation on just dis-

cussed. In pursuing this policy of attempting to preserve the welfare of all the people of North Dakota, including all its financial institutions, the Bank of North Dakota has in many cases assisted financial institutions. The officers of which were doing their utmost to destroy the Bank of North Dakota, and irrespective of what the future attitude of officers of such financial institutions may be, the management of the Bank of North Dakota has announced that it intends to continue to operate in the manner best fitted to serve the interests of all of the people of the state.

BILLS RECEIVABLE

Bills receivable \$2,732,813.64. These bills receivable constitute loans made to depository banks and loans made on bonded warehouse receipts. They are loans, the payment of which are guaranteed by the banks making them, thus being backed by the financial worth of the bank, the double liability of its stockholders and the collateral which has been placed to secure such loans. This collateral consists of large variety of notes and securities, given by patrons of the banks making the loans, and in turn guaranteed by the bank itself. The proportion of collateral to bills receivable in the Bank of North Dakota amounts to more than one and one-half and to one. Of these bills receivable more than half are past due. In ordinary times this would be a condition worthy of serious criticism. However, in the face of the financial stringency most banks have adopted a policy of carrying perfectly good paper past due rather than renewing any portion of it, in order that it may remain subject to demand call and (in this case since such bills receivable are well secured and in view of the heavy withdrawal of funds being agitated against the Bank of North Dakota) the management of the bank is to be commended for thus rapidly converting their funds into demand assets.

Of these bills receivable \$296,638.59 are loans due from closed banks, but as we have pointed out above, they are secured by the financial responsibility of the bank, the double liability of its stockholders, the value of the collateral and the worth of all makers of the collateral which collateral is in a proportion larger than one and one-half to one as compared with the loan itself.

FARM LOANS

Farm loans \$2,672,849.52. Bankers conservatism has been used in the farm loan business of the bank. The average amount per acre loaned by the Bank of North Dakota based on all loans made up to December 31st 1920 was only \$14.17, while the average assessed valuation per acre of all the land in the state in 1920 was \$25.27, and the average market value was probably well above thirty dollars per acre.

Bankers' conservatism has also been used in the total amount of loans made by the bank as compared with the legal limit authorized. Under the law creating the Bank of North Dakota, it is permitted to make farm loans in an amount not exceeding thirty per cent of its capital and twenty per cent of its deposits. On July 15th 1920 it had made

such loans to the amount of \$2,759,000 at a six per cent interest rate and had a considerable amount of such loans ready to close. The loans then amounted to only 61 per cent of the legal limit and only 81 per cent of the sinking funds then on deposit. On October 15th, 1920 the farm loans amounted to only 75 per cent of the legal limit and only 85 per cent of the sinking funds then on deposit.

The initiated measure supported by the North Dakota Bankers Association passed in the general election in November 1920 was designed to destroy the Bank of North Dakota. Prior to the passage of this law mortgage loan companies refused to loan money in the state in competition with the bank of North Dakota six per cent rate. Immediately after the passage of the initiated law a large number of mortgage loan company representatives at a meeting in the Twin Cities announced that they would resume making loans in North Dakota. They did this under the impression that the Bank of North Dakota was destroyed and they would no longer have to compete with a six per cent interest rate. Their rate had always been and is now on the average approximately eight and seven-tenths per cent per annum.

The initiated law which threatens to reduce the deposits of the Bank of North Dakota at least one-half has thereby compelled it to stop making farm loans.

The sale of farm loan bonds is being prevented by a campaign in the nature of a boycott carried on by the financial interests outside the state and probably inspired by some of the financial interests inside of the state but the farm loan bonds of the State of North Dakota will be sold to investors direct and thereupon the Bank of North Dakota will again enter the farm loan field and resume making loans at low interest rates.

Farm Loan Special Deposits, \$214100.00.

It has been the policy of the Bank of North Dakota that whenever a farm loan has been approved and final authority issued, that the loan be made, a special deposit be set aside to be held available for the purpose of making the loan as soon as the mortgage to the Bank of North Dakota has been properly recorded and the proper instruments delivered to the bank, making its loan a first lien. These deposits were made in banks in the locality in which the loan was to be consummated, and this amount is the amount of special deposits so placed on December 31, 1920. Of this amount \$42,700 was in closed banks on December 31st, 1920, and was secured in the manner set forth in the discussion under the title, redeposit of public funds.

ITEMS CUT FOR COLLECTION \$1,023,127.63

The Bank of North Dakota does business with approximately eight-ninths of all the banks in the state. It is a clearing house for a large percentage of all the transit items cleared in the state. The average amount of exchange cleared each day during the first year of its history was approximately \$800,000. As a result of this vast transit and clearing busi-

ness there is at all times out for collection an extra-ordinary large amount of items. Of this total amount of items out for collection there was only approximately \$19,000 out for collection against closed banks, which are protected as explained above.

SPECIAL COLLECTIONS \$96,286.52

These are items out for collection which are being handled in some special manner, but bear the same relationship to the assets of the bank, as does, the amount classified as, items out for collection. Of this amount \$9,604.60 was out for collection against closed banks, the protection for which is the same as that discussed heretofore.

HOME BUILDERS ACCOUNT O. D. \$42,761.77

This is an overdraft by the Home Builders Association on the Bank of North Dakota. The reason for its existence and the manner of its handling is the same as is discussed concerning the overdraft of the mill and elevator association in the commentary following Exhibit II. Since Dec. 31st the Industrial Commission has authorized the transfer of funds in the amount of \$60,000 to the House Builders Association, which transfer has taken up this overdraft.

MILL AND ELEVATOR ACCOUNT O. D. \$130,608.14

This amount represents the overdraft of the Mill and Elevator Association and the reason for its occurrence and the manner of its handling is particularly discussed in the commentary following Exhibit II herein.

GENERAL DISCUSSION FUNDS HANDLED BY THE BANK

All funds have been duly accounted for with the exception of a shortage of fifty-four cents in cash on hand.

BONDS

All employees were found properly bonded with premiums paid to November 1st, 1921 in the amounts required by the order of the Industrial Commission of November 13th. The classification and amount of bonds follows:

For the Manager of the Bank of North Dakota ..	\$50,000.00
For the Director General of The Bank of North Dakota (if a different official from the manager)	50,000.00
For each Department Director	25,000.00
For each Deputy Director	15,000.00
For each Teller handling cash	25,000.00
For each Teller handling checks only	10,000.00
For the Secretary to the manager	10,000.00
For the Transit manager	10,000.00
For the Title Examiner	10,000.00
For the Attorney for the Bank	5,000.00
For the Appraiser	5,000.00
For each Clerk not otherwise classified.....	5,000.00
For each Bookkeeper and Machine Operator	5,000.00
For each Stenographer, Clerk or Messenger regularly handling cash or negotiable Instruments..	5,000.00

For Proof Clerks not handling cash or negotiable instruments, each	2,000.00
For Senographers and Clerks not handling cash or negotiable instruments, each	1,000.00
For the Statistician	1,000.00
For the Custodian of Property, Watchmen and Janitors, each .. .	1,000.00

We have not taken into account as an asset in this bank the prepaid premiums on bonds for a period of ten months.

LIQUID ASSETS

The Bank of North Dakota is in the strong position of having a higher percentage of liquid assets in comparison to its demand liabilities than any other bank in the state, including both state and national banks. The next largest bank in the state, according to its published statement of December 29h 1920, had only forty-eight and nine-tenths percent as much liquid assets as demand liabilities, while the Bank of North Dakota on December 31st had liquid assets amounting to seventy-two and four-tenths per cent of its demand liabilities after deducting from its liquid assets all deposits in and cash items against closed banks.

CONCLUSION

The financial success of the Bank of North Dakota is best shown by examining the items of its surplus and net profits which amounts to \$175,998.50 for the period of eighteen months it has been in operation, a detailed statement of which appears in Exhibit IX.

EXHIBIT IX

BANK OF NORTH DAKOTA
PROFIT AND LOSS ACCOUNT

Revenue Receipts	December 31, 1920.
Premium on Bonds sold	\$ 135.00
Interest and Discount on Notes and U. S. Bonds	99,018.49
Interest Received	496,030.11
Interest Received Bonds Bank Series.	675.04
Interest Received Farm Loans.....	23,396.71
Exchange Charges	1,040.03
Interest Earned but not Collected...	214,064.59
Total Receipts	\$834,359.97
Less—	
Interest Charges	\$522,346.71
Expense	\$190,130.09
Inventory - Supplies	14,115.33
	176,014.76
Net Profits as per Balance Sheet	\$135,998.50

BANK OF NORTH DAKOTA
DISTRIBUTION OF EXPENSE
FOR YEAR 1920.

Salaries	\$107,397.20
Stationery and Printing	13,342.13

Office Supplies	4,146.06
Rent	8,973.33
Postage	17,431.75
Telephone and Telegraph	1,126.37
Light and Water	800.02
Insurance and Bonds	2,510.98
Drayage	140.36
Bulletins	9,316.24
Traveling Expense	3,440.47
Depreciation on Furniture and Fixtures.....	10,032.61
Freight and Express	321.14
Advertising	3,828.43
Auto Expense	406.66
Reserve to Repair Appropriation	154.77
Miscellaneous Expense	6,761.01
	<hr/>
	\$190,130.09

BANK OF NORTH DAKOTA

LIST OF EMPLOYEES, TITLES, AND SALARIES

NAME	CLASSIFICATION	Total Salary for 1920.
*F. W. Cathro, Manager and Director General.....		\$10,000.00
*W. A. Anderson, Attorney for the Bank.....		1,400.00
*L. P. McAneny, Credits Department Director.....		3,875.01
*S. J. Boyd, Secretary to the Manager.....		3,000.00
*W. E. Robinson, Transit Manager.....		2,105.00
*A. C. Brainard, Chief Clerk Credits Department...		2,250.00
*Nelle S. Marr, General Bookkeeper.....		1,800.00
*T. T. McKane, Janitor and Day Watchman.....		1,395.00
*N. Lloyd Lillestrand, Posting Machine Operator...		1,180.00
*Josephine Fogarty, Stenographer		1,305.00
*Phoebe Cerwinski, Posting Machine Operator.....		1,206.65
*Adele Zimmerman, Checks and Drafts Clerk.....		1,133.34
*Alice Iverson, Posting Machine Operator.....		1,065.00
*J. W. Greenfield, Chief Clerk Audit Department...		2,575.00
*Mary Berger, Transit Machine Operator.....		1,080.00
*W. L. Sherwin, Reconsilement Clerk.....		1,295.00
*Hazel McIntosh, Stenographer		1,166.57
*J. A. Painter, Title Examiner.....		2,900.00
*George Smith, Clerk		1,200.00
*A. S. Erickson, Chief Clerk Interest Section.....		1,644.80
*G. W. Shively, Collector Credits Department.....		800.00
*Mary V. Schlenker, Filing and Mailing Clerk.....		1,070.00
*Dan M. Slattery, Janitor and Night Watchman...		1,500.00
*R. O. Johnson, Teller		1,950.00
*L. A. Cramm, Stock Clerk and Custodian.....		1,800.00
*W. H. McIntosh, Farm Loan Department Director..		3,780.00
*E. D. Huber, Chief Clerk Proof Section.....		1,528.65
*A. Johannsen, Audits Department Director.....		3,875.00
*L. L. Aughnay, Chief Clerk Farm Loan Department		2,350.00
*Cora G. Simpson, Stenographer		1,200.00
*Harold Keller, Transit Machine Operator.....		930.00
*J. F. Williams Chief Clerk Bkkg pub Corp. Sec. . .		1,385.00
*Florence M. Grant, Stenographer		1,500.00
*Daniel Slattery, Jr. Messenger.....		480.50
*W. G. Roylance, Statistician		3,000.00

*Lloyd B. Harris, Chief Clerk Banks Section.....	1,218.00
*Frances Johnson, Stenographer.....	635.00
*Floyd L. Lofthus, Transit Machine Operator.....	785.00
*J. F. Calderhead, Signature Clerk.....	640.00
*Madge Gilmore, Clerk.....	565.65
*C. J. Buslee, Return Items Clerk.....	954.85
*Ethel Dahl, Transit Machine Operator.....	540.00
*G. W. Cass, Bookkeeper Farm Loan Department..	820.83
*W. H. McQuillan, Receiving Teller.....	440.00
*Sam Rosenau, Statement Machine Operator.....	460.00
*Lillian Paulson, Stenographer.....	490.80
*Peter J. Wentz, Transit Machine Operator.....	406.60
*Ellen McNeely, Transit Machine Helper.....	304.50
*F. S. Carr, Transit Machine Operator.....	373.70
*H. L. Thorndahl, Posting Machine Operator.....	380.95
*Inez Ronice, Stenographer.....	380.00
*Mollie Holm, Stenographer.....	300.00
*Minnie tSorey, Stenographer.....	248.00
*H. J. Fogarty, Transit Machine Helper.....	139.35
*Belle S. Roberts, Clerk Bond Department.....	300.00
*E. C. Heckenliable, Clerk Audits Department.....	133.33
Florence L. Miller, Stenographer.....	122.07
*G. A. Jensen, Transit Machine Operator.....	106.67
*Spurgeon Odell, Special Representative.....	100.00
*Leonard H. Miller, Transit Machine Helper.....	50.32
*Leela V. Hansen, Stenographer.....	76.69
*Orin Baertsch, Collector.....	118.28
*Floyd Hogue, Addressograph Operator.....	23.23
*Norine Mollhagen, Stenographer.....	1,208.06
J. R. Waters, Manager.....	1,666.66
Roy M. Halliday, Deputy Director Statistics & Pub..	1,000.00
P. A. Benson, Deputy Director Farm Loan Dept...	750.00
A. E. Snyder, Transit Manager.....	1,125.09
Geo. Keenan, Bookkeeper.....	750.00
Janet Fogarty, Transit Machine Operator.....	884.00
Elsie Peterson, Stenographer.....	251.34
Florence McDougal, Posting Machine Operator.....	293.33
Mrs. Annabel Brodl, tSenographer.....	355.00
Paul M. Jewell, Chief Clerk Farm Loan Dept.....	410.00
Louise E. Anderson, Transit Machine Helper.....	137.89
Milo V. Miller, Receiving Teller.....	575.00
Kathryn Ehli, Statement Machine Operator.....	630.00
C. A. Christianson, Chief Clerk Pub. Corp. Section..	770.00
C. A. Wilkinson, Transit Machine Operator.....	233.33
Eleanor Lamb, Transit Machine Operator.....	127.40
Gertrude Fitzgerald, Posting Machine Operator....	277.79
Christopher F. Tonne, Transit Machine Operator....	492.50
Josephine Fitzgerald, Posting Machine Operator....	137.89
Magdaline Horner, Transit Machine Operator.....	982.60
Pauling Blaisdell, Transit Machine Operator.....	426.00
R. R. Smith, Stenographer and Publicity Clerk.....	1,360.00
J. G. Murray, Recancellments Clerk.....	410.00
Eve K. Bond, Clerk Audits Department.....	427.14
Ruby Fisher, Stenographer.....	576.00
C. E. Lee, Clerk Audits Department.....	1,375.00
Clara B. Beck, Stenographer.....	166.67
Mayme R. Rince, Clerk and Telephone Operator....	373.07

Margaret O. Reilly, Stenographer	586.67
R. L. Mason, Messenger	160.00
F. R. Polfard, Chief Clerk Farm Loan Department..	1,125.00
Leonard Dempsey, Transit Machine Helper.....	70.00
A. E. Kerman, Clerk Audits Department.....	1,200.00
Lillie oBehlke, Stenographer	330.00
C. N. Reitan, Clerk Farm Loan Department.....	760.00
Marion Stadem, Stenographer	400.00
Carl Magnuson, Clerk Transit Department.....	238.35
Mrs. P. L. Larson, Stenographer	461.20
Clarence Stein, Clerk Transit Department.....	34.27
Ralph B. Olson, Clerk Transit Department.....	217.75
Winnifred Knudtson, Stenographer	318.34
W. H. Patrick, Clerk Audits Department.....	494.62
Gwendoln Welch	11.25
W. L. Sherwin, Clerk	3.00
Toman, Clerk	27.77
M. Lowe, Clerk	30.00
E. Jones, Clerk	11.25
Theodosia Fitch, Clerk	11.25
Ruth Staley, Clerk	20.00
Marion Staley, Clerk	20.00
Helen Brooks, Clerk	11.25
Marie Beer, Clerk	11.25
Claire Bailey, Clerk	12.50
Margery Smith, Clerk,	12.50
Genevieve Parsons, Clerk	17.50
Ragna Paulson, Clerk.....	25.00
Adeline Johnson, Clerk	45.62
Mary Cram, Clerk	57.51
Eleanor Marx, Clerk	53.33
M. aMrtindale, Clerk	130.33
Aslaugh Wik, Clerk	168.67
Seissel Hanson, Clerk	1.25
Dorothy Vetter, Clerk	2.50
Lillian Sudlund, Clerk	2.50
Stella Finwall, Clerk	2.50
Gladys Hubert, Clerk	7.75
Unie Frazier, Clerk	1.25
Versie Frazier, Clerk	1.25
Mabel Nathan, Clerk	1.25
Muriel Baker, Clerk	13.59
Frances Whiteaker, Clerk	12.19
Estella Whiteaker, Clerk	4.33
Velma Whiteaker, Clerk	16.57
Irene Lofthus, Clerk	27.19
Olive Jaeger, Clerk	25.31
Anna Van Fleet, Clerk	30.00
Miscellaneous	99.39

\$107,397.29

* Indicated those in the employment of the Bank of North Dakota as at December 31, 1920.

EXHIBIT X

HOME BUILDING ASSOCIATION OF NORTH DAKOTA
BALANCE SHEET.

As at December 31, 1920.

ASSETS

Cash on Hand		\$	5.22
Accounts Receivable:			
Behrens Manuf'g Co.....	\$ 511.26		
Board of Administration	2,041.62		
Insurance Refunds	337.61		
D. E. Stewart	200.00		
Miscellaneous	1,882.79		4,973.23
Home Buyers Loans			18,247.65
Special Pay Roll Deposit			3,147.19
Traveling Expenses—Advances			
James Baker	50.00		
R. B. Blakemore	100.00		
F. R. Pollard	100.00		
Joe Saldine	50.00		300.00
Equipment—			
Construction	546.22		
Engineers	261.78		
Fargo Yard Bldg	905.14		
Small Tools	606.96		2,320.10
Deferred Expense per Exhibit XI.....			15,000.00
Furniture and Fixtures			3,669.79
Real Estate			2,000.00
Inventory (Materials on Hand).....			90,738.59
Houses under Construction			278,152.23
Balance in Appropriation			76.09
			<u>\$418,630.14</u>

HOME BUILDERS ASSOCIATION OF N. D.

Balance Sheet as at December 31st, 1920.

LIABILITIES

Appropriation.....	\$100,000.00		
Accounts Payable			
General	\$ 16,363.35		
Due Contractors	5,819.13		22,182.78
Notes Payable Bank			
of North Dakota.....			225,000.00
Depositors Savings			2,092.47
Accrued Items			
Payroll	3,792.38		
Interest	1,960.20		5,752.58
Overdraft, Bank			
of North Dakota.....			63,602.31
			<u>\$418,630.14</u>
Overdraft as above		\$	63,602.31
Less Outstanding Checks .			20,840.54
			<u>\$ 42,761.77</u>
Balance as per Statement from the Bank			
of North Dakota		\$	42,761.77

The balance sheet is self-eplanatory with the exception of the following items:

ACCOUNTS RECEIVABLE, Board of Administration
\$2,041.62.

This covers alterations and additions in offices leased from the Board of Administration for which it has agreed to pay.

HOME BUYERS LOANS, \$18,247.65.

This represents the balance due in monthly payments on homes for which the contract arrangements have been completed.

SPECIAL PAY ROLL DEPOSIT, \$3,147.19.

This represents funds advanced by buyers for the completion of their specific homes after the order of the Commission closing down building operations.

FARGO YARD BUILDING, \$905.14.

This represents the labor cost of the yard building as at December 31st, 1920.

DEFERRED EXPENSE, \$15,000.

This item is fully explained in the commentary following Exhibit XI.

REAL ESTATE, \$2,000.

This is the purchase price of four lots in Fargo, North Dakota.

INVENTORY.

MATERIALS ON HAND \$90,738.59.

This represents physical inventory taken the latter part of December, 1920, and adjusted by additions for materials received and deductions for materials delivered to homes up to December 31st, 1920. This is cost price plus freight.

HOUSES UNDER CONSTRUCTION, \$278,152.23.

This is the net investment of the Home Building Association in houses built and under construction arrived at by deducting the payments made on account by home builders from the cost of such houses. This covers homes for which contract arrangements have not been completed. It includes all of the administrative expense after deducting deferred expense as in Exhibit XI. The administrative expense item in this account amounts to \$15,367.05 which is an overhead of only slightly above five per cent.

BALANCE IN APPROPRIATION \$76.09.

This is the unexpended balance in the appropriation as shown on Exhibit XVII.

LIABILITIES.

The only liabilities that would appear to need comment is the overdraft in the Bank of North Dakota. The manner of accrual of this overdraft and the reason for handling the account in such manner is the same as explained with reference to the Mill and Elevator Association overdraft in the commentary Exhibit II. Prior to the date of this report the In-

dustrial Commission has authorized the transfer of \$60,000 to take care of this item, which transfer has been made.

GENERAL DISCUSSION.

The Home Building Association has purchased and resold during its existence four homes. It has built and completed twenty-eight homes. It has now in various stages of construction twenty-six homes, of which eight are practically completed.

ABSENCE OF PROFIT AND LOSS STATEMENT.

There is no profit and loss statement for the reason that all homes built and to be built are constructed at actual cost.

EXHIBIT XI

HOME BUILDING ASSOCIATION OF NORTH DAKOTA Deferred Expenses as at Dec. 31st, 1920. ADMINISTRATIVE SALARIES

R. B. Blakemore	5,000.00	
W. J. Prater	2,000.00	
		\$ 7,000.00
Printing and Stationery	2,500.00	
Auditing and System Work	2,000.00	
Blue Prints	1,000.00	
Office Supplies	400.00	
Mileage	300.00	
Office Salaries	1,000.00	
Rent	300.00	
Traveling Expense	500.00	
		\$15,000.00

The act creating the Home Builders Association went into effect on July 1st, 1919, but due to a severe shortage in the general funds of the state, there were no funds available for nearly a year with which to promulgate a real building program. During this period a considerable amount was disbursed in seeking information about and preparing for a real building program. This expense for development and organization during the dormant period amounted to approximately \$10,000. These expenses are now properly chargeable as construction cost against the homes built between that time and the date of this report. Therefore, as in all new business enterprises this item is set up as a deferred asset to be absorbed over a period of years. However it should be noted that it is carried as an entire loss in the accounting of the Industrial Commission as shown in Exhibits I and XXII.

EXHIBIT XII

HOME BUILDING ASSOCIATION GENERAL PAY ROLL

Year Ended December 31st, 1920.

R. B. Blakemore, Gen. Mgr.	\$ 5,000.00
W. Prater, Ass't. Mgr.	2,250.00
O. B. Tewes, Ass't. Mgr.	750.00

J. Baker, Supt. Const.	1,800.00
F. R. Pollard, Purch. Agent	1,400.00
M. H. Chernick, Material Clerk	1,500.00
D. Steward, Bookkeeper	729.00
J. B. Adams, Accountant	450.00
M. H. King, Bookkeeper	292.50
P. M. Hatch, Stenographer	710.00
Daisy Dean, Stenographer	14.51
Mrs. O. B. Tewes, Stenographer	400.00
Wm. Schroeder, Engineer	900.00
B. Okert, Clerk	925.00
Ruby Fischer, Stenographer	308.33
T. K. Erdahl, Dist. Supt.	1,000.00
J. F. Saldin, Dist. Supt.	1,410.00
T. Martell, Checker	675.00
L. M. Anderson, Checker	450.00
C. H. Roholt, Checker	293.00
J. Walsh, Checker	288.34
L. M. Landers, Checker	75.00
C. H. Carlson, Stenographer	87.00
W. H. Turner, Janitor	278.50
	<hr/>
	\$21,986.18

EXHIBIT XIII

INDUSTRIAL COMMISSION OF NORTH DAKOTA

Receipts and Disbursements Year Ended Dec. 31, 1920.

Appropriations provided for—Chapter 151—Laws of 1919

Balance on hand as per report December 31, 1919 \$195,738.18

Expenditures—Salary:

W. A. Anderson, Sec'y.	\$3,600.00
H. O. Paulson, Bkpr., Grand Fks.	1,974.91
Clara Blumer	2.40
W. A. McDonald, Agt.	150.00
M. Berkey, Steno.	1,250.00
Mrs. J. W. McGuiness, Steno.	125.00
	<hr/>
Total Salaries	\$7,102.31
Freight and Express	21.94
Postage	135.05
Furniture and Fixtures	475.77
Stationery and Printing	926.55
Miscellaneous	30.87
Bond Premiums	150.00
Auditing	771.21
Telephone and Telegraph	133.00
Register Fees	9.25
Office Supplies	33.25
Traveling Expense	292.77
	<hr/>
Total Expenditures	\$10,081.97
	<hr/>
Unexpended Balance Dec. 31st, 1920	\$185,656.21
Balance as above	\$185,656.21
One Voucher No. 230392 not record- ed by State Auditor	9.25
	<hr/>

Bal. as per State Auditor's Certifi- cation	\$185,665.46
In the above Expenditures:	
Salary:	
H. O. Paulson	\$1,974.91
Traveling Expenses	78.76
To be reimbursed by Grand Forks Mill & Elevator Ass'n.	\$2,053.67

EXHIBIT XIV.

Appropriation for Investigation of Lignite Coal and ex-
penditures out of same for years ended Dec. 31, 1920.

Appropriation	\$ 18,000.00
Sundry Receipt	67.70
Total	\$18,067.70

LESS: Expenditures:

Traveling Expense	\$ 1,918.51
Salary L. T. Sproul	130.00
Salary A. G. Leonard	1,081.67
Salary W. R. Johnson	130.00
Salary, L. P. Dove	1,039.58
Salary, H. J. Wetteveen	91.00
Freight and Express	6.88
Rent of Saddle Horses	186.00
Two tents at \$67.70.....	135.40
Camera and Case	37.85
Salary:	
Luis Bass	124.00
E. E. Foster	44.00
D. O. Lima	80.00
One Ford and Equipment.....	715.17
Salary:	
R. B. McClellan	126.00
H. M. Eaton	297.11
Storage	15.00
Salary:	
L. C. Harrington	704.10
Rent of Auto at 8c per mile.....	336.00

Total Expenditure	\$ 7,198.27
Balance on Hand Dec. 31, 1920	\$ 10,869.43

EXHIBIT XIV

To the Industrial Commission of North Dakota,
Bismarck, North Dakota.

Gentlemen: We have the honor to submit the following
summary of the work on the coal land survey and investiga-
tions which will be followed, when the work is completed, by
a full detailed report.

The last session of the legislature, under Senate Bill No.
96, authorized the Industrial Commission to arrange with the
Director of the State Geological Survey at the University
and the Dean of the School of Mines to make a survey of the
coal lands of the State and to investigate these deposits to as-
certain their quality and characteristics for various uses, and

appropriated for this work \$18,000 for the biennial period. There has been a need for such a survey for several years and in the last few years this need has become quite urgent for many reasons.

The state and the state institutions own many thousands of acres of land, a considerable portion of which lies within the probable coal area. According to a provision of the original constitution adopted when the state was admitted, the title to all workable seams of coal on state lands was reserved to remain in the state.

On such lands it is, therefore, impossible, when sale is made to give more than a surface right. The result has been that it has been difficult to know whether the land should be reserved under this provision or opened for sale with full title. In some instances, on account of this uncertainty, the sale of land may be prevented which should be classified only as agricultural land, while in other cases land may have been sold with full title with coal deposits which were not known to exist.

In some cases where land may have been reserved because of the possibility of being underlaid with workable coal deposits, its location has been such that the best interests of the community would call for its being sold and developed as agricultural land if it could be safely thrown out of the coal land classification. In other cases excellent coal deposits exist on state lands which have been known. Some of those deposits are so located that if the thickness, character and quality of the coal is satisfactory and known, the state could lease the land so that these deposits could be developed and be of great service to the immediate vicinities in which they are located.

It will thus be seen that in order to release agricultural land from this coal provision so that it can be sold with full title and in order, in other cases, to conserve valuable deposits on state lands and in still other cases to make known the presence and quality of the coal on these lands so they could be leased by the state, the need for such a survey and investigation of the lignite lands and deposits and their character and value is apparent. There are also other conditions calling for such a survey and such investigations.

In harmony with the provisions of this bill, Dr. A. C. Leonard, Director of the Geological Survey, began as soon as field work could be started in the summer of 1919, a survey locating, sampling, mapping and indicating the thickness and extent of these deposits. This work could, of course, only be continued a portion of the season when the weather would permit.

During these two seasons Dr. Leonard has had two parties working in different portions of the coal areas and has covered large districts stretching from the northwestern boundary to the southwestern boundary of the state. This area is so large, however, that it will be impossible for Dr. Leonard to cover it within the time limits of the biennial period and ap-

propriation, although very great progress has been made on this field work. (See map attached.)

Coupled with the field work of the Geological Survey the School of Mines has taken up special investigations as to the character of the coal itself in these various deposits and districts and has been making very careful analyses and tests to show the composition, purity, character and value of the coals in the area covered by the survey.

In addition to this a representative from the School of Mines has made a careful examination of these areas and deposits to determine whether or not they are so located and the conditions are such that they would be adapted to development as coal properties, or whether the land would be better fitted for agricultural purposes. During this investigation considerable assistance was given to mine operators in the way of suggestions as to improvements of methods, the character of different deposits, etc., which is of very great assistance to the men engaged in the development of the lignite industry.

In addition to this a very thorough series of tests of the lignite from various mines and different localities is being carried on by the School of Mines to determine more fully, on a commercial and practical basis, the working value of these deposits located in the various coal regions of the state and their adaption for general and special utilization. This work is now being carried on vigorously and will be continued to the first of July, to which time this appropriation is limited.

The work which has been laid out and is being carried forward in this survey and in the investigations connected with it will be of very great value to the state itself and to the citizens as well as to those who may wish, in the future, to lease or develop coal properties or to utilize for agricultural purposes non-coal lands which are now reserved.

When this work has been completed a detailed report will be made including maps, analyses, tests, information as to whether or not these deposits are better suited for future coal development or other purposes, and a large amount of other valuable and needed information.

The appropriation available for these various lines of work for the two years was \$18,000 or \$9,000 annually. The amount was sufficient to do the work fairly well, but on account of the limitation of the season for field work, the time is not sufficient to complete this survey within the biennial period.

At the present time there has been expended on the survey and investigations, bills rendered and outstanding, approximately \$9,000. The testing and detailed investigations will be carried on as vigorously as possible between now and the first of July, but it is probable that there will still be left some balance in the appropriation.

RECOMMENDATIONS: On account of the great area to be covered and the character of the investigations to be made the time allotted for this work within the biennial period, as has been said, will not be sufficient for its completion, prob-

ably a little less than two-thirds of the most important work will have been completed by the end of the period. While a great deal more could advantageously be done along these lines, at least the balance of this work should be completed during the next biennial period and for this purpose we would recommend that for the next two years an appropriation of \$9,600 be made available through a new bill somewhat similar to the one passed at the last session, but with this reduced appropriation.

This will give a brief summary of the character and amount of work that has been done, which will be covered at the close of the period by a detailed and extended report.

Very respectfully submitted,

E. J. BABCOCK, (Signed)
 Dean of the College of Engineering and School of Mines.
 A. G. LEONARD, (Signed)
 Director State Geological Survey.

January 20, 1921.

EXHIBIT XV

RETURNED SOLDIER'S FUND

As At Dec. 31st, 1920.

Receipts, taxes levied under Chapter 206, Laws	
1919, Par. 55	\$685,035.37
Total Disbursements therefrom	607,735.63
<hr/>	
State Auditor's Certificate of Bal. Dec. 31, 1920 ...	\$ 77,299.69
Claimant Vouchers have been executed covering the above balance.	
The War Department shows North Dakota men in armed service, 30,333.	
The Adjutant General reports that of this number 24,007 have filed with his office as follows:	
Completed records—ready for final action	17,707
Military record of service only filed	4,375
Military record sent out and follow ups mailed	875
Military record sent out, 'not returned'	750
Military record sent out, returned unclaimed	300
<hr/>	
Total	24,007
Appropriations for two years ending July 1st, 1921	\$20,000.00
Expenditures:	
Salary Account	\$10,629.63
Postage	1,877.20
Permanent Fixtures	1,151.37
Printing (largely for permanent files)	952.94
Office Supplies	922.43
Miscellaneous	72.95
<hr/>	
Total Expenditures	\$15,606.52
<hr/>	
Balance on Hand Dec. 31st, 1920	\$ 4,393.48
State Auditor's Certification	\$ 4,480.00
1920 Vouchers coming through in 1921..	86.52
<hr/>	
Balance as above stated	\$ 4,393.49

There is submitted the following extract from the letter of the Adjutant General, addressed to the Chairman of the Industrial Commission on January 13th, 1921.

"Chapter 206 of the Session Laws of 1919, relating to the "Returned Soldiers Fund," places the executive administration of the law in the hands of the Adjutant General, "under the supervision of the Industrial Commission," and to said Industrial Commission this office makes the following brief summary of its activities thereunder.

To carry in effect the intent of this statute, it was necessary to prepare a number of forms. No similar blanks had ever been prepared in the state and it took considerable time and study to arrange them. This office had in mind that now was the time to secure a complete history of every soldier from this state. As years roll by more and more will the necessity for such an historical document be noticed. One of the duties of the Adjutant General's office in the past and at present, is to aid in securing pensions for Civil War veterans. Almost invariably it has been found to be the work of months and even years to secure the required data or proof by which veterans could secure the pension. In most cases no service records or other documentary evidence is obtainable. To obviate such difficulties in the future, in connection with the recent world's war, this office determined and made it a requirement that before an application for compensation under this statute could be filed, that a complete history of the ex-soldier should be deposited in this department. This history, or military service record, aims to give the personal history, the induction or enlistment record, the training activities in the United States, promotions in case of foreign service the embarkation and return to the United States, the name and location of hospitals of which the soldier was an inmate, and other data, including a copy of his discharge. With this paper as a basis, at any future time any fact that might be needed upon any question that could rise concerning an individual soldier, is in this office.

When the military service record is filed, the ex-service man is then required to file a claim for the amount due him under the law. This claim and his military service record and all correspondence with him, and everything touching his case, is filed in an individual envelope and numbered and indexed in a proper book. The resultant fact is that each man carries a number in this office and his entire military record and all other facts can be instantly located, and in case of a loss by the soldier of his number, he can be located by reference to the alphabetical index."

EXHIBIT XVI

Statement covering appropriation for Bank of North Dakota, December Thirty First, 1920.

Balance on Hand Dec. 31st, 1919.....\$75,891.13

No change during the year. The Bank of North Dakota became self sustaining in a very short period and has had no need for any of this balance.

Above statement is duly certified by the State Auditor.

EXHIBIT XVII

Statement covering appropriations for
Home Building Association of North Dakota
As at December 31st, 1920.

Appr. provided for Chap. 151—Laws 1919.

Balance on Hand Dec. 31st, 1919.....\$ 92,482.67
Transferred to Bank of North Dakota..... 92,406.58

Balance Dec. 31st, 1920..... 76.09
And Certified by State Auditor.

EXHIBIT XVIII

Statement covering appropriation for Bonds Bank Series
as at December 31st, 1920.

Balance December 31st, 1919.....\$ 8,263.25
No change to this account.

Above balance certified by State Auditor.

EXHIBIT XIX

Statement covering appropriations for Bonds.

Mill and Elevator Association Series as at Dec. 31, 1920.

Balance Dec. 31st, 1919.....\$ 10,000.00

Expenditures:

American Bank Note Co.....	\$	541.25	
Appraised fees, Drake Mill.....		15.00	
Recording Trust Deed.....		9.25	565.50

Balance on hand Dec. 31, 1920..... 9,434.50
Above balance certified by State Auditor.

EXHIBIT XX

Statement covering appropriation for Real Estate Bonds,
as at December 31st, 1920.

Appropriation\$ 10,000.00

None of this has been expended, and above amount is certified by State Auditor as being on hand.

EXHIBIT XXI

Statement covering appropriation for Bonds, Home Building Series, as at December 31st, 1920.

Appropriation\$ 5,000.00

None of this has been expended, and amount is certified by State Auditor as being on hand.

EXHIBIT XXII

Summary of The Industrial Program, eighteen months ended December 31st, 1920.

Name of Appropriation	Amount of Appropriation	Expenses	Invested	Balance of Appropriation Available
Ind. Comm.	\$200,000.00	\$ 11,814.35	\$ 2,529.44	\$185,656.21
Band of N. D.	100,000.00			100,000.00
Home builders...	100,000.00	15,000.00	85,000.00	
Mill & Elev.				

Association ...	124,322.47	32,756.40	91,566.07	.....
	\$524,322.47	\$ 59,570.75	\$179,095.51	\$285,656.21
Total Profit of Bank of North Dakota.....				\$175,998.50
Amount of Appropriations Invested.....				179,095.51
Amount of Appropriations Available.....				285,656.21
Total amount covering appropriations available ap- propriations invested and profits.....				\$640,750.22
Deduct total appropriations provided for North Da- kota State Industries.....				524,322.37
Surplus in excess of all appropriations as of De- cember 31st, 1920.....				\$116,427.75
This surplus covers the results of operating the North Dakota State Industries for eighteen months.				
Average Net Profit per annum.....				\$ 77,618.83
Appropriations used				238,666.26
Per cent net profit per annum.....				32.5

It should be noted, however, that where as some of the ap-
propriations were not available for a year of this eighteen
months period, yet the profit per cent of 32.5 is arrived at by
charging ourselves with the used appropriations for the entire
eighteen months.

**IN THE MATTER OF THE
INVESTIGATION OF THE SENATE COMMITTEE HELD
IN THE OFFICE OF THE BANK OF NORTH DAKOTA**

On February 8th, 1921,

Commencing at 4:00 o'clock on the afternoon of said day and
continuing up to about 10:00 o'clock p. m.

(1)

February 8th, 1921,

Afternoon Session

The Special Senate Investigation Committee convened at
the Bank of North Dakota Building at 4:15 p. m.

Moved by Sen. Baker, seconded by Sen. Ployhar, that
Sen. Church act as secretary of the committee. Motion de-
clared carried.

Upon roll call by the Secretary, the following Senators
responded: **Liederbach, Baker, Ployhar, Murphy and Church.**
All members of committee present,

In addition to the committee, the following were present:
Messrs. **Lemke and Poindexter of the State Board of Auditors;**
Messrs. **M. W. Thatcher and McAllistrem** representing the
Equitable Audit Company; **Mr. Lee** representing the Bishop,
Brissman Company; **Mr. H. A. Paddock**, Secretary of the
Industrial Commission.

Moved by Senator Baker, seconded by Senator Ployhar, that
the rules of proceedings as amended be adopted, as follows:

"Rules and Regulations Governing The Procedure Before

**the Senate Committee Appointed to Investigate and Report
The Affairs of the State Industries.**

Rule 1.

The Senate Committee shall meet with the State Auditing Board in the office of the State Auditor at such times and such other places and times as it may from time to time designate.

Rule 2.

The Committee shall select a secretary who shall keep a full and complete record of all proceedings had before the Committee and a complete report of all testimony taken, including papers, documents and records which may be offered in connection therewith. All testimony shall be taken in shorthand by a reporter, duly appointed and sworn for that purpose and by him transcribed. The oath of said reporter shall be the same as that of a court reporter for the District Court.

Rule 3.

The chairman shall issue subpoenas for witnesses upon application of counsel for the Committee or of any members of the Committee, which subpoenas shall be attested by the secretary, and which subpoenas shall state the time and place at which the same shall be returnable.

Rule 4.

All witnesses subpoenaed shall report to the secretary of said Committee and the mileage and per diem shall be paid

(2)

to said witness the same as in civil cases before the District Court.

Rule 5.

The Sergeant at arms of the Senate shall serve such subpoenas upon witnesses from time to time, as he shall be directed by this committee. Proof of service of such subpoena shall be the same as in civil cases before the District Court.

Rule 6.

The usual oath administered in District Court shall be administered to such witness by the Chairman of the Committee.

Rule 7.

The Attorney General of the State shall act as the Attorney for the Committee but Senators Ployhar and Murphy, representing the minority of the Committee, may at their discretion employ an attorney of their own, if they so desire.

Rule 8.

The members of the State Board of Auditors shall be allowed to sit with the Committee in an advisory capacity, and shall be permitted to ask any questions or question any witness through the attorney or attorneys conducting the proceedings, but they shall have no vote.

Rule 9.

Any member of the Committee may call, subpoena and examine witnesses, expert or otherwise, and the constitutional right of any witness to appear with counsel should not be denied.

Rule 10.

All hearings and proceedings shall be open to the public. There shall be no executive sessions.

Rule 11

The procedure before the Committee shall be orderly conducted and without reference to formal rules of evidence and procedure.

Rule 12.

The Chairman of the Committee shall direct and make all necessary preparations for the hearing before said Committee and shall preside as chairman at the proceedings.

Rule 13.

In the event of any witnesses failing to appear before the Committee in answer to a subpoena, the Chairman of the Committee shall report such fact to the Senate, together with a complete statement of all the facts concerning same. Such statement shall be signed by the Chairman and attested by the Secretary and shall be filed with the President of the Senate for such proceedings as the Senate may deem advisable.

Rule 14.

In the event that any witness refuses to answer a question or questions put to him counsel of the Committee, or by

(3)

any member of the Committee, the Chairman shall report same to the Senate, together with a statement showing all of the facts connected with same, which statement shall be signed by the Chairman and attested by the Secretary and shall be filed with the President of the Senate for such proceedings as the Senate may deem proper.

Rule 15.

All evidence, documents, papers and exhibits, or certified copies thereof, offered and received in this proceeding shall be filed with and kept in the custody of such Committee until the further order of the Committee.

Final Rule

A majority of the Committee may make additional rules and regulations from time to time, as they deem necessary or advisable."

Motion declared carried.

Moved by Senator Baker, seconded by Senator Ployhar that Alfhild O. Alfson be elected temporary reporter of this meeting until her successor is elected. Motion declared carried.

Oath administered to reporter.

You and each of you do solemnly swear that you will well and truly take and keep a true and correct record of all the testimony and evidence produced in this hearing before this Committee, and well and truly transcribe a true and correct copy of same and furnish to this Committee a true copy of said testimony properly certified to under oath. So help you God.

Oath administered to M. W. Thatcher, M. T. McAlistren, E. C. Lee:

You and each of you do solemnly swear that the testimony you shall give in this hearing before the Senate Investigation Committee of the Seventeenth Legislative assembly concerning the Bank of North Dakota or the state industries or any matter pertaining thereto, will be the truth, the whole truth and nothing but the truth. So help me God.

Mr. Lemke: If I may suggest, Mr. Chairman, that Mr. Lee be the first witness called and that he give the facts as to how he arrived at these facts and figures. Mr. Chairman while they are making these exhibits I want to, have a subpoenae issued for the appearance of J. W. Brinton for tomorrow.

Moved by Senator Baker, seconded by Senator Ployhar, that the following subpoena be served by the Sergeant-at-arms upon J. W. Brinton for his appearance tomorrow afternoon at 4:00 o'clock.

(4)

STATE OF NORTH DAKOTA

County of Burleigh

ss

SUPPOENA

Before the Senate Audit Committee of the State of North Dakota 17th Session, appointed to consider the audit and investigate the affairs of the Bank of North Dakota and other state institutions.

The State of North Dakota to J. W. Brinton, Greeting:

You and each of you, are hereby commanded to appear before the Senate Audit Committee of the Senate of the State of North Dakota, 17th Session, sitting to investigate and consider the audit of the affairs of the Bank of North Dakota, and other state industries, on the 9th day of February, 1921, at the hour of 4 o'clock p. m., at the Senate Chambers of the Capitol Building in the City of Bismarck, County of Burleigh and State of North Dakota, then and there to testify your knowledge in the matter which is before said Committee, to-wit: The investigation and consideration of the credit and affairs of the Bank of North Dakota, and other state industries, and you are required to bring with you the following:

Hereof fail not.

Attest:

W. J. CHURCH
Secretary of Senate Audit
Committee

A. A. LIEDERBACH,
Chairman of Senate Audit
Committee

The State of North Dakota:

To the Sergeant at arms of the Senate of the State of North Dakota, or any of his assistants, or any Special officer appointed by the Senate Audit Committee, or to any Sheriff, Constable Marshall or police Officer within the State of North Dakota:

You are hereby commanded to furthwith serve and return the within subpoena according to law.

Dated at Bismarck N. D. this 8th day of Feb. 1921.

W. J. CHURCH

Secretary of Senate Audit Committee.

Motion declared carried.

Mr. Paddock proceeded to secure identification of exhibits by Mr. Lee.

Q. Showing you Mr. Lee, Committee Exhibit 1, I will ask you to state what it is.

A. That is a report on the subject of an audit at the State Creamery of Werner, North Dakota.

Q. By whom? A. By Bishop, Brissman Auditing Company to members of the State Board of Auditors and members of the House of Representatives and Senate of the 17th Legislative Assembly of the State of North Dakota.

Q. You are a members of the Bishop, Brissman Company, are you not? A. No, not a member of the firm.

Q. Are you employed by them? A. Yes, employed by them.

Paddock: Mr. Chairman, I offer in evidence Committee Exhibit (5)

hibit 1, please signify if it is accepted in evidence.

Chairman: It is accepted.

Q. Showing you exhibit marked Committee Exhibit 2, will you please state what that is? A. That is a report on the subject of the examination and audit of the Workmen's Compensation Bureau of the State of North Dakota by Bishop Brissman Company, certified public accountants, addressed to the State Board of Auditors, the Members of the House and Senate of the 17th Legislative Assembly.

Q. Will you identify that as being the report of the Bishop, Brissman Co.? A. Yes.

Paddock: I Offer in evidence Committee Exhibit 2.

Chairman: Accepted.

Q. Showing you Committee Exhibit No. 3, will you tell us what it is please? A. Report of special examination of the State Mill and Elevator of Drake, North Dakota, as of December 4th, 1920, made by Bishop, Brissman Co., certified public accountants addressed to the State Board of Auditors, the Members of the House and Senate of the 17th Legislative Assembly.

Q. You identify that as the report of the Bishop-Brissman Company on that subject? A. Yes.

Paddock: I offer in evidence Committee Exhibit No. 3.

Chairman: Accepted.

Q. Showing you Committee Exhibit No. 4, will you please tell us what it is? A. A report of special examination of the Home Building Association of North Dakota as of December 3, 1920 made by Bishop, Brissman Co., certified public accountants, addressed to Honorable State Board of Auditors, and to the Honorable Members of the House and Senate of the 17th Legislative Assembly of the State of North Dakota.

Q. Do you identify that as the report by the Bishop, Bris-

sman Co., on that subject? A. Yes.

Paddock: I offer in evidence Committee Exhibit No. 4.

Chairman: Accepted.

Q. Showing you Committee Exhibit 5, will you please tell us what this is? A. Report of special examination and audit of the Bank of North Dakota as of December 3, 1920, by Bishop, Brissman Co., certified public accountants, addressed to the Honorable Members of the State Board of Auditors, Senate and House of Representatives of the 17th Legislative Assembly by the State of North Dakota.

Q. You identify that as the report of the Bishop, Brissman Co., on that subject? A. Yes.

Paddock: I offer in evidence Committee Exhibit No. 5.

Chairman: Accepted.

Q. Showing you Committee Exhibit No. 6, will you please tell us what it is? A. This is Schedule No. 1, detailed list of loans and deposits and re-deposits and collateral and Schedule No. 2, description of collateral held as assurity supporting report on a special examination and audit of the Bank of North Dakota.

Q. And you identify this instrument, marked Committee Exhibit No. 6, as Schedules 1 and 2, supporting the report which is Committee Exhibit No. 5? A. Yes.

Paddock: We offer in evidence Committee Exhibit No. 6

Chairman: Accepted.

Mr. Lemke questioning Mr. Lee:

Q. Now, Mr. Lee, you are an accountant, are you not? A. Yes.

Q. Certified?

A. I have no certificate myself.

Q. You have no certificate? A. No.

Q. How long have you been an accountant? A. It has been a number of years, I do not recollect how many.

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Q. Will you give us a brief statement of your work for the different firms you have worked for? A. I do not think I can do that. My recollections only go back about five or six years.

Q. Do you know who you were with before? A. I was not assigned in auditing work. My work as an auditor has been interrupted. I have been outside—— it has not been continuous. On account of my health.

Q. You have been in the auditing business before? A. Yes.

Q. You have been with the Bishop, Brissman Company five years, did you say? A. I started with the Bishop, Brissman Company on October 1, 1917.

Q. October 1, 1917? A. October 1, 1917.

Q. Have you been with them continuously? A. Yes.

Q. What connection did you have with the audit of the Bank of North Dakota, Mill and Elevator Association, and the Home Building Association, if any? A. The audits were conducted generally under my supervision.

Q. Generally under your supervision? A. Yes.

Q. Will you tell us more in detail what part of your work was with the Bank of North Dakota? How general was that supervision? A. Directing the work of the force of accountants employed on the engagement.

Q. Can you not give us a little more just what your work was as director? A. I assigned the work to the individual accountants.

Q. And they reported back to you from time to time? A. Yes.

Q. You did not verify any of the work that they found yourself? A. Some of it I did.

Q. Who were the men who were with you who did the actual work? A. I have the name of them Mr. Ira Severence.

Q. Will you tell us how long he has been with the Bishop, Brissman Company? A. I do not know because I have nothing to do with the hiring of employees. Mr. Bishop has entire charge of that.

Q. Have you ever worked with this man before? A.

Q. Do you know anything about his integrity and ability? A. Personally I do not know anything about him.

Q. Do you know where he is from? A. I do not know.

Q. What training has he had? A. I do not know. I accept the men that are sent me.

Q. Let's go to the next one. A. G. M. Munson.

Q. How long has he been with your firm? A. I could not tell, I do not know.

Q. Ever meet him before coming up here? A. I do not recall if I met him. Think I have.

Q. Know anything about his training? A. No.

Q. Integrity or ability? A. No.

Q. Go on to the next. A. —. F. Neitler

Q. How long has he been with your firm? A. I do not know.

Q. Know anything about his previous training or experience? A. No.

Q. About his integrity? A. No, I do not have anything to do with that. Entirely taken care of by members of the firm.

Q. Have you ever worked with him on any job before? A. No.

Q. Do you know where he can be located? A. No.

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Q. The other two? A. They can be reached through our office.

Q. St. Paul? A. St. Paul.

Q. Go on. A. Harle H Powers.

Q. How long has he been with your firm? A. Could not answer that. I do not know.

Q. Are all your answers to this man the same as the preceding? A. Yes.

Q. How long would it take for you to find out where you could locate those men? A. Their present location would have to be obtained from our office in St. Paul. I think they are around the west doing audits, do not know where they are.

Q. Alright, give us the next. A. B. S. Smith

Q. All the information I have called for is regard to the previous four members, would the answers be the same to this man? A. I think in regard to Mr. Smith I know this additional, that he has worked for other public accountants besides us.

Q. When, do you know? A. I do not know when.

Q. Do you know or is that simply an impression you got, or a humor? A. I think I obtained that information from him.

Q. That is what he told you? A. Yes.

Q. Who did he work for? A. Anderson-Kregar.

Q. Are all other answers as before? A. Yes.

Q. Let's go on. A. Oscar Hammargren.

Q. What do you know about him? Do you know where he lives? A. No.

Q. And the questions asked concerning the other men would be the same with the exception that you do not know whether he has worked for anyone or not? A. Yes.

Who is next? A. M. H. Assn.

Q. How about him? A. The name. Do not know anything about him.

Q. Next. A. F. R. Moak.

Q. What about him? A. Same.

Q. Do not know anything about him? A. No.

Q. Next. A. Harry L. Aultman.

Q. How about him? A. I have known him for a number of years. He was an aviator during the war, accountant before that.

Q. How long has he been with your firm? A. I think he was with them before the war.

Q. Was he there before you were there? A. I do not know.

Q. Did you ever work on any other job with him? A. Yes.

Q. Which and where? A. I was engaged with him on the Pan Motor, St. Cloud.

Q. When was that report made? A. I do not remember. A year or two ago.

Q. A year or two ago? Any other job you were on with him? A. I do not recall. I think I have done other work with him. I do not recall just now.

Q. What is his education and general experience in accounting? A. I do not know.

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Q. You do not know how many years of experience he has had or anything of that kind? A. I do not know.

Q. Know anything about his ability and integrity? A. No, except that I have every confidence in him personally.

Q. You have worked with him on different jobs I understand, the Pan Motor, was that all? A.

Chairman: What part of the work did he do on this audit?

A. You mean on the Bank of North Dakota?

Chairman: Yes.

A. He was engaged, I think, on the farm loans.

Chairman: Did he also do the auditing at the Mill and Elevator? A. At Drake? Yes.

Q. Do you know if he ever had any experience in milling before. A. My impression is that he has considerable.

Q. What milling accounting did he do that you know of? A. I do not recall any specific accounts.

Q. When you say, that is your recollections are, you do not know, it is only your belief? A. It is only my belief.

Q. Go on with the next. A. E. J. Grace.

Q. How about Grace? What do you know about him? A. I think he was employed at one time as bank examiner.

Q. In what state? A. I do not know.

Q. Do you know anything also about him? A. No.

Q. All the other questions I have answered about the other witnesses would be answered the same? A. As far as my personal knowledge is concerned, Yes.

Q. Next? A. Roy Larson.

Q. Where was he from? A. I do not know.

Q. Let me ask you another question in regard to all men. If they had been in the auditing business in the State of Minnesota it would be more than likely that you would know more about them, would it not? A. There are a lot of accountants I have never met.

Q. Don't accountants know one another? A.

Q. You have heard of the Equitable Audit Company? A. Yes.

Q. Go on with your next man. A. That is all I can recall at the present.

Q. Now will you kindly tell us what man you assigned to this bank and to what particular organization you assigned each one? A. I couldn't do that because I kept changing them each day according to an necessities arose.

Q. Can you tell us when you assigned and who were in the bank of the men you named? A. It would be easier to tell you who worked on the other jobs and the rest worked in the bank. Mr. Aultman had charge of the field work at Drake and with him, if I recall, were Mr. Severson and Mr. Mosk and Mr. Anad. Mr. Smith was assigned to the work in the Home Building Association and there was another man whose name I have not given you yet. Mr. Hill, who was assigned to assist him in the Home Building.

Q. Now in regard to Mr. Hill, do you know anything about him? A. No.

Q. All the other questions I have asked you concerning the others would be answered the same? A. Yes.

Q. How did you know to whom to assign the various classes of work, not knowing each man's ability and integrity as you state? A. In some cases I would try them out and switch them around a great deal.

Q. Did not the auditing board or the company tell you which to assign to the particular work? A. No.

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Q. You had no information or directions at all in regard to that? A. No.

Q. There were four men who worked on the Drake Mill? A. Yes.

Q. Were there no more? A. I think that was all.

Q. Were there no more? A. That was all doing field work.

Paddock: By field work you mean working on the ground?

A. On the ground.

Q. In regard to assigning these men to a particular piece of work, did any of these men ever have any experience in banking? A. I think some of them had. Mr. Powers, as I recall it, had banking experience.

Q. You said you did not know but that was only your recollection. A. I do not know, it is only my recollection.

Q. Were any of your subordinates certified accountants? A. No, they were not.

Q. Did you ever do any auditing work in a bank? A. Yes.

Q. Where? A. I do not recall in the years of my experience just what banks I have done work in.

Q. Can't you name one or two banks in which you did some work? A. I think the last work I did was in a bank at Stillwater.

Q. What bank? A. I think it was the First National.

Q. How large a bank is that? A. I do not recall now.

Q. Did you ever do any work in a bank that would compare in size to the Bank of North Dakota? A. In auditing work public accountants get into several businesses and conduct audits.

Q. What work has Bishop, Brissman Company done in the following classes, for instance that is the milling work? A. There is a long list.

Q. Can't you name any of them? A. No.

Q. Not even one? A. I could not recall them now.

Q. In the auditing of construction work, like the Mill and Elevator in Grand Forks? A. Yes, we have made audits. We have them in our list.

Q. Where did you make them? A. I do not know, they were not made by me, or I might not have been in direct touch with them. Our lists show them.

Q. From those lists, and that is the only knowledge you have that they have done that kind of work at all? A. I have personally had experience in auditing contractors.

Q. Where. A. In St. Paul.

Q. Will you give us the name of one or two? A.

Struchon I think it was, the last one I would recall.

Q. What building was it on and where? A. General construction work.

Q. Well, did you do any work on any particular building? A. The audit included all buildings.

Q. Where were these buildings being put up? A. I do not remember. There was quite a list of them. In my work as public accountant I concentrate on that particular audit. When I am through I forget it. My work is largely analytical and not very good for memory.

Q. What line of auditing did you specialize in? A. I did not specialize.

Q. How about banking? Do the Bishop, Brissman Company do any business in that class? A. Yes, they have had some.

Q. When was the last one? A. I do not know.

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Q. When was the last that you supervised on the side the Bank of North Dakota? A. I do not recall that.

Q. Outside of what you stated here you may tell us briefly if you can think of anything else of what work you have done in these classes of work that I have outlined, milling, construction and banking? A. I have nothing additional to offer.

Q. Now let us come back to the Bank of North Dakota. Do you remember who you assigned to the work of counting the cash and verifying cash items? A. No, I do not recall. That was one of the first things done.

Q. Will you kindly look through the list of names and see if you can recall? A. I am not sure I made that assignment. Mr. Bishop was here himself for the first day or two and possibly he made that assignment. I do not recall.

Q. Have you a procedure chart mapping out the work? A. I made it out as I went along. I may have it in my working papers.

Q. Where are your working papers? A. St. Paul.

Q. Can you get them up here for us? A. We are required by the laws of Minnesota to keep our working papers for six years. However, I will have to refer you to Mr. Bishop.

Q. You had them up here for same time? A. We were making them then.

Q. Can there be any objection to bringing them up here? A. There would be in my opinion.

Q. You say the law requires that you keep them for six years, is that not so that they can be referred to in cases like this? A. I do not know.

Q. What is your idea about it? A. I have no opinion on the subject. We keep them for our own protection.

Q. May I ask you again? Did you verify the cash items? A. Personally myself?

Q. Yes. A. No, I accepted the certification of my assistants.

Q. You do not know who this man was who did it? A.

No, I do not recall now. Probably the records will show.

Q. What part of the work if any, did you verify? I think you have stated, none. A. I do not recall exactly. I was supervising the work of the others and assisting them with their problems all the way through the audit, working with them on various verifications.

Q. Then you did not carry any verifications yourself? A. I did not carry any verifications from start to finish. I would not recall if I had as there were so many thousands of details in that audit that my recollection of that is not at all clear.

Q. Now your working chart and working papers are where, did you say? A. St. Paul.

Lemke to Chairman: I ask that this witness be asked to produce his working chart and working papers and any other industries upon which this audit was founded and based.

Chairman: Mr. Lee, would it not be possible to get these working reports here? A. You understand that they are not my property. I have not possession of them. You will have to refer to my chief, Mr. Bishop, for information on them.

Mr. Lemke: Will you attempt to secure them? A. I will convey your request to them.

Q. By telegram at our expense? A. I would prefer to have you ask for them direct however, as it would carry more weight than my suggestion.

Q. I would suggest that you ask them, we can follow up assuring him that we do not, you understand, wish to retain the papers nor have them go out of your possession. A. You know there is a whole trunk full of them. Shipping them up here there is always a danger and possibility of loss in transfer which would be the chief objection.

Q. Send a man with it. A. There is more than one man can carry.

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Q. Who took them back? A. I think I carried most of them back in my trunk.

Chairman: Did you make more than one copy of it? A. No they were mostly work computations and things in pencil.

Lemke: Now Mr. Lee, we understand that you will make an attempt to get these papers? A. I will make a request.

Q. You testified before the House Committee and is your recollection correct, that you verified those reports as correct in the House yesterday? A. I do not think anything but the bank report was up.

Q. The bank report? A. Yes.

Q. But as a matter of fact you now wish to qualify that to the effect as your subordinates found it and you approved it? A. It was in accordance with the books and records of the bank to the best of my knowledge.

Q. But you have already testified that you did not know the man who did the work? A. I supervised the work.

Q. You did not verify all the work? A. It is impossible for one man.

Q. Who prepared the balance sheets? A. I think they were prepared in the office at St. Paul.

Q. Do you know by whom? A. I think I prepared the original draft of them. The final draft was prepared under the supervision of Mr. Bishop himself.

Q. Did you ever compare the original draft with the final draft as made in Exhibit 5? A. Well I do not understand exactly what you mean.

Q. Did you take your original one and have you examined it since the final one came up here to compare it with the original? It is in accordance with my report which I turned in.

Q. As a matter of fact you did not construct the balance sheet? A. Not alone.

Q. Who wrote the commentaries? A. They were written partly by myself and partly by Mr. Bishop.

Q. Which part did you write?

Ployhar: There has been considerable publicity attached to this House Committee and charges have been made that the proceedings are unfair. We have the rules to go by. What right has Mr. Thatcher of the Equitable Auditing Company to take any part in these proceedings? Mr. Snikler is sitting there what part has he in this committee? What right has he got to ask questions before this committee? We want absolute fair play, first, last and all the time and that is one thing that I am going to insist on in this meeting.

Lemke: There is no attempt made here except to get the facts.

Murphy: You are the man to get the facts.

Lemke: I wish you would permit me to consult with an accountant. I want to say this, I am not an accountant. Mr. Lee is one account and represents one faction. I am not questioning—

Mr. Murphy: There is every appearance that you are trying to discredit this firm from the questions you are asking.

Paddock: I do not belong in here, but I think Mr. Thatcher will be ready to answer questions put to him by any one.

Murphy: We have Mr. Lemke to conduct this investigation and as far as I am concerned I shall insist that he conduct the investigation and no other.

Lemke: I may suggest, if you will permit me to, that as far as the proceedings to this afternoon, I am quite willing to assume the responsibility to ask these questions myself but I am not satisfied that I do not need assistance when we go farther, and then with the full consent of the minority and majority of this committee because we want to get a report here that is fair and the matters I am bringing out here are simply matters that are preliminary before we could. I think this committee would like to know whether Mr. Lee knew the men who worked with him. It is of interest to you, it is of interest to this committee, where there is a large amount of papers and things to know the character and ability of the men.

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Chairman: I might say that it is absolutely fair for us to know whether the auditors who audited these institutions

are competent auditors.

Murphy: Why not get the men who are responsible for these men and ask it of them?

Chairman: Would it not be well, Senator, before we incur this expense, to find out if this gentleman here knows of their experience? It seems to me that we ought to know whether they are competent auditors.

Lemke: I will ask Mr. Lee now to take the bank audit, Exhibits 5 and 6, and tell this committee in his own way just how he arrived and how it was done. I would suggest that you be brief. Go into the details. This committee wants to know the facts, the same as you would do to your own firm. A. I wish you would make your questions more specific.

Q. Turn to your figures and tell us what the result is, what you have found. Start in with your balance sheet, take up the different items, and tell the committee how you found them. A. We did that in our report on page 5, starting out with the first one, detail No. 1 on page 37 is presented summary of loans and discounts, total loans of each borrowing bank and security therefor, \$3,643,359.09.

Q. Now, in what form was that security in? A. That is shown in detail No. 1.

Q. Now in detail No. 1 you have got summary of loans and discounts, etc., you have heard a lot about banks, do you not want to go into that?

Church: I want to ask you Mr. Chairman, just how far you want to go into the details, summary of loans and discounts?

Chairman: Now Mr. Lee if you will select those in that list which by inquiry you would say are questionable.

Lee: Under separate binder we show collateral securing such loan. You understand of course that these are payable by banks and in schedules 1 to 10 give the individual items by which these are made up. There are index numbers merely for reference.

Ployhar: What we want are some of the individual items which you claim are objectionable items.

A. I do not know what you call objectionable items.

Lemke: Let me suggest that we read the report from the beginning and that you ask Mr. Lee to explain. I suggest that the Secretary of the Industrial Commission read the commentaries. Mr. Lee have you looked over and compared the Industrial Commission report with your own? A. No, I have not compared it with my own.

Mr. Paddock proceeded to read the commentaries.

Paddock: The \$15,885.33 inventory of supplies, appearing on page 3, Mr. Lee, that is referred to later in the report. Was that taken under the supervision of one of the officials of the bank? A. It was taken under the supervision of one of the officials of the bank, Mr. McAneney, I believe.

Paddock: This was a considerable amount of supplies which were on hand in the bank for which the bank had taken no credit in their balance sheets.

Lee: They did not carry it in their ledger, they show it, I

believe, in their quarterly statement, so we considered it proper to include it here.

Paddock: Including it, isn't it a fact that it increased the amount of earnings of the bank for the reason that it hadn't been carried in the assets in their daily sheet?

Lee: It would have the affect of increasing the earnings.

Paddock: This consisted of supplies that were available and may be used during the coming year.

Paddock: In regard to the \$817.59 amount in accounts payable on page 5, do you recollect what that was?

Lee: That represents expenses incurred during the month of November and not paid until December.

Paddock: Referring to paragraphs 3 and 4 on page 5, may I ask of Mr. Lee if you made any investigation as to collateral held for any loans in the bank other than that held in the bank for your examination? A. No.

Q. You made no investigation? Did you look up the financial responsibility of the persons whose notes were in the bank for collateral? A. No.

Q. Did you look up the financial responsibility of persons who held warehouse receipts? A. No.

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Q. Did you look up the appraisals on farm land? A.

Q. You merely took the assets and statements as shown in the records of the bank? A. Yes.

Lemke: That is the usual and customary procedure is it, Mr. Lee? A. Yes.

Q. And put in to guard yourself against a misunderstanding? A. Yes.

Q. You had no intention of casting reflections on the investments when you put them in? A. No.

Q. Do you usually go into the minute details in making an audit that you have done in this instance? A. We sometimes go into greater detail. We did not have time to go into greater detail here.

Q. Do you know what the custom is with bank examiners, if they go into details? A. I do not think they do.

Q. In other words you want this committee to understand that you went further into details than the bank examiner?

Paddock: To get it clear whether you know that the customary method of the bank examiner is to ascertain all of the questionable items and check them up? A. His methods are very different from ours.

Paddock: Referring to paragraph 1, page 6, that is Mr. Lee what we have marked exhibit 6. A. Yes.

Q. I do not suppose you recollect when you checked up the Industrial Commission records, whether it was December 3rd or toward the end of your examination? A. No, it was not December 3rd, some time after.

Q. The reason I ask this was that on December 16th there was a correction made on the minutes.

Lemke: Now let us ask in connection with that, does that

include the amounts in transit? A. No, these are loans and discounts on the bank.

Paddock: Referring to paragraph 2, page 6, Mr. Lee, did you know how long past due the majority of this sum was? A. I. do not know. There might some of it have been but a few days past due or it might have been six months.

Q. Your exhibit shows it. but just for my own information, the majority of the money loaned to banks was secured by collateral, was it not? A. Well I could not say off hand. It might be and it might not. That security is shown on detail No. 1.

Q. The majority was secured by some kind of collateral? A. Could not say about that, it might be and might not be.

Q. Now referring to paragraphs 2 and 3 on page 6, you have no record in your schedule how much past due that was? A. No, we simply listed the amount

Q. Will you please tell us how \$650,000.00 of the Mill and Elevator Association and the \$285,000.00 of the Home Builders was represented in the bills receivable? A. There were notes representing it.

Q. Referring to paragraph 4, page 6, wasn't the \$7,716.72 of the Industrial Commission an open account? A. Yes, think we set it up on December 3rd, the day we started in. it was an open account. I do not think it was on the books. I

Q. Not on the books? A. We set it up ourselves.

Q. Referring to paragraph 1, page 7, will you explain to us if you can what the nature of these discrepancies were? A. They were supposed to be bank reconcilements, there might have been a difference of something in transit, on one side entered and not on the other.

(14)

Q. There was interest paid to some of these banks on deposits they had in the Bank of North Dakota. A. These reconcilements are complicated.

Lemke: How much were the amounts in those differences? Were they considerable or small? A. I did not put them in for the reason Mr. Paddock brought out, they did not mean anything.

Paddock: There might be some paper in transit as between this bank and that bank. There may have been some banks that had not completed the reconcilements.

Paddock: You found a great many banks in North Dakota holding cash letters or drafts against redeposits instead of remitting for them promptly, holding them up until they could remit for them? Would you say that to be correct? Whether or not you know the majority of banks before closing did not make an effort to get by by holding letters of cash? A. I do not know as to that.

Paddock: Did you investigate under what term these special farm loan deposits were made, referring to paragraph 4, page 7? A. Yes.

Q. Will you tell us whether or not the bank retained the right to recheck against these deposits or draw them out at any time, in other words, it was still their money? A. Yes.

Moved by Senator Church, Seconded by Senator Baker, that the Committee adjourn until 7:45 this evening. Motion declared carried. (Left off at Detail 3 page 9 Exhibit 5, when adjournment was taken.)

EVENING SESSION.

The meeting convened at 8:00 P. M. with the following present: All members of the committee, Messrs. Lemke and Poindexter of the State Board of Auditors, Mr. Lee of the Bishop-Brissman Company and Mr. Paddock of the Industrial Commission.

Examination of Mr. Lee continued. Mr. Paddock proceeded to read the commentaries, commencing on page 9 of Detail No. 3.

Lemke: Referring to paragraph 2, page 9, have you any idea of what that \$10.00 was? A. We could not find any record of it. We worked several days on it.

Q. You could not tell whether it was in your own or in the other books? A.

Paddock: With reference to that paragraph, that sum represents sums on deposit in banks outside the state? A. Yes.

Q. Referring to the third paragraph on page 9, Mr. Lee, will give us some idea as to how many drafts there were drawn on the Merchants, Minneapolis? A. I do not know. A. do not know whether there were a dozen, or twenty or three hundred.

Q. Mr. Lee, in referring to the item of \$817,500.00 appearing in paragraph 7 on page 9, I want to ask you whether or not you found that the Bank of North Dakota had made a call for cash from a large number and very large number of its redeposit banks just prior to the time you made your examination? A. Yes.

Q. Calling your attention to the commentary on page 4.

(15)

referring to an initiated measure which permitted public treasurers at their option other than state department officials and state treasurers to deposit funds elsewhere, can you state whether or not this large amount of drafts referred to in the paragraph on page 9, and appearing as \$817,500.00 was not an effort to prepare for the withdrawals that would probably follow December 2nd, the date when the initiated law would take effect? A. I am not in a position to determine the motive of the bank. I can only record the facts as it was found.

Q. I want to ask you for your opinion, does it not seem probable that that was the reason for so large a call at that one time? A. Probably, but I do not care to venture an opinion on it.

Lemke: As a rule in making this audit did you consult with the director general and get some idea of it, or didn't you? A. I probably did consult with some of the officials of the bank, Mr. Johannsen or some other official. I do not recall specifically of having done so.

Paddock: Referring to the item of \$878,928.70 in paragraph 7 on page 9 called "collection items out for collection"

that appears to be an extraordinary large amount out for collection, does it not, Mr. Lee? A. I do not know. I would not pass upon that as to the size. I am not able to pass upon that.

Q. Did you make any effort to ascertain the average amount of collection items on transit passing through the Bank of North Dakota per day during the period since it opened, A. No.

Q. Then you would not be in a position to say whether this was smaller or larger than the average daily transit clearance? A. No.

Q. Referring to the second paragraph on page 10, does that mean warrants of counties and warrants of the state which had come to the bank and which had been sent by it and no remittance had been received therefor as yet? A. Yes, that is what I understand.

Q. The state warrants hadn't yet been taken up to the State Treasurer and his check received therefor yet? A. Yes, sent out and checks hadn't come in for them yet.

Q. Referring to the commentary in paragraphs 4 and 5 and particularly paragraph 6, or the last paragraph on page 10, is it or is it not correct that 7 per cent. per year will pay out in thirty-four years a loan which bears 6 per cent. interest and which is amortized on the basis of 7 per cent? Have you figured it out? A. I have not figured it out because the amortization table only runs thirty years.

Q. Referring again to the last paragraph on page 10, the amortization payment on a 7 per cent. basis on a \$1,000.00 loan for one year would be how many dollars? A. Let us look at the table. The principal would be \$10.00 and the interest \$60.00 the first year.

Q. The first year? A. Yes.

Q. An amortization table which contemplates the wiping out of a loan in thirty-four years is generally figured on the 7 per cent basis, is it not? A. Well, you probably would as laid out here.

Q. Now take the thirtieth year, or at the end of the twenty-ninth year, being a payment of 7 per cent. per year on \$1,000.00, or \$70.00 a year, how much of the \$70.00 in the twenty-ninth year, being a payment of 7 per cent per year on A. \$51.12 principal and \$18.88 interest in the twenty-ninth year.

Q. Mr. Lee, the amount of interest out of each payment would constantly become less and the amount paid on the principal constantly increase as the years went by? A. Yes.

Q. Referring, Mr. Lee, to the first paragraph on page 11, the item of \$18,353.00 payments on farm loans remaining unpaid on December 3rd, did you make any record as to what amount of these payments, as to how long these payments were past due? A. No.

Q. So you cannot state at this time whether they were

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past due three days, ten days or three months? A. No.

Q. Referring, Mr. Lee, to paragraphs three, four and five,

being all of the paragraphs following paragraph two on page 11, I will ask you whether you made any effort to ascertain whether an endeavor had been made to sell real estate bonds? A. No.

Q. Then there is no criticism intended by the manner in which the commentary is made? A. No, merely a statement is made.

Q. Mr. Lee referring to the last paragraph on page 12, items of \$35,941.19 and \$8,150.00, these items were war savings stamps and liberty bonds which had been invested in by various treasurers, I take it, as sinking funds and delivered to the Bank of North Dakota and held by the Bank of North Dakota as sinking funds in the original investment form? A. Yes, they had to convert them into cash by making re-deposits of them, as I understand it.

Q. The items appear on the resources side and on the liability side? A. Correct.

Q. Referring Mr. Lee, to the item of \$96,246.25 bond coupon in the hands of the State Auditor, appearing near the top of page 13, I will ask you whether or not that represents the interest due on coupons Bank of North Dakota series, which had been clipped and sent to the State Auditor but for which payment had not yet been received? A. Yes.

Q. Referring, Mr. Lee, to the item four immediately following, uncut coupons and accrued to September 3rd, this item represents coupons which were due on the Bank of North Dakota Bank series but had not been clipped and presented for payment? A. They had accrued but had not yet been paid.

Q. Then if I get it correctly, it would be the amount of interest accrued represented by coupons which had not yet become due, or becoming due not yet been paid? A.

Q. Referring to the item, Mr. Lee, on page 13, \$57,135.40, that is interest due to the Bank upon notes, upon rediscounts and upon advances made to public treasurers, is it not? A. Yes.

Q. Referring, Mr. Lee, to the item of \$36,935.73 on page 13 that represents the interest due and accrued upon funds which had been redeposited with banks in the state? A. Yes
terest accrued on farm loans, does it not? A. eYs.

Q. The item of \$115,011.52 on page 13 represents the interest accrued n farm loans, does it not? A. Yes.

Q. The item of \$10,954.67 on page 13, Mr. Lee, represents the interest due on special deposits made for farm loan purposes, or the total interest due and accrued \$388,890.16, as shown on page 13? A. Yes.

Q. Referring to paragraph three, Mr. Lee, on page 14, an adjustment item of \$230.00, did you locate why or wherein that discrepancy occurred? A. No, it was simply a question of pricing in taking the local inventory. I took the verification from the original source.

Q. Referring, Mr. Lee, to the paragraph on depreciation charges, an item of \$9,345.57, this is a reserve which the Bank had set up to represent a reduction in value due to use of the bank furniture and fixtures? A. The \$9,345.57 on furniture

and fixtures was. We set up the \$686.73 covering the automobiles.

Q. Referring to this same item on page 15, I will ask you whether or not you examined the quarterly statement of the Bank of North Dakota and tell us whether they did not charge off a reserve for depreciation each three months? A. I do not remember examining the quarterly statement but it is my impression that they did charge off a depreciation that way although I am not sure of it.

Q. Referring to the first paragraph on page 16, Mr. Lee, can you tell us whether or not this amount of \$100.00 overdrawn by Mr. Pike is represented by voucher signed by Mr. Pike and approved by the Industrial Commission? A. I. lo

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not know whether it is represented by a separate voucher, the total of which it is a part is represented by a voucher.

Q. In other words, the expenditure has been O.K.'d by the Industrial Commission or members of it? Is that your impression? A. I do not think that the Industrial Commission O. K.'d it, I think it was the financial committee of the bank.

Q. Referring to the third paragraph on page 17, Mr. Lee, the sum of \$8,743.64 was carried as the balance remaining in the account to pay for appraisals still to be made on lands for which applications for loans had been accepted? A.

Q. You did not work out and verify the number of appraisals still to be made to ascertain whether the account was correct? A. No, we did not analyze the account.

Q. Referring to the paragraph preceding the last one on page 17, Mr. Lee, the total amount shown to have been expended out of the legislative appropriation was \$24,108.37, is that correct? A. Yes.

Q. The bank had set up as a reserve that amount to repay the portion of legislative appropriation which had been used? A. Yes.

Q. There were no adjustments, I take it, Mr. Lee, referring to page 19, paragraph 3, under the title "Operations," the statement is made that some minor adjustments in expense distributions were made by us, does that not mean that you may shift from one class to another? A. Yes. If you take some items out of expense and made it assets it would not make any difference in expenditures.

Q. Referring, Mr. Lee to the commentary on top of page 20, first paragraph on page 20, can you tell me whether the manner of handling journal entries and posting to the general ledger was different to that used in all banks of this state, or the majority of banks of this state? A. I think it is customary always to have vouchers of that kind at least signed by persons responsible for them.

Q. Do you wish to state that as the custom of the majority of banks of this state? A. eYs, I think it is probable.

Q. What banks use this system? A. I cannot state that.

Q. That is your opinion? A. Yes.

Q. So far as you learned there were no errors resulting from the methods adopted of any particular moment, were there? A. No, our only criticism was that it would be diffi-

cult to discover errors.

Q. Referring, Mr. Lee, to the second paragraph on page 20, the criticism I take it is directed to the fact that you were unable to tell from the entries made what they referred to because there were no descriptions attached to them? A. Yes.

Q. In your examination of the bank did you not discover that most of the entries and items are carried under number classifications? County Treasurers have one set of numbers, city treasurers another set of numbers, township treasurers another set? A. That does not refer to general ledger accounts.

Q. But the transit items could be located as to where they come from by the numbers appearing on the entries, couldn't they? A. You mean by designation as to county treasurers, etc., as they refer to counties they might, otherwise they might not.

Q. If they referred to a number classification you could locate them, could you not? A. I do not remember how classification numbers were carried in that transit.

Q. Mr. Lee, referring to that paragraph, may I ask you if you had any difficulty or if you were unable to locate any question which arose concerning transit items? A. This transit sheet is a proof sheet. I fthere are any verifications to me made—

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Q. Referring to the last paragraph on page 20 which discusses the mobility and liquidation of the assets of banks and the first two paragraphs on page 21, I want to ask you whether this is your commentary or not? A. This is Mr. Bishop's commentary.

Q. Were you acquainted with the commentary at the time it was made? A. Yes.

Q. Referring to the commentary on page 4, discussing the initiated measure, I would like to have you explain how a bank could prepare to meet withdrawals under the initiated measure without withdrawing some of the funds which it had on deposit? A. I do not get the point of your question. I do not see what it has to do with paragraphs on pages 20 and 21.

Q. On pages 20 and 21 the criticism is offered that the Bank of North Dakota found it necessary to withdraw funds from banks when it should have been extending them but no reference is made to the fact that necessity arose from the initiated measure permitting withdrawals away from the Bank as referred to on page 4 of the commentary. A. I do not see why it is necessary to refer to it again if it has been referred to.

Q. Now you are then willing to state that the initiated measure may have caused the withdrawals on page 4? A. I do not know. I think that is a question of opinion.

Q. You have expressed an opinion on page 21, or rather your company has, that the Bank of North Dakota merely increased the stringency instead of relieving it as it should have done, have you not? It is apparent that this—

Q. That is because it was necessary to withdraw \$1,390,000.00? Do you still believe that the bank's withdrawal of that fund should be criticized in view of the fact that it had to withdraw to meet the conditions of a law passed December

2nd, 1920? A. I do not think it is criticized. I think it is merely stated as a fact.

Q. Then you wish now to say that the forced withdrawal may perhaps have been due to the initiated measure? A. I do not think it is necessary for me to advance an opinion, at all on this point.

Q. Your proposition is that while your company has expressed an opinion you do not wish to express an opinion? A. I do not wish to qualify nor amplify their opinion.

Lemke: Mr. Lee, as a matter of fact did you not investigate why these heavy withdrawals took place when you ran across it and were you not informed that it was because of the initiated law that had passed and that they were preparing to meet it? Isn't it a fact that that was the reason, and didn't you learn it to be such? A. It may have been directly or indirectly. There may have been other reasons. The general financial conditions throughout the state and country may have had something to do with it.

Ployhar: Mr. Lee, on page 4 of the commentary referring to the initiated measure, that portion of the commentary was written by you, was it not? A. Not wholly, Mr. Bishop, I think, wrote that.

Ployhar: But the portion of the commentary on pages 20 and 21 was written by Mr. Bishop, not by you? A. Yes.

Paddock: Directing your attention to the paragraph on the bottom of page 20, you state that a bank must provide for reasonable and sufficient mobility and liquidation of its assets at all times, I want to ask you Mr. Lee, whether or not you know of any bank in the state of North Dakota, or any bank of the size of the Bank of North Dakota, which has a larger amount of its funds subject to recall than the Bank of North Dakota had on December 3rd? A. I do not wish to pass an opinion.

Q. Then you do not wish to pass an opinion, while your commentary and that of your company does? A.

Question. Referring, Mr. Lee, to the commentary in the second paragraph on page 21, which directs attention to what is referred to as "the disproportionate amount of the assets of the Bank which are represented in the thirty year farm loans, state bonds and advances to state institutions, and oth-

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er non-liquid investments" I want to ask you whether or not in your investigation you referred to the state law to ascertain what amount could be loaned on farm loans? A. I do not think I did.

Q. Then this criticism did not take into consideration the amount which under the law could be loaned on farm loans? A. It didn't state it was exceeded.

Q. Do you know whether or not it reached that limit? A. I do not know of my own knowledge whether it did or not. I forget what the limit was.

Q. Then perhaps this criticism would go to the limit established by law? Is it not correct? A. There is no reference to the limit established by law.

Q. If your criticism is correct, in your judgment then the law if it had not been exceeded is too liberal? A. I am not

going to pass judgment on the propriety of the law of the State of North Dakota.

Q. For the purpose of the record, in view of the fact that there is no total of the collateral which is placed is collateral to loans made to banks separate from other loans? A. No.

Q. Did you examine the loans and discounts to banks? A. Personally I did not.

Q. Did you discuss the matter with those who did? A. To some extent.

Q. Was there any discussion as to whether the bank was reasonably protected by the loans made by collateral? A. No discussion.

Moved by Senator Baker, seconded by Senator Ployhar, that the secretary be requested to ask Bishop-Brissman Company to have Mr. Smith and Mr. Aultman who had charge of the audit of the Home Building Association and Drake Mill, also Mr. Bishop to appear before the Senate audit committee with the working papers of the audit of the three institutions, and to let it be understood that they would not be retained by the committee but simply wanted by them for inspection. Motion declared carried.

Moved by Senator Baker, seconded by Senator Ployhar, that when Mr. Lemke cannot appear as counsel he can get any other attorney he wishes to do so. Motion declared carried.

Moved and seconded that Mr. Lemke see about getting a stenographer for tomorrow. Motion declared carried.

Moved by Senator Murphy, seconded by Senator Baker, that the committee do now adjourn until tomorrow at 4 P. M., in the Senate Chamber. Motion declared carried.

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STATE OF NORTH DAKOTA, County of Burleigh—SS.

Alfhild O. Alfson, being first duly sworn, says that at the City of Bismarck, County of Burleigh, and State of North Dakota, on the 8th day of February, A. D. 1921, she took the foregoing evidence in shorthand and thereafter reduced the same to typewriting, and that the foregoing is a true and correct transcript of the evidence presented at said hearing.

ALFHILD O. ALFSON.

Subscribed and sworn to before me this 10th day of February, A. D., 1921.

N. A. MASON,

Notary Public in and for the County of Burleigh,
State of North Dakota.

My Commission Expires January 31, 1927.

(SEAL)

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FEBRUARY 9

Meeting called to order by Chairman in the Senate Chamber in the Capitol building, Bismarck, N. Dak. Roll call. All members present. Minutes of last meeting read and approved.

Reporters A. J. Lauren and C. H. Olson were duly sworn by the Chairman. Meeting turned over to Mr. Sinkler as attorney. Mr. Sinkler called for J. W. Brinton. Mr. Ployhar asked witness as to whether he wished attorney to represent

him. Witness waived the privilege. Moved by Senator Ployhar and seconded by Senator Murphy that any time Mr. Sinkler questioned the witness too minutely he could call an attorney. Motion was waived. Moved by Senator Ployhar, seconded by Senator Murphy that we adjourn until 4 P. M. tomorrow.

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FEBRUARY 9.

Mr. Sinkler: I would like to call Mr. Brinton at this time.

J. W. Brinton being called as a witness and being first duly sworn testified as follows:

Mr. Ployhar: You understand, of course, that under the rules of procedure adopted by this committee you are entitled to counsel to appear in your behalf at this hearing. Do you desire counsel at this time?

Mr. Brinton: I would like to make a statement regarding that for the record. As I understand it this committee is sitting for the sole purpose of securing information regarding the state industries; that I am subpoenaed and called before your committee with the idea of securing what information I am able to give you and with no idea of any prosecution or persecution, and with that being the understanding I have no desire to have an attorney, as I have nothing to cover up and I expect the attorney representing this committee, Mr. Sinkler, I know him very well, I have as much confidence in him as I would have in my own attorney.

Mr. Sinkler: I shall extend to you every courtesy.

EXAMINATION BY MR. SINKLER:

Q. What is your name? A. J. W. Brinton.

Q. Where do you live Mr. Brinton? A. Bismarck.

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Q. How long have you resided at Bismarck? A. Bismarck has been my legal residence ever since the session of 1919.

Q. Do you maintain any home in any other place? A. Every place I hang my hat.

Q. Wherever you hang your hat; you formerly lived at Beach, North Dakota? A. Yes sir.

Q. Are you the same Mr. Brinton who testified before the house committee in the court house yesterday forenoon and this afternoon? A. Yes sir.

Q. You were, in that examination asked with respect to your association with the organization known as the Non-partisan League? A. Yes sir.

Q. Will you kindly inform the committee Mr. Brinton as to when you first became associated with that organization? A. The time it started.

Q. And when was that? A. In the fall—I am speaking of the discussion that lead to its organization first, the fall of 1914, that is, the winter of 1914 and 1915 following the 1914 election.

Q. And you thereafter affiliated with this organization for some considerable length of time? A. I did.

Q. When did you sever your connection with the organization known as the Nonpartisan League? A. At the time that I was engaged by Mr. Townley to organize the Consumers United Stores Co.

Q. When was that Mr. Brinton? A. That was in May

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or June 1917.

Q. In what capacity were you acting while you were affiliated with the Nonpartisan League up to 1917? A. Principally speaker.

Q. As organizer? A. No speaker and counclled with the men who had charge of it, one of the men who sat at the consultations.

Q. You have testified in regard to what is known as the Scandinavian-American Bank at Fargo? A. Yes sir.

Q. And gave certain testimony concerning that institution this morning and yesterday morning? A. Yes sir.

Q. I believe that you stated in your testimony that this organization was purchased by the Nonpartisan League. A. No, it was purchased by Mr. Hastings who was an employe of the National Nonpartisan League and its financial manager or secretary.

Q. What I want to get at is, when was this purchase of the Scandinavian-American Bank at Fargo made by Mr. Hastings? A. I couldn't give you the exact date.

Q. Give me approximately the time? A. It was in 1917, I am certain.

Q. Was that purchase by Mr. Hastings made for himself personally at the time? A. No sir.

Q. How do you know it was not made for himself personally at that time? A. Because he had to secure the consent of the Nonpartisan League management.

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Q. When did he secure the consent and where did he secure the consent of the Nonpartisan League management? A. He secured the consent from Mr. Townley in Saint Paul.

Q. Where? A. In Mr. Townley's office.

Q. You were present at the time that consent was obtained? A. I was acting in the capacity of Mr. Townley's personal representative and heard a good deal of the discussion, pro and con.

Q. Were there any other persons present at the time this consent was obtained? A. Mr. Lemke had his desk in one office and I had an office and Mr. LeSeur had an office and Mr. Townley had an office and Mr. Hastings had been up to the Fargo Bank and investigated the bank and came down to talk to each of us individually and Mr. Townley had talked to him about it and I had talked to Mr. LeSeur and we would talk together about it.

Q. I want to call your attention now to any occasion where there was more than one of these gentlemen present, when the matter of the purchase of the Scandinavian-American Bank of Fargo was under consideration—I believe you testified that? A. Mr. Townley and Mr. Hastings and myself were present.

Q. Didn't you testify that on one occasion there was present at a time when this matter was under consideration Mr.

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Wood, Mr. Lemke and Mr. Townley and Mr. Hastings. A. They were present in this way, they were there at the headquarters and the discussion was from one office to another, on different days and different times of the day.

Q. Was there any occasion when they were personally present in the room when the consideration of this question was being had? A. I couldn't say; it was threshed out in a meeting in which all were present.

Q. Do you know what instructions were given to Mr. Hastings with respect to the purchase of the Scandinavian-American Bank? A. Well he was instructed to go up there and purchase it.

Q. Do you know how it was done? A. Not, except as Mr. Hastings informed me.

Q. You testified this morning as to the manner—I believe what Mr. Hastings told you. Will you testify for the information of this committee on that matter also? A. Yes sir. The final consultation was held between Mr. Hastings and Mr. LeSeur and some financial arrangement was necessary, which Mr. Hastings, as he told me, Mr. LeSeur granted him and as a result of that he went to Fargo and purchased this bank, or enough stock so that he could secure a controlling interest, and a man by the name of Mr. Proctor Kimball assisted Mr. Hastings and Mr. Lemke in the purchase, and at a number of times after that and after trouble arose in the

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bank I had additional information as to the details of the transaction as to Mr. Kimball's part in it.

Q. Now was the question as to the use that was to be made of this institution discussed? A. Oh, yes.

Q. And it was understood and agreed between the parties there that for the purpose of carrying on the organization and the work of the Nonpartisan League it was necessary that they have a financial institution? A. I will give you as near to the language as I can, or the expressions given there which lead up to the purchase.

Q. I would like to have that. A. They were having a great deal of difficulty in getting money on the paper that they had been accustomed to borrowing on, such as post dated checks, farmers notes, league exchange notes, Consumers Stores Company notes—I wouldn't say about the store notes, but the general line of paper they had, it was becoming more difficult all the time because the banks that had been doing business with them had been gradually turning them down and the decision Mr. Townley came to as President of the League, as he discussed it in my presence, that they had to buy a bank, and Mr. Hastings was sent out to scout around and see if he could make a deal for the bank, and he came back, but where he went, I don't know; I don't

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know what banks he went to or who he talked with, but he came back with a report and gave it personally to me, as I was Mr. Townley's personal representative; I signed his letters.

Q. You were consulted right along? A. He came to me and asked me to convey this and that to Mr. Townley as to the deal.

Q. Hastings came to you? A. Yes sir.

Q. Did Hastings come to you while you and Townley were together considering the matter? A. Mr. Townley was out of town one time that I have in mind and we talked together.

Q. This bank after that time was transferred to Mr. Hastings, after the deal was consummated, as I understand it? A. I couldn't say just how the stock was handled.

Q. Wasn't it your understanding that Mr. Hastings held the title to the stock? A. Must have, because he was an officer in the bank.

Q. You don't know how much of the stock; what percentage of it? A. I don't know, but I do know as a result of the deal or agreement made, that they secured sufficient stock to secure the control of it. I don't mean to say the majority of the stock, there might have been some that friends had, but as a result of this transfer of this stock and this load, Mr. Hastings was able to go up there and call a special meeting and elect himself Vice-President.

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Q. How were you able to ascertain this fact? A. From my conversation with Mr. Hastings and Mr. Kimball. Mr. Hastings published a notice in the Nonpartisan Leader, as financial secretary of the Nonpartisan League, over his signature; that is another way I had the information.

Q. You didn't on any occasion attend a meeting of the Board of Directors? A. No I had no interest in the bank at all.

Q. Then the only information you had with respect to that matter was from what some of these gentlemen told you? A. And the conversations that lead up to it and what took place after the conversations.

Q. Did you have any talk with Mr. Lemke at about that time with respect to the purchase of this bank by Mr. Hastings? A. Oh, yes we talked about it.

Q. I want to get at these conversations. A. I cannot give you the exact conversation, because it is very long ago, but I know the general run of the conversation was, whether or not they ought to buy the bank. It was under discussion; they asked Mr. Waters what he thought of it and Mr. Hastings what he thought of it and Mr. LeSeur and Mr. Lemke what he thought of it, and they asked me what I thought of it and the decision was finally made.

Q. Have you any recollection now of any particular conversation you had with Mr. Lemke about the purchase of the bank? A. I don't know any particular words, except that I

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talked with him.

Q. You cannot recall anything of that kind now? A. I want to make this clear now. Mr. Lemke is one of the executive members of the National Nonpartisan League, and in the discussion Mr. Hastings was communicating with the members of the National Nonpartisan League and with Mr. Lemke and Mr. LeSeur their attorney, and that is why I am

positive of the particulars; we were all there and talked together and a decision was made as a result of this consultation.

Q. Are you positive it was really the Nonpartisan League that was purchasing this bank and not Mr. Hastings personally; I mean when the bank was first used for the purpose of discounting the paper of—just prior to the time the bank was used first for discounting the paper of the Nonpartisan League? A. I am positive from the information given me by Mr. Hastings that he was buying it for the League. Mr. Wood, Mr. Townley and Mr. Lemke, the National Nonpartisan League, from what he told me.

Q. That is the way you understood it? A. It is the way I got it.

Q. Did Mr. Lemke tell you that in substance? A. I can't say that he did.

Q. Did Mr. Wood tell you that? A. No.

Q. Did Mr. Arthur LeSeur tell you that in substance?

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A. Just a minute, I want to make this clear. I want to make it clear that the discussion that took place there wasn't as to who was buying it. We all knew who was buying it; it was bought by accommodation paper, notes and loans backed by the National Nonpartisan League, and Mr. Hastings put no money of his own in it, and so the discussion was not a discussion as to what Mr. Lemke said to me or I said to Mr. Lemke, or if they were buying this bank for you or for Mr. Wood, or for Mr. Lemke; it was whether or not I thought it was a good deal—not what I would say to Lemke, as to what do you think about it Bill. That is why we called Mr. Waters in, and asked him what kind of a bank is it.

Q. I understood you to say when you testified at the court house this morning that this bank was purchased by the Nonpartisan League? A. That is what I say now and I base my statement, and I came to that conclusion, because the executive members of the Nonpartisan League and their financial secretary sat in consultation and they decided to purchase it, and they published a page advertisement in the Nonpartisan Leader, and signed J. J. Hastings, Financial Secretary of the Nonpartisan League and I believe I have the right to come to this conclusion and make this statement here as a positive statement.

Q. Was that bank afterwards transferred to any other

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affiliated concern of the Nonpartisan League? A. I think it was at the time Mr. Hastings got in bad.

Q. When they were having the Federal investigation? A. Not at that time. I couldn't say positively because I haven't looked at the records.

Q. To whom was it transferred? A. I couldn't say positively; I think it was transferred to the League Exchange, because that was the generally accepted belief by everybody around me, that I was associated with and that was the discussion, and the newspaper discussion and I believe the records in Cass County will show that the League Exchange was the owners of the stock.

Q. When you testified yesterday that the League Exchange

purchased that bank you testified to that from newspaper reports? A. No sir.

Q. What else do you base it upon? A. Because of the circumstances and the conversation that took place there while this bank was under discussion.

Q. At the time it was transferred from Mr. Hastings to someone else? A. As I just stated a while ago, I do not know whose name the stock was in. I want to make this clear again. Of course, one time I was supposed to be the owner of the United Stores Co., but I wasn't legally. From the legal standpoint I am not surprised that it bothers the attorneys. Mr. Lemke told Judge Amidon under oath: no he didn't his witnesses did, and the decision of the federal court was that the Courier-News and Nonpartisan Leader

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publishing company was held in trust, but legally and according to some of the statements of the postoffice department, it was owned by Albert Fox, William Lemke and young Wood. The two things don't agree, and if the postoffice department and the district court of the United States can't agree, as to the ownership of the Courier-News, how are you and I to agree as to the ownership of the Scandinavian-American Bank.

Q. You don't know anything about the ownership except from hear say? A. I do know. I know that the Nonpartisan League purchased it, and I know that because their financial secretary published the statement, and said so in so many words over his signature, in the paper, inviting business to the institution. That isn't hear say, it is a printed statement and he told me that as Mr. Townley's secretary.

Q. You don't consider that hear say? A. No.

Q. Now when was it; I want to get the time that the bank was transferred from Hastings to the League; when that transfer was made? A. You mean from the League to Hastings?

Q. From Hastings to the League? A. I couldn't say that, I never saw the stock certificates.

Q. You don't know the time? A. Oh, I just said I never saw the stock certificates.

Q. You have testified as to certain money that has been deposited in that bank by the Bank of North Dakota. I be-

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lieve? A. Yes sir.

Q. Where did you get your information with respect to what moneys were deposited in that bank by the Bank of North Dakota? A. From the officers of the Bank of North Dakota.

Q. From what particular officers did you get that information? A. From the transit manager and manager of the bank.

Q. And in what way was the information conveyed to you Mr. Brinton—conveyed to you by written document, in regard to the money that was deposited in the Scandinavian-American Bank by the Bank of North Dakota? A. The information was given to me from time to time, by word of mouth, and after it became a controversy.

Q. When did it become a controversy? A. Then Mr. Waters furnished me a statement prepared by the transit manager.

Q. You have got that statement? A. Yes sir.

Q. May I use it? A. I haven't got it with me today. I supposed you were through with it.

Q. I would like to have the Senate Committee have that statement and— A. I haven't the statement in town, I mailed it to my attorney; it was returned to him. I mailed it to him yesterday.

Q. Then you haven't the original statement here? A. No it is transcribed in the transcript in the other hearing.

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Q. I have that transcription but I would like to get the original document. A. I didn't know you wanted it; I wish you would have told me.

Q. I didn't know that your attorney needed it at this time. A. It is a very good document to me and it is a good idea to keep possession of it. I lost a very valuable document once by letting a man look at it.

Q. Is that the reason you were suspicious in the court room yesterday? A. I am getting suspicious of everybody and I am getting a little suspicious of you right now.

Q. You don't really mean that? A. No, I was joking; I will take that back.

Q. Now Mr. Brinton it wouldn't be possible for you to get that letter so that I could see it? A. No, because I mailed it.

Q. You made the statement also that there had been deposited in the Bank of North Dakota by the Scandinavian-American Bank a large amount of League paper, I believe. A. Yes sir.

Q. Will you tell the committee the approximate amount of league paper which you claim was deposited in the Bank of North Dakota—the approximate amount, I don't want the exact amount? A. I have a notation made here that I looked up from some documents; I can give you pretty close to it. Do you wish the lump sum?

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Q. Lump sum first. A. I will have to add it up; over \$400,000.00. You are speaking of the paper put in the Fargo bank?

Q. No I am speaking of the paper put in the Bank of North Dakota by the Fargo Bank; I believe that was my question. A. I misunderstood the question.

Q. In any event if you did not understand me I will say that I want to know the approximate amount of League paper which you claim was put by the Scandinavian-American Bank of Fargo into the Bank of North Dakota? A. You are speaking of the paper put in there and taken out.

Q. Yes. A. This is the only paper I have positive knowledge of, because that is where the controversy arose; I am familiar with that; I don't know for sure whether it was \$235,000.00 or \$265,000.00. It was one of these approximately.

Q. You don't mean to say that there was ever any league paper taken into the Bank of North Dakota did you, from the

Scandinavian-American Bank? A. That is pretty broad.

Q. Put upon the books of the concern? A. I haven't any knowledge of that; the paper was there—it was brought in the front door, because it was on the table under discussion.

Q. As I understood your testimony, you stated that the paper had been purchased by the bank; do I understand you

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to say that? A. I think we can clear this up a great deal easier this way; that is a record before the banking board and will show.

Q. I don't get you? A. This controversy I believe over this paper is a matter of record before the banking board.

Q. You mean in the office of Mr. Lofthus? A. No, Mr. Langer and Mr. Hall's office, that was the paper that Mr. Langer made a great deal of fuss about claiming it was in the bank.

Q. You don't claim that that paper was ever owned by the Bank of North Dakota do you? A. That this particular paper was owned by the Bank of North Dakota.

Q. Yes. A. No I think you misunderstood my statement.

Q. I am asking you if you claim that? A. I don't think I ever made any such statement.

Q. I understood you. A. I never saw the books of the bank as to any paper that went into the Bank of North Dakota. The records of the Bank shown to me were the deposits and notes that were shown to me—were the notes lying on the table of the bank over which there was a discussion, a very violent one, as to whether they should be discounted, and I talked to Mr. Lemke, Mr. Waters and Mr. Sherman and Mr. Halliday and as a result of all this discussion, this paper was taken back to Fargo and I was there when Mr. Sherman bid Mr. Waters good-bye and sighed and went

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home.

Q. I don't know whether I gained the impression accurately or not, but it seems to be the impression that your testimony was to the effect that the Bank of North Dakota purchased from the Scandinavian-American Bank, paper; if that impression has gone over do you want to deny it? A. I want to make it clear. Now I will take for an illustration—I can explain it to you right here from the Courier-News; it says in the Courier-News that I am making the statement that no embezzlement took place in the Bank of North Dakota. I tried to make that very plain the other day. I said that the money was sent first from the Bank of North Dakota to the Scandinavian-American Bank, and there the embezzlement took place—I don't want to get tangled up in this, in the same manner.

Q. I am not going to tangle you up, and I am just going to treat you fairly. A. I want to explain to you, because that is the only way we can get at the truth.

Q. What I want to know is, do you claim that the Scandinavian-American Bank sold any League paper to the Bank of North Dakota? A. I claim the Scandinavian-American Bank sent \$235,000.00 or \$265,000.00 of paper from that particular institution to the Bank of North Dakota, and it was

on the tables in the Bank of North Dakota and that there was a discussion over that and Mr. Lemke said it was a regular

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transaction and Mr. Waters said it wasn't, and if you put it in here I will take it back to Fargo; now that is clear enough isn't it?

Q. Will you say that you know the paper was purchased by the Bank of North Dakota from the Scandinavian-American Bank or will you say you don't know. A. I just told you what I know regarding the transaction.

Q. Then you will not swear that there was any purchase will you? A. I said I didn't look at the records of the Bank. I was not a officer of the Bank of North Dakota, I was a bystander.

Q. I understand that Mr. Brinton, but you don't want the impression to go out over the state that you claim that the Scandinavian-American Bank sold league paper to the Bank of North Dakota? A. I don't want to create the impression but I want the truth to come out that the money from the Bank of North Dakota was sent to Fargo, to the Scandinavian-American Bank and there loaned to league members; public funds of this state.

Q. I want to dispose of this particular feature as to whether or not you claim that the Bank of North Dakota purchased League paper from the Scandinavian-American Bank? A. That is a very unfair question, because it involves not only a legal question, but the records, and the records are the best evidence, but I will tell you all I know, all I possibly can.

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Q. You do know don't you that this matter was a subject that was under discussion in this Senate Chamber at the 1919 session of the Legislature, at the Special session on the 7th day of December, 1919, don't you? A. The bank act?

Q. With respect to this very paper that you have said you saw lying upon the table of the Bank of North Dakota? A. I don't know about that.

Q. Wasn't you here at that time? A. In 1919?

Q. 1919, at the Special Session on the 7th day of December, when the question of Mr. Langer's accusations in a public speech was the subject of discussion in this Senate Chamber and affidavits were furnished by Mr. Cathro, Mr. Waters and Mr. Lofthus? A. Did you say 1919?

Q. It is on—yes, the session was held. I am getting quite old, I have to use glasses. The session was held from November 25th to December 11th, 1919, and this matter came up for discussion on the 7th day of December, 1919; were you here at that time? A. I believe I was down in Miama at that time.

Q. You say that you were present and saw these securities or notes lying upon the table in the Bank of North Dakota? A. Yes sir.

Q. On that particular occasion who was present in the room when you saw the notes lying upon the table in the Bank of North Dakota, in their office here in the City of Bis-

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marck? A. Roy Halliday, if I remember right, was there,

and Mr. Waters and Mr. Sherman.

Q. Was Mr. Cathro in the room at that time? A. Well Mr. Cathro has a private office in the back room.

Q. Well I want to know if he was in the room at that time? A. I don't know if he was in the room at that time. Mr. Waters has a private office in the front part and he in the back of the bank and when I came in there and stood in the front office, I didn't see who was there, he may have been there and he may not. I couldn't tell you as to what Mr. Waters told me or where he was. I am going to get that letter and give you an opportunity to go into the entire subject.

Q. That was in August, 1919, wasn't it. A. I couldn't say if it was in August.

Q. Well I want to get the time, by reference to the circumstances surrounding the affair and as I understand it, these securities to your knowledge came into the bank by means of registered mail? A. I was told that.

Q. You were told also as to the amount of these securities, approximate amount—I don't want to get the exact amount? A. Yes sir.

Q. You were told as to the approximate amount of these securities? A. Yes sir.

Q. When I say securities, I mean notes. A. Yes.

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Q. You also claim that these notes were subsequently returned to the Scandinavian-American Bank at Fargo? A. I was told that, yes.

Q. Now is that the only occasion that you have in mind during the summer of 1919, when an affair of that kind respecting that large amount of notes came under your consideration or notice in the Bank of North Dakota? Was there any other occasion during the entire summer when a similar situation arose? A. I don't know that there was, but this occasion was impressed on me because of the fact that I was called into the bank and asked by Mr. Waters what I thought of it.

Q. How long prior to the time you saw these notes lying upon the table in the bank, was it that you came to the City of Bismarck? A. You mean how long was I in Bismarck before I saw the notes?

Q. Yes. A. I came as I generally do, when I come into Bismarck and went right to the bank.

Q. So you came to Bismarck on the same day that you saw the notes? A. I couldn't say as to that. I may have come in here on the night train or by automobile or by morning train.

Q. Do you know how long you remained in Bismarck at the time you saw these notes in the bank? A. I don't keep track of my time, it is too long ago—I haven't any memory.

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Q. Of course if you can't recollect— A. I can give you two instances that are clear to me, one is the fact that I was called there by Mr. Waters, I remember that. I was called down to the bank and I looked at this paper, and he asked me what I thought about it. That is why it is impressed on

my mind, and I got a notation of the paper, a typewritten slip so I could go to Mr. Townley and put Mr. Waters side of it to him on the ground that the paper should not be in the bank, and the other instance on my mind that creates that impression was on the train in going to Fargo, I talked to Mr. Lemke, and when I approached the subject to Mr. Lemke, he got very angry at me, and naturally that was impressed on my mind.

Q. Do you know where you stayed, roomed, on the occasion of your being here at that time? A. I only have one place to stay.

Q. That is the McKenzie? A. Or the League Hotel as some call it.

Q. Were you staying at the League Hotel? A. I don't know.

Q. It is a good place to stop? A. Yes.

Q. You don't know whether you registered there or not? A. I want to explain that. Sometimes as I say I come into Bismarck on the morning train and I leave on the afternoon train and sometimes I come in on the night train and stayed

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all night, and registered and the other times I wouldn't register, so I don't know whether I stayed on that particular date at the hotel. If I stayed at any hotel, I stayed with Ed. Patterson.

Q. In what manner was the communication brought to you that Mr. Waters wanted you to come down to the bank? A. I don't remember that.

Q. You haven't any recollection as to whether or not it was by telephone, or by messenger or by telegraph? A. No.

Q. Have you no recollection where you were at that time the communication was given you that Mr. Waters wanted you to come to the bank for the purpose of considering this paper? A. I want you to be fair with me, and that is not a fair question for the reason I don't think there is a place in the United States outside of Miami, Florida, that I have stayed more than a week at a time since the League was organized, so I couldn't tell you where I was because I was coming and going all the time.

Q. I thought on account of the important business that you transacted here, in advising these bank officials with respect to this paper that you might possibly remember. A. Of course, the thing that was impressed on my mind was the subject, not whether I was walking or riding or the conveyance that I came here in. It was the thing that I had in my

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mind that we were discussing that was impressed on my mind.

Q. Have you any recollection at all as to where you were when you were told to come to the bank? A. I couldn't tell you where I was when this paper was served yesterday.

Q. You know it was served in the corridor of the McKenzie Hotel? A. I guess that is right, but I couldn't have told you off hand without you refreshing my memory.

Q. You haven't any recollection as to how long you were in Bismarck on this occasion? A. My only recollection was

of coming on the train from Fargo and going away from Bismarck and that was impressed on me because of the conversation or heated discussion I had on the train.

Q. We will reach that later on, but I would like to get as much, particularly with respect to this instance as possible; in what room of the bank was it you saw these notes? A. The notes were in the back room and some of the notes that Mr. Waters showed me, in particular, that I looked at, he brought them in and handed them to me.

Q. How do you know the notes were in the back room? A. They were on the table there.

Q. Was that Mr. Cathro's room? A. No in the general banking room there.

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Q. This the Bank of North Dakota been in the same place all the time? A. Yes, sir.

Q. Do you know where Mr. Cathro's private office is in the rear of the bank? A. Yes, sir.

Q. Where the notes in the private office? A. No, in the banking room.

Q. In the large room? A. Yes, sir.

Q. All these notes were in the large room? A. I don't know, I presume it was. It was the notes they were discussing.

Q. How many about? A. I don't know.

Q. Can you give me some general idea? A. I will make it very clear, of this bunch of notes, the only ones I handled to look at was the notes Mr. Waters gave me and I had him make a memorandum of these four particular notes. He gave me the class of paper it was because it was under discussion as to the quality of the paper.

Q. We have under discussion now, the number of notes? A. You mean how many or what?

Q. In number. A. No.

Q. Have you got any idea as to the size of the pile of the notes? A. I was looking at the size of the money and class of paper rather than the size of the pile.

Q. I will ask you if you can give the committee any idea as to the thickness of the pile of notes? A. I had no impres-

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sion of that.

Q. You cannot say whether there was a hundred notes or two hundred notes? A. The reason I cannot tell there was papers lying around there everywhere on the work tables, and if I wanted to ascertain, I would have to ask, what is this and what is that. I didn't analyze the pile or go through it, I wasn't interested in that, I was interested in the amount of money and class of paper. I didn't measure the pile or weigh it.

Q. In what particular part of this big room were these notes? A. Well, they were right there in the big room back of Mr. Waters office.

Q. In the rear end? A. No, not in the rear end, the banking room is in the front end.

Q. Did anyone tell you at that time that all the notes

that had been sent up from the Scandinavian-American Bank were there, or just a part of that at the time you were there?

A. I don't know; that wasn't discussed.

Q. Did anyone say to you that any of these notes had already been returned that had come in the package in which the notes were that you made an examination of? A. There was no conversation of that kind.

Q. Now was Mr. Cathro present at that conversation? A. I wish to say that as far as Mr. Cathro was concerned I didn't

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talk to him as I said before regarding this transaction and had no consultation with him, and my only knowledge of any connection that Mr. Cathro had with this transaction is what Mr. Waters told me.

Q. Then so far as Mr. Cathro's knowledge is concerned you don't know whether he saw them or not? A. He saw the same things that you saw, that was published in the paper.

Q. If you believed all that was published in the papers where would we be at? A. I don't believe all I see now.

Q. Give me the names of the men that were in there. A. I would be repeating just what I said to you. I haven't thought of any more.

Q. Was it decided to return these notes? A. I take it it was finally decided, because that was my impression and that is what Mr. Waters told me that they went back.

Q. Then you ascertained from Mr. Waters that none of these notes were retained by the bank of North Dakota? A. I got that knowledge as the result of a public controversy that Mr. Langer carried on, when he couldn't find them in the bank and Mr. Langer acknowledged to me himself that these papers went back to Fargo, and he was in the bank and examined the Scandinavian American Bank, and handled these particular notes.

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Q. That was Mr. Langer. A. Yes

Q. When did Mr. Langer tell you that these notes were returned to the Scandinavian American Bank. A. A good many times. I used to josh Bill about being a poor detective for following evidence. He followed the notes to Bismarck and they weren't there; then he went back to Fargo.

Q. Can you tell when he followed them. A. He made the statement publically that they were in the Bank of North Dakota and Mr. Waters denied it.

Q. I want the time. A. That is the time it was.

Q. That was in the fall. A. I don't remember right now, it was when Mr. Langer was making the big holler about the Scandinavian American Bank. It was in the fall I think.

Q. Don't you know as a matter of fact that these notes were sent up here from the Scandinavian American Bank and were only in the bank for a period of approximately four hours on the afternoon of the 30th day of August 1919. A. It may be possible, I don't know how long they were there.

Q. Do you know what time of day it was when you saw these notes on the table in the bank. A. No, sir, I couldn't tell you.

Q. Was it at night time. A. It was during the office hours

of the bank because the force was there, in fact I was there
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when Mr. Sherman bid Waters good-bye when the transaction was closed.

Q. Now with respect to the certain statement you made as to the depositing by the bank of North Dakota in the Scandinavian American bank, you derive that information from a letter that was written by Mr. Snyder, who was transi. manager at the time, between the 17th day of July and the 30th day of August, 1919. A. I will make that as clear as I can. There was a discussion and controversy and dispute over the deposits put in the Scandinavian American Bank, not as to whether or not they were to receive any, but as to the amounts and I took part in this discussion and Mr. Waters talked to me a great deal. I think Mr. Waters will stand here today and make the statement under oath that he secured the position upon my recommendation, and he felt I was more or less responsible because I was active in the Nonpartisan League and lectured all over the state and talked before the legislature on the bank and bank act and that is why he kept me in touch. When this thing got down to where it was a violent controversy and dispute, I said to Jim one day, I asked him how much was there, and finally asked him to give me a statement of it.

Q. Is this the statement contained in Snyder's letter. A. That is the statement. I had some pencil statements given to me too.

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Q. This Snyder letter is addressed to Mr. Waters as manager of the Bank of North Dakota. A. Yes.

Q. Did Mr. Waters tell you how he got possession of the files of the bank and kept them in his possession. A. No, I don't know that.

Q. You don't know how it came that he took this particular letter which was the bank's property, out of the bank. A. No, sir, I don't know that; that is news to me.

Q. You figure that any letter written to the individual as officers of the bank are private property of the officers. A. I think I would compliment him on his policy of trying to hold on to the letter. I think it is a safe thing he did that.

Q. You think you would do that? A. Yes.

Q. Now, Mr. Brinton, you also made the statement in your testimony that Mr. Cathro and Mr. Lemke embezzled the funds of the Bank of North Dakota, that is correct is it. A. That is my charge, that they misappropriated and embezzled public funds.

Q. You simply used the word embezzled I believe. A. Of course if you want to get down to legal discussion of it, I might use others too. My expressions have been misappropriation and embezzlement.

Q. That is the charge you made with respect to Mr. Cathro

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and Mr. Lemke. A. Yes, I make that statement as the result of being very familiar with the Bickford proceedings, as state treasurer.

Q. That is the reason you make the statement that Mr.

Cathro and Mr. Lemke embezzled funds of the Bank of North Dakota, is because of your acquaintance with the case of the State of North Dakota vs. Bickford. A. No, it is the misuse of the money and the criminal handling of it.

Q. That statement is based upon your personal knowledge of facts isn't it. A. My knowledge and belief.

Q. Now will you tell us what particular item Mr. Lemke embezzled from the bank of North Dakota. A. I make the charge that this money was embezzled by Mr. Lemke, or misappropriated and wrongfully used by Mr. Lemke and Mr. Towniey and Mr. Lemke's attorney of the bank of North Dakota as one of the attorney generals of the state special attorney general as the attorney for these different companies in other words he was the attorney for the Bank of North Dakota and also the private institutions that was the beneficiary of these funds and this money was taken as the result of an understanding between the attorneys for a private corporation the same man acting as attorney for the Bank and the manager of the bank of North Dakota and as a result of this understanding and conversation and letters that passed

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between the Scandinavian American Bank and these other institutions that there was approximately, I will give you these amounts I have here, \$170,000.00; \$148,000.00; there are different amounts to different companies in which Mr. Lemke was attorney for the interested in as a director. \$66,000 to another one; \$147,000 to another and I think that totals \$431,000.

Q. These items are money that was loaned as I understand it by the Scandinavian American Bank to various affiliated concerns of the Nonpartisan League. A. That was money sent from the bank of North Dakota to the Scandinavian American Bank and loaned the companies in which Mr. Lemke was interested in as a private citizen and as attorney.

Q. Do you mean to swear that amount of money was loaned by the Bank of North Dakota to the Scandinavian American bank. A. This amount of money? A. Yes is that your assertion. A. I said deposited.

Q. Well deposited and gave it to them. A. They can get it two ways and put it in on the books so that it looks all right.

Q. What did they do that you claim in regard to that money being put on the books as it looked all right. A. I am just telling you of the irregular transaction that resulted as a result of this understanding between Mr. Lemke as a

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private citizen and attorney for the Bank of North Dakota and for these organizations and as a politician for these political organizations; with Mr. Cathro as manager of the Bank of North Dakota and as a result of that understanding they themselves and together transferred from the bank of North Dakota large sums of money and loaned at various different times and loaned them to their various corporations. The attorney that represented the bank of North Dakota advised the manager of the Bank of North Dakota to deposit money with the Scandinavian American Bank and advised the Scandinavian American Bank to loan it to the various corporations

in which he was personally interested.

Q. I understand that is clear enough. Now I want to know when it was the advise by Mr. Lemke that that first item you have reference to should be taken from the Bank of North Dakota and placed in the Scandinavian American bank at Fargo? A. I refer to the books of the bank.

Q. You are under oath and testifying Mr. Brinton. A. I just told you many, many times that I cannot remember the exact dates and amounts which I didn't have access to these records. I have my information which I have on this slip which I understand it is a sworn document before the Banking Board.

Q. Don't you understand Mr. Brinton that when you make an assertion of a fact you don't know to be true. A. I do

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know of my own knowledge, but not as to the exact times.

Q. We will eliminate the time: tell us how you know of your own knowledge as to the first item. A. All right I will tell you. I will take this item here, \$47,950.06. This money was loaned to the Publishers National Service Bureau.

Q. I didn't ask you that, I asked you how you knew the Bank of North Dakota put that money in the Scandinavian American Bank. A. Why, from the officers of the bank, that is how I know, I took their word for it.

Q. In what form did they put it there. A. In two forms.

Q. How? A. In loans and deposits.

Q. This \$47,000. A. I am talking of the money put down there, or to make it more clear this \$440,000.

Q. You took these figures you have here from the Bishop, Brissman Company? A. No, I just used that as an illustration.

Q. Where did you get these figures from. A. Different sources.

Q. Tell me. A. Publishers National Service Bureau—I came into the Bank and Sherman said to me "your damn paper is busting this bank," and I told him it wasn't my damned paper, excuse the language, it made an impression on me.

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Q. When was that conversation, can't we get something definite. A. It was after I returned from Miami.

Q. When did you return from Miami; you went and came several times? A. Yes.

Q. When did you return on that particular occasion. A. Right following the time Mr. Waters and I went down to take charge of the Sisal Trust.

Q. That is as indefinite as the other. A. I thought you knew of that; you don't read the North Dakota papers. That was after the close of the legislative session, regular session two years ago. In April we went down there and came back in May, and when I came back I went into the Scandinavian American Bank, that is one of the times I was there and Mr. Sherman and I had quite a heated conversation.

Q. You and Sherman had a conversation about that particular item. A. Not this exact amount but about that amount.

Q. Was there anybody else there besides Sherman when you had that talk? A. I was right there in the front room of the bank, I don't know who was there.

Q. Could you tell me if there was, I would like to call some of these witnesses and I would like to know that.

Q. You are really cross examining me now.

Q. Yes, I am. A. I thought you was my attorney.

Q. I am too. A. As a result of that conversation I went

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to the office that Mr. Ligget had charge of and found out they had borrowed a large amount of money at the bank.

Q. What Company borrowed that. A. The publishers National Service Bureau.

Q. Lets go into the Publishers National Service Bureau. A. Lets get thru with this item first. The reason I was more thoroughly impressed with the amount, I questioned the policy of going down there and borrowing that amount of money and embarrassing them, it wasn't fair to Mr. Hagen in the bank, it wasn't necessary, they could go out over the state of North Dakota and get all the money they needed for that organization without going to one place to get it, that is why it was impressed upon me.

Q. Why were you so interested in that particular item?

A. Because I organized this company.

Q. Did you have any interest in the company. A. Only as a salaried employee.

Q. Was you getting a salary from that particular company at that particular time. A. I think I was, I think I checked out shortly after that.

Q. You said that Mr. Lemke knew of this loan didn't you. A. This particular loan?

Q. Yes, A. I don't think I said that Ed. I said Mr. Lemke knew of the general arrangement and he defended getting the money in this particular manner.

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Q. How do you know he knew of that general arrangement. A. You know it is difficult to get money at times, and when we discussed methods of getting money that didn't impress me especially, but a method as easy as this impressed me; one of the reasons, it looked too easy to me.

Q. Will you answer my question as to how you knew of this transaction. A. He defended it on the train in which he said that this paper had as much right to go in there as any paper.

Q. He discussed that on the train. A. Yes, sir.

Q. When. A. Following the conversation in the bank.

Q. Will you tell me whether you went to Bismarck on that particular day that you saw these notes in the bank or not. A. I couldn't say.

Q. Can you tell me whether you left a week afterwards. A. I wasn't here that long I am sure.

Q. Was it less than a week. A. I believe I will have to call for an attorney if you are going to try me. I want to give this senate all the information I have got; I can't be

bound down to a minute or a day. I have said several times I don't remember whether I stayed in Bismarck one day or two days or a part of one day because all that was impressed on my mind was the transaction, and I remember today we had a heated discussion, a violent discussion

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I want to say to the committee, if they want to go into that, I am telling a false statement here, they can go and get the records in the Scandinavian American Bank, that is the best evidence in this record and ascertain whether or not the National Publishers Service Bureau borrowed the amount of money I have named, or not, and ascertain where the Scandinavian American Bank got that money and whether they got it from the Bank of North Dakota.

Q. If you don't remember Mr. Brinton, you can say so
A. I can say, I am talking under oath.

Q. If you don't remember—A. I have explained it thoroughly.

Q. I expect to treat you fairly Mr. Brinton. A. I know you want to. I am giving you all I know, I can't be exact to the minute.

Mr. Ployhar: I move that any time Mr. Sinkler questions the witness too minutely as to the details and the witness does not see fit to answer, he does not have to do so until such time as he can employ counsel.

Mr. Brinton? When he asked to get something that can be ascertained from the records of the banking institutions, as to the exact dates of these transactions, and the records of the bank and the bank examiner.

Mr. Sinkler: I am willing to concede that took place Mr. Brinton. A. I don't think it is fair; to come in and

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try me: I would like to be tried for this charge if I am testifying falsely, but I want to be tried in the regular way and I can defend that if you make me a defendant.

Q. I am asking you when this deal was made, I am asking as to the length of time you were in Bismarck on that occasion. A. I am answering the best I can.

Q. You say Lemke went back on the train; the evidence may disclose that Lemke wasn't in the Country at that time—a person is liable to be mistaken, but if you don't know, you can say you don't know or don't remember. A. I have answered it the best I can.

Q. Now Mr. Brinton, will you repeat that conversation you had with Mr. Lemke on the train. I will withdraw that question.

Q. Did you ever have more than one conversation with Mr. Lemke, with respect to this \$43,000.00. A. This conversation I had with Lemke was over all this kind of paper, this procuring or securing money.

Q. Did you have more than one conversation with Lemke respecting this money. A. I think I did; I wouldn't say I did or didn't, but I will say I do remember this distinctly, because we had a heated conversation. That was not over any particular paper, but over this discussion I have just been discussing at Bismarck.

Q. Will you tell me what was said between you and Mr. (61)

Lemke on that occasion. A. I will be glad to.

Q. Go ahead. A. I said in effect to Mr. Lemke—do you want me to use the exact language.

Q. No, I don't think you can, give the substance; if you can use the exact language go ahead. I do not want to pin you down to the exact language, but if you do I want you to use the exact language that was used. A. I said that a certain man running a bank at Fargo was a damn fool—I expressed it in stronger language than that—that he had sent a lot of paper to the bank—I made this statement in that particular way out of courtesy to Mr. Lemke. I don't want to involve him in it, but I wanted his expression on it—to expect Mr. Waters to accept this paper in the Bank of North Dakota; he is crazy and it is political suicide and criminal and Bill Lemke got mad because I mentioned his personal note, but he didn't say much except he defended Hagen in sending it up there and accused me of having obtained money in the bank myself, and he named an amount which became an item of public discussion in the Sisal Trust and I said, you know Bill that money was never obtained by me and it was a shortage that we agreed to take up when we took over the Sisal company. That was impressed upon my mind because we got tough and used short words.

Q. That is the substance of the conversation. A. Yes sir.

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Q. Have you ever had any other conversation that you now recall with Mr. Lemke regarding the policy of making loans by the Scandinavian American Bank to the organizations that affiliated with the Nonpartisan League. A. I think that is the last time I talked with him, because I knew it was useless.

Q. When you went into the bank in the first place you knew that the Scandinavian American Bank was to furnish money for the league. A. That is the reason they got the bank.

Q. And you were interested at that time in having the bank. A. Very much so—approved the transaction.

Q. When was it you broke with these men. A. Broke ever what.

Q. I will put it this way, over your desire to become a public officer. A. We never had any argument over that.

Q. Didn't you at one time try to get to be elected or endorsed by the Nonpartisan League for Lieutenant Governor. A. I would be glad to submit my correspondence on that.

Q. Have you got it. A. Yes, sir.

Q. I would like to have you produce it. A. I wrote letters to several men in regard to that. I would be glad to clear that up.

Q. Produce it. A. I haven't it here.

Q. You promised the House Committee that you would

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attempt to produce certain papers and it was discovered

they were in a safety deposit vault in the Twin Cities. A. Yes. I have instructed to get them.

Q. You also broke with them in the spring of 1920 when the question of your being a candidate for congress came up, didn't you. A. No.

Q. You attempted to obtain the endorsement of the League. A. If you want to question me without the correspondence, I think that is essential to this committee, because we are discussing a political proposition. If he wants to impeach me, of course, I want an attorney, but I am very willing to submit the correspondence on the question mentioned.

Q. On some of the questions I want to notify you to this effect on the testimony you gave before the House Committee. I have a transcript of that testimony here. On a large number of these matters testified to, I expect to produce before this committee, witnesses whom I expect will testify contrary to what you testified at that time, you understand to what you testified at that time, you understand that. I hope I haven't lead you to believe I wasn't going to. A. Do I understand we are going into the question of Mr. Lemke's desire to run for United States Senator.

Q. You can go into that too, if you desire, and I suppose we will be able to. A. I don't think it is a crime.

Q. That is a very laudable ambition. A. At least

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My mother told me it was a great thing to run for office and be president some day.

Q. What I want to know is this, whether there was any feeling in your mind against these men who were affiliated with the Nonpartisan League by reason of their refusal or otherwise to endorse you either for Lieutenant Governor two years ago or for congress in the Spring of 1919 when they held their nominating convention or whatever you called it at Fargo. A. I think the correspondence on the subject will explain it thoroughly. I am not a good judge of my prejudices, I would rather the committee would judge that by looking at the correspondence.

At this time an adjournment was taken until 4 o'clock p. m. February 10th., 1921.

Dated Bismarck, N. D.

February 9th., 1921.

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FEBRUARY 10, 1921

Minutes of Meeting of the Investigation Committee.

Meeting called to order by the Chairman, Senator Liederbach.

Roll Call and all members present: Liederbach, Ployhar, Murphy, Baker and Church.

Minutes of last meeting read and approved.

Stenographers, Lauden, and Mrs. Stone.

Meeting turned over to Mr. Sinkler.

Call for Mr. J. W. Brinton, Mr. Brinton asked to be heard and spoke for fifteen minutes. Sen. Baker following. Moved by Sen Baker and seconded by Liederbach that all speeches so

far be stricken from the records, and that the witness confine himself to the usual proceedings of a witness on the stand Carried.

Moved by Murphy and seconded by Ployhar that the attorney confine himself to questions that bring out the information required by this committee and not for political purposes. Lost.

Moved and seconded that Mr. Brinton get counsel. Carried.

After a few minutes discussion Mr. Brinton took the stand again without counsel. Moved by Ployhar and seconded by Murphy that witness be allowed to act as counsel himself. Carried, four "aye" and Liederbach "no."

Moved and seconded that we take recess to get counsel. Carried.

Moved that the attorney for the witness will only be allowed to instruct the witness to his rights whether to answer the different questions put. Carried.

Moved and seconded that we adjourn until 7:30 p. m. so that Mr. Brinton could procure counsel under Rule 9 of the Rules of Procedure of this committee and appear at Senate Chamber at that time.

7:30 p. m.

Meeting called to order by Chairman Liederbach as
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pursuant to adjournment.

Roll Call, Present Liederbach, Ployhar, Baker and Church. All present except Murphy.

Mr. Theodore Koffell appeared as attorney for the minority.

Matter of questioning Mr. J. W. Brinton on the witness stand was proceeded with by Mr. Sinkler.

Moved by Mr. Baker and seconded by Mr. Church that we adjourn until tomorrow at 4:00 o'clock p. m. Carried.

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Pursuant to adjournment Senate Investigating Committee reconvened at 7:55 p. m. February 10th., 1921 when the following proceedings were had.

Mr. Chairman: Now Mr. Secretary will you call the roll please. All members present.

Mr. Sinkler: I will call Mr. Brinton:

Mr. Brinton: I just want to make a statement to the committee: May I explain why my attorney is not here.

Mr. Liederbach: You have had all the opportunities for attorneys we are going to give you.

Mr. Brinton: I don't want any more, I just wanted to explain why he is not here.

Examination by Mr. Sinkler:

Q. Mr. Brinton when you were on the stand yesterday you had a slip of paper from which you read certain figures, that is; \$170,000.—\$148,000—\$66,000—\$47,000.00; have you that slip with you now. A. I do not know whether I have or not.

Q. Will you kindly find out whether you have. A. Yes,

I think I have.

Q. Will you let me see it. A. Why it does not signify anything it is just a notation.

Q. I will show you exhibit one and ask you if exhibit one contains the figures from which you were refreshing your memory. A. Yes, that is the paper.

Q. Are these the figures that you have testified to as be-
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ing the amounts that were loaned by the Scandinavian American Bank to the affiliated associations of the Nonpartisan League. A. Why they are not the exact amounts, they are from memory.

Q. But they are the approximate amounts. A. I would not say that. The records are the best evidence.

Q. You testified yesterday as follows: "I will give you these amounts that I have here, \$170,000, \$148,000. These are the different amounts to the different companies in which Mr. Lemke was attorney for and interested in, as a director, \$66,000.00 in another one and I think that totals \$431,000.00" did you testify to that.

Mr. Koffel: After hearing the reading of the answer given by the witness yesterday, I object to this question as being unfair for the reason that it purports to give an entirely different construction to the testimony, than that given by the witness, and assumes a matter not in evidence.

Mr. Sinkler: In what capacity do you appear here Mr. Kofful.

Mr. Kofful: I was requested by the minority members of this committee to appear here and represent them.

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Mr. Sinkler: Then you represent the minority members of the committee: Do your rules provide for that Mr. Chairman.

Mr. Ployhar: Rule No. 7 provides that the minority members of this committee may ask for counsel to represent them.

Mr. Sinkler: For the purpose of appearing as in a Court of Justice and making objections.

Kofful: For the purpose of appearing to see that a fair investigation is given.

Mr. Ployhar: Rule No. 7 provides that the Attorney General shall represent the committee and their descretion the minority members may employ an attorney of their own, if they so desire.

Mr. Sinkler: He is representing you Mr. Ployhar: A. Yes, sir.

Mr. Sinkler: I will ask that the Chairman rule upon his motion, as to whether or not he should answer the question.

Mr. Chairman: I say he should answer the question.

Mr. Kofful: I will ask Mr. Chairman if you will hear an argument on the reason why I object to the question.

Mr. Sinkler: I would ask that no arguments be heard, as this seems to be simply for the purpose of delay and ob-

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struction and I would ask that we proceed with the examination.

Witness: With the exception of one letter my answer yesterday is correct.

Q. What letter is that. A. You say director. Just read me that question out of the book again.

Q. Did you not testify yesterday: "I will give you these amounts I have here, \$170,000.00; \$148,000.00 these are the different amounts to different companies in which Mr. Lemke was attorney for and interested in as a director; \$66,000.00 to another one; \$147,000.00 to another, and I think that totals \$481,000.00. A. That is correct although the way you read it you misunderstood it.

Q. Is that correct, isn't that the way you testified. A. My testimony was correct as it stands there.

Q. These items are money, that was loaned, as I understand it by the Scandinavian American Bank to various affiliated concerns of the Nonpartisan League. A. That is correct.

Q. And did you make this answer. A. That was money that was sent from the Bank of North Dakota to the Scandinavian American Bank and loaned to companies in which Mr. Lemke was interested in as a private citizen and attorney. That is correct. A. Not exact, from memory.

Q. In substance the amounts are correct. A. In substance, more or less.

Q. You testified these sums were approximately correct and these sums were sent to the Scandinavian American Bank at Fargo by the Bank of North Dakota and then loaned to the Nonpartisan Association. A. The amounts are the same more or less by arrangement or agreement.

Q. By arrangement or agreement was certain money sent down there to be loaned to the affiliated associations of the Nonpartisan League. A. I assume that is what it was sent for.

Q. You testified to that didn't you. A. You have my testimony.

Q. Did you simply assume or know. A. Because it took place.

Q. Answer the question. Do you know. A. I know money was loaned.

Q. Do you know that it was sent down there for the purpose of being loaned to these associations affiliated with the Nonpartisan league. A. Do I what?

Q. Do you know this money was sent from the Bank of North Dakota to the Scandinavian American Bank to be loaned to these associations. A. It was to be sent down there

Mr. Kofful: As Attorney for the minority members of the to be loaned to these different organizations to take care of their financial amounts by arrangement and agreement entered into between the officers of the bank of North Dakota

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and Mr. Lemke.

Q. Before the money was sent down there. A. I do not know as to the time.

Q. Was there an agreement made after the money was

sent down; it wouldn't be that would it. A. The agreement to loan this money through the Scandinavian American Bank to these Nonpartisan League Associations was made before—in some cases the money was loaned first and then sent down there afterwards to take care of the bank.

Q. In what case was that. A. I cannot give you the particular instance.

Q. You have said some cases, did you not. A. I know positively in some cases.

Q. All right, give them. A. I would have to refresh my memory with the documents. A.

Q. Where are the documents. A. I believe in the banking board proceedings and records.

Q. Do you know they are in the banking board proceedings. A. They were there.—

Q. Answer the question do you know whether they are in the—

committee, I object to the witness being cut off, when he wishes to make an explanation, and ask that he be permitted

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to explain his testimony in his own way. I think the counsel for the majority knows enough about law procedure to know that we can have a fair investigation.

Mr. Brinton: I can answer him all right if he will give me a chance.

Mr. Chairman: What is the question.

Mr. Sinkler: There was an objection.

Mr. Chairman. Overruled.

Q. You said the papers supporting your testimony were to be found in the banking board proceedings I want to know what papers you refer to in the Scandinavian American bank or the Bank of North Dakota. You said in the banking board records, what do you mean when you say that. A. The banking board that you are acquainted with.

Q. You mean to say the North Dakota Banking Board. A. Yes, where they took the testimony, when the banking board went down and examined the bank.

Q. What papers there do you refer to. A. The whole proceedings.

Q. Mention the papers. A. The papers pertaining to the examination of that bank.

Q. Examination made at what time. A. Well the time the raid was on.

Q. Do you mean the examination made subsequent to

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October 1919, when P. E. Halvorson made the examination. A. I couldn't give you the exact date.

Q. Well can you tell what month it was. A. Well it covered quite a space of time. You have a record there.

Q. Now Mr. Brinton I want to ask you this question—How much money from the Bank of North Dakota was sent down to the Scandinavian American Bank and afterwards, after it was sent loaned to the Nonpartisan League. A. According

to the officers of the bank there must have been around \$400,000—if I remember right, \$350,000—to \$400,000.

Q. You understand that you are under oath, do you. A. Yes.

Q. You understand what the law with respect to testifying in this state is, do you not.

Mr. Kofful: I object to that question on the ground that it is an attempt to intimidate the witness and counsel does not need to caution the witness on that point.

Mr. Brinton. A. I am not a liar.

Q. You understand that you are under oath; I want you to understand that; that is all. And you say that according to the officers of the Banking Board. A. Of the Bank of North Dakota.

Q. According to the officers of the Bank of North Dakota over \$400,000.—A. Don't misunderstand me, I don't mean all

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of the officers.

Q. According to some of the officers of the Bank of North Dakota, over \$400,000.—A. Now you are mis-quoting me, I didn't say over.

Q. Approximately \$400,000.00 of the money of the Bank of North Dakota, was sent down to the Scandinavian American Bank and then loaned to the Nonpartisan League Associations. Q. You are not repeating my testimony correctly.

Q. Now will you then state it in your own words again. A. Thank you very much. Under oath I said and repeat that approximately \$350,000.00 to \$400,000.—of public funds of the State of North Dakota deposited in the Bank of North Dakota was transferred to the Scandinavian American Bank of Fargo, by an agreement by the Attorney General of the State of North Dakota, or assistant Attorney General, the attorney of the Bank of North Dakota the attorney for the Governor and the attorney of these different organizations or corporations and attorney for the Scandinavian American Bank, and that on account of an arrangement between all these different attorneys represented in the same person, these funds were sent to Fargo and loaned to the institutions in which he was attorney, for whom he appeared as attorney, and whose affairs he directed. Is that plain enough.

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Q. And that money, approximately \$350,000.—to \$400,000—was sent down there and loaned to these companies. A. You got it I just answered the question.

Q. Mr. Lemke, that \$170,000.00. A. My name isn't Lemke.

Q. I beg your pardon. That was approximately \$170,000 the Consumers Stores Co. got. A. That was taken from memory.

Q. Approximately. A. I think that is about it

Q. \$148,000.00 to the Nonpartisan League, approximately. A. Yes, delivered to the corporations.

Q. And \$66,000.00 to the League Exchange, approximately. A. Yes.

Q. And \$47,000.00 to the Publishers, what is that Publishers National Service Bureau.

Q. Publishers National Service Bureau. Now Mr. Lemke. A. You are trying to discourage me.

Q. Now Mr. Brinton is it now a fact that all of these loans except \$20000.00 were made to these concerns long before the Bank of North Dakota opened its doors. A. That is just what I told you a few minutes ago.

Q. Did you say that. A. The loans were made and then money sent down to fill up the gap.

Q. I swore to it if you will refer to the previous answer.

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Q. You said that in your former—A. No not this evening.

Q. Is that the way you want it understood now. A. It is already in the record.

Q. Did you say by some preconcerted agreement made to send money down there and then loaned to the Nonpartisan League. A. Certainly.

Q. Were not some of these loans made two years before the Bank of North Dakota opened its doors. A. I don't know of the time you refer to as to the bank being purchased.

Q. Wasn't these loans or a large part of these loans made to the Nonpartisan League and its affiliated associations more than or approximately two years before the Bank of North Dakota opened its doors. A. I couldn't say as to that.

Q. Do you now say that this money was sent down there to the Scandinavian American Bank between the 17th., day of July and the 30th., day of August 1919, went in, to take up any of the loans that you have mentioned in this exhibit one. A. You say this money, what money do you mean.

Q. Read the question to the witness. A. You speak of loans and then you say this money.

Q. Was any of that fund that was sent down there—A. What fund?

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Q. To the Scandinavian-American Bank by the Bank of North Dakota, between the 17th day of July, 1919, and the 30th day of August, 1919, in paying off any of these loans at all or applied on these loans in any manner whatsoever? A. When you use the words loans and funds, do you mean the same thing?

Q. I am using the word funds and I mean the deposit that was made in the Scandinavian-American you said that money was used. A. You refer to this sheet of paper?

Q. Yes, I refer to that. A. That isn't money, that represents loans.

Q. You don't understand the question then? A. Not at all. You are getting me to identify certain money or funds.

Q. I don't mean that at all. A. That is the way I understand the question.

Q. You said in your testimony before the house committee that between the 13th day of July and the 30th day of August,

1919, there was approximately \$350,000.00 of the funds of the Bank of North Dakota, sent down to the Scandinavian-American Bank, did you not? A. The exact amount I do not remember now, but the amount that I swore to is absolutely correct.

Q. You also testified did you not that the funds that were
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sent down there were loaned to these associations didn't you? A. I said that. They must have been loaned and these funds sent down to take care of—correct the surplus that had been depleted.

Q. Didn't you say that had been loaned? A. I said in amount they had been made, not any particular fund, but in amount. That is my sworn testimony they were loaned to these corporations, like amount.

Q. In amount. A. Yes.

Q. And that these funds were sent down there for the purpose of being loaned? A. Helping these corporations, yes sir.

Q. Didn't you say for the purpose of making these particular loans? A. You heard my testimony.

Q. I will ask you now if you didn't say for the purpose of making? A. Not any particular loans but for the purpose of financing these corporations.

Q. What do you mean when you said—testifying as I have read from this record,—when you said that that was money sent from the Bank of North Dakota to the Scandinavian-American Bank and loaned to the companies in which Mr. Lemke was interested in as a private citizen and as an attorney? A. That is only part of it. I don't know what funds I was speaking of at that time.

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Q. What do you mean by that? A. I mean just what it said.

Q. It follows this statement: "I will give you these amounts I have here, \$170,000.00; \$148,000.00; these are different amounts to different companies in which Mr. Lemke was attorney for and interested in as a director; \$66,000.00 to another one, \$147,000.00 to another and I think that totals \$431,000.00." Then I asked you this question: "Q. These items are money that was loaned, as I understand it by the Scandinavian-American Bank to various affiliated concerns of the Nonpartisan League" and you said: "That was money sent from the Bank of North Dakota to the Scandinavian-American Bank and loaned the companies in which Mr. Lemke was interested as a private citizen and as attorney." A. In amount they were, yes.

Q. Do you mean to testify that these loans were made after the bank went into existence? A. Oh, into existence. I didn't mean to testify to any date—I am not attempting to do it, because I didn't see the records of the bank, simply the record of the transactions.

Q. You know now do you and you have known it all the time that all of these amounts you have mentioned except approximately \$20,000.00 were loaned from the Scandinavian-American Bank to these Nonpartisan League associations

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long before the Bank of North Dakota opened for business?
A. I know only of the amount.

Q. Do you deny it? A. No.

Q. Do you say it is not true? A. I am not saying. I don't know.

Q. You don't know? A. How can I swear—

Q. That is you are saying you don't know? A. Don't know what?

Q. What you said there? A. I know quite a lot, but you won't let me testify. I know a lot of things—

Q. I am going to ask you questions Mr. Brinton. Do you know or do you not know that these amounts were loaned long before the Bank of North Dakota opened its doors? A. I do not know the exact date of the loan.

Q. Will you swear that they were not loaned before? A. I will swear to one item on that slip of paper.

Q. To one item? A. Yes.

Q. Which item? A. Just give me that slip of paper and I will show you. The item of \$47,000.00.

Q. You will swear to that item? A. Not the entire amount, I don't know the exact amount, but approximately.

Q. Will you swear that the amount of money loaned to

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the Publishers National Service Bureau by the Scandinavian-American Bank of Fargo, was loaned after July 17th, 1919. A. July 17th, 1919, how much did you say the amount was?

Q. Repeat the question? A. What is the amount?

Q. \$47,950.00. A. I can't swear to the date because I would have to refresh my memory. I haven't access to the bank books or the books of the publishing company.

Q. Will you swear that any part of it was loaned by the Scandinavian-American Bank to the Publishers National Service Bureau, after the 17th of July, 1919? A. Mr. Liggett had charge of the company at the time. I cannot swear as to the date.

Q. Then you do not know, and could not say whether or not any of these loans were made by the Scandinavian-American Bank after July 17th, 1919? A. Not as to the date, I am telling you.

Q. Do you know and will you swear that any of these loans were made by the Scandinavian-American Bank to these various associations, before the Bank of North Dakota opened its doors for business? A. This one company or all of these companys?

Q. All of them I am referring to now. A. Oh, I think some of them were made before the Bank opened, yes.

Q. Do you know what portion of these loans were made

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by the Scandinavian-American Bank before it opened for business? A. No I don't know what portion.

Q. Do you know what portion of these loans were made by the Scandinavian-American Bank after it opened its doors for business? A. I have already answered that question.

Q. I will ask you to answer it again? A. I don't know as to the date.

Q. I am referring to the time when the Bank of North Dakota opened its doors. A. That is swearing to an exact date. I don't remember when the Bank opened.

Q. Don't you know of the circumstances? A. I don't know when the bank opened.

Q. You have no idea of that? A. I have an idea but not as to the date.

Q. Will you swear any of these loans were made by the Scandinavian-American Bank before or after the First day of October, 1919? A. I think I said I didn't know as to any particular date.

Q. Then you don't know? A. As to any particular date. Oh, I know.

Q. You do know? A. Yes sir.

Q. Tell me. A. These loans were made to these companies and they were financed out of the public funds from the Bank of North Dakota, that is what I know. Now get

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into the records and see whether I am perjuring myself or not, or keep on cross examining me if you want to. Suit yourself.

Q. I want to know how much of this money was loaned to any of these associations after the Bank of North Dakota opened its doors? A. I just told you I don't know when the bank opened.

Q. Then why do you testify that this money was sent from the Bank of North Dakota down to the Scandinavian-American Bank to be loaned to these league associations? A. Why do I?

Q. Yes, why do you? A. I just answered and you misunderstood me. I said some of the loans were made before the money was sent down, and then the money was sent down to fill up the gap.

Q. Weren't some of these loans made long before the law creating the Bank of North Dakota was passed? A. I just said they might have been.

Q. Weren't they? A. I don't know.

Q. Don't you know of your own knowledge? A. You say these loans? I don't know the notes, I haven't seen them, the dates on them. I know the result of the transaction. If you would bring up any particular note so that I could see it, I might tell you.

Q. Do you say some of these loans to the Consumers Stores Company, Nonpartisan League Exchange were made

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prior to the time that the law creating the Bank of North Dakota went into effect? A. I didn't negotiate the loans and I don't know, but they were made.

Q. Do you know when the law went into effect? A. I couldn't say the exact date.

Q. Can you give me approximately that date? A. Well now I don't know whether it went into effect before they had that referendum or after or maybe possible before the election was held I believe and afterwards waited for the referendum.

Q. The Bank of North Dakota did some business? A. That

is in getting ready to organize and there was a petition circulated to get in on the ballot.

Q. Don't you know as a matter of fact that the Bank of North Dakota opened its doors on the 28th day of July, 1919, for business? A. I don't know that as a fact.

Q. You don't know that? A. I just told you.

Mr. Sinkler: I would ask the committee to take notice of that date.

Witness: I would to. I don't know the exact dates, I am not a lawyer and I don't know.

Mr. Sinkler: It takes a lawyer to remember dates.

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Q. I think we will leave that particular subject for the moment Mr. Brinton.

Mr. Sinkler: I want to offer in evidence if you please Mr. Chairman exhibit one.

Mr. Brinton: I want to keep that memorandum. It is already testified to and read in the record.

Q. Are these figures in your hand writing? A. No they were given to me.

Q. Whose hand writing are they in? A. I don't know.

Q. Who gave it to you? A. Who gave it to me?

Q. Yes. A. I think they were taken from the figures, from the records of the banking board, as I testified to, but I don't know exactly where I got these figures.

Q. I didn't ask you that, I asked you who gave you that paper? A. I cannot tell you right now.

Q. Don't remember? A. No.

Q. Have no recollection of it? A. I don't know whether Murphy or Sullivan gave it to me, or Ed. Sinkler.

Q. It may have been either Murphy or Sullivan? A. Yes, they have a lot of the official documents, I have examined some of them today, the official records.

Q. I didn't ask you that. A. Well I don't want you to insinuate that I am not telling the truth.

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Q. I didn't insinuate that. A. They were the same records that you looked at too Ed.

Q. Yes I got them here. A. I am speaking of the records you looked at.

Q. You testified before the house committee I believe in the Court House, did you not and you were examined there by one Mr. Sullivan, attorney for the house committee? A. Attorney Sullivan.

Q. Well I say Mr. Sullivan, because that means a good deal to me. A. I understood you to say--

Q. Because I like him and he is a good fellow. A. I understood you to say one Sullivan.

Q. Well Mr. Sullivan. A. Attorney Sullivan.

Q. Now Mr. Brinton this question was asked you: "Have you any knowledge as to any change in the determination of these league leaders from the time of the purchase of the Scandinavian-American Bank up to this time? A. I only have knowledge of one." Then Question: "Well what is that? Answer: That was when the transfer was made, and the management of the bank was taken away from Mr. Hastings and

turned over to Mr. Lemke and Mr. Paddock." "Question: It was taken from Mr. Hastings and turned over to Mr. Lemke and Mr. Paddock? Answer: Yes." A. I gave that testimony. If it is there I gave it.

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Q. Do you have any recollection— A. I don't remember the exact question and answer.

Q. Are these the facts? A. In substance.

Q. It is true? A. In substance yes.

Q. If it is only true in substance, tell me what you mean by that? A. It is true in substance, I am explaining it to you.

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Q. Did Mr. Lemke or Mr. Paddock have anything to do with the management of that Bank? A. I presume they did because they had charge of its affairs when I went in there. Mr. Paddock sat in the front office, which used to be Mr. Hastings at his desk.

Q. That is why he said they had the management of that Bank because they sat in that office? A. No, they had charge of its affairs.

Q. What affairs did they have charge of? A. The affairs of that bank.

Q. Do you mean to say that Mr. Paddock had charge of any of the affairs of that bank? A. I will say that,

Q. You swear to that? A. Yes, I swear to that.

Q. Do you mean to say that Mr. Lemke had charge of any of the affairs of that bank? A. Why, I had a loan that Mr. Lemke approved himself at that bank.

Q. Please answer my question. Do you or will you swear that Mr. Lemke had charge of the affairs of that bank? A. I swear that Mr. Lemke had charge of the affairs of the Scandinavian-American Bank of North Dakota, is that plain enough?

Q. Did he have any stock in the bank? A. I never saw the records of the bank, I don't know.

Q. Do you not know that Mr. Lemke was never a stockholder of that bank? A. I never said he was.

Q. And that Mr. Paddock was never a stockholder of that bank? A. I never said he was.

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Q. Will you say that Mr. Lemke or Mr. Paddock ever at any time held any official position in the bank? A. What do you mean by official position?

Q. Were either of them an officer in that bank at any time? A. I will say that Mr. Lemke and Mr. Paddock had charge of the affairs of the bank; it may be as attorney or officer or stockholder, but they did have charge of the bank.

Q. Will you answer my question? A. I am answering.

Q. Will you swear? A. I am swearing.

Q. Will you swear that Mr. Lemke or Mr. Paddock was ever an officer of the Scandinavian-American Bank? A. I don't know whether they were officers or not, I don't know.

Q. You don't know? A. Know what?

Q. That they were officers of the bank? A. I do not

know whether they were officers of the bank. I saw a document today that would prove my statement.

Q. What document? A. A document signed by Mr. Thatcher, the auditor of the League organization, as to the condition of the bank, and Mr. Lemke was in the bank and had charge of it when the audit was made, and gave directions of what should be done. This was a sworn statement made before the Supreme Court. This was at the time when Mr. Lemke was director and had charge of the affairs of that institution.

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Q. Was that after it was closed by this reputed Langer raid? A. Yes, that was one of the times.

Q. Was there any other time? A. Oh, yes, yes.

Q. Now, you testified that you knew of the approximate time when Mr. Hastings procured the bank in the first place? A. Approximately.

Q. What was the approximate time? A. I think it was in 1917.

Q. He and Mr. Kimball? A. Yes, Mr. Kimball was one of the managers.

Q. And you also testified that later it was transferred to one of the league organizations, did you? A. I said I had never seen the stock or record, I do not know what the transfers were.

Q. Then you do not know whether it ever passed out of the hands of these two gentlemen, Hastings and Kimball, do you? A. Yes, I know it passed out of their hands very, very rapidly.

Q. Are you swearing of your own knowledge that it passed out of their hands very, very rapidly? A. I am speaking of it physically. I am not speaking of the stock book, because stock books, I found out recently, have been kept in very many different ways. I am speaking of the keys of the institution. I am speaking with reference to Mr. Hastings. Mr. Kimball, as I understand it, was only used—Mr. Kimball only signed some accommodation paper. I am speaking of the af-

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fairs of Mr. Hastings.

Q. Now, Mr. Brinton, on Page 189, did you not in one of your answers say in regard to the paper that had been sent down to the Bank of North Dakota by the Scandinavian-American Bank of Fargo, North Dakota, on or about the 30th day of August, 1919, in regard to your being in the bank, did you not say "I will explain this so you will know why certain paper was brought to me, and in heat Mr. Waters went out into a back room and brought in part of this paper. He first took me out and showed me the table with paper piled up all over—bundles of notes— A. Don't make the bundles too big.

Q. Bundles of notes? A. That's right. Q. I did not examine the notes," did you not give that testimony? A. Yes, that is my testimony. I do not think you would misquote me.

Q. Is it true? A. In substance it is true, yes.

Q. Then you did then see this particular paper that day, that had been sent from the Scandinavian-American Bank up to the Bank of North Dakota, scattered or piled all over the

table? A. Which, scattered or piled?

Q. Piled. A. I was told that the paper on the table was the paper that had been sent down there.

Q. When you used the words "Bundles of notes" what did you mean? A. Oh, little package about that long, and about that wide, and probably about that thick—and that thick—

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and that was the bundles.

Q. Was there more than one of these bundles? A. There were bundles on the table. I didn't examine them to look them over, I just looked at them. Waters said "this is the paper" and he gave me some notation.

Q. Did you take any statement at that time of these notes, their amount, date or description of the notes? A. I took a statement that was prepared and handed to me by Mr. Waters.

Q. What did you do with that statement? A. I have it with my papers.

Q. Have you it here? A. No, I think it is in St. Paul. It is just a little typewritten paper, the same as I handed you this evening (witness took slip of paper from the table and said I will find out who wrote this for you).

Mr. Sinkler: I wish you would. The writing is so excellent.

Mr. Brinton: Do you want a photograph of it?

Mr. Sinkler: Oh, no. We may need that later.

Q. It is not so valuable but what the reporter may make a copy of it? A. Oh, yes, but I may have to go to some little inconvenience to get it again.

Q. I want to ask you if you know of your own knowledge how long these notes that you claim were sent up from the Scandinavian-American Bank to the Bank of North Dakota were in the Bank of North Dakota? A. I have already told

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you that, perhaps you have forgotten it.

Q. I may have, but I wish you would tell me again. A. I don't know. I was there when the deal was closed.

Q. Was it more than a couple of days? A. I said I don't know.

Q. You testified before the House committee did you not, that it was probably a couple of days? A. I presume, it may have been there a week before I got there.

Q. And that is the best you will say on that? A. I'll say I don't know. Some of that paper got back again, but I couldn't swear to it.

Q. Was this question asked you at the House committee hearing: "Q. Do you mean to say, Mr. Brinton, that there was a policy agreed upon between these parties to the effect that they would send this money down to the Scandinavian-American Bank as deposits and in the form of loans and in that manner loan the funds of this state to these various league associations, and thereby evade the law of the State of North Dakota? A. Yes, I have personal knowledge of it." Is that your testimony, is it?

A. Substantially, but there is a word there that you may have slipped by.

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Q. All right. "Do you mean to say, Mr. Brinton, that there was a policy agreed upon between these parties to the effect that they would send this money down to the Scandinavian-American Bank in the form of deposits and loans and in that manner loan the funds of this state to these various league associations, and thereby evade the law of the State of North Dakota? A. Yes, I have personal knowledge of it." A. Yes, I have personal knowledge of it.

Q. And you gave that testimony? A. Substantially, I did.

Q. And that is true? A. That is true. As I said, repeatedly.

Q. Who were the particular parties who entered into the agreement set forth in that testimony which I have just read? A. Their names are right there in that testimony.

Q. I want you to name them again? A. I will gladly.

Q. Name them. A. A. C. Townley, William Lemke.

Q. Anybody else? A. Others, yes.

Q. Who else? A. Now that part of my statement is my own personal knowledge, as to my other statement the other members I am telling you was given to me by officers of the Bank of North Dakota.

Q. Now, I want your own personal knowledge. A. My knowledge comes from the fact that the transaction took place under an agreement as Mr. A. C. Townley told me, and
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as I argued that question with him, and argued with Mr. Lemke. He defended the policy. It was not a disputed policy.

Q. You testified to these particular facts only from the conversation that you have had with A. C. Townley and Bill Lemke? A. Oh, no, no, no, but from actual contact and knowing the transaction took place—that the policy was carried out—my knowledge is based on that.

Q. You know that that policy was carried out exactly as contained in that sentence which I have read to you as some of your former testimony given before the House Audit Committee? A. In accordance with the agreements and in substance as I have testified to.

Q. You understand me and have understood the various questions that I have asked you? A. I think I have. Of course, you want to understand that I am not swearing to each and every word in there but in substance that is what I am swearing to. They may have had the word "a, or the" as to that I don't know. I have been in the newspaper business a long time and I know that letter mistakes are very easy, and I cannot swear to the grammatical construction.

Q. I want to go into, at this time, Mr. Brinton, the embezzlement or purported embezzlement of an item of something like \$12,000.00 in the Scandinavian-American Bank. Do
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you know what I am referring to? A. Yes, very, very well.

Q. You testified with respect to that particular matter before the House Committee? A. Yes.

Q. What? A. Yes.

Q. That was in relation to this Sisal Trust, as I understand it, and you testified that there was a check given by

you for \$11,000.00, I believe? A. Not in relation to the embezzlement.

Q. In payment of a note? A. Yes, but that had nothing to do with the embezzlement. Now, just a minute, you are mixing up these propositions. The check had nothing to do with the embezzlement, that was a separate and distinct transaction.

Q. When did the embezzlement take place? A. I don't know. I know when it was discovered.

Q. When they were discovered? When were they discovered? A. About the time of the row over the Valley City Bank deal.

Q. Was any proceeding done to make good that embezzlement? A. You would have to ask Mr. Townley, I don't know.

Q. Have you any knowledge of it? A. I don't think he did anything.

Q. What was this \$11,000.00 check given for? In payment of a note.

Q. What note? A. The note put in there to make up

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the shortage.

Q. What was the amount of that note? A. There were two notes, if I remember rightly.

Q. Are you sure of that? Will you swear it was in two notes? A. I can produce the notes.

Q. You can produce the notes? A. Yes, sir.

Q. Will you produce them? A. Yes, sir.

Q. Where are they? A. St. Paul.

Q. Will you produce them? A. Yes, very glad to do it.

Q. Have you any recollection now if there were one note or two notes? A. I am pretty sure there were two notes.

Q. Was it not one \$12,000.00 note? A. You mean the note that paid the Sisal Trust note?

Q. I am asking you if that was not a \$12,000.00 note? A. I want you to identify the note, what note are you talking about?

Q. Given by the Sisal Trust Company. A. But Mr. Hastings gave many notes by the Sisal Trust Company.

Q. How many notes? A. I don't know.

Q. More than one? A. Yes, I have in my possession two. He gave notes before the Sisal Trust Company was organized.

Q. You stated that this \$11,000.00 check was given to the bank, and at that time you had no funds in the bank upon which that check was drawn? A. I qualify that by saying I had some small amount of my own.

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Q. You went out and made a loan for the purpose of meeting that check? A. No, for the purpose of meeting the obligation in the bank.

Q. Did you deposit the money in the Bank and was the check paid in due course? A. You mean the personal checks I gave in payment of the note?

Q. Yes. A. Oh, yes, that was paid. That was my check that was paid.

Q. That was very funny. A. Yes, that was queer. Some have not been paid.

Q. You testified there was an agreement at the time you gave that check that the check was to be held as a cash item in that bank in order to deceive the Supreme Court of the State, did you not? A. Oh, no, no.

Q. What did you testify in regard to that? A. I said it was suggested to me, or words to that effect, that I give a check so that that item could be marked paid when they made their showing before the Supreme Court, and as a result of that request by the bank I complied with their wishes because it was an obligation we were paying.

Q. Well, did Mr. Lofthus or Mr. Lemke know that you had such an arrangement? A. Yes, I think so. I think it was explained to me that they would carry that check as a cash item so they could make their showing to the Supreme Court and I could raise the money later put it in the bank, and

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make it good, and they would hold the check until I got the money down there.

Q. Is that true? A. Substantially true.

Q. They were at that time engaged, were they not, in preparing an application to the Supreme Court of the State of North Dakota in an action entitled "State of North Dakota, in re O. E. Lofthus, State Bank Examiner, et al, vs. William Langer, et al?" A. I don't know the title.

Q. It is over the closing of that bank? A. They were preparing a statement to get the bank open again.

Q. And they told you that they were going to carry this check as a cash item? A. I tried to make that very clear to you.

Q. Will you answer the question? A. Substantially, yes.

Q. You read today—you know Mr. Murphy had these files from the Supreme Court, do you not? A. Yes.

Q. And you stated a while ago that you looked them over? A. And you did, too.

Q. I had to. Did you at that time notice a report that was made by Mr. Thatcher? A. I noted one item in that report, which I had never looked at before.

Q. What was that item? A. That was what they said regarding that transaction.

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Q. What was it? A. The item regarding this transaction of the Scandinavian-American Bank that we are talking about. That is the only thing I looked at. I made all my statements prior to the transaction, rather than the report.

Q. I call your attention to Schedule "A" of Exhibit 3, and will ask you if that is not the item you refer to? A. This one?

Q. This one. A. That says \$12,000.00, I was under the impression it was \$11,000.00.

Q. Is that the item that was called to your attention today? A. No, that is not the item.

Q. Will you show us the item that was called to your attention today? A. Is this the report that was made to the Supreme Court?

Q. It is a copy? A. I don't believe this is the same document.

Q. Is there an affidavit in regard to the Supreme Court in which they allege the Sisal Trust item is paid? A. Yes, as I take it to be. I did not take the title of the action, but it was in the case before the Supreme Court. It would take me a long time to find it in here, this is not even the same form.

Q. Are you sure you saw a document that, purported to be a file of the Supreme Court of the State of North Dakota in which it was claimed the item of the Sisal Trust Company was paid? A. There was an item filed with the Supreme

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Court that the item was paid, yes. I don't believe you saw the same report I looked at.

Q. Will you produce that for me and let me look at it? A. It is in the custody of the other committee, it is an official document, I will get you a copy of it, seeing that you have already been in consultation. However, if you go to the other attorneys, they will show it to you.

Q. Do you think they would be kind enough to do that? A. It is a public document, I don't see why they would not. I wouldn't cast any reflection on that, I think they are honorable fellows as far as attorneys go.

Q. There is no question about it. There are no better fellows in the State of North Dakota.

Q. I am going to mark these exhibits and offer them in evidence, 3, 4, and 5.

Q. Now, Mr. Brinton, this \$12,000.00 item that I call your attention to, do you know anything about that item? A. I was under the impression it was \$11,000.00.

Q. Don't you know as a matter of fact, in that application made to the Supreme Court, it was stated that the cash items carried by the Bank of North Dakota at that time, when the application was made,

A. The Bank of North Dakota.

Q. The Scandinavian-American Bank. The Scandinavian-

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American Bank was a little over \$9,000.00, between \$9,000.00 and 10,000.00? A. The statement, I saw today, said \$11,000.00 just paid, just as we were making the report.

Q. Do you not know, as a matter of fact, that the cash items carried at that time in the Scandinavian-American Bank at the time when the application was filed, was between \$900.00 and \$1,000.00? A. Was that that amount?

Q. Yes. A. I don't know that.

Q. This is news to you? A. I never looked at the records of the Bank, you could ask me any question about the records, and I wouldn't know, I never looked at them.

Q. If this note was carried as a cash item and the representation was made, they only carried between \$900.00 and \$1,000.00, that would be incorrect? A. Yes. I would not say it was incorrect. I do not know. I never counted the cash.

Q. You also testified that Mr. Lemke and Mr. Cathro were both guilty of embezzlement? Do you know this of your own knowledge? A. Know what?

Q. That they were guilty of embezzlement? A. I know the public funds from the State of North Dakota, were, as I have repeated here several times, sent to Fargo by arrangements and there misappropriated and embezzled, yes.

Q. Then you will answer that question that you know of

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your own knowledge that Mr. Cathro and Mr. Lemke were guilty of embezzlement? To that question, you will answer yes? A. I have answered the question.

Mr. Koffel: That is objected to as unfair. It calls for a legal conclusion. It is a misinterpretation of the testimony as given by the witness.

Chairman: Overruled.

Mr. Sinkler: Read the question to him. (Question read). A. I can't answer the question yes, or no, it would be wrong both ways.

Q. Did you testify as follows upon a hearing before the House committee: "I have charged Mr. Lemke and Mr. Cathro with embezzlement, and they haven't manhood enough to throw me into court."? A. Yes, that is my testimony.

Q. That is your testimony? A. Yes, I repeat that charge here.

Q. Do you mean to say Mr. Lemke ever held any fiducial position in the Scandinavian-American Bank? A. I know he was attorney of the bank and had charge of its affairs at different times as its legal adviser.

Q. Is that the only capacity in which he acted? A. I said I don't know, I never looked at their records.

Q. Now, Mr. Brinton, while you were connected with the Consumers Store Company, did you appropriate money belonging to the Consumers Store Company to your own use

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wrongfully?

Mr. Koffel: Now, Mr. Chairman, we object to that—

Mr. Brinton: I don't care to have you object to that.

Mr. Koffel: We do not want that in the record.

Mr. Brinton: If he wants to go into that, I will. I am very anxious. I would like to submit my statement, and the release I got in my bond, and Mr. Paddock's statement, and the check they sent me when I resigned in 1919.

The Chairman: What is the object?

Mr. Sinkler: It's for the purpose of impeachment only.

Mr. Brinton: Then you admit you are cross-examining me, trying to impeach me? Then at this time I wish to ask for the privilege of waiting until my attorney arrives; if that is his position to impeach me, and get me in a position here where he could get me criminally.

Mr. Sinkler: I do not care to go into it if he does not desire to.

Mr. Brinton: I desire to submit the records and let them speak for themselves.

Q. Now, I will refer to this document, Exhibit 4, and ask you if that was the item that was called to your attention? A. No, that is not the item. The item was the affidavit in

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which these men swore before the Supreme Court that the item had been paid.

Q. Is that the same item? A. Let me see.

Q. Yes, read it over and see. A. I could not say whether it is or not.

Q. You could not say whether it is or not? A. No, I was under the impression that there were two notes. This may be another transaction for all I know.

Q. Did you look through that record to find whether there were any other notes at all—there being the Sisal Trust note? A. This is the first time I have seen this record as a record. The only thing I looked at was this item.

Q. I will say when the papers were introduced, being the application before the Supreme Court, Mr. Murphy said he wanted to see them and said I could get them, and Mr. Murphy is probably at a show and I really would like to have the original application in order to ask Mr. Brinton two or three questions upon it.

Mr. Brinton: You haven't a copy of that statement they filed, the affidavit made before the Supreme Court setting forth the report made after they examined the bank?

Mr. Sinkler: Mr. Sullivan, have you that report?

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Mr. Sullivan: You will find the report that the witness refers to in the report by Lofthus and Thatcher. Wait, I'll go down there and see if I can find it.

Mr. Brinton: Yes, come down and assist him.

Q. Now, Mr. Brinton, what do you mean when you say that that was to be carried as a cash item, was that the truth? A. In substance. I do not mean in the phraseology of a banker.

Mr. Sinkler: With the exception of that one thing, I do not care to examine Mr. Brinton any further. Mr. Sullivan tells me it is not in this paper, but that it is in the paper that Mr. Murphy has. It may be that it will not be necessary to call Mr. Brinton back, but I will look into it, and present the affidavit, if it is in the form of an affidavit, to the committee.

Mr. Brinton: I would like to ascertain from the committee if I am still subject to call or if I am dismissed.

Senator Baker: Subject to call.

Mr. Brinton: Do you want me to stay here subject to call?

Senator Baker: Yes.

Mr. Sinkler: Now, if I may retain these exhibits, Mr. Chairman, temporarily, I will then file them with the Secretary.

Chairman: It will be all right.

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Mr. Sinkler: This particular exhibit has not been offered as yet. It has been marked.

Chairman: Yes.

Chairman: Is that all you want of the witness at the present time?

Mr. Sinkler: Yes, I think so.

Senator Baker moves that we adjourn until tomorrow af-

ternoon, at 4 o'clock P. M., at the Senate Chamber.

Senator Church seconded the motion.

End of February 10th.

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Pursuant to adjournment taken at 9:30 P. M. on the 10th day of February, 1921, to reconvene at 4:00 P. M. on February 11th, 1921, at the Senate Chamber, and all members of the Committee being present, having answered to roll call, and the reporter and marshall being present, the following motion was made:

Senator Murphy: I move that we adjourn to meet at 9:30 tomorrow morning, February 12th, 1921, to hold our session in the Bank of North Dakota.

Senator Baker: I will second that motion.

The Chairman: It has been moved and seconded that we adjourn until 9:30 tomorrow, to meet at the Bank of North Dakota, and at the Senate Chambers at 4:00 P. M., on February 14th. All in favor of the motion signify by saying aye.

Motion declared carried.

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FEBRUARY 12, 1921

Meeting called to order by Chairman at 9:30 A. M., all members being present, with attorneys and reporters.

Mr. Chairman: What are the wishes of the committee this morning?

Senator Baker:: I suggest that the minutes of the previous meeting be read.

Minutes of February 10th and 11th read by Senator Church.

Senator Baker: I move that the minutes be approved as read.

Senator Murphy:: I second the motion.

Mr. Chairman: All in favor of the motion, signify by saying aye; to the contrary, no. All members voted aye.

Mr. Chairman: The ayes have it.

Senator Church:: Now, Mr. Chairman, there is unfinished business that should be taken up, and should be gone into further. Here is the telegram that you sent me, and I have got an answer to it.

(Telegram marked Exhibit 1) Senator Church reading the telegram, as follows::

WESTERN UNION
TELEGRAM

253 FC 19 St. Paul, Minn., 502P Feb. 19, 1921.

W. J. Church, Secy. Senate Audit Com. Bismarck, N. Dak.

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"Your wire delayed in reaching us. Regret we are unable to comply with your request. Letter of explanation follows.

BISHOP BRISSMAN AND CO.
540 PM"

(Letter of Bishop, Brissman & Co, marked Exhibit 2) and was read by Senator Church::

"BISHOP BRISSMAN & CO.
Certified Public Accountants

Members of American Institute of Accounts

St. Paul, Minnesota, Feb. 10, 1921.

Hon. W. J. Church, Sec'y,
Senate Audit Committee,
17th Legislative Assembly,
Bismarck, N. D.

Dear Sir: We are in receipt of the following telegram, delayed in reaching us by reason of its being addressed to our Minneapolis office.

"You are requested by the Audit Committee of the Senate of the 17th Legislative Assembly of the State of North Dakota, as follows: To have Mr. Smith and Mr. Altman who had charge of the audit of the Home Building Association and the Drake Mill, respectively, and Mr. Bishop, appear before the Senate Audit Committee with the working papers of the audit in the three institutions, and that it is understood that the working papers will not be retained by the Committee

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tee, but are simply wanted for inspection. The committee desire that the appearance be made immediately. Kindly wire the undersigned at the Senate Chamber, Bismarck, collect, fully whether you can comply with this request.'

We have this day replied by wire thereto as follows:

"Your wire delayed in reaching us. Regret we are unable to comply with your request. Letter of explanation follows.'

Supplementing our telegraphic reply, we respectfully submit that we feel it would be impossible for us to comply with your request and submit the following reasons among many which might be suggested:

(1) As you are aware at this season of the year, the demands upon the service of public accountants are overwhelming. The customary audit service for most corporations is required at this season of the year and all Federal and Profit Tax returns for the calendar year must be prepared and submitted by March 15th. The principals of our firm and all staff representatives are obligated to commitments engaged long ago and represented in regular clientele contracts of highest importance.

It would clearly be impossible to interrupt such responsibilities for an indefinite period, much as we would desire to be of any possible assistance to your committee.

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(2) As we already have advised, thru our wire to Mr. Lee, we would not be able to submit our original working papers of our examination to the review of the committee, notwithstanding your assurance that 'it is understood the working papers will not be retained by the committee, but are simply wanted for inspection.' It is not customary to submit such records and we do not consider them either competent or material to a consideration of our reports. You will appreciate they are fully as voluminous as the reports, contain little additional information and nearly all reproduced verbatim in the reports.

We again suggest that the original records are the best evidence and substantiation of the accuracy of such reports.

(3) We also respectfully suggest that little advantage to your committee can be adduced by such appearance and ex-

aminations requested. Our reports are complete and comprehensive reviews of our examinations, and present fully and fairly all facts, computations, information, and data available from our examinations and verifications of the records as produced. The reports are presented in clear terms and as free from technical verbiage as possible. It would clearly

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be improper for us to add anything thereto, and impossible for us to detract from or amend them by oral testimony.

If any specific errors or criticisms of this statements or findings of the report are submitted, we will be very glad to give them full consideration and investigation, and promptly afford complete and satisfactory explanations, and under oath, if desired. We are sure that full information covering all pertinent and proper subjects relative to our reports can be readily and satisfactorily submitted to you without the necessity of further personal appearance of our representatives.

(4) In addition, at considerable embarrassment and at the sacrifice of his many committments at this season of the year, we arranged for the attendance of our staff representative, Mr. E. G. Lee, before your committee and any other authorized officials as desired. We are advised that he has already appeared before you. Mr. Lee directly supervised most of the field work of the examination of the Bank of North Dakota and in general directed the audits of the other enterprises. He is perfectly competent to explain any of the contents of our reports which might be subject of interpretation and, in our opinion, submit any information subject of material or proper inquiry. We are sure that you may rely

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upon his fullest cooperation and assistance. As already stated, we would be glad to supplement his appearance with any written information desired upon specific inquiry.

We hope the within suggested opinions and explanations may meet with your requirement and that we may be relieved of the imposition of the material expense and hardship which your request would effect.

Assuring you of our desire to be of every assistance in your consideration of our reports, we are

Respectfully,

BISHOP, BRISSMAN & COMPANY,
E. J. Bishop.

EJB-S

Mr. Chairman: Do you wish to make a motion and have the same incorporated in the records?

Senator Church: I make the motion that the telegram and letter be inserted in the record. The telegram is already in the letter.

Senator Baker: I second the motion.

Mr. Chairman: Motion made by Senator Church and seconded by Senator Baker that the communication and telegram from the Bishop Brissman Co. appear in the records; as many in favor of the motion signify by saying aye; contrary no. Motion carried.

Senator Church: I move Mr. Chairman that Mr. Paddock with the assistance of Mr. Thatcher draw up a list of ques-

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tions to help clear up the bank audit of the Bishop Brissman

Company and submit these questions to the committee to be referred to Mr. Bishop for written answers.

Mr. Chairman: You have heard the motion.

Senator Murphy: I second the motion.

Mr. Chairman: As many in favor of the motion say aye; contrary no. Motion carried, by unanimous vote.

Senator Baker: I move that we proceed to have Mr. Anderson take up the report of the Drake Mill, and assist us with the examination at this time.

Mr. Chairman: Is there a second to that motion?

Senator Church: I second the motion.

Mr. Chairman: All in favor of the motion say aye; contrary no. Motion carried.

Mr. Thatcher, recalled as a witness, testified as follows:

Mr. Anderson: The witness has already been sworn.

By Mr. Anderson:

Q. Mr. Thatcher, I will ask you whether or not you made an audit of the Drake Mill during the latter part of 1920 and the early part of 1921? A. Sometime back in 1919 the ma-

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ior portion—

Q. I said 1920? A. 1920, but I say the major portion was in 1921 and the examination was made by myself and with the assistance of Mr. Crowell.

Q. You were acquainted with the affairs of the mill at Drake? A. I am.

Q. And how many times during 1920 did you have occasion to examine into the affairs of the mill at Drake? A. I made an examination in January, 1920, September, 1920, installed the system of accounting, in the middle or about the middle of November, 1920, or about the middle of November, 1920.

Q. And you are acquainted with the manner in which the mill at Drake was being operated in 1920? A. I am.

Q. And the number of employees that were employed by the mill at that time? A. Approximately.

Mr. Chairman: Did you not make an examination during 1920, after Sept., 1920, was that the last examination that your company made or that you made? A. I have no further answer to make on that, except what I gave. These are the times I visited the Drake mill, except this, following the examination made in September, 1920, and at the time or rather following the time in November, which time we were engaged in installing an adequate system of accounting,

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I had a conference in Bismarck with the Industrial Commission and its secretary. As the result of that conference, Mr. Anderson, Secretary of the commission, gave me orders to audit and verify the consignment of accounts. That's all.

Q. As I understand, however, you continued your audit up to December 31, 1920, is that correct? A. I did in the month of January, 1921.

Q. And did you make a detailed report of your audit as of December 31, 1920, to the Industrial Commission? A. I have not. I have completed my work and it was the result of the completed reports that Mr. Paddock was able to make up

that part of the Industrial Commission report that applies to the Drake mill. But I have not, as yet, formally presented a certified statement of the Drake Mill to the Industrial Commission. I might further add that it has been due to lack of time, as I was called here before we had time to complete the report at the office at Minneapolis. However, I am in a position to furnish that certified report any time I am given sufficient time to have the stenographer prepare it ready for certification.

Q. You did, however, give certain figures to Mr. Paddock as the basis for the report of the Industrial Commission to be made as of December 31st? A. I did.

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Q. Did you assist him in the preparation of the report of the Industrial Commission? A. I did.

Q. By Mr. Anderson: I will have this sheet marked for identification as Exhibit 3.

Q. Mr. Thatcher, showing you Exhibit 3, which purports to be a balance sheet of the Mill and Elevator Association at Drake, N. D. I will ask you whether or not these figures are the figures that you gave to Mr. Paddock, as secretary of the Industrial Commission? A. I want to make a statement right now that any testimony I give before this committee with reference to this report, identified as Exhibit 3, must be subject to a further statement from me; that I have not compared the same with my original work and a statement at that time as to whether this is a true and correct copy.

Q. Assuming, Mr. Thatcher, that this is a true and correct copy—it is understood that these figures are presented on the assumption that they are correct and subject to correction at a later date upon the filing of the Equitable Audit Company's verified report, I will introduce this into evidence, and I will ask to have pages from eleven to sixteen introduced, Mr. Chairman, at this time I wish to offer in evidence Exhibit 3 consisting of pages 11 to 16, inclusive, the same being carbon copies of the report of the Industrial Com-

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mission filed with the secretary of state, the House of Representatives, and the Senate, on February 1st, 1921, as to the operation of the Drake Mill during the year 1920.

Mr. Chairman: Unless there is objection, it is so ordered.

Mr. Anderson:

Q. Showing you, Mr. Thatcher, Sheet 11 of Exhibit 3, I will ask you whether or not that is a balance sheet of the Drake Mill as of December 31, 1920? All this is subject to our understanding. A. It is.

Q. Mr. Thatcher, this balance sheet shows among the assets of the Mill and Elevator Association accounts receivable to the amount of \$10,082.58, I will ask you to explain to the committee what these accounts receivable consist of, what kind of accounts are they? A. They cover entirely trade accounts. That means accounts to which they ship flour, feed, etc., for which they have not received cash at the time this closes, date December 31, 1920, and are not consignment accounts.

Q. Were these accounts for flour that was shipped out of the state of North Dakota, or were they to people within the state? A. I may explain the nature of the accounts. My

recollection is that all accounts receivable within the State of
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North Dakota and a scrutinization of these accounts disclosed that they were on the face of them good accounts, due and owing, for which merchandise had been shipped, and that there were from three hundred dollars to four hundred dollars that were very slow.

Senator Church: I want to ask you a question. Did you make a list of the accounts that were due at that time? A. Yes, and I can submit a statement or verification on that particular item.

Mr. Anderson:

Q. Will that itemized account appear in your regular report? A. In the regular report to the Industrial Commission, that item will appear.

Q. Did you verify these accounts? A. I did not other than to see that the merchandise had been sent out and the verification of that was made in this manner; checking of copies of the waybills and at the time of our leaving Drake we requested the treasurer, Mrs. Kellar, at the earliest possible moment to send to each one of these parties a verification letter instructing them to either prove or disprove the balance, and mail their reply to us at our office in Minneapolis.

Q. Do you know whether that has been done, Mr. Thatcher? A. I do not.

Q. This report shows cash on hand, \$50.00, where was this cash, and did you check it up? A. In a cash drawer, but

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I did count it.

Q. It also shows cash on hand at the Bank of North Dakota amounted to \$16,162.41, did you verify these? According to the books of the mill at Drake? This is according to the books of the mill at Drake? A. It is.

Q. Did you verify this amount with the books of the Bank of North Dakota? A. We did.

Q. And they agreed, did they. With the exception of transit items.

Q. What do you mean by that? A. As I recall, they were in addition to some outstanding checks, but we have a schedule of that reconciliation and can furnish it as a part of this record.

Q. There is also an item of \$144.39 cash in bank of Drake, in what bank of Drake was this money deposited? A. I would have to refer to the working papers.

Q. And did you reconcile the balance in the books at the mill at Drake with the books of the bank at Drake? A. Mr. Crowell did, and we have a schedule of it, and it agreed.

Q. It agreed? A. Yes.

Q. Among the items contained in the inventory are the following: Wheat \$4,563.39, screenings \$712.45, sacks \$4,371.19; bran \$1,087.50; cereals \$54.50; supplies \$1,000.00; Shorts \$3,562.35; flour \$15,793.35; coal \$170.00, I will ask

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you, Mr. Thatcher, how did you arrive at these figures? A. The inventories were furnished us by the manager, Mr. Hibbard, and the stockman, Mr. Christianson. I think that is

his name, and both of these men referred to signed this statement as being a true and correct statement of the inventories on hand; further by an audit of the books of the account, we determined the amounts that should be on hand and the discrepancies between the amounts called for as appeared in the books of the account and the physical inventory as stated by these two men except for minor details, was correct, as I recall them, there was a shortage of nineteen barrels of flour after the year's operation. That was the largest discrepancy, and the cost price as used was a little under market, and we made the computation as to the extension and footings.

Q. And the figures given here on Page 11 of Exhibit 3 are based upon your computation so secured, are they? A. As stated.

Senator Church: There was no physical ascertainment of the stuff on hand, except by the men in charge, and their inventory, was there? A. I will qualify my statement further that I went through the mill and warehouse because the inventory was unusually large and I wanted to have a bird's eye view as we figured it would be impossible for us to have

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counted it, and yet it meant something to see a large pile of sacks on hand.

Mr. Chairman: Do you mean you didn't count the sacks filled with feed, and flour, and etc? A. I positively mean that.

You did not count them? A. No sir.

Q. Or weigh anything that was there? A. No. I made the inventory on the basis of the signed statement of these two men, and I might further state that unless you otherwise conduct it, that is always the procedure of an accountant.

Q. Is that customary when you take an inventory of an elevator or a mill to take the signed statement of the employees? Instead of weighing the grain and counting the sacks? A. It is customary to have two people or more make the physical examination and certify to it and, of course, the accountant then should go further and from the books of account determine what should approximately be on hand, and then make any further investigation that seems to him proper under the circumstances.

Senator Church: These men who signed this statement made the actual, physical inventory of what was there? A. They did, and I have it in my possession as part of this record.

Q. Mr. Chairman: Then they did count it? A. Absolutely.

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Mr. Chairman: That's what I was getting at, that they had been counted. A. Why, I thought my testimony was plain on that.

Mr. Anderson: I will ask you Mr. Thatcher, if you have had much experience in making audits of flour mills in the past? A. Considerable.

Q. Have you been connected with any flour mill or had any charge of their accounting department? A. Yes.

Q. Would you have any difficulty in determining approximately how much flour or feed was in a warehouse.

basing your conclusion upon the size of the warehouse; I do know whether I have made that question clear, but what I am getting at is this, supposing you had a warehouse filled with flour, could you determine approximately from the size of the warehouse as to the amount of flour contained in it? A. Why, I never tried to compute an inventory in that manner.

Q. Approximately? A. Approximately, I might say yes. But the manner I always went about was to take a tier and count the sacks in that tier and then count the number of tiers.

Q. What I am getting at, Mr. Thatcher, is to know whether or not, in your opinion, the figures given you by these two gentlemen, were approximately correct, judging

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from the amount of flour and feed that was on hand, as you say, there? There was nothing to indicate that these figures were not correct? A. There was not.

Senator Poyhar: I want to ask you a question, Mr. Thatcher. While I realize that in the auditing of private business, the method you have described is the way it is done, would it not have been better in the case of the audit of the Drake Mill to have had your accountants actually count all the sacks there, the sacks of flour and feed, etc.? You will remember this Drake Mill is a state institution and there has been considerable publicity attached to it in the operation of it, and don't you think this committee would have been able to make a better report if that inventory had been checked up there by some of your accountants? A. I did not know at the time of making that examination, Senator Poyhar, that we were going to appear before a committee, or I certainly would have done it, although it might have required the expenditure of several hundred dollars to have made it, but I made a detailed audit of the production records for the year which is based on the daily record from the miller as to what packages were packed. The different packages of flour, the different size packages, the different classes of

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mill feed, and the different kinds of sacks, and taking into consideration the inventory at the beginning of the year and production for the year, deducting the shipments and sales for the year, showing what should be on hand as by the books of account, and the book inventory, which neither the manager nor the stockman could have any idea as to what should be on hand, thereby comparing that record that I compiled myself with the physical inventory which they submitted to me. It showed upon its face that it was a good and fair inventory and the fact that I went through the warehouse and the storage house, I was satisfied with that inventory.

Q. You stated that the book inventory and the inventory given you varie about nineteen barrels for the year, is that correct? A. It is.

Q. You may state to the committee, whether or not in the operation of a mill, the size of the mill at Drake, whether or not that would be anything unusual in the operation of a mill to find a variation of nineteen barrels in that mill for that length of time? A. Not at all.

Q. Mr. Thatcher, I notice in this report that there were supplies on hand of the value of \$1,000.00, will you explain

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this item to the committee? A. The item of supplies, \$1,-

000.00, is an arbitrary figure set by myself, the amount of supplies which they had on hand were considerably in excess of a thousand dollars, I mean by supplies, mill supplies.

Q. Such as— A. Bolting cloth, and things of that character. The engineer's supplies, oils, and greases, and things of that character and office supplies, stationery on hand. These three classes of supplies were considerably in excess of the amount I used. I always take a liberal margin in classifying such assets because their value is only as to a going institution, and I always like to be conservative. I will further add that the cost of supplies on hand December 31, 1920, were a considerable amount in excess of the amount that were used in this statement.

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Q. Will you explain the item of consignments, \$29,861.72? A. The first consignments made by the Drake Mill were at the beginning of the year 1920 and consisted of three accounts, as I recall—one at Grand Forks, one at Valley City and one at Bismarck. These three consignments were made either the latter part of 1919 or right around the first of the year 1920, I don't recall just what dates, and in the aggregate were something approximating \$12,000.00. As I recall it, along in March, 1920, an arrangement was made to consign mill products to the United Consumers Stores company, and these shipments were made approximately in the months of March, April and May, 1920, and shipments were made to approximately thirty-five to forty different points, and the aggregate of these shipments, as I recall aggregated \$170,000.00. These consignments were made on a contract between the Consumers United Stores Company, and the Mill and Elevator Association of Drake, North Dakota, and this contract generally provided that the Consumers United Stores Company should keep it insured for the benefit of the Mill and Elevator Association at Drake, and that the Consumers United Stores Company was to sell this flour, feed, etc., at prices designated by the Mill and Elevator Association and

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that weekly account of sales should be made by the consumers United Stores Company to the Mill and Elevator Association at Drake setting forth the quantity of products on hand at the beginning of the week, what was sold during the week and at the prices sold, deducting commission for handling therefrom, and remitting the balance to the Mill and Elevator Association at Drake, N. D. The \$29,861.72 represented the unaccounted for consigned mill products at all points at market prices December 31st, 1920, and this amount of \$29,861.72 is stated as an asset in accordance therewith and was arrived at after having written off a loss of \$25,591.36; this loss just referred to \$25,591.36 representing the difference between the invoiced price of the mill products and the market price of the mill products; the invoice price, being the prices used at date of shipment and the market price being the prices as of December 31st, 1920.

Q. How do you account Mr. Thatcher, for the difference between the invoice price and the market price of December 31st; why that big discrepancy? A. Because the equivalent in wheat that these products represented was not protected by hedging. This of course refers to the date of July 15th, 1920, at which time trading in options was resumed and after

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which date the market conditions became worse and serious and after which date they were of such a character as to warrant and necessitate hedging.

Q. What do you mean by hedging? A. I mean by hedging this: that is a trade term, which means protection, that is to state, if a possessor of wheat bought the equivalent of wheat on hand—say for argument sake, ten thousand bushels which has been bought and owned, was in the possession, it would mean that for the possessor to protect himself as far as possible, he should sell an option of the equivalent amount against this possession, or vice versa, if he was short ten thousand his transaction would be the contrary.

Q. Prior to July 15th, 1920, was there any opportunity for the Mill at Drake, or any other mill to hedge their accounts by selling wheat for future delivery, to effect wheat and flour on hand; I mean option wheat? A. There were no options available up to July 15th, 1920.

Q. You may state for the benefit of the committee whether or not since July 15th, 1920, efforts have been made to protect the interests of the mill by selling wheat for future delivery to offset the wheat owned by the mill—wheat and flour owned by the mill. A. The matter of hedging was

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started as I recall September 13th, 1920. Between the dates of July 15, 1920 and September 13, 1920, there were no options sold or bought.

Q. During the latter part of 1920 did the mill keep fully hedged right up to date. A. It had up to January 15th, 1921, the time that I left Drake.

Q. Mr. Thatcher, have you any knowledge as to the experiences of other mills during the year 1920 in this particular; whether other mills had protected themselves or were able to protect themselves during that time. A. Yes I have.

Q. What is your information on the subject? A. The year 1920, has been in my experience in the mill business, and from my observation of it over a period of years, has been one of great disappointment to millers. I refer at this time to one company, that I was for a period of two or three years—the Osceola Mill and Elevator Company—in which I had some interest. In August, about August 1st, 1920, I had occasion to look at their statement, and observe their condition, and we had a net capital and surplus of about \$190,000.00 and a balance sheet of between \$400,000.00 and \$500,000.00. In December, 1920, the officers filed voluntary

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papers in bankruptcy. Now that is the only milling company of my own knowledge that I dare refer to and can name, but there are others that I have worked for in a professional capacity, and do not want to be asked to give their names, and I simply want to make a brief statement that this was disastrous—quite a disastrous year to the mill trade.

Mr. Ployhar: Mr. Thatcher, I notice in this item of consignments, \$29,861.72, I notice in the statement following—the commentary of this, there had been sold \$14,290.15 for which remittance had not been received as of December 31st, 1920. Do you know how old some of those accounts are. A. I can furnish a statement of that Mr. Ployhar, Senator Ployhar.

You can call me Mr. if you want to, I don't mind.

Mr. Baker: Will you do that? A. Yes, sir.

Examination by Mr. Anderson continued:

Q. All of this detail as I understand the matter will be contained in the file, and complete report that you will file later. A. Yes they will with this exception. I cannot get the detail as to just how old they are, but I can get or give enough information to answer his question. As a matter

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of fact, the approximate situation is this, that the majority of that—practically all of that \$14,290.15 referred to as unremitted consignment sales, is due from the Consumers United Stores Company and is of December 31st, 1920. About sixty per cent of it was past due anywhere from one to ten weeks. It was in the main—my judgment is, it was in the main of more than a month past due, all of it on the average—that amount would be more than a month past due and represents consigned merchandise sold and for which they had rendered account of sales, but didn't send the check with the account of sales. I knew of this situation in November 1920, at the time that I put in the system of accounting for the Drake Mill, when I came up into North Dakota, to put in the new system of account the storage accounts, and I learned at that time that they were starting to accumulate some sales of consigned goods without the remittances having been made. Then in January 1921 when I went up to complete the year's work for the purpose of making an annual statement to the Industrial Commission, I stopped off at Fargo, at the offices of the Consumers United Stores Company and made an examination of their records, as to what goods they had sold,

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and saw that they had been all accounted for by account sales, and how much that hadn't been paid, they hadn't accounted for. In other words, I went out to learn from their own records the amount of stock they had on hand, at the different store points, December 31st., 1920 and that I learned at Fargo. Of course I inquired as to why they had not remitted for these consigned goods that had been sold, and which they had agreed to do, and contracted to do, and this is the explanation that was furnished to me in detail by Mr. Paddock and Mr. McGregor of the Consumers United Stores Co., and the accountant who has to do with the paying of these consignments, and further information from Mr. Johnson the Treasurer who keeps a record of the consignments. All three of these gentlemen I discussed this situation with. The statement that they made is in substance this: that they were doing a banking business with the Ransom County Bank at Lisbon, N. D., and the moneys received from the local points of the Consumers United Stores Company covering the sales of this consigned merchandise—that these moneys received had been deposited by the Consumers United Stores Co., in the Lisbon Bank, and that some of these moneys, I do not know whether it is all or not, but most of these moneys that is the way they put it, along with

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other moneys had been tied up by an unwarranted action of the officers of the bank, hypothecating as I recollect some \$19,000.00 of their funds, to apply on some indebtedness that the Consumers United Stores Company claim is not their liability.

Senator Baker: Q. How did the records from the home office compare with the records of the Drake Mill, as to these consignments; was there a verification of the reports of the Drake Mill, in other words, did they admit the same liability as the Drake Mill had charged them. A. Absolutely.

Mr. Anderson continues examination.

Q. Did you ever send anyone out to these various stores to check up the stocks? A. We sent our Mr. Larson to eleven points all of which points were others than United Consumers Stores Co., points. I want to correct my previous testimony, that is correct the impression that might have been gained from my previous testimony, that is at the beginning of the year 1920, there were three consignment accounts other than the United Consumers Stores Company, but subsequently they made shipments to eight other points, other than United Consumers Stores Company points and our Mr. Larson went to these eleven points. The matter of the

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verification of the United Consumers Stores Company was made by an examination of the records, and their admitted balances on hand as of December 31st., 1920. According to the Fargo records, we didn't feel that it was necessary to go to all of these points and took it for what they admitted it to be.

Senator Ployhar: Q. In these eleven points you visited or your Mr. Larson visited, was there one Bismarck concern, whose manager I believe is J. J. Roop? A. I want to make two qualifications on these eleven points Senator Ployhar, and the two qualifications are these. There are four qualifications I want to make, instead of two, of the consignment accounts other than the Consumers United Stores Company. They were all subject to the inspection of one of our representatives, and were found to be correct and proper and the sales made there, and the moneys remit'ed to the Drake mill for such sales, with the exception of four instances. One instance was at Leith, N. D., the Equity Co-operative Exchange, which received consignments at Leith from the Drake Mill, and as the result of our audit we found that their local manager at Leith had remitted his first account sales to the Home office of the Equity Co-operative Exchange in Saint Paul, by mistake. We took the matter up with the Equity Co-oper-

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ative Exchange and we received a reply stating that they found it was a mistake on the part of their manager, and that they would at the earliest possible date make a settlement with the Drake Mill and no doubt have at this time. The other situation was at Crosby, N. D. the local Farmers elevator there—I don't recollect the name—at Crosby, N. D. had received a consignment of goods from the Drake Mill, and they are in pretty hard circumstances up there. They had a small balance of stock on hand, which was turned over to the United Consumers Stores Co., and we transferred the consignment records as against the Consumers United Stores Company, and they acknowledge receipt of the transfer, but we found that the Crosby local elevator had sold approximately \$250.00 worth of merchandise that they hadn't made remittances for, and I don't know

whether this remittance has been made yet, no doubt it has not, because I understand they are in pretty hard circumstances up there. The third instance is at Grand Forks, N. D., as I recall the name of the consignee is the Peoples Supply Company. The proprietor at that point has not made an accounting of consignment goods, that he received from the Drake Mill. He did however send some checks in, in round amounts,

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without accompanying that remittance with a statement setting forth what he had on hand or the stock that he had sold, and remaining on hand; simply sent in payments on account without accounting for the stock itself. Before he sent in more than half the money to cover the account itself, I do not know whether he filed the papers, but anyway the business went into the hands of a receiver and we found as a result of working, there that he didn't have on hand all the stock that he should have, or at least he should have made further accounting to us, and given us more money. There is a shortage in that account, and our observations are that the consignee is guilty of embezzlement.

Senator Church: How much of a shortage was there. A. I think it is about \$1,800.00 as I recall it. This is a good deal to remember all of these things, that is just approximately, it might be a few hundred dollars less than that, but it isn't any more.

Mr. Anderson: And also there is a claim filed in bankruptcy court up there that it is a priority account; that is a trust fund.

Mr. Ployhar: The fourth case, was that a Bismarck case? A. The fourth case is the Bismarck case. It is my

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impression if my memory serves me, that we didn't do a thing at Bismarck, however I want to refer to my work papers on that. I don't think we did anything at the Bismarck point, because there was more or less of a dispute on about that between Mr. McGovern and Lours, and whoever this local man is here; Roop.

Senator Baker: At this time I move that a recess be taken until four o'clock Monday afternoon.

Motion seconded by Senator Church.

Chairman: As many as favor that motion say aye. All voting aye, motion is unanimously carried.

Dated February 12th, 1921.

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FEBRUARY 14, 1921.

Meeting called to order by Chairman at 4 o'clock, P. M., pursuant to adjournment previously taken.

Chairman: The secretary will call the roll.

Roll called, and all members present including attorneys and reporters.

Minutes of previous meeting read by the Secretary.

Chairman: You have heard the reading of the minutes, what will you do with them?

Senator Ployhar: I move that the minutes be approved as read.

Senator Baker: I second the motion.

Chairman: Motion by Senator Plovhar and seconded by Senator Baker that the minutes as read be approved.

On vote all members voted aye, and motion carried. Minutes approved.

Chairman: We are now ready to proceed.

Mr. Sinkler: Will you kindly mark these records as exhibits. (Records marked as Exhibits 1, 3, 3, and 4.)

MR. F. W. CATHRO, having been called as a witness, was duly sworn, and testified as follows:

By Mr. Sinkler:

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Mr. Sinkler: At this time we desire to offer in evidence the record of February 8, 9, 10th, and 11th, as it appears from the stenographer's report of the House Audit and Investigating Committee.

Q. What is your name? A. F. W. Cathro.

Q. Where do you live, Mr. Cathro? A. Bottineau.

Q. Do you occupy any official position in the State Bank of North Dakota? A. I do.

Q. What official position do you occupy? A. Manager and director general of the Bank of North Dakota.

Q. How long have you been manager and director general of the Bank of North Dakota? A. April 4th, 1919.

Q. And have you within the past few days been called as a witness before the House Investigation Committee on the Bishop-Brissman Company report? A. I have.

Q. And have you prior, on numerous occasions, been before the committee to testify? A. I have.

Q. And during the various times you have been requested to testify, have you been assured you would be given an opportunity to explain the testimony you have given? A. I have.

Q. And were you called before the House Investigation committee this forenoon? A. I was.

Q. And at that time did you attempt to make an explanation of the various testimony that you have given upon

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other occasions when you were testifying? A. I did.

Q. Did you at that time make a statement into the record? A. I did.

Q. This forenoon? A. I did.

Q. And while you were making that statement were you prevented from explaining the testimony that you had given heretofore? A. I was.

Q. Will you say to this committee at this time what you stated to that committee this forenoon, going on after the point where you were prevented from making any further explanation. Will you proceed to make that explanation that you made this morning? A. Mr. Chairman, and Gentlemen of the House Investigating Committee: I feel that I ought to make a statement to the committee to clear up a lot of suggestions that have been left in your minds of irregularities existing in the Bank of North Dakota, through the method of questions pursued by the attorneys for the Committee. I requested Mr. Bishop of the firm of Bishop,

Brissman & Company to inform me if he had found any irregularities in the Bank of North Dakota and stated that I was just as anxious to correct any errors existing as was any

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other citizen of the State of North Dakota, and that I would appreciate it very much if he would give me such information that I felt I was entitled to it, and would consider it a favor, and, on the other hand, that we intended to offer every courtesy and co-operate within our power in order to expedite the work of the auditors.

According to our records the first spent 254 days in the physical examination of the Bank besides such time as they devoted to the making and assembling of their details and schedule, and the making out of their report after they left the Bank of North Dakota. You will see therefore that it is an absolute impossibility for myself or for any other one man or employee of the bank, or all of the employees combined, for that matter, to examine these matters presented within the time of this examination and at the same time keep up the work of the Bank. We were promised that the usual work of the bank might be continued and that we would not be embarrassed or unnecessarily delayed in the prosecution of the usual day's requirements in the bank's operations. Irrespective of this examination, the bank's force is unusually busy on account of the financial situation existing throughout the state, and elsewhere for that matter,

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necessitating unusual and extra work in the calling in of re-deposits in anticipation of payment of treasurer's checks. In face of all the foregoing, rendering it exceedingly difficult to keep up with the progress of the investigation of the House Committee, I have not yet been able to see a copy or to make any examination thereof of the Bishop Brissman & Company's reports, except for about ten minutes, when the report was first presented, when I had an opportunity to read about two pages of the general summary of the report. I have not been able to make any comparison of the report with the records, documents and files in the Bank of North Dakota. Furthermore, I have not been furnished with the minutes of these proceedings, or transcript of the evidence submitted. I have not been permitted to be cross questioned by my attorneys, in fact, during the first several days of the investigation my attorneys were not permitted to be heard. The whole proceedings has partaken more of the nature of a trial in which the accused is un-represented by counsel, than the nature of an investigation, without counsel to assist me in discovering the line of attack. I have not been able to interpose such explanations as might be pertinent at this time.

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It seems likely on account of the lack of opportunity afforded to offer evidence, supporting the many transactions that have been attacked, that this hearing will probably summarily close without affording such opportunity and without allowing ample time to offer existing evidence to support these transactions as being valid and proper. Hence, I desire at this time to offer these statements, concerning such questions as now occur to me.

I was interrupted at this point by the committee and was not allowed to proceed further.

Q. At this point you were interrupted? A. Yes, sir.

Q. Now I want you to read in the record, the proceedings immediately upon your being interrupted.

"Mr. Murphy: Just a moment, Mr. Cathro, I suggest Mr. Chairman, that the statements now being made by the gentleman are merely broad generalities, not specific, and merely his own view.

Mr. Cathro: I have the specific statements here, I have them—

Mr. Murphy: I haven't called this witness for the purpose

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of engaging in any argument with him. And I want to make a suggestion to you, Mr. Cathro. There are three copies of the Bishop-Brissman report. You know that. One copy is in the possession of the Senate Committee and another one in the possession of the Board of Auditors. Have you made any effort to look at those copies of the Bishop Brissman report at any time. They are in the hands of your attorneys and have been at all times, where you could have access to them. Secondly, I desire to call your attention to the fact that the Senate Committee is in session constantly, and you have a full opportunity to appear there and make any statements that you wish. Now, we would prefer, Mr. Cathro, if you have no objection to it, to conduct this examination in our own way, and suggest that the publicity, if that is what you are seeking, and opportunity to make these particular statements in argument, are open to you before the Senate Committee, and I have no doubt, any time you wish to make them there. I would like to proceed with this examination. We haven't much time. We have been delayed and hampered here and our time is slipping away. I would suggest Mr. Chairman that I be permitted to proceed and ask this witness my questions.

Mr. Cathro: This opportunity was promised me by the attorneys of this committee. It is a matter I am entitled to

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of right, and I demand it, and it is my intention to proceed and make these statements that I have made for you.

Mr. Murphy: I think you misinterpreted me somewhat. You have made statement after statement here and come in here with a written statement prepared by yourself, perhaps with the able assistance of your counsel, which consisted of nothing but broad argument. They will avail us nothing but here. We are not looking for arguments with any one. We are after the facts. You imply in your statements that both the committee and counsel have been unfair. We have no such desire, and have made no such effort, and you ought not to expect us to sit here and have you stand up and read a broad, general indictment of this Committee, and its Counsel, and I insist, Mr. Chairman, that the gentleman be instructed to take his seat and answer the questions propounded to him.

Mr. Shipley: I have a motion I want to make at this time.

Mr. Murphy: Just another thing I want to suggest. There have been numerous copies of the transcript of this evidence which always have been available to Mr. Hanson, and Mr. Johnson of Steele, and Mr. Weld, and they have availed them-

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selves of the opportunity even since leaving this committee, to get their copies, and they have been open to you if you wanted to use them, and your counsel certainly had the opportunity.

Mr. Shipley: I move at this time that the speech of Mr Cathro, as made before this Committee, be expunged from the records of this investigation, and that he nor any other witness at any future time be permitted to make speeches when called here for the purpose of an investigation, that the balance of the speech he has so carefully prepared be now laid aside, and he be required to answer the questions put to him by counsel.

Johnson, of Ward seconded the motion.

Mr. Cathro: Mr. Chairman, I wish to enter my protest at this time, and in view of the promises made to me by your committee through their attorney.

On roll call Grangaard voted no, Freeman, aye, Nagel, aye, Ulland aye, Johnson, of Ward, aye, Shipley aye, and the motion was declared carried.

Mr. Shipley: Now, I insist that the motion be observed from now and that Mr. Cathro answer the questions.

Mr. Chairman: That of course, is understood in view of the fact that the motion has been put and carried.

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Mr. Cathro: Mr. Chairman, may I proceed with these explanations that I have prepared, answering specific questions that have been prepared in this hearing?

Mr. Chairman: Are they relevant to the hearing?

Mr. Cathro: Absolutely relevant to the questions already asked and in evidence.

Mr. Murphy: If they have been asked, they have been answered. I understood Mr. Shipley's motion was that the witness be instructed to answer the question, and I would like to proceed with this examination.

Mr. Shripley: Absolutely,

Mr. Chairman: Mr. Cathro, you will comply with the motion as made and carried by the Committee and answer the questions as propounded and asked by counsel.

Mr. Cathro: I at no time have indicated any unwillingness—

Mr. Shipley: I don't think that is a proper procedure here, and Mr. Cathro has been called in here as a witness, not to make a speech, not as counsel for him or counsel for the Industrial Commission. We are here for the purpose of getting the facts, regarding this investigation at this time. I, as a member of the committee, insist that he observe the

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rules as laid down by the Committee, and that he answer the questions of counsel.

Mr. Sinkler: Mr. Cathro, I think you had better comply with the decision of the Committee, they having refused to allow you to give that testimony. Just sit down and answer the questions.

Mr. Cathro: It seems to me that I was promised an opportunity to make a statement to the committee.

Mr. Sinkler:

Q. Now in view of the fact that you were interrupted and refused an opportunity to make the statement in explanation of your testimony given before the House Committee, will you proceed with the prepared statement that you have written and make the statement as you intended to make it before the House Committee, from the place where you were reading when interrupted.

Mr. Cathro: What is it?

Senator Ployhar: Just read the last three lines again, if you please.

Mr. Cathro: At the request of Senator Ployhar, I am repeating the last threelines. Hence, I desire at this time to offer these statements concerning such questions as now occur to me as having been thus left partially answered or unsatisfactorily explained. No Bank, State or National, could with-

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stand for the same length of time the pitiless publicity, hammering and pounding that has been cannonaded toward the Bank of North Dakota. The spirit of destruction rather than the upbuilding appears to be rampant. Vicious headlines in the public press have tended to distort public opinion. Helpfulness has been denied. The express will of the majority of the people has been flaunted and disregarded. The Bank of North Dakota has honestly endeavored to interpret the laws as it found them on the statute books without question as to where or by whom they have been enacted, assuming that a majority of the people had authorized their enactment by means of representative form of government. The Bank of North Dakota has at all times and on all occasions invited sympathetic cooperation, beneficent helpfulness and salutary advice and has refrained from maligning its opponents, traducing their characters and assailing their motives and has felt as tho it was entitled to at least as liberal treatment from its opponents as it has extended them.

Q. That was the preliminary statement you intended to make this morning? A. Yes.

Q. And from that point on it was your intention to explain the various matters that had been introduced from time to time into evidence by the House Committee? A. It was.

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Q. When was the first time you had an opportunity on account of the burden of work that was that was placed upon your shoulders and other matters, to investigate the audit report of the Bishop, Brissman Company? A. Last Friday afternoon.

Q. Now have you taken up that audit report that is with respect to the different remarks that was made by the company as to the facts? A. I have up to the beginning of the schedule.

Q. In so far as you were able to do it up to the present time? Now as I understand it the line of questioning by the attorneys in the House investigation would indicate that the thought prevailed that the Bank series bonds should be sold before the Bank could legally open for business, was that correct? A. It was not.

Q. Was it the correct statement of that proposition? A. The first duty of the State Treasurer is to prepare the bonds for issue, see Chap. 148, Sec. 1. Second: It is the duty of the Governor and the Treasurer to execute the bonds under the seal of the State. Third: It is the duty of the Secretary of State to attest the bonds. Fourth: It is the duty of the

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Governor and the Treasurer to issue bonds. Fifth: It is the duty of the Governor and the Treasurer to deliver the bonds to the Industrial Commission, Chapter 148, Sec. 4. Sixth: The Bank shall be open and shall proceed to transact business whenever there shall be delivered to the Industrial Commission bonds in the sum of Two Million Dollars issued by the State for such purpose. Chapter 147, Sec. 6, Seventh: The State Auditor and the Secretary of the State shall endorse and sign on each bond a certificate showing that it is issued pursuant to law and is within the debt limit Chapter 148, Sec. 1. Eighth: The Industrial Commission is empowered, authorized and directed to act as the agent of the same for the negotiation, sale and delivery of said bonds. It shall sell them for cash in such manner, and at such terms as in the sound discretion it shall deem most advantageous to the interest of the State. The Commission hereby is authorized to receive all moneys paid by buyers of such bonds and upon receipt of the purchase price to deliver to each purchaser the bonds by him purchased. See Chap. 151, Sec. 5. Ninth: Nothing in this Act however shall be construed to prevent the purchase of any of such bonds with any of the funds in the Bank of North Dakota, Chap. 148, Sec. 4.

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Mr. Sinkler: Now I wish you would go on and take up the various quotations from the audit report as you have written them down and made a careful inspection of them, and state to the Committee your opinion in regard to these various opinions that have been expressed by Bishop, Brissman & Company in this report. A. The first part of the paragraph in the report reads as follows: "The bank shall be opened and shall proceed to transact business whenever there shall be delivered to the Industrial Commission bonds in the sum of two million dollars issued by the State for that purpose. The fund procured by the negotiations on sale of such bonds is hereby designated and shall be known as the capital of said Bank." Considering these two parts of the sections it is apparent that the opening of the bank was not dependent upon the sale of the bonds but was dependent upon their delivery to the Industrial Commission. The sale of the bonds is a different transaction entirely. Separate and distinct from the delivery and upon the sale of the bonds depends the creation of the capital of the bank, having no relation whatever to the opening of the bank, but "the moneys so derived and received from the sale of said bonds shall constitute the fund to be designated as the capital of the Bank of North Dakota and shall be so employed by the Industrial Commission, Chapter 148, Sec. 4. The laws of 1919. See also Chap. 147. Section 6."

Q. Go along and state your criticisms of this report? A. That is the end of my criticism of the laws submitted in this matter.

Q. In regard to the inventory? A. On page 5, of the report is shown a deferred asset represented in the inventory of supplies, \$12,880.33, being stock on hand, stamped envelopes, blank forms and supplies for the use of the bank, all of which has previously been charged to expense. Such items would be taken into account in the rendering of an inventory but not in the making of a trial balance sheet. Similarly the accrued liability consisting of some 28 sundry accounts payable of miscellaneous expense items incurred during November had not been paid on December third, Detail No. 18, likewise. These items would have shown had an inventory been taken on that date, but would not show on a trial balance for the reason that they had not yet been paid. It seems that the report would have so stated, rather than to have conveyed the implication that these items were erroneously omitted from the records. The report at that point should have referred to Details subsequently extended, explaining (157)

the nature of these inventories. (Detail No. 18, Page No. 14 to 15 of the report)

Q. Proceed. A. On page 6 of the report, is a statement of the sum of \$1,147,607.35 of Loans and Discounts past due on December third, 1920. The major portion of these past due loans were purposely left in past due form as of that date, December 3rd, 1920, so that they might be called for payment on demand for the purpose of meeting probable required payments of treasurer's checks. Had the initiated public fund law not been enacted the major portion of these loans would have been renewed or have new loans substituted therefor. A similar situation existed as to past due loans secured by warehouse receipts and storage tickets.

On page 8, of the report is shown Liability of Closed banks to the Bank of North Dakota, as of December 3, 1920. In this connection, I wish to present that Twin City and other banks have in many cases, much larger loans and rediscounts with the closed banks than the Bank of North Dakota, evidencing the fact that the Bank of North Dakota at least is in no worse position in that respect than many other banks classed as well managed banks, as follows:

Q. Now, Mr. Cathro, as I understand it, before the House (158)

Investigating Committee, you prepared a statement with respect to the banks that had been closed in the State of North Dakota, did you not? A. I did.

Q. And you were promised by the committee that you would be permitted to offer that statement into evidence for the purpose of showing the true condition of these banks were you not? A. I was.

Q. Now, I want you to read into the record, if you will the condition of the Bank of New Rockford, being one of the banks, as I understand it, that has been closed, with respect to their bills payable and the amount of money loaned by other banks to the Bank of Now Rockford, together with the amount loaned by the Bank of North Dakota, if anything, and the redeposits of the Bank of North Dakota in said bank. A. Total bills payable to the Bank of New Rockford is \$218,227.58.

Q. Now how much has the Bank of North Dakota loaned to the Bank of New Rockford? A. Nothing.

Q. How much has the Bank of North Dakota redeposited in the Bank of New Rockford? A. \$19,195.74.

Q. How much did the Bank of New Rockford owe the First National Bank of St. Paul at the time the doors of the Bank of New Rockford were closed? A. \$77,911.63.

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Q. Approximately four times the amount the Bank of North Dakota had on redeposit in that bank, is that not a fact? A. Yes.

Q. How much at that time did the Bank of New Rockford owe to the First National Bank of Minneapolis? A. \$54,000.00.

Q. How much did they owe the First National Bank of Fargo, A. \$21,500.00.

Q. How much did they owe the First National Bank of Buffalo, Minnesota? A. \$64,815.95.

Q. So all these banks, the First National Bank of St. Paul, the First National Bank of Minneapolis, and the First National Bank of Buffalo, had loaned to the bank of New Rockford a much greater amount than the Bank of North Dakota had loaned to that bank, Is that not a fact? A. More than ten times as much.

Q. By the way, how many banks have been closed in North Dakota within the last sixty or ninety days, take ninety days, take ninety days? Approximately. A. Thirty-five or forty, maybe a little more.

Q. Take next, the Farmers & Merchants Bank of Robinson, North Dakota. What is the amount of bills payable in that bank at the time it was closed? A. \$69,800.00.

Q. Will you tell me how much money the Bank of North Dakota had loaned to that bank and how much that bank owed the Bank of North Dakota on the date it was closed? A. Nothing in loaned money.

Q. Did the Bank of North Dakota have any money re-deposited in the Farmers & Merchants Bank of Robinson? A. \$2,965.48.

Q. Will you tell me how much the Stock Yards National Bank of St. Paul had loaned to the Farmers & Merchants Bank of Robinson, North Dakota, and how much the Farmers & Merchants Bank of Robinson owed them at the time it was closed? A. \$25,000.00.

Q. And did the First National Bank of St. Paul have any money loaned to that particular bank at that time? A. They did.

Q. And how much, A. \$24,800.00.

Q. Did the First National Bank of Minneapolis have any money loaned to that bank at that time? A. It did.

Q. How much? A. \$10,000.00.

Q. Did the Union Investment Company of Minneapolis have any money loaned to that bank at that time? A. It did.

Q. How much? A. \$10,000.00.

Q. Mr. Cathro, taking these two particular banks, the Bank of New Rockford first, is it not a fact that the money that was on redeposit in that bank was money that was in the Bank having been deposited there by some of the local organizations, such as the township and school districts of the county, the county treasurer, etc? A. That holds true generally, but I could not say as to this particular bank.

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Q. Was that the policy of your bank? A. It was.

Q. For instance, if you would find in the bank of New Rockford say \$20,000.00 that had been deposited there by the county, township or school districts was it the policy of that bank to leave that money in that bank? A. It was.

Q. And was that the policy you carried out to the best of your ability? A. To the best of our ability, we did.

Q. Now, take the Security National Bank of Columbus: what was the amount the bank of North Dakota had coming from the Security State Bank of Columbus at the time it was closed? A. \$20,480.72, in bills payable.

Q. Now, Mr. Cathro, has that money that was loaned to these various closed banks, and I am referring now to closed banks, was that secured by collateral? A. It was.

Q. And in what portion was collateral put up to the Bank of North Dakota for the purpose of securing loans for these closed banks? A. From one and a half to one and two to one.

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Q. Now, in that particular bank which we are speaking of, the Security State Bank of Columbus, how much did the Union Investment Company of Minneapolis have coming from that bank at the time it was closed? A. \$9,620.48.

Q. And the Merchants National Bank of St. Paul? A. \$8,000.00.

Q. And the Bankers National Bank of Minneapolis? A. \$4,700.00.

Q. And how much was redeposited by the Bank of North Dakota in the Security State Bank of Columbus, North Dakota? A. \$20,480.72.

Q. Take the Donnybrook State Bank of Donnybrook. You know that is a bank. Who is that controlled by, do you know? A. Senator Bond, I think.

Q. Wasn't that the Brush McWilliams Bank? A. Yes.

Q. How much were the bills payable at that bank? A. \$138,500.00.

Q. How much did that bank owe the Bank of North Dakota at the time it was closed? A. \$10,000.00.

Q. Did the First International Bank of Minot have any loans in that bank? A. \$11,000.00.

Q. And did the Capital National Bank of St. Paul have any loans in that bank? A. Yes.

Q. How much? A. \$15,000.00.

Q. Did the Stock Yards National Bank of St Paul have any loans in that bank? A. \$25,000.00.

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Q. And did the First National Bank of St. Paul have any loans in that bank? A. \$40,000.00.

Q. And did the Capital National Bank of S. Paul have any money loaned in that bank? A. It did.

Q. How much? A. \$17,500.00.

Q. Now, did the Bank of North Dakota have any redeposits in that bank. A. It did.

Q. How much? A. \$72,534.31.

Q. Now, Mr. Cathro, with respect to the redeposits that have been made by the Bank of North Dakota, are the redeposits that have been made by the Bank of North Dakota covered by what is known as the Guaranty Fund? A. They are.

Q. Well, we will take the next bank on the list. I will go through all of these.

Senator Murphy: Just a minute. Did you personally investigate these banks, Mr. Cathro?

MR. CATHRO: NO.

Q. From whom did you get these figures? A. From the files of North Dakota.

Q. Of these several banks? A. And the files of the Bank of North Dakota.

Mr. Sinkler: I will explain to you that these figures are compiled by the State Bank Examiner's office, and in conjunction with the Bank of North Dakota, these figures are on file with the Bank of North Dakota.

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By Senator Murphy: I was just wondering if this could not be better presented through the Bank Examiner.

Mr. Sinkler: I'll say, Senator Murphy, that Mr. Murphy and Mr. Sullivan have been given a copy of these records and they have had them in their possession for several days, and I don't think there is any question about the figures being correct.

Senator Murphy: Oh, I am not questioning the figures, only the procedure.

Mr. Sinkler:

Q. Now, we will take up the bank of Havelock. What were the bills payable of the Farmers State Bank of Havelock? A. \$58,269.32.

Q. What amount did the Bank of North Dakota loan to that bank? A. \$10,000.00.

Q. What amount did the City National Bank of Bismarck loan to that bank? A. \$8,769.32.

Q. What amount did the Northwestern National Bank of Minneapolis loan to that bank? A. \$24,500.00.

Q. What amount did the First National Bank of Fargo loan to that bank? A. \$10,000.00.

Q. Was there any money on redeposit at that bank at the time the bank was closed there? A. There was.

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Q. What amount? A. \$8,563.45.

Q. Now, take the Beach State Bank of Beach, that is the

next one on your list, and what was the amount of bills payable there? A. \$79,016.87.

Q. Did that bank owe the Bank of North Dakota at the time it was closed? A. \$20,000.00.

Q. What amount did that bank owe the Midland National Bank of Minneapolis at that time? A. \$40,000.00.

Q. The Midland National Bank had loaned them that amount of money? A. It had.

Q. What amount did the First National Bank of Dickinson loan them, if anything? A. \$14,016.87.

Q. And the First National Bank of Fargo? A. \$5,000.00.

Q. That is a total of about \$59,000.00, is it not, that these banks had due from the Beach State Bank? A. It is.

Q. What was the amount of redeposits by the Bank of North Dakota in that bank? A. The net amount was \$36,735.45.

Q. Now take the First State Bank of Killdeer. Is that the next on your list? A. It is.

Q. Does that same condition in that bank, does it appear that there were larger loans made to that Bank than the Bank of North Dakota had already made? A. Somewhat different.

Q. What were the bills payable there? A. \$20,000.00.

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Q. Does that bank owe the Bank of North Dakota anything on notes? A. It does not.

Q. How much did the First National Bank of St. Paul loan them? A. \$15,000.00.

Q. And the First National Bank of Mandan? How much did they loan him, if anything? A. \$5,000.00.

Q. Did the Bank of North Dakota have any money on deposit with that bank? A. It did.

Q. How much? A. \$11,013.63.

Q. Now take the State Bank of Milton, is that the next bank on your list? A. It is.

Q. What are the bills payable there? A. \$25,500.00.

Q. And how much did the Bank of North Dakota have coming from that bank at the time it was closed? A. None.

Q. How much were the redeposits in that Bank? A. \$4,870.74.

Q. How much did the First National Bank of Minneapolis loan to that bank, the State Bank of Milton, at the time it was closed? A. \$20,000.00.

Q. The State Bank of Milton at the time it was closed owed the First National Bank of Minneapolis, \$20,000.00? A. It did.

Q. How much did the First National Bank of Grand Forks loan them at that time \$2,500.00.

Q. Did the First National Bank, St. Paul, owe them anything? A. Yes, \$3,000.00.

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Q. And take the Peoples State Bank of Hatton, what were the Bills payable. A. \$41,396.15.

Q. Did the Scandinavian American Bank have anything

coming out of that bank. A. They did.

Q. How much. A. \$5,000.00

Q. Merchants state Bank of Minneapolis have anything coming out of that bank? A. They did.

Q. How much? A. \$15,000.00.

Q. Bank of North Dakota? \$21,39616.

Q. How much did the Bank of North Dakota have redeposited in that bank. A. \$23,645.26.

Q. The First Farmers Bank of Minot, how much were their bills payable. A. \$48,000.00.

Q. How much did the Bank of North Dakota loan to that bank. A. \$12,000.00.

Q. How much did the Metropolitan of Saint Paul. A. \$22,500.00.

Q. How much did the Union National of Minot loan. A. \$7,500.00.

Q. Pine Island of Minnesota. A. \$3,000.00.

Q. Hanover of Minnesota? A \$3,000.00.

Q. What amount did the bank of North Dakota redeposit in that bank? A. \$47,629.06.

Q. The Farmers State Bank of Greene, N. D., that is Hans Roswell's Bank isn't it. A. I don't know.

Q. What are the Bills Payable there. A. \$26,954.58.

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Q. How much has the Bank of North Dakota in loans there. \$28,545.58.

Q. How much has the Union National of Minneapolis, A. \$10,000.00.

Q. How much has the Midland National of Minneapolis, A. \$10,000.00.

Q. Peoples State of Saint Paul. A. \$12,000.00.

Q. First National of Saint Thomas. A. \$2,50000

Q The next on your list is what. A. The Citizens State Bank of Edgeley.

Q. What are their Bills payable. A. \$53,500.00.

Q. What amount of loans had the Bank of North Dakota made to them at the time they closed. A. \$20,000.00.

Q. How much has the Buffalo, New York. A. \$7,000.00.

Q. Northern National Bank of Duluth. A. \$10,000.00.

Q. Union Investment Co., of Minneapolis. A. .6,50000.

Q. Midland National Bank, Minneapolis A \$10,00000

Q How much has the Bank of North Dakota redeposited in that bank A \$12,963 85

Q. Farmers State Bank of Rhame, N. D., what are their bills payable. A. \$41,750.00.

Q. How much in loans made by the Bank of North Dakota to them. A. \$15,000.00.

Q. Capital Live Stock Loan Co., A. \$7,500.00.

Q. Capital National Bank of Saint Paul. A. .6,00000.

Q. First National Bank of Aberdeen? A. \$2,500.00.

Q. Stock Yards National Bank of Saint Paul? A. \$10,000.00.

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Q. The Farmers & Merchants State Bank of Sherwood, what are their bills payable? A. \$68,350.00.

Q. What had other banks loaned to this bank at the time they closed? A. \$58,350.00.

Q. How much had the Bank of North Dakota loaned to them. A. \$10,000.00.

Q. What is the redeposit of the Bank of North Dakota in that Bank? A. \$8,730.47.

Q. State Bank of Bantry, what are their bills payable? A. \$25,000.00.

Q. How much had other banks loaned them. A. \$25,000.00.

Q. How much had the Bank of North Dakota loaned them at the time they closed. A. None.

Q. What was the redeposit? A. \$12,752.72.

Q. The Farmers State Bank of Belfield, what are their bills payable. A. \$13,000.00.

Q. How much had they loaned from the Bank of North Dakota. A. None.

Q. What had they loaned from the Merchants National Bank of Dickinson? A. \$13,000.00.

Q. The Mohall State Bank what are their bills payable? A. \$11,000.00.

Q. What had they loaned from the Northwestern National Bank of Minneapolis? A. \$6,000.00.

Q. What had they loaned from the Bank of North Dakota? A. None.

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Q. What is the redeposit of the Bank of North Dakota? A. \$20,417.33.

Q. What is the next bank on your list? A. Lorraine State Bank of Lorraine, N. D.

Q. What has the Bank of North Dakota loaned to the Lorraine State Bank? A. \$5,000.00.

Q. What amount had the First National of Grand Forks loaned to that bank. A. \$11,500.00.

Q. What amount had the First National of Minneapolis loaned to that bank. A. \$17,623.84.

Q. How much. A. \$17,623.84

Q. Union Investment Company, Minneapolis? A. \$6,000.00.

Q. First National Bank of Saint Paul? A. \$2,500.00.

Q. Now we will take the Mohall Security Bank of Mohall, N. D., what are their bills payable? A. \$45,000.00.

Q. What amount had they loaned from the Bank of North Dakota? A. \$10,000.00.

Q. What amount from the First National of Saint Paul? A. \$15,000.00.

Q. Union Investment Company, Minneapolis? A. \$5,000.00.

Q. What is the redeposit of the Bank of North Dakota in that bank. A. \$8,043.52.

Q. Tawe the First State Bank of Adrian what are their Bills payable? A. \$23,400.00.

Q. What amount had the Bank of North Dakota loaned them. A. \$3,400.00

Q. What amount had the First National of Minneapolis. A. \$15,000.00.

First National of Fargo? A. \$5,000.00.

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Q. Take the Farmers & Merchants Bank of Cogswell, N. D. what are their bills payable? A. \$83,089.09.

Q. How much had the Bank of North Dakota loaned to that bank? A. None.

Q. How much had the Merchants National Bank of St. Paul loaned to that Bank. A. \$76,592.29.

Q. Union Investment Co, Minneapolis? A. \$6,500.00.

Q. Take the Fortuna State Bank, what are their bills payable? A. \$32,657.85.

Q. How much had the Bank of North Dakota loaned them A. \$7,500.00.

Q. Union Investment Company how much had they loaned that bank. A. \$10,357.85.

Q. How much had the Stock Yards National Bank of St. Paul? A. \$5,000.00.

Q. Merchants National of St. Paul? A. \$5,000.00.

Q. Take the Citizens State Bank of Antler, N. D. what are their bills payable? A. \$6,000.00.

Q. How much had the Bank of North Dakota loaned them? A. None.

Q. How much had the Midland National of St. Paul? Q. \$3,000.00.

Q. The Northern National of Grand Forks, how much? A. \$3,000.00.

Q. Take the Nortonville State Bank is that one of them. A. \$17,000.00.

Q. How much had the Bank of North Dakota loaned them?

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A. \$6,500.00.

Q. How much had the First National of Minneapolis? A. \$10,500.00.

Q. Now Mr. Cathro, can you from this list of banks make a recapitulation of what these show, these figures show, in condensed form so as to put it in the record. A. The total bills payable of closed banks as just described, totals, \$1,366,056.01. The bills payable of the Bank of North Dakota with the same institutions, \$244,250.73, or slightly over sixteen percent of the total bills payable. The total deposits of the closed banks total \$5,021,421.51. The deposits of the Bank of North Dakota in the same institutions amount to \$453,666.24, or nine percent of the total deposits, or an average of \$11,591.67 per bank. Eight of these banks received no borrowed money from the Bank of North Dakota.

Q. Now Mr. Cathro does this auditors report show on its

face that the usual precaution was taken by the Bank of North Dakota to require adequate collateral. A. The re-deposits are guaranteed under the Guaranty Deposits law and draw interest. Banks Bills receivable are secured by collateral in the proportion of two to one or one and one-half to one approximately consisting of paper picked from the best.

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The collateral is sufficient to protect against loss. Other banks have in many cases larger loans than ours with these same banks and in some cases, as I have stated we have no loans whatever.

Q. Now Mr. Cathro, there has been considerable testimony offered as I understand it with respect to money deposited in the Scandinavian American Bank of Fargo, and your attention been called to the statement which was incorporated in the record being a letter written by Obe Snyder—into the record before the House Committee? A. I have.

Q. And have you in a concise form written up a statement in respect to the moneys deposited by the Bank of North Dakota in the Scandinavian American Bank of Fargo? A. I have.

Q. Can you better tell the condition by reading from that report? A. I can.

Q. Will you kindly state what the condition is with respect to these deposits? A. A portion of the transcript of the proceedings of this Committee, the House Committee, came into my hands Saturday morning February 12th., 1921.

Q. Have you got that transcript with you; that record of these deposits? Did you bring it with you? A. I did.

Q. Can you use that in connection with what you have written? A. I can.

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Q. I wish you would do so. A. On page 157 of the proceedings of the House Committee of February 8th, is shown the presentation of a copy of the re-deposit record with the Scandinavian-American Bank of Fargo, beginning with July 27th, 1919 and terminating January 21st, 1921. No opportunity was offered me to explain this record. There are various deposits shown on sheet one beginning July 17th, 1919 and ending August 25th, 1919 consisting of deposits sent to the Scandinavian-American Bank under Mr. Waters instructions as manager of the bank during the first few days of the operation of the Bank of North Dakota and before accounts had been opened regularly—

Q. Was Mr. Waters in the Bank at that time? A. He was. — a large share of which had come into the bank prior to the date which the bank was regularly opened for business. Deposits at the same time were being carried in the First National Bank of Bismarck, The City National Bank of Bismarck and the First National Bank of Fargo, and a few other banks throughout the state. \$10,000.00 of this money was withdrawn on August 27th, leaving a balance of \$131,507.24, which amount was on September 2nd, transferred to the regular re-deposit account with the Scandinavian-American Bank. These deposits were not made under by authority

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however, they were made under the authority of the proper

officers of the Bank. On August 2nd, we received the first deposit of public funds consisting of 19 cents transferred to us by the Treasurer of the City of Fargo, which we redeposited in that bank. On August 13th, we received the next deposit of public funds, \$10,628.76 consisting of the check of the Treasurer of Cass County drawn on the Scandinavian-American Bank of Fargo, which we redeposited in that bank. On August 16th, we redeposited \$33,737.91 consisting of a check on the Scandinavian-American Bank of Fargo, drawn by the Treasurer of the State of North Dakota. On August 26th there was redeposited in the Scandinavian-American Bank \$93,072.16, consisting of a check drawn on the Scandinavian-American Bank by the Treasurer of the Agricultural College; \$16.70 by the Treasurer of School District No. 9 and \$524.74 by the Treasurer of School District No. 14 of Cass County. On September 2nd, we withdrew from the Scandinavian Bank, \$19,500.00 and at the same time transferred to the reposit account the balance remaining in the original open account in the amount of \$131,507.24 consisting of funds formerly deposited with the Scandinavian-American Bank, and closed that account. The item of \$8.00, drawn by the treasurer and \$622.50 on August 19th, and September 2nd, respectively consist of checks drawn on the Scandinavian-

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American Bank. On September 4th, there was withdrawn \$12,000.00 making a net result of the redeposits in the Scandinavian-American Bank, as of that date \$238,076.76. Subsequent to September 4th, up to and including December 3rd, 1920 there were redeposited two items only, aggregating \$67,869.80 both of which were redeposits during September 1919. There was redeposited on September 11th, \$20,000.00 which reposit was authorized by me under instructions from Mr. Waters and which was the only reposit made with the Scandinavian-American Bank authorized by me, and except for the subsequent deposit of September 25th, from the Agricultural College amounting to \$47,869.80 no other deposits were made with the Scandinavian-American Bank. There was withdrawn after September 4th, 1919 up to and including December 3rd, 1920, \$90,000.00 leaving a balance of \$215,946.56 as the actual redeposits made with said bank, of which \$185,929.32 consisted of checks drawn on said bank, of deposits in said bank by Treasurers. The amount of redeposits in said bank not consisting of public funds was only \$30,007.04, all of which was deposited there before the aBnk of North Dakota opened for business and before there was any opportunity to learn the amount of public funds there on deposit in that bank.

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Q. Do I understand you that before the Bank of North Dakota opened for business at all this amount of money had been deposited in that bank? A. It had.

Q. And when the Bank of North Dakota opened for business under the law, it was necessary for these funds to come into the bank of North Dakota? A. It was.

Q. Instead of taking into the Bank of North Dakota, you simply left these notes in the Scandinavian-American Bank at Fargo? A. We did.

Q. And there was \$30,007.24 additional deposited up to the time the other money came? A. Yes.

Q. You have written out an explanation as to why the re-deposits were made in banks, I want you to explain to the committee why that was done? A. I would like to add another statement.

Q. Go ahead. A. Because there is an apparent discrepancy between what I have stated and what the record shows. The difference between that amount and the amount shown on deposit as of December 3rd, 1920, consists of interest accrued and credited to the account monthly and were the only additions to the account.

Q. How much does that arrive at? Can you arrive at that from the records that you have there? A. There would be a trifle under \$15,000.00.

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Senator Ployer: Q. Isn't it a fact that the Scandinavian-American Bank closed its doors today. A. I don't know.

Q. The Newspaper reports say that it did. A. ———

Mr. Ployer: In that case I cannot see any reason of going into the details of this statement. It would be better to prepare a statement of the condition of the Scandinavian-American Bank at this time and leave it to the committee.

Mr. Sinkler: The only purpose of this is to refute the sworn statements that have been made by Mr. Brinton also the remarks made by Mr. Brinton in his testimony and it is for the purpose to show that it is not exactly a correct statement.

Mr. Ployer: I move you that all the evidence submitted with reference to the financial condition of all the closed banks be stricken from the record for the reason that no charges have been made against Mr. Cathro in connection with the loans or redeposits in the closed state banks, except the Scandinavian American Bank of Fargo, through which bank, it has been charged loans have been made to the various subsidiary corporations closely aligned with the Nonpartisan League. The only possible excuse for the introduction of this evidence, is to gain sympathy by the fact that other banks

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may have been as heavily interested in these closed banks as the Bank of North Dakota; but as Mr. Cathro has not been charged with any irregularities connected with these closed banks, there is absolutely no excuse for the introduction of this evidence.

Seconded by Senator Murphy.

Mr. Chairman: You have heard the motion, gentlemen, as many as favor the motion say aye.

Senators Ployer and Murphy voting aye.

Those opposed: Senators Liederbach, Baker and Church, voting no.

Mr. Chairman: The no's have it.

Mr. Sinkler:

Q. Mr. Cathro have you a statement of the policy which was formulated by the Industrial Commission with respect to redeposits? A. I haven't a copy present.

Q. You have got it in your statement have you not? A. I have.

Q. What was the policy laid down by the Industrial Com-

mission. A. Order No. 1 of the Industrial Commission adopted May 12th, 1919, devoted in paragraph three as follows: To redeposit in the state as far as is consistent with the operation of the bank such public funds as are employed at present in carrying on of farming operations and business enterprises

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throughout the state, to the end that loans might not be called in, in order to make a compliance with the transferring of such funds to the bank of North Dakota, thereby effecting the working of any immediate hardship upon any locality or county.

Q. With respect to the first deposits of \$15,000.00 and \$5,000.00 or redeposits in the Scandinavian-American Bank have you a letter in regard to that particular item? A. I have.

Q. Have you it with you or have you a copy of that. A. I have a copy of it.

Q. Read into the record a copy of that letter which you sent to the Scandinavian-American Bank? A. July 17th, 1919. Scandinavian-American Bank, Fargo. Dear Mr. Hagen: We enclose you herewith check for \$20,000.00 one for \$15,000.00 on the First National Bank of Bismarck and one for \$5,000.00 on the Bismarck Bank. I am suggesting that we let you carry this on account for the time being and then if we can get money enough so that we can leave this with you on a C. D. we will do so. Would you be willing to pay this bank interest on this and other funds that we would send you on daily balances and if so what rate of interest would you be willing to allow us on such funds, carried in an open account with you. Yours truly, Manager,

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Q. Who wrote that letter? A. Mr. J. R. Waters.

Q. He was designated as Manager of the bank at that time, was he? A. He was.

Q. Did you subsequently to this letter write a letter to the Scandinavian-American Bank of Fargo, in regard to the deposits to the Scandinavian-American Bank and if you have a copy of that letter, I wish you would read that letter into the record? A. August 30th, 1920. Mr. H. J. Hagen, President, Scandinavian-American Bank, Fargo, North Dakota. Dear Mr. Hagen. Our transit manager called my attention to some eighteen letters sent to your bank for collection and remittance consisting of \$31,937.66 for which your bank has not yet remitted. These items do not consist of public funds, were not sent you for credit and advice, but were sent for collection and remittance. The Transit Manager advised me he has called up your bank regarding this and the amount to be remitted has not yet been received. It will be necessary to make a draft on you in the amount of \$31,937.66 on which we will send to the First National Bank of Fargo for collection and remittance to the First & Security National Bank of Minneapolis, on Monday unless we hear from you in the meantime with remittance to cover. This is part of the working fund of the bank and it is now depleted further than it ought

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to be. These collections and remittance letters on the pink form must receive prompt attention. We want to continue

Mr. Kofful: I move that this letter be stricken out of the letter and object to the further introduction of any testimony with regard to funds that are not public funds. As I understand it, this matter is only for investigating the public funds of the State of North Dakota. We have nothing to do with the private funds of any bank.

Mr. Chairman: Overruled.

Mr. Sinkler continues examination of the witness F. W. Cathro.

Q. Now Mr. Cathro, were you present in this room when Mr. Brinton has testified to, or did you hear his testimony given upon the witness stand. A. Not in this room.

Q. I believe that Mr. Brinton testified that public funds were deposited in the Scandinavian-American bank from the Bank of North Dakota pursuant to an agreement entered into, that such funds should thereafter be loaned to the Nonpartisan league and its affiliated associations. I will ask you,

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Mr. Cathro, if you ever at any time entered into any such agreement?

M. Kofful: Now that is objected to as not a fair statement of the testimony of Mr. Brinton. The counsel has the record and can read his answer from the record.

Mr. Chairman: Overruled.

Q. Did you ever make any such agreement with anybody? A. I did not.

Q. Was any such agreement at any time ever intimated to you whatsoever? A. It was not.

Q. Did you ever have any idea of depositing the public funds of the State of North Dakota in the Scandinavian-American Bank at Fargo, with the intention that such funds should be loaned out to the Nonpartisan League and its affiliated associations? R. I did not.

Q. Did you ever hear anyone talk in regard to the matter? A. No, I can't say that I did.

Q. Did you ever talk to Mr. Brinton on that subject? A. I did not.

Q. Now Mr. Cathro on or about September 25th, there was a letter written by Mr. Snyder to the Scandinavian-American Bank, was there not? A. There was.

Q. Why was Mr. Snyder? A. He was transit manager of the Bank of North Dakota.

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Q. Now he is the same gentleman who wrote a letter that is incorporated in the testimony of Mr. Brinton regarding deposits in the Scandinavian American Bank by the Bank of North Dakota is he not. A. Letter that was written to Mr. Cathro. A. Mr. Waters.

Q. Written to Mr. Waters, he is the same gentleman? A. The testimony introduced in the House Committee yes.

Q. Did you see that letter that was produced by Mr. Brinton at the time that he was upon the witness stand? A. I did.

Q. Was that letter properly a file of the bank of North Dakota? A. It was not in the files of the Bank of North Dakota.

Q. Did it properly belong as one of the files of the Bank of North Dakota? A. Yes.

Q. Was it written to Mr. Waters by Mr. Snyder as an officer of the bank? A. It was.

Q. Now will you read into the record the next letter, the letter of September 25th, 1919, which Mr. Snyder wrote to the Scandinavian-American Bank? A. September 25th, 1919, Mr. Snyder wrote to the Scandinavian-American Bank? A. September 25th, 1919, Mr. H. J. Hagen, President, Scandinavian-American Bank, Fargo, N. D. Dear Sir: We herewith acknowledge receipt of your Cashiers Check No. 6136 for \$47,-869.80 which we are placing to the credit of the North Dakota

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Agricultural College, you stating in your letter that this being the amount deposited by the Agricultural College with your bank during the month of September. We wish to call your attention that all deposits for State Institutions must be made with the Bank of North Dakota and must not be made with banks that these institutions formerly did business with before the transfer of public funds. We will kindly ask you in future to issue instructions that these deposits must be forwarded to us and not to you. We will credit their account and handle all items which they receive for credit. We will thank you kindly to follow these instructions. We are redepositing this check with our public funds accounts with your bank and are today drawing our draft on you for \$25,000.00 and are forwarding same through the First & Security National Bank of Minneapolis. We will withdraw the full amount of this check within the next few days on account of the checks which have been drawn against this account, as the balance maintained by the Agricultural College and the checks which have been withdrawn by them and the balance which we maintain with you as redeposits of public funds in far above their balance with us. This for your information. Signed, Yours very truly, Transit Manager.

Q. I would like to get into the record the letter of

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November 4th, in connection with these same deposits? A. November 4th, 1919, Mr. H. J. Hagen, President, Scandinavian-American Bank, Fargo, N. D., Dear Sir: We herewith acknowledge receipt of your remittance letter of November 1st, which was enclosed to us in a half dozen envelopes. Listed in this letter were the items given to the Nonpartisan League and the Consumers Stores all dated November 1st. On account of the size of this letter, we will kindly ask you, in the future, in forwarding remittances of this nature to make up at least two envelopes and to forward the items listed therein in two separate envelopes, for it will facilitate the matter of handling a large volume of business as listed in the above referred to letter. We are debiting your account with \$25.50 this being a flat charge of five cents an item on 510 items drawn on points outside the State of North Dakota, regardless of whether they are par or not. This is a handling charge only and should not be considered as exchange. We are making this charge for the reason of the work connected with handling. First, no items show a transit number, so all must be looked up and handled and should we endeavor to charge back exchange which would be charged to us on non-

par points it would necessitate a great amount of labor which
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can be avoided by making a flat handling charge. Please make corresponding entry. Signed, Yours very truly, Transit Manager.

Q. Now Mr. Cathro, I want to go to the subject, where certain notes were sent to the bank of North Dakota, by the Scandinavian-American bank of Fargo about the latter part of August 1919; you have heard some testimony in regard to that matter, have you not? A. I have.

Q. I will ask you this question first; if at any time in the history of the Bank of North Dakota has there been one dollar of Nonpartisan League paper in that bank, held by the bank as collateral or purchased by the bank? A. Not to my knowledge.

Q. Did you ever have an talk with the president of the Scandinavian-American bank in August 1919 relating to you taking any of the paper of that bank as collateral? A. I did.

Q. Now where did that conversation take place? A. In the lobby of the McKenzie hotel.

Q. With who? A. Mr. H. J. Hagen, president of the bank.

Q. In that conversation was it either suggested by him or you that you were to take any paper that was held by the Scandinavian-American Bank and rediscount it? A. It was.

Q. What was that conversation? A. I remarked to Mr.
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Hagen that the redeposits in the Scandinavian-American Bank were very very large and ought to be reduced. Mr. Hagen said what is the matter with sending you a bunch of notes for rediscount. I said that will be fine. Now be careful and pick out a good bunch. Don't put any so-called league notes or notes mixed up or identified in any way with any political or semi-political activities, like post-dated checks or League Exchange notes. You have a lot of good notes down there, be sure and pick out a good bunch, then we can charge those notes up on rediscounts and credit your redeposit account that much. Better rush the matter along as much as you can and send plenty of margin so that there can be no question raised about the character of the notes.

Q. Following that conversation you had with Mr. Hagen, did you, on or about the 23rd of August, send Mr. Hagen a letter? A. I did.

Q. And have you a copy of that letter? A. Yes Sir.

Q. Read it into the record? A. August 23rd, 1919 Mr. H. G. Hagen, President, Scandinavian American Bank, Fargo, North Dakota. Rear sir: Relative to our conversation relative to rediscounts, I enclose herein marked copy of instructions adopted for the government of the Bank of North Dakota, and blank forms consisting of the following: Authority to Re-

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discount or Borrow; Collateral Note; (which is required in case of borrowing on collateral, but is not required in case of rediscount); Financial statement of the rediscounting bank at the time of rediscount. Financial statement to accompany agricultural paper. I believe the instructions will be self explanatory and that you will have no trouble in sub-

mitting such offers as you wish to make in compliance with the rules adopted. Signed, Yours very truly, Director Genreal.

Q. Subsequently and on August 30th, did you receive from the Scandinavian-American bank, any notes? A. I did.

Q. Have you the envelope which the package in which these notes came? A. I have.

Q. How were these notes sent to you? A. By registered mail.

Q. Was there a letter in that envelope to go with these notes? A. There was.

Q. Have you that letter, the original? A. I have.

Q. What was the amount of notes that were sent to you at that time by the Scandinavian-American Bank at Fargo? A. \$333,460.83.

Q. I will show you exhibit five and ask if exhibit five is the envelope in which these notes came? A. It is.

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Q. About what time did you get these notes; about what time of day? A. About the middle of the afternoon or late in the afternoon.

Q. What time of the week? A. Saturday.

Q. What date of the month? A. 30th day of August.

Q. The next day was Sunday, and on Monday, that was a holiday, what holiday was it? A. Labor Day.

Q. I want you to read into the record the letter that accompanied these notes from the Scandinavian-American bank at Fargo, under date of August 30th? A. The Scandinavian-American Bank, Fargo, N. D. August 29, 1919. Mr. F. W. Cathro, Director General the Bank of North Dakota, Bismarck, N. D. Dear Sir:—In accordance with our recent conversation I am enclosing for rediscount our bills receivable endorsed and guaranteed by this bank in the sum of \$333,460.83. Please deposit to our credit. I am enclosing also resolution of our Board of Directors duly adopted and of record, authorizing this transaction. Should some of these notes be unsatisfactory, we will replace them with others. We hold for your account farmers notes and post dated checks in the aggregate amount of \$500,000.00 to protect the above bills receivable. We will proceed with collection of same and remit proceeds should such collection be made prior to maturity of notes which they secure. We hold pledge of the

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National Nonpartisan League and of Consumers United Stores company both of which assign and guarantee all collateral notes and post dated checks. We enclose statement of Consumeras United Stores Co. There are sometimes taken on two signatures and also on the guarantee of endorsers. These have been carefully selected as to quality, and if the collateral was required at the time loans were granted in order to insure their safety, we have it here in our files and will hold same for your account. As to statements of makers of these notes they are mainly well to do farmers, and if necessary we can forward statement later. We are short of help and unable to rate each maker in detail. We will gladly rectify any technical errors. Yours very truly, Signed H. J. Hagen, President.

Q. When you received these, did you look them over? A. I did.

Q. What did you find with respect to these notes when you looked them over? A. It occurred to me that many of the notes did not qualify within the specifications I had prescribed in my conversation with Mr. Hagen.

Q. What was the matter with these notes? A. It looked to me as they they might read league activities of some kind.

Q. Did you form your opinion that they were league notes when you examined them? A. I did.

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Q. Upon ascertaining they were, what did you do? A. I conferred with Mr. Waters.

Q. J. R. Waters, the manager of the bank? A. Yes.

Q. What was done with the note? A. He concurred with me that we could not accept the major portion of these notes.

Q. How much of these notes did you decline to accept immediately? A. All except \$54,152.28.

Q. Have you got the letter or the copy of the letter that you sent back with the notes on the very day you received them? A. I have.

Q. Will you produce it? Exhibit six is shown the witness; is that a copy of the letter that you wrote to Mr. Hagen on the day you received these notes? A. Yes it is.

Q. Did you enclose that letter and the notes in an envelope on that day and send them back to Mr. Hagen of the Scandinavian American bank? A. I did.

Q. Did you wait at all or did you get them off that night? A. Did not.

Q. Now at the time that you had these notes there in the Bank was a man by the name of Brinton in that bank? A—

Q. Do you know whether Brinton was there? A. I think not; I wouldn't be positive of that point, he may have been in Mr. Waters room.

Q. Did you at that time — A. He was however there

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the following week, but I think he was not present that day

Q. He wasn't there that day. Had the employes of the bank gone away as you recall it? A. They had before I got to the examination of the notes.

Q. Did you go to work and send these back that same evening? A. I did.

Q. Were some of these notes retained in the possession of the bank? A. They were.

Q. How much of the —? A. \$54,152.28.

Q. For what length of time were they retained in the bank? A. Until the following Tuesday.

Q. What was done with these notes then? A. They were handed to the—I was informed they were handed to the Cashier of the Bank.

Q. Were they retained by the Bank of North Dakota? A. No.

Q. Did they keep any of these notes? A. No.

Q. Was there ever any agreement to keep any of these notes? A. No.

. Why didn't you keep these notes? A. The reason I assigned Mr. Hagen is, not being in accord with our conversation relative to rediscounts.

Q. Read the letter that you sent back to Mr. Hagen now for the committee please? A. Witness reads exhibit No. 6.

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EBRUARY 15th, 1921

Meeting called to order at 4:00 p. m. by Chairman, pursuant to adjournment previously taken.

Chairman: The Secretary will call the roll. All present.

Reading of the minutes of the previous meeting.

Senator Baker: I move that the minutes be approved as read.

Mr. Chairman: You have heard the motion gentlemen: As many as favor the motion say aye. All members voting aye, the motion is unanimously carried.

Mr. Chairman: The minutes stand approved as read.

Mr. F. W. Cathro being called as a witness, testifies as follows:

Q. Mr. Cathro, before the House Investigating Committee, the other day you were asked the question as to whether or not certain drafts had been presented—a certain draft had been presented to the Bank of North Dakota for payment and you responded that it had not and that the draft had not been paid, is that correct? A. The draft that was given in payment of these items was not paid promptly, when it was entered.

Q. Why was it not paid? A. The banks in North Dakota on which we had wired instructions to transfer money to

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Minneapolis to meet our drafts at that point had not yet complied with our telegraphic instructions.

Q. If the various banks throughout the state of North Dakota would handle drafts made by the Bank of North Dakota against these banks upon presentation would there be any reason why the Bank of North Dakota could not pay its drafts? A. Absolutely none at all.

Q. And is there sufficient outstanding in the Banks of North Dakota to meet all of the obligations of the Bank of North Dakota? A. Yes.

Q. Is it not a fact, Mr. Cathro, that you have adopted a policy and tried to make the drafts upon the various banks in the State of North Dakota as small as possible, in order to save these banks from destruction? A. It is.

Q. And if the Bank of North Dakota— Is it not a fact that if the various banks in which the Bank of North Dakota had funds were immediately compelled to pay the Bank of North Dakota such funds as they owe the Bank of North Dakota, that it would be impossible for them to do so? A. It is.

Q. Now Mr. Cathro, can you tell me or explain to the committee or give your reason as to why the various banks in the State of North Dakota are unable to meet all the demands of the Bank of North Dakota upon them? A. I can.

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Q. And will you explain to the committee why that con-

tion exists? A. It is on account of their small legal reserve. Small reserve.

Q. Now Mr. Cathro, as I understand it the Bank of North Dakota at one time entered into a contract for the purpose of selling the bonds which were for sale at that time? A. It did.

Q. With whom did they enter into that contract? A. William R. Compton, Saint Louis, and the Halsey and Stewart & Company of Chicago.

Q. In your opinion, if the bonds that were offered for sale at that time had been sold by the State of North Dakota, would there be in the State of North Dakota today, that financial stringency, that now exists? A. There would not.

Q. And why not? A. Because the money received from the sale of these bonds would have relieved the situation.

Q. Would it not have been possible—Withdraw that.

Q. You have heard much and have read much in the public press, have you not, and other places concerning what they call "frozen assets?" A. I have.

Q. Would there have been any frozen assets in the State of North Dakota had these bonds been sold? A. Not by any manner or means. As many as that.

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Q. Would there be a revolving fund created? A. There would.

Q. I show you, Mr. Cathro, exhibit No. 7, and ask you what that is? A. It is a contract made for the sale of the bonds of the State of North Dakota.

Q. Now I want to offer that exhibit in evidence and will ask you to read exhibit seven into the record? A. Bismarck, N. D., September 23rd, 1919. State of North Dakota Industrial Commission and the Bank of North Dakota, Bismarck, North Dakota. Gentlemen:—For the proposed issues of \$1,750,000, and \$2,000,000.00 State of North Dakota, Bank series 5% bonds, and \$1,000,000.00 State of North Dakota Real Estate Series 5% bonds, we offer to pay you at the rate of One Thousand Dollars (\$1,000.00) per each \$1,000.00 bond subject to the following conditions which are to be treated as a part of the consideration for the purchase price, viz.

1. The bonds are to be dated November 1, 1919, and are to bear 5% interest, payable semi-annually on the 1st days of January and July of each year, principal and interest to be payable at the office of the State Treasurer in Bismarck, North Dakota.

2. The Bank of North Dakota is to act as collection agent

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for the holders of the bonds and their coupons, and ten days prior to each interest payment date, as long as any of the bonds are outstanding is to remit in Chicago or New York exchange, to each of the undersigned bankers 25% of the amount of interest then maturing on the above issues for disbursement by the bankers in payment of coupons presented through their offices for collection. The Bank of North Dakota also agrees to remit in New York or Chicago Exchange, as requested by the holder, all other principal amount of such bonds or coupons paid to the State Treasurer, such remittances to be made to whatever agency may present bonds or

coupons for payment and without making a charge for such service.

3. The bonds are to mature as follows:

(a) Bank Series Bonds.

\$500,000 to \$750,000 twenty years from date.

\$500,000 to \$750,000 twenty-five years from date.

\$500,000 twenty-nine years from date.

(b) Real Estate Series Bonds.

All mature twenty-nine years from date with such options of prior payment serially as may be mutually agreed upon by the Bank of North Dakota and ourselves.

4. All bonds are to be of \$1,000 denomination.

5. All bonds are to be delivered to us either in Chicago or New York as we may elect; payment therefore to be accepted either in Chicago or New York exchange.

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6. The Bank Series Bonds are to be delivered to and paid for by us as quickly as they can be prepared and executed by the proper state officials. Upon payment for such Bank Series bonds, \$500,000 of the proceeds are to be deposited by the Bank of North Dakota with us; \$350,000 with each of the undersigned. Such deposit is to bear 2% interest and is to be checked against by the Bank of North Dakota from time to time as its needs may require, except that the entire amount shall remain on deposit with us for an average time of ninety days, and that at least two days notice, either by telegram or letter be given to each of us prior to any withdrawals of such deposits.

7. The Real Estate Series bonds are to be delivered to us from time to time in installments of not less than \$250,000 each, as the same may be legally issued through the deposit, as required by law, of real estate mortgages with the State Treasurer; provided, however, that if the entire \$1,000,000 of said Real Estate Series bonds is not delivered to us on or before January 1, 1920, we shall have the option of declining to accept any of such bonds offered for delivery after that date, although we may accept such delivery if we elect to do so; the final installment to consist of such portion of \$250,000 as you may elect.

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8. If this offer is accepted you are not to sell or make any effort to sell any additional installments of the Real Estate Series bonds (except as hereinafter provided) any of the State of North Dakota Mill and Elevator bonds, for a period of six months after the last installment of the \$1,000,000 Real Estate Series bonds has been delivered to us without first giving us the opportunity of negotiation with you for the purchase of such additional bonds; it being the purpose of this condition to protect us in establishing and maintaining a market for the bonds we are now offering to buy, but also to permit us to establish you a relation of bankers or fiscal agents for the sale of all the State of North Dakota bonds now authorized. It is understood of course that in case we are unable to agree with you on the terms and conditions under which subsequent bonds are to be sold that you are to have a full and free right to negotiate them elsewhere, after giving us the opportunity of entering into a satisfactory agreement

with you. You are to have the right to sell to bona fide residents of the State of North Dakota only any amount of your Mill and Elevator bonds as you may desire, provided such bonds are not sold for less than par and further provided that you will make no deliveries of the definite bonds to

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such purchasers prior to April 1st, 1920. In lieu of the delivery of any such definite bonds so sold, you are to have the right to issue interim receipts of the Bank of North Dakota, such interim receipts to bear 5% interest and to be exchangeable on and after April 1st, 1920 for the actual bonds.

9. Prior to the delivery of any bonds to us, their legality is to be approved by Mr. John C. Thomson, Attorney, New York and Judge Charles B. Wood, Attorney, Chicago, and their approving opinions furnished to us by you—their charges to be paid by you, which we hereby guarantee shall not exceed the sum of One Thousand Five Hundred Dollars (\$1,500.00). We agree to pay any charge in excess thereof.

10. In case this bid is accepted and the bonds are awarded and delivered to us, there shall be deposited immediately with the State Treasurer, either out of the proceeds of the bonds delivered to us or from any other available source, an amount sufficient to pay in full the two first maturing coupons on all bonds so delivered to us. This condition is necessary in order to avoid the necessity of levying a state tax for the purpose of providing funds to pay such coupons, or delay in the collection thereof.

Respectfully submitted,

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WILLIAM R. COMPTON INVESTMENT COMPANY,
By Thomas N. Dysant, Vice President.
HALSEY, STEWART & COMPANY,
By Halsey, Stewart & Company.

The foregoing after due consideration has been accepted by the Bank of North Dakota, and such acceptance has been approved by the Industrial Commission of the State of North Dakota, at a meeting held at Bismarck on the 23rd day of September 1919 and such acceptance shall operate as a contract by and between the parties hereto.

THE BANK OR NORTH DAKOTA,
By J. R. Waters, Manager.
By F. W. Cathro, Director General.

APPROVED: STATE INDUSTRIAL COMMISSION
Lynn J. Frazier, Governor.

William Langer, Attorney General.
J. N. Hagen, Commissioner of Agriculture and Labor.
Constituting such Commission.

Q. I will show you exhibit 8 and ask you if that is a letter that is among the files of the Bank of North Dakota? A. It is.

Q. And whose signature is affixed to that letter? A. William Langer.

Q. I will ask you to read that into the record? A. State

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of North Dakota, Office of Attorney General Bismarck, September 3rd, 1919. Hon. F. W. Cathro Director General, Bis-

marck, No. Dak. Dear Sir: Replying to your letter of August 30th, in which you ask for an opinion as to the validity of the bonds of the State of North Dakota, bank series, I beg leave to advise you that the validity of these bonds was determined by the Supreme Court of this State in State of North Dakota, ex rel William Langer, Attorney General, v. Thomas Hall, as Secretary of State. The various questions concerning their validity were fully considered and their validity fully established by the court in an exhaustive and carefully prepared opinion. Yours very truly, William Langer, Attorney General.

Q. Was that the opinion as rendered by the Supreme Court as to the validity of these bonds so far as the State of North Dakota was concerned? A. Yes sir.

Q. I will show you exhibit 9 and ask you if exhibit 9 is one of the files of the office? A. It is.

Q. Did you prior to the time of entering into this contract that has been marked exhibit "7" make inquiries with respect to the responsibility of the parties with whom you made the contract? A. Yes sir; inquiry was made by Mr. Waters.

Q. Was that in answer to the inquiry that was made in (201) regard to the responsibility of these parties? A. Yes sir.

Q. From whom was that inquiry made? A. Merchants Trust and Savings Bank, St. Paul.

Q. And they vouch for these men in this letter do they? A. They do.

Now Mr. Cathro, as I understand it, shortly after this letter was written by Mr. Langer, there was an action commenced in the Federal Court against Lynn J. Frazier, Wm. Langer and John N. Hagen, et al by the forty-two taxpayers? A. I can't recall from memory whether it was before or afterwards—that date.

Q. It was approximately that time, wasn't it? A. It was.

Q. I want to show you exhibit 10, and I will ask you if exhibit 10 is one of the files of your office? A. It is.

Q. Did you receive that letter, or day letter from the William R. Compton Company and Halsey & Steward & Company, the contracting members in exhibit 8? A. I did.

Q. I desire to read this into the record and I offer it in evidence.

WESTERN UNION TELEGRAM

Day Letter, Chicago, Oct. 30, 1919.

Mr. F. W. Cathro, Director General Bank of North Dakota, (235)

Bismarck, North Dakota. Regarding legal transcripts received North Dakota State Bonds, approached Attorney Charles B. Wood with reference appointment with your attorney general for personal conference. He flatly declined give situation any consideration whatsoever and now formerly communicates his decision to us by letter as follows: "Replying to your enquiry as to whether I would give an opinion upon the North Dakota State Bank Bonds and Real Estate Bonds, I would say that I would not undertake this matter at this time. These plans of taking over private business by the State is a matter that has too many chances of

litigation until the whole matter is threshed out. Every new enterprise of this character has to go through the same process and there are so many new questions presented that I should not give an opinion of approving them while they remain undetermined judicially." Forwarding you today certified copy of his letter. Stop without actual supporting opinion of this recognized authority, would be foolhardy to attempt market sale of North Dakota securities and under circumstances, we have no alternative and must be guided by provisions our written agreement which stipulates purchase of bonds subject his approving opinion. We do not believe slightest possibility persuading him abandon his position and

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had we anticipated present development would most assuredly have spared state officials and ourselves this embarrassment. As situation beyond our control however, can merely express profound regret and await advices as to disposition legal transcript now in our hands.

William R. Compton Company,
Halsey, Stewart and Company.

Q. I will show you exhibit No. 11' and ask you if this is a true and correct copy of the letter that you sent these people in answer to the telegram that you received? A. It is.

Q. Will you read it into the record? A. Nov. 1, 1919. Mr. Walter I. Sleafy Care Halsey, Stewart & Co., 209 South La-Salle Street, Chicago, Illinois. Dear Sir: We are in receipt of your telegram of the 30th, untimo, and also your letter of the same date. Relative to the telegram, will say that I was rather expecting that the attorneys would be prevailed upon not to render an opinion on the bonds at this time, because of the character of the opposition fight put up on our own state, inasmuch as they had obtained a copy of the contract from the Attorney-General and had published and had taken the position that the bonds were not sold, and that all you had was an option to buy the bonds. It probably will be some little time before the Supreme Court will hand down its decision

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in this matter. We realize this is a fight that has been put up by our own citizens. Your very truly, Director General.
Signed F. W. Cathro.

Mr. Sinkler: I offer exhibit 12 in evidence and will ask you to read it into the record:

Mr. Cathro: Nov. 3, 1919. Mr. T. N. Dysart, Vice President, William R. Compton Co., 408 Olive Street, St. Louis, Mo. Dear Sir Your letter of the 31st ultimo is received. I was rather expecting that the attorneys might be prevailed upon not to render an opinion on the bonds at this time on account of the character of the fight that has been put up in our own state by the opposition. A copy of the contract was obtained from the Attorney General and published. It was claimed that all we had on the bond sale was an option, subject to the option of the bond attorneys. Hence I concluded that a tremendous amount of pressure would be brought to bear to prevent an opinion being rendered. I do not doubt what the opinion would be in the event that one is rendered, but I feared that pressure would be brought to bear to prevent an opinion. There is no censure attached to any one, except to our own citizens as they are doing everything that can be

done to block this sale of the bonds. It will probably be some
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little time before the Supreme Court will hand down its decision in the matter. Yours very truly, Signed by myself as Director General.

Q. I will show you exhibit 13 and offer it as evidence and ask you to read it into the record? A. William R. Compton Company, (St. Louis. November 5, 1919. F. W. Cathro, Director General, The Bank of North Dakota, Bismarck, North Dakota. Dear Mr. Cathro: I am in receipt of your letter of the 3rd. I think you are entirely right as to the fact that some of your own citizens are very much to blame for the fight they have made on the sale of your bonds. I do not know however, what pressure, if any, was brought to bear on the attorneys, but I do know that they refused absolutely to pass on them until the litigation was settled. You have been so extremely courteous and accommodating throughout our entire negotiations that I am going to ask a further favor of you, and that is, to advise me personally as soon as a decision is handed down by the U. S. Supreme Court, and if no disposition of the bonds has been made prior to that time, I would like very much to have an opportunity to figure with you again. With kindest regards and best wishes for your success, I am, Very truly yours, Thomas N. Dysart, Vice President.

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Q. Now subsequently does the Supreme Court of the United States sustain the position of the State of North Dakota in entering into these industries? A. It did.

Mr. Sinkler: At this time I desire to offer in evidence the published report, for the consideration of the committee, of the case of Green et al v. Frazier, Governor et al, as cited in the United States Supreme Court Reporter for July, 1920, being the advance sheets at pages 499 to 503 inclusive.

Q. Now Mr. Cathro, if this contract had gone into effect and the bonds had been sold what would have been the effect, in your opinion, upon the farmers of the western part of the state. A. There would have been moneys—a quantity of new money coming into the state from without the state which could have been used to relieve the condition of the farmer and other interests in the whole state, including the western part of the state.

Q. You have made somewhat of a study of the condition in the state here to some extent? A. I have.

Q. In your opinion isn't it necessary that we should have a considerable amount of money coming into the state from the outside to relieve the present conditions? A. Yes sir.

Q. In your opinion what—or can you state what real benefits would have been derived by the state, if these bonds

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had been sold? A. It would have prevented a large number of foreclosures of farm loans (first mortgage loans).

Q. What makes you think that; for what reason? A. Farmers unable to meet their maturing loans, could through the operation of these moneys obtain new money to take up their farm loans. It would have permitted banks to liquidate some of their assets through farm loans and would have given them funds to carry the farmer on his farming operations. It would have permitted some of the banks that are

now closed to liquidate some of their assets through the farm mortgage channel and more likely would have secured sufficient funds to have permitted them to remain open. It would have created more confidence to the public by having money brought into the state. It would have enabled The Bank of North Dakota to liquidate funds now invested in farm loans and turn them into a revolving fund of one to two million dollars and kept that amount available for farm loans and kept two million for us for other purposes.

Q. Mr. Cathro, you are pretty conversant with all the affairs of this Bank of North Dakota, are you not. A. I. am.

Q. Mr. Cathro, is there anything whatsoever wrong in the bank. A. Not to my knowledge.

Q. Is it not a fact that the only trouble at the present
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present time is because you haven't been able to sell these bonds? A. Yes.

Q. Now, Mr. Cathro, there was a statement made by Mr. Brinton in his testimony to the effect I believe that there was some understanding between you and the manager of the league—Nonpartisan League, that you would sail, did you hear that testimony or were you present in this room? A. No.

Q. Were you present before the House Committee at the time that statement was made? A. I was.

Q. Did you ever enter into any agreement with anyone in regard to that? A. I did not.

Q. I want you to tell this committee how it came about that you became director general of the Bank of North Dakota. Tell the story so that— A. I received a telegram from Mr. Waters on April 8th, 1919, at my place of business at Bottineau asking me when I could come to Bismarck to confer in regard to the organization of the Bank of North Dakota.

Q. Prior to that time had you talked with anybody in regard to your securing any official position with this bank? A. I did not.

Q. Had it ever entered your mind that you were going to be invited to come to Bismarck for the purpose of taking
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charge of the organization of that bank? A. It did not.

Q. Was that the first intimation you ever had from anywhere that anyone had the idea of asking you to come and take charge of the same? A. It was.

Q. Go ahead and state the rest. A. I replied, that I could come anytime. I received a message the same day asking me to come immediately. I did.

Q. Well, when you got down here; go ahead and tell the committee. A. I appeared before the Industrial Commission within a day or two—Mr. Waters was present.

Q. At that time did you have a conference with Mr. Waters? A. I did.

Q. And with any of the members of the Industrial Commission? A. I did.

Q. Was anything said at that time in regard to the salary you were to have as Director General of the Bank of North Dakota? A. Not that particular day, but within a very few days thereafter.

Q. Well, was there some considerable time when you were laboring on the organization of this bank that no salary had been agreed upon? A. There was.

Q. Well, did you agree to stay for any definite length of time? A. I did.

Q. What was that agreement, with respect to the length of time you agreed to stay here as Director General of the

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Bank of North Dakota. A. I was asked to come and take charge of the organization of the bank and to remain two years. I said I did not see any reason why I should leave my business at Bottineau, and my home there and come down here for two years. I was asked to come for a year. I said I do not know any reason why I should tie myself up for a year. Well come for six months—All right I will come for six months. I want it understood, however, that I expect the State of North Dakota to pay my expenses from the time I leave until I return to Bottineau, at the state's expense. I do not think that F. W. Cathro, of the First National Bank of Bottineau or any organization with which I am connected should pay my expenses while I am working for the State of North Dakota.

Q. You stayed on here? A. I remained from that time to the present.

Q. Have you been here ever since? A. Ever since.

Q. As director general I suppose you have got an easy time of it? A. Fairly—sleep every night.

Q. What is that? A. Sleep every night.

Q. What I mean is, putting in time. A. I work as hard or harder than I have ever worked in my life before.

Q. Have you observed the eight hour law that has been passed? A. Not by any manner or means; probably from

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thirteen to fourteen hours a day the major portion of the time.

Q. Now Mr. Cathro, have you ever in your work in connection with that bank done anything but what you considered to be for the best interests of the State of North Dakota and the Bank of North Dakota? A. I have not.

Q. And it has been your purpose and have you at all times given to the work of running this bank your best endeavor? A. I have.

Q. At all times? A. I have.

Q. Used your best judgment and only your best judgment with respect to what you should do in conducting the affairs of this bank? A. Yes, sir.

Q. But Mr. Cathro, Mr. Brinton said in this hearing and used this language, on Page 209, of the transcript of February 9th: I charged Mr. Cathro with embezzlement and my information is received from Mr. Waters and other employes of the bank regarding certain money that was paid out of the bank, that was represented to me, to be covered up on the books, and instead of being paid in the regular way with a check, it was paid in currency and carried by a messenger. That is the only item that I referred to in charging Mr. Cathro with embezzlement in the bank, except as an officer of the bank in sitting there and making arrangements

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and allowing the money to go out of the bank he was a party to the embezzlement that later took place, when the actual money was turned over at Fargo. I do not know whether you were present when that statement was made or not. Were you? A. I was.

Q. You heard Mr. Brinton say that the item which he referred there to in substance was the item which was paid to Mr. Hastings, who went to the City of New York for the purpose of negotiating the sale of bonds; you heard that. A. Yes.

Q. Now, Mr. Cathro, have you in your possession all of the record pertaining to that very transaction? A. I have.

Q. Will you produce those records for the purpose of having this committee view them. A. Yes sir.

Q. Now, Mr. Cathro, after you found out through this telegram that you received, that this contract for the sale of the bonds, which has been offered in evidence as exhibit No. 7 would not be gone through with did you seek other methods or means by which the bonds of the State of North Dakota could be disposed of? A. We did.

Q. And did you honestly use every endeavor for the sale of these bonds, in spite of this obstruction by these suits that were commenced within the State of North Dakota to have them declared unconstitutional? A. I did.

Q. I will show you exhibit 16 and ask you if that represents a memorandum agreement for the sale, or a statement as to what the bonds could be sold for. A. It does.

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Mr. Sinkler: I offer Exhibit 16 in evidence and ask you whether anyone was ever handed that particular instrument or a copy of that instrument?

COMMITTEE'S EXHIBIT NO. 16.

December 30, 1919.

Memorandum relative to Bond Selling Agency.	
\$1,000,000.00 9½ Yr. bonds to bear 4½% should sell at a premium of	\$ 38,300.00
\$1,000,000.00 14½ yr. bonds to bear 4½% should sell at a premium of	52,800.00
	<hr/>
Probable expense	11,100.00
Total premium	\$ 91,100.00
	<hr/>
Net premium after deducting cost, probably....	80,000.00
Commission ¾%	60,000.00
	<hr/>
Net premium	\$ 20,000.00

In the event that salary and expenses should go under \$15,000.00, net to the Bank would be \$18,725.00. It is planned to sell bonds only on such premium as will justify the above net premium for the Bank."

A. I kept this in my own possession.

Q. Did anybody else have a similar instrument? A. No.

Q. Was the amount of bonds that were to be sold or the price stated to anyone? A. It was.

Q. To whom was it stated? A. J. J. Hastings.

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Q. And was J. J. Hastings the person to whom money was turned over for the purpose of negotiating the sale of these bonds? A. It was.

Q. Will you read that statement into the record, please? (Statement read as quoted above.)

Q. Now, was any money turned over to Mr. Hastings for the purpose of selling these bonds? A. There was.

Q. Have you any of the records of the Bank there that shows the amount of money that was turned over to Mr. Hastings? A. I have.

Q. Will you produce that? A. I will.

Q. (Paper marked exhibit 17, produced.)

Q. I show you Exhibit 17 and ask you to examine Exhibit 17, and state in whose handwriting it is? A. In the handwriting of J. R. Waters.

Q. Was J. R. Waters, at that time, manager of the Bank of North Dakota? He was.

Q. Is all the writing upon that exhibit, in the handwriting of J. R. Waters? A. It is.

Q. Will you read that instrument into the records, Exhibit 17?

EXHIBIT 17.

A.

"COPY

THE BANK OF NORTH DAKOTA, Bismarck, N. Dak.
DEBIT

Expense

Jany. 6, 1920.

Bond sale com'n

(Signed) J. R. Waters,

\$1,500.00

CREDIT.

Manager."

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Mr. Sinkler: Now, if the committee please, I would like to substitute a copy of that exhibit which is in the original handwriting of Mr. J. R. Waters, and keep the original, so we will substitute a copy. We will make this copy Exhibit 17-A.

Mr. Sinkler: Exhibits from 18 to 29 inclusive marked.

Q. I show you Exhibit 20, Mr. Cathro, and will ask you if that is a receipt for the \$1,500.00? A. It is.

Q. Is that the original? A. It is.

Q. Now, if the committee, please, some members of the committee, Mr. Cathro, want to know if Mr. Hastings used this \$1,500.00 in attempting to negotiate the sale of these bonds? A. I have no means of knowing, I presume he used it in some, too, maybe.

Q. There was none returned to the Bank of North Dakota?? A. There was not.

Q. You didn't expect it, did you? A. Hardly. Advance payments on commissions covered by the contract.

Mr. Sinkler: We offer in evidence and desire to read the letters into the record, being exhibits 18 to 29, inclusive, being all the correspondence between Mr. Hastings and Mr.

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Waters principally, and others, with respect to the sale of bonds, and I would state that it gives the history in its entirety of the transaction and what was done by Mr. Hast-

ings in attempting the negotiations for the sale of these bonds.

EXHIBIT 18.

"October 11, 1920.

Mr. John J. Riordan, Jr.,
713 Fidelity Building,
Baltimore, Md.

Dear Sir: Your letter of October 2nd is received. I am enclosing a circular descriptive of our several bond offerings. Also sending you under separate cover our series of 1920 publications, brought down to February 2nd, containing the laws and other general information relative to our bond issues.

You will find on Page 499, (No. 811) in the case of Green, et al, vs Frazier, Governor, et al, on Page 503 (No. 508) in the case of Scott et al vs. Frazier, Governor, et al, as reported in Volume 40, No. 16, of the Supreme Court Reporter, of July 1, 1920, the decisions of the U. S. Supreme Court sustaining the validity of our bonds.

If there is any question occurring to you that is not covered satisfactorily in the publications sent or in the Supreme Court decision of the bonds, E. A. Greene, et al, vs Lynn J. Frazier, Governor, et al.

Copy of the decision of the U. S. District Court for the District of North Dakota, sustaining the validity of the bonds, John W. Scott, et al, vs Lynn J. Frazier, et al.

Certificate of tax commissioner showing the assessed valuation of all property in the state at the last assessment.

Certificate of State Auditor, showing outstanding indebtedness of the State at the present time, bonded or otherwise, and the present estimated population:

Certified copy of the resolution or other proceedings of the Industrial Commission of North Dakota relative to the authorization of the issue and sale of said bonds.

Sample of the Bank series bonds as now lithographed."

In addition to the foregoing, I enclose also copies of circulars, regulations, by-laws, orders, rules and bulletins issued by the Bank of North Dakota.

If it is desired I can send you copies of the House Journal and Senate Journal showing the introduction and passage of the several acts relating to the bonds, but on account of the

bulky character of these volumes, and the probability that you will not need them I am not sending them until I am requested to do so.

Yours very truly

RRS

EXHIBIT 20.

Bismarck, N. Dak., January 8, 1920.

Received of G. M. Townsend one valuable package containing \$1,500.00 in currency.

(Signed) J. J. HASTINGS.

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EXHIBIT 21

"WESTERN UNION
TELEGRAM

6 PM 1-6 1920

Jan'y. 6, 1920.

Dated Fargo, N. D., 6:15 P. M. 16 pd.
6th 1920.

To G. M. Townsend,
Care No. 8 Eastbound,
Sanborn, N. Dak.

Will be at Casselton depot. Look for me if possible. Otherwise see you in Fargo tomorrow.

(Signed) J. J. Hastings."

K

EXHIBIT 22.

"THE NEW EBBITT

Army & Navy, G. F. Schutt, Prop.

Washington, D. C., March 3, 1920.

Bank of North Dakota (State Bank)
Bismarck, N. Dak.

Gentlemen: Mr. J. J. Hastings, of your state, gave me a North Dakota bond issue for sale. I have finally located the entire issue with a Baltimore underwriting syndicate providing however the following questions are answered satisfactorily.

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They want to know the total debt of the state, income and disbursements, assessed valuation and debt limitations.

They would like to know particularly about the act authorizing these bonds, what the total authorized issue is, how many have been issued and sold, the price realized by the state at the last sale, also the life of the bonds, whether there is any sinking fund, whether they are callable at the price asked for the issue.

As I understand it, the bank of North Dakota started in business July, 1919, the entire capital having been furnished by the state under an Act which will give the bank a capital of \$2,000,000.00. Is this correct?

Please give me any and all other information that you think is necessary and of value to me in closing the negotiations for your entire issue.

I have not Mr. Hastings' address at present, the last I heard from him was the Dykman Hotel, Minneapolis. I am sending a copy of this letter to him there, and would thank you to give him credit for this sale when it is consummated. Please address me to my New York Office, 71 Broadway.

Very truly yours,

(Signed) O. B. BLACKBURN."

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EXHIBIT 23

"FWC

Mr. O. D. Blackburn,
71 Broadway, New York, N. Y.

March 6, 1920.

Dear Sir:

Replying to your inquiry of March 3rd, will state there are three issues of the State of North Dakota bonds to be offered for sale at this time. First, there is the Bank series in the amount of nearly \$2,000,000.00. Second, there is a real estate series, which will amount to about \$3,000,000.00 to be followed in a short time with an additional million. The real estate series is supported by real estate mortgages to be lodged with the State Treasurer, in an amount equal to the bonds to be issued, and the mortgages do not exceed fifty per cent. of the value of the real estate. The third series is

the Mill and Elevator series for which the proceeds of the bonds will be used in the purchase or erection of mills and elevators, and these bonds are to be secured by first mortgages on the mills and elevators.

The real estate series is limited to ten million dollars. We have applications for loans now on hand for upwards of eight million dollars, and about three million dollars of loans are completed or about ready for completion, and about a million dollars more will be completed within a short time

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and the remainder will have to stand over until the land can be appraised in the spring. In the Mill and Elevator Series it is not proposed at the present time to issue bonds in excess of two million dollars. That makes an aggregate of about seven or eight million dollars to be considered at this time. A few of the Bank Series bonds were sold locally at \$102.50, in the amount of \$48,650.00. The Bank Series bonds are dated July 1, 1919, and bear interest at five per cent. These bonds are now owned by the Bank of North Dakota \$959,000.00 in the denomination of \$50.00, \$100.00 and \$500.00 mature July 1, 1929, and \$996,000.00 in the denomination of \$1,000.00 mature July 1, 1934.

In the real estate series, it is probable that one-fifth will be made to mature in ten years from date, one-fifth in fifteen years, one-fifth in twenty years, and one-fifth in twenty-nine years.

The Mill and Elevator Series bear date about January 1, 1920, and the number, denomination and maturity is as follows:

\$ 25,000	\$ 25.00	Jan. 1, 1940.
100,000	50.00	Jan. 1, 1940.
625,000	100.00	Jan. 1, 1940.
750,000	500.00	Jan. 1, 1940.
1,500,000	1,000.00	Jan. 1, 1945.
1,000,000	5,000.00	Jan. 1, 1945.
1,000,000	10,000.00	Jan. 1, 1945.

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In regards to the smaller denominations of these, it is contemplated that they will be sold to small investors, such as laborer, etc., in localities where the state builds local mills.

The faith and integrity of the State is pledged for the payment of all bonds. They are tax free.

Sinking fund is provided by law for the retirement of the bonds except in the real estate series and provision is made to retire those as payments are made on the mortgages pledged for the bonds. The Bank of North Dakota started business July 28, 1919. The capital has been furnished by the State in the amount of two million dollars. We are sending you under separate cover copies of laws, regulations, bulletins, etc., which may give you the information you require. The total indebtedness of the State is \$412,000.00 exclusive of these issues of bonds. The debt was incurred as a territory before North Dakota became a state, and has been refunded from time to time since that time. The State has not incurred any indebtedness for the erection of public buildings, or otherwise. The assessed valuation is \$1,523,746,929, and the tax income for the year is approximately \$3,700,000.00 and disbursements will be approximately the same amount.

Yours very truly,
 FWC:RRS Director General.

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 EXHIBIT 24

"WESTERN UNION

Received at RD Minneapolis, Minn, 10:06 AM, Mar. 8, 1920.

J. R. Waters 15
 Care Bank of N. D., Bismarck, N. D.
 Copy Blackburn's letter received. Will you answer in
 quoting par.

J. J. HASTINGS.
 10:18 AM"

EXHIBIT 25

John J. Riordan, Jr., & Co.
 712-14 Fidelity Bldg., Members Baltimore Stock Exchange
 Baltimore, Md. L. D. Phone St. Paul 67
 April 17, 1920.

J. J. Hastings, Esq.,
 485 Lindale Ave., South,
 Minneapolis, Minnesota.

My Dear Sir: Will you kindly advise me whether you are
 still in a position to offer the bonds of the State of North
 Dakota, and whether there has been any change since your
 letter to me referring to this matter.

Your prompt reply will be appreciated, by
 Yours truly,

JR-R (Signed) JOHN J. RIORDAN.
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EXHIBIT 26

"BANKERS INVESTMENT TRUST
 (A Voluntary Express Trust)
 Grain Exchange Building.

Fiscal Agents Equity Cooperative Exchange.
 Farmer owned Terminal Selling Agency.

Bank Stocks, Mortgages, Bonds,
 Commercial Paper.
 St. Paul, Minnesota,

(COPY)

April 23, 1920.

John J. Riordan, Jr.,
 7-3 Fidelity Building,
 Baltimore, Md.

Dear Mr. Riordan:

I am pleased to acknowledge receipt of your letter of the
 17th inst, with reference to the North Dakota State bonds.

According to the last correspondence, I had with Mr. O.
 D. Blackburn, I assumed that negotiations had been prac-
 tically brought to a head, and that the Bank of North Da-
 kota was actively pushing the matter. However, in answer-
 ing your inquiry will state that the bonds have not been sold
 and are still open for bids. There is no question in my mind
 but that our firm can make quick work of this issue if you
 decide to undertake the purchase. To my mind, there is not
 an issue on this market today that carries the margin of se-
 curity that this particular issue carries. The previous bonded
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indebtedness of the State is only slightly over a half million

dollars and from a productive standpoint, there is not a state in the union that can hold a candle to North Dakota. The hard wheat raised in North Dakota is a commodity that the world can not do without, and there is going to come a time when the 750,000,000,000 tons of coal underlying the State will be shipped thousands of miles in all directions.

North Dakota has embarked upon a sea of industrial democracy which to unprejudiced minds will result in success and will become a lasting benefit to the generations to come. The present program is simply the result of years of activity by public spirited individuals in behalf of the common good and not the political ravings of a group of wild haired agitators as the eastern press would lead on to believe. The State is primarily a farming state and over eighty-five per cent. of its people live on the farms.

Will you not let me hear from you at your earliest convenience as to what the possibilities are for undertaking this issue. If you feel that my presence is necessary I can come on receipt of wire from you.

Very truly yours,

J. J. HASTINGS.

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EXHIBIT 27.

Same letterhead as Exhibit 26

St. Paul, Minnesota, April 23, 1920.

F. W. Cathro, Esq.,
Manager, Bank of North Dakota,
Bismarck North Dakota.

Dear Mr. Cathro:

I am enclosing herewith a copy of a letter from John J. Riordan, Jr., of Baltimore, Md., and a copy of my answer thereto.

This is the liveliest lead which I developed during my eastern trip and I have reasons to believe that results can be obtained through this source.

This is the same party that you sent information to at the request of Mr. O. D. Blackburn, who was working with me on the situation.

As matters develop, I will keep closely in touch with you, as I feel that teamwork will be necessary when it comes to putting the ultimate deal across.

It's been my intention to see you before Mr. Waters left, but will try to get to Bismarck in the very near future. Should there be anything new develop, which would alter the situation as last talked with you, will be pleased to have you tell me.

With kind personal regards,

Very truly yours,

J. J. HASTINGS,"

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EXHIBIT 28

"September 4, 1920.

Mr. John J. Riordan, Jr.,
713 Fidelity Building,
Baltimore, Md.

Dear Sir:

On April 17th, you wrote a letter to Mr. J. J. Hastings, of Minneapolis, to which he replied on April 23rd, relative to

the sale of bonds of the State of North Dakota. I would be glad to know whether you are still in a position to consider this bond purchase.

I understand that my letter descriptive of these bonds addressed to Mr. O. D. Blackburn, 71 Broadway, New York, has been submitted to you. I sent to Mr. Hastings a transcript showing the copy of the constitutional amendment, copies of various acts and court decisions, and certificates relating to our bond issues, and a sample of the Bank Series bonds, which I assume he delivered to Mr. Blackburn, who possibly delivered the same to you. In the event that you have those in your possession, and have no further use for them, I would be glad if you would return them to me.

In the event you are still considering the purchase of these bonds, I would like to take the matter up with you in such form that we may place them properly before you for your consideration.

Yours very truly,
FWC-RRS
Manager and Director General."
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EXHIBIT 29

"John J. Riordan, Jr., & Co.
7-3-14 Fidelity Building
Baltimore, Md.

Members Baltimore Stock Exchange
L. D. Phone St. Paul 67

October 2, 1920.

Mr. F. W. Cathro, Manager and Director General,
Bank of North Dakota, Bismarck, N. Dak.

Dear Sir:

I have been absent from my office for more than a month and have just returned. I am in receipt of your letter of September 14th, and will be glad to take up with you the bond matter in question.

Will you kindly write me a letter stating just what bonds are to be sold, the terms and interest rate, the purpose of each bond, the due date of each bond, and any other or further information which you think would be of value. As soon as I receive this letter from you, I will put it before my associates and communicate with you further.

Yours very truly,

JOHN J. RIORDAN, JR.,

By M. V. Patterson,

Secretary."

JJR,Jr,mvp

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By Mr. Sinkler:

Q. Now, Mr. Cathro, have you had sufficient time to examine the report of Bishop Brissman & Co.? That has been furnished this committee for the purpose of ascertaining whether or no Bishop Brissman & Co. made any comment whatsoever upon that particular item, or do you know? A. I have not made a sufficient examination, but I do not recall.

Mr. Sinkler: I think upon an examination by the committee it will develop that no comment was made by Bishop Brissman & Co. was made upon this item.

Q. Now, why do you produce these records, Mr. Cathro, here? Is it for the purpose of having this committee see them? A. Because I have been charged with embezzlement.

It is because Mr. Brinton has charged me with embezzlement of \$1500.00. That is it.

Q. And it is for that reason that you produce these records to show that that statement was untrue, it wasn't true, was it? A. It was untrue.

Q. Is it untrue? A. It is.

Q. Have you ever taken one single cent of the money in the Bank of North Dakota that did not belong to you? A. I have not.

Q. Now, Mr. Cathro, perhaps I should have cleared up a matter which undoubtedly was the subject of considerable

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newspaper comment and it was talked about here, and that is with respect to the time when you used to have your expenses paid by the State of North Dakota upon your assuming your duties as Director General in the Bank of North Dakota. There was a time when your expenses were paid, was there not? A. There was.

Q. How long a time was that? I want to get that into the record so that it will be correct? A. About four months.

Q. And then after that period you obtained a general salary? A. I did.

Q. And no further expenses were charged up against the State of North Dakota by you after that time? A. None, while I was in the vicinity of the Bank in Bismarck.

Q. Now, while the Bishop, Brissman Co. were working upon this audit, did they even intimate that there was anything wrong, along dishonest lines, in this bank? A. They did not.

Q. And they did not, as far as you know, find anything wrong? A. Not as far as I know.

Q. They have in their report, have they not, criticised your judgment to some extent in the making of loans? A. Yes.

Q. Or have they made that kind of criticism? (No answer made).

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Q. Mr. Sinkler: I want to offer in evidence Exhibit 30, if the committee please, simply for the purpose of calling the committee's attention at this time to the amount of moneys that the State Bank of North Dakota owed to outside banks, being \$14,000,000.00 and I offer in evidence this Exhibit, being Exhibit 30, being a record of the Bank.

Q. Now, Mr. Cathro, Mr. Brinton, in his testimony here the other day, in substance, charged you with having made deposits in the Mercantile State Bank of Minneapolis, his testimony in that regard is as follows: "The only one I have personal knowledge of is the Mercantile State Bank of Minneapolis. That is, I am saying now, that is the only one I have personal knowledge wherein state funds were deposited as a reward or as a compensation for something that the bank had performed for the League organization or Townley or some other officer or employe of his." Have you a recollection of that testimony, Mr. Cathro? A. I have. I heard it before in the House.

Q. That testimony was given before the House Auditing Committee? A. It was.

Q. I want you to explain the facts with respect to the deposit of the money in the Mercantile State Bank of Minneapolis, tell the committee all about it? A. The facts are,
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that the only reward or compensation existing was the promise of the President of the Mercantile State Bank of Minneapolis that he would loan the Bank of North Dakota \$100,000.00 in case of need in case we carried with the Mercantile State Bank a balance sufficient to justify such loans. That was the first bank in Minneapolis that voluntarily offered to loan money to the Bank of North Dakota.

Q. In other words, it appears, does it not, in the testimony, that there was a deposit of approximately \$50,000.00 in that bank? A. Yes, at different times.

Q. Was that considered a depository bank? A. A correspondent bank.

Q. And when you deposited that money in the bank did the bank at that time promise to make a loan back to the Bank of North Dakota of \$100,000.00? A. About that.

Q. In case it was necessary for the Bank of North Dakota to make such loan? A. About that time.

Q. An dis that all there is with respect to that transaction? A. It is.

Q. Now, it appears in evidence before the House Com-
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mittee that between the 15th day of November, 1919, and the 3rd day of June, 1920, there was carried on an average better than \$5,000,000 in correspondent banks outside of the state? Have you averaged it? Have you investigated the matter for the purpose of determining what is approximately the correct figure, of the amount carried by correspondent banks during that time outside of the state? A. I have.

Q. And what amount is it? A. This is the testimony of Mr. Johannsen, audits department, director, of the bank. "Q. Have you averaged it? A. I did not average it. Q. Well, can you tell it almost at a glance? A. If you average it, I don't think there is any question about it." This is the testimony of Mr. Johannsen, audits department director, of the bank, therefore it appears that Mr. Johannsen did not testify that the average was better than five million dollars outside of the state or elsewhere, did he so testify, the average, as suggested by the attorney, was almost fifty per cent. too high and would have been much less had the incoming treasurers checks been presented promptly.

Q. It was by means of leading questions that that was introduced into the records, was it not? A. Exactly.
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Q. That was suggested by Mr. Murphy, as is customary down there? A.

Senator Baker: I would like to ask a question. What was that average?

Mr. Sinkler: Just see if you can find that, Mr. Cathro.

Mr. Cathro: I think it is here somewhere, but I think it was about \$3,430,000.00.

Mr. Sinkler: Just find the statement, take your time and find the statement.

Mr. Cathro: \$3,477,000.00.

Q. Now, Mr. Cathro, before the House Committee you were questioned as to what was known as the Seed and Feed bonds of Dunn County and you did not explain, but simply answered questions that were asked you, do you now desire to offer a full explanation to this committee with respect to what actually transpired with reference to the seed and feed bonds of Stark County? A. I do.

Q. Have you the records in respect to that issue with you? A. I have.

Q. Will you produce them? A. I will.

Mr. Sinkler: Now for the information of the Committee, I want to call attention to Section 3473, of the Compiled Laws of the State of North Dakota, for the year 1913, as amended and reenacted by the special session of the Fifteenth General Assembly, Jan. 29, 1918, and House Bill No. 19,
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in connection with the seed and feed bonding acts. I just simply want to call attention to that one section and I offer this little pamphlet in evidence so the committee can have it to examine if they see fit to enter into this matter.

Q. Have you the records in regard to the transaction? A. I have.

Q. Take first, Dunn County. A. This is Dunn County.

Q. How was that transaction handled? A. I have here the contract, the memorandum of agreement with the different county commissioners.

Mr. Sinkler: I would say to the gentlemen that this matter may seem immaterial, but the matter was gone into before the House Committee and there was no opportunity given to explain that matter down there and they suggested that here we might have an opportunity to be heard. That is why we wish to lay all the cards on the table with respect to this transaction also.

Q. I show you exhibit 31, and ask you if that is the contract entered into between the Board of County Commissioners of Dunn County and the Bank of North Dakota? A. It is.

Q. And the exhibits attached thereto are the orders and part of the contract? A. They are.

Mr. Sinkler: We offer in evidence Exhibit 31.

Q. Will you read the contract in evidence:

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EXHIBIT 31.

"Memorandum of Agreement.

This Agreement, entered into this 15th day of March, 1920, by and between the County of Dunn, State of North Dakota, through its Board of County Commissioners, and the Bank of North Dakota, at Bismarck, North Dakota,

WITNESSETH, as follows:

First: That the County of Dunn will issue its bonds under the provisions of Article 24 Chapter 42, of the Revised Laws of the State of North Dakota, 1913, known as the Bonds for Seed Grain Act and acts amendatory thereof, and Chapter 13, of the Laws of the Special Session of 1918 and known as the Seed Grain and Feed Act and acts amendatory thereof and Chapter 54 of the Laws of the Special Session of 1919, known as the Seed Grain and Feed Act:

First: The bonds shall be in the amount of \$100,000.00 and be in denominations of \$500.00 each, and bear date of March 15, 1920, and to bear interest at six per cent per annum said interest to be evidenced by coupon to be attached to said bonds, interest payable semi-annually on March 15th and September 15th each year, and the bonds to mature five years from the date thereof. Bonds and coupons to be payable to bearer and to be payable at the Bank of North Dakota.

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Second: The foregoing bonds are to be delivered to the Bank of North Dakota as soon as they can be prepared and executed by the proper county officials.

Third: Upon delivery of the said bonds to the Bank of North Dakota, the Bank of North Dakota will pay to the Treasurer of Dunn County One Hundred Thousand Dollars (\$100,000.00) being the par amount of said bonds.

COUNTY OF DUNN

By Board of County Commissioners,
By Charles M. Pugh, Chairman,
T. J. Anders,

COMMISSIONERS:

WITNESSES:

S. J. BOYD,
R. R. SMITH.

THE BANK OF NORTH DAKOTA

By F. W. Cathro, Director General

I hereby approve the foregoing contract this 15th day of March, 1920.

J. N. Hagan,

COMMISSIONER OF AGRICULTURE AND LABOR
ORDER

In consideration of certain contract of even date herewith made by and between the County of Dunn through its Board of County Commissioners and the Bank of North Dakota, at Bismarck, North Dakota, by virtue of the powers vested in me under the provisions of Sec. 3473, of the Laws of the State of North Dakota 1919, I, as Commissioner of Agriculture and Labor, do hereby order and direct that the said County of Dunn shall pay to the Bank of North Dakota a brokerage fee of 4.16 per cent on the amount of the bonds covered in said contract heretofore referred to and shall pay the cost of preparing the bonds and shall pay the cost of advertising heretofore incurred in the advertising of the bonds for sale and shall pay the fee for an attorney's opinion as to the validity of the bonds, said opinion to be rendered by an attorney acceptable to the Bank of North Dakota.

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The said brokerage fees for preparing the bonds, advertising fee and costs of an attorney's opinion are to be paid before any other payments are to be made from the proceeds of the sale of such bonds.

Bismarck, North Dakota, March 15, 1920.

J. N. HAGAN,

Commissioner of Agriculture and Labor
State of North Dakota."

(Seal)

Q. Now, were these bonds sold? A. They were sold.

Q. Subsequently, to whom? A. They were afterwards sold by the Bank of North Dakota to Sidney Spitzer & Company, of Toledo, Ohio.

Q. What amount was Dunn County credited with? A. \$100,000.00.

Q. And all the money derived from the sale of these bonds, did that go to Dunn County? A. It did.

Q. Have you got all the correspondence with respect to this deal, with you? A. I have.

Q. Mr. Sinkler: I do not want to read this all into the evidence, but we will mark it so you will have it gentlemen.

Senator Church: Mr. Cathro, were you ever at any time or were you ever connected with the partnership of bonders in this State or outside the state in which you reaped a commission paid on these bonds? A. I was not.

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Q. Did you, or any person in the Bank of North Dakota so far as you know, ever receive any money for yourself personally from the sale of any bonds? A. None, that I know of, or ever heard of.

Mr. Sinkler:

Q. It was never intimated that you ever had received any? A. No.

Q. Senator Church: Did you ever at any time use Mr. Manahan of St. Paul to pass on these bonds? A. I did not.

Senator Murphy: Mr. Chairman, while marking these exhibits, I will ask that Mr. Brinton be recalled to the stand, and allowed to explain his evidence in the same manner that Mr. Cathro has been allowed to explain his.

Senator Ployhar: I second the motion.

Mr. Chairman: You have heard the motion, what is your pleasure?

Senator Baker: I might say in regard to this that he was allowed to give his evidence down there in his own way and here too.

Senator Murphy: Yes, but he was not allowed to hand in any exhibits.

Senator Baker: In what respect.

Senator Murphy: In the same way that Mr. Cathro has been allowed to explain his.

Mr. Sinkler: Before the House Committee he was allowed to talk all he pleased and here, when he was on the stand the

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stand the first time, he was. It was only when he was on the stand the second time that I attempted to limit him to answering the questions. He made a definite statement and swore positively to the fact that Mr. Cathro had embezzled funds, without qualification, as I understand it.

Senator Ployhar: He never explained to me about the \$11,000.00, and you seemed to drop him like a hot potato.

Mr. Sinkler: I expect to produce all the originals and produce them here for your inspection, and take that matter up fully.

Senator Murphy: I would like to have my motion acted

upon.

Senator Baker: I would like to defer this motion until tomorrow, as long as he cannot appear here tonight and if there is anything shown in the records, already taken, that he has not been allowed to explain his testimony fully down there and here the first day, I will consent to your calling him for cross questioning.

Senator Murphy: This is not a House investigation. The House investigates in their own way, and the Senate Committee has the right to investigate in its own way. We have nothing to do with the House investigation.

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Senator Baker: My suggestion is that if the points have not been brought out by Mr. Brinton, I certainly want him recalled and give him the chance to explain, but after my experience with Mr. Brinton the other day I would not vote that he be allowed unlimited opportunity to testify unless you should cross-question him.

Mr. Murphy: There has been no objection to Mr. Cathro having unlimited time to testify, has there?

Senator Liederbach: Mr. Cathro has not attempted to write his speeches as Mr. Brinton did.

Senator Murphy: Yesterday he read into the record a conversation or purported conversation with Mr. Hagan had in the Scandinavian-American Bank and I doubt very much even though he was intending to repeat a conversation if he could repeat it today.

Senator Liederbach: Yes, but it was very short, was it not?

Senator Murphy: It was short, that is true.

Senator Baker: I would be in favor of his coming back to cross-question him in any manner you gentlemen please.

Senator Ployhar: I want to ask Mr. Sinkler a question. Mr. Brinton has made the charge here that certain parties are

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guilty of embezzlement, now is it not customary in court when a man makes a charge to make him prove that charge.

Mr. Sinkler: I assume that Mr. Brinton will be called upon. I do not know, but I have been informed that the Attorney General's office has already prepared a complaint, charging Mr. Brinton with perjury on that particular charge. I do not know that it is a fact; that is my information, and I assume that if Mr. Brinton has any proof that he will be able to furnish that in a court where he himself as the defendant, and where the rules of evidence will probably be particularly enforced, but insofar as here is concerned, he has made his charge and been allowed to talk and say anything he desired on that particular point.

Senator Ployhar: I disagree with you.

Senator Murphy: He was your witness brought here and not ours. He was called by the majority and not by the minority, and, therefore, he must have been your witness.

Mr. Sinkler: I do not know whether it is proper for me to make the statement or not, but he was called by the House Committee, and allowed to go on and make wild and unreliable charges and there was no opportunity to refute them

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then, nobody was permitted to say anything there and nobody was permitted to ask any questions and Cathro was not permitted to go on the witness stand and explain, and Mr. Lemke asked to go on the witness stand for the purpose of refuting these charges and his request was put aside.

Senator Murphy: I tell you, we have nothing to do with the House investigation. This is the Senate investigation.

Senator Church: We are doing a lot of talk here for nothing.

Senator Murphy: No, not for nothing.

Senator Church: Let us take a vote on Mr. Murphy's motion.

Mr. Chairman: Are you ready for the question, as many in favor of Mr. Murphy's motion say aye, contrary no. Upon roll call, Senators Murphy and Ployhar voted aye, and Senators Murphy and Senators Liederbach, Church and Baker voted no.

Motion declared lost.

Senator Baker: If you make a motion to have Mr. Brinton recalled for the purpose of cross questioning, I will second your motion.

Senator Murphy: I will see about that later.

Mr. Sinkler: Exhibits 32 to 41 marked. I offer in evidence Exhibits 32 to 41, inclusive, being the complete record of the transaction with respect to the Dunn County Seed and
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Feed Grain Bonds.

Q. Now, will you produce the records with respect to the Stark County Seed and Feed Grain Bonds?

Senator Church: I would like to ask, Mr. Sinkler, what you are bringing that record in to refute?

Mr. Sinkler: It was stated by Mr. Murphy of the House Committee, I think, that the records of the Bank did not show where the money went to that was received in this transaction, I want this whole transaction to appear before this committee—everything.

Senator Liederbach: I want to say for the benefit of the Committee that I would like to have this in the record. It took place in the county I live in and there was a big campaign on that. It will probably prove here to be false reports.

Senator Church: If anything is to be gained, all right.

Senator Liederbach: I would like to have it in in regard to the transaction of that particular bond sale.

Mr. Sinkler I want to state to the committee, I am simply covering these points of criticism and expect to cover every point of criticism that has been made by the House Committee.

Senator Ployhar: In other words, you are fighting the House Committee in the Senate?

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Mr. Sinkler: I am just trying to give to the public just what the truth is; the whole truth. I want the State of North Dakota to know and to be able to look into this matter and see with their eyes just exactly the situation that exists in the bank, and nothing else. There is nothing that we are going to hide. We want everything investigated, and every-

thing thrown on the table so that the public may know, and I think in this connection that the gentlemen who are reporting for the newspapers should state what is done here just the same as they have stated what was done by the other committee.

Senator Ployhar: Did I understand you, Mr. Sinkler, to say that you are not allowed to talk at the other hearing?

Mr. Sinkler: Not a word.

Senator Ployhar: Then I assure you it must be a pleasure to work with the Senate Committee.

Mr. Sinkler: It is pretty hard to work down there.

Mr. Sinkler: We offer in evidence Exhibit 46 and I will say to the committee it is in the same form as it was when Mr. Cathro received it is not, Mr. Cathro?

A. Practically the same.

Q. And this relates to Stark County and not Dunn?
A. Yes.

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Q. In respect to the moneys there, was everything turned over to Stark County? A. It was.

Q. Did you or any other man or men in this bank get one single cent out of this transaction? A. Not personally.

Q. Did the bank get anything? A. There was a small margin of profit.

Q. To the bank? A. Yes.

Q. It didn't amount to much, just a few dollars? A. A few dollars.

Q. Mr. Sinkler: Papers marked Exhibits 43 to 58. We offer in evidence papers marked Exhibits 43 to 58, inclusive, being records of the entire transaction, with respect to the transaction of the Stark County Seed and Feed bonds, and we offer them for the consideration of the committee.

Mr. Sinkler: We offer in evidence, Exhibit 59, and ask you, Mr. Cathro, if that is the contract had with this firm Sidney Spitzer & Company? A. It is.

Q. To sell the bonds? A. It is.

Mr. Sinkler: We offer in evidence that contract.

Mr. Sinkler. Now, that is about as far as I can go now with Mr. Cathro.

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Senator Murphy: I move that we adjourn until 3 o'clock tomorrow afternoon, February 16th, in the Senate Chamber.

Senator Church: I second the motion.

Mr. Chairman: Motion made by Senator Murphy, and seconded by Senator Church, that we adjourn until tomorrow afternoon, as many in favor say aye, contrary no. Unanimous vote. Motion carried.

Adjournment taken until 3 o'clock P. M., February 16th, 1921.

End of February 15, 1921.

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FEBRUARY 16TH, 1921.

Meeting called to order at 4:00 P. M. by Chairman pursuant to adjournment previously taken.

The Chairman: The secretary will call the roll. All members answer present.

The reading of the minutes of the previous meeting.

Senator Baker: I move that the minutes be approved as read.

Seconded by Senator Murphy.

Mr. Chairman: As many as favor the motion say aye. All members voting aye the motion is unanimously carried.

Mr. F. W. Cathro being called as a witness, testifies as follows:

EXAMINATION BY MR. SINKLER:

Q. Mr. Cathro in yesterday's session or during yesterday's session we were considering for a few moments the question of Mr. Hastings receiving money from the Bank of North Dakota in order to go to New York City for the purpose of negotiating the sale of the bonds of the State of North Dakota, and you showed that there was an item of \$1,500.00 cash paid to Mr. Hastings and you produced at the time the slip in the handwriting of Mr. Waters, showing the transaction. Now was there any other money paid to Mr. Hastings on that particular deal. A. There was.

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Q. In what manner was that money paid. A. A sight draft drawn by Mr. Hastings.

Q. And on whom was that draft drawn. Have you the draft with you? A. I have.

Q. Will you produce it. I will show you exhibit "60" and will ask you if that is the draft that was drawn. A. It is.

Q. Will you kindly read that draft into the record. A. Chicago, Ill., Feb. 13, 1920, No. blank. On demand pay to the order of Bank of Oberon, \$500.00, Five Hundred Dollars, value received and charge to account of, signed: J. J. Hastings, To G. M. Townsend, co. Bank of N. Dak., Manager, Bismarck, N. D.

Endorsement: Pay to any bank or banker, or order, Bank of Oberon, Oberon, N. D., S. O. Biddle, Cashier.

Q. And this was additional money received by Mr. Hastings on account of the attempted sale of these bonds. A. It was.

Mr. O. E. Loftus being called as a witness and being first duly sworn, testifies as follows:

EXAMINATION BY MR. SINKLER:

Q. What is your name. A. O. E. Loftus.

Q. Where do you live? A. In Bismarck.

Q. Do you occupy any official position here. A. I do.

Q. And what official position do you occupy? A. State examiner.

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Q. How long have you been state examiner of the State of North Dakota? A. Since June 16th, 1919.

Q. Who was state examiner prior to the time that you were appointed State Examiner? A. J. R. Waters.

Q. As such State Examiner, have you the custody of the files and records of the examiner's office of the State of North Dakota. A. I have.

Q. In connection with matters which we desire to present to the committee at this time, I desire to offer in evidence a transcript of the testimony that was taken before the House Committee on February 14th, 1921.

Q. I show you Mr. Lofthus, exhibit 63—I will ask you what exhibit 63 is. A. It is an abstract of reports of state banks.

Q. Of the State of North Dakota? A. Of the State of North Dakota.

Q. And that is one of the records and files of the office of the State Bank Examiner of the State of North Dakota? A. It is.

Q. I show you exhibit No. 62 and will ask you what exhibit 62 is? A. Exhibit 62 is an abstract of reports from the State Banks, North Dakota.

Q. And is that one of the records and files of the office? A. It is.

Q. I show you exhibits 64, 65, 66, 67, 68, 69, and ask you if

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these are records and files of the State Bank Examiner's office of the State of North Dakota. A. They are.

Q. Now, Mr. Lofthus, on your examination before the House Committee on the 14th day of February the question as to reserve in the Scandinavian American Bank and also in the Bank of North Dakota was a matter under consideration, was it not. A. It was.

Q. I want to call your attention in connection with that reserve in the Banks of North Dakota to Chapter 58 Session Laws of 1915, being an act regulating the legal reserve and will ask you if that statute was called to your attention at the time you were a witness before the House Committee. A. It was.

Q. And did that law as you understand it go into effect in February, 1915, or was it approved at that time—there was an emergency. A. There was an emergency, yes.

Q. Was your attention also called to the law that went into effect at the Special Session of the Legislature held in December, 1919. A. It was not.

Q. Respecting the reserve. A. Yes, sir.

Q. That latter law was also called to your attention at that time? A. Yes, sir.

Q. And can you—Now under the law of 1915 and which

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was effective from February 13th., 1915, down to the time of the act of December 11th., 1919, do you know how the reserve in the banks of North Dakota were figured, provided the law was followed as it is laid down. A. I do.

Q. Will you read the first? A. Each association shall at all times have on hand in available funds, an amount which after deducting therefrom the amount due to other banks, shall equal twenty per cent. of its demand deposits, and ten per cent of its time deposits; three-fifths of this amount may consist of balances due to the association from good solvent state or national banks or trust companies which carry sufficient reserve to entitle them to act as such depository banks, and are located in such commercial centers as will facilitate the purposes of banking exchanges.

Q. Now at that hearing that I refer to, were you requested to ascertain what the reserve was in the Scandinavian-American Bank. A. I was.

Q. Were you requested at that time to figure the reserve in the Scandinavian-American bank under the law which was just read. A. Yes, sir.

Q. I will ask you Mr. Lofthus if this law has at any time been violated in the State of North Dakota. A. It never has been followed out.

Q. Is it possible for banks to operate under that law?
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A. It is not.

Q. Now was it the custom and has it been the custom at all times to figure the reserves in conformity with the law that was passed by the Special Session of the Legislature in 1919, excepting using twenty per cent on demand deposits except ten per cent and ten per cent on time deposits, except seven per cent.? A. That was the custom.

Senator Ployhar: Mr. Sinkler I would like to ask the witness a question. O. If it is impossible to operate state banks under the law prior to 1919, how in the name of heavens did they operate. Was this law passed to take care of certain conditions existing in the state at that time?

Mr. Sinkler: I am going to show before I get through that not a single bank in the state of North Dakota followed that law. I am going to establish that there wasn't any of the banks—well there might have been one or two in the whole state—well that will all be established before I am through.

Q. Now Mr. Lofthus, you were also, at that hearing, for the purpose of showing that the bank of North Dakota did not maintain the reserve under the law, cross examined quite extensively, were you not. A. Yes, sir.

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Q. Do you understand that the Bank of North Dakota is governed by either chapter 58, or was governed by chapter 58 of the laws of 1919, prior to the Special Session of 1919? A. I did not.

Q. And did you understand that the Bank of North Dakota is not governed or controlled by the section of the Statute passed at the 1919 Session, Special Session of the legislature, which you hold in your hand? A. It is not covered by that.

Q. Will you read from the law as it was enacted at the Special Session of the Legislature in 1919. A. Section 5170 as amended. Amendment. Reserve Fund. Each Corporation or association shall at all times have on hand in available funds an amount which shall equal 10 per cent of its demand deposits and amounts due to other banks and 7 per cent of its time deposits; three fifths of this amount may consist of balances due to the corporation or the association from the Bank of North Dakota, or good solvent state or national banks or trust companies, which carry sufficient reserve to entitle them to act as such depository banks and are located in such commercial centers as will facilitate the purposes of banking exchanges and which depository bank shall have first been approved by the State Banking Board, and the remaining two-fifths of such reserve shall consist of actual cash on hand.

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Q. Now, Mr. Lofthus, is it not a fact that under the law of

1915, the words "which after deducting therefrom the amount due to other banks" these words are in that law, are they not?

A. They are in this law here. Yes.

Q. Is that in the law. A. No sir.

Q. Now, Mr. Lofthus, if the law was followed as laid down here and from which you were required by the House Committee to figure the reserve in the Scandinavian-American Bank, in the State of North Dakota, would it not be necessary for such bank to have on hand, at least an amount equal to the amount, which the bank under consideration owed to other banks. A. Yes, sir.

Q. In other words, if for instance, the Scandinavian-American Bank owed to the Bank of North Dakota \$200,000.00, it would be necessary for that bank to have available \$200,000.00 under this law; is that not the way you stated it? A. I believe it is the opposite, that is the Bank of North Dakota had a credit, isn't it?

Q. If the Bank of North Dakota— A. Had a credit, yes, just the opposite.

Q. It is the opposite of the way I stated it. A. Yes, it would be then necessary that the bank have on hand in cash and available in banks \$200,000.00.

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Q. Was it not a fact that Mr. Murphy had you figure up what the actual reserve of the Bank of North Dakota was on the 3rd., of December, 1920, do you recall that. A. Yes, sir.

Q. And in figuring in the manner that you figured in the manner that he requested you to figure, there appeared to be a \$46,000.00 reserve, or something like that, or have you the figures in mind? A. That was the actual cash reserve, I think.

Q. Now as a matter of fact were you permitted to take into consideration in figuring the amount of reserve the Bank of North Dakota had—were you permitted to take into consideration the amount on deposit in the various banks in North Dakota. A. No, sir.

Q. You were not. Now as a matter of fact isn't that a part of the reserve of the Bank of North Dakota. A. It is.

Q. Any money that is on deposit in the various banks in the State of North Dakota or any institution outside of the State of North Dakota, is available, is it not Mr. Lofthus. A. Yes, sir.

Q. Under the existing financial condition in North Dakota, however, are these funds available. A. No.

Q. How much money is there on deposit in the various banks throughout the State of North Dakota that has been

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deposited in these banks by the Bank of North Dakota, approximately? A. I don't know.

Q. Can you find the amount from the report of the Bishop-Brissman Company—the balance sheet. Could you find it, what it amounts to? A—

Q. I think there is approximately eight and one half millions of dollars in the institutions in the State of North Dakota and some outside of the state, which has been deposited in these institutions by the Bank of North Dakota, which would

be available to the bank of North Dakota at this time, provided these banks kept up their legal reserve. A. I believe it is.

Q. Now what is the reason Mr. Lofthus that the Bank of North Dakota cannot get this money. A. The conditions—on account of the lack of funds—lack of deposits.

Q. In the various state banks? A. Yes, the lack of reserve, rather.

Q. Now let us see—we want to find out what is your opinion as to the cause of the lack of reserve or lack of funds? A. There are several causes.

Q. Now, you are pretty conversant with the conditions in North Dakota; now you tell the committee in your opinion what are some of the causes. A. Why, wheat strike; depres-

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sion of the price of stock and produce of all kinds to an extent where the producers refuse to sell at present prices. The lack of crops in some places and light crops in other places, are some of the causes. Then the necessity of changing back to the old way of carrying these accounts is also a cause, being that funds from one district is deposited in another district, where at one time most needed, and that particular district at the present time being unable to meet the payments, owing to the initiated law which took effect December, 1920.

Q. Now I have heard quite a little about the initiated law, I want to get some idea about that—what effect did that have?

A. The effect was this: about a year and a half ago in the eastern part of the state there was plenty of money and they were unwilling to pay the interest rate of 4 per cent. which was imposed upon them. Many bankers said, money is not worth that to us, therefore we don't care for money from the Bank of North Dakota, and this money was then placed where they could use it in the western part of the state. Since then conditions have changed so that the eastern part of the state, who had plenty of money eighteen months ago, are now willing to pay four per cent on deposits, as they can loan it out to

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advantage, while they could not prior to this time.

Q. Mr. Lofthus there is one other matter that I want to call your attention to: This morning this question was asked of Mr. Brinton in the House Committee investigation in the Court House here: Q. What was done in connection with your giving this check—and the answer was: I cannot give you the exact words, but I had talked with Mr. Lemke regarding this transaction, that is, regarding the obligation, and Mr. Lemke impressed upon me that it was very important that it be paid, and as we discussed it in the bank, the suggestion was made to me by Mr. Lemke, in the presence of Mr. Lofthus and Mr. Thatcher, that I could give a check and they would hold the check until, as a representative of the company I could raise the funds to make the check good. Did you hear that statement; were you there? A. No, sir.

Q. Now I will ask you, Mr. Lofthus. A. I heard the statement made this morning.

Q. That is what I was asking you, if you heard the statement made this morning on the witness stand. A. I did.

Q. I will ask you now Mr. Lofthus, if any such statement as that was made by either you or Mr. Lemke or Mr. Thatcher or Mr. Brinton? A. It was not.

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Senator Ployhar: Q. You mean now, Mr. Lofthus, that you d. dn't make the statement. You are not testifying now tha tthe other gentlemen did not make the statement. A. I heard no such statement made.

Examination continued by Mr. Sinkler:

Q. You d. dn't make the statement? A. No sir.

Q. You didn't hear Mr. Lemke make the statement. A. I did not.

Q. Or you didn't hear Mr. Thatcher make that statement. A. No sir.

Mr. Sinkler: I am going to ask that a certified copy be submitted for the draft that was drawn by Mr. Hastings, for \$500.00 and which was introduced in evidence, on account of the fact that we want to produce the document before the House Committee tomorrow morning, and we will have to produce the original.

Mr. William Lemke being called as a witness and being first duly sworn, testifies as follows:

Examination by Mr. Sinkler.

Q. What is your name? A. William Lemke.

Q. Where do you live? A. Fargo.

Q. How long have you resided at Fargo? A. Since 1905.

Q. There is only one matter that I want to take up with you

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at this time Mr. Lemke, but I expect to put you back on the stand for some considerable time, but there is only one matter that I want to have your testimony on now. This morning in the House Committee, when the House Committee had under investigation or consideration a check that was given by Mr. Brinton, in settlement of what is known as the Sisal Trust note, held by the Scandinavian-American Bank, the followin g question was asked of Mr. Brinton. Q. What was done in connect' on with your giving this check; and he answered: I cannot give you the exact words, but I had talked with Mr. Lemke regarding this transaction, that is regarding the obligation, and Mr. Lemke impressed upon me that it was very important that it be paid, and as we d' scussed it in the bank, the suggestion was made to me by Mr. Lemke in the presence of Mr. Lofthus and Mr. Thatcher, that I could give a check and they would hold the check until, as a representative of the company I could raise the funds to make the check good. That is the testimony that was given by Mr. Brinton this morning before the house committee. Did you make any such statement as that to Mr. Brinton? A. Absolutely false.

Q. Did anybody make that kind of a statement to Mr. Brinton in your presence? A. Did not.

Q. Did Mr. Thatcher make any such statement as that in

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your presence? A. Did not.

That is all, Mr. Lemke. I am going to call you later on, and I am going to go into your entire history.

Mr. M. W. Thatcher being called as a witness and being first duly sworn, testifies as follows:

Examination by Mr. Sinkler:

Q. Mr. Thatcher where do you live? A. Minneapolis.

Q. What is your business. A. Public accountant.

Q. How much experience have you had as a public accountant? A. About eighteen years.

Q. And as such public accountant has it been your business to audit banks and other institutions? A. It has.

Q. Mr. Thatcher have you had occasion to look at the report of the Bishop-Brissman & Co. A. Very little.

Q. I want to call your attention to page 23 of exhibit five, and will ask you to tell the committee if you can, after making the computations, what the legal reserve of the Bank of North Dakota was on the 3rd day of December, 1920. A. Is the Bank of North Dakota subject to the same reserve law as state banks?

Q. I don't think it is. I want to know anyway, because the House Committee—A. Well is there a separate law specifying what reserve the Bank of North Dakota should have?

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Q. No, there is not, but I want to figure it under the law up to the 1st of July 1920, that is the law there (Witness is handed Code). A. Well, you want me to figure the reserve in the Bank of North Dakota December 3rd, 1920, based on that law.

Q. Based on that law and then I am going to ask you to figure it based on the custom that was in vogue at that time, and then I am going to ask you to figure it under the law that was in effect or that was passed at the 1919 session of the legislature. A. At the time this report was handed in as I understand it the old law was in effect.

Q. Will it take you very long. A. Quite a while.

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Senator Ployhar: I move that we take a recess while the witness is figuring, subject to the recall of the Chair.

Senator Murphy: I second that motion.

Mr. Chairman: The motion has been made by Senator Ployhar and seconded by Senator Murphy that we take a recess while the witness is figuring. All in favor may signify by saying aye; contrary, No, Upon roll call all voted aye. Motion carried. 5:30 p. m.

Examination continued by Mr. Sinkler.

Q. Mr. Thatcher, have you figured the reserves in the Bank of North Dakota under the law as it existed or as the law reads in the 1915 statute? A. I have on the balance sheet of the Bank of North Dakota, as of December 3rd, 1920 as prepared by the Bishop, Brissman Company.

Q. And have the Bishop Brissman Company report been taken as your foundation? A. Will you kindly state what that reserve was? A. The reserve was that re-deposits of banks and amounts due from correspondent banks and cash on hand aggregated 7,608,063.37. That was reserve of the Bank of North Dakota on December 3rd, 1920.

Q. According to the 1915 law? A. Yes, literally..

Q. Deducting the amount of money owing to other banks.

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A. Yes, the statement I made showed the total reserve; that is the bank's cash. Now you asked me to cover this from three angles.

Q. Yes. A. Shall I proceed?

Q. Yes. A. According to the 1915 law in computing the reserve I found that the amount on hand was approved

banks less the amounts due to banks, is \$6,212,043.38; cash on hand, and due from banks makes a total reserve of \$6,258,811.01. The amount of reserve required or 20 per cent of the demand liability is \$2,555,812.70, or an excess reserve over and above the amount required by law, \$3,702,998.31. Of the amount required, of reserve required forty per cent is required in cash, therefore the amount of cash on hand should have been \$1,022,325.08; whereas the actual amount on hand was \$46,767.63; the cash reserve was short \$975,557.45. This is because I have not figured or taken into account cash items aggregating nearly \$870,706.64. I have computed this on the basis of the cash in vault, if I had, also taken in account items out for collection the cash reserve would have been nearly one million dollars in excess.

Q. Under what law were you figuring there? A. 1915, as required by the law.

Q. That was under the 1915 law? A. Yes.

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Q. The amount required according to the 1915 law of the reserve is sixty per cent with approved banks. Therefore, the Bank of North Dakota should have had on hand with banks a million five hundred and thirty-three thousand four hundred and eighty seven dollars and sixty one cents. (1,533,487.61) Whereas it had with banks \$7,561,295.74 in excess reserve of this million twenty-seven thousand eight hundred and eight dollars and thirteen cents. (\$1,027,808.13). Now on a basis of the custom of figuring reserves under the 1915 law the bank should have had cash and with banks \$2,825,663.17 whereas it had \$7,608,063.37, or an amount in excess of the required reserve \$4,782,400.20.

Under the 1919 law the state banks are required to carry ten per cent of the demand liability and that amount is \$1,412,831.58; that is the reserve required, is \$1,412,831.58, where as reserve is \$7,708,063.37, but the reserve carried by the Bank of North Dakota is in excess of the amount required by law \$6,195,231.71.

Q. Now Mr. Thatcher, I am going to show you a statement of three banks that you prepared at one time when the application was made to the Supreme Court of North Dakota in an action that was instituted in regard to the Scandinavian American Bank of Fargo and I am going to ask you if the

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figures upon that Exhibit, being Exhibit 3, are correct. A. These are the figures I certify to.

Q. Now in regard to the reserve that was in the Northern Savings Bank. I want to take up that matter up with you here. First, Where is the Northern Savings Bank? A. I do not know whether it is Grand Forks or in Fargo.

Q. It is either at Fargo or Grand Forks? A. Yes.

Q. Did you make an investigation at the time this exhibit was made as to the actual reserve that the Northern Savings Bank had? A. At the time I made this statement I secured these figures from the sworn statement of the bank that was on hand in the State Examiner's office, and as I recall the statement was of date September 12, 1919.

Q. A short time before the figures were made. A. Yes about three weeks.

Q. Will you state from refreshing your memory from "Exhibit 3" what the cash reserve was in the Northern Savings Bank at the time that the sworn statement was filed in the Bank Examiner's office here in Bismarck? What is the date of that sworn statement A. The reserve they had in cash and with approved agent, together, was \$480,687.21. That

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is what they had on hand.

Q. That is what they had on hand A. Yes.

Q. Now what should they have had on hand? A. According to law or custom

Q. Law. A. According to law they should have had on hand a million eighty-six thousand eight hundred eleven dollars forty-seven cents, \$1,086,811.47.

Q. Then the Northern Savings Bank down there was a little shy. A. \$600,000.

Q. A mere bagatelle. Now I want you to take the Northern State Bank. What was their actual reserve on the 12th of September, 1919 A. \$204,835.62.

Q. What should they have had on hand in order to comply with the law as laid down in Chapter 58 of the Session Laws of 1915? A. \$549,635.56.

Q. Were they shy A. The reserve was short \$345,000.

Q. Now I want you to take these papers here and some of them were picked out as some of the banks? A. Just a minute. I have a few more here.

Q. Alright I withdraw my question. Just read the rest of that into the record. A. Further, in connection with the reserve of these two banks and conforming with the

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law that requires forty per cent of the cash reserve in the bank, the Northern Savings Bank only had 12 per cent of its required cash reserve, and the Northern State only had thirty-four per cent of its cash reserve.

Q. Now Mr. Thatcher in connection with this particular matter I note that the Bank Examiner took out certain statements from certain banks as I understand it these statements are summarized in this "Exhibit 62 and 63" are they not? A. They are supposed to be but I do not know whether they are or not.

Q. I want you to take a statement of one of these banks, the one that you have right there and figure out whether that bank is up to its reserve or not? A. Under what law?

Q. Figure it under the 1915 law. A. What bank is that?

Q. The First State Bank of Rogers Rogers, North Dakota.

Mr. Sinkler: If it will take very much time I will ask you to take these books here (carrying books over to table) cannot you give us an approximation? A. I do not care to go into any approximation at all Mr. Sinkler. I have been through these proceedings before with counsel and I want

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to feel reasonably sure that everything I say is something I can go back to and tell where I got it. I no doubt will have to review this again before I am through.

Q. Can you tell whether the reserve was shy in that bank at the time the report was made? A. The cash was very much shy.

Q. What bank was that? A. The Bank of Rogers, Rogers, North Dakota.

Senator Ployhar: Is that the bank Mr. Grangaard is Cashier of? What is the date of that? A. December the 29th, 1920.

Q. I tell you what I want you to do Mr. Thatcher. I want to pick out a bank, Valley City, Bismarck, Fargo, Grand Forks, Hillsboro, Devils Lake, Leeds, Rugby Minot, Williston Carrington, Fessenden, and Dickinson, pick out a bank in each of the larger towns all over the State and make your figures so that you can give them to this committee with regard to their cash reserve. A. Do you want that done on the banks that you referred to?

Q. Pick out any bank you want to. Pick out any bank. A. And compute it under the present law.

Q. Yes. Ten and seven, the present law, under the present law.

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Q. I will show you this Exhibit and ask you to examine this Exhibit and let me know how much reserve all the banks of North Dakota are shy. What is the total? A. The State Examiner states here that in the aggregate that these banks have a surplus reserve in the aggregate but I have seen this statement before and have figured it up and my figures show that the actual reserve in the State at the time of this statement was short \$1,866,000.00.

Q. When did you figure up the cash reserve of the banks of this State to determine how much it was short? A. About an hour and a half ago.

Q. And you found it was almost \$2,000,000.00 short? A. The cash reserve was \$1,866,000.00 short.

Q. It would facilitate matters very much if you will make these figures so that we can have them. I would like to have you take out about fifty banks, pick them out from all over the State and show what their cash reserve is to see whether they have complied with the 1915 law and also, to have you testify as to whether they are now complying with the law under the 1919 law. Do you understand me? A. Mr. Sinkler do you want me to check up these banks as they are reported under the 1919 and 1920 to show the fact under both laws?

Q. Yes. A. As to their condition at that time?

Q. Yes and I want you to be able to testify whether or not these banks did comply with the 1915 law and whether they are now complying with the law as it now exists. A. If you will cut that order down from fifty I can have it ready tomorrow afternoon.

Q. Alright as many as you want to. You looked over that list quite hastily today and you ascertained. A. I went over the list today to see whether any banks had an adequate cash reserve under the law and I found two or three had.

Q. And how many banks are there in this State. A. Seven hundred according to this list.

Q. And you found two or three had their actual reserve up under that law? A. Yes.

Q. There is another matter I want to take up with you at

this time and that is with respect to the testimony given by Mr. Brinton before the House Committee this morning, I do not know whether you were present or not? A. I have never been there.

Q. This question was asked in regard to the check that was given in regard to the settlement of the Sisal Trust note at the time the Scandinavian American Bank of Fargo was closed. "What was done in connection with your giving this check? A. I cannot give you the exact words, but I had talked with Mr. Lemke regarding the transaction, that is, the obligation, and Mr. Lemke impressed upon me that it was very important that it be paid, and as we discussed it in the bank, the suggestion was made to me by Mr. Lemke, in the presence of Mr. Lofthus and Mr. Thatcher, that I could give a check and they would hold the check until I, as a representative of the company, I could raise the funds to make the check good." Did any such conversation occur in your presence between Mr. Lemke and Mr. Brinton? A. Positively not.

Q. Was there anything said in that conversation that you know of in regard to holding any check? A. Positively that statement is false.

Q. Now, Mr. Thatcher, you were present were you not and assisted in making the showing to the Supreme Court in that particular transaction? A. I was.

Q. And in the initial papers of that case did you remember if the Sisal Trust note was mentioned? A. I have looked it up and it was mentioned. It was mentioned in the initial papers.

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Q. It was mentioned in the initial papers? A. Yes, in my report.

Q. I will call your attention to "Exhibit 3" "Schedule A of Exhibit 3" and will ask you if it was through your advice that that was entered in there. Read it.

"United States Sisal Trust—Twelve thousand dollars. This loan should be removed." I made that statement.

Q. Was that your opinion, that that loan should be removed? A. Positively.

Q. Subsequently was there another supplemental showing made? A. I heard there was.

Q. But you are not charged with that? A. I don't know. I have been charged with it.

Q. I will ask you to examine this paper, "Exhibit 71". Is this your signature. Well, of course, this is not your signature—this only is a copy. A. I will say, to expedite matters, that I recall having.

Mr. Sinkler: I will say for the information of the Gentlemen that I have been trying for several days to get the original, and it has been promised to us from day to day, so to-day I am using a certified copy. When you made that supplemental report to the Supreme Court was it represented that the Sisal note had been paid? A. It was.

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Q. Do you know that that was paid. A. I have a recollection. I recall this: I recall that I called Mr. Lemke's attention to some of the paper in the bank and among it was

this Sisal Trust and I asked him how paper from a Florida concern got into the Scandinavian American Bank at Fargo, and he said he was darned if he knew, and that he would get it paid, and I said "we will not stand for that around here," and I told him to get after it; that it should be taken out, and I said I would report the loan should be removed, and he said he would get after it. I recall there was some discussion about a check that Mr. Brinton had given in settlement of his note, the Sisal Trust note, I don't know who talked to me about it whether Mr. Lemke or Mr. Lofthus. I never saw the check myself, but at the time the final affidavit was made I signed this statement on the information furnished me that the note had been paid. I want to make a further statement in connection with that item, and it is this: Practically all the time I devoted to the work of the examination of the Scandinavia American Bank, in 1919, was going over the loans or discounts. The object of that was to go through the loans and discounts to determine as far as possible the value of the paper in the Scandinavian American

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Bank; The matter of the cash at the time we went in there, we immediately counted it to verify that part of my investigation. That cash was accounted for by our Mr. Darling, the Secretary of our Company, and I think Mr. Lofthus was present at the time the cash was counted.

Q. From that time on Mr. Lofthus, had someone assisting him in the bank. We were through with the cash as far as we were concerned when we once counted it and verified it with their general books. We were acting as assistants to Mr. Lofthus in this examination, and while we did practically all the work there, yet, we had nothing to do with the handling of the funds, or getting out and pounding people on the back to clean up these notes—to collect notes. That is all I know about this transaction, other than that I never at any time or any place discussed with Mr. Brinton any money he owed to the Scandinavian American Bank.

Q. Did you ever hear him discuss it? A. Never heard him discuss it.

Q. Were you present when he discussed it? A. No. The only time I ever saw Mr. Brinton and it has only come to me within the last two or three days, after reading all these lies I have been trying to think the whole matter over and connect up anything I could.

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Q. Did you see Mr. Brinton? A. I did see him one day at the Gardiner Hotel. We were asking him some questions about some matters that we were not clear on in connection with the Publicity National Service Bureau, and I remember his pulling out of his pocket a pass book—

Q. What do you mean by a pass book? A. In which is entered deposits and sometimes withdrawals.

Q. Mostly withdrawals—go on. A. And he said "Well the Sisal Trust is going good. Just look what I have got on deposits" and he opened this pass book up and I did not see the name of the Bank or the Sisal Trust name on it, but I took a quick glance at the amounts that were entered as alleged deposits and there were a great many thousand dollars. That was the only time I ever discussed anything with him.

Q. In what regard? A. That was the only time I ever discussed anything with him regarding his personal matters since along in the spring or summer time of 1917.

Q. Now, Mr. Thatcher, there is another bank I want you to figure up, and that is the Scandinavian-American Bank on reserve. It appeared from the House hearing that the Scandinavian-American Bank, at the time of this examination, in

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1919, was something like \$346,000.00 worse off than nothing so far as the reserves were concerned.

Q. You mean in the same manner as the Northern Savings—that it was more than three hundred thousand dollars worse off than nothing? A. Yes.

Q. And then I want you to figure the Scandinavian-American as it existed, according to the law at the present time. It will delay the committee too much to have you figure it here, and if you will take these books with you and have it here tomorrow afternoon—or as many as you can.

Q. Just take that first bank on the list there? It will only take you a minute, what is that bank shy on reserves? Well, probably you had better figure that tomorrow. A. Sure.

Senator Church: I move that adjournment be taken until 3:30 o'clock P. M., February 17, 1921, to meet in the Senate Chamber.

Senator Ployhar: I second the motion.

Upon roll call, vote was unanimous.

Mr. Chairman: The committee stands adjourned.

End of February 16, 1921.

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FEBRUARY 17TH, 1921

Meeting called to order at 4:00 P. M. by Chairman, pursuant to adjournment previously taken.

Chairman: The Secretary will call the roll. All members answer present.

Reading the minutes and approval thereof of the last meeting.

Senator Murphy: I move that the minutes be approved as read.

Seconded by Senator Liederbach.

Mr. Chairman: As many as favor the motion signify by saying aye. All members voting aye, the motion is unanimously carried.

Mr. Sinkler: Gentlemen, in view of the fact that there seems to be an impression that the bonds of the State of North Dakota are not being sold, on account of their not being legal, I desire to offer in evidence at this time, Exhibit No. 71 being the decision of the Supreme Court of the State of N. Dakota upon this question, and at this time and in connection therewith, I desire to call the committee's attention to the decision of the Supreme Court of the United States, which holds the Supreme court of the State as the final arbiter of this question.

In connection with the matter that we had under consideration last night, I desire to read from the decision of the Supreme Court of the State of North Dakota, into the record. This is about reserve:

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"The respondents finally resort to the contention that the legal reserve of the bank, at the time of the closing of such

bank, was not, and for a long period of time, had not been maintained as required by law. In support of this contention, they quote the statutory provisions, which require a bank in computing its legal reserve to deduct therefrom deposits of banks owing by it"—This is the case of the *State v. Langer*, being the decision of the Supreme Court of the State of North Dakota with respect to the closing of the Scandinavian-American Bank at Fargo. The opinion goes on: "No order is disclosed to this Court, that the banking board have so required the state banks in this state. On the contrary the practice customarily shown and necessarily known to the respondents has been to treat such deposits of banks as demand deposits. The reserve required by the laws of this state for state banks is high. It is known to be higher than that of federal banks, Section 5170, C. L. 1913 does require that the legal reserve of a state bank be computed by deducting therefrom the amount due other banks.

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Judge Engerud in his Legal opinions for Bankers of North Dakota Bankers Association 1909-16 p. 32, states the following:

"The above provisions of law to which you call my attention is certainly a very peculiar one. It is apparently a discrimination against state banks, in favor of national banks. The language of the provision literally construed in the case, that the amount due to other banks from a state bank must be constantly kept on hand, and that such fund must be deducted from the available funds in computing the reserve required by law. I can think of no good reason for such a provision, unless it was intentionally put in as a discrimination against state banks.

"I might suggest, however, that in actual practice in the administration of national banks, it is the practice in computing the reserve required by law to distinguish between "individual deposits," and "bank deposits." In the administration of the national bank act the amount due to other banks, not reserve agents, is taken to be the difference between the total amount due to other banks, and the total amount due from other banks. This difference is added to the total individual deposits and the lawful money reserve computed on that sum.

"I might suggest, however, that in actual practice in the administration of national banks, it is the practice in computing the reserve required by law to distinguish between "individual deposits and the lawful money reserve computed on that sum."

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—That is what Judge Engerud said.

"The respondents, however, assert that such is the law; that the statute (Sec. 5189, C. L. 1913) states a failure to maintain its legal reserve is a ground of insolvency; that therefore the insufficiency of such legal reserve of the bank formed a ground for the action of the respondents, declaring such bank to be insolvent, even though their own receiver, Halldorson, the State Examiner, and the Banking Board, itself, had not theretofore required the banks of this state to so conform to the strict requirements of the statute.

This simply serves to emphasize the nature of the discrim-

ination sought to be applied to this bank in order that it may be deemed insolvent.

Upon this record the respondents are not in a position to justify their action in declaring the bank to be insolvent upon the grounds of its failure to maintain its legal reserve.

Not in this manner, may the banking board play fast and loose with its powers. The statute (Sec. 5170, C. L. 1913) specifically prescribes that the banking board shall give notice to a bank when its legal reserve is not as required by law, to make good such reserve; that if, within a period of thirty days after such notice, it shall fail to so restore its re-

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serve if the banking board may impose a penalty as prescribed in the statute. No notice order or proceeding of this kind by the banking board has been disclosed in this record."

Mr. Ployhar; Mr. Sinkler, was there not a dissenting opinion in that case.

Mr. Sinkler: Yes, I think there was a dissenting opinion, but notwithstanding there was a dissenting opinion, it is the law of this state—and where a majority of the Supreme Court render an opinion that is the law, and it is binding upon us, at least for the time being. There is also an opinion in this section holding the industrial program constitutional, and the dissenting opinion is filed herewith, so the reason of both sides is presented to you gentlemen.

M. W. THATCHER being recalled as a witness, testifies as follows:

EXAMINATION BY MR. SINKLER:

Q. Mr. Thatcher, did you make the computations that I requested you to make yesterday? A. Yes sir.

Mr. Sinkler: I desire to offer in evidence at this time exhibit 72, being a transcript of the testimony taken before the House Committee on February 16th, 1921.

Examination continued by Mr. Sinkler:

Q. Have you those computations with you? A. I have.

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Q. Will you state what was the first bank that you made computations upon. A. You requested me to make computations on banks whose statements had been submitted, and marked exhibits 64, 65, 66, 67, 68 and 69.

Q. Take up the bank mentioned in Exhibit 64; will you state whether the legal reserve was maintained in that bank or not? A. The legal reserve in the aggregate in the bank is short 36 percent.

Q. What was the required legal reserve in that bank? A. The legal reserve was \$3,359.04.

Q. What was the legal reserve actually held. A. \$2,159.26.

Q. Where is that bank located? A. That is the State Bank of Zahl, Zahl, N. D.

Q. Take the next bank. A. The next bank is exhibit 65, the First State Bank of Rogers, Rogers, N. D. The required legal reserve was \$19,581.05; the reserve on hand was \$18,589.85; the reserve was short \$991.20, with respect to this particular bank.

Q. How about the cash reserve? A. The cash reserve was 62 per cent. short.

Q. What was the necessary cash reserve. A. The necessary cash reserve should have been \$7,832.42, and it was \$2,916.82.

Q. Take the next bank. A. This is exhibit 66, it is the statement of the State Bank of Hanks, Hanks, N. D.

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Q. Just go on and state then with respect to the reserve in that bank. A. All right. The required reserve was \$9,-298.52; the reserve this bank had was \$1,852.77. In the aggregate the reserve was short, \$7,445.25 or 80 per cent. Of this reserve the cash that should have been on hand was \$3,719.41.

Q. In what manner are you figuring this reserve here. A. According to law.

Q. What law? A.. 1915 and with respect to this class of banks, it was the same as the custom.

Q. With respect to this class of banks the custom and the law are the same? A. Yes.

Q. Did you figure that bank with respect to the new law, that is; ten and seven. A. I may have in another schedule.

Q. Have you got the figures there. A. No, I haven't figured it here, but if you will let me finish this I will get it. The required cash reserve was \$3,719.41 and the cash on hand was \$214.05, which means that the cash reserve was short ninety-four per cent.

Q. What is that one (indicating)? A. That is exhibit No. 67.

Q. What bank is that. A. It is the Farmers Exchange State Bank of Sanger.

Q. Go on and state the conditions with respect to the

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reserve in that bank. A. The required reserve was \$6,076.43; the reserve maintained by the bank was \$3,209.50, or 47 per cent short of the requirements. The cash was 80 per cent short of the requirements.

Q. Take the next bank that you have there. A. Exhibit 68; First State Bank of Bowbells. The required reserve was \$16,767.39, and they had all but three per cent. of it. The cash reserve required was \$6,706.96, and that was 77 per cent. short.

Q. What is the date of that report. A. May 14th, 1920. Exhibit 69, First State Bank of Bowbells, June 30th, 1920, the required reserve in the aggregate was \$16,872.75; they had on hand \$10,340.97; the reserve was short requirements 39 per cent., and the cash on hand was short of requirements 96 per cent, the cash being on hand \$267.39, whereas it should have been \$6,749.10.

Q. Now did you go through the records and select banks from different towns, that I requested you to select, indiscriminately; I wish you would go on and state in the record the result of your investigation along that line. A. I want to make this statement at this time, that the amount of work that was requested done yesterday, was a considerable undertaking, and we have prepared a copy of the schedules here, that are

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somewhat lengthy, and just completed the work a few minutes ago. While I feel certain that these amounts and percentages are correct, yet the character and nature of the work and the publicity that may follow in connection with these banks, requires that we ask that this not be made a permanent record, until we have had an opportunity to check back on our work and know that it is correct.

Q. Well, are the figures approximately correct? A. They are.

Q. Well then, you can give the figures as being approximately correct. A. If you want just the percentages, I will read the percentages only. There are a lot of amounts here and it will take quite a long time.

Q. Take the first bank on the list there, what is it? A. The first bank is—the statement is compiled from the records in the State Examiner's office, as call of November 15th., 1920, and it is the State Bank of Abercrombie, which had a reserve of \$17,169.29 and that reserve was adequate except for the cash which was short 62 per cent.

Q. How much? A. 62 per cent.

Q. Take the banks as you have them here. A. Citizens State Bank of Arnegard, cash reserve short 71 per cent. Farmers & Merchants Bank of Barton, short cash reserve 34

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per cent; Bowbells State Bank—

Q. Well you have given that one. A. Well this is another report. 84 per cent. cash reserve short; Citizens State Bank of Brinsmade, 88 per cent. short with their cash reserve.

Mr. Ployhar: Why don't you pick out the towns you read off yesterday?

Mr. Sinkler: Have you got those? Get some of the bigger towns if you will. A. All right. Scandinavian-American Bank, Fargo.

Q. Well, we have heard of that once in this case.

Senator Murphy: No, you didn't get the full report on it.

Senator Ployhar: I would like to get the figures.

Witness: Well I thought that everybody would like that one. The cash reserve was short 32 per cent.

Mr. Sinkler:

Q. What date? A. November 15th., 1920.

Q. Figured under what law. A. I think the law of 1919; it is the one that is in effect now.

Q. Ten and seven. A. Ten and seven.

Q. Figured under the last law. Yes.

Mr. Murphy: What would it be under the 1915 law? A. I would have to figure it out.

Q. Figure it out and let us have it tomorrow. A. Yes sir.

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Mr. Sinkler: You figure out the Scandinavian-American Bank under the law of 1915, as it existed and also under the custom that was prevalent, as to cash reserve. A. Well I have some figures on that very situation, and can produce them afterwards.

Q. All right, produce them. A. I think that we will save time by taking this up in the order that it is here.

Senator Church: I suggest that we go ahead with that order.

Mr. Sinkler: Have you got the figures on the Scandinavian-American Bank on the proposition that Mr. Murphy asked you, if you have, produce them. A. Under the 1915 law, I have a comparative statement of the Northern State Bank of Grand Forks, the Northern Savings Bank of Fargo and the Scandinavian-American Bank of Fargo, all of them examined by Mr. P. E. Halldorson former deputy bank examiner, and figuring these three banks on the same basis, the Scandinavian-

American Bank was short in its cash reserve 42 per cent., the Northern Savings Bank of Fargo 65 per cent., and the Northern State Bank of Grand Forks had its required amount, that is, on the cash end of it. On the basis of 60 per cent being in banks figured on the—strictly in accordance, the Northern State Bank at Grand Forks had a minus reserve \$268,087.89;

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the Northern Savings Bank of Fargo, \$741,890.75, and the Scandinavian-American Bank of Fargo, \$430,622.93. However, I want to make this qualification, so that there would be no statement there, showing any intent to misrepresent anything, and that is this: The three banks are figured on the same basis, in accordance with the 1915 law, that was the strict interpretation of the law, but the amount shown as being the minus reserve of the Northern Savings Bank of Fargo would be reduced a little bit owing to the fact that this class of banks are favored in respect to the amount of reserve, that they are required to carry, covering time deposits, covering time deposits and savings deposits, which are eight and five per cent. respectively, instead of seven and ten.

Q. These figures that you have given with respect to these three banks are taken from the report of a gentleman by the name of Halldorson, are they not? A. P. E. Halldorson.

Q. And you have these three reports with you here, being the records of the State Bank Examiners office of North Dakota. A. Yes, and I want to make this further statement, that Mr. Halldorson didn't arrive at the figures in these three reports I have stated here.

Q. Yes, I understand that— A. But I took the amounts

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from a balance sheet of these reports that he made up, that is; I used his figures.

Q. In the figures that he presented to the Supreme Court in the case which we have just referred to, he presented a different set of figures than the figures that you present? A. No sir, he only reported to the Supreme Court the figures pertaining to the Scandinavian-American Bank; he didn't report on the other bank.

Q. And he didn't report on the other banks. A. He did not.

Q. And he figured the reserve according to the strict letter of the law as it is laid down in the 1915, statute, didn't he. A. Now he isn't consistent, I have three reports here—

Q. I want to show you exhibits 72, 73 and 74 and want you to explain to the committee, why, from these reports the statement made by P. E. Halldorson was inconsistent and incorrect. A. He reported on the three banks between the dates of March 1st, 1919 and September 15th, 1919.

Q. When you say reports on three banks, you mean he reported on the Northern Savings Bank, the Northern State Bank and the Scandinavian-American Bank, is that correct? A. That is what I mean.

Q. Now did he make the same kind of a report with respect to the first two banks that I have mentioned as he made

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with respect to the Scandinavian-American. A. No two of them are alike.

Q. He adopted a different system did he not in making his

report on the Scandinavian-American Bank, than he adopted in making his report on the Northern State Bank and the Northern Savings Bank. A. He did with respect to computing reserve.

Q. That is what I mean, with respect to computing reserve, and for the purpose of showing that the Scandinavian-American Bank was smaller; will you go on and tell the committee what he did. A. In computing the reserve on the Northern Savings Bank at Fargo, he fails to set in the percentage covered by the form, but has typewritten in this commentary.

Q. Read it. Reserve in bank \$50,000.00, required \$128,434.00; below requirements, \$78,430.97; Due from reserve agents \$430,684.18; required \$192,651.00, excess \$238,033.18. Total reserve required \$321,082.32: Total reserve carried \$480,687.21: total excess over requirements \$159,604.89. In arriving at above figures, due to banks is classed as demand deposits.

Q. Is that last sentence you read, the key to the situation. A. It is.

Q. Read that sentence again into the record. A. In arriving at above figures, due to banks is classed as demand deposits.

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Q. Now take the next record that Mr. Halldorson made, that is the report on the Northern State Bank and explain to the committee if there is any difference in the two reports.

A. In the report on the Northern State Bank he sets in the percentage of reserve, whereas he didn't do that in the other one, and he again makes this commentary: In arriving at above figures, money due to banks is treated as demand deposits.

Q. Now take this report on the Scandinavian-American Bank, and see what kind of a report he makes there. A. He shows the same amount, the aggregate reserve on the Scandinavian-American Bank as he did in the Northern State Bank, that is 19 per cent., and has this commentary to offer. In arriving at above percentage of reserve, money due to banks is treated as a demand deposit—and he continues here, where he didn't in the others—In figuring reserve in accordance with the banking law in this case, would show the bank without any reserve whatever, or rather, same would be a large minus amount.

Q. In other words as far as the reserve is concerned the Scandinavian-American Bank, as a matter of fact has a better showing than any of the other banks, has it not. A. It has in respect to the cash reserve.

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Q. And Mr. Halldorson makes it appear by figuring it differently than he figured it with respect to the other banks, that it has no reserve whatever. A. No not in this report, it was in a subsequent report to this that he used the law instead of the custom.

Q. Does not he say it there. A. I will read again what he says. A. He figured the reserve 19 per cent. and he states that it was arrived at by figuring due to banks as demand deposits—then he continues—In figuring the reserve in accordance with the banking law in this case, would show the bank without any reserve whatever, or rather the same would be a large minus amount.

Q. What date is that report? A. September 15th., 1919

Q. Did Mr. Halldorson make a subsequent report with respect to the Scandinavian-American Bank? A. Yes.

Q. Do you know where that is. A. I do not.

Q. Was that the report that was submitted to the Supreme Court? A. That is the one I am referring to.

Q. Will you, Mr. Thatcher, read from the Answer that was interposed in the Supreme Court in the action which we have been speaking of, from exhibit 4, about the reserve in the

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Scandinavian-American Bank at Fargo. A. "Its reserve is way below the requirements of law and if figured in strict accordance with the law at the time of this report, would be several hundred thousand dollars less than no reserve.

Q. How does he there figure the reserve of the Scandinavian-American Bank contrary to the manner in which he figures the reserve of the other banks, to wit, the Northern Savings Bank and the Northern State Bank? A. He merely makes this statement; I see no figures here.

Q. Hasn't he submitted any figures to the Supreme Court in that answer? A. Not that I know of.

Q. Simply his broad statement that the reserve is way below the requirements of law and if figured in strict accordance with the law at the time of this report, would be several hundred thousand dollars less than no reserve— A. That was his statement in this report, that I just read a little big ago that started all this discussion in North Dakota about minus reserves.

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Q. Now, Mr. Thatcher, we just got of fthe subject we were considering. I want to get to these banks. I want you to go down the list and give the names of the banks and percentage as rapidly as possible? A. I will give the names of the banks and the amount of cash reserve short, as of November 15th, 1920.

Call of November 15, 1920.

Bank.	Cash Reserve		Bills Payable
	Short	Per Cent.	
Abercrombie State Bk	62		
Arnegard, Citizens St. Bk.....	71		
Barton Farmers Mer. Bank.....	34		
Bowbells, iFrst State Bk.....	84		
Brinsmade, Citizens St. Bk.....	88		
Buxton, Farmers State Bank.....	90		
Clyde, Clyde State Bank	89		
Devils Lake, Devils Lake State Bank.....	13		
Dickinson, Liberty Bank	65		
Drake, Farmers State Bank	34		
Edmonds, First State Bank	65		
Fargo, Scandinavian Amer.	32		
Fargo, Northern Trust Co.	27		
Fessenden, Farmers Bank	26		
Fordville, First State Bank	92		
Forman, Farmers State Bank	22		
Grafton, Scandia-American		
Grand Forks, Northern State Bank	7		

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Grano, Citizens State Bank.....	31		
Hanks, State Bank of	83		
Harlow, Harlow State Bank	68		

Larimore, Elk Valley Bank	40
Leeds, Farmers & Mer. Bank	70
Mandan Farmers Equity State Bank.....	51
Mantador, Guaranty State Bank	85
Mooreton, Farmers State Bank	15
New Rockford, Bank of	20
Nome, Farmers State Bank.....	71
Raub, Pioneer State Bank	29
Rogers, First State Bank	73
Rutland, Farmers State Bank	84
Sanger, Farmers Exchg. St. Bank.....	51
Sanish, Farmers State Bank	88
Sincoe, First State Bank	75
Timmer, Timmer State Bank	59
Towner, Pioneer State Bank	59
Trenton, Trenton State Bank	69
Warwick, Security State Bank	76
Wildrose, First State Bank	36
Valley City, Bank of V. C.	25
Zap, First State Bank	68

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Q. That is the list, as far as you were able to go during the recess that wt have had since yesterday? A. Yes, however ,there is another lst here for 1919. i

Q. What is that? A. It is another list.

Q. For 1919 under the old law, the old law or the custom? A. Under this class of banks, it's law and custom both, and with reference to the 63 which you asked me to compile.

Q. All right, name the bank and give the percentage which they appear to be short. The name of the Bank and the amount of cash reserve that the bank is short.

Call of September 12, 1919.

Bank.	Cash Reserve Short Per Cent.
State Bank of Abercrombie	79
First State Bank of Alexander	94
Citizens State Bank of Bisbee	79
Bottineau County Bank	54
Buchanan State Bank	89
First State Bank, Burlington	65
First State Bank Catwright	72
Commercial State Bank, Carrington	69
First State Bank of Dahlen	96
Devils Lake State Bank	75
Farmers State Bank, Drake	64
First State Bank, Ft. Clark	81

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State Bank, Gackle	83
State Bank, Gardena	53
Grandin State bank, Grandin.....	43
Farmers & Merchants, Hankinson	60
Farmers State Bank, Hazelton	72
Citizen State Bank, Hazen	97
Farmers & Merchants, Lakota.....	72
Citizens State Bank, Lankin	88
Farmers & Merchants, Leeds	71
Farmers State Bank, Litchville	60
First International Bank, Minot	48

Farmers & Merchants, New Rockford 78
 Pioneer State Bank, Towner 80

Q. Is there any more data that you have there? A. Yes. The cash reserve on examiner's call 48 as of Dec. 31, 1920, shows that the state banks as a whole, were short on their cash reserve 59.4% of the required amount of cash that should have been on hand in the state. The amount we had on hand was \$2,487,000.00 and the amount they were short of that required by law was \$4,188,000.00. The deposits during the year 1920 had decreased about \$27,000,000.00, the bills payable increased about \$14,500,000.00, due from reserve banks decreased \$9,360,000.00; the reserve decreased over fifty per cent or about \$11,300.00. That is all I have on that.

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Mr. Sinkler: That will be all for the time being, and I will call you again in regard to these other figures. Thank you.

Mr. Cathro, recalled as a witness, testified as follows:

By Mr. Sinkler:

Senator Ployhar: Move that we take a recess for two minutes, seconded by Senator Baker.

Chairman: All in favor of motion made by Senator Ployhar, seconded by Senator Baker, to take recess for two minutes, all in favor signify by saying aye, contrary no. On vote, all members said aye. Motion carried. Recess taken, after which hearing resumed.

Mr. Sinkler: I will say for the benefit of the committee that the nature of some of these testimony that there have been several pieces of paper brought up in the House Committee that show in the audit report of the Bishop-Brissman Co. and have been criticized on account of the makers thereof being Nonpartisan Leaguers and I intend to take up these various pieces of paper for the purpose of showing that they are what they purport to be.

Q. Mr. Cathro, have you in your possession note and papers in connection with a loan by one Walker? A. Yes, but what Walker?

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Q. I do not know what the initials are, Dad Walker, everybody knows Dad Walker? A. I have one R. H. Walker.

Q. R. H. Walker? Is that note held by the Bank of North Dakota? A. It is.

Q. It is, in what capacity, collateral? Is it red'scount paper? A. It is credited on the bills receivable list.

Q. Have you a copy which you can substitute into the records? A. I have not.

Did you not make a copy? A. I did not.

Q. Well, read it right into the record.

"Dated at Center, N. D., Jan. 14, 1920.

Due Date.

December 1, 1920, aforesaid day, for value received, I, we, or either or us, promise to pay to the order of

BANK OF OLIVER COUNTY

of Center, North Dakota, at its office at Center, North Dakota, the sum of

Trihty Six Hundred Dollars
 with interest payable annually at the rate of six per cent per annum from date until maturity, and ten per cent per annum after maturity and until paid. The makers and endorsers of

this note hereby severally and jointly waive demand, notice of non-payment, protest, and jointly and severally agree to extension of time payment and renewal Default in interest

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to draw interest at the rate of ten per cent per annum.

R. H. Walker.

Endorsed; Pay any bank or banker or order of bank of Oliver County, Center, North Dakota, Ernest Wick, Cashier."

Senator Ployhar: Does that note bear interest at the rate of six per cent.

Mr. Sinkler: Six per cent. per annum from date until due, and ten per cent per annum from maturity until paid.

Senator Ployhar: Was that given on some real estate loan, it is at a very low rate of interest.

Mr. Sinkler: Now, in connection with this particular matter, was there an application made for a real estate loan? A. There was.

Mr. Sinkler: Mark this as an exhibit. We will substitute copies for these papers. We cannot let them go out of the bank. I show you Exhibit 76 and ask you if Exhibit 76 is the application for a real estate loan made by Richard H. Walker? A. It is.

Q. And that is the same person who is the maker of that note? A. It is.

Q. Show you Exhibit 77, and ask you if that is an abstract of the title of lands upon which the loan was to be given? A. It is.

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Q. These papers are in your bank as part of the records of the bank, are they not? A. They are in the Bank of North Dakota.

Q. Mr. Sinkler: Ask you to have this exhibit marked Exhibit 78.

Q. I show you exhibit marked 78, and ask you, if that is one of the appraisals made by someone who was then in the employ of your bank, at the time the loan was applied for? A. It is.

Q. Was this loan finally consummated? A. It was not.

Q. Now, if you will step aside, I will call Mr. R. H. Walker.

MR. R. H. WALKER, called as a witness, was duly sworn to testify the truth, the whole truth and nothing but the truth, and testified as follows:

By Mr. Sinkler:

Q. Where do you live? A. Yucca, Oliver Co.

Q. As I understand it you have aspired to office also? A. At various times.

Q. What were you the candidate for the last time? A. State treasurer.

Q. As an anti-leaguer? A. I ran on the Republican ticket at the primary.

Q. I will show you exhibit 75 and ask if that is your signature attached to Exhibit 75? A. It is.

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Q. I show you Exhibit 76 and ask you if that is your signature attached to exhibit 76, being an application for a loan from the State of North Dakota? A. It is.

Q. Did this loan go through? A. The loan was authorized.

Q. How was it you came to give this particular note? A.

Why, I made an application for the loan on my real estate, \$6,000.00. The appraisal was made and the loan authorized.

Q. A loan for \$6,000.00 was authorized by the officers of that bank, was it? A. I think so.

Q. And then what happened? A. I had \$2400.00 against three quarters sections of land of school money, pending the authorization of the loan, but owing to the negligence of the agent, through which I was making the application, I did not know that the loan had been approved in time so I could take up the loan until the interest paying date was passed, and if I took up the school loan at that time I would have had to pay a year's interest in advance, or about a year's interest, amounting to something over \$100.00, and as I did not want to be penalized to the extent of \$100.00 I arranged with the bank—

Q. What bank? A. The Bank of Oliver County, the bank wherein I have done business ever since the bank was es-

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tablished to endorse my note for the difference between what I owed the State and the amount of the loan, being \$3,600.00. The Bank of North Dakota was agreeable to accommodate us in this manner.

Q. With the guaranty of the Bank of Oliver County upon it? A. Yes, with the guaranty of the Bank of Oliver County upon it.

Q. Who runs this bank down there? A. A The bank is run by the cashier, Mr. Wicks, it is one of the Boiseker string of banks.

Q. Now, Mr. Walker, have you got any land? A. Yes.

Q. How much? A. 560 acres.

Q. Anything against it?

Q. How much? A. \$3200.00.

Q. \$3200.00? A. Yes.

Q. \$3200.00 against five quarter sections of Oliver County land? A. Yes.

Q. Any personal property? A. Yes.

Q. How much. A. Forty head of cattle, twenty head of horses, I have the necessary equipment to farm my land..

Anything against them? A. No, not a dollar.

Q. What? A. Not one dollar.

Q. You expect to pay every dollar of that note, don't you? A. I expect I'll have to.

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Q. Your name has been brought up in connection with this matter has it not? A. So I have heard.

Q. You have been criticized quite severely? A. So I understood, I have had some of that stuff read to me over the telephone, I haven't seen any of it.

Mr. Sinkler: That is all.

Mr. Walker: I might state further that if you want the whole transaction, if you want to know why the loan has not been completed, I will tell you.

Mr. Sinkler: All right, go ahead. A. I was ready to complete that loan before the last interest paying date, the first of December, but at the request of Mr. McIntosh, of the Bank of North Dakota, that on account of the peculiar conditions existing there, they did not want to pay out the \$2400.00 to complete that loan. And stated that if it was agreeable to me, to let the arrangement, entered into last year, with the other

bank, go over another year, which was agreeable to the bank.

Q. In other words, you had executed the mortgage had you not? A. Yes.

Q. To the amount of \$6,000.00? A. Yes.

Q. And the mortgage has been duly recorded and filed? A. Yes.

Q. And appears upon the abstract? A. I have not seen the abstract.

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Mr. Sinkler: It appears upon the abstract, gentlemen, Richard W. Walker, (Showing abstract to committee.)

Mr. Sinkler: That is all.

F. W. CATHRO, recalled as a witness, testified as follows:

Mr. Sinkler:

Q. Mr. Cathro, there was, in the House Committee hearing considerable criticism concerning a piece of paper held by the bank of North Dakota and which appears in the report of Bishop, Brissman & Company—of L. L. Stair's who was L. L. Stair, so you know the gentleman, where does he live? A. Newburg, North Dakota.

Q. Does he occupy an official position in the state of North Dakota? A. He does.

Q. What is it? A. Warden of the penitentiary.

Q. Will you produce the papers that were criticised with respect to L. L. Stair? A. I have one note here \$710.00.

Mr. Sinkler: Paper marked Exhibit 79.

Q. I will show you Exhibit 79 and ask if Exhibit 79 is owned by the Bank of North Dakota? A. It is.

Q. What is that paper? Is that the paper that is referred to? A. It is.

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Q. Why, I note this is not a note at all, of L. L. Stair's, is it? A. It is not.

Q. The maker of that note is somebody else, isn't it. A. Yes.

Q. Who is the maker of that note? A. Hans Aaro.

Mr. Sinkler: I will read this into the record.

BR Due 5-111921 \$1794.80 \$1667

"\$1710.00 No. 10193. Newburg, N. D., Nov. 5, 1290.

Secured by 8 horses, 8 cattle. Farm mchy. 1921 crop on 600 acres. Guaranteed.

May 5, 1921, after day for value received I promise to pay to the Order of State Bank of Newburg at its office in Newburg, N. D., Seventeen hundred ten and No-100 Dollars, with interest payable annually at the rate of ten per (Notice) cent per annum until due, and I do hereby confess judgment for the above sum with interest and cost of suit, a release of all errors and waiver of all rights to inquisition and appeal, and to benefit of all laws excepting real or personal property from levy and sale.

The maker and endorsers of this note jointly and severally waive demand, notice of non-payment and protest.

This note bears ten per cent interest after maturity. Interest not paid when due to become principal and to bear interest at the ten per cent per annum.

P. O. Newburg, N. D.

Hans Aaro.

Section 28, Twp. 19, Rge. 79.

Endorsements:

For value received, I hereby guarantee the payment of the within note and consent to any extension of time and payment of any renewal of this note, waiving notice of non-payment and protest. Signed L. L. Stair, and guaranteed by State Bank of Newburg.

By B. Norberg, Cashier."

Q. So that is all L. L. Stair had to do with it is to be
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endorser on the note? Is that right? A. That is right.

Mr. Sinkler: That is all, Thank you. I will now call Mr. L. L. Stair.

L. L. Stair, having been duly called as a witness, and sworn to testify the truth, the whole truth, and nothing but the truth, testifies as follows:

Examination by Mr. Sinkler:

Q. Where do you live, Mr. Stair? A. I live at Newburg, North Dakota.

Q. I will show you "Exhibit 79" and ask you if you were an endorser upon that note? A. Yes, sir.

Q. Are you acquainted with the maker of this note? A. Yes sir.

Q. Is that a good note? A. Well, I would consider it so. This man is my renter and he was owing this money to a bank?

Q. What bank? A. The State Bank of Newburg, and he had no home, no farm, and no place to live, and I rented him my farm.

Q. How big a farm? A. I have eight hundred and eighty acres.

Q. In Newburg? A. Yes.

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Q. Is that in Bottineau County? A. Yes, sir.

Q. Well, go on. A. This was also secured by eight good work horses, and eight good milch cows, and all the farm machinery, and a fourth interest in the crop, and I figured the man was all right as long as he lived, but I had him take out a two thousand dollar life insurance policy made payable to his estate—

Q. A twothousand dollar life insurance policy in addition? A. Yes.

Q. Well, you must be a regular banker—regular banking business (laugh)—in order to secure this note? A. Yes, sir.

Q. Is this land all ready for crop? A. Yes there are two hundred and fifty acres of it summer fallowed and I don't know how much plowing on the side.

Q. You, yourself, personally are responsible on that note are you not? A. I guess so, I don't know how to get around it.

Q. Do you, yourself, owe anything to the Bank of North Dakota, aside from being an endorser on that note. A. No.

Q. I guess that 's all.

Mr. Sinkler: Gentlemen, I want to call your attention to a letter that was introduced in evidence this morning by Mr.

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Brinton, from A. E. Snyder, the gentleman who furnished a letter to the Committee formerly, and which is in the record here, regarding deposits from the Bank of North Dakota to the Scandinavian-American Bank, between the dates of July 17th and August 30th, 1919, and I want to call your attention

to parts of that letter at this time. It is dated September 1, 1920. "My dear Mr. Waters: Just received your very welcome letter and am surely much interested in your action, and I will follow it very closely. I know you are right and here is hoping that all the luck is on your side, for the rotten gang ought to get what is coming to them. I hope Cathro gets his, for I have never known a smaller brained narrower or conceited man in my life. Somehow I wish I had stayed, had I ever known what your intentions were I might have been able to get a lot of information for you. I remember that draft well, for \$500.00. In fact I got a record of it written up. I used to make a lot of little notes on some of the things that passed through there and if you wish it, you are welcome to it. Let me know, for I absolutely know the entry I made for \$500.00 was destroyed by Johanssen or Cathro, and another substituted. Also I remember the wire from Hastings from New York, and I remember telling Cathro the \$500.00 deal looked dammed funny to me. If you want any

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dope, write me. Also I may be willing to get someone to get the letters for you from the Bank. Best wishes, regards, and luck always. Ed., care Federal Reserve Bank."

Mr. Sinkler: I will now recall Mr. Cathro.

Mr. Cathro recalled.

Examination by Mr. Sinkler:

Q. I show you "Exhibit 79" and will ask you if you receive "Exhibit 79" from A. E. Snyder? A. I did.

Q. Is that the same gentleman who wrote the letter that is dated September 19, 1920? A. It is the same.

Q. This letter is dated April 30th, 1920, is it not. A. It is.

Q. Will you read that letter into the record, Mr. Cathro? Well perhaps you better let me read it. He had said so many flowery things about you in it that it might be embarrassing.

"THE BANK OF NORTH DAKOTA

Owned, Operated, Managed and Controlled by

THE STATE OF NORTH DAKOTA

Bismarck, April 30, 1920.

Mr. F. W. Cathro, Manager.

The Bank of North Dakota,

Bismarck, N. D.

Dear Mr. Cathro:

In reference to my resignation today I have two favors which I wish to ask of you, the consideration of which I think I am more than entitled to.

First I am very desirous of obtaining from you a recommendation fitting the work that I have done since I have

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been with this institution, coming with them before its organization, I do not believe that you or ny other man connected with the institution can find fault in any manner with my efforts.

Second, I wish to leave for my vacation next Saturday night. I am in the same position that I was when I left the Federal Reserve Bank to come here except that this position at the request of Mr. Waters, I was forced to give up my vacation and also to lose my bonus which amounted to 20% of my salary. Before I left the Federal Reserve Bank they paid me two weeks in advance covering my service with the institution and after my arrival here sent me my cashier's check

covering the bonus above mentioned. I quote you from Mr. Water's letter to me June 7th, as follows: "While it would seem that it would be rather a hardship on you to forfeit your bonus and also your vacation, will say that I think we will need you by the time that you arrange to come here." I am forfeiting my right to a vacation by leaving at this time, but, however, as circumstances have turned I cannot see my way clear to remain any longer in the employ of this bank, but I really feel that I am entitled to the above.

As you know I have worked under a handicap for better than three months, and at the time of my little conversation
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with you the latter part of March you made a statement in reference to my salary and today I was very much surprised not to receive what you stated. This, however, is not the cause of my resignation. I do not care to continue under the existing conditions and I do not care for the taunts of others in the employ of this bank.

In closing I wish to say that it has been a real pleasure to have been connected with an institution of this kind. It is an experience that I shall never forget, and I will always look back to my association with you with pleasure.

Yours very truly,

AES:M

(Signed)

A. E. Snyder.

Mr. Sinkler: That is all, Mr. Cathro.

Mr. Sinkler: Now gentlemen, I asked Mr. Brinton to be here for the purpose of going into some records that he has got, and he told me at four o'clock, he was here at four o'clock, and he told me then that the records which I desire were being copied by the House Audit Board, and consequently he could not appear before the Committee this afternoon, but that he would be here tomorrow afternoon, and as I had intended to start with him and it would have taken per-
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haps two hours on account of the number of records that were introduced into the record before the House Committee this morning, and expecting to have contained pursuant to the outline I have given you, I have not prepared for using any further time, except in the manner I have outlined here, and by having called the witnesses which I have, I am not prepared to go ahead with anything further, and will ask that you adjourn.

Senator Murphy: I move that we adjourn until 4 o'clock, Thursday afternoon, February 18th, 1921, to meet again at the Senate Chamber.

Senator Ployhar: I second that motion.

Mr. Chairman: The motion has been made by Senator Murphy, seconded by Senator Ployhar, that we adjourn until 4 o'clock, Thursday afternoon, February 18th, 1921. You have heard the motion, Gentlemen. All in favor signify by saying ay. Contrary, no. Upon roll call all voted aye. Motion carried. Committee stands adjourned.

End of February 17, 1921.

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FEBRUARY 19th, 1921

Session is called to order by Chairman, pursuant to adjournment previously taken.

Mr. Chairman: The Secretary will call the roll. All members answer present.

Reading and approving of the minutes of the last session.

Mr. Murphy: I move that the minutes of the last session be approved as read.

Seconded by Senator Ployhar:

Mr. Chairman: As many as favor the motion say aye. All members voting aye, the motion is unanimously carried.

Mr. Sinkler: In view of the fact that at times it is necessary to issue subpoena and it is difficult to have all the committee together; I would suggest that a motion be made that the Chairman or Secretary, order or issue such subpoenas as the attorneys deem necessary. That is the system adopted in the other committee. Now for instance this morning, the occasion arose and it was necessary to procure certain witnesses that were in the house committee, and it was necessary to go down town to get the Secretary and the Chairman and the Committee together.

Senator Baker: I move you Mr. Chairman, the present Secretary to be authorized to issue subpoenas whenever it is deemed necessary by the attorneys or members of the

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committee.

Senator Ployhar: seconds the motion.

Mr. Chairman: As many as favor the motion say aye. All members voting aye, the motion is unanimously carried.

Mr. Chairman: Proceed:

Mr. Paddock: Mr. Chairman did I understand you to say that you were ready to proceed. I am not an attorney in this action or investigation, so far as I am informed, at the present time, however, I have been present at some of your previous meetings, and at one of them, after going over the report of the Bishop Brissman Co., with Mr. Lee of the Bishop Brissman Company, it was in response to a suggestion of mine that a motion was made that a request be made upon Mr. Bishop of the Bishop-Brissman Co., appear before your committee for examination together with their Mr. Smith and Mr. Altman. I explained to your committee at that time, that the purpose of making my request was in order that your committee might obtain the truthfulness of some of the commentaries made with reference to the Bank of North Dakota and the Drake Mill and Home Builders Association. I have been absent from the city for sometime, and find upon examining the transcript of your proceedings, that there has been a reply to the telegram that was sent and that the reply is

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set out fully in the transcript of your proceedings. In the reply, Mr. Bishop states that they will not submit their original working papers for your examination; would not be able to submit the original working papers, notwithstanding your assurance that it is understood that the working papers will not be retained by the committee, but were simply wanted for inspection. He goes on in his letter and states that it would clearly be impossible for us to add anything thereto and impossible for us to detract from or amend them by oral testimony. He further suggests that if there is

any further information that the committee desires with reference to this or that, that questions be submitted to him. I find that immediately following the introduction of this letter into your record, a motion was adopted, that Mr. Paddock with the assistance of Mr. Thatcher, draw up a list of questions to submit to the Bishop-Brissman Company, with reference to the bank—or rather to Mr. Bishop. I had no notice until I examined your transcript last night that such action was taken, but in view of the fact that the first action was taken in view of my suggestion, that we would like to question Mr. Bishop and Mr. Altman in regard

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to this report. I feel that your committee should have my view of ascertaining the correctness or the incorrectness of these commentaries, as secretary of the Industrial Commission, and it is this: That this manner makes it impossible to insist upon answers without evasion. I think that I pointed out to your committee in reference to the Home Builders Association report, that there were some things in it that were very misleading, and in order to know how correct, or how misleading these commentaries are, there is only one way and that is to examine the witness himself. I expect that before this hearing is over and the house committee hearing is over, that nearly every man connected with making any report in connection with the State Industries, will be put on the stand, and put under examination and cross examination, and I expect that those who may report will be requested to appear here for a similar examination and I think that it is extremely unfair and the very best that would result would be that your committee would not have the full information possible in order to determine the misleading facts or the correctness or incorrectness of any report. I believe that it would be possible for me to draw questions that it would not be possible for a man thor-

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oughly experienced in accounting could not very easily evade these questions, and the real issue that I am trying to arrive at and I believe that you have put a task up to me which apparently will not produce the real information desired by your committee.

Mr. Chairman: You have heard the motion or rather the suggestion of Mr. Paddock.

Senator Church: I move you Mr. Chairman that we take and expunge from the record the motion by which we authorized Mr. Paddock and Mr. Thatcher to send a set of questions to Mr. Bishop to answer.

Mr. Baker: Seconded.

Mr. Chairman: You have heard the motion gentlemen, as many as favor the motion say aye.

All members voting aye, the motion is unanimously carried.

Senator Baker: I move you that we send a telegram at once to these men saying that subpoenas have been issued and will follow, so that they will be ready for them.

Senator Ployer: What men?

Mr. Bishop, Mr. Altman and Mr. Smith.

Senator Church: Second the motion.

Mr. Chairman: As many as favor the motion signify by aye. A. All members voting aye, the motion is carried.

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Mr. S. P. Ellis being called as a witness and being first duly sworn, testifies as follows:

Examination by Mr. Sinkler:

Q. What is your name? A. S. P. Ellis.

Q. Where do you live? A. Valley City

Q. What business are you engaged in at Valley City? A. Farming.

Q. Are you an officer of any bank at Valley City? A. Yes Sir.

Q. As I understand it you were a witness before the house committee this morning? A. Yes sir.

Q. And at that time you produced for the perusal of the house committee, certain documents of a bank at Valley City. A. They produced them to me. I didn't produce them.

Q. Didn't you have them with you? A. They had them; I had them on the stand that is they came to me on the stand.

Q. How did they get hold of them? A. I guess they got them from the Bank.

Q. Don't you know how? A. I was ordered to bring them up here.

Q. You did bring them here then? A. Yes sir.

Q. You presented them to the Committee. A. Yes Sir.

Q. You don't want to be understood that you didn't bring them here? A. No sir.

Q. You don't want it understood that you didn't bring them up and they were up here in their possession or the

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possession of the attorneys before you got here? A. No sir.

Q. You occupy some official position in that bank? A. Yes sir.

Q. What position? A. Director and Vice president.

Q. Have you these documents that you produced before the house auditing committee this morning? A. Yes sir.

Q. Will you produce them for my inspection? A. Yes sir.

Q. I show you exhibit 80 to 86 inclusive and will ask you if these are the documents that you produced before the House committee this forenoon? A. Yes sir.

Q. And they were records of the Security National Bank at Valley City? A. Yes sir.

Q. These as I understand it are Certificates of Deposit? A. Yes sir.

Q. All of them? A. Yes sir.

Q. Issued to various individuals? A. Yes sir.

Mr. Sinkler: I will read them in to the record.

EXHIBIT 80

THE SECURITY NATIONAL BANK

Valley City, N. D.

July 12th, 1920.

John E. Staube has deposited in this Bank Twenty-five

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hundred Dollars, \$2,500.00, payable to the order of himself six months after date with interest at the rate of 5 per cent per annum upon the return of this certificate properly en-

dorsed. No interest after maturity. Not subject to check.
(Signed) JAMES GRADY, President.

The endorsement on exhibits 80 of John E. Staube and Pay to the order of Federal Reserve Bank, Minneapolis, Minn., and also Pay to the order of any bank, banker or trust company Federal Reserve Bank, S. S. Cook, Cashier.

EXHIBIT 81

THE SECURITY NATIONAL BANK

Valley City, N. D., July 12, 1920.

No. 370.

John McEntrie has deposited in this Bank, Twenty-five Hundred Dollars, \$2500.00 payable to the order of himself, six months after date, with interest at the rate of 5% per annum upon the return of this certificate, properly endorsed; not subject to check, no interest after maturity.

(Signed) JAMES GRADY, President.

Endorsed John McEntrie and A. F. Fremberf; also pay to the order of any Bank or Banker or Trust Company, Peoples State Bank, Hillsboro, N. D. Oscar Moen, Cashier. This is also marked paid January 14 1921.

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EXHIBIT 82

THE SECURITY NATIONAL BANK

No. 367 Valley City, N. D., July 12th, 1920.
George M. Rassmuson has deposited in this Bank Twenty-five Hundred Dollars (\$2500.00) payable to the order of himself, six months after date with interest at the rate of 5 per cent per annum, upon the return of this certificate properly endorsed Not subject to Check; No interest after maturity.

(Signed) James Grady,
President

Endorsed: George N. Rassmuson, Mrs. C. S. Townley, also Pay to the Order of Midland National Bank, Minneapolis, Minn., January 13th., 1921, Mercantile State Bank, Minneapolis, Minn., J. C. Jennie, Cashier and also: Pay any Bank or Banker, January 13th 1921 Midland National Bank, Minneapolis, Minn., E. V. Bloomquist, Cashier, and on the face thereof is a stamp marked paid, January 13th., 1921

EXHIBIT 83

No. 365 THE SECURITY NATIONAL BANK
Valley City, N. D., July 12, 1920.

William Olsen has deposited in this Bank. Twenty-five Hundred Dollars (\$2500.00) payable to the order of himself six months after date with interest at the rate of 5 per cent per annum upon the return of this certificate properly

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endorsed: Not subject to check; ;No interest after maturity.
(Signed) JAMES GRADY,

President.

Endorsed: William Olson, A. F. Fremberg, pay to the Order of the Peoples State Bank, Hillsboro, N. D., Oscar Moen, Cashier: Pay to any Bank Banker or Trust Company, January 13th., 1921, Midland National Bank, Minneapolis, Minn., E. V. Bloomquist, Cashier. On the face the instrument is also marked paid January 14th., 1921

EXHIBIT 84

No. 369 THE SECURITY NATIONAL BANK
Valley City, N. D., July 12, 1920

E. H. Noltimier has deposited in this bank Twenty-five Hundred Dollars (\$2500.00) payable to the order of himself, six months after date with interest at the rate of 5 per cent per annum upon the return of this certificate properly endorsed. Not subject to check. No interest after maturity.

(Signed) JAMES GRADY,
President.

Endorsed: G. E. Noltimier, also Pay to the Order of Federal Reserve Bank, Minneapolis, Minn., endorsement Guaranteed January 19th., 1921 Metropolitan National Bank, Minneapolis, Minn., pay to the order of any bank, banker or Trust Company, Federal Reserve Bank, Minneapolis, Minn., S. S. Cook Cashier.

EXHIBIT 85

No. 266

THE SECURITY NATIONAL BANK
Valley City, N. D., July 12, 1920

L. Noltimier has deposited in this Bank Twenty-five Hundred Dollars (\$2500.00) payable to the order of himself, Six months after date, with interest at the rate of 5 per cent per annum upon the return of this certificate properly endorsed. Not subject to check. No interest after maturity.

(Signed) JAMES GRADY,
President.

Endorsed: L. Noltimier, also Pay to the Order of Federal Reserve Bank, Minneapolis, Minn., all prior endorsements guaranteed, January 10th., 1921, Metropolitan National Bank, Minneapolis, Minn., Pay to the order of any Bank, Banker, or Trust Company Federal Reserve Bank, Minneapolis, Minn, S. S. Cook Cashier.

Q. This last is also marked paid on the 12th day of January 1921. A. Yes, sir.

Q. Now these exhibits as I understand it were issued by the Security National Bank of Valley City to the various individuals named therein. A. I suppose so, I didn't do it.

Q. On the date that they purport to bear. A. Yes.

Q. You testified today before the House Committee, I believe that the persons to whom these C. D's. were issued gave notes to the Valley City bank. A. Yes, sir.

Q. And that the matter came up for discussion in one of your directors meetings, did you not so testify. A. Yes, sir.

Q. And you gave the impression that the money was furnished by somebody also other than the Valley City Bank. A. That was the understanding.

Q. That was the understanding. Did you testify that you knew that was the understanding of your own knowledge or that you simply heard that from someone else. A. That was what they said. There was a kick made about it; I said what is the use of loaning these fellows money, when we cannot get enough money to take care of our own customers. They said that won't make any difference with our business, we can loan these fellows that money.

Q. Was there anything said there, that there was any agreement to get the money from the Bank of North Dakota. A. I didn't say so this morning.

Q. You know as far as your own knowledge goes,

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that there was no such agreement, don't you? A. I said, I didn't say so this morning.

Q. Don't you know that there was no such agreement as far as you know from your own knowledge? A. I didn't make any such agreement.

Q. Well did you hear any made by anybody else? A. No sir, I didn't hear it made.

Q. It wasn't your understanding that any additional money was to be sent down to that bank by the Bank of North Dakota? A. That was my understanding, yes.

Q. You know that there wasn't any additional money sent down there, don't you? A. No, I know there was.

Q. You know there was. A. That is what the cashier in the bank told me they had it on deposit.

Q. You say it was on deposit? A. There was that much on deposit I say, of the Bank of North Dakota there would be; there is no wayway.

Q. Isn't it fact—Now was the money you claim was left on deposit there, or was on deposit there, that that was to pay out on these particular loans? A. I didn't say so.

Q. I didn't ask you what you said, I am asking you what was your idea as to the transaction. A. O, no.

Q. It was not? A. No. Now just wait a minute. I didn't say that the money was there on the day, that was on the

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date; afterwards they deposited that much money there, a certain amount of money there.

Q. Will you swear that they deposited that money there afterwards? A. I will swear that the Bank of North Dakota—the cashier told me that there was some money deposited there.

Q. Afterwards? A. Well I don't know when it was before or afterwards, but there is some there now.

Q. You said a minute ago in answer to my question that it was afterwards, do you want to withdraw that now. A. I won't say just what the date was, you can tell from your report whether we got any of your money down there. We got some now.

Q. You have got it now? A. Yes sir.

Q. You didn't want the impression to go out that money was deposited under these C. D.'s and that the money was given to these individuals? A. I cannot say the date.

Q. You do not know anything about it. A. The cashier told me—

Q. Did he tell you that it was after these C. D.'s were made. A. He didn't say anything about it just said it was deposited.

Q. Now as a matter of fact, and was it your understanding that the money that was to be deposited by the Bank of North

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Dakota, was to make these loans. A. I didn't say that.

Q. Was it? A. No, I said we raised the objection there and they said it wouldn't make any difference, we were within our loaning capacity by taking these notes.

Q. As a matter of fact these notes were all given by good farmers, weren't they? A. Yes sir.

Q. And every man that gave a note for the account of these C. D.'s was perfectly good and financially responsible. A. Yes sir, if he wasn't he would not have gotten it there.

Q. You know that these notes and C. D.'s were given for getting the interest into the bank? A. I didn't take the notes.

Q. That was the purpose wasn't it? A. I don't know the purpose.

Q. Do you know what interest the notes bore? A. I wouldn't swear to it.

Wasn't it ten per cent.? A. I wouldn't swear. But I got the knowledge of the transaction as the notes were read off in a directors' meeting. Every six months we have a directors' meeting and these notes were read off.

Q. Haven't you any recollection of the amount of interest that the notes bore? A. No sir.

Q. Was the C. D.s issued for these notes? A. I don't know whether—

Q. As a matter of fact the bank just exchanged
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security if you please or credit; isn't that all they did in this transaction. A. They gave those C. D.'s that is all I know.

Q. That is, the farmer put in a note and the Bank gave a C. D., and that is all there was to it. A. It appears like it.

Q. That was the transaction. A. I don't know; it appears like that.

Q. You know that the Security National Bank requested a loan of the Bank of North Dakota in January 1920, don't you. A. No, sir.

Q. Do you know the hand writing of James Grady, the president of the Security National Bank. A. Yes, I think I do.

Q. I will show you exhibit 90 and will ask you if Exhibit 90 is signed by James Grady, President of the Security National Bank of Valley City, the President of that bank. A. Yes, sir.

Q. That is his signature. A. Yes, sir.

Q. Mr. Sinkler: I offer exhibit 90 in evidence and I will read it into the record.

EXHIBIT 90
THE SECURITY NATIONAL BANK
Valley City, N. D., Jan. 15, 1920.

J. R. Waters, Mgr.
Bank of North Dakota,
Bismarck, North Dakota.

Dear Mr. Waters:

We want to make formal application to your good bank
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for a deposit with us, amount \$50,000 to \$100,000. If you will kindly let us know the amount of deposit you can give us, we will prepare a personal bond for same in double the amount and send to you.

Thanking you for your consideration, I am,

Yours very truly,
(Signed) JAMES GRADY.

And in answer to that Exhibit 89, I will read into the record:

January 16th, 1920.

James Grady,
Pres. Security National Bank,
Valley City, North Dakota.

My dear Mr. Grady:

I have your letter of January 15 regarding the matter of a deposit from us of \$50,000 to \$100,000. So far the tax money

has not begun to come in to amount to anything, and all of the present deposits, scattered around among the different banks, are the deposits that were carried by them before the organization of this bank. As soon as the tax money begins to come in, I will be very glad to secure you a deposit of public funds.

You know the situation as well as I do and know that just
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at the present time there is great stringency in the money market, and I am bending every effort to take care of the banks over the state that are customers of ours.

Our auditor is out of town today. However, I am referring your letter to him and advising him that as soon as we are in funds to send you a substantial deposit.

With best personal regards, I am,

Yours truly,

Dictated by J. R. W.-M.

Q. Now you did get a deposit from this good Bank of North Dakota did you not? A. That is what they tell me.

Q. That is what they told you. And that deposit was received by your bank on the 17th day of March, 1920, was it not, in the sum of \$20,000? A. I could not say.

Q. Didn't you ever discuss in these directors meetings you had down there the amount of deposit the Bank of North Dakota had with your bank? A. No.

Q. You haven't any recollection of that at all? A. No sir, I don't know how much it was. I know that they had some there.

Q. You know the signature of James Grady? A. Yes sir
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Q. That is his signature? A. Yes sir.

Q. I show you exhibit 90 and ask you if that is the signature of James Grady. Exhibit 91? A. Yes.

Exhibit 91 is offered in evidence and I will read it into the record.

EXHIBIT 91

The Security National Bank,
Valley City, N. D., March 19, 1920.

Reply LPM.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We have yours of the 17th authorizing a credit of \$20,000 with your bank, and we have charged you with this amount on our general ledger and have credited your checking account with the same amount.

Referring to the Fargo bank, they have loaned a large amount of money to the farmers in different parts of the state and I believe that over half of their loans are made to parties out of their territory, and owing to the poor crops last season it was necessary to carry a large number of these loans over, which is the reason no doubt they have not been able to give your good bank what they are really entitled to. Soon as these outside loans are taken care of and they get down to a local basis we hope to be able to do better by you.

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The Equity Co-Op. Exch., are asking us for money and we

thought that if you could increase your balance that we could take them on for a greater amount.

Thanking you for this deposit, I am,

Yours very truly,
(Signed) James Grady,
President.

Q. I also want to ask you if James Grady's signature is attached to exhibit 93? A. Yes sir.

Mr. Sinkler: Exhibit 93 is offered in evidence and it reads as follows:

The Security National Bank,
Valley City, N. D.
Mar. 15, 1920.

Mr. J. R. Waters, Mgr.,
Bank of North Dakota,
Bismarck, North Dakota.

Dear Mr. Waters: I am enclosing herewith bond for \$100,000 to secure your good institution against loss for any deposit you may see fit to send us, not exceeding \$50,000. We will pay the interest as required by law and will thank you for as liberal an account as you can see your way clear to give us.

By the way Mr. Waters, I would like to have you make a
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few deposits in our bank at Fargo, N. D., and assure you it will be appreciated.

With best personal regards, I am,

Yours very truly,
James Grady,
President.

Mr. Sinkler: Now I want to read in evidence the amount of balances due from the Security National Bank of Valley City, N. D., during the time between when the first deposit was made down to the present date; the balances due.

March 17th, 1920, balance due:	\$20,000.00
March 21st, 1920, balance due:	\$20,094.25
June 23rd, 1920, balance due:	\$20,163.48
June 30th, 1920, balance due:	\$20,163.48
July 7th, 1920, balance due:	\$15,163.48
July 19th, 1920, balance due:	\$20,163.48
July 24th, 1920, balance due:	\$20,230.69
July 30th, 1920, balance due:	\$17,230.69
August 7th, 1920, balance due:	\$20,230.69
August 25th, 1920, balance due:	\$20,300.36
September 9th, 1920, balance due:	\$18,300.36
September 12th, 1920, balance due:	\$20,300.36
September 24th, 1920, balance due:	\$20,370.50
September 25th, 1920, balance due:	\$19,370.50
September 26th, 1920, balance due:	\$19,438.40

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October 26th, 1920, balance due:	\$19,438.40
November 26th, 1920, balance due:	\$19,508.77
November 26th, 1920, balance due:	\$20,508.77
December 13th, 1920, balance due:	\$19,008.77
December 17th, 1920, balance due:	\$16,008.77
December 24th, 1920, balance due:	\$17,508.77
December 24th, 1920, balance due:	\$16,008.77
December 28th, 1920, balance due:	\$16,077.10
December 31st, 1920, balance due:	\$16,140.40

These are the balances.

Q. Now you furnished a bond did you not to the Bank of North Dakota? A. I believe so.

Q. I will show you exhibit 94 and will ask you if exhibit 94 is the Bond furnished by the Security National Bank of Valley City for the purpose of securing any deposits made by the Bank of North Dakota with the Security National Bank of Valley City? A. That is my signature there.

Q. That is your signature right there Mr. S. P. Ellis? A. Yes sir.

Q. Do you recognize the signatures of the other parties down there? A. James Grady, I know his signature.

Q. M. C. Aamoth? A. H. C. Aamoth, Cashier.

Q. James Grady individually again? A. Yes.

Q. H. C. Aamoth individually again? A. Yes.

Q. He signs as Cashier and then as President? A. Yes.

Q. Who is this fellow? A. George Drake.

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Q. Who is this fellow? A. Embertson.

Q. M. E. Mason, you know his signature? A. Yes.

Q. Is that it? A. Yes.

Q. C. A. Newman? A. Yes.

Q. Lee Cowell? A. Yes.

Q. He was one of the gentlemen who came up from Valley City also for the purpose of testifying before the House Committee, and he testified this morning? A. Yes sir.

Q. Who is the next man? A. Ben Northridge.

Q. Who is the next man? A. I cannot read the next, the next is Fred Noecker.

Q. Who is the other fellow? A. I don't know.

Q. Now you gentlemen that signed that bond running to the Bank of North Dakota secured a deposit securing a deposit of \$20,000.00 also justified didn't you? A. Yes sir.

Q. And you justified in the sum of \$800,000 on the bond. Figure it up and see if that isn't correct. That is the amount of money you gentlemen represented you were worth, for the purpose of securing that deposit that was made by the Bank of North Dakota to the Security National Bank of Valley City? A. I should judge there is about that much.

Mr. Sinkler: We offer in evidence, exhibit No. 94 and I will state that it is a bond given by the Security National Bank of Valley City, N. D., to the Bank of North Dakota. A

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National Bank under the law adopted, is it necessary that they put up a surety bond to secure deposits, while the redeposits in the state bank are supposed to be under the Guaranty Deposits Act or Guaranty Deposits Fund. This bond is in the sum of \$100,000.00 and dated on the 15th day of March, 1920. It is prior to the time that the \$20,000.00 first deposit was made by the Bank of North Dakota in the Security National Bank of Valley City.

EXHIBIT 94 .

BOND TO INDEMNIFY AND SAVE HARMLESS THE BANK OF NORTH DAKOTA

KNOW ALL MEN BY THESE PRESENTS: That the Security National Bank of Valley City, a corporation, with its principal place of business at Valley City, Barnes County, North Dakota, as principal and H. C. Aamoth, James Grady, Geo. Drake, S. P. Ellis, O. F. Embertson, M. E. Mason, O. A.

Newmanfi Lee Cowell, Ben T. Northridge, G. E. Isensse, Fred Noecker, and C. L. Fouks, all of the County of Barnes and State of North Dakota, as sureties are hereby held and firmly bound unto the Bank of North Dakota, a corporation, in the sum of One Hundred Thousand Dollars (\$100,000.00) lawful money of the United States, to be paid to said Bank of North Dakota, a corporation, its lawful attorney or assigns, which payment well and truly to be made, we bind ourselves and each of our heirs, successors, executors and administrators,

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jointly and severally, firmly by these presents.

Provided always that the conditions of this obligation are such that whereas the above bounden Security National Bank of Valley City, a corporation, has been duly designated as a depository of some of the funds of said Bank of North Dakota, a corporation, under and by virtue of Chapter 147 of the Laws of the State of North Dakota for the year 1919 and the rules and regulations of said Bank of North Dakota, a corporation, and the commission and officers in charge, and control, of said Bank of North Dakota, a corporation, and has agreed to pay interest on such funds of said Bank of North Dakota, a corporation, as shall be deposited in said Security National Bank of Valley City, a corporation, at the rate of 4% per annum on the average daily balance during each month of said deposit, such interest to be accounted for according to said law and the rules and regulations of the Bank of North Dakota, a corporation, and credited on the first day of each month following, on condition that such funds, with accrued interest shall be held subject to draft at all times on demand, excepting in cases where the same are deposited for a specified length of time and which instance, if any there shall occur said interest shall be payable at the rate of 4%

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per annum and at the expiration of the period for which said deposits last mentioned are made.

Now therefore, if the above bounden Security National Bank of Valley City, a corporation, designated as such depository pursuant to the provisions of Chapter 147 of the Laws of the State of North Dakota for the year 1919 and the rules and regulations of said Bank of North Dakota, a corporation, as provided and established, by the officers and managers in charge of and managing said Bank of North Dakota, shall well and truly credit such interest on such average daily balances to said Bank of North Dakota, a corporation, and shall well and truly hold and safely keep said funds and the whole thereof with interest subject to draft and payment of all kinds on demand, excepting in instances where said deposits are made for a definite period of time, in which case the same shall only be payable at the expiration of the period of time designated and shall well and truly pay over on demand all of said funds, both those subject to draft and those deposited for a specified length of time, according to the rules and regulations of said Bank of North Dakota, a corporation, and the law of this State governing such transactions, which shall be deposited in said bank, pursuant to said rules and regulations and the statute aforesaid, then this

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obligation shall be void. Otherwise it shall remain in full force and effect.

Signed, sealed and delivered the 15th day of March, A. D., 1920.

SECURITY NATIONAL BANK OF VALLEY CITY,
A Corporation.

By James Grady, Its President. (Seal)

And H. C. Aamoth, Its Cashier. (Seal)

James Grady, (Seal).
H. A. Aamoth, (Seal).
G. W. Drake, (Seal).
S. P. Ellis, (Seal).
O. F. Embertson, (Seal).
M. E. Mason, (Seal).
C. A. Newman, (Seal).
Lee Cowell, (Seal).
Ben Northridge, (Seal).
G. L. Isensee, (Seal).
Fred Noecker, (Seal).
E. L. Fouks, (Seal).

State of North Dakota)

)ss

County of Barnes)

On the 15th day of March A. D. 1920, before me A. J. Biewer, a Notary Public in and for said County and State personally appeared before me James Grady, known to me to be the President of the Security National Bank of Valley City, North Dakota, a corporation, and H. C. Aamoth, known to me to be the Cashier of the Security National Bank of Valley City, North Dakota, a corporation, the bank there as described therein and that executed the within and foregoing bond and they and each of them acknowledge to me that said Bank executed same.

(Signed) A. J. Biewer,
Notary Public, Barnes Co., N. D.

My commission expires February 14th, 1923.

State of North Dakota)

)ss

County of Barnes)

On the 15th day of March A. D. 1920, before me A. J. Biewer, a Notary Public in and for said County and State personally appeared H. C. Aamoth, James Grady, Geo. Drake, S. P. Ellis, O. F. Embertson, M. E. Mason, C. A. Newman, Lee Cowell, Ben T. Northridge, G. L. Isensee, Ferd Noecker, and E. L. Fouks, to me known to be the persons who are described in and who executed the within and foregoing instrument as sureties thereon and they severally acknowledge to me they executed the same as their free act.

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(Signed) A. J. Biewer,
Notary Public, Barnes Co., N. D.

My commission expires February 14th, 1923.

State of North Dakota)

)ss

County of Barnes)

On this 15th day of March A. D. 1920, before me A. J. Biewer, a Notary Public in and for said County and State personally appeared, H. C. Aamoth, James Grady, Geo. Drake, S. P. Ellis, O. F. Embertson, M. E. Mason, C. A. Newman, Lee Cowell, Ben T. Northridge, G. L. Isensee, Ferd Noecker, E.

L. Fouks, and first being duly sworn, each for himself, deposes and says that he is one of the sureties herein, that he is a freeholder in the County of Barnes and State of North Dakota.

- That he H. C. Aamoth is worth the sum of \$50,000.
- That he James Grady is worth the sum of \$100,000.
- That he Geo. W. Drake is worth the sum of \$100,000.
- That he S. P. Ellis is worth the sum of \$100,000.
- That he O. E. Embertson is worth the sum of \$100,000.
- That he M. E. Mason is worth the sum of \$100,000.
- That he C. A. Newman is worth the sum of \$100,000.
- That he Ben Northridge is worth the sum of \$75,000.
- That he G. L. Isensee is worth the sum of \$25,000.
- That he Ferd Noecker is worth the sum of \$50,000.00.
- That he Lee Cowell is worth the sum of \$75,000.

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(Signed) A. J. Biewer,
Notary Public, Barnes County, N. D.

My commission expires February 14th, 1923.
State of North Dakota)

County of Barnes) ss

On this 15th day of March A. D. 1920, before me A. J. Biewer, a Notary Public in and for said County and State personally appeared, H. C. Aamoth, James Grady, Geo. Drake, S. P. Ellis, O. F. Embertson, M. E. Mason, C. A. Newman, Lee Cowell, Ben T. Northridge, G. L. Isensee, Ferd Noecker, E. L. Fouks, and first being duly sworn, each for himself, deposes and says that he is one of the sureties herein, that he is a freeholder in the County of Barnes and State of North Dakota.

- That he H. C. Aamoth is worth the sum of \$50,000.
- That he James Grady is worth the sum of \$100,000.
- That he Geo. W. Drake is worth the sum of \$100,000.
- That he S. P. Ellis is worth the sum of \$100,000.
- That he O. E. Embertson is worth the sum of \$500,000.
- That he M. E. Mason is worth the sum of \$100,000.
- That he C. A. Newman is worth the sum of \$100,000.
- That he Ben Northridge is worth the sum of \$75,000.
- That he G. L. Isensee is worth the sum of \$25,000.
- That he Ferd Noecker is worth the sum of \$50,000.00.
- That he Lee Cowell is worth the sum of \$75,000.

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That he E. L. Fouks is worth the sum of \$5,000.00.
Over and above his debts and liabilities and exclusive of his property exempt from execution in the State of North Dakota.

(Signed)
H. C. Aamoth,
James Grady,
G. W. Drake,
S. P. Ellis,
O. E. Embertson,
M. E. Mason,
C. A. Newman,
Lee Cowell,
Ben Northridge,
Geo. L. Isensee,
Ferd Noecker,
E. L. Fouks.

Subscribed and sworn to before me this 15th day of March, 1920.

A. J. Biewer,

Notary Public, Barnes County, North Dakota.

My commission expires February 14th, 1923.

Q. By the way Mr. Ellis, while you people had that \$20,000.00 down there in your bank, of our money; we drew a draft on you on July 3rd, 1920, for \$5,000.00 and you refused to pay it, didn't you? A. I don't know anything about that.

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Q. Well look here and see? A. It was cancelled on the back of it or on the front of it, but whether we refused to pay it or not, I don't know what that means.

Q. You don't know? A. Cancelled it says.

Q. Don't you know as a matter of fact from the communications you had with the Directors down there, that you did turn that draft down and refuse to pay it, while we had on the day it was drawn \$20,163.48 on deposit in your bank? A. I don't work in the bank, so I don't know anything about that.

Q. But the matter came up at a regular meeting of the directors didn't it? A. No sir.

Q. Later on the 23rd day of July, didn't we draw another draft for \$3,000.00 and didn't your bank turn it down, while we had over \$20,000.00 on deposit in your bank? A. I don't know anything about that.

Q. Do you know anything about the draft of September 20th, 1920, for \$2,000.00 which was presented, and you wouldn't pay it while we had on deposit over \$18,000.00? A. I didn't turn any of them down or make any of the drafts. I don't work in the bank.

Q. The various instruments that I show you are exhibits 95, 96, and 97, now if the date upon these drafts is correct,

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the drafts were drawn; all of the drafts were drawn, the \$5,000.00 draft, the \$3,000.00 draft and the \$2,000.00 draft were drawn after the issuance of the C. D.'s you have testified to? A. Yes sir, I wouldn't say. I didn't see.

Q. The draft for \$5,000.00 was dated July 3rd, 1920, is that correct? A. Yes sir.

Q. And that was drawn before the C. D.'s deal came up, wasn't it? A. No.

Q. What is the date of that? A. July 12th.

Q. Well it was drawn then, 9 days before the C. D.'s deal came up, and then one is dated July 28th, and the other September 10th? A. It looks like it, the way it is dated.

Q. By the way, was there a subpoena served upon you to come here? A. Yes sir.

Q. I mean before the House Committee, was there a subpoena served upon you at Valley City? A. Yes sir.

Q. By mail or how? A. By Mr. Rauch, that is the lawyer there.

Q. By some attorney there? A. Yes sir.

Q. And you were informed— A. He requested me to take these up along with me, the same as you did here.

Q. I issued a subpoena ducas tecum and the subpoena itself ordered you to bring them. A. I don't know whether

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it did or not; you asked me to, so I did.

Q. Mr. Rauch simply requested you to bring these along?
A. Yes sir.

Q. Did he tell you what they were wanted for? A. No sir, it did not say in the subpoena.

Q. You had no idea at all what you were expected to testify to before the House Committee? A. Not exactly.

Q. What do you mean by not exactly? A. It said in the subpoena, House Committee, so I knew it would be something about the North Dakota investigation.

Q. The North Dakota Bank? A. Not necessarily.

Q. You knew before you left there, that you didn't know anything about this deal that would shed any light upon the condition of the Bank of North Dakota, didn't you? A. All I knew about the notes, was all I told you.

Q. Did they have any connection with the Bank of North Dakota? A. No sir.

Q. This deal that you have testified to, you have had other deals like that, where men have given notes to the bank and taken C. D.'s in place of these notes? A. No I never had.

Q. Never had a transaction like that before? A. No sir.

Q. These notes that have been given in exchange for the

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C. D.'s have all been paid have they not? A. Yes sir.

Q. In full? A. Yes sir.

Q. And the farmers that gave their notes to you, or to the bank, don't owe the bank anything; don't owe anything on these particular notes that were given in exchange for these C. D.'s? A. No sir.

Mr. Paddock: Mr. Chairman, as secretary of the Industrial Commission, who of course is interested in this matter, I would like to ask the privilege of asking a few questions.

Mr. Chairman: All right.

Senator Ployhar: I don't care, I am going to ask some myself.

Examination by Mr. Paddock:

Q. Mr. Ellis, who are the officers who have charge of the affairs of the bank? A. Mr. Fouks and Mr. Biewer.

Q. What are the initials? A. I wouldn't say the initials. Well Fouks initials are on one of the papers somewhere. I don't know Mr. Biewers initials.

Q. His initials are E. L. Fouks? A. I think that is right.

Q. Do you know Mr. Biewers initials? A. I don't.

Q. Does Mr. Lee Cowell have charge of any of the records of the bank? A. He is one of the directors of the bank, a

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member of the discount committee is all I know.

Q. Do you know whether he can secure possession of the records of the bank? A. I don't know. I think he can. Think any of them can.

Q. You testified regarding a conversation which was had in a director's meeting in the bank in which you raised an objection to the notes given by these men to whom these C. D.'s were issued, did you not? A. Yes sir.

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Q. Will you relate to us in substance what that discussion was? A. Oh, I cannot give it right now. It was six months ago, and was right at the time. It was all right. All I raised the objection to was because we were having considerable difficulty in giving deposits enough for our own customers. And

I raised the objection that it was funny we are lending to these fellows when there are other banks here that they do business with, and it is hard enough to get enough money for our own customers. I do not remember the words that were used, but they said "It is all right, it will not make any difference to depositors in our bank," and that was all that was said about it.

Q. Who said that? A. I don't know. We were there all together, I was busy.

Q. Do you know who were present at that meeting—Directors meeting? A. I could not tell you all of them.

Q. Did anybody say where they expected to get the money for these loans—that they expected to get the money for these loans from the Bank of North Dakota? A. I was given that impression, but I would not say those words were used.

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Q. But that was the conclusion you drew? A. That was the conclusion I drew.

Q. You cannot recall any individual or individuals who made any definite statement that the money was to come from the Bank of North Dakota? A. I would not say that, but it was the conclusion I drew. I would not attempt to say who said that.

Q. Will you tell us the statements upon which you made your conclusions? A. I told you that a number of times.

Q. All right, do you know what a certificate of deposit is? A. Yes.

Q. What is it? A. Why, it is a note, or in the form of a note.

Q. Given by the bank? A. Yes.

Q. Due at a certain length of time? A. Yes.

Q. Now Mr. Ellis, if your bank accepted the notes of these six farmers and issued certificates of deposit to them for that amount, it paid out no money to them for making that loan, did it? A. No, I did know at the time that it was understood they would be given C. D.'s. I did not know how they would handle it.

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Q. Then as a matter of fact, it did not take any money from the Bank of North Dakota, or anywhere else to make this loan? A. I did not say it did.

Q. Is that not a fact that it did not? A. I guess that is right.

Q. Then there was no necessity of the Bank of North Dakota depositing any money in your bank because there was no money given out on these loans, is that not a fact? A. Yes.

Q. Then your conclusion that it required some money from the Bank of North Dakota to replace money loaned was an erroneous conclusion was it not? A. I know they said they had some money there from the Bank of North Dakota, that is all I know about it. If we gave a C. D. and loaned it to these farmers, it would hurt the credit of our bank.

Q. I understand that, but I would like to have you please answer the question. Read the question again? (Question read). A. Not exactly, no.

Q. How much money would it take to replace the money loaned to these farmers? A. It would take \$15,000.00 to replace the credit, would it not?

Q. Did you not just testify that no money was given to these farmers? A. We gave C. D.'s and that is reducing
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credit in the Bank. We are that much more liable.

Q. Did you not testify that since you gave a note at the bank in return for the note the farmers gave you that it would not require any money to make that loan? A. It wouldn't require any cash.

Q. Then it wouldn't take any money from the Bank of North Dakota, or any other place, to replace money loaned to these farmers, because no money was loaned, would it? A. I told you the impression I got they would send us enough money so it would not hurt our bank any when our notes went through our bank.

Q. Please answer the question? A. It would not take any money, but it would take some credit away from our bank.

Q. It wouldn't take any money, would it? Then, Mr. Ellis, your conclusion that it would not take money from the Bank of North Dakota to replace money loaned on these notes was an erroneous conclusion, was it not? A. I said it would take away our credit, money credit is the same as money.

Q. Repeat the question. (Question repeated). A. No.

Q. All right, how much money was paid out on these six
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notes? A. There wasn't any money, but \$15,000 credit out of our bank was taken for liabilities.

Q. Then your bank traded these notes for the notes of these farmers? A. Yes.

Q. And it didn't take any money? A. Not cash.

Q. It didn't take any money, is that right? A. No, it didn't take any money, but it took credit.

Q. Now, then, Mr. Ellis is the Bank of North Dakota made its original deposit with your bank on March 17, 1920, and it had not since that time made any additional deposits with your bank, your conclusion that they were going to put in money to take care of this loan was erroneous was it not? A. No.

Q. Well, did you know whether they did put any in? A. I did not.

Q. Do you know that they did not put any in? A. I do not.

Q. Then you do not remember who made the statement that there was an agreement to have the Bank of North Dakota deposit money to take care of this money? A. No.

Q. You did not know that when you signed the Bond to the Bank of North Dakota, did you? A. We signed the bond before we got the money.

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Q. You knew when you signed the bond? A. That we would get some if we could.

Q. And you knew that that bond held you together with the other individuals responsible for repayment of any deposits made with you? A. Yes.

Q. Did you not know as a matter of fact that the only deposit the Bank of North Dakota ever made with your bank was made on March 17, 1920, or three months before the loans were made to these six farmers? A. No.

Q. You did not know that? A. No.

Q. You do not know whether it was made then or not? A. I do not.

Q. You do not know whether that was one deposit or more? A. I do not.

Q. What kind of a record do you have in your bank showing deposits made by other banking institutions, do you know? A. No.

Q. Could you get the record from your bank showing the deposits made with it by the Bank of North Dakota? A. I guess so.

Q. Mr. Chairman: I would like to suggest that the committee call upon this witness to appear here at your next session with the records from the Security National Bank of Valley City, the entire record of deposits made by the Bank

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of North Dakota. I believe the committee should take action, and that some member of the committee should make a motion.

Senator Church: I move that the witness be required to appear at the next meeting of this committee with all the records of the Bank pertaining to this matter, on Monday afternoon, February 21st. Seconded by Senator Baker.

Chairman: You have heard the motion, gentlemen, as the motion now stands, the witness will be required to meet with us at our next meeting with all the records of this bank pertaining to this matter, on Monday afternoon, February 21st. As many as in favor of the motion, say aye, all members voting aye, motion declared carried.

Mr. Paddock: Could I state what it is and have that appear as part of your motion so we will know what is wanted?

Chairman: That is agreeable.

Mr. Paddock: The records desired are the records of the deposits by the Bank of North Dakota in the Security National Bank of Valley City from the opening of that account to January 31, 1921, and that a copy of the motion be handed to the witness so he will know what it is.

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Mr. Chairman: Your suggestion is that this should be in the form of a motion as you have stated it.

Senator Baker: I move that it be included in the original motion. Seconded by Senator Church.

Mr. Chairman: You have heard the motion, gentlemen, made by Senator Baker, seconded by Senator Church. All in favor signify by saying aye, contrary no. Ayes have it. Motion carried.

Senator Ployhar: I want to ask you a question, Mr. Ellis. Was it not a matter of general knowledge among the directors of that bank that Mr. Grady had made arrangements through Mr. Townley, President of the Non-Partisan League, that the Bank of North Dakota would deposit enough money with the Security National Bank of Valley City to take care of these notes, that these notes should be kept there until paid? Was that not common reports on the street, I want to know? A. I do not think Mr. Grady mentioned anybody's name that they had made a bargain with. I did not hear as much about that as Mr. Cowell did.

Q. And further that the reason the drafts of the Bank of North Dakota were not honored by the Security National Bank of Valley City was for the reason that an agreement

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had been entered into between Grady and the Bank of North Dakota that that money would be kept there until such time that these notes were paid, that was also common rumor on the streets of Valley City, was it not? A. Yes.

Mr. Sinkler:

Q. Now, you say that was common rumor on the streets of Valley City? A. That was the understanding in the Bank.

Q. I understood his question was that that was a rumor on the streets of Valley City that these drafts were not paid because some agreement was entered into by Mr. Townley with somebody connected with your bank, that these funds were not to be drawn out, is that the way you understand it? A. Yes.

Q. Did you hear the rumor on the street down there? A. Not on the street, not that I know of. I know that was talked about in the bank. I would just as soon give you some more of it. These notes that were given for these C. D.'s were renewed for \$1,500.00 each in this same bank again and were just lately paid; the fifteen hundred dollar notes, and that was when the talk has been, most of it, since they renewed the notes the second time.

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Q. What was the date of renewal? A. I could not say.

Q. How long ago were they renewed? A. A couple of months ago.

Q. In the month of November? A. I would not say.

Q. Then there was no talk on the streets of Valley City concerning the notes or about all this money in the Bank of Valley City until after the renewal of these notes? A. Oh, no.

Q. Was there before then? A. Oh, yes.

Senator Ployhar: I think Mr. Sinkler you misunderstood the question I asked. I said was it not of general knowledge among the directors of the bank, and second was it not a fact that the drafts were not honored because—the drafts of the Bank of North Dakota were not honored by the Security National Bank of Valley City for the reason that an agreement had been entered into between Mr. Grady and the Bank of North Dakota that that money would be kept there until such time as these notes were paid.

Mr. Sinkler: And your third question was that, was this not common rumor on the streets of Valley City. That was the question I understood. Were there any rumors or understanding among the directors of the Bank before these notes were renewed by these farmers that that money should re-

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main there? A. There was nothing said about it, until these notes came into the bank.

Q. That was the first time, was it?

Q. At the time they came into the bank.

A. Not at the time they came in, the first time I knew about it was when we had a director's meeting, and the notes were read off, when these six notes were read off.

Q. So you heard about these six notes about the 30th of July, did you not? A. It was after that.

Q. Along in the month? A. I do not know what time of the month it was.

Q. Can't you find out when the directors had a meeting,

you said the notes were read off at a director's meeting held at the end of the month? A. We do not hold them at the end of the month.

Q. Well, it was sometime after the notes were taken? A. Yes.

Q. And the notes were dated— A. C. D.'s—

Q. The notes were dated July 12th? A. I don't know. I did not see the notes taken.

Q. Did you not hear a gentleman who was on the stand while you were in the courthouse state that the notes were taken on the same day as the notes were dated—I mean Lee

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Cowell— A. I did not say they were, that was none of my business.

Q. You have no recollection now when you first heard of these notes? A. Because the notes were taken some time in July.

Q. Then I would like to ask you why you said there was any rumor on the street with regard to the refusal of paying these \$5 000.00 drafts on the third of July, long before the deal came up? How did any street rumor come up about that? A. What is that?

Q. Here is a draft for \$5,000.00, and you turned that draft down? A. I never saw that draft.

Q. You do not deny that that draft was turned down? A. No. I do not know whether it was or was not.

Q. You said a few minutes ago, in answer to a question by Mr. Ployhar, that it was common rumor on the street? A. In the bank.

Q. On the streets of Valley City, that the reason that the draft was not paid was because of some agreement between Townley and some member of the bank? You did not state that? A. No, in effect, it was stated about the same as you say, but I would not say a deal between Townley. I did not

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say that.

Q. I believe you said it was rumored there was a deal? A. It was rumored.

Q. Was it rumored before these C. D.'s were given? A. No.

Q. Then why did you turn down that draft, if it was turned down? A. I do not know.

Q. That's about the way you base all your conclusions, on hearsay and rumor, and talk in the newspapers? A. No, now you try to get me to say something I didn't say anything about, I told you I did not take the notes or C. D.'s or know anything about that. All I know is that they got the C. D.'s for the notes and paid the notes later.

Q. There was a draft on July 3rd for \$5,000, a week before this deal was entered into? A. Yes.

Q. And another draft for \$3,000.00 on the 28th, and another on September 10th for \$2,000.00, and all were returned to the bank and payment was refused?

Senator Ployhar: Isn't it just as possible that there would be rumor about the latter two as the first?

Mr. Sinkler: I suppose there might be, but I do not conceive why any rumor should arise with respect to the \$5,-

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000.00 draft? It's a mystery to me.

Senator Ployhar: You never heard of any rumor, I suppose.

Mr. Sinkler: I haven't heard anything but rumor since this investigation in the House was begun.

Senator Baker: Mr. Ellis, may I ask you one question, in answer to the question by Mr. Ployhar. I understood you to say the credit of the Bank was affected by this deal. If no cash had actually passed from hand to hand, how was the credit affected by this deal? Did you mean to say that the Bank does not secure \$15,000.00 the minute they accepted the notes into the Bank; that the Bank gains \$15,000.00 credit as soon as they took these notes from the farmers? A. We could only loan so much of our total capital. A certain percentage.

Q. The point is, if you did not have these five or six absolutely good farmers come to you, and give you these notes, the minute you accept these notes doesn't your bank gain a credit the minute these notes are given? A. No.

Q. You don't think so? A. No.

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Q. You think they lose a credit the minute they issue C. D.'s?

Mr. Sinkler: As a matter of fact don't you think that the bank gained by it, don't you think that the notes the farmers gave you were a good deal better than the C. D.'s you gave in return? A. That is quite a slam on our bank down there.

Q. Well, don't you think so—honest and true? A. As Director of our bank, I don't think their notes are better than our bank, no.

Q. They are pretty well to do farmers, well-to-do, and rich. Is that not a fact? A. We consider the notes good. They have paid them all.

Q. That is probably better than some of the banks have done? A. Why yes.

Q. You do know that these drafts were turned down—it was better than your bank did—because your bank failed to pay them, it looks that way? A. Yes, it looks that way.

Mr. Sinkler: I guess that is all.

Mr. Sinkler: Now I will ask to have Mr. Cathro recalled.

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Mr. Cathro recalled.

Examination by Mr. Sinkler:

Q. I want you to examine "Exhibit 91" and I will ask you whether that was one of the letters that was received by the Bank of North Dakota and whether it is now one of the files of the Bank of North Dakota? A. It is.

Q. I will ask you to examine Exhibits 92 and 93, and will ask you if 93 is a letter received by the Bank of North Dakota? A. It is.

Q. I will ask you to examine "Exhibit 92" and will ask you if that was a letter written in response to "Exhibit 93?" A. It is.

Q. I will show you "Exhibits 89 and 90" and will ask you if "Exhibit 90" was received by the Bank of North Dakota from James Grady? A. It is.

Q. And is "Exhibit 89" a copy of the letter sent to the Security National Bank at Valley City? A. It is.

Mr. Sinkler: I offer each of these exhibits in evidence.

"EXHIBIT 89"

James Grady,
President, Security National Bank,
Valley City, N. Dak.

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My dear Mr. Grady: I have your letter of January 15th regarding the matter of a deposit from us of \$50,000. So far the tax money has not begun to come in to amount to anything, and all of the present deposits, scattered around among the different banks, are the deposits that were carried by them before the organization of this bank. As soon as the tax money begins to come in, I will be very glad to secure you a deposit of public funds.

You know the situation as well as I do and know that just at the present time there is a great stringency in the money market, and I am bending every effort to take care of the banks over the state that are customers of ours.

Our auditor is out of town today. However, I am referring your letter to him and advising him that as soon as we are in funds to send you a substantial deposit.

With best personal regards, I am

Yours truly,

JRW-M.

Written on the letter head of

The Security National Bank,
Valley City, North Dakota,
January 15, 1920.

J. R. Waters, Mgr.,

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Bank of North Dakota,
Bismarck, North Dakota.

Dear Mr. Waters: We want to make formal application to your good bank for a deposit with us of amount \$50,000. to \$100,000. If you will kindly let us know the amount of deposit you can give us, we will prepare a personal bond for same in double the amount and send to you.

Thanking you for your consideration, I am

Yours very truly,

(Signed) James Grady,

JG/b.

President.

"EXHIBIT 91"

Written on the letter head of

The Security National Bank,
Valley City, North Dakota,
March 19, 1920.

Reply LPM.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We have yours of the 17th inst. authorizing a credit of \$20,000. with your bank, and we have charged you with this amount on our general ledger and have credited your checking account with the same amount.

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Referring to the Fargo Bank, they have loaned a large amount of money to the farmers in different parts of the state, and I believe that over half of their loans are made to parties out of their territory, and owing to the poor crops last

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season it was necessary to carry a large number of these loans over, which is the reason no doubt is the reason they have not been able to give your good bank what they are really entitled to. Soon as these outside loans are taken care of, and they get down to a local basis we hope to be able to do better by you.

The Equity Co-Op. Exch. are asking us for money and we thought that if you could increase your balance that we could take them on for a greater amount.

Thanking you for this deposit, I am,

Yours very truly,
James Grady,
President.

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"EXHIBIT 92"

March 17, 1920.

Mr. James Grady, Pres.,
Security National Bank,
Valley City, N. Dak.

Dear Sir: Your of March 15th, to Mr. Waters enclosing a personal bond for \$100,000. signed by the Directors of your institution, is received. Mr. Waters is out of the city, and will probably not be back for three weeks. I am today opening an account on our books of your bank and am crediting the same with \$20,000, which will be a redeposit of public funds. Will you kindly credit the amount to the account of the Bank of North Dakota, on your individual ledger with this amount, and debit your account with us and this will make the corresponding entries. We would like, of course, to have you leave as much of this with us as you can conveniently and trust our relations will always be pleasant.

We note your Fargo bank has a substantial deposit at this time, and they have never seen fit to carry an account with us. We believe under the circumstances that you will agree we have been more than liberal with that bank. It is possible that a little later we can see our way clear to make an

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increase down there.

LPM-F.

Yours very truly,
Credits Dept. Director.

"EXHIBIT 93"

Written on the letter head of

The Security National Bank,
Valley City, North Dakota.

March 15, 1920.

Mr. J. R. Waters, Mgr.,
Bank of North Dakota,
Bismarck, N. Dak.

Dear Mr. Waters: I am enclosing herewith bond for \$100,000. to secure your good institution against loss for any default as liberal account as you can see your way clear to give posit you may see fit to send us, not exceeding \$50,000. We will pay the interest as required by law, and will thank you for as liberal account as you can see your way clear to give us.

By the way, Mr. Waters, I would like to have you make us

a few deposits in our bank N. D. and assure you that it will
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be appreciated.

With best personal regards, I am

Yours very truly,
(Signed) James Grady,
President.

JG/b.

By Mr. Sinkler:

Q. Now, Mr. Cathro, I will call your attention to "Exhibits 88 and 87" and will ask you what 87 and 88 are? A. It is a ledger record of deposits in the Bank of North Dakota, with the Security National Bank of Valley City.

Q. When was the first deposit made by the Bank of North Dakota in the Security National Bank of Valley City? A. March 17th, 1920.

Q. And since that time has there been any deposits to exceed at any one time that amount at any one time? \$94.35, any sum to exceed that amount at any one time? A. They are in smaller amounts are there not.

Q. These smaller amounts are interest accumulated? A. It is.

Q. Now, Mr. Cathro, I will show you these exhibits, a five
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thousand dollar draft dated July 3, 1920, was that a draft drawn on the Security National Bank of Valley City? A. It is.

Q. Was payment refused on that draft? A. It was.

Q. I will show you a draft for \$3000. dated July 28, 1920, and will ask you if that draft was drawn on the Security National Bank of Valley City? A. It was.

Q. And was payment refused? A. It was.

Q. I will ask you if the two thousand dollar draft, dated September 10th, 1920, was drawn on the Security National Bank of Valley City? A. It was.

Q. And was payment on it refused? A. It was.

Q. Did you ever, with anybody, make an agreement to deposit money in the Security National Bank, down there, at Valley City? A. I did not.

Q. What money was deposited in the Security National Bank of Valley City was deposited there by J. R. Waters was it not? according to the letters you hold in your hands? A. The letter of March 17th, was written by Mr. L. P. McInerney, in the absence of Mr. Waters.

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Q. But the original was written by Mr. Waters? A. Yes.

Q. I will show you "Exhibit 94" and will ask you if that is one of the records of the bank? A. It is.

Q. And that is the custom or rule of the bank that you follow with respect to deposits in National Banks? A. We require a depository in case of National banks.

Q. And that is true in all cases where the Bank of North Dakota deposits in a National bank? A. It is.

Q. Why do you require a bond to secure these deposits? A. Because the guarantee deposit law guarantees the deposit, and—

Q. Do you require a bond from state banks? A. We do not.

Q. I will read into the record these drafts:

"EXHIBIT 96"

THE BANK OF NORTH DAKOTA No. 4361

July 3, 1920.

Bismarck, N. Dak., July, 1920.

Pay to the order of The Bank of North Dakota \$5,000.00
 Pay \$5,000. no 00 Dollars.
 Security National Bank, P. O. McAneney, Teller.
 Valley City, N. Dak. A. Johannsen, Credits Dept. Director.

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Endorsed "pay to the order of any Bank, Banker, or Trust Co., Jul. 3, 1920. All prior endorsements guaranteed. THE BANK OF NORTH DAKOTA. 77-28. Bismarck, N. D. 77-28."

"EXHIBIT 97"

"THE BANK OF NORTH DAKOTA" No. 5006.

Bismarck, N. Dak., July 28, 1920.

Pay to the Order of The Bank of North Dakota, Bismarck,
 North Dakota, \$3000.00
 Pay \$3000.00 no 00 cts.;... Dollars.
 Security National Bank, A. C. Brainard, Teller.
 Valley City, N. Dak. A. Johannsen, Dept. Director.

And on the back is the following endorsement:

"Pay to the order of any bank, banker, or Trust Co., Jul. 29, 1920. All prior endorsement guaranteed. The Bank of North Dakota 77-28 Bismarck, N. Dak. 77-28."

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"EXHIBIT 95"

"THE BANK OF NORTH DAKOTA No. 6066.

Bismarck, N. D., Sept. 10, 1920.

Pay to the order of THE BANK OF NORTH DAKOTA, Bismarck, North Dakota, \$2000.00
 Pay \$2000 and no 00 cts Dollars
 To Security National Bank: A. C. Brainerd, Teller.
 A. Johannsen, Deputy Director.

Endorsed on the back:

Pay to the order of any Bank, Banker, or Trust Co., Sept. 10, 1920. All prior endorsements guaranteed. THE BANK OF NORTH DAKOTA, 77-28. Bismarck, N. Dak.

Pay to the order of any Bank, Banker or Trust Co., Midland Bank, E. V. Bloomquist, Cash., and cancelled stamp on the endorsement."

Offer in evidence Exhibits 87, 88, 95, 96 and 97.

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Lee Cowell, having been duly called and sworn to testify the truth, the whole truth, and nothing but the truth, testifies as follows:

Examination by Mr. Sinkler:

Q. What is your name? A. Lee Cowell.

Q. Where do you reside? A. Valley City.

Q. Do you occupy any position in the Security National Bank of Valley City—this bank under discussion? A. I am a Director.

Q. You are a Director in the Security National Bank of Valley City? A. Yes.

Q. I suppose you are one of the gentlemen who was called here to testify with regard to certain rumors? A. I was subpoenaed to come here.

Q. You were called here to testify with regard to certain rumors? A. Yes.

Q. Simply what somebody told you? A. What Mr. Grady told me.

Q. Somebody told Mr. Grady something and Mr. Grady told you, and then you were called here to tell what Mr. Grady told you? A. I don't think anybody told Mr. Grady what he told me.

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Q. You understood when you were testifying that you were simply testifying to hearsay testimony? A. Yes.

Q. Simply what somebody told you? A. Yes.

Q. What somebody told you? A. Yes, what Mr. Grady told me.

Q. Somebody told Mr. Grady something and Mr. Grady told you. Is that right? A. He told me.

Q. Anything that you have testified to here is based on hearsay? A. Yes. Positively.

Q. And you don't want anybody to understand and you do not want the House Committee to understand that you were testifying to anything by positive hearsay? A. I testified Mr. Grady told me.

Q. You understand when you were testifying that it was hearsay testimony? A. Yes.

Q. It was hearsay testimony? A. Yes.

Q. By the way where is Grady? A. I don't know.

Q. Do you know where Mr. Grady is? A. No.

Q. Was Grady not here about a week ago in Bismarck? A. I don't know.

Q. That he was here and had a conference with somebody

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here and then he went to a warmer climate? A. I don't know.

Q. Anywhere Grady is where we can't reach him, I mean outside the state? A. I don't know.

Q. Now, Mr. Cowell, you, of course, do know something about these notes that were there—or did you just hear about them? A. No, I heard them read off.

Q. I want to know, Mr. Cowell, if you can tell me the dates of these notes? A. When I received this subpoena I went to the Bank and got the dates of the notes.

Q. What was the date? A. July 12th, for all except Mr. Staug's note—the 13th.

Q. Do you know if it was Friday, the 13th? A. I don't know.

Q. And all the rest were dated of the same date that these C. D.'s were dated? A. I don't know that. Don't know anything about it.

Q. As I understand it, Mr. Cowell, the gentlemen who signed these notes were perfectly good? A. Positively.

Q. They were the best farmers in that country? A. Yes.

Q. The only thing against them was because they belonged

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to this nefarious league known as the Non-Partisan League (laugh) A. No.

Senator Ployhar: Was it not a matter of general understanding among the Directors of the Bank that a deal had been entered into between Mr. Grady and Mr. Townley? A. Mr. Grady told me that.

Q. That's all.

Mr. Sinkler:

Q. Was it not a general understanding at that time that

a man by the name of Brinton wrote a letter to Governor Frazier at one time. You have heard about all these things?

A. Do you want the whole thing?

Q. You have heard about all these letters being written? That's all.

Senator Ployhar:

Q. I want Mr. Cowell to tell his story?

Senator Liederbach: Is it about these notes?

Mr. Sinkler:

Q. Is it about these notes? A. My conversation with Mr. Grady.

Q. Oh, you want to give the conversation you had with Grady. I think we have listened to so much conversation—well, let's have it. A. I objected to these notes as they were

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read off, and I asked what the idea was, and Mr. Grady made some remark about it in the Directors' Meeting, as much as to tell me that he did not want to discuss it, and I shut up. After the meeting I went into the lobby of the bank, after the other Directors had gone, and I said "what's the idea of these loans of \$2500. each to these men?" and he said "Mr. Townley was here and tried to negotiate these notes with these other banks and failed, and I thought we might as well have their good will as their ill will, and I made this proposition to Mr. Townley; that I would take these notes provided the money would come from the Bank of North Dakota," and I said "it did not look very well" and he said "why not?" and I said "it is furnishing them capital to carry on their political campaign" and he said "yes, but we are making 6% off the money, and these notes are positively good," and I said "there is positively no question about it." He said "I still have a further agreement that I am not to honor any of these drafts no matter who they come from unless they come from a certain man in the bank, his name was Mac something."

Q. McInaney? A. I could not say—Mac something.

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Mr. Sinkler:

Q. Mr. Grady said he was making six per cent on the deal?

A. Yes, sir.

Q. Will you explain how he did that? A. I don't know.

Q. These notes say five per cent—were you people charging usury? A. I don't know a thing about it.

Q. He told you there was a difference of six per cent between the rate of interest the C. D.'s bore? A. I don't know.

Q. Did you just think they were getting six per cent on the notes? A. I thought ten per cent.

Q. How could they do that then? A. They were getting money from the Bank of North Dakota at four per cent.

Q. Did he tell you they would get money from the Bank of North Dakota at four per cent? A. I don't know that he did. He gave me to understand that the agreement was—

Q. That is what Mr. Grady told you? A. Positively.

Q. Will you try to find out where Mr. Grady is? A. I

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think I could tell you now where he is.

Q. Where? A. At the Hot Springs.

Q. Which Hot Springs? A. Arkansas.

Q. Do you think it is necessary for him to remain there? A. I don't know.

Q. Do you know when he is coming back? A. I don't

know. I can't tell. I can tell you more about that too if you want to hear it. When I was up here lobbying for the school bill—

Senator Lieberbach: Lobbying did you say? A. Before the committee.

Mr. Sinkler: That is an offense under the law, you know? A. I heard about these drafts being presented for payment and being refused—payment refused on them, and I heard that they had some pink slips attached to them, and when I went back I said I understand there are pink slips attached to those drafts up there which you refused, and he said "the damn fools, don't they know enough to take them off."

Q. Did he say which damn fools he meant? A. No, he did not.

Q. He did not? A. No.

Q. All right.

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Senator Lieberbach: Did I understand you to testify, Mr. Crowell, that Mr. Grady told you, that Mr. Townley came to him and tried to negotiate these notes in all other banks down there and had failed? A. No, I said some of the other banks.

Q. And that Mr. Grady made arrangements with Mr. Townley that he would accept these notes provided the money would come from the Bank of North Dakota? A. I do not know whether he said "would come" or "was there,"

Mr. Sinkler:

Q. You wish now to change your testimony? A. No, I wish to be understood as I have stated, whether it was there, or would come, I don't remember.

Q. Was it your understanding that it would require any money to make these loans? A. It was at the time.

Q. That was the understanding that Mr. Grady gave you? A. Yes.

Q. Then Mr. Grady misled you did he not? A. Why I got the wrong impression at that time.

Q. You got the wrong impression from Mr. Grady? A. What?

Q. That it did not take any money to make these loans?

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A. Yes.

Q. In that respect you were intentionally or unintentionally misled? A. Yes.

Q. I suppose since that time you have always had money to meet the drafts made on the bank? A. Yes, I think so.

Q. You do not think it possible that when a draft came in on the third of July, that it was turned down because it would be difficult to meet it at that time? A. I don't know the reason.

Q. Now then, if the conclusion which you drew from the conversation had with Mr. Grady in regard to needing money to make this loan was an erroneous one—an erroneous conclusion, is it not possible that Mr. Grady misled you as to the rest of it? A. Possibly, yes.

Mr. Paddock: It is possible that this witness may not be able to understand the records that have been called for, and it would perhaps be better to subpoena somebody there who could explain the records.

Mr. Ellis: I don't keep the books there.

Mr. Paddock: Who would know more about the books there, or the records?

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A. Mr. Fouks, the cashier.

Senator Baker: I move that we adjourn until 4 o'clock, Monday afternoon, February 21, 1921, to meet in the Senate Chamber.

Senator Church: I second the motion.

Upon the motion of Senator Baker, seconded by Senator Church, the Senate Committee meeting was adjourned until 4 o'clock, February 21, 1921. Committee stands adjourned.

End of February 19, 1921.

February 21st, 1921.

Meeting called to order by Chairman at 4 P. M. pursuant to adjournment previously taken. All members present.

Reading and approving of the minutes:

Senator Baker: I move that the minutes be approved as read.

Mr. Chairman: Motion made and seconded that the minutes be approved as read; as many as favor the motion say aye. All members voting aye, the motion carried.

Mr. F. W. Cathro being called as a witness testifies as follows:

Examination by Mr. Sinkler:

Q. Mr. Cathro, I will show you exhibit No. 98 and ask you if this is one of the papers and files of the Bank of North Dakota? A. It is.

Q. And does that contain the rules and regulations governing the Bank of North Dakota? A. It does.

Q. And the laws of the Bank of North Dakota act? A. It does.

Mr. Sinkler: We offer in evidence exhibit No. 98 and for the information of the committee, I desire to read into the record Section 2 of the act, establishing the Bank of North Dakota.

EXHIBIT NO. 98.

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Section 2. The Industrial Commission shall operate, manage and control the Bank of North Dakota, locate and maintain its places of business of which the principal place shall be within the state and make and enforce orders, rules, regulations and by-laws for the transaction of its business. And the authority of the Director General and Manager of the Bank of North Dakota shall be general representative of the Industrial Commission in all affairs pertaining to the Bank of North Dakota, with such powers and authority as may from time to time be conferred upon him by the Industrial Commission. The manager shall appoint the directors and Deputy directors of each of the departments hereinafter established, subject to approval by the Industrial Commission and subject to removal upon orders from the Industrial Commission.

The Director General, subject to the Industrial Commission and Manager, shall have general supervision over the affairs of the Bank of North Dakota and its management, and, acting through the several heads of departments, shall direct the management of the Bank.

Mr. Sinkler: Now with reference to the Depository Banks in North Dakota order No. 3 of the Industrial Commission Depository Banks.

"Depository Banks" for the Bank of North Dakota within the State of North Dakota shall consist of the following
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banks:

A. All state banks approved under Chapter 126 of the Session Laws of 1917, known as the Depositors' Guaranty Fund Law.

B. All national banks which may have filed with the Bank of North Dakota a surety bond running to The Bank of North Dakota, to indemnify the Bank of North Dakota against all loss that may be sustained arising from any deposits made in any such national bank by the Bank of North Dakota and to insure the repayment to the Bank of North Dakota of such deposits upon demand or order of the Bank of North Dakota: such depository bonds are to be approved by the Attorney General as to form and by the Manager of The Bank of North Dakota as to sufficiency. In the event of the filing of a personal bond, five freeholders in the State of North Dakota shall be required, each to justify in the amount of the bond, and the amount of the bond shall be double the amount of the obligation covered by the bond.

Nothing herein contained shall be construed as prohibiting the designation of depository banks or correspondent banks without the State of North Dakota wherever and whenever advisable and expedient, Issued July 3, 1919.

Mr. Sinkler: I want to introduce into the record at this time section 5 of the Guarantee Fund Law; Guarantee Fund Assessments being Chapter 126 of the 1917 Session Laws
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of the State of North Dakota: Sec. 5 Guaranty Fund Assessment. For the purpose of providing a Depositors' Guaranty Fund for the protection of depositors in banks, every bank engaged in the business of banking under the laws of this state, shall be subject to assessment to be levied, kept collected and applied as hereinafter provided.

Part of Section 7: Provided further, that no bank which has complied in full with the provisions of this act shall be required to give any further security or bond for the purpose of becoming a depository for any public funds, but public funds shall be secured in the same manner as private funds are secured.

Section 29 under the same act. Repeal that part of Sections 371, 1475 and 3317 of the Compiled Laws of North Dakota for the year 1913 and any and all other provisions of law requiring the giving of personal or surety bonds for deposits of public funds in so far as same applies to banks belonging to the Depositors Guaranty Fund, and all acts and parts of acts in so far as they conflict with the provisions of this act are hereby expressly repealed.

In regard to National Banks the qualification of National Banks as depository, come under order No. 3 Section B as follows: All national banks which may have filed with the Bank of North Dakota a surety bond running to the Bank
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of North Dakota, to indemnify the Bank of North Dakota

against all loss that may be sustained arising from any deposits made in any such national bank by the Bank of North Dakota and to insure the repayment to the Bank of North Dakota of such deposits upon demand or order of the Bank of North Dakota; such depository bonds are to be approved by the Attorney General as to form and by the Manager of the Bank of North Dakota as to sufficiency. In the event of the filing of a personal bond, five freeholders in the State of North Dakota shall be required each to justify in the amount of the bond and the amount of the bond shall be double the amount of the obligation covered by the bond.

Nothing herein contained shall be construed as prohibiting the designation of depository banks or correspondent banks without the State of North Dakota wherever and whenever advisable and expedient.

Mr. Sinkler: I would like to ask if Mr. Foukes of Valley City is here. No response.

Is Mr. P. E. Halldorson here, he was formerly Deputy Bank Examiner A. No response.

Q. Mr. Cathro has the Bank of North Dakota of late been attempting to procure from the various state banks throughout the State of North Dakota their funds which had been deposited in these various banks. A. It has.

Q. You have as I understand it been obliged to turn down some checks and drafts that have been drawn upon the bank

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of North Dakota, have you not? A. We have turned down some checks. I don't know that we have turned down any drafts.

Q. Some checks; and is that because of the fact that the State Banks have refused and failed to pay the money which is rightfully due to the Bank of North Dakota by these banks. A. It is.

Q. If these State banks would honor the drafts made upon them by the Bank of North Dakota, could the Bank of North Dakota pay its obligations? A. It could.

Q. Mr. Cathro, I want to place the responsibility where it rightfully belonged, with respect to the refusal of payment of checks, and you now say that the responsibility rests with the state banks, does it not? A. It does.

Q. Now I want to take up with you, Mr. Cathro, the various counties in which the Bank of North Dakota has made deposits for the purpose of showing to this committee the exact condition in all of the counties of the state, as I go through them—and I am going to take them up in alphabetical order. I want to call your attention first to Adams County; did the Bank of North Dakota have funds on deposit in Adams County? A. It did.

Q. I will show you exhibit 99 and will ask you if exhibit 99 is a statement of the funds that the Bank of North Dakota had on deposit in Adams County on January 19th, 1920. A. 1921.

Q. 1921? A. It is.

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Q. And how much money did the Bank of North Dakota have on deposit in Adams county, at that time? A. \$36,-333.02.

Q. And how much were the loans and discounts at that

time? A. \$52,290.52.

Q. What is the total—How much on farm loans? A. \$40,800.

Q. What does it total up to? A. \$129,423.54.

Q. That is the money that this county got from the Bank of North Dakota, or had at the time? A. It is.

Q. Now how much money did you have from Adams County at that time? A. \$70,831.67.

Q. Then Adams County had a good deal more money from you than they had or that they owed the Bank of North Dakota? A. Yes, sir.

Q. How much more, Mr. Cathro. A. \$58,591.87.

Q. Let me see; Adams County has a number of banks out there. A. It has.

Q. Will you give me a list of these banks in Adams County, and the money on deposit in each and also the loans? A. Bucyrus State Bank loans and discounts \$10,200.00, 7,200.51 redeposits, farm loans special \$1200.00.

First State Bank of Haynes loans and discounts \$8,087.20, Redeposits \$4,999.52, Adams County State Bank Hettinger, loans and discounts \$8,103.32 redeposits \$5,676.29. First National of Hettinger, loans none, redeposits \$1,413.47. Live-stock National Bank of Hettinger, loans and discounts \$7,500.00, redeposits \$3,935.23. Farmers and Merchants State,

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Reeder, loans and discounts \$3,200.00, redeposits \$2,421.71. First National of Reeder redeposits \$3,025.60, farm loans special \$5,500.00. First State of Reeder, loans and discounts \$10,200.00, redeposits \$7,660.69.

Senator Ployhar: Mr. Cathro may I ask you a question? Some of these banks are closed are they not? A. I believe so.

Q. Do you mean to tell this committee, when you draw on these banks where the State of North Dakota has funds that they refuse to pay them?

Mr. Sinkler: Absolutely. I am going through all of the banks—I have several hundred here, and in some cases, we will produce the drafts, and have telegrams and letters to show that these banks absolutely refuse to pay, in order to explain why the Bank of North Dakota has not paid certain checks that have come in.

Examination continued by Mr. Sinkler.

Q. I will show you exhibit No. 100 Mr. Cathro and ask you if exhibit 100 is a letter that you received from the Adams County State Bank? A. It is.

Q. And is that in response to a wire requesting that bank to forward to some place certain money. A. It is.

Q. And how much did you request that bank to forward? A. \$600.00.

Q. And where did you request them to forward it? A. to the First National Bank, Minneapolis.

Q. And when you requested them to forward the \$600.00—just a minute—how much did you have on deposit in that

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bank at the time you asked them to forward that \$600.00? A. \$5,676.29.

Q. And when you asked them to forward that \$600.00 read into the record what they told you.

ADAMS COUNTY STATE BANK
 Capital Surplus and Profits \$30,000.00

Hettinger, N. D., Jan. 20, 1921.

Bank of North Dakota Bismarck, N. D.

Gentlemen: We received your wire yesterday morning requesting that we wire \$600.00 to the First National Bank of Minneapolis to your credit. This request was complied with as all your requests have been up to date. We have met every demand that the Bank of North Dakota has made upon us. Our reserve is now impaired. In fact, our reserve was below the legal requirements when we made the payment yesterday.

We have attempted to co-operate with the Bank of North Dakota in the present emergency and if you will look up your records you will see that since the 6th. day of June we have paid to the Bank of North Dakota \$34600.00. This, in the face of the continual tightening up in the money market and we are writing you today to say that unless there is some change for the better and we can build up our reserve it will be impossible for us for the present to meet any further withdrawals. We can hardly help but feel that the demands made

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upon this bank by the Bank of North Dakota have been unreasonable but this feeling has not prevented us from continually meeting the demands. We have used our credit with Chicago, Twin Cities and other banks to borrow money for the purpose of keeping our reserve where it ought to be. Some of our correspondents have informed us that we have reached the limit of our credit and if the withdrawals are going to continue and we shall not be able to borrow money elsewhere the situation will be serious. I trust that you will see the fairness of our position and the reasonableness of our request when we ask that you defer, at least for the present demanding any further withdrawals from this bank.

Yours truly,

(Signed) J. O. Wigen, Cashier.

Q. I will show you exhibit No. 101 and ask you if that is a letter that you received by due course of mail from the Adams County State Bank. A. It is.

Q. Is that in reply to a request for payment of \$1,000.00? A. It is.

Q. Read the letter into the record, what they told you in response to your request for \$1,000.00.

EXHIBIT 101.

ADAMS COUNTY STATE BANK

Hettinger, N. D., Jan. 27, 1921.

Bank of North Dakota, Bismarck N. Dak.

Gentlemen: We acknowledge receipt of your call

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for \$1,000.00. We regret very much to report that our reserve is today, several thousand dollars below the legal requirement and we are therefore not wiring this amount to Minneapolis. This is the first time you have called on us that we have not felt able to comply with your request. We trust that in the near future matters will adjust themselves so that we can take care of your withdrawals.

Yours truly

J. C. WIGEN, Cashier.

Q. At that time did you have several thousand dollars on deposit in that Bank. A. We did.

Q. I will show you exhibit 102 and will ask you if you made another request from this same bank for \$500.00? A. We have.

Q. What did they tell you when you made the request for \$500.00; read the letter.

Adams County State Bank
Hettinger, N. D., Jan. 31, 1921.

Bank of North Dakota, Bismarck, N. Dak.

Gentlemen: We acknowledge receipt of your telegram calling upon us to remit to the First National Bank of Minneapolis \$500.00. We regret very much to report that our reserve is still several thousand dollars below legal requirements and Mr. Wigen, Cashier, is out of town and upon his return this will be given his prompt attention.

Yours truly,

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(Signed)

H. W. ANDERSON,

Ass't Cashier.

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Q. Your attention is called to exhibits 103, 104 and 105 and I will ask you if that is correspondence that you have had with another bank in Adams County? A. It is.

Q. And what bank is that that you have had that correspondence with in Adams County? A. Live Stock National Bank of Hettinger.

Q. Have they also refused to honor your drafts. A. It has.

Q. Did you ask them for money? A. We did.

Q. Did you have any money there. A. We did.

Q. How much did you have there when you made the request on them? A. Deposit \$3,935.23.

Q. What did they tell you when you wanted the money. A.

LIVE STOCK NATIONAL BANK

Hettinger, N. D., January 14th., 1921.

Bank of North Dakota,

Bismarck, North Dakota,

Gentlemen:

We are in receipt of your letter of January 12th, regarding telegram which you sent us requesting us to remit \$2000.00 by wire to First National Bank, of Minneapolis at the time we received this wire our reserve was low and we could not possibly spare the money at that time. Furthermore we understand that we are one of the banks in this county that has been paying all your drafts and wires with this exception, while some of the other banks have not paid any of your drafts or requests by wire. We therefore feel you

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should not draw the small balance you have here at this time, until the money situation eases up some. Let us hear from you regarding this matter.

Yours truly,

LIVE STOCK NATIONAL BANK

(Signed)

By G. N. BURNSON,

Cashier.

Q. I call your attention to exhibit No. 104. Is that a tele-

gram that you sent to that same bank. A. It is.

Q. For the purpose of having them send funds to the Bank of North Dakota? A. It is.

Read that into the record:

WESTERN UNION TELEGRAM

December 31.

Livestock National Bank,

Hettinger, N. D.

Remit First National Bank of Minneapolis, Two Thousand Dollars by wire at once. Advise us by mail.

Bank of North Dakota

Q. Did you receive any response to that telegram? A. I have no record of receiving any response.

Q. Did you also write them a letter? A. We did.

Q. Another letter besides the one that you have read in evidence, or what did you write them. Did you write them with respect to sending funds to the Bank of North Dakota,

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that the Bank of North Dakota has on deposit there What did you write them. A.

Jan. 12, 1921

Livestock National Bank,

Hettinger, N. D.

Gentlemen:

On December 31 we wired you as follows:

"Remit First National Bank Minneapolis two thousand dollars by wire at once. Advise us by mail. Up to date we have failed to receive an answer to our wire.

We will thank you to comply with our request.

Yours very truly,

J. W. G.

Audits Department.

Q. When these banks refused to pay these drafts you understood they were insolvent, did you not? A. I did.

Mr. Sinkler: At this time I desire to read into the record Section 5189 of the Compiled Laws of North Dakota, 1913. When a Bank shall be deemed insolvent. A Bank shall be insolvent, 1st, when the actual cash market value of its assets is insufficient to pay its liabilities.

2nd, When it is unable to meet the demands of its creditors in the usual and customary manner.

3rd When it shall fail to make good its reserve as required by law.

4th. When it shall fail to comply with any lawful order of the State Banking Board, within any time specified therein.

Q. Now are there any other banks out there in Adams

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County that have failed to meet drafts drawn upon them.

A. There are.

Q. What are the Banks? A. First State Bank of Reeder. Did you have any money in the First State Bank of Reeder?

A. We had.

Q. And you made a draft upon them A. We did.

Q. Did you write them in regard to the draft? A. We did.

Q. How much money did the Bank of North Dakota have in the First State Bank of Reeder at the time you made the draft upon them. A. \$7,660.69 in the redeposit account.

Q. What did you write the First State Bank of Reeder? A.

Jan. 14, 1921,

First State Bank of Reeder.

Reeder, N. D.

Gentlemen: We wish you would please return the \$2000.00 draft which we drew on you on December 11th.

Please give this your immediate attention

Yours very truly,

Audits Department Director

Q. Did they honor that draft, A. They did not.

Q. Is there any other bank in Adams County that has refused to meet your drafts? A. There is.

Q. What one? A. Farmers & Merchants State Bank

Q. Did you have money on deposit in that bank at the time you made the draft? A. We did.

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Q. What did you write them with respect to the matter?

A. February 14, 1921

Farmers & Merchants State Bank.

Reeder, N. D.

Gentlemen We wish you would please return the \$1500 draft which we drew on you on December 11th. Please give this your immediate attention.

Yours very truly,

Audit Dept., Director.

Q. Did they pay that draft. A. They did not.

Q. Is there any other bank in Adams County that did not pay the drafts that were drawn upon them? A. There is.

Q. What other bank. A. First State of Haynes.

Q. How much of a draft did you draw on them, A. \$1500.

Q. Was the money there? A. It was.

Q. It had been deposited by the Bank of North Dakota in that bank? A. It had.

Q. You were rightfully entitled to it? A. We were.

Q. Did they pay the draft? A. They did not.

Q. After all these drafts had been presented in Adams County which I have called your attention to did the people down there in Adams County get together for the purpose of tying up the funds in the banks of Adams County, so that the banks would have some plausible reason for refusing payment? A. They did.

Q. In what manner were these funds tied up down there?

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A. By garnishment proceedings.

Q. Do you have any recollection now as to when the first garnishment proceeding was commenced against the Bank of North Dakota? Have you any recollection as to the time? A. I can give you the approximate time.

Q. Give me the approximate time? A. Probably ten days or two weeks ago.

Q. Well after they had tied up the money of the Bank by these garnishment proceedings, as I understand it, you tried to get money from them? A. We did.

Q. And when they did tie up by garnishment proceedings what reason did they give for not honoring your drafts then?

A. Reason being, served with garnishment summons.

Q. Read the telegram which you received from the Farmers & Merchants State Bank.

(Reporters note)—This should read as Grant County garnishee, instead of Adams County, see correction in transcript later.

WESTERN UNION TELEGRAM

Bank of N. Dak.

Bismarck, N. Dak.,

Cannot comply with telegraphic request yours fourteenth for reason being served with garnishment summons by Grant County Previously.

Farmers State Bank.

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Q. Now was that received after these funds had been tied up? A. It was.

Q. Now in what county were proceedings first instituted by the banks—not by the banks;—well probably I am not far off, or by the County garnisheeing the banks which was the first county what inst.tuted proceedings in? A. Sargent

Q. I wonder if you will read into the record, one other exhibit with respect to the funds in Adams County, before we leave Adams; I refer to Exhibit 106, which is offered in evidence. That is part of the records of the Bank of North Dakota and was a letter received by you? A. It is.

LIVE STOCK NATIONAL BANK

Hettinger, N. D., Jan. 20, 1921.

Bank of North Dakota,

Bismarck, North Dakota,

Gentlemen: We are in receipt of a telegram today which requests us to send \$2,500.00 to the First National Bank of Minneapolis and advise you by wire. We are not advising you by wire because there is no need of throwing money away by so doing and we have not sent the \$2,500.00 to the First National Bank of Minneapolis. You have called for us to remit by wire more than the amount we hold between our net balances and this we would never do. In the second place your request is unreasonable and unfair. You have a much larger balance in another bank here in town than you have with us and there is no good reason for calling on us to remit

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your full balance when you have twice as much in the other competing bank. We shall not expect to be called upon to pay out any more of your balance with us, until you have pulled down your balances in the other banks here and in Adams County.

Yours very truly,

Live Stock National Bank,

By Paul H. Brown, Presi.

(Signed

Q. The next question I will call your attention to—
Senator Murphy: Just a minute Mr. Sinkler, I want to ask a question.

Q. You testified, Mr. Cathro, under the statute as read by Mr. Sinkler that these banks in Adams County were insolvent, that the Bank of North Dakota was solvent at all times? A. Would I be ready to testify.

Q. Yes. A. I would.

Q. Why. A. Because it would have its funds available to meet, if these banks would comply with our orders.

J. Might not these banks have had loans out and if they had gotten them in, they could have made good with the

Bank of North Dakota. A. These funds weren't loaned by the Bank of North Dakota; they were on deposit.

Q. Well that is what I wanted to clear up.

Mr. Sinkler continues examination.

Q. As I understand it then these moneys you have referred

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to as being in Adams County Banks are as redepositors? A. They were.

Q. Under the statute or rather Order No. 3 of the Industrial Commission which I read into the record? A. They were.

Q. Whereby the State Banks as provided in Chapter 126 of the Session laws are known as depository guaranty fund law. These banks were depositories of the Bank of North Dakota? A. They were.

Q. Mr. Cathro, I want now to call your attention to Barnes County.

Mr. Ployhar: Mr. Sinkler.

Mr. Sinkler. Q. That is where the City of Valley City is located.

Mr. Ployhar: Just a minute before you proceed to Barnes County, I would like to ask a question. Q. Mr. Cathro, have any of the other banks in Adams County refused to honor your drafts prior to the garnishment proceedings? You refer to four or five here out of a total of eight, I believe. A. Without checking this over, I could not tell which ones, I fail to have a record of having those who refused drafts at this time.

Mr. Paddock: Perhaps I may explain the situation. This is just a part of the showing of those who refused to pay. We have drafts that were sent out through the mail that were refused, and have drafts still outstanding that haven't come in and then we have these refusals through telegraphic requests and that is just a part of it, and before the hearing is over will present to your committee a tabulation of the

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exact balances in the banks and the attempt to draw by draft and the telegraphic requests, ect., so that it will give you the complete information. That is just a part of it.

113—F

arthur-J

Mr. Sinkler:

Q. I now call your attention to Barnes County will you kindly state by looking at the exhibit here whether Barnes County has got more money on deposit in its banks than the public funds amount to in the State of North Dakota, taking into consideration loans and discounts, redeposits and farm loans. A. It has.

Q. Now how much more money have they got than the Bank of North Dakota has got from Public funds in Barnes County. A. \$18,901.74.

Q. Will you state to the committee the various banks in Barnes County that have money on deposit and who have loans from the Bank of North Dakota. A. Daisy State Bank of Daisy, N. D., reposit \$2,629.01. Eckelson State, Eckelson, reposit \$5,593.39. First National Bank, Fingal, \$5,044.53. First State of Hastings, reposit, \$2,792.85. Farmers State of Kathryn, reposit \$2,466.71. Sheyenne Valley of Kathryn, \$1,803.83. Bank of Leal Leal reposit \$12,512.84. First National Litchville, \$3,-

559.85. First State, Litchville, \$7,130.68. First State of Lucca, redeposit, \$2,227.44. Farmers State, Nome, Loans (414)

and Discounts \$5,000.00 redeposit \$4,809.33. First State of Nome, redeposit, \$3,734.96. Farmers State of Oriska, redeposit, \$4,101.52. State Bank of Oriska, \$2,892.15. Pillsbury State Bank, Pillsbury, \$2,294.87. First State of Rogers, \$4,022.59. Bank of Sanburn, Sanborn, loans and discounts \$5,000.00, redeposit \$4,336.79. First National of Sanborn, redeposit \$2,522.85. American Exchange, Valley City, Loans and discounts \$41,607.90 redeposit \$49,139.29. Bank of Valley City, redeposit, \$2,033.44. First National of Valley City, \$4,614.93. Middlewest Trust Company, Valley City, redeposit \$22,049.69. Security National Valley City, loans and discounts, \$15,101.92, redeposit \$16,077.10. First National Wimbledon redeposit \$2,217.30. Merchants National, Wimbledon, loans and discounts \$8,600.00, redeposit \$5,523.64.

Examination by Mr. Paddock:

Q. Now in testifying regarding the garnishment of funds in Adams County, it didn't appear quite clear. Do you mean to say that Adams County had brought a garnishment suit or the funds in the Banks of Adams County had been garnisheed.

Mr. Paddock: I will withdraw that question.

Q. Showing you Mr. Cathro exhibit No. 144, I will ask you whether or not that is the notice you received from the Farmers State Bank of Leith, saying that the funds of that bank had been garnisheed by Grant County. A. It is.

Q. From the telegram it appears, does it not that the

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garnishment proceedings or suit was brought by Grant County rather than Adams County. A. It does.

We offer in evidence exhibit "144".

Q. Now I will show you Mr. Cathro, exhibits 108 to 143, inclusive and will ask you whether or not you find after examination, that they are the original letters and telegrams from banks in Barnes County and copies of letters and telegrams sent by the Bank of North Dakota to Banks in Barnes County concerning the business of the Bank of North Dakota with these banks. A. I do.

Mr. Paddock: For the purpose of speeding the record, I would suggest that we read only one or two of these exhibits, and then offer them all in evidence. I will do that with each county that we come to, just to show you the tenor of the exhibits. We have, I think two or three hundred to offer and I think it would take a lot of time to read them all into the record.

This is exhibit No. 108:

The First National Bank
of Fingal.
January 29th, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We have your telegram asking us to remit First National Bank of Minneapolis \$3,000.00 by wire. We are unable to meet this demand in full today, but are remitting \$1,000.00 by mail today, will remit \$1,000.00 February

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5th, and the last \$1,000.00 as soon thereafter as possible.

This is the best we can do without depleting our required reserve and if not satisfactory to you, kindly let us know, and we will endeavor to pay this in full at this time. We can do this, but it will work a hardship on us at this time.

The only public deposits we will receive will be from you, as Barnes County, so we are informed intends keeping its funds with you. We are endeavoring to be prepared to assist financing the tax payments, which will have to be made soon, and would like to have some information as to whether or not we will be favored with a deposit from you when tax payments are made. We will then be in a better position to tell just how far we can go in aiding payments of taxes.

(Signed) Yours very truly,
Finn Oyen, Cashier.

A telegram being exhibit No. 110.

WESTERN UNION TELEGRAM

December 31st.,

First National Bank, Fingal, N. D.

Remit First National Bank, Minneapolis, Fifteen Hundred Dollars by wire at once. Advise us by mail.

Bank of North Dakota.

A telegram being exhibit No. 111.

WESTERN UNION TELEGRAM

Hastings, N. D., Feb. 10, 10 A. M., 1921.

Bank of N. D.

Bismarck, N. D.

Unable to comply with your request, telegram Feb. 5th.

1st State Bank of Hastings,

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Exhibit No. 112.

Bank of Leal,

Leal, N. D., Feb. 15, 1921.

Bank of North Dakota,

Bismarck, N. Dak.

Re-Wire Transfer Feb. 15, \$1,000.00.

Your deposit with the bank is \$8,656.16; our balance with you is \$5,164.15. The net difference is \$3,492.01 in your favor.

We have a deposit of school salary checks over due since February 11th, for over \$500.00 which we have hoped to forward daily. This will reduce the balance to approximately \$3,000.

We are asking our customers to pay maturing loans and can remit \$500.00 to Minneapolis by Saturday probably before that date.

Wish to assure you that we are anxious to cancel the difference in our balances just as quickly as existing conditions will permit.

Yours very truly,
(Signed) P. A. Pickety,
Cashier.

Exhibit No. 116.

Farmers State Bank,

Nome, N. D., January 15th, 1921.

The Bank of North Dakota,

Bismarck, N. D.

Gentlemen: Answering your letter of the 13th. inst., relative to the telegram on December 31st., ult., requesting

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us to wire for your credit One Thousand dollars to First National Bank, Minneapolis.

In regard to this will say it has been impossible for us to comply with this we have no reserve at all and we have had some heavy withdrawals. We carried certificates from some of the Banks in the Western part of the State and which when due were refused payment, because they could not pay them. Give us time on this and as soon as conditions warrant we will comply with your order. We have however several farm loans pending which we are negotiating and which are now approved and probably in thirty days we will be in position to remit.

Trusting that this has caused no inconvenience and regretting very much we are not in shape to comply with your request, we are.

Yours very truly,

I cannot read the signature, it is signed Cashier.

Exhibit 118.

Farmers State Bank,
Oriska, North Dakota,
January 14, 1921.

J. W. Greenfield, Audit Dept.,
The Bank of North Dakota,
Bismarck, North Dakota.

Dear Sir: In reply to your letter of January 13th wish to advise that we are unable to make payment on funds which you instructed us to wire to the First National Bank of Minneapolis.

At the present time, we have \$12,500.00 in real estate loans, that are completed, but we have not been able to realize on them, from the Company who has taken them on. They advise us they are waiting for funds from the Company, in the East, which they represent, before they can make any further advance.

(420)

Exhibit 119.

Western Union Telegram

To Farmers State Bank,

Dec 19, 1920.

As soon as we get a settlement on these mortgages, will be able to take care of the drafts you may make on us.

Yours very truly,
L. G. Naves,
"Cashier."

Oriska, North Dak.

Remit First National Bank Minneapolis fifteen hundred dollars at once. Wire us advice.

The Bank of North Dakota.

CHG Bk of ND
113—F

arthur-J

Exhibit 120.

Western Union Telegram

Dec. 13, 1920.

Farmers State Bank
Oriska, N. D.

Remit First National Bank Minneapolis one thousand dollars by wire today and wire us advice.

The Bank of North Dakota.

Chg Bk of N. D."

(421)

Exhibit 121.

"Jan. 13, 1921."

Farmers State Bank,
Oriska, North Dakota.

Gentlemen: Up to date we have failed to receive any answer to our wires, which were as follows: Dec. 13th we wired you "Remit First National Bank, Minneapolis, one thousand dollars by wire today and wire us advice." On Dec. 19th we wired you as follows: "Remit First National Bank, Minneapolis, fifteen hundred dollars at once. Wire us advice."

We will thank you to comply with our request.

Your very truly,
Audits Department.

JWG-H

Exhibit 122.

"Western Union Telegram"

175FDK6

Sanborn, N. D., 2 p. m.

Jan. 28, 1921.

Bank of No. Dak.
Bismarck, N. Dak.

We cannot remit one thousand today.

Farmers Exchange State Bank,
3:26PM"

(422)

Exhibit 133.

Written on the letter head of

"The Security National Bank,
Valley City, N. Dak.,
Jan. 24, 1921.

Mr. J. W. Greenfield,
Audits Dept., Bismarck, N. Dak.

Dear Sir: Replying to your wire of the 22nd advising us to wire First National Bank, Mpls., One thousand dollars to credit Bank of North Dakota, this matter was taken up with Mr. McAnenney direct. Trust he has taken this matter up with you by this time.

Yours very truly,
E. L. Fouks
Ass't Cashier."

(423)

Exhibit 134.

Written on letter head of

"The Security National Bank,
Valley City, North Dakota,
Jan. 14, 1921.

J. W. Greenfield,
Audits Dept., Bismarck, N. Dak.

Dear Sir: Replying to your favor of the 13th will say that on receipt of your wire of December 31st, that matter was taken up direct with Mr. L. P. McAnenney.

Yours truly,
James Grady,
Pres."

Exhibit 135.

"Western Union Telegram

December 31, 1920.

Security National Bank,
Valley City, N. Dak.

Remit First National Bank, Minneapolis, two thousand

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dollars by wire at once. Advise us by mail.
Bank of North Dakota.
Chg. Bk. of N. Dak."

(424)
EXHIBIT 136

"Jan. 13, 1921.

Security National Bank,
Valley City, N. D.

Gentlemen: On December 31st, we wired you as follows:
Remit First National Bank, Minneapolis, two thousand dol-
lars at once. Advise us by mail. Up to date we have failed
to receive an answer to our wire.

We will thank you to comply with our request,
Yours very truly,
Audits Department."

JWG:M

EXHIBIT 137

"Jan. 25, 1921.

Mr. Grenfield: Please cancel your wire of the 22nd to the
Security National Bank of Valley City requesting the transfer
of one thousand dollars.
LPM:F"

(425)
Exhibit 137½.

"Minneapolis, St. Paul & Sault Ste. Marie Ry Co.
Telegram Department.

Soo Line
MS DS

Telegram

Soo Line
Wimbledon, N. D.,
Feb. 4, 1921.

Bk. of N. D.
Bismarck, N. D.

Impossible for us to comply with your telegram.
Merchants National Bank.
10:20AM"

Exhibit 138.

Written on the letterhead of the
Merchants National Bank,
Wimbledon, N. D., Feb. 4, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: Your telegram of the 2nd, asking us to
transfer by wire, \$2,500.00, to the First National Bank,
Minneapolis, came in the writer's absence. Immediately
upon my return this morning, I wired as follows:

"Impossible for us to comply with your request.
Merchants National Bank.

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"Your representative when he was here went over our
books quite thoroughly, and we are sure you are familiar
with the situation. We are finding it very difficult to make
collections fast enough to meet the reductions in our de-
posits as you know, we have borrowed a lot of money from
the Minneapolis bank and they are insisting on part of their
money. The only thing we can promise to do on your stuff
is to reduce it in the same proportion as we reduce the other
bills payable that we are carrying.

We are certainly making every possible effort to be in a
position to take care of our checks, and to meet our obliga-
tions as fast as possible, but we had rather a short crop
here this year and our note makers have already disposed
of practically everything salable. When spring opens up,

everybody will be feeling better, and perhaps we can get a little cash and we will make a special effort to reduce your deposit.

Yours very truly,
 Merchants National Bank.
 By W. M. Barker."

EXHIBIT 139

Written on the letterhead of the
 "Merchants National Bank,
 Wimbledon, N. Dakota,
 Jan. 15, 1921.

Mr. J. W. Greenfield,
 Audits Department,
 Bank of North Dakota,
 Bismarck, North Dakota.

Dear Sir: We have your letter of January 13th and wish to advise that no action has been taken with regard to the telegrams referred to in your letter. We are absolutely unable to make remittance in accordance with your request. We should have advised you of this fact, and are very sorry that we did not do so.

We have written Mr. McAneney advising him that we hope to be in a position to take care of our rediscounts next week. We also think that within the next two weeks we will have sufficient collections from our notes to enable us to liquidate the rediscounts, which you are carrying with us.

Yours very truly,
 A. B. Hemp,
 Cashier."

(428)

EXHIBIT 140

"WESTERN UNION TELEGRAM

Dec. 31st.

Merchants National Bank,
 Wimbledon, N. Dak.

Remit First National Bank of Minneapolis one thousand dollars by wire at once. Advise us by mail.

Bank of North Dakota.

Chg. of N. D."

EXHIBIT 141

"WESTERN UNION TELEGRAM

12-19-20.

Merchants National Bank,
 Wimbledon, N. Dak.

Remit First National Bank Minneapolis one thousand dollars by wire at once. Wire us advise.

Bank of North Dakota.

Chg. Bk. of N. D."

(429)

EXHIBIT 142

"WESTERN UNION TELEGRAM

12-13-20.

Merchants National Bank,
 Wimbledon, N. Dak.

Remit First National Bank Minneapolis one thousand dollars by wire today. Advise us by wire.

Bank of North Dakota.

Chg. Bk. of N. D."

EXHIBIT 143

Jan. 13, 1921.

Merchants National Bank,
Wimbleton, N. Dak.

Gentlemen: On December 13th we wired you as follows:
"Remit First National Bank Minneapolis one thousand dollars by wire today, and advise us by wire."

On December 19th: "Remit First National Bank Minneapolis one thousand dollars at once. Wire us advise."

On December 31st: "Remit First National Bank Minneapolis one thousand dollars by wire at once. Advise us by mail."

(430)

Up to date we have failed to receive an answer to our wires. We would thank you to comply with our request.

Yours very truly,
Audits Department.

JGM:GM"

EXHIBIT 144

"WESTERN UNION TELEGRAM

189F DK M
Bank of N. Dak.
Bismarck, N. D.

Leith, N. D., NFT Feb. 15, 1921.

Cannot comply with telegraphic request yours fourteenth for reason being served with garnishment summons by Grant County previously.

Farmers State Bank.
232 p"

(431)

Q. Mr. Cathro, in this letter, there is a statement "the only thing we can promise to do on your stuff is to reduce it in the same proportion as we reduce the other bills payable that we are carrying" was your withdrawal on bills payable or on redeposits? A. On deposits.

Q. You were not endeavoring to withdraw on a checking account, or on a loan? A. In that transaction?

Q. In this transaction you were drawing on a checking account? A. We were.

Q. It was not bills payable or a loan that you were trying to collect in this transaction? A. It was not.

Q. I will show you exhibit 145, Mr. Cathro. I will ask you what it is? A. It is a statement of our loans and discounts and redeposits in Benson County from the Bank of North Dakota with banks in Benson County.

Q. In order to proceed more rapidly, I will suggest that the reporter make a record of these exhibits. It is unnecessary to read them all, but I offer the exhibits in evidence. Is that satisfactory to the Committee?

The Committee: It is.

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EXHIBIT 145

"BENSON COUNTY"

	Loans & Dis.	Redep.
Farmers State, Baker	\$ 3,667.00	\$ 2,800.00
Citizens State, Brinsmade		3,840.56
First National, Brinsmade		949.15
Esmond State, Esmond		1,974.29
First International, Esmond		2,435.23
First State Bank, Fillmore		3,974.80
Flora State, Flora		1,494.06

Harlow State, Harlow	1,570.67
Farmers State, Hesper	1,099.30
Farmers State, Knox	4,760.46
Peoples State, Knox	3,043.89
Valley State, Knox	
Far. & Mer., Leeds	2,016.04
First National, Leeds	1,693.57
Security Bank of Leeds	2,399.39
Citizens Bank, Maddock	1,374.15
Farmers State, Maddock	4,058.15
First National, Minnewaukan	1,654.33
Minnewaukan State, Minnewaukan ...	4,128.87
Bank of Oberon, Oberon	2,200.48
Second Bank of Oberon	2,234.64
Bank of Pleasant Lake, Pleasant Lake	3,621.45
Tokio State Bank, Tokio	4,937.17
Far. & Mer., Warwick	3,587.78
Security State Bank, Warwick	1,522.54

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Bank of York, York	4,473.42
York State, York	2,971.47

	\$ 3,667.00	\$ 70,815.86
Due all treasurers within the county	\$ 96,637.27	
Due County treasurers (general funds)		
included in above amount	229.85	
Due all treasurers (sinking funds) in-		
cluded in above amount	50,877.77	
Total due all treasurers		\$ 96,637.27
Redeposits in banks in county	\$ 70,815.86	
Loans and Discounts to banks in Co.	3,667.00	
Farm Loans in County	10,500.00	
Total amount maintained in county..		\$ 84,982.86

Deficiency of Public Funds in County	\$ 11,654.41
--------------------------------------	--------------

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Q. Mr. Cathro, I will show you exhibits 146 consisting of fourteen pages, and I will ask you whether or not these are letters from banks in Benson County, North Dakota, telegrams from such banks, addressed to the Bank of North Dakota, or its employees, together with copies of letters sent by the Bank of North Dakota or its employees to banks in Benson County, North Dakota? A. Yes.

EXHIBIT 146

Written on the letterhead of the

"Farmers State Bank.
Baker, N. D., Jan. 19, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: Enclosed find wire I received from you people today, when you want to draw on us just charge our account and advise us of same.

Being we have about as much on deposit with you people as you have with us it would help our reserve to keep it that way and as soon as we see our way clear we will send you more. But if you must draw, just send us an advice slip of same.

Yours very truly,

A. J. Scobba,
Cashier.

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"Minneapolis, St. Paul & Ste. Marie Ry. Co.
Commercial Telegraph Department.

Number DA Sent by X Rec'd by RD Check 15pd.
Received at— 1-19-1921.

Date Bismarck, N. Dak.
To Farmers State Bank,
Baker, N. Dak.

Wire First National Bank Minneapolis five hundred dollars.
Our credit. Advise us by wire.

Bank of North Dakota.
1040 A"

Written on letterhead of

Esmond State Bank,
Esmond, N. D., Feb. 7, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: Your telegram of the 5th at hand this date, and as per your telegram of today we have not forwarded remittance to Minneapolis as requested, owing to the fact that we are quite low on reserve and cannot loan any more. However, I believe it will only be a short time until the farmers start selling, and as soon as our reserve is such that we can

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spare this, we will be glad indeed to increase our account with you and render you any assistance that we possibly can, and remit to your credit whenever you desire. While our account has been small, the last couple of months, you have had your share of it, and for now-a-days it takes the money as fast as we can get it to meet local demands. It is not our desire to hamper the working of the Bank of North Dakota in any way but at this time it is impossible for us to meet these withdrawals.

Trusting this will not inconvenience you in any way, we are

Yours very truly,
M. A. Borchard,
President."

"WESTERN UNION TELEGRAM"

Rec'd at 255 F DK 11 Collect.
Esmond, N. Dak., "p Feb. 7, 1921.

Bank of N. Dak.
Bismarck, N. D.

Instructions your telegram fifth not complied with. Letter follows.

Esmond State Bank.
303 p"

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Written on the letterhead of the

"Esmond State Bank.
Esmond, N. Dak.,
Jan. 31, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: Your telegram at hand and we are very sorry to state that we have not sufficient reserve on hand at this time to make this transfer for you. I enclosed last statement of the call of the examiner and have had to pay several

C. D.'s since that time and there has been no money coming in.

Trusting this will not inconvenience you,

Yours very truly,
M. A. Borchard,
President."

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Written on letterhead of the

Esmond State Bank,
Esmond, N. Dak., Jan. 19, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: Your telegrams of the 18th at hand, and will say it is impossible for us to remit five hundred dollars to Minneapolis for your credit at this time, as we are very short of reserve and it takes all that we have to keep going. If we will have to send this now, it will almost force us to close, and I am sure it is not the intention of the Bank of North Dakota or its officials to work any hardship on us.

We have kept a pretty good balance with you all summer, and will again in the future, but at present we have nothing to keep. It takes all for the general run on business. The farmers here are not selling, and it makes it very hard for us as well as for them, but we cannot blame the farmers for he is surely entitled to a better price.

Trusting this will not inconvenience you, and assuring you we will be glad to reciprocate in any way we can, we are

Yours very truly,
M. A. Borchard,
President."

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Written on the letterhead of the

Esmond State Bank,
Esmond, N. Dak.
Jan. 3, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We have your telegram at hand today asking us to wire five hundred dollars to Minneapolis. As we are rather short of reserve at this time, we are asking if you could possibly get along without the withdrawal until we are in a little better shape. However, if this cannot be done, we ask that you kindly charge our account and forward this amount to Minneapolis, advising us of this action.

It has been rather hard on us this fall but we have met all of your other withdrawals promptly, and also have kept a good account whenever our reserve was such that we could.

Trusting our action will meet with your approval, I am,

Yours very truly,
M. A. Borchard,
President."

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"WESTERN UNION TELEGRAM"

December 31st.

Esmond State Bank,
Esmond, N. Dak.

Remit First National Bank, Minneapolis five hundred dollars at once. Advise us by mail.

Bank of North Dakota.

Chg. Bk. N. D."

FRIDAY, MARCH 4, 1921

1041

Written on the letterhead of the

"Farmers State Bank,
Hesper, North Dakota,
February 14, 1921.

Audits Department,
Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We have your letter of the 10th., in which you are returning our remittance to you of \$1200.00, and also our draft to you for \$500.00 in payment of your wire transfer.

As long as you will not accept this remittance of \$1200.00, which is drawn on the Bank of North Dakota, we will not comply with your request by wire to transfer funds to your credit at Minneapolis.

Yours truly,
I. O. Graff,
Cashier."

(441)

Written on the letterhead of the

"Farmers State Bank,
Hesper, N. Dak.
Jan. 14, 1921.

J. W. Greenfield,
Audits Department,
Bank of North Dakota,
Bismarck, N. D.

Dear Sir: We are in receipt of your letter of the 12th, in regard to the remittance of \$600, to your credit with First National Bank Minneapolis. On Jan. 10th we sent a remittance to the First National Bank of Fargo in which was included a check for \$1000, drawn on the Bank of North Dakota. We were wired this morning by our correspondent at Fargo that this check had been refused payment on. When this check is paid by your bank we shall comply with your request of the 12th inst., but not before.

Yours truly,
I. O. Graff,
Cashier."

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"WESTERN UNION TELEGRAM"

12-19-1920.

To the Farmers State Bank,
Hesper, N. Dak.

Remit First National Bank Minneapolis six hundred dollars by wire at once. Wire us advice.

Bank of North Dakota.

Chg. Bk. of N. D."

Jan. 12, 1921.

Farmers State Bank,
Hesper, N. Dak.

Gentlemen: On December 19th we wired you as follows:
"Remit First National Bank Minneapolis six hundred dollars by wire at once. Wire us advice."

Up to date we have failed to receive any answer to our wire. We will thank you to comply with our request.

Yours very truly,
Audits Department."

JWG:M

(443)

Written on the letterhead of the

Bank of Pleasant Lake,
Pleasant Lake, North Dakota,
February 7, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We have your wire of the 7th instant., asking us to transfer a thousand dollars by wire to the First National Bank Minneapolis for your credit and advise.

We wired you today as follows: 'We are not remitting in accordance with your wire of the 7th. Letter follows.'

We have not the funds today to make this transfer; we have been running considerably below our required reserve for sometime, and do not know where to go for assistance.

Since the first of January you have withdrawn \$2,100.00 from this bank, which leaves your balance at \$2,048.82.

While we do not wish to unnecessarily complain, we ask that you favor us as much as possible with the balance you now have with us. Awaiting your reply, we beg to remain,

Yours very truly,
J. M. Nash,
Cashier."

(444)

"WESTERN UNION TELEGRAM"

287FC R 13

Pleasant Lake, N. Dak.,
403P
Feb. 7, 1921.

Bank of N. Dak.
Bismarck, N. Dak.

We are not remitting in accordance with your wire of the seventh. Letter follows.

Bank of Pleasant Lake.
428 pm"

Q. Now, Mr. Cathro, I find in letter dated February 7th, 1921, of exhibit 146, the statement as follows: "Owing to the fact that we are quite low on reserve and cannot loan any more" did you make this request for a loan on this bank? A. We did not.

Q. Is it not a fact that you were only drawing upon redeposits of yours that were there? A. It was.

Q. Which was payable on demand? A. It was.

Q. Mr. Paddock: When I run into several letters from the same bank, I will just pass them.

Q. I show you, Mr. Cathro, exhibit 147, I will ask you what

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that is? A. It is a statement of the Bank's redeposits in the banks of Billings County of the Bank of North Dakota, together with the public funds belonging to the treasurers in that county.

Q. I will show you exhibit 148, consisting of three pages, and I will ask you whether or not they are copies of letters from your Bank, the Bank of North Dakota, to a bank in Billings County and replies thereto from the banks in Billings County to your bank or some of its employees and is it a part of the files of the Bank of North Dakota? A. It is not a reply thereto, but two separate transactions. One is a letter from the Bank of Billings County to the Bank of North

Dakota, and the other is a letter from the Bank of North Dakota to the banks in Billings County.

(446)

EXHIBIT 147
BILLINGS COUNTY

First State, Fryburg		Redep.
Stockmens State, Medora		\$ 21,522.37
		8,571.57
Due all treasurers within the county	\$ 54,682.08	
Due county treasurers (General Funds)		
included in above amount	18,546.97	
Due all treasurers (sinking funds) in-		
cluded in above amount	23,536.84	
Total due all treasurers		\$ 54,682.08
Redeposits in banks in county	\$ 30,093.94	
Loans and discounts to banks in		
County		
Farm loans in county	27,900.00	
Total amount maintained in county...		\$ 57,993.94
Excess of public funds in use in		
county		\$ 3,311.86

Mr. Paddock: Reading from the second page of Exhibit 148, written on the letterhead of the Interstate Bank of Billings County, Sentinel Butte, North Dakota, January 19, 1921.

EXHIBIT 148

The Bank of North Dakota,
Bismarck, N. D.

(447)

My Dear Sirs: Our cashier at Frybury has advised me this morning of your wire to place a thousand dollars at the First of Minneapolis by wire.

Now, this will be quite impossible for us to do and hold our reserve of which we have just sufficient at the present time, and I am personally carrying over \$3,000.00 in the bank to protect it.

We have at least a tentative arrangement with our county treasurer to replace with us by issuing his check against the Bank of North Dakota for such an amount as may be drawn against us. There is no disposition on the part of the county treasurer of Billings County to draw the accounts of that county but this arrangement is simply made to protect the banks in the county as it certainly is to the interest of the county to see that we have no bank failures. There is no danger of anything like that happening if we can hold our public funds deposits at anything near normal, but for us to pay back the funds you have with us at this time and not be allowed to replace them in the manner mentioned would be almost impossible.

Would you honor our treasurer's check in the amount of your withdrawals or would the check be returned unpaid?

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We would, of course, deposit the amount with the Bank of North Dakota for our credit. This, of course, would really amount to a book entry and I was in hopes it could be avoided, but I see no other way for us to take care of your drafts, unless we can effect an offset in this manner, and I was in

hopes we could come to some understanding as I believe Treasurer Wilcox has notified you of the arrangement.

I shall be pleased to hear from you direct. Thanking you, I am,

Yours very sincerely,
A. L. Martin."
February 11, 1921.

Interstate Bank of Billings County,
Sentinel Butte, North Dakota.

Gentlemen: On September 10th we drew a draft on you in the amount of \$1500.00 to apply on our public funds account carried with you.

We wish you would please return this draft to us by return mail.

Yours very truly,
Audits Department Director."

AJ:FM

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Q. Mr. Cathro, I will show you Exhibit 149, and I will ask you what that is? A. It is a statement of the loans and discounts, and redeposits and special deposits maintained by the Bank of North Dakota in Bowman county banks, and statement of amount due treasurers in Bowman county.

Mr. Paddock: We offer in evidence, Exhibit 149, which reads as follows:

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EXHIBIT 149
BOWMAN COUNTY

	Loans & Disc.	Redep.	F. L. Spl.
Far. & Mer. St. Bk., Bowman		\$ 14,347.17	
First National, Bowman ..		5,642.25	
State Bank of Bowman...		23,245.54	
Far. St. Bk., Buffalo Spr'gs		1,748.20	
First State, Gascoyne	\$ 10,000.00	19,997.22	
Farmers State, Rhame ..	\$ 15,000.00	\$ 20,073.35	\$ 7,000.00
First State, Rhame	\$ 7,500.00	10,995.55	
Bk. of Scranton, Scranton ..		4,365.61	
First National, Scranton ..		2,118.84	
	\$ 32,500.00	\$102,533.73	\$ 7,000.00
Due all treasurers within the county		\$102,704.89	
Due county treasurers (general funds) included in above amount	\$ 32,706.10		
Due all treasurers (sinking funds) included in above amount	36,783.54		
Total amount due all treasurers	\$102,704.89		
Redeposits in banks in county		\$102,533.73	
Loans and discounts to banks in county		32,500.00	
Farm loans in county		49,800.00	
Total amount maintained in county			\$184,833.75
Excess in public funds in use in county			\$ 64,128.84

(451)

Q. Mr. Cathro, can you tell from that Exhibit how much more was placed in Bowman County than was placed in the Bank of North Dakota from the County of Bowman? A. I can as of January 19, 1921.

Q. What was that amount? A. \$64,128.84.

Q. And that was as shown by Exhibit 149? A. It is. |

Q. All right.

By Mr. Sinkler: As regards Exhibit 144, it was stated that that was the garnishment of Adams County's funds, but upon an examination of the record, I find it was in Leith, and I find that is in Grant County. In justice to one of the gentlemen in the room down here, I want to state that that was a mistake, and that that was in Grant County and not Adams County.

Mr. Paddock:

Q. I show you Exhibit 150, which consists of ten pages and I will ask you if that is letters and telegrams received by the Bank of North Dakota received from Bowman County banks and copies of letters and telegrams sent by the Bank of North Dakota to banks of Bowman County? A. It is.

(452)

Q. We offer in evidence Exhibit 150, consisting of ten pages.

EXHIBIT 150

Written on the letterhead of the

"State Bank of Bowman,
Bowman, North Dakota,
Jan. 10, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We are in receipt of your telegram to transfer two thousand dollars to the credit of the Bank of North Dakota by wire to the First National Bank of Minneapolis.

One of our officers has just returned from Minneapolis, trying to raise money to meet our demands, but was unable to get any money for that purpose, so that makes us absolutely helpless until we can dispose of some of our township, county and school warrants.

The farmers here will not dispose of any of their grain at present prices, and for us to begin foreclosure would mean at least thirty days to realize any money, and we are in hopes of being able to dispose of warrants before that time.

(453)

We sincerely hope that you will be patient with us and give us a reasonable time to get reserve enough to meet your demand.

Respectfully yours,
J. P. Tembreull,
President.

"Minneapolis, St. Paul, & Sault Ste. Marie Ry. Co.
SOO LINE — TELEGRAM — SOO LINE
1-8-20

State Bank of Bowman, N. Dak.

Wire First National Bank Minneapolis two thousand dollars at once. Wire us advice.

Bank of North Dakota.

Chg. Bk. of N. D.

(454)

February 14, 1921.

First State Bank,
Rhame, N. Dak.

Gentlemen: We wish that you would please return the \$1500.00 draft which we drew on you on December 11th.

Please give this your early attention, and oblige.

Yours very truly,
Audits Department."

AJ:FM

Written on letterhead of the

First State Bank,
Rhame, North Dakota.
Feb. 3, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We are today in receipt of your wire regarding transfer of funds to your credit with the First National Bank of Minneapolis. We regret to say so far there is absolutely no improvement in our collections and reserve and it is absolutely impossible for us to comply.

Yours very truly,
L. M. Anderson,
Cashier.

LMA:TL

(455)

Written on the letterhead of the

First State Bank,
Rhame, North Dakota,
Jan. 8, 1921.

The Bank of North Dakota,
Bismarck, N. D.

Gentlemen: In response to your wire today to place a thousand dollars to your credit with the First National Bank of Minneapolis, regret to advise we cannot do so. Heavy and unexpected withdrawals seem to be continually raising h— with present day reserves and collections.

Yours very truly,
L. M. Anderson,
Cashier.

SOO LINE — TELEGRAM — SOO LINE

1-8-20

First State Bank,
Rhame, North Dakota.

Wire First National Bank Minneapolis one thousand dollars at once. Wire us advice.

Bank of North Dakota.

Chg. Bk. of N. D."

(456)

Written on the letterhead of the

"First State Bank,
Rhame, North Dakota,
Jan. 3, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: Your request by wire to place a thousand dollars to your credit at First National Bank, Minneapolis at hand. Meeting unexpected demands at close of 1920, finds us absolutely unable to meet your request without crippling us

for future use, and we cannot comply until our collections permit.

Yours very truly,
L. M. Anderson,
Cashier."

"WESTERN UNION TELEGRAM

Dec. 31st.

First State Bank,
Rhame, N. Dak.

Remit First National Bank Minneapolis one thousand dollars by wire at once. And advise us by mail.

Bank of North Dakota."

Chg. Bk. of N. D.

(457)

February 14, 1921.

Bank of Scranton,
Scranton, North Dakota.

Gentlemen: We wish you would please return the thousand dollar draft which we drew on you on December 11th.

Please give this your early attention and oblige.

Yours very truly,

AJ:FM

Audits Department Director."

February 14, 1921.

First National Bank,
Scranton, N. Dak.

Gentlemen: We wish you would please return the five hundred dollar draft which we drew on you on December 11th.

Please give this your early attention and oblige.

Yours very truly,

AJ:FM

Audits Department Director."

(458)

Q. Mr. Cathro, I will show you Exhibit 151, and I will ask you what that is? A. It is a statement of loans and discounts, and redeposits, and farm loans special deposits, contained in Burke County, together with a statement of the treasurers account in that county as of January 19, 1921.

Mr. Paddock: We offer in evidence, Exhibit 151.

Q. Mr. Cathro, this Exhibit shows, does it not, that on that date you had redeposits or rather the Bank of North Dakota had redeposits in banks in Burke County, amounting to \$157,591.17, and had on loans and discounts in banks in Burke County \$86,434.64, and farm loans special deposits in banks in Burke County, \$10,000.00? A. It does.

(459)

EXHIBIT 151
BURKE COUNTY

	Loans & Disc.	Redep.	F. L. Spl.
Farmers State, Battleview		\$ 5,534.98	
Burke County State, Bowbells	\$ 2,500.00	\$ 10,387.70	\$ 1,600.00
First State, Bowbells	15,630.00	38,192.31	
Farm. St., Columbus	7,500.00	15,616.51	
Sec. St., Columbus	19,013.52	20,204.68	8,500.00
First State, Coteau	7,191.12	5,106.51	
Citizens State, Flaxton ...	5,000.00	7,483.01	
First St. Bk., Flaxton		5,466.24	
First State, Larson	14,600.00	1,917.79	
First State, Lignite		9,934.47	
First State, Northgate		577.43	

First Internat'l, Portal ...		4,383.67	
Portal State, Portal		4,165.62	
First State, Powers Lake.		15,715.48	
State Bank, Powers Lake	15,000.00	13,514.77	
		<hr/>	
	\$ 86,434.64	\$157,591.17	\$ 10,100.00
Due all treasurers within the county		\$212,944.60	
Due county treasurers (general funds) includ- ed in above amount	91,366.08		
Due all treasurers (sink- ing funds) included in above amount	67,725.29		
Total amount due all treasurers			\$212,944.60
Redeposits in Banks in Co.		\$157,591.17	
Loans and discounts to banks in county		86,434.64	
Farm loans in county ...		66,300.00	
Total amount maintained in county			\$310,325.81
			<hr/>
Excess of public funds in use in county			\$ 97,381.21

(460)

Q. And it also shows that farm loans were made of \$66,300.00? And it also shows that the total amount of money due to all treasurers in Burke County is \$212,944.60? A. It does.

Q. Then, Mr. Cathro, the redeposits in Burke County banks and loans and redeposits to Burke County banks exceeds the amount of money received from that county? Is \$97,381.21? And if you would deduct all the farm loans made in Burke county or discounts and redeposits to banks in Burke county, would even then exceed the amount of all the money received from Burke county, would it not? A. It would.

Q. I show you exhibit 152 consisting of seventeen pages and I will ask you whether or not that consists of letters and telegrams received by the Bank of North Dakota or its employees from banks in Burke county and copies of letters and telegrams sent by the Bank of North Dakota or its employees to banks in Burke county, and is part of the files of the Bank of North Dakota? A. It is.

Q. Reading from Page 1 of Exhibit 152:

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EXHIBIT 152

"WESTERN UNION TELEGRAM

36FO 39FOVS

Battleview, N. Dak., Jan. 855AM/21.

Bank of North Dak.,
Bismarck, N. Dak.

Unable to meet your request of the fourteenth.

Farmers State Bank.
1006A"

Q. Reading from Page 11 of Exhibit 152:

Written on the letterhead of the

Citizens State Bank,
Flaxton, N. Dak.,
Jan. 3, 1921.

A. Johannsen,
Audits Department Manager,
Bismarck, North Dakota.

Dear Mr. Johannsen: We have not answered your letter promptly for the reason we thought business conditions would improve and our reserve become strengthened, so that we could safely remit for the draft which is here unpaid. However, it seems we have been too optimistic. We are running along on the skin of our teeth as the saying goes, and we cannot say definitely when we can pay this draft without impairing our reserve. You may be sure that just as soon as we can remit for the draft, we will as we realize the need of co-

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operation all along the line. Trusting that you will give us just a little more time and assuring you we are doing our very best, I remain

Yours very truly,
Bertle Nelson,
Vice President."

"February 14, 1921.

First State Bank,
Bowbells, N. Dak.

Gentlemen: On December 11th we drew on our public funds account in the amount of \$1500.00. There are a large number of items that the Bank of North Dakota has coming due from your institution, and it is absolutely necessary at this time that you take care of same by return mail, for it is impossible for us to carry these items upon our books any longer.

If these items are not taken care of immediately, we will be obliged to turn the same over to the State Examiner.

AJ:FM

Yours very truly,
Audits Department Director."
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"February 11, 1921.

Burke County Bank,
Bowbells, N. Dak.

Gentlemen: At this time we must insist that you remit for the \$1500.00 draft which we drew on you on December 11th.

If we do not get a remittance for this item by return mail we will have to take the matter up with the State Examiner.

AJ:FM

Yours very truly,
Audits Department Director."
"February 11, 1921.

Burke County State Bank,
Bowbells, N. Dak.

Gentlemen: On October 23rd, we drew a draft against our public fund account in the amount of \$1,000.00. We would be pleased to have you either remit to us for this item or return the draft by return mail.

AJ:FM

Yours very truly,
Audits Department Director."

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Farmers State Bank,
Columbus, N. Dak.

February 14, 1921.

Gentlemen: If you are unable to remit for the \$2,000.00 draft which we drew on you on December 11th, we wish you would return the same by return mail.

AJ:FM
Yours very truly,
Audits Department Director."
February 14, 1921.

Citizens State Bank,
Flaxton, N. Dak.

Gentlemen: We wish you would please return the \$1,000.00 draft which we drew on you on December 11th.

AJ:FM
Yours very truly,
Audits Department Director."
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February 14, 1921.

First State Bank,
Northgate, N. Dak.

Gentlemen: We are still without returns on the \$500.00 draft which we drew on you on December 11th.

At this time we must insist that you send us remittance for this item, or we will have to take this matter up with the State Examiner.

AJ:FM
Yours very truly,
Audits Department Director."
February 14, 1921.

Portal State Bank,
Portal, N. Dak.

Gentlemen: We wish you would please return the \$1,000.00 draft which we drew on you on December 11th. Please give this your early attention.

AJ:FM
Yours very truly,
Audits Department Director."
(466)

February 14, 1921.

First International Bank,
Portal, N. Dak.

Gentlemen: We wish you would please return the \$500.00 draft which we drew on you on December 11th. Please give this your early attention.

AJ:FM
Yours very truly,
Audits Department Director."
January 6, 1920.

Citizens State Bank,
Flaxton, N. Dak.

Gentlemen: We are in receipt of your of the 3rd instant, and we wish you would please remit for the draft which we drew on you sometime ago.

AJ:FM
Yours truly,
Audits Department Director."
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Written on the letterhead of the

First State Bank,
Flaxton, N. Dak. Feb. 1, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: I am writing you regarding wire to transfer \$800.00.

We want to cooperate with you in every way, but I hardly

think we should be drawn on at this time. We have from you on deposit at this time just a little over \$5,000.00. One year ago we had over \$20,000.00. I understand that most of the other banks in the country have from \$8,000.00 to \$15,000.00, while we have but only \$5,000.00.

We have always tried to keep with you just as good an account as possible, also we have never asked you for one cent in rediscounts, but have done our borrowing from the Twin Cities where we are owing \$35,000.00 which is by far the greatest amount we have ever borrowed.

Our cash reserve is going lower every day. However, we still have our requirements in reserve. I might further state that we have on hand a block of first mortgage loans, which up to date we have been unable to sell. However, we hope

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to be able to sell some in a short while.

Is it not possible for you to withdraw your call for funds at this time?

I would be pleased to hear from you regarding the matter.

Yours very truly,

R. H. Farmer,
President."

Written on letterhead of the

First State Bank,
Larson, N. Dak., Jan. 14, 1921.

Mr. L. P. McAneney,
Director Bank of North Dakota,
Bismarck, N. D.

Dear Mr. McAneney: I am just in receipt of a telegram from the bank to wire the First National Bank Minneapolis eight hundred dollars.

It is an utter impossibility for us to comply with the request, as our capital due from bank at this date is about \$1,100.00 and I have been struggling along to keep on top hoping for relief, as soon as we can get our Board of Directors together.

Take this up with the bank and have them recall the order. If you could realize the struggle we are under to take care of the local demands, no doubt you would comply with our

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request.

Our financial conditions are such that we must ask your assistance, and we hope the same will be granted.

Appreciating your past favors, we beg to remain,

Yours very truly,

K. N. Wylie,
Cashier."

Written on letterhead of the

First State Bank,
Lignite, N. D.,
Jan. 27, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We are in receipt of yours of the 26th (telegram) requesting us to transfer to your credit with the First National Bank Minneapolis \$1,000.00. We regret very much that we are unable to comply with this request. This bank is below legal reserve at this time, and as we have exhausted

our credit with Twin City banks, a further withdrawal at this time would be disastrous.

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We have up to now tried to meet every requirement and believe that many banks in better circumstances than we are, failed to pay you. Conditions are such that we cannot collect our notes and therefore are obliged at this time to ask that you let us out of paying you at this time for a time at least.

Yours truly,

P. N. Johnson, President."

Written on letterhead of the

State Bank of Powers Lake,
Powers Lake, N. D., Jan. 14, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: Attention Mr. McAneney: We acknowledge receipt of your wire of even date reading as follows:

"Remit First National Bank Minneapolis one thousand dollars at once by wire. Wire us advice. Signed Bank of North Dakota."

I returned from Minneapolis last night, having been obliged to go down once more to arrange for credit to meet our declining deposits. Therefore, in justice to our local farmers and business men who have deposits with us, we wish to be

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excused from meeting this wire transfer at this time.

We are already beginning to receive demands for feed and we have even been obliged to refuse some of these requests, due to our short reserve, and we hope you will not press further for the transfer of funds from your public fund account.

Yours very truly,

W. F. Hanks,
Cashier."

Q. Is this the Mr. Hanks who is Vice President of the Bankers Association, Mr. Cathro? A. It is.

Q. The same North Dakota Bankers Association which introduced the motion for the initiative law to take the funds away from the Bank of North Dakota? A. It is.

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Written on the letterhead of

The State Bank of Powers Lake,
Powers Lake, N. D.,
Jan. 8, 1921.

The Bank of North Dakota,
Bismarck, N. Dak.

Attention Mr. McAneney.

Gentlemen: We received your wire of even date requesting us to transfer \$1,000.00 to the First National Bank of Minneapolis, charging your account for same.

Owing to our short reserve, we are going to ask you to cancel this demand for payment.

We have this far met all demands made upon us to transfer money from the public fund account, and you, of course, know we must keep reserve on hand to take care of our farmers and business men.

Regretting our inability to meet your request, we remain,

Yours very truly,

W. F. Hanks,
Cashier."

WFH:Y

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Mr. Paddock: We offer in evidence Exhibit 152.

Q. Mr. Cathro, I will show you Exhibit 153, and I will ask you whether or not this is the telegram and letters received from banks in Burke county to the Bank of North Dakota?

A. It is.

Q. Reading from Page 1, of Exhibit 153:

EXHIBIT 153

"WESTERN UNION TELEGRAM"

274 DK 6 Collect

Battleview, N. Dak.

7P Feb. 14, 1921.

Bank of N. Dak.

Bismarck, N. Dak.

Deposits garnished by Burke County.

Farmers State Bank,

911p"

Written on letterhead of

"Farmers State Bank,

Columbus, N. Dak., Feb. 15, 1921.

Bank of North Dakota,

Bismarck, N. D.

Gentlemen: We are in receipt of your favor of the 14th inst. asking us to remit for your credit to the First National Bank Minneapolis \$1,000.00 for your credit, and wired you that the account had been garnisheed by Burke county. If

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this garnishee is released, so we can do so shall remit at once.

Yours truly,
Geo. G. Keup,
Vice President."

SOO LINE

TELEGRAM

SOO LINE

Columbus, N. D.,

Feb. 15, 1921.

Bank of N. D.

Bismarck, N. D.

Account garnisheed by Burke County.

Farmers State Bank.

SOO LINE

TELEGRAM

SOO LINE

DAFR 7 collect

Portal, N. D., Feb. 15, 1921.

Bank of N. D.,

Bismarck, N. D.

Your account garnisheed. We cannot remit.

First International Bank.

205p"

TELEGRAM

DAF 11 collect

Portal, N. D., Feb. 15, 1921.

Bank of N. D.,

Bismarck, N. D.

Cannot comply your wire. Your funds garnisheed by Burke County.

Portal State Bank.

258p"

(475)

Q. Now Mr. Cathro, this is the county, is it not, which as shown by Exhibit 151, on January 19th, had \$97,000 more funds redeposited and loans in the county than the total county treasurer's deposits in the Bank of North Dakota? A. It is.

Q. Is this the same county from which you received many refusals from banks prior to February 14th to meet withdrawals on their deposits on account? A. It is.

Q. And the amount of money tied up in Burke County by this garnishment proceedings is far in excess of the total amount due to all the treasurers in Burke County from the Bank of North Dakota? A. It is.

Q. In other words, Mr. Cathro, part of this money which has been tied up by garnishment proceedings belongs to other portions of the state of North Dakota, does it not? A. It does.

Q. Now, is it not a fact that after the garnishment proceedings had been served upon these banks in Burke County, they are relieved from meeting any more drafts from the Bank of North Dakota until the garnishment proceedings are

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dissolved? A. They are.

Q. Then these banks who were formerly unable to meet the demands upon their deposits and though insolvent have found a way through this garnishment proceedings, apparently, to avoid their liability? A. It seems so.

Q. Showing you Mr. Cathro, this instrument marked Exhibit 154, will you please tell me what it is? A. It's the condition of the relation of the Bank of North Dakota with the banks of Burleigh County as to loans and discounts and redeposits, farm loan accounts, and amounts due to treasurers in Burleigh County.

Mr. Paddock: We offer in evidence Exhibit 154.

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BURLEIGH COUNTY

	Loans & Disc.	Redep.	F. L. Spl.
Arena State, Arena		1,531.76	
Baldwin State, Baldwin ..		3,798.72	
Farmers State, Baldwin ..		3,891.38	
Bismarck Bank, Bismarck		124,558.40	
Capital Sec., Bismarck....		63,725.73	
City Nat'l, Bismarck		20,991.62	
First Guaranty, Bismarck		38,137.03	
First National, Bismarck.		11,158.48	
Driscoll State, Driscoll ..	5,000.00	1,945.97	2,300.00
Far. & Mer. St., Driscoll..		2,469.24	
McKenzie St., McKenzie ..		1,755.36	
Menoken Farmers State Menoken		2,315.51	
Moffit State, Moffit		1,954.09	
Farm. State, Regan	15,000.00	17,873.07	
First St. Bk., Regan		4,398.11	
Regan State, Regan		2,462.96	
Sterling State, Sterling ..		11,684.56	
Burleigh County State Bk., Wing		7,823.98	
Far. State, Wing		3,361.79	
	\$ 20,000.00	\$325,837.85	\$ 2,300.00
Due all treasurers within the county		\$199,349.90	
Due all county treasurers (general fund) included in above amount		\$ 32,627.90	

Due all treasurers (sinking fund) included in above amount	\$ 85,478.06	
Total amount due all treasurers		\$199,349.90
Redeposits in banks in Co. Loans and Discounts to banks in county	\$325,837.85	
Farm loans in county ...	20,000.00	
Total amount maintained in county	321,200.00	\$667,037.85
Excess of public funds in use in county		\$459,687.95

(478)

Q. We find do we not, from Exhibit 154, that the loans and discounts on that date in funds in Burleigh county was \$20,000.00? A. We do.

Q. And that the redeposits there were \$325,837.85 from the Bank of North Dakota? A. We do.

Q. And that the farm loans special deposits was \$2,300.00? A. We do.

Q. The total then of redeposits in the banks of Burleigh county, was \$325,837.85, plus \$20,000.00 of loans and discounts, plus \$2,300.00 farm loans special deposits, or a total of approximately \$347,000.00? A. \$348,000.00 approximately.

Q. And we also see from this exhibit that on the same day there was due to all the treasurers in Burleigh county nearly \$199,349.90? A. That is correct.

Q. And that there was in excess of redeposits in banks in Burleigh county, and loans to banks in Burleigh county over and above amount due to treasurers, by the Bank of North Dakota, of over \$140,000.00? A. There was.

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Q. Showing you Exhibit 155, consisting of twelve pages, I will ask you whether or not that is a part of the records and files of the Bank of North Dakota, consisting of letters and telegrams from banks in Burleigh county to the Bank of North Dakota, or its employees, and copies of letters and telegrams from the Bank of North Dakota or its employees to banks in Burleigh county? A. It is.

Q. Mr. Cathro, it's not possible, is it, that in Burleigh county where the banks have \$140,000.00 more deposits and loans to them than due by Bank of North Dakota to all county treasurers they have been, in fact, unable to meet withdrawals, or do you know such is a fact? A. Such is a fact.

Q. You say such is a fact? A. It is a fact.

Q. Reading from Page 3, of Exhibit 155, Baldwin State Bank, Baldwin, N. Dak.

EXHIBIT 155 (Page 3)

SOO LINE
BMD9 Collect.
Bank of N. D.,
Bismarck, N. D.

TELEGRAM

SOO LINE

Baldwin, N. D., Feb. 1, 1921.

Cannot remit for your wire for few days.

Farmers State Bank.
226 pm"

(480)

Q. Reading from Exhibit 155, reading from Page 5.

Written on letterhead of the

"Bank of North Dakota,
Bismarck, N. D.
Jan. 13, 1921.

Sterling State Bank,
Sterling, N. Dak.

Gentlemen: On December 24th we wired you as follows:
Wire First National Bank Minneapolis fifteen hundred dol-
lars at once to apply our draft. Letter December eleventh.
Advise by mail.

Up to date we have failed to receive an answer to our wire.
We thank you to comply with our request.

Yours very truly,
J. W. Greenfield,
Audits Department.

My dear sir: Upon receipt your message I called up over
the 'phone informing you we were mighty short and asked if
it would be all right to comply with your request as soon as
we could get ourself in shape. Your bank said yes, but do
the best you could, as you were also close. To date we have
been digging hard but seems next to impossible to get money.
Am holding our reserves with your bank, as much as I can.

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thinking that this likely would help you, too. Trust better
times will be in sight soon. Yours hurriedly.

Yours very truly,
H. E. Wildfang,
Cashier.

Q. Now Mr. Cathro, this letter shows does it not, that on
December 24th, you asked them to transfer \$1500.00 to Min-
neapolis, First National Bank, Minneapolis, to your credit?
A. It does.

Q. And that on January 13th, they wrote you this letter
asking you to wait longer? A. It does.

Q. A period of over two weeks between letters? A. Three
weeks.

Q. Reading from Page 9 of Exhibit 155.

Written on the letterhead of

Burleigh County State Bank,
Wing, N. Dak., Feb. 2, 1921.

Mr. A. Johannsen,
Director of Audits, Bank of N. D.,
Bismarck, North Dakota.

Dear Sir: Your wire received, and replying will say that
we have made arrangements for some deposits which will

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reach us in a couple of days. As soon as that reaches us we
will at once forward the First National Bank of Minneapolis
fifteen hundred dollars as requested, and will advise you.

Trusting this will be satisfactory, I am

Yours very truly,
G. Olgeirson,
Cashier."

Q. Reading from Page 11 of Exhibit 155.

Written on the letterhead of the

Farmers State Bank,
Wing, N. D., Jan. 15, 1921.

Bank of North Dakota,
Bismarck, North Dakota.
Attention Mr. J. W. Greenfield.

Gentlemen: We have your letter of the 13th regarding your telegram of the 13th of Dec. wherein you ask that we remit the First National Bank Minneapolis, \$1,000.00. We regret to advise we were not in a position to meet this demand at that time, and are not at this writing, but have taken care of all other drafts as per your request, and trust this will be satisfactory.

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We are going to do our utmost to meet your request for withdrawal, but will surely appreciate it very much if you will spread them out a little and try and limit them to \$500.00 if possible.

Yours very truly,

B. Lawyer,
Ass't. Cashier.

BFL-L

Q. Now, Mr. Cathro, this letter shows does it not, that you asked for a transfer of a thousand dollars on the 13th of December? A. It does.

Q. And that you wrote them on the 13th of January asking about it, and they replied on the 15th of January that they were not in a position to make the transfer? A. It does.

Q. And they asked that you spread your withdrawals out a little? A. They did.

Q. In view of the fact that they had over a month to meet a \$1,000.00 withdrawal, how thin do you expect they expected you to spread them out? A. Pretty thin.

Q. I notice by this letter head that C. B. Little is President of this bank, he is; is that the same C. B. Little who is President of the First National Bank of Bismarck? A. Yes sir.

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Q. Then these letters in Exhibit 155 show us that even in Burleigh County, which has some \$140,000 deposits more than the amount that is due to all the treasurers in Burleigh County, they cannot meet your draft, and are under the law insolvent, is that correct? A. That is correct as to these banks.

Senator Church: I move that we adjourn until 4 o'clock PM, Wednesday, February 23, 1921.

Mr. Paddock: We have got down to Burleigh County now, and we have a similar showing on practically every county in the state and my suggestions is that in order to get through and to save time as we have not many days left that you instruct Mr. Cathro to appear under oath and one member of your committee and one reporter at the Bank of North Dakota, and that these records be put into the record. We will give you a tabulating that will show this. It that satisfactory to you, Mr. Sinkler, that we meet Tuesday afternoon, February 22nd?

Mr. Sinkler: It will be agreeable with me to meet at one o'clock tomorrow.

Senator Church: I now move you that we adjourn until four o'clock Wednesday, Feb. 23, 1921.

(485)

Senator Church: I move you that the witness, Mr. Cathro, be permitted to appear before one member of the Committee at any time between now and any of the subsequent sessions of the committee, in the presence of the reporter and identify and put into the record the balance of the exhibits of the same character which have been last read into the record and introduced this afternoon and to be examined by counsel in the presence of such reporter, touching upon said exhibits.

Mr. Baker: I second the motion.

Chairman: You have heard the motion by Senator Church seconded by Senator Baker as many in favor of it say aye, contrary nay; ayes have it. Motion carried.

Senator Church: I move that we adjourn now until Wednesday at four o'clock in the afternoon.

Senator Baker: I second the motion.

Upon the motion of Senator Church, seconded by Senator Baker, adjournment taken until four o'clock P. M. Wednesday, February 23, 1921.

End of February 21, 1921.

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Pursuant to motion made February 21, 1921, Senator Liederbach, Mr. Cathro, Mr. Sinkler and Mrs. Laura D. Stone met at the Bank of North Dakota, and the following proceedings were had.

(486 1-2)

Mr. Sinkler:

MR. CATHRO RECALLED AS A WITNESS.

A. Mr. Cathro, I show you "Exhibit 156", and will ask you if "Exhibit 156" is a telegram which you received today? A. Last night.

Q. All right, last night, from John J. Murphy, City Attorney of the City of Williston? A. It is.

Q. And is that in regard to the funds of a certain school district in the city of Williston, and other public corporations of the city of Williston? A. It is.

Q. Williston, North Dakota? A. Yes, sir.

Q. I will just read that telegram into the record.

"EXHIBIT 157

WESTERN UNION

Telegram.

K 79F

DK

2X

Williston, N. Dak. 233P. Feb. 21. 1921.

F. W. Cathro, Director General,

Bank of North Dakota, Bismarck, N. D.

City of Williston and Williston Special School District and

(487)

believe other public corporation of Williams County will consent to paying off bonds to state of N. Dakota from such corporations whether same are due or not, in so far as that portion of the sinking fund raised for the purpose of funding such bonds due State of North Dakota will permit, and will leave the balance of sinking fund as it is now for the present conditioned however that Bank of North Dakota will not call

for or proceed to collect its funds now held by the Banks in Williston and Williams county.

JOHN J. MURPHY,
City Attorney."
432 P.

Q. And Mr. Cathro, did you send a telegram in return in answer to the telegram received from Mr. Murphy?

A. We did.

Q. And is "Exhibit 157" a copy of that telegram? A. It is

Q. We offer this telegram, being marked "Exhibit 156" in evidence, and I will have the same read into the record.

(488)

"WESTERN UNION TELEGRAM

Received at Bismarck N. D., February 21, 1921.
To John F. Murphy, City Attorney,
Williston, N. Dak.

How can you hope to maintain \$845,000 in Williams County belonging to the Bank of North Dakota when all your treasurers' funds aggregate only \$426,000. Deposited in the Bank of North Dakota, including sinking funds. period. You have \$418,000 in excess in excess of what you are entitled to of public funds. period. A good deal of presumption on your part to suggest tying up not only your own money but \$418,000 of our money or of even sugesting conditions under which you will deal with us.

F. W. CATHRO,
Manager and Director General.

Send paid, Charge the
Bank of North Dakota.

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Q. I show you "Exhibit 158" Mr. Cathro, and will ask you if this exhibit shows the amounts of loans, and discounts, and redeposits and farm loan specials that have been made in Williams County? A. It does.

Q. How much do the loans and discounts total?

A. Four hundred forty five thousand five hundred and ninety dollars, seventy two cents. (\$445,590.72).

Q. And what are the redeposits? A. \$349,372.24.

Q. And the farm loan specials? A. \$5,600.00

Q. And the total farm loans in the county? A. \$50,700.

Q. How much is the total amount that has been placed by the Bank of North Dakota in Williams County? A. \$845,662.96.

Q. And what is the total amount of money due all public institutions in Willams County? A. \$426,733.29.

Mr. Sinkler: I will offer in evidence "Exhibit 158" into the records.

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"EXHIBIT 158"

WILLIAMS COUNTY

	Loans & Disc.	Redep.	F. L. Spl.
Farmers State, Alamo	\$ 20,000.00	11,941.10	
State Bank, Alamo	15,000.00	791.59	
Appam State, Appam		3,966.65	
Security State, Bonetrail..	7,500.00	15,586.59	
First State, Corinth	6,450.00	2,168.36	
Citizens State, Epping		2,851.91	

	Loans & Disc.	Redep.	F. L. Spl.
First State, Epping	10,000.00	1,461.03	
Citizens State, Grenora	5,035.10	7,038.93	
Farmers State, Grenora.....	1,300.00	3,707.63	\$4,000.00
State Bank, Grenora	7,000.00	6,540.76	
First State, Hamlet	7,500.00	3,345.11	
Farmers State, Hanks	7,500.00	8,654.01	
State Bank of Hanks.....	6,000.00	7,268.95	
McGregor State, McGregor..	5,496.77	5,310.23	
Far. Bk. of Ray, Ray.....	56,139.45	8,930.16	
First State, Ray	10,000.00	2,017.68	
Linwells' State, Ray		1,219.65	
Spring Brook, Spring Brook	8,339.00	5,000.00	
Security Bank, Temple		8,684.75	
Far. & Mer. Tioga.....		2,389.21	
Tioga State, Tioga	12,016.68	3,575.31	
Trenton State, Trenton.....		4,040.31	
Citizens State, Wheelock,..	5,000.00	2,700.97	
First State, Wheelock.....		1,651.65	
Farmers State, Wildrose ..	10,000.00	2,582.43	
First State, Wildrose	17,750.00	9,980.65	
Security State, Wldrose ...	6,500.00	4,767.85	1,600.00
First Nat'l., Williston		43,330.58	
Williams Co. St., Williston	\$144,663.72	124,145.07	
First State Bk. Zahl		9,364.29	
State Bank of Zahl	5,300.00	1,688.27	
	\$445,590.72	\$349,372.24	\$5,600.00
Due all treasurers within the Co.....	\$426,783.29		
Due all County Treasurers (general funds) included in above amount..	\$145,063.81		
Due all treasurers (sinking funds) included in above amount	113,954.84		
Total amount due all treasurers.....			\$426,783.29
Redeposits in banks in county	349,372.24		
Loans and discounts to banks in Co..	445,590.72		
Farm loans in county	50,700.00		
Total amount maintained in county..			\$845,662.96
Excess (deficiency) of public funds in county			418,879.67

(491)

Q. This record shows an excess of public funds in Williams County of \$418,879.67 more than they are entitled to? A. We have, no, more than they have by virtue of the amount deposited with us.

Q. More than they are entitled to on account of the deposits you have received from them. A. Yes.

Q. In other words, if you were to give them only such amounts as they have deposited in the Bank of North Dakota it would be the sum of \$418,879.67? A. Less than they actually now have.

Q. Less than they actually now have? A. Yes.

Q. Now, Mr. Cathro, have you made drafts upon banks in Williams County which have been dishonored? A. Yes.

Q. I will show you "Exhibit 159" and will ask you if this package of the corers, telegrams and copies of letters, is a part of the corerspondence had with Williams County banks? A. It is.

Q. With Banks which have failed to meet your drafts are the Farmers State Bank of Alamo, Security State Bank

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of Bonetrail, The First State Bank of Epping, Citizens State Bank of Grenora, Farmers State Bank of Grenora, State Bank of Grenora, First State Bank of Hamlet, Farmers State Bank of Hanks, and by the way, Mr. Cathro, are you acquainted with anybody, who is connected with the Farmers State Bank of Hanks. You know these people don't you? A. No.

Q. The next bank, do you know the people in the State Bank of Hanks? Do you know anybody connected with that bank? A. I do.

Q. Do you know? A. Yes.

Q. Who do you know connected with the bank? A. I know the President.

Q. W. F. Hank? A. Yes.

Q. Is he connected with the other banks in the State of North Dakota? A. He is.

Q. Does he occupy any official position with the Bankers Association of the State of North Dakota? A. He does.

Q. What official position does he occupy with the Bankers Association of the State, if you know? A. He

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is the Vice President of the North Dakota Bankers Association and ex-officio of the Executive Council thereof.

Q. And it is one of his banks here that have refused to honor your drafts is it not? A. It is.

Q. The bank of which he is President? A. Yes.

Q. The State Bank of Hanks? A. Yes.

Q. Do you know, Mr. Cathro, whether these banks are still continuing to do business? A. They are.

Q. Do you know whether these banks are continuing to do business? A. They are.

Q. You have been informed they are doing business? A. I have not been informed that they are not still continuing to do business.

Q. You have assumed that they are doing business and to receive deposits in their bank after having turned down your draft? A. I have.

Q. And as I understand it, Mr. Cathro, under the law of this state, the state of North Dakota, where a bank fails to pay a draft, it is an act of insolvency and that if they continue to receive deposits in their bank after committing an act of insolvency it is a felony under the law, or are you acquainted with that law? A. I understand it is a criminal offense.

Q. Right here I want to read into the record the law

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applicable to all these various banks in the State of North Dakota, that have turned down drafts of the Bank of North Dakota, and thereby committing an act of insolvency and receiving deposits thereof for the purpose of showing the position in which the officers of these banks are with respect to the criminal laws of the state.

Section 1012.

Section 1012 of the Compiled Laws of the 1913, of the State of North Dakota, are as follows:

(495)

Insolvent bank or officer receiving deposit.

No bank, banking house, exchange broker or deposit office or firm, company, corporation or party engaged in the banking, brokerage or deposit business shall accept or receive on deposit, with or without interest any moneys, bank bills or notes, or United States notes or United States treasury notes or currency or other notes, bills, or drafts circulating as money or currency, when such bank, banking house exchange broker or deposit office, firm, company or corporation or party is insolvent; and if any such bank, banking house, exchange broker or deposit office, firm, company, corporation or party shall receive or accept on deposit any such deposits as aforesaid when insolvent, any officer, director, cashier, manager, member, party or managing party thereof, knowing of such insolvency, who shall knowingly receive or accept, be accessory to permit or connive at the receiving or accepting on deposit therein or thereby, any such deposit as aforesaid, shall be guilty of a felony, and upon conviction shall be punished by imprisonment in the penitentiary not less than one and not exceeding ten years, or by imprisonment in the county jail not to exceed one year, or by both fine and imprisonment, the fine not to exceed ten thousand dollars.

(496)

Q. In addition, to the banks of which I have already called your attention that have turned down the drafts of the Bank of North Dakota, there is in addition thereto the McGregor State Bank, of McGregor, North Dakota? A. Yes sir.

Q. And the Farmers State Bank of Ray? A. Yes.

Q. And the Springbrook State Bank of Springbrook, North Dakota? A. Yes, sir.

Q. The Farmers State Bank of Wildrose? A. Yes.

Q. The Tioga State Bank of Tioga? A. Yes.

Q. And the First State Bank of Wildrose? A. Yes.

Q. And the Williston State Bank of Williston? A. Yes, sir.

Q. And the First National Bank of Williston? A. Yes, sir.

Q. And the First State Bank of Zahl? A. Zahl, North Dakota, yes.

Q. And the State Bank of Zahl, Zahl, North Dakota? A. Yes, sir.

Q. Out of the 32 banks that have money from the

(495)

Bank of North Dakota, how many are insolvent in Williams County, according to the statute, or the way you interpret the statute? A. At least, twenty-three.

Q. At least twenty-three? A. Yes.

Q. We now offer in evidence "Exhibit 159."

Mr. Sinkler: All letters and telegrams and copies of letters following are portions of Exhibit 159.

FRIDAY, MARCH 4, 1921

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(498)

Written on Letterhead of the
"THE MCGREGOR STATE BANK"
McGregor, North Dakota, January 19, 1921.

Mr. A. Johannsen,
Audits Department Director
The Bank of North Dakota,
Bismarck, North Dakota.
Dear Sir:

We have your letter of January 14, advising that from now on, it will be necessary for you to make heavier withdrawals than usual.

We assure you that it is our desire to meet all withdrawals made against your redeposit account, but conditions, just now, are such, that it is impossible for us to do anything.

We have been unable to comply with your last request as to transferring of funds and while we are endeavoring to get our reserve in such shape, that we can take care of you, at least, for a reasonable amount, we cannot promise anything definite, at this time.

Banks in this part of the state, are having a hard time taking care of your usual small withdrawals, at this time of the year, and as long as the different treasurers are not permitted to transfer the funds that they have on deposit with the Bank of North Dakota, it make it very nearly impossible for us to meet withdrawals against your redeposit account.

Yours very truly,
VAH—B , V. A. HELBERG, Cashier.

(499)

February 11, 1921

Farmers Bank,
Ray, N. Dak.
Gentlemen:

On November 27th, we drew draft against our public funds account in the amount of \$1500. At this time we must insist that you send us a substantial remittance to apply on this draft.

We wish you would give this your immediate attention and advise us by return mail just what you are able to do at this time.

Yours very truly,
AJ:FM Audits Dept., Director.

(500)

Feb. 11, 1921.

Springbrook State Bank,
Springbrook, N. D.
Gentlemen:

On November 27th, we drew draft against our public funds account in the amount of \$10,000 and on which you have paid \$1,000.

At this time we must insist that you make further substantial payments on this draft by return mail.

Yours very truly,
AJ:FM Audits Dept., Director.

(501)

WESTERN UNION TELEGRAM

Receiver at
216 FC 10Temple, No. Dak., 4:30 p.
Feb. 8, 1921.Bank of North Dakota.
Bismarck No. Dak.Impossible to remit First National Bank Minneapolis
Five Hundred Dollars.

SECURITY BANK OF TEMPLE.

WESTERN UNION TELEGRAM

Received at
148 FC 11Temple, No. Dak., 1:15 p. m.
Feb. 3, 1921.Bank of North Dakota
Bismarck, No. Dak.Impossible to wire Minneapolis money as per your wire
of yesterday.

SECURITY BANK OF TEMPLE.

5:54 p. m.

3:16 p. m.

(502)

Written on Letterhead of the

"SECURITY BANK"

Temple, N. Dak. Jan. 17, 1921.

Mr. L. P. McAneney, Director.

Credits Department
Bank of North Dakota.
Bismarck No. Dak.

Dear Mr. McAneney:

We regret very much that we were unable to comply with the request in your telegram of the 14th inst. and while our bank is in god shape, you will realize that if we were compelled to pay the heavy withdrawals made by the Bank of North Dakota it would be necessary for us to close our doors which would only make matters worse and tie up the money to a greater extent.

Trusting that we may have your cooperation in the above matter, and thanking you for your patience and consideration, I am,

Yours verq truly
B. G. McDUGALL Cashier.

(503)

WESTERN UNION TELEGRAM

Received at
194 FC 10Temple N. Dak., 4:15 p.
Jan. 14, 1921.The Bank of North Dakota
Bismarck, N. D.Impossible to wire Minneapolis money as per your wire
today.

SECURITY BANK OF TEMPLE.

FRIDAY, MARCH 4, 1921

1065

(504)

Written on Letterhead of the
THE TIOGA STATE BANK

Tioga, N. D., Jan., 18, 1921.

Bank of North Dakota,
Bismarck, N. D.
Attention of A. Johannsen.
Gentlemen:

We have your circular of the 14th inst. regarding obligations to the Bank of North Dakota. In reply will say that you have our Certificate of Deposit which is for the purpose of carrying hail warrants of which you have something over \$12,000 from us as collateral and we are unable to pay this C. D. at this time as we have been depending on the warrants to take care of this proposition, which was of course the understanding at the time we sent it to you in the first instance. We will be glad to pay the interest on this C. D. and give you a new one until such time as the State Treasurer is able to pay the warrants or you may carry the warrants themselves as rediscount from us.

Very truly yours,

EB:LB

ERNEST BYLIN, Cashier.

(505)

Written on Letterhead of the
TRENTON STATE BANK

Trenton, No. Dak. Feb. 2nd. 1921.

The Bank of North Dakota,
Bismarck, No. Dak.
Gentlemen:

Your wire received today which reads (wire First National Bank Minneapolis One Thousand Dollars Our Credit advising by wire). We are not in position at the present time to comply with this request, collections have been very slow with us this fall. Have not collected hardly any-thing, most of the farmers are holding their wheat in this territory.

If the price of wheat will advance a little think the farmers will sell, then we will be in a position to return you all our Public Fund Deposit.

Yours truly,

FAY BRADLEY, Cashier.

(506)

Feb. 11, 1921.

Farmers State Bank,
Wildrose, N. D.
Gentlemen:

On November 27th. we drew draft against our public fund account in the amount of \$6000 and on which is remaining unpaid. \$1526.41.

We wish you would please send us draft by return mail to take care of this balance.

Yours very truly,

AJ:FM

Audits Dept., Director.

(507)

Feb. 14, 1921.

First State Bank,
Wildrose, N. D.
Gentlemen:

At this time we must insist that you send us remittance to take care of the \$500 draft which we drew on you on December 11th.

Yours very truly,
Audits Dept., Director.

AJ:FM

(508)

WESTERN UNION TELEGRAM

Jan. 15, 1921.

To Williston State Bank,
Williston, N. D.

Answer your wire fourteenth transfer two thousand by wire First National Minneapolis charge our account. Letter following.

THE BANK OF NORTH DAKOTA.

CHG BK OF ND

WESTERN UNION TELEGRAM

Received at
123 FC

8

Williston, N. D. 3:43 p. Jan. 15, 1921.

Bank of North Dakota
Bismarck, No. Dak.

Abaco fumaticate embedment embellish radiable our pilaster foodless.

Telegram referred to in yours of Jan. 14. Have not Fr. Reserve not sufficient.

FIRST STATE BANK.
4:36 p. m.

WESTERN UNION TELEGRAM

January 15, 1921.

To First National Bank,
Williston, N. D.

Remit ten thousand dollars first Minneapolis our credit at once advise us by wire.

THE BANK OF NORTH DAKOTA.

CHG BK OF ND

(509)

WESTERN UNION TELEGRAM

Received at 2:23 FC
10 Sub Delay

Zahl, No. Dak., L055A Feb. 15th, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Not sufficient funds to make transfer asked for your wire.

FIRST STATE BANK.
4:01 p. m.

FRIDAY, MARCH 4, 1921

1067

(510)

Written on Letterhead of the
FIRST STATE BANK

Zahl. N. Dak., Feb. 15, 1921.

Mr. A. Johanson,
Bank of North Dakota,
Bismarck, N. D.

Dear Sir:

We have the wire from the bank asking us to transfer 800 hundred dollars to the First National Bank of Minneapolis, our answer was that we did not have sufficient funds to make the transfer asked.

Conditions have been so very bad of late that our funds have dwindled to a very low point we would have been pleased to take care of your calls for funds if we had been able, however, if you will note when we got items on your bank we placed them with you on deposit, which goes to show that we were in the right spirit. Our books show that at present time we have on hand and all the other banks, we state frankly that we cannot lower our reserve another dollar, we will endeavor to build it up instead. Trusting you will realize the position we are at present and rest assured that as soon as we build our funds so that we can take care of your redeposits we will do so with the matter being pressed.

Truly yours,

A. B. LZETTE, Cashier.

(511)

Written on Letterhead of the
STATE BANK OF ALAMO

Alamo No. Dak., Feb. 5th 1921.

Mr. A. Johannsen,
Audits Dept. Director,
The Bank of North Dakota,
Bismarck, N. Dak.

Dear Mr. Johannsen:—

I have this evening received your telegram asking us to remit \$500.00 to the First National Bank, Mpls., for your credit.

This bank has had to borrow over \$15,000.00 in the past forty days for to take care of the decrease in deposits, and to keep up our reserve somewhat it should be, and right now our reserve is considerable below requirements, your demand at this time.

Yours very truly,

S. G. HEDAHL, Cashier.

(512)

Feb. 11, 1921.

State Bank of Alamo,
Alamo, N. Dak.
Gentlemen:

On November 27th, we drew draft against our public fund account with you in the amount of \$9000. You paid \$1500 on this draft and at this time we wish you would please send us all you possibly can.

Yours very truly,

AJ:FM

Audits Dept. Director.

(513)

WESTERN UNION TELEGRAM

Received at 81 FC

Zahl, No. Dak., 1015A Feb. 3, 1921.

Bank of North Dakota,
Bismaack, N. D.

Not sufficient funds available to make transfer at present.

FIRST STATE BANK.
1134A

(514)

Written on letterhead of

First State Bank
Zahl, N. Dak. Feb. 2, 1921.

The Bank of North Dakota,
Bismarck, N. D.

Dear Sirs: We are in receipt of your wire asking us to deposit One Thousand Dollars to your credit with the First National Bank of Minneapolis. It is impossible for us to make that transfer at this moment, as we have a credit on our books with that bank of 3342.00 less an item of 500.00 for a draft from on you on the 22nd of Jan. which the 1st National reported not paid on the 29th unpaid, in addition to this we have an item of 1090 draft drawn on this account for the payment of a farm loan for a farmer. This leaves us a very small balance as reserve. A few days past we sent the treasurer hail warrants for 1206.75 which we will place on deposit with you when they are received. Should we find our funds in better shape soon we will send you all we can possibly spare.

Truly yours,
A. B. Lzette,
Cashier.

(515)

Written on letterhead of the

First State Bank
Zahl, N. Dak. December 30th, 1920.

Mr. A. Johanson, Director of Audits
The Bank of North Dakota,
Bismarck, North Dakota.

Dear Sir: We have yours of the 28th in which you ask to make all possible efforts in paying part of the draft you have sent us. We cannot see how we can possible send you any thing at this time our avialable funds are slowly going down, our deposits in bank and money on hand last Night Balance was 3889.00 we have 25,000 deposit subject to check and 28,000 Time deposit, we mus tkeep enough money to take care of our local deposits. We have about 8000 of farm loan and Warrants that we expect to use to refund with when that Bankers Finance Corporation is able to do business, then we can do something for you. Trusting you will be patient with until matters get better and then we will be happy to comply with your request.

Truly yours,
A. B. Lzette,
Cashier.

FRIDAY, MARCH 4, 1921

1069

(516)

Written on letterhead of the

State Bank of Zahl,
Zahl, No. Dak.
February 3r, 1921.

The Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We have your wire as follows:

Wire First Natl Bank of Mpls six hundred dollars our credit advise us by wire.

We have not done this being that we do not believe that you have taken in consideration that we have about the smallest deposit that you have with any bank.

Yours very truly,
J. A. Alvstad,
Cashier.

(517)

"EXHIBIT 159"

Written on letterhead of the
FARMERS STATE BANK,

Alamo, North Dakota, Jan. 8, 1920.

The Bank of North Dakota,
Bismarck, North Dakota.

Gentlemen:

Our reserve is so low that we are unable to transfer \$1000.00 you ask for and we are sending items direct to you for credit and this we expect to turn in to you to pay on what you draw on us. Our books shows that we have a balance of better than \$1000.00 with you and, you may charge our account with you for \$1000.00 or if we have not gotten credit for all items sent you change our account for the amount we have gotten credit for and as soon as we have gotten credit for the amount of the full \$1000.00 you may charge our account up to this amount and advise us.

Yours very truly,
N. N. LANDRY,
Cashier.

(518)

Written on the letterhead of
FARMERS STATE BANK

Alamo, North Dakota, Jan. 17, 1921.

The Bank of North Dakota,
Bismarck, N. D.

Gentlemen:

On January 8th we wrote you asking you to charge our account with \$1000.00 and advise us and we charge the same amount to your account you have with us as redeposit. As we have not heard further from you as to whether this is satisfactory or not we would like to know if you would consider this way of drawing on your account. Our account with our Minneapolis correspondent is so extremely low and have been unable to transfer any.

If it could be arranged to work it the way above suggested it would not be such a hardship and we will continue to send you items for credit and when built up a balance of \$500.00 or \$1000.00 to have it applied on your redeposit, with us.

, Yours very truly,
N. N. LANDRY, Cashier.

(519)

Written on the letterhead of the

State Bank of Hanks,
Hanks, N. Dak.
January 19th, 1921.

The Bank of North Dakota,
Bismarck, N. D.

Gentlemen: Upon assuming the duties of cashier of this bank I find several letters from your bank in regard to the transfer of funds from your public fund account.

I find that it is impossible for us to meet these demands, much as we would like to, as we can appreciate your position also, and we would thank you heartily if you would cancel these requests.

Thanking you in advance and hoping that you will withdraw these demands, I am

Yours very truly,
J. A. Alustad,
Cashier.

(520)

Jan. 12, 1921.

State Bank of Hanks,
Hanks, N. D.

Gentlemen: On December 24 we wired you as follows: "Wire First National Bank Minneapolis two thousand dollars immediately to apply our draft letter November 27. Advise us by mail." Up to date we have failed to receive an answer to our wire.

We will thank you to comply with our request.

JWG:M

Very truly yours,
Audits Department.

(521)

Written on letterhead of the

Farmers State Bank,
Hanks, North Dakota,
Jan. 19, 1921.

Mr. A. Johannsson,
Audits Department Director,
Bismarck, North Dak.

Dear Sir: Replying to your circular of the 14th must say that we cannot meet any withdrawals from you at this time unless we can get eastern assistance, which so far we have been unable to obtain. Our Mr. Eckmann will be here the 29th of this month, and we will take up these different matters with him.

JHP/A

Very truly,
Jos. H. Pass,
Cashier.

(522)

Hamlet, N. D., Jan. 14th, 1921.

Bank of N. D.

Gentlemen: We cannot comply. We have the above to spare. If you will wait until our hail warrants are paid we can pay all we owe you in nice shape. But before we can do nothing. We have \$18,000.00 of the above warrants and with interest to date will give us \$19,200.00, and we have only \$25,000.00 bill payable. So please do not crowd us, and we will make the clear in good shape, we have covered the

FRIDAY, MARCH 4, 1921

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worst and if we can have patience until the warrants are cashed we will be fine and dandy.

Yours,
(Name unreadable),
Cashier.

(523)

Written on letterhead of the

"State Bank of Grenora,
Grenora, N. Dak.,
Jan. 8th, 1921.

Bank of N. Dak.
Bismarck, N. Dak.

Gentlemen: We received your wire to send \$1000.00 to 1st Natl. Bank Minneapolis. This we are sorry that we cannot do at this time as it seems impossible for us to get the farmers to sell their grain and if they sell now it will bring hardly expenses. Hope that this does not work any hardship on you, we are,

Yours very truly,
C. O. Higum,
Cashier.

(524)

February 14, 1921.

Farmers State Bank,
Grenora, N. D.

Gentlemen: We must insist that you remit for the \$500 draft which we drew on you on December 11th by return mail.

AJ:FM

Yours very truly,
Audits Dept. Director.

(525)

Written on letterhead of the

Citizens State Bank,
Grenora, N. D.
January 26th, 1921.

Audits Department,
Bank of North Dakota,
Bismarck, North Dakota.

Gentlemen: In regard to the transfer of funds to the First National of Minneapolis, according to your wire and answering your letter stating that you had not heard from us in regard to same will say we immediately wrote the bank on receipt of wire that we were in just the same fix and did not have sufficient funds to make this transfer at the First National.

The letter explaining the situation fully was addressed to F. W. Cathro, Manager, and perhaps has not come to your attention on this account. I trust you will not try to force a withdrawal on us under present conditions as we will be able to get along and get things in shape if we can avoid just this thing but if this had been forced it might have been the cause of closing us up. Trusting this will satisfactorily explain the matter, I am,

Very truly yours,
J. E. Haskett,
Cashier.

JEH/V

(526)

Jan. 19, 1921.

Citizens State Bank,
Grenora, N. D.

Gentlemen: On January 8 we wired you to transfer \$1,000

to the First National Bank of Minneapolis to our credit, but up to date we have failed to hear from you in regard to same.

We would thank you to give this your prompt attention. and greatly oblige,

JWG/M

Yours very truly,
Audits Department.

(527)

Feb. 11, 1921.

First State Bank,
Epping, N. D.

Gentlemen: On November 27th, we drew on our public funds account in the amount of \$4,000.

We wish you would please return this draft to us.

AJ/FM

Yours very truly,
Audits Dept., Director.

(528)

Written on letterhead of

"The First State Bank"
Epping, N. Dak.

Mr. A. Johansen,
Audits Department,
Bank of North Dakota,
Bismarck, N. Dak.

Dear Sir: Your letter of January 14th has been received in which you state it is necessary for you to make heavy withdrawals from the banks in which you hold obligations. It is very evident that should heavy withdrawals be made with us, it would be necessary for us to close up, while if we are permitted to work along, we can reduce gradually with you, and it seems to me, it will be the better method. I trust that methods will be brought about by which we may be given time in order to help your situation as well as our own.

Thanking you for your favorable consideration of this letter, I am,

Yours very truly,
N. T. Rosenquist.

January 18, 1921.

(529)

Written on letter head of

"The First State Bank"
Epping, N. Dak.,
January 5, 1921.

Mr. A. Johannsen,
Audits Department Director,
Bismarck, N. Dak.

Dear Sir: Your letter received in regard to the public fund account with our bank. We note your statement in regard to demands, and we are sorry the matter could not have been taken care of a long time ago. The crop resource is small with us, and having carried the community for five short crop years, having been financed by our banking friends, deposits from people we never knew steadily going out, we have had a big proposition to overcome. It isn't because we don't want to come across, but because we are so depleted in reserve, we can't at present do it.

However, we have a few Hail Warrants as collateral which we could turn you so as to reduce our balance with you. If School District Treasurers are going to change depositories,

and the balance be taken from you we might get some checks from them, and in that way reduce our balance with you. However, we have not yet made any bid for school money, and will await your Warrants, we will be able to get probably about \$2,000 in these to turn in a few days.

Yours very truly,
N. T. Rosenquist.
President.

(530)

Feb. 11, 1921.

First State Bank,
Corinth, N. Dak.

Gentlemen: On November 27th, we drew draft against our public fund account in the amount of \$2,500, on which you have paid \$1,000.

At this time we must insist that you take care of the balance of this draft.

AJ/FM

Yours very truly,
Audits Dept., Director.

(531)

Q. Now I want to take up with you, Mr. Cathro, Cass County, and I show you "Exhibit 160" and as k you does that relate to the money on deposit and loans and discounts in Cass County? A. It does.

Q. How much money did the Bank of North Dakota have on deposit in Cass County on the 19th day of January, 1921? A. On deposit, including discounts, \$615,395.12.

Q. And what amount did the various public institutions or corporations deposit in the Bank of North Dakota? A. \$330,-988.16.

Q. Did Cass County receive more than they were entitled to if you take into consideration the amount of money they had on deposit in the Bank of North Dakota? A. They did.

Q. How much money did they have? A. Actually received in Cass County, Cass County deposited in the Bank of North Dakota \$284,407.96.

Q. Now are there any banks in Cass County, that have committed an act of insolvency, according to the statute? (No answer.)

Q. Now I will offer in evidence "Exhibit 160" and will ask you to have the same incorporated into records.

"EXHIBIT 160"
CASS COUNTY

	Loans & Dis.	Redep.
State Bank, Alice.....		\$ 4,996.25
Argusville State, Argusville.....		525.13
Farmers State, Arthur.....		1,089.66
First State, Arthur		587.17
Ayr State, Ayr.....		522.64
First National, Buffalo.....		1,519.55
Cass County Nat'l, Casselton.....		2,216.22
Peoples State, Casselton.....		68,098.90
Farmers Sec., Chaffee.....		979.08
State Bank of Davenport.....		2,644.41
Farmers State, Erie.....		920.22
Dakota Savings, Fargo.....		3,352.87
Fargo National, Fargo.....		3,958.00
First National, Fargo.....		8,565.66
Merchants National Fargo.....		6,971.57

	Loans & Disc.	F. L. Spl.
Northern Savings, Fargo.....		25,378.70
Northern Trust, Fargo.....		4,571.17
Nw. Mutual Sav. L., Fargo.....		3,517.21
Scan-Amer., Fargo.....	175,189.81	229,883.05
Security Nat'l., Fargo.....		27,107.65
State Bank, Gardner.....		3,359.25
Guaranty State, Grandin.....		2,199.43
Harwood State, Harwood.....		1,148.97
Horace State, Horace.....		7,000.00
Far. & Mer. Bank, Hunter.....		2,153.46
Far. & Mer., Kindred.....		4,200.00
Kindred State, Kindred.....		1,463.45
Farmers Bank, Leonard.....		673.69
Mapleton State, Mapleton.....		1,777.39
Farmers State, Page.....		1,422.70
Prosper State, Prosper.....	6,000	1,067.62
First National, Tower City.....		3,466.19
First State, Tower City.....		2,637.82
Tower City State, Tower City.....		1,806.87
State Bank of Wheatland.....		2,424.36
	<u>\$181,189.81</u>	<u>\$434,206.31</u>
Due all treasurers within the Co.....	\$330,988.16	
Due all treasurers (general funds) included in above amount.....	183,065.13	
Total amount due all treasurers.....		330,988.16
Redeposits in banks in county.....	434,206.31	
Loans and Discounts in banks in Co..	181,189.81	
Total amount maintained in county..		<u>615,396.12</u>
Excess of public funds in use in county		\$284,407.96

(533)

Mr. Cathro, I now show you "Exhibit 161" and will ask you if the Security National Bank of Fargo, has failed to pay its drafts made upon them? A. It has.

Q. And at the time these drafts were made upon the Security National Bank of Fargo, did you have any money on deposit with the Bank of North Dakota, subject to draft? A. We had.

Q. And as I understand it, Mr. Cathro, this money that is deposited in the various banks, as deposited in these banks, so that it could at any time on demand be drawn out of these banks, is that correct? A. That is correct.

Q. And these banks are supposed to have this as a sort of depository for the State Bank of North Dakota, is that correct? A. That is correct.

Q. And it is due all these banks, under the law, to honor all drafts made upon such funds, that have been deposited in these banks, as state depository? A. It is.

Q. In other words, this money that is in these banks is left there for the convenience of the State Bank of North

(534)

Dakota and the community in which the depository bank is located, is that not true? A. It is.

Q. Mr. Cathro, are you acquainted with the Federal statute governing the National banks? A. I am.

Q. And is it not a fact that your information is that where

a National Bank refuses to pay on demand monies that have been deposited in a demand account, that they are guilty of a criminal offense under the statute of United States of America? A. I am, if I understand your question correctly.

Q. Well, is that not your understanding? A. It is.

Q. And a similar statute exists with respect to the Government of National Banks as exists with respect to the government of state banks? A. It does.

Q. And that under the Federal Laws where an act of insolvency is committed by the failure of the bank to pay drafts, that it is legally obliged to pay, that that constitutes an act of insolvency, does it not? A. It does.

(535)

Mr. Sinkler:

I will state for the information of the Committee at this time that Section 5189 of the Compiled Laws of 1913, have been amended by Chapter 53 of the 1915 Session Laws of the State of North Dakota, by adding thereto, "the duties of the State Examiner and Receivers when an act of insolvency has been committed by such bank."

Q. When you speak of this Security Bank, Mr. Cathro, do you know whether or not it is connected with any Valley City institution? A. I will add to that, in any manner? A. (No answer.)

Q. Is it not your information, Mr. Cathro, that the Security National Bank of Fargo, which has dishonored your drafts made upon it, that it is in some manner connected with the bank of the same name located at Valley City, which bank was under consideration at a former meeting of this committee, is that your information? A. It is.

Q. Is the Prosper State Bank at Prosper, North Dakota, in Cass County? A. It is.

Q. And is that one of the banks which has turned down drafts made upon it by the Bank of North Dakota? A. Yes.

(536)

Q. And the First National Bank of Tower City, has that also failed to honor your drafts? A. It has.

Q. Is that a bank located in Cass County? A. It is.

Q. All right.

Mr. Sinkler:

Offer in evidence "Exhibits 160 and 161" relating to the condition existing in Cass County Banks.

(537)

"EXHIBIT 160"

CASS COUNTY

	Loans & Dis.	Redep.
State Bank, Alice.....	\$	\$ 4,996.25
Argusville State, Argusville.....		525.13
Farmers State, Arthur.....		1,089.66
First State, Arthur.....		587.17
Ayr State, Ayr.....		522.64
First National, Buffalo.....		1,519.55
Cass County Nat'l, Casselton.....		2,216.22
Peoples State, Casselton.....		68,098.90
Farmers Sec., Chaffe.....		979.08
State Bank of Davenport.....		2,644.41
Farmers State, Erie.....		920.22
Dakota Savings, Fargo.....		3,352.87
Fargo National, Fargo.....		3,958.00

	Loans & Disc.	F. L. Spl.
First National, Fargo.....		8,565.66
Merchants National, Fargo.....		6,971.57
Northern Savings, Fargo.....		25,378.70
Northern Trust, Fargo.....		4,571.17
Nw. Mutual Sav., Fargo.....		3,517.21
Scan-Amer., Fargo.....	175,189.81	229,883.05
Security Nat'l, Fargo.....		27,107.65
State Bank, Gardner.....		3,359.25
Guaranty State, Grandin.....		2,199.43
Harwood State, Harwood.....		1,148.97
Horace State, Horace.....		7,000.00
Far. & Mer. Bank, Hunter.....		2,153.46
Far. & Mer., Kindred.....		4,200.00
Kindred State, Kindred.....		1,436.45
Farmers Bank, Leonard.....		673.69
Mapleton State, Mapleton.....		1,777.39
Farmers State, Page.....		1,422.70
Prosper State, Prosper.....	6,000.00	1,067.62
First National, Tower City.....		3,466.19
First State, Tower City.....		2,637.82
Tower City State, Tower City.....		1,806.87
State Bank of Wheatland.....		2,424.36
	\$181,189.81	\$434,206.31
Due all treasurers within the Co.....	\$330,988.16	
Due all treasurers (general funds) included in above amount	183,065.13	
Total amount due all treasurers.....		330,988.16
Redeposits in banks in county.....	434,206.31	
Loans and Discounts in banks in Co.	181,189.81	
Total amount maintained in county..		615,396.12
Excess of public funds in use in county		\$284,407.96

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January 19, 1921.

Security State Bank,
Fargo, N. Dak.

Gentlemen: On January 8th, we wired you to transfer \$5,000 to the First National Bank of Minneapolis for our credit, and charge our public funds account. To date we have not had any advice and would thank you to give this your prompt attention.

JWG/FM

(539)

Yours very truly,
Audits Department.

Feb. 11, 1921.

Prosper State Bank,
Prosper, N. D.

Gentlemen: On November 27th we drew draft on our public fund account in the amount of \$500. Up to date we have received no returns on this item and we must insist at this time that you send us remittance by return mail.

AJ/FM

Yours very truly,
Audits Dept., Director.

(540)

Feb. 11, 1921.

First National Bank,
Tower City, N. D.

Gentlemen: On December 11th, we drew draft against our public fund account in the amount of \$1,000.

We wish you would please make remittance for this or return the item to us so we may report the matter to the Bonding Company.

AJ/FM

Yours very truly,
Audits Dept., Director.

(541)

"EXHIBIT 161"

WESTERN UNION TELEGRAM.

Jan. 8th, 1921.

SECURITY NATIONAL BANK,
FARGO, N. D.

WIRE FIRST NATIONAL BANK MINNEAPOLIS FIVE THOUSAND DOLLARS AT ONCE. WIRE US ADVICE.

BANK OF NORTH DAKOTA.

CHG BK OF ND

(542)

Q. Mr. Cathro, look at "Exhibit 162" which I now hand you, and which refers to the Banks in Bottineau County, and state how much of the public monies of the County of Bottineau has been deposited in the Bank of North Dakota? A. \$287,372.53.

Q. Does this mean the present time? A. As of January 19, 1921.

Q. And referring to the same exhibit, can you tell us what amount has been redeposited in the various banks of Bottineau County, and is on deposit in the various banks at this time? A. I can as of January 19, 1921.

Q. All right. Let's have it. A. \$201,711.95.

Q. And what is the amounts of loans and discounts in the banks of that county? A. \$65,343.25.

Q. And the item of farm loans special amounted to how much? A. \$9,000.00.

Q. And what is the total of moneys from the Bank of North Dakota in the County of Bottineau? A. \$510,655.20.

Q. And what is the total amount of redeposits and loans and discounts and what is known as farm loans specials, moneys in the banks in Bottineau County on that date?

(543)

A. It is.

Q. Is there any other money in the County of Bottineau from the Bank of North Dakota? A. There is.

Q. What items? A. Farm loans.

Q. And what is that amount? A. \$243,600.00.

. And that makes a total of all the moneys in Bottineau County of how much? A. \$510,655.20.

Q. What is the amount of public funds in—. A. \$223,232.67.

Q. Are there any of the banks in the County of Bottineau who have refused or failed to honor any drafts made upon them for these different amounts? A. There are.

Q. State whether or not the State Bank of Antler located at Antler, North Dakota, is one of the banks that have refused to honor drafts made upon it, for part of the money deposited there? A. It is.

Q. Is it also true of the Bottineau County Bank located at Bottineau? A. It is.

Q. Is it also true of the Bank of Carbury, located at Carbury? A. It is.

(544)

Q. And is it also true of the Gardena State Bank located at Gardena, North Dakota? A. It is true.

Q. Is it also true of the First International Bank of Liel? A. It is.

Q. Is it also true of the Maxbass State Bank located at Maxbass, North Dakota? A. It is.

Q. And is also true of the State Bank of Newburg, located at Newburg? A. It is.

Q. And is it also true of the Maxbass Security Bank, located at Maxbass. A. It is.

Q. All right?

Mr. Sinkler:

I offer in evidence "Exhibits 162 and 163," and ask that the same may be made a part of this record.

(545)

"EXHIBIT 162"
BOTTINEAU COUNTY

	Redep.	Loans & Disc.	F. L. Spl.
Citizens State, Antler....	\$ 3,756.12	3	3
State Bank of Antler.....	9,800.08		
Bottineau Co., Bottineau..	15,534.27	26,466.17	9,000.00
First National, Bottineau	27,136.11	6,300.00	
Bank of Carbury, Carbury	4,229.69		
First State Bank, Eckman	3,100.71		
Gardena State, Gardena..	1,548.13	2,000.00	
First National, Kramer...	1,977.06		
State Bank of Kramer...	6,525.57		
First Inter., Landa.....	4,229.08		
First National Lansford..	4,292.07		
First State, Lansford....	7,307.07		
Maxbass Sec., Maxbass...	6,041.97		
State Bank of Maxbass...	7,950.56	5,000.00	
State Bank of Newburg..	6,077.18	5,664.63	
Citz. Bank of Omemee....	17,745.39		
First National, Omemee..	1,117.06		
Far. & Mer., Overly.....	9,671.88		
Sec. State, Overly.....	4,637.87		
First State Bank, Russell	1,844.50		
Mouse River Valley Souris	4,953.09	10,412.45	
State Bank of Souris....	5,537.85	4,000.00	
Bank of Westhope.....	15,192.11	5,500.00	
Peoples State, Westhope.	9,767.35		
First Nat'l., Willow City..	3,339.20		
Mer. National, Willow City	5,627.46		
	\$201,711.96	\$ 65,343.25	\$ 9,000.00
Due all treasurers within the Co.....	\$287,372.53		
Due county treasurers (general fund)			
included in above amount.....		135,997.46	
Due all treasurers (sinking fund) included in above amount.....		41,384.34	
Total amount due all treasurers.....			287,372.53

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Redeposits in banks in county.....	201,711.95	
Loans and discounts to banks in Co..	65,343.25	
Farm loans in county.....	243,600.00	
Total amount maintained in Co.....		510,655.20

Excess of public funds in use in county		\$223,282.67
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(546)

“EXHIBIT 163”
“BOTTINEAU COUNTY”

Written on letterhead of

State Bank of Antler,
Antler, N. Dak.
Jan. 19, 1921.

Bank of North Dakota,
Bismarck, N. D.

Dear Sirs: We acknowledge receipt of your wire advising us to wire the First National Bank of Minneapolis \$500.00 for your credit.

Owing to the present conditions of our reserve we are unable to comply with this request. We have complied with all of your requests in the past but find that we are unable to do so now and we trust that you can make arrangements to get along without making further withdrawals from us.

Yours very truly,
F. A. RINKEL,
Cashier.

FAR/HVW

(547)

Feb. 11, 1921.

Bottineau County Bank,
Bottineau, N. D.

Gentlemen: If you are unable to pay the \$1,000 draft which we drew on you on December 11th, we wish you would return same to us by return mail.

Yours very truly,
Audits Dept. Director.

AJ/FM

(548)

WESTERN UNION TELEGRAM

Bottineau, N. D.
Jan. 22, 8 P. M. 19 1921.

161FOV 3
Bank of North Dakota,
Bismarck, N. D.

Fancy-Free Maye Ladling.
Are not able to deposit as requested.

Bottineau County Bank.
245 P. M.

(549)

January 13, 1921.

Bank of Carbury,
Carbury, N. D.

Gentlemen: In reply to yours of the 7th, inst., will state that we cannot give you any definite assurance whether or not we will be able to let the account we have with you remain as it is or not as the State Treasury is going to call a large number of hall warrants and this will take a great deal of money to take care of his checks.

Therefore, we wish you would be prepared to meet some withdrawals within the near future.

We are sorry that we are unable to give you any definite information.

AJ/FM

Yours very truly,
Audits Dept. Director.

(550)

Written on letterhead of the

Bank of Carbury,
Carbury, N. D.,
January 7th, 1921.

Mr. F. W. Cathro,
Bismarck, North Dakota.
Dear Mr. Cathro:

We would like to know if it is possible for the Bank of North Dakota not to check against its account with our bank for a time at least so as to assist in keeping up the reserve.

The crop around Carbury this year was so very light that there was nothing with which to pay notes and there is very little wheat stored here.

The assets of the Bank we feel are absolutely good for awhile there were some notes that there were questions about when it was taken over by Mr. Odland and his associates these have been taken out and the cash or good notes replaced. It simply is a matter of tight money which the country as a whole is in the grip of and which must loosen up before long. Thanking you and your reply in this matter will be greatly appreciated.

Yours very truly,
N. L. Johnson,
Cashier.

(551)

Written on letter head of

Gardena State Bank,
Gardena, No. Dak.,
Jan. 4th, 1921.

Bank of North Dakota,
Bismarck, No. Dakota.

Gentlemen: We have your favor of the 31st., ult., in connection with a \$500.00 check drawn on us and contents carefully noted.

We will not be in position to make remittance for this check on or before the 15th of this month, and trust you will accommodate us by granting us this extension.

Yours very truly,
J. S. Odland,
Pres.

(552)

Written on letterhead of the

First International Bank,
Landa, North Dakota.
January 27, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We are in receipt of your telegram to wire First National Bank of Minneapolis Seven Hundred Dollars, this at the present time we are unable to do, we will how-

FRIDAY, MARCH 4, 1921

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ever after a short time be able to get some realestate mortgages through and expect to have better reserve.

Trusting that this will not inconvenience you in any way at this time, we are,

Yours very truly,
O. J. Elefson,
Cashier.

(553)

February 14, 1921.

State Bank of Maxbass,
Maxbass, N. D.

Gentlemen: We are still without return on the \$500 draft which we drew on you on December 11th.

At this time we must insist that you send us remittance for this item by return mail.

Yours very truly,
Audits Dept. Director.

AJ/FM

(554)

Written on letterhead of

State Bank of Newburg,
Newburg, N. D.
January 29, 1921.

A. Johannesen Audits Dept. Directors,
Bank of North Dakota,
Bismarck, N. D.

Dear Sir: Your telegram of the 27th inst, is duly received, asking us to forward \$500 to your credit at the First National Bank of Minneapolis. We are sorry to say that we are not in position to comply with your telegram at this time, as we have all we can do to provide funds and pay off the local demands of checks. But as soon as the financial clouds let up a little we will try to take care of his deposit as fast as we can. We are sorry that this is the case, but we are doing the best we can to help matters along, but at the present time we are absolutely handicapped.

Yours very truly,
P. J. Norberg,
Cashier.

PJN/BQ

(555)

Written on letterhead of the

State Bank of Maxbass,
Maxbass, No. Dak.
January 26, 1921.

Bank of North Dakota,
Bismarck, North Dakota.

Gentlemen: We have yet been unable to wire \$500.00 to your credit at the First National Bank of Mpls. as per your request by wire.

Our reserve is in such condition that we have not funds enough to stand a draw of this amount on any account. We trust that you will appreciate our position, and we assure you that as soon as we possibly can stand to remit this amount we will be pleased to do so and thus help to relieve the situation.

Yours truly,
D. B. McDonald,
Cashier.

(556)

Written on letterhead of the

State Bank of Newburg,
Newburg, N. D.
January 24th, 1921.

Mr. A. Johanneson,
Bank of North Dakota,
Bismarck, North Dakota.

Dear Sir & Friend: Your telegram of recent date asking us to transfer \$1,000.00 to your account with First National Bank, Minneapolis, Minn., was received during the writers absence, and consequently did not receive proper attention.

We were however not in shape to comply with your wishes so it made no material difference, and I am sorry to say that we are not in shape yet to do anything for you, but we have promise of a little more funds from the cities and if you will draw on us for \$500.00 about the 5th of next month we will try and take care of it.

We are doing the very best we can, under the most trying circumstance that we have ever run up against, we are now carrying \$65,000.00 in Bills Payable and nearly \$6,000.00 in Rediscunts, so you can readily see what we have been through since the 1st of November when we had \$5,000.00 Bills Payable, we have paid you something like \$9,000.00 since

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last July, and have now only \$6,000.00 of your money, and I hope you can arrange to let us have this for at least another sixty days.

With kind personal regards,

Yours very truly,
P. J. Norberg,
Cashier.

(558)

Written on letterhead of the

Maxbass Security Bank,
Maxbass, N. Dak.
January 29th, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We received your telegram asking us to remit \$800 to the First National Bank of Minneapolis, but under the present conditions and our reserve we are unable to do so, but will try and make arrangements so that we can do so as soon as possible. We regret very much that we cannot do so at the present time, but hope to be able to do so in the near future, and will do whatever we can as quickly as we can.

Trust this will meet with your approval.

Yours truly,
M. C. Tillotson,
Cashier.

(559)

Written on letterhead of the

First International Bank,
Landa, North Dakota.
January 27, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We are in receipt of your telegram to wire First National Bank of Minneapolis Seven Hundred Dollars,

this at the present time we are unable to do, we will however after a short time be able to get some real estate mortgages through, and expect to have better reserve.

Trusting that this will not inconvenience you in any way at this time, we are,

Yours very truly,
O. J. Elefson,
Cashier.

(560)

Q. Mr. Cathro, referring to "Exhibit 164" state whether or not different banks in the County of Cavalier have on deposits sums of money belonging to the Bank of North Dakota, also loans and discounts. A. They have.

Q. What is the total amount of money from the Bank of North Dakota on deposit in the County of Cavalier on January 19th, 1921? A. \$43,155.01.

Q. What is the total amount in the fund known as Farm Lands Special? A. \$2,000.00.

Q. What is the total amount received from all public funds of the County of Cavalier, due to the Bank of North Dakota? A. \$63,930.24.

Q. So that leaves a balance in excess of public funds in use in Cavalier County of how much? A. Including farm loan specials, \$26,224.77.

Q. And the farm loans item amounted to how much? A. \$11,000, including the farm loan specials.

Q. Now state whether or not any of these banks in Cavalier County having on deposit funds of the Bank of North Dakota have failed to honor drafts drawn on these funds?

(561)

A. Yes.

Q. Is that true of the People's State Bank of Calvin?

A. It is.

Q. Is that also true of the Citizens State Bank of Langdon? A. It is.

Q. Is it also true of the Farmers State Bank of Munich? A. It is.

Q. Is it also true of the Citizens State Bank of Langdon? A. It is.

Q. Is it also true of the Citizens Bank of Wales in that county? A. It is.

Q. We offer in evidence exhibits 164 and 165.

(562)

"EXHIBIT 164"

CAVALIER COUNTY.

	Loans & Disc.	Redep.	F. L. Spl.
Farmers State, Alsen.....	\$	\$ 1,304.50	\$
Peoples Bank of Calvin...	13,000.00	4,920.56	
State Bank of Dresden...		558.85	
First State, Easby.....		604.87	
Cavalier Nat'l, Langdon.		5,270.83	
Citizens State, Langdon..		5,510.51	
Bank of Maida, Maida	3,000.00	2,556.88	
State Bank of Milton		4,874.50	
Far. Bk of Munich, Munich		1,231.60	
First National, Munich...		1,410.68	
State Bank of Nekoma...		827.69	
First State, Olga.....		1,080.56	
Great Western, Osnabrock	10,000.00	7,333.57	2,000

	Redep.	Loans & Disc.	F. L. Spl.
Far. & Mer. State, Sarles.	10,000.00	1,605.90	
Citizens State, Wales.....		4,063.51	
	<u>\$ 36,000.00</u>	<u>\$ 43,155.01</u>	<u>\$ 2,000.00</u>
Due to all treasurers within the county	\$ 63,930.24		
Due county treasurers (general funds)			
included in above amount.....	1,148.93		
Due all treasurers (sinking funds) in-			
cluded in above amount.....	None		
Total amount due all treasurers.....			63,930.24
Redeposits in banks in county.....	43,155.01		
Loans and discounts to banks in county	36,000.00		
Farm Loans in county.....	11,000.00		
Total amount maintained in county...			90,155.01
Excess of public funds in use in			
county			26,224.77
	(563)		

"EXHIBIT 165"
CAVALIER COUNTY

WESTERN UNION TELEGRAM

Received at
98F DK 5

Calvin, N. Dak. 1140A. Jan. 26, 1921.

Bank of North Dakota,
Bismarck N. Dak.

ABACO FLARING PULPOUS QUESTING NIGHTLESS.
Cannot act in according with your telegram of 1/25. Wait
our letter.

Peoples Bank.
1155A

(564)

Written on letterhead of the

Peoples Bank of Calvin,
Calvin, N. Dak.
January 27th, 1921.

Bank of North Dakota,
Bismarck, No. Dak.

Gentlement: We are in compliance with our telegram to you of yesterday in reply to yours, in which we wish to state it is impossible for us at the present time to transfer any fund as you stated in your telegram. If we can see our way clear in transferring any funds, we would be more than glad to do so. If things should shape themselves in the near future we will be glad to advise you what amount we can place to your credit at which bank you may designate it to be placed or rather we would forward you this amount to be placed to our credit with your bank.

We know our deposit with you has been very small or practically ceased for sometime but it is due to no antagonism towards your bank for our deposits have been very low with our other correspondents and it is due to our cash letters coming thru them, why our reserve which has been

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small has been left there with them.

We are not forgetting the accommodations you have ex-

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tended to us in the past as we greatly appreciate what you have done.

Yours very truly,
P. E. Vinje,
Assistant Cashier.

PEV/M

(566)

WESTERN UNION TELEGRAM.

Received at
153 FC 14

Langdon ND 515P Jan 18, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

We wrote today explaining situation advise if we may hold until you receive letter.

Citizens State Bank.
530 PM

(567)

Written on letterhead of the

Farmers Bank of Munich,
Munich, No. Dak.
Jan. 19th, 1921.

Mr. A. Johannsen,
Audits Department Director,
Bank of North Dakota,
Bismarck, N. Dak.

Dear Sir: Received your circular of the 14th inst, in which you state it will be necessary for you to draw on us. Now we hope you will not do so unless it is absolutely necessary, as we are running short on reserve, and are carrying a lot of school warrants in order that we may keep our school warrants. If you must draw make the drafts \$100.00 at a time.

Yours very truly,
P. J. Antony,
Cashier.

PJA/G

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WESTERN UNION TELEGRAM.

Wales, N. D., Jan. 8, 1921.

Bank of North Dakota,
Bismarck, N. D.

You wire us to deposit One thousand dollars to your credit in the First National Bank of Minneapolis, Minn., you may debit our account with you one thousand dollars and credit your Minneapolis account for that thousand.

Citizens State Bank of Wales.
740AM 10th.

WESTERN UNION TELEGRAM.

Jan. 8th, 1921.

Citizens State Bank,
Wales, N. D.

The First National Bank Minneapolis One Thousand Dollars at once. Wire us advice.

CHG Bk of ND.

Bank of North Dakota.

(569)

Q. Mr. Cathro, is it not a fact that Sargent County is the first county to commence garnishment proceedings against the Bank of North Dakota? A. It is.

Q. I want to take up the various banks in Sargent County that have commenced an action in solvency under the laws

of the State of North Dakota, and also the Federal Statutes of the U. S., at this time. Now, I will call your attention to Exhibit 166, and will ask you if Exhibit 166 is the statement of the loans, and rediscounts and farm loans in Sargent County. A. It is.

Q. And that was made on the 19th day of Jan. 1921? A. It was.

Q. How many banks at that time had money on deposit from the Bank of North Dakota? A. Eighteen banks.

Q. Eighteen banks? A. Eighteen banks.

Q. Now had you made drafts on the various banks in Sargent County prior to the time Sargent County commenced garnishment proceedings? A. We had.

Q. I will call your attention to Exhibit 167, and I will ask you if Exhibit 167 contains letters, telegrams, and copies of letters between the banks in Sargent County and the Bank of North Dakota? A. It does.

Q. Did the Cogswell State Bank commit an act of insolvency? A. It did.

Q. And it is your understanding that the Cogswell State Bank after committing an act of insolvency continued to receive deposits in its bank, is that your understanding? A. It is.

Q. The Cogswell State Bank had on deposit, \$4,228.81 had it not on January 19th, 1921? A. It did.

Q. And this money was subject to draft at any time? A. It was.

Q. It was a demand certificate, was it not? A. Yes.

Q. And the Cogswell State Bank refused to answer your draft? A. Yes, it did.

Q. And that is also true of the Farmers State Bank of Forman? A. It is.

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Q. And it also is located in Sargent County? A. It is.

Q. They said, did they not, "we are unable to comply with your telegram of today asking us to remit \$500.00 for your credit to the First National Bank of Minneapolis" that is what the Farmers State Bank of Forman said to you, is it not? A. It is.

Q. Did not the Farmers State Bank of Forman also refuse to honor a draft for \$4,000.00? A. They did.

Q. And did they not say in part "our reserve is so low we are unable to borrow any more money at this time." We will remit as soon as we are able to do so. There is considerable grain to be sold in this territory, that the farmers are holding for higher prices." A. They did.

Q. Is it not a fact that the First National Bank of Forman also refused to honor a draft for \$2,000.00? A. They did.

Q. And at that time did the Bank of North Dakota have on deposit, demand deposit, in said bank, more than \$2,000.00?

(572)

A. It did.

Q. Did not the First National Bank of Forman, which is a bank recognized under the laws of the U. S., write this letter to the Bank of North Dakota, and say:

"January 19, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We are in receipt of your telegram request-

ing us to forward \$2,000.00 with the First National Bank of Minneapolis. At this time it is practically impossible for us to pay this amount, we have no public funds and this would eliminate your balance here. The farmers around here are still holding their grain and a great many of them have not sold a bushel. We will, however, within the next thirty days be in a position to pay you without any trouble, and if you can possibly wait that long, it will be greatly appreciated.

Yours very truly,

J. P. Gunderson,

Cashier."

A. They did.

Q. Now, Mr. Cathro, these people, those banks all over the State of North Dakota are persisting in refusing you payment of your drafts are they not? A. They are.

(573)

Q. Does it not appear to you that there is somewhat of a concerted action on the part of the banks to refuse to pay?

A. There does.

Q. There is another bank in Sargent County, the Farmers State Bank of Gwinner, did they turn down a draft of \$500.00?

A. They did.

Q. There is another bank in Sargent County, the Farmers State Bank of Havana, did they turn down a thousand dollar draft? A. They did.

Q. And did they not say: "In reply to your telegram of today asking us to remit one thousand dollars to the First National Bank of Minneapolis, wish to state that we cannot remit any at this particular time as our reserve is low and we are trying to build it up. We are very sorry we cannot accommodate you at this time." A. They did.

Q. Is it not a fact that the Havana State Bank also committed an act of insolvency by turning down your draft? A. It did.

Q. Is it not a fact that the Farmers State Bank of Rutland, in Sargent County, turned down your draft, thereby committing an act of insolvency. A. They did.

(574)

Q. And they have also refused to pay your drafts, is that not a fact? A. It is.

Q. And the Stirum State Bank, they also failed to pay your draft? A. They did.

Q. Did not the Stirum State Bank say: "And I am sorry to advise that we are right up against it at this time and will ask you to give us a little time to pay out this money. Trusting you will be considerate with us owing to the conditions, I am,

Yours truly,

J. P. McDermott,

Cashier."

Q. Did they not so write you? A. They did.

Q. Now, Mr. Cathro, is it not a fact that there are eight banks in Sargent County that have failed to pay your drafts and committed an act of insolvency? A. It is.

Q. Now, Mr. Cathro, these banks, did this, did they not, prior to the time that garnishment proceedings were commenced? A. They did.

(575)

Q. Now, Mr. Cathro, after these banks had turned down

your drafts without giving any other excuse than they were unable to pay, the garnishment proceedings started in in Sargent County? A. They were.

Q. And after garnishment proceedings were started did the banks in Sargent County send you telegrams and letters in which they gave reason why they failed to remit was on account of the funds being garnisheed? A. They did.

Q. Did the Cogswell State Bank write this kind of a letter to you on February 16th, saying we are unable to comply with your request of the 13th to remit one thousand dollars to the First National Bank of Minneapolis on your account as the account has been garnisheed? A. They did.

Q. Did the Geneseo State Bank of Sargent County telegraph you as follows: "Your account with us garnisheed by commissioners of Sargent County"? A. They did.

Q. Did the Hamar State Bank telegraph you as follows: "Unable to remit. Funds garnisheed by county"? A. They did.

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Q. Did the Farmers State Bank of Havana telegraph you as follows: "Your public funds garnisheed by Sargent County therefore unable to pay thousand dollars as per your request in telegram"? A. They did.

Q. Did the Havana State Bank telegraph you as follows: "Your public funds garnisheed by Sargent County, therefore unable to pay thousand dollars as per your telegraph request"? A. They did.

Q. Did the Farmers State Bank of Havana also telegraph you as follows: "Your public funds garnisheed by Sargent County, therefore unable to pay thousand dollars as per your request in telegram"? A. They did.

Mr. Sinkler:

We offer in evidence Exhibits 167 and 168.

Q. It appears, does it not, from the records introduced here from Sargent County, that up to a certain point the banks of Sargent County gave the excuse for not paying that they did not have the money, and then since the funds are garnisheed, they gave the excuse that they could not pay by reason of this action pending? A. That is right.

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"EXHIBIT 166"
SARGENT COUNTY

	Loans & Disc.	Redep.	F. L. Spl.
Farmers State, Brampton.	\$	\$ 430.90	\$
Cayuga State, Cayuga....		927.46	
Cogswell State, Cogswell....	15,000	4,228.81	
Far. & Mer., Cogswell....		4,159.17	
Crete State, Crete.....		3,633.00	10,000
DeLamere State, DeLa- mere		1,849.96	
Farmers State, Forman..		7,774.89	
First National, Forman...		2,050.22	
Geneseo State, Geneseo...		4,367.31	
Farmers State, Gwinner..	22,000	3,316.80	
Gwinner State, Gwinner..		296.92	
Havana State, Havana....		5,393.32	
Far. State, Havana.....		4,618.32	
First National, Milnor....		271.12	
Milnor National, Milnor..		3,259.85	

Farmers State, Rutland...	5,000	3,081.36	
First State, Rutland.....		3,282.10	
Stirum State, Stirum.....		9,525.13	
		<hr/>	
	\$ 42,000	\$ 62,466.64	\$ 10,000
Due to all treasurers within the county		\$153,252.49	
Due county treasurers (general funds) included in above amount.....		75,853.75	
Due all treasurers (sinking funds) included in above amount.....		48,786.39	
Total amount due all treasurers.....			153,252.49
Redeposits in banks in county.....		62,466.64	
Loans and discounts in banks in county		42,000.00	
Farm loans in county.....		16,700.00	
Total amount maintained in Co.			<hr/> 121,166.64
Deficiency of Public Funds in use in county			\$ 32,085.75
	(578)		

Minneapolis, St. Paul & Saulte Sainte Marie
Railway Company.

Telegram.

CI F Ck II Collect

Geneseo, N. D., Feb. 14, 21.

The Bank of N. D.
Bismarck, N. D.

Your account with us garnisheed by Commissioners of Sargent County.

Geneseo State Bank.

412pm.

Telegram.

48FOV8 Collect

Havana, N. D., Feb. 10, 1921.

Bank of North Dakota,
Bismarck, N. D.

Unable to remit funds garnisheed by County.

Havana State Bank.
1011A

Telegram.

212FC 20 Collect

Havana No. Dak. 355P Feb. 14, 1921.

Bank of No. Dak.
Bismarck, N. Dak.

Your public funds account garnisheed by Sargent County therefore unable to pay one thousand per your request.

Farmers State Bank.
413P

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Western Union Telegram.

49FOV 13 Collect

Havana, N. D. Feb 946AM 10 1921

Bank of No. Dak.
Bismarck, N. D.

Your public funds accounts garnisheed cannot pay your request for five hundred.

Farmers State Bank
1014A

Telegram

211DFC 11 Collect

Havana, No. Dak. 355P Feb. 14, 1921.

Bank of N. Dak.
Bismarck, N. D.

County has garnisheed funds hence we are unable to remit.

Havana State Bank.
412P

Telegram

28 F V 18 Collect

Rutland N. D. 1105AM Feb 15, 1921.

Bank of N. Dak.
Bismarck, N. D.

Cannot remit to First National Bank Minneapolis your account has been garnisheed by Commissioners of Sargent First State Bank.

County.

1205P

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"EXHIBIT 168"
Sargent County.

Written on letterhead of

Cogswell State Bank,
Cogswell, North Dakota,
February 16, 1921.The Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We are unable to comply with your request of the 13th inst. to remit the Thousand Dollars to the First National Bank, Minneapolis, our account has been garnisheed.

Yours very truly,
A. Rossberg,
Cashier.

(581)

Written on letterhead of

Havana State Bank.
Havana, N. D.,
Jan. 25, 1921.Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We acknowledge receipt of wire requesting transfer of \$800. to your credit with First National Bank of Minneapolis.

We regret to say we are not in a position to make this transfer without still further depleting our reserve which already is below the legal requirement.

We are making no loans and have used every effort to make collections but cannot maintain our reserve and deposits are shrinking heavily.

In order to prevent the closing of our schools we have been advancing sufficient money to teachers to keep the schools going. We expected to dispose of the warrants thru the Bankers Finance Corporation but are advised that this corporation is unable to proceed owing to lack of legislation.

(582)

We wish to ask if you cannot permit your balance with us to remain intact until we can build up our reserve as we are not in a position to borrow money at this time as we

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were unable to repay what we borrowed last year.

Yours truly,
C. E. Castle.

(583)

"Exhibit 167"
Sargent County.

Feb. 14, 1921.
Cogswell State Bank,
Cogswell, N. Dak.

Gentlemen: On December 11th, we drew draft on our public funds account in the amount of \$500.

At this time we must insist that you make remittance for this by return mail.

Yours very truly,
Audits Dept. Director.

AJ:FM

(584)

Written on letterhead of the

Farmers State Bank.
Forman, North Dakota.
January 31, 1921

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We are unable to comply with your telegram of today, asking us to remit \$500.00 for your credit with First National Bank of Minneapolis. Our reserve is nearly depleted, and until we can make some collections it will be impossible for us to make any remittance.

Yours truly,
Anton Nelson,
Cashier.

(585)

Written on the letterhead of the

FARMERS STATE BANK
Forman, North Dakota, January, 26th, 1921

Bank of North Dakota,
Bismarck, North Dakota.

Gentlemen:

We received your telegram this morning requesting us to wire \$1000.00 to the First National Bank of Minneapolis for your credit. We are unable to comply with your request at this time. Our reserve is below the legal requirement and there is nothing coming in to build it up. As soon as we are able we will honor your calls for withdrawals.

Yours truly,
ANTON NELSON, Cashier.

(586)

Written on letterhead of the

FARMERS STATE BANK
Forman, North Dakota, January 8, 1921.

Bank of North Dakota,
Bismarck, N. Dakota

Gentlemen:

We received your telegram, late this p. m. asking us to remit by wire \$1000.00 the First National Bank of Minneapolis. We are unable to comply with your request at this time. Our reserve is very low and it is impossible for us to borrow any more money at this time.

We will remit as soon as we are able to do so. There is

considerable grain to be sold in this territory, but the farmers are holding for higher prices.

Yours truly,

ANTON, NELSON, Cashier.

(587)

Written on the letterhead of the
FARMERS STATE BANK

Havana, N. Dak. January 31st, 1921.

Bank of North Dakota,

Bismarck, N. Dak.

Gentlemen:

In reply to your telegram of today asking us to remit \$1000.00 to the First National Bank of Minneapolis, wish to state that we cannot remit any at this particular time as our reserve is low and we are trying to build it up. We are very sorry we cannot accommodate you at this time.

Yours very truly,

WM. S. BANGEN, Ass't. Cashier.

(588)

Written on letterhead of the

FIRST NATIONAL BANK

Forman, N. Dak., January 19, 1921.

Bank of North Dakota,

Bismarck, N. D.

Gentlemen:

We are in receipt of your telegram requesting us to forward \$2000 to your credit with the First National Bank of Minneapolis. At this time it is practically impossible for us to pay this amount. We have no public funds and this would eliminate your balance here. The farmers around here are still holding their grain, a great many of them have not sold a bushel, we will, however, within the next 30 days be in position to pay you without any trouble and if you can possibly wait that long it will be greatly appreciated.

Yours truly,

J. P. GUNDERSON, Cashier.

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February 14, 1921.

Farmers State Bank,

Gwinner, N. D.

Gentlemen:

We must insist that you remit for the \$500 draft which we drew on you on December 11th by return mail.

Yours very truly,

AH:FM

Audits Dept. Director.

(590)

Written on the letterhead of the
HAVANA STATE BANK

Havana, N. D., Jan. 31, 1921.

Bank of North Dakota,

Bismarck, N. D.

Gentlemen:

We have received a telegram requesting transfer of one thousand dollars to First National Bank of Minneapolis.

We have not made the transfer and refer you to our letter of explanation sent you Jan. 27.

Our reserve is several thousand dollars below legal require-

ment and we have not as yet succeeded in making arrangements to borrow any more money.

Yours truly

C. E. CASTLE.

(591)

Q. And did you from that state of facts draw the conclusion that this garnishment of funds was for the purpose of protecting the banks in Sargent County? Did you draw such a Conclusion? A.

Mr. Sinkler: I will change the form of that question.

Q. Did you not think, Mr. Cathro, that it is a legitimate conclusion to draw that the funds of the banks in Sargent County were garnisheed for the purpose of protecting the banks rather than for the purpose of collecting a legitimate demand against the Bank of North Dakota? A. I do.

Q. You understand, Mr. Cathro, do you not, where an action has been commenced against the Bank of North Dakota and the funds are garnisheed a delay of thirty days is permitted for the defendant to answer the complaint? A. I do.

Q. And also understand, do you not, that until the action is finally decided, the main action decided in court, the funds will be tied up so that neither the bank nor the county can obtain any of the funds. is that not right? A. Yes sir, using the work Bank, I presume you mean the Bank of North Dakota.

(592)

Q. I do—the Bank of North Dakota, that is until the action is disposed of, and the garnishment can be disposed of, these funds must remain in charge of the county and are unavailable to either the township, school, districts, or the Bank of North Dakota? A. They do, that is correct.

Q. Do you know whether there is a statute in the State of North Dakota which prohibits public funds from being taken into execution? A. That's my understanding.

Q. That is your understanding? A. It is.

Q. Mr. Sinkler: I will state to the committee that it is a fact that we have a statute in the State of North Dakota that prohibits the tying up of all public funds by execution, and a garnishment is simply a preliminary proceeding and an aid in execution, and that if you cannot take public funds in execution, you cannot take the funds or tie them up in garnishment.

Q. Now, I show you Exhibit 169, and ask you if Exhibit 169 shows the condition of public funds in Dickey county? A. It does.

(593)

Mr. Sinkler: We offer in evidence, Exhibits 169 and 170.

Q. Dickey County also has caused garnishment proceedings to be instituted, has it not? A. It has.

Q. In going through these different accounts, Mr. Cathro where banks have refused to honor your drafts it suggests itself to me that there is an immense amount of money out in these counties that is withheld from the Bank of North Dakota, is that not a fact? A. It is.

And if you got all this money from these banks you could

readily pay all the demands made upon the bank of North Dakota? A. We could pay all probable demands.

Q. Pay all probable demands? A. Yes sir.

Q. Then the real reason why some demands are turned down by the Bank of North Dakota is because the banks throughout the state refuse to pay drafts, and if these banks did pay these drafts you could pay all probable demands? A. We could meet every probable demand within the state. It is not probable that the state treasurers would withdraw all their money on the same day and it is not probable that all

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treasurers throughout the state would withdraw all their money on the same day, so every probable demand could be met.

Mr. Sinkler: I am going to offer in evidence without any further comment, Exhibits 171 and 172, being the copies of letters and telegrams, and copies of letters and telegrams from banks in Divide county. Exhibit 172 contains the copies of letters and telegrams do they not?

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"EXHIBITS 169 and 170"

DICKEY COUNTY

	Loans & Dis.	Redep.
Farmers National, Ellendale		\$ 1,000.00
Farmers State, Forbes	3,500.00	4,891.05
Forbes State, Forbes,		1,081.05
Farmers State, Fullerton	10,000.00	888.70
First National, Fullerton		535.02
Glover State, Glover		2,642.60
Guelph, State, Guelph,		698.54
First State Ludden		1,291.08
First State Merricourt		4,031.09
Bank of Monango, Monango		851.43
Far. & Mer. State, Monango		2,624.45
Oakes National, Oakes		246.33
	\$12,500.00	\$20,771.34
Due all Treasurers within the county..		\$47,796.41
Due County Treasurers (general fund)		
Included in above amount	\$ 3,553.23	
Due all Treasurers (sinking funds)		
Included in above amount		None
Total amount due all treasurers		47,796.41
Redeposits in banks in county	20,771.34	
Loans and Discount to banks in County	12,500.00	
Farm Loans in County	4,000.00	
Total Amount Maintained in County..		37,271.34
Deficiency of Public Funds in use in County		10,525.07

FRIDAY, MARCH 4, 1921

1095

(596)

Written on letterhead of

FARMERS STATE BANK

Forbes, North Dakota, Jan. 31st, 1921.

Bank of North Dakota,
Bismarck, N. Dak.
Gentlemen:

We are this morning in receipt of your telegram requesting us to wire \$800 to Minneapolis.

Wish to say that at this time we find this next to impossible and as per the inclosed adding machine slip, you can readily appreciate our position. Have \$5440 cash due from banks with deposits amounting to \$130,000 and borrowed money \$24,000.

We had expected to be able to meet your withdrawals more freely but the deposits continue to shrink. As per the interest slip herewith inclosed you will notice that \$1500 were withdrawn by you during January and trust you can let us hold off for another twenty days before meeting additional withdrawals.

Thanking you for leniency shown us, we are

Very truly yours

G. J. BOHLE, Cashier.

(597)

Written on letterhead of

FARMERS STATE BANK

January 14, 1921.

Bank of N. D.
Bismarck, N. D.
Gentlemen:

Yours of January 11th at hand relative to a wire you sent us "Remit First National. Will say that the Cashier who is absent today had some correspondence with you relative to finances here.

We are having considerable of trouble to keep our reserve up to requirements, we have at the present time bills payable to the amount of \$15,600, and enough more under a directors guarantee to make the amount to \$25,000.

Our reserve is such that should you force us to send you more at this time we would be obliged to borrow more and that I am not so sure we can do at this time. The farmers have any amount of grain stored here and should they take a notion to release some of their grain we would be in better position to do more later on. Hoping you can see your way clear to let us off for the present time.

Yours very truly,

CHAS. MACK. V. P.

(598)

WESTERN UNION TELEGRAM

December 31.

Farmers State Bank
Forbes, No. Dak.

Remit First National Bank Minneapolis one thousand dollars by wire at once. Advise by mail.

BANK OF N. DAK.

·JHG BK ND

Jan. 11, 1921.

Farmers State Bank,
Forbes, N. D.

Gentlemen:

On December 31 we wired you as follows: "Remit First National Bank Minneapolis one thousand dollars by wire at once. Advise us by mail." Up to date we have failed to receive an answer to our wire.

We will thank you to comply with our request.

Very truly yours.

JWG:M

Audits Department.

(599)

Written on letterhead of

FARMERS STATE BANK
Forbes, North Dakota, February 10th, 1921.

Bank of N. D.
Bismarck, N. D.

Gentlemen:

We have your wire of today requesting another remittance to Minneapolis for your credit.

We are absolutely unable to meet this at this time. Are now negotiating another loan and when same goes through will be able to meet some of your withdrawals but until our loan goes through we do not see how we can meet your requests.

Very truly yours,

G. J. BOHLE, Cashier.

(600)

WESTERN UNION TELEGRAM

Received at

B 11 FC 14

Glover, N. Dak., 1130A Feb. 10, 1921.

The Bank of No. Dak,
Bismarck, N. Dak.

Our condition does not permit us to comply with your telegram dated February Ninth.

The Glover State Bank.

1158A

(601)

Written on the letterhead of the

THE FIRST STATE BANK

Merricourt, N. D., Feb. 8th, 1921.

The Bank of North Dakota
Bismarck, N. Dak.

Gentlemen:

We are in receipt of a telegram from the examiner requesting that we comply with your request of Jan. 24th and Feb. 2nd. I have written the examiner fully in regard to this also have written Geo. T. Webb who understands the situation fully and will gladly explain matters to you.

I have written you on different occasions explaining that we could not transfer from our account at Mpls., to your account, for the reason that we did not, and have not, had but very little money with the Mple. Bank for two months as we have, and now have the most of our reserve with you.

Yours very truly,

LEE NORTHROP, Cashier.

(602)

Written on letterhead of

The First State Bank
Merricourt, N. D.
Jan. 3rd, 1921.

Bank of North Dak.
Bismarck, N. D.

Gentlemen: In reply to your telegram received Saturday; we are unable to send this amount of money to Minneapolis unless we draw on you to do so and I can not figure out where this will help you. We have not had an average of \$500.00 in any of our corresponding banks, except yours, for the past six weeks. We are today holding a cash letter from the Federal Reserve as we have not quite enough in Mpls to meet it.

We have left our balance with you and draw nothing from you except cash letters which came thru your bank, realizing the position these conditions had put you in. We have also sent all the checks we received on you, direct to you for credit. In fact we are doing all we can to ease up on the strain on the bank of North Dak. but right now it is impossible for us to wire you this money at Minneapolis.

Yours very truly,
Lee Northrop,
Cashier.

(603)

Western Union Telegram

December 24, 1920

First State Bank
Merricourt, N Dak.

Remit First National Bank Minneapolis one thousand dollars by wire today. Advise by mail.

The Bank of N. Dak.

CHG BK. N D

Western Union Telegram

December 31,

First State Bank
Merricourt N Dak

Remit First National Bank Minneapolis eight hundred dollars by wire at once. Advise us by mail.

Bank of N Dak.

CHG BNKD

(604)

Written on letterhead of

The First State Bank
Merricourt, N. D.
Jan. 24th, 1921

Bank of North Dak.
Bismarck, N. Dak.

Gentlemen: We are in receipt of a letter from your audit Dept. asking why we did not send Minneapolis the money as per wire of the 8th the amount of which was \$1000. In reply to this letter will say that we was at that time, are now, and have been unable for the past two months to transfer this amount of money from any of our corresponding banks, with the exception of the Bank of North Dak. As we are carrying more money with you than all three of the others added together, if you wish we can send Mpls. a draft on your Bank, but I fail to see where this will help you any, and we will not do this unless advised by you to do so. We are not drawing on our account with

you except for the small amount of checks which come thru your Bank for clearance. Trusting this fully explains the situation, I am,

Yours very truly,
Lee Northrop, Cashier.

I have had a talk with Mr. Webb in regard to the above and he will explain when he gets back there.

(605)

Soo Line

Telegram

Soo Line
January 8 1921

First State Bank
Merricourt N D

Wire First National Bank Minneapolis one thousand dollars at once. Wire us advice.

The Bank of North Dakota

CHARGE BK OF N D

Jan. 20, 1921.

First State Bank,
Merricourt, N. D.

Gentlemen: On January 8 we wired you to transfer \$1000 to the First National Bank of Minneapolis for our credit, but up to date we have failed to hear from you in regard to same.

We would thank you to give this your prompt attention and greatly oblige

Yours very truly,
Audits Department.

JWG:M

(606)

Written on letterhead of

Stirum State Bank,
Stirum, N. Dak.
January 10th, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: Your wire of the 8th, just come to my attention today, as I was out of town on Saturday and the Asst. in the bank had no authority to act in this respect.

And I am sorry to advise that we are right up against it at this time and will ask you to give us a little time in which to pay out this money, trusting that you will be considerate with us owing to the conditions, I am,

Yours truly,
J. F. McDermott,
Cashier.

(607)

Written on letterhead of the

Stirum State Bank,
Stirum, N. Dak.
Feb. 3rd., 1921

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: The money belonging to the Bank of North Dakota, has been Garnisheed by the County Commissioners of Sargent County and the bank requested to make answer within thirty days.

We received your wire of yesterday but the money was tied up and we could not wire the \$1000.00 to the First National Minneapolis.

This is a new one on us and we do not know just how to

handle same. We would be pleased to have your advise in this matter, we are,

Yours truly,
J. P. McDermott,
Cashier.

(608)

Western Union Telegram

January 8, 1921

Stirum State Bank,
Stirum, N. Dak.

Wire First National Bank Minneapolis one thousand dollars at once. Wire us advice.

Bank of N. Dak.

CHG. G. ND

(609)

Q. Has the County of Dickey more money from the Bank of North Dakota on loans and discounts and rediscounts and farm loans specials than the County of Dickey has deposited in the Bank of North Dakota? A. They have not.

Q. Have they not? A. No.

Q. Have the banks of Dickey County refused to pay any drafts drawn upon them? A. They have.

Q. Take the Farmers State Bank of Forbes? A. It has.

Q. That bank has refused to pay drafts? A. It has.

Q. And the Glover State Bank in Dickey County, has it refused to pay drafts? A. It has.

Q. It has refused to pay drafts? A. It has.

Q. And the First State Bank of Merriourt? It has refused.

Q. Let me see — — A. Yes.

Q. These are the banks in Dickey County that have refused to pay your drafts, are they not? A. Yes.

Q. And at the time you made this draft upon them there was deposited in these banks more than enough to pay the drafts drawn upon them?

(610)

Mr. Sinkler: I am going to offer in evidence without any further comment, Exhibits 172 and 171, being the copies of letters and telegrams, and copies of letters and telegrams from banks in Divide County. Exhibit 172 contains the copies of letters and telegrams do they not? A. Yes.

EXHIBITS 171 and 172

DIVIDE COUNTY

	Loans & Disc.	Redep.	F. L. Spl.
First State, Alkabo		\$ 506.54	
Citizens St., Ambrose		6,266.13	
Farmers St., Ambrose ...	\$ 19,000.00	14,754.40	
First Natl., Ambrose		3,251.41	
Farmers State, Colgan ..	7,500.00	4,207.05	
First National, Crosby ...		4,944.31	8,500.00
First State, Crosby		11,148.25	
Security State, Crosby ...		12,215.49	
First Inter., Fortuna		5,600.15	1,800.00
Fortuna State, Fortuna ..	\$ 7,500.00	\$ 28,303.05	\$ 13,000.00
Farmers State, Noonan ..	5,000.00	4,755.18	2,500.00
First Inter., Noonan		5,181.51	

	Redep.	Loans & Disc.	F. L. Spl.
Security State, Noonan ...		6,722.62	
First State, Stady	7,500.00	6,681.30	
	<u>\$ 46,500.00</u>	<u>\$114,537.39</u>	<u>\$ 25,800.00</u>
Due all treasurers within the county		\$166,575.96	
Due Co. Treasurers (gen- eral funds) included in above amount	\$ 80,821.83		
Due all Treasurers (sinking funds) included in above amount	\$ 40,912.33		
Total amount due all Treasurers			\$166,575.96
Redeposits in banks in county		\$114,537.39	
Loans and discounts to banks in Co.		46,500.00	
Farm Loans in county....		66,800.00	
Total amount maintained in county			<u>\$227,837.39</u>
Excess of public funds in use in county			<u>\$ 61,261.43</u>

(612)

Written on letterhead of

"Citizens State Bank,
Ambrose, No. Dak.,
January 25, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We are in receipt of your wire asking us to telegraph \$1000.00 to First National Bank of Minneapolis for your credit. This time we are not complying with your request inasmuch as we have not got the reserve to spare. We find that you have already drawn \$2000.00 on us the past two weeks which we have paid, and that now we have less than \$6,000.00 on hand of redeposits. Any time that we have the available reserve to pay your demands we are doing so; but now it has come to a point where we cannot spare the money. It also occurs to us that \$2000.00 from this institution in two weeks is fully our share, and judging from your bank statements it would seem that we have done our part already. Trusting that you will favor us by cancelling this \$1000.00 call, I am,

Yours very truly,
C. P. Grytness,
Cashier.

(613)

SOO LINE

TELEGRAM

SOO LINE

January 8, 1921.

Farmers State Bank,
Colgan, N. D.

Wire First National Bank Minneapolis nine hundred dollars at once. Wire us advice.

The Bank of North Dakota.

Charge Bank of N. D.

Jan. 11, 1921.

Farmers State Bank,
Colgan, N. D.

Gentlemen: On December 19 we wired you as follows:
"Remit First National Bank Minneapolis seven hundred dol-
lars by wire at once. Wire us advice." Up to date we have
failed to receive an answer to our wire.

We will thank you to comply with our request.

Very truly yours,
Audits Department.

JWG:M

(614)

Feb. 11, 1921.

First National Bank,
Ambrose, N. D.

Gentlemen: On November 27th, we drew draft on you for
\$500.00 and we must insist at this time that you send us re-
mittance covering this item or we will be compelled to take
the matter up with the National Examiner.

Please give this your immediate attention and oblige,

Yours very truly,
Audits Dept. Director.

AJ:FM

(615)

Feb. 14, 1921.

First International Bank,
Fortuna, N. Dak.

Gentlemen: On December 11th, we drew \$500 against our
public funds account and at this time we must insist that you
make remittance for this by return mail or we will have to
report the matter to the State Examiner.

Yours very truly,
Audits Dept. Director.

AJ:FM

(616)

SOO LINE

TELEGRAM

SOO LINE

January 8, 1921.

Farmers State Bank,
Ambrose, N. D.

Wire First National Bank Minneapolis one thousand dol-
lars at once. Wire us advice.

The Bank of North Dakota.

Charge Bank of N. D.

TELEGRAM

Bismarck, 1-8.

Farmers State Bank,
Ambrose,

Wire First Nat. Bnk. Mpls. one thousand dollars at once.
Wire us advice.

Bank of N. Dak.

(617)

Written on letterhead of

Farmers State Bank,
Colgan, North Dakota,
January 28th, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We have today been advised by the State Ex-
aminer that you have filed a complaint against us for not
making transfers to Mpls. according to your messages of
Dec. 19th, \$700.00 and Jan. 8th, \$900.00.

He advised that we must remit the \$700.00 at once and the

other in a few days, we are herewith enclosing a remittance to cover the \$700.00 and would you not kindly recall the one for \$900.00 for fifteen days until we can get ourselves arranged to take care of it.

Please let us hear from you in this matter and oblige, we are

Yours very truly,
Walter Jorgensen,
Cashier.

(618)

SOO LINE TELEGRAM SOO LINE
MS D 8 Collect Fortuna, N. D., Jany. 10, 1921.
Bank of N. D.
Bismarck, N. D.

Cannot wire or transfer fund, letter follows.

First Natl. Bank.
1140 AM"

SOO LINE TELEGRAM SOO LINE
January 8, 1921.

First International Bank,
Fortuna, N. D.

Wire First National Bank Minneapolis one thousand dollars at once. Wire us advice.

The Bank of North Dakota.

Charge Bank of N. D."

(619)

Feb. 14, 1921.

First International Bank,
Fortuna, N. Dak.

Gentlemen: On December 11th, we drew \$500 against our public funds account and at this time we must insist that you make remittance for this by return mail or we will have to report the matter to the State Examiner.

Yours very truly,
Audits Dept. Director.

AJ:FM

(620)

Written on letterhead of

First State Bank of Stady,
Stady, N. D.,
January 10, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We have your wire of the 8th inst. requesting us to wire \$900 to the First National Bank at Minneapolis, Minn., and to wire advice of such transfer to you.

We are unable to do this at this time for the reason that we have not the funds to spare. Your draft of \$1000 under date of Dec. 11, is still here and we have no way of meeting it as we are in no better condition now than we have been in the last six weeks.

However, I believe we can spare you \$300 now so if that small amount will do any good you may draw on us for that much and we will take care of it.

We regret very much that we are obliged to do business in this way but we have no other recourse.

Yours very truly,
H. C. Tappon,
Cashier.

(621)

January 13, 1921.

First State Bank,
Stady, N. D.

Gentlemen: We are in receipt of your of the 10th, in which you state that you are unable to remit for the \$900 that we wired you to transfer to Minneapolis and that you are still holding our draft in the amount of \$1000 which we drew on you on December 11th.

We must insist, at this time, that you take care of the \$900 transfer. We wish you would please mail this direct to us instead of sending to Minneapolis.

We have been very lenient with banks through our state in regard to making withdrawals and at this time the State Treasurer is calling in a large number of hail warrants and it makes it absolutely necessary that we have funds to take care of his check in payment of same.

If you are unable to remit for the \$900, we wish you would send us a draft for just as much as you can by return mail.

Yours very truly,
Audits Dept. Director.

AJ:FM

(622)

Feb. 14, 1921.

First State Bank,
Stady, N. D.

Gentlemen: At this time we must insist that you remit for the draft in the amount of \$1000 which we drew against our public funds account on December 11th. If you are unable to remit for this by return mail, kindly return the draft to us.

Yours very truly,
Audits Dept. Director.

AJ:FM

(623)

Mr. Sinkler: I show you Exhibit 173, and will ask you if Exhibit 173 contains a statement respecting the loans, rediscounts and farm loan specials in Grand Forks County? A. It does.

Q. And does it also show the total amount of money the Bank of North Dakota has placed in Grand Forks County on loans, rediscounts and farm loan specials? A. It does.

Q. What is the total amount of money that has been placed on loans, rediscounts and farm loan specials in Grand Forks County? A. \$147,053.60.

Q. What is the total amount of treasurers' balances in Grand Forks County on the 19th day of January, 1921? A. \$60,543.40.

Q. Has Grand Forks County received more money from the Bank of North Dakota than the county treasurers have deposited therein? A. It has.

Q. How much more money has it received from the Bank of North Dakota than the treasurers of Grand Forks County have deposited in the Bank of North Dakota? A. \$86,510.20.

Q. Now, your rediscounts, in how many banks in Grand Forks County was that money placed? A. Twenty-two banks.

(624)

Q. And when you placed this money in twenty-two banks in Grand Forks County, how was it done, in what way, in what manner? A. Generally speaking, without naming any particular bank, the checks that were received by the Bank

of North Dakota, drawn by the treasurers, the various treasurers of Grand Forks County, were returned to the identical bank on which they were drawn for collection and credit to the Bank of North Dakota.

Q. Was that in conformity with the policy of the Bank of North Dakota? A. It was.

Q. Supposing, for instance, that the treasurer of a school district at Arvilla had a thousand dollars in the Arvilla State Bank at the time the law went into effect requiring that treasurers should deposit all funds in the Bank of North Dakota would the treasurer at Arvilla issue a check on the Arvilla Bank to the Bank of North Dakota and would the Bank of North Dakota send such check back to the Arvilla Bank? A. It would.

Q. So as a matter of fact, the funds were not transferred at all? A. No actual money was transferred.

(625)

Q. The deposit remained practically the same? The deposit in the local bank was not disturbed? Are there any banks in Grand Forks County that have failed to pay your drafts? A. There are. The Guaranty State Bank of Emerado refused to pay their draft.

Q. Did you have funds in that bank sufficient to meet the draft? A. I did.

Q. Will you state some of the banks in Grand Forks County that failed to honor your drafts?

Mr. Sinkler: We offer in evidence Exhibit 173 and Exhibit 174.

(626)

EXHIBIT 173
GRAND FORKS COUNTY

	Loans & Disc.	Redep.
Arvilla State, Arvilla		\$ 800.32
Embsden State, Embsden		698.54
Farmers Bk. of Emerado		186.43
Guaranty State, Emerado		1,645.68
Bank of Gilby, Gilby		948.93
Northern State, Grand Forks		3,220.67
Northwestern Natl., Grand Forks		843.87
Peoples State, Grand Forks	\$ 40,000.00	11,285.09
Honeyford State, Honeyford		2,252.64
Bank of Inkster, Inkster		11.26
Far. & Mer. State, Inkster		1,037.14
First State, Kempton		529.88
Elk Valley Bank, Larimore		925.86
Bank of McCanna, McCanna		471.10
Mekinock State, Mekinock		348.07
Bank of Niagara, Niagara	10,000.00	743.20
Security State, Niagara		576.68
Citizens Nat'l., Northwood		2,155.75
Bank of Orr, Orr	6,857.50	3,243.18
State Bk. of Reynolds		1,163.71
First National, Thompson		108.10
First Savings, Grand Forks	25,000.00	
	\$ 81,857.50	\$ 33,196.10
Due all treasurers within the Co.	\$ 60,543.40	
Due Co. Treasurers (general funds) in-		

	Loans & Disc.	F. L. Spl.
cluded in above amount	16,159.77	
Due all treasurers (sinking funds) included in above amount	none	
Total amount due all treasurers		\$ 60,543.40
Redeposits in banks in Co.	33,196.10	
Loans and discounts to banks in Co...	81,857.50	
Farm Loans in Co.	32,000.00	
Total amount maintained in Co.		\$147,053.60
Excess of public funds in use in Co. ..		\$ 86,510.20

(627)

EXHIBIT 174
GRAND FORKS COUNTY

Written on letterhead of

Guaranty State Bank,
Emerado, North Dakota,
Jan. 26, 1921.

Bank of North Dakota,
Bismarck, North Dakota.

Gentlemen: We have your letter of the 19th inst., relative to transferring \$900.00 to your credit with the First National Bank, Minneapolis, Minn. We have not complied with your request in this matter for the reason that we would prefer to have you draw on us for the amount.

Your check for the above amount will be honored upon presentation.

Yours respectfully,
(Unreadable),
Cashier.

(628)

SOO LINE

TELEGRAM

SOO LINE

1-8-21.

Guaranty State Bank,
Emerado, N. Dak.

Wire First National Bank Minneapolis nine hundred dollars at once. Wire us advice.

Bank of North Dakota.

Chg. Bk. of N. D."

"January 19, 1921.

Guaranty State Bank,
Emerado, N. Dak.

Gentlemen: On January 8th. we wired you to transfer \$900 to the First National Bank of Minneapolis to our credit and charge our public funds account. Up to date we have not heard from you in regard to this.

Kindly give this your prompt attention and greatly oblige.

Yours very truly,

JWG:FM"

By— Audits Department.

(629)

Written on letterhead of the

Guaranty State Bank,
Emerado, North Dakota.
Jan. 3rd, 1921.

Bank of North Dakota,
Bismarck, North Dak.

Gentlemen: We have your letter of Dec. 31st relative to your telegram of Dec. 24th, "Remit First National Bank, Min-

neapolis One Thousand Dollars by wire today. Wire us advise," and our reply to same "We cannot comply with your request at present."

We are also in receipt of your telegram of this morning, "Remit First National Bank Minneapolis, Five Hundred Dollars by wire at once. Advise us by mail."

We are complying with your request by transferring \$500.00 to your credit with the First National Bank, Minneapolis, Minn.

It is impossible for us to transfer the \$1000.00 for your credit at the present time but as soon as we are able we shall do so.

Yours respectfully,
(Unreadable),
Cashier.

(630)

WESTERN UNION TELEGRAM

Received at
No. 20FC 12

Joliette, No. Dak., 4PM Jan. 19, 1921.

Bank of N. Dak.,
Bismarck, No. Dak.

Cancel demand of five hundred for present. We have not sufficient reserve.

First State Bank.
457P

Written on letterhead of

First State Bank,
Joliette, North Dakota,
Jan. 3, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Dear Sir: We are in receipt of your wire advising us to wire First Natl., Mpls., Eight Hundred Dollars. We are very short on reserve at the present and would ask you to withhold this request for some time. Thanking you in advance,
I am,

Yours truly,
Percy J. Hugle,
Cashier.

(631)

WESTERN UNION TELEGRAM

Bismarck, N. D., Dec. 31, 1920.

To First State Bank,
Joliette, North Dakota.

Remit First National Bank Minneapolis Eight Hundred Dollars by wire at once. Advise us by mail.

The Bank of North Dakota.

Chg to Bk of N D

WESTERN UNION TELEGRAM

Received at 46FOV11

Joliet, N. D., Jan. 940 AM 31, 1921.

Bank of No. Dak.,
Bismarck, N. D.

We have not sufficient funds to cover your wire five hundred.

First State Bank.
1005A

FRIDAY, MARCH 4, 1921

1107

(632)

"December 31, 1920.

Guaranty State Bank,
Emerado, N. D.

Gentlemen: On December 24th, we wired you as follows:
"Remit First National Bank, Minneapolis, One Thousand Dol-
lars by wire today. Wire us advice."

On December 27th, you replied as follows: "We cannot
comply with your request as follows." We must insist at
this time that you take care of this withdrawal of \$1000 at
once by sending us a draft or remitting direct to the First
National Bank of Minneapolis for our credit and advice.

Yours very truly,
Audits Dept. Director.

AJ:FM

(633)

Written on the letterhead of

"The Peoples State Bank of Grand Forks,
Grand Forks, North Dakota,
January 8th, 1921.

The Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We have your wire this evening to transfer
\$2000.00 to the First National Bank of Minneapolis, and we
beg to advise you that we will try our best to do so on Mon-
day morning. We have two or three deals pending upon
which we are realizing early Monday morning, and will be
in a position to do so then. To have complied with your wire
tonight would have left us a little short. We are sorry that
the conditions are this way, but this is the best we can do,
and we will notify you as soon as we transfer on Monday.

Yours truly,
G. Gordon,
Cashier.

GG-AS

(634)

Written on the letterhead of

The Peoples State Bank of Grand Forks,
Grand Forks, North Dakota,
January 12th, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We have yours of January 11th, advising us
that on December 19th, 1920, you wired us to remit First Na-
tional Bank, Minneapolis, \$3000.00 by wire and up to date you
had failed to receive an answer. In reply to this, we beg to
advise as follows:

We have had three messages from you to remit by wire to
the First National Bank, Minneapolis, the first one was dated
December 13th, 1920, asking us to remit First National Bank,
Minneapolis, \$5000.00 by wire. The second one was dated
December 31st, asking us to remit First National Bank, Min-
neapolis \$1000.00 by wire. The 3rd., was dated January 8th.,
1921, asking us to transfer by wire \$2000.00 to the First Na-
tional Bank Minneapolis. The first two we complied with
the same day and transferred for your credit the respective

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amounts called for, namely \$5000.00 the 13th., of December,
and \$1000.00 the 31st., of December, and we wrote you a let-
ter in regard to yours of January 8th. We had our annual
meeting on the 10th., and our directors meeting on the 11th.,

and today on the 12th., we are complying with your wire and remit the \$2000.00, all of which is strenuous enough in these times, but we are doing our utmost to comply with your request, and have complied so far, but this wire of December 19th., 1920 to transfer at that time, we have no record of having received this wire asking for the transfer of this amount, and we are wondering if it was an order to some other bank.

As before stated we have complied with every request that we have received, and we hope that we will not be asked to transfer any more money in the very near future, as it is mighty hard for us to comply.

Kindly use us with all the consideration you possibly can.

Yours very truly,

G. Gordon,
Cashier."

GG-AS

(636)

"WESTERN UNION TELEGRAM

Bismarck, N. Dak., December 19, 1921.

To Peoples State Bank,
Grand Forks, N. Dak.

Remit First National Bank Minneapolis Three Thousand Dollars by wire at once. Wire us advice.

The Bank of N. Dak.

Chg. Bk. N. Dak."

"Jan. 11, 1921.

Peoples State Bank,
Grand Forks, N. D.

Gentlemen: On December 19 we wired you as follows: "Remit First National Bank Minneapolis three thousand dollars by wire at once. Wire us advice." Up to date we have failed to receive an answer to our wire.

We will thank you to comply with our request.

Yours very truly,
Audits Department.

JWG:M"

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WESTERN UNION TELEGRAM

Received at 144F DK 15 Collect

Inkster, N. Dak., 1205P Feb. 10, 1921.

Bank of N. Dak.,
Bismarck, N. Dak.

Telegram received. Unable to comply with your request without drawing on your bank.

Farmers and Merchants State Bank.
128P

Written on letterhead of

Farmers & Merchants State Bank,
Inkster, North Dakota,
January 3, 1921.

The Bank of North Dakota,
Bismarck, North Dakota.

Gentlemen: We received a message from you this morning to wire \$500.00 to The First National Bank of Minneapolis, but as our reserve in the depository banks is so low, the only thing we could do would be to draw on yourselves, which would do neither of us any good, so we did not send it.

Hoping that you may see this in the same light that we do, we are

Very truly yours,
W. J. Glass,
Cashier.

FRIDAY, MARCH 4, 1921

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WESTERN UNION TELEGRAM

Bismarck, N. D., December 31, 1920.

Farmers & Merchants State Bank,
Inkster, North Dakota.

Remit First National Bank Minneapolis Five Hundred Dol-
lars by wire at once. Advise us by mail.

The Bank of North Dakota.

Chg. Bk. of N. D.

(639)

Written on letterhead of the

"The Peoples State Bank of Grand Forks,
Grand Forks, North Dakota,
January 31st, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We have your telegram of the 29th., requesting
us to transfer to Minneapolis \$1000.00.

I am sorry that it was almost impossible for us to comply
upon receipt of your message but that we have made a slight
gain, and I think in a day or two we will be able to comply
with your request.

We will wire you immediately upon us being able to carry
out your instructions. Hoping that this does not embarrass
you in the least, as you are well aware of the situation, and
we have done everything in our power to comply with your
instructions, and have done so up to the present time, and
we have no hesitancy in believing that we will be able to
follow out your instructions in a day or two.

Yours very truly,
G. Gordon,
Cashier."

GG-AS

(640)

Written on letterhead of

Bank of Orr,
Orr, North Dakota,
January 22, 1921.

J. W. Greenfield,
Audits Department,
The Bank of North Dakota,
Bismarck, N. Dak.

Dear Sir: We have yours of the 20th inst. and note your
inquiry about the remittance in the amount of \$1000.00 to
First National Bank of Minneapolis requested in your wire
Jan. 8th. We wrote on this matter to Mr. McAnaney review-
ing the fact that it was impossible for us to comply with this
request at that time. We have a loan from the state in pro-
gress that we have been expecting to get some money on
since the first of the year, but this has been held up and made
it impossible for us to comply with the request that we would
have been able to otherwise. It is a matter of sincere regret
that we are not able to comply with this request and want
you to know we are willing and expect to do everything in
our power to assist you in maintaining your reserve but we

cannot do the impossible, and this is one of those three cornered deals where things cannot be carried through in a regular manner.

We are in hopes this matter will be adjusted shortly and this will tend to ease the situation for all of us.

Thanking you for your extreme courtesy in the matters we have asked you to forebear with us on, we are

Yours very truly,
A. H. Hammond,
Cashier.

AHH:CJ

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SOO LINE

TELEGRAM

SOO LINE

1-8-21.

Bank of Orr,
Orr, N. Dak.

Wire First National Bank Minneapolis One Thousand Dollars at once. Wire us advice.

Bank of North Dakota.

Chg. Bk. of N. D.

Jan. 20, 1921.

Bank of Orr,
Orr, N. D.

Gentlemen: On January 8 we wired you to transfer \$1000. to the First National Bank of Minneapolis for our credit, but up to date we have failed to hear from you in regard to same.

We would thank you to give this your prompt attention and greatly oblige.

Yours very truly,
Audits Department.

JWG:M

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Written on letterhead of

The Bank of Niagara,
Niagara, North Dakota,
Feb. 8, 1921.

L. P. McAneney, Credits Director,
The Bank of North Dakota, Bismarck, N. D.

Dear Sir: We have your wire asking us to remit for your credit \$500.00 to the First N. Bank, Mpls., Minn. For a few days we expect to be heavily called and would like to defer remitting this until we could send you a draft on another bank other than yourselves.

Your account with us is only \$750.00. Of course we could send you a draft on yourselves for we have an account with you for \$1750.00 but we would prefer to send you something that would do you some good when you get it. If you will kindly wait a short time we will endeavor to send you a draft on Mpls.

Kindly advise us if this is satisfactory to you.

Yours truly,
David Kirk.

FRIDAY, MARCH 4, 1921

1111

(644)

Written on letterhead of

Bank of Orr,
Orr, North Dakota,
Jan. 12, 1921.

L. P. McAneney,
Credits Department Director,
The Bank of North Dakota,
Bismarck, North Dakota.

Dear Sir: In the message which we received on the 10th inst. to remit \$1000.00 to the First National Bank of Minneapolis for your credit, we were again unable to do this. As yet we have not received any money from the loan that is passed and pending payment from the University and School Lands Funds. We have written to them again today asking how soon we may expect payment. We are of the opinion that this will be in a very few days now. Some time ago we were told that it would not be later than the 15th inst. That will put us back into better shape again.

We trust this will be at least partially satisfactory for we are making every effort to comply with these requests for withdrawal.

Yours very truly,
A. H. Hammond, Cashier.

AHH:CJ

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Written on letterhead of

Archie H. Hammond,
Resident Agent,
Orr, N. D.,
Jan. 15, 1921.

J. W. Greenfield,
Audits Department,
The Bank of North Dakota,
Bismarck, N. Dak.

Dear Sir: When we were unable to pay the remittance as ordered in yours of the 24th inst. we wrote Mr. McAneney telling him of the conditions surrounding this and that it was absolutely impossible for us to make this remittance at that time. There is a state loan pending which has been passed and upon payment of that we are to get a portion of the money, and we thought we would be able to comply with your request at that time. In the next telegram ordering remittance we sent it forward.

We are making very great efforts to carry this along in a regular manner and assure you that we are willing to co-operate to the full extent of our ability in assisting in main-

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taining the reserves of the Bank of North Dakota. Yesterday we wrote again about the loan in question and are in hopes to know something definite in a short time.

Yours very truly,
Bank of Orr, N. Dak.
A. H. Hammond, Cashier.

AHH:CG

FRIDAY, MARCH 4, 1921

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WESTERN UNION TELEGRAM

December 24, 1920.

Bank of Orr,
Orr, N. Dak.

Remit First National Bank Minneapolis Two Thousand Dollars by wire today. Wire us advice.

Bank of N. Dak.

Chg. Bank N. Dak.

Jan. 13th, 1921.

Bank of Orr,
Orr, N. Dak.

Gentlemen: On December 24 we wired you as follows: "Remit First National Bank Minneapolis two thousand dollars by wire today. Wire us advice." Up to date we have failed to receive an answer to our wire.

We thank you to comply with our request.

Yours very truly,
Audits Department.

JWG:H

(648)

Q. I show you exhibit 175 and will ask you if that shows the condition of the funds in Dunn County? A. It does.

Q. And how much more money has Dunn County in the Bank of North Dakota than the whole of Dunn County, placed by the Treasurers in the Bank of North Dakota? A. \$119,398.90.

Q. Have some of the banks in Dunn County failed to pay drafts drawn upon them? A. They have.

Q. Will you state what particular banks have? A. Oh, some of them are Farmers Bank of Dunn Center, Dunn County,

Q. Is that one of Adam Hannah's banks? A. Yes.

Q. Who is Adam Hannah? A. He is a Minneapolis banker.

Q. Is he connected with one of the largest banks in Minneapolis? A. I do not know the largest one.

Q. But he is connected with various banks in North Dakota? A. Yes, sir.

Q. How many different banks is he connected with in the State of North Dakota? A. Eighteen, about eighteen.

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Q. About eighteen banks? A. No, about fourteen or fifteen banks.

Q. Now, this bank, of which Mr. Hannah is connected, is that one of the Dunn County banks which dishonored your drafts? A. It is.

Q. Will you state what other banks in Dunn County have dishonored your drafts? A. The First State in Dunn Center.

Q. Is this a bank that Adam Hannah is connected with? A. Yes.

Q. Did they write you under date of Jan. 14, 1921, in reply to a wire by you, to remit, did they write you as follows:

"We have your letter of the 11th instant, in regard to your wire of the 19th of Dec., 1920, and in reply to this we would say that we answered this wire at that time and Mr. Larson, of Adam Hannah & Co., also called on you personally in regard to this same matter.

"We have also written you that it was impossible for us

at this time to remit the money in the manner requested by you.

"Yours very truly,
 "Thos. G. Ahearn,
 "Cashier."

(650)

- Q. Did they write you this letter? A. They did.
 Q. Now will you state what additional banks in Dunn County failed to meet the drafts drawn by you? A. First State Bank of Dunn Center.
 Q. Did the Farmers State Bank of Halliday also turn down your draft? A. They have.
 Q. By the way, Adam Hannah is also the President of the Farmers State Bank of Halliday, is he not? A. He is.
 Q. He is this banker from Minneapolis? A. Yes.
 Q. And the First National Bank of Killdeer? A. They have.
 Q. You drew on them for \$2,500.00 draft? A. We did.
 Q. And the First National Bank of Killdeer had on deposit at that time \$8,903.25, on the 19th of January, 1921? A. They had.
 Q. Do you know who the officers are of this First National Bank? A. I do not at the present time.
 Q. Did the First State Bank, Manning, also turn down your draft? A. They did.
 Q. And the Merchants State Bank, Werner? A. Yes.
 Q. Well practically every bank in the county did?

(651)

EXHIBIT 175
 DUNN COUNTY

	Loans & Disc.	Redep.	F. L. Spl.
Dodge State, Dodge	\$ 5,000.00	\$ 4,730.84	
Farmers State, Dodge	10,000.00	2,423.66	
Farmers Bk. Dunn Co., Dunn Center	27,968.05	12,515.10	\$ 8,000.00
Farmers St. Bk., Halliday		5,299.28	
Security State, Halliday ...	5,000.00	4,925.15	
First National, Killdeer ..		8,903.25	
First State, Killdeer		11,013.63	2,500.00
First State, Manning		7,751.96	
First State, Werner	4,000.00	11,874.06	
Mer. State, Werner		12,276.33	
	<u>\$ 61,839.07</u>	<u>\$ 86,900.56</u>	<u>\$ 10,500.00</u>
Due Treasurer	\$154,840.73		
Completed Farm Loans ..	115,000.00		
Balance due County Treas. amt. included in Due Treas.	98,191.25		
Sinking Funds	35,755.64		
Redeposits	86,900.56		
Loans and Discounts	61,839.07		
Due Treasurers	154,840.73		
Deficit			6,101.10
Farm loan specials	10,500.00		
Farm Loans	115,000.00		
Excess	;		\$119,398.90

(652)

EXHIBIT 176

"WESTERN UNION TELEGRAM

59 FOV 8 collect. Dodge, N. D., Feby., 950 AM 19, 1921.

Bank of No. Dak.

Bismarck, N. Dak.

Account garnisheed. No transfer can be had.

Signed — Dodge State Bank.
1122 A"

Written on the letterhead of the

Farmers Bank of Dunn Center,

Dunn Center, N. D.,

February 17, 1921.

Bank of North Dakota,

Bismarck, N. Dak.

Gentlemen: We have your telegram of the 16th instant, asking us to transfer \$500.00 of your balance to the First National, Minneapolis, and advise you by mail.

In this connection, wish to say that your funds in our bank have been garnisheed by the Golden Valley County, N. D., and we are unable to make any transfers until this matter has been adjusted.

Yours very truly,
Thos. V. Ahearn,
Cashier."

(653)

"WESTERN UNION TELEGRAM

Received at 40 FV 13 collect, Night.

Manning, N. D., Feby. 20, 1921.

Bank of N. Dak.

Bismarck, N. Dak.

Replying to your wire of the 20th wish to state your account garnisheed.

First State Bank of Manning.
740 PM"

"WESTERN UNION TELEGRAM

Received at 255 FV 31 NL

Dunn Center, N. D.,
Jan. 31, 1921.

Bank of No. Dak.

Bismarck, N. Dak.

Replying to your wire twenty-fifth and twenty-ninth, concerning transfers of funds to First Natl. Minneapolis, would say it is impossible for us to comply with your request at this time.

Signed— Farmers Bank of Dunn County.
720 PM"

(654)

"WESTERN UNION TELEGRAM

Received at Dunn Center, N. D., Jan. 130PM 19, 1921.

Bank of N. Dak.,

Bismarck, N. D.

Referring your wire 18th cannot comply, unless funds are taken from our account your bank.

Signed— Farmers Bank of Dunn Center.
247 PM"

"February 14, 1921.

Farmers Bank of Dunn County,

Dunn Center, N. D.

Gentlemen: On December 11th we drew a thousand dol-

FRIDAY, MARCH 4, 1921

1115

lar draft against our public funds account and to date we have received no returns for this item.

At this time we must insist that you send us remittance by return mail or we will be compelled to report this matter to the State Examiner.

Please give this your immediate attention.

AJ:FM
Yours very truly,
Audits Department Director."
(655)

Written on the letterhead of the
"Farmers Bank of Dunn County,
Dunn Center, N. D.,
January 14, 1921.

Bank of North Dakota,
Bismarck, N. D.

Gentlemen: We have your letter of the 11th instant in regard to your wire of the 19th of December, 1920, and in reply to this would say that we answered this wire at that time, and Mr. Larson, of Adam Hannah & Co., also called on you personally in regard to this same matter.

We have also written you that it was impossible at this time for us to remit this money in the manner requested by you.

Yours very truly,
Thos. V. Ahearn,
Cashier."

(656)

"January 11, 1921.

Farmers Bank of Dunn County,
Dunn Center, N. D. <

Gentlemen: On December 19th we wired you as follows:
"Remit First National Bank Minneapolis Nine Hundred Dollars by wire at once. Wire us advice."

Up to date we have failed to receive an answer to our wire. We will thank you to comply with our request.

JWG:M
Very truly yours,
Audits Department."

"WESTERN UNION TELEGRAM

154 FDK
Dunn Center, N. D., 447 P Jan. 18, 1921.
Bank of N. Dak.,
Bismarck, N. Dak.

Unable to comply with your telegraphic request.
First State Bank,
638"

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Written on the letterhead of
"The First State Bank,
Dunn Center, N. D.,
February 15, 1921.

Mr. A. Johannsen,
Audits Department Director,
Bank of North Dakota,
Bismarck, N. Dak.

Dear Sir: We received your telegram requesting us to remit to the First National Bank of Minneapolis, Minn., the sum of Seven Hundred Dollars. We should have gladly complied with your request, if we in any way could see our way clear to do so. We fully realize that you are entitled to the money asked, but when owing to circumstances and conditions

not under our control we are not able to collect funds due us, we are up against a stone wall.

If we in any way can make some arrangements we shall be glad to forward remittances in reducing the amount due you.

Respectfully yours,
Chas. J. Heen,
Cashier."

(658)

"February 11, 1921.

First State Bank,
Dunn Center, N. Dak.

Gentlemen: On November 27th we drew on our public funds account in the amount of \$7,000.00. We wish you would please return this draft to us by return mail.

AJ:FM

Yours very truly,
Audits Department Director."
"February 14, 1921.

Farmers State Bank,
Halliday, N. Dak.

Gentlemen: On December 11th, we drew a draft against our public funds account in the amount of \$5,000.00, and at the time you called at the Bank of North Dakota, you advised the writer you would take care of this when you were in Minneapolis, but to date we have heard nothing further from you.

At this time, we must insist that you make remittance for this amount by return mail.

AJ:FM

Yours very truly,
Audits Department Director."

(659)

Written on the letterhead of the

"Farmers State Bank,
Halliday, N. D.,
January 13, 1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: We have your letter of the 11th with reference to the remitting by wire of Eight Hundred Dollars to the First National Bank of Minneapolis, Minnesota, to your credit. I was in the Bank of North Dakota the day after that and advised them that I would try to raise this money for you, but I was unable to do so, and am unable to pay it right now. We have been waiting for our state hail warrants of which we have assignments to the amount of \$8,000.00, and which warrants we have sold and will get some money on as soon as they are delivered to us. At the present writing, we cannot meet this, but we will do so just as soon as conditions are so that we are able to. Our bank has paid to your bank about \$16,000.00 in withdrawals since June 15th, and we have met them all when presented, but we have reached the end of our rope temporarily, and we are unable to do so for a short time at least.

Hoping this will explain matters to your entire satisfaction,

Yours very truly,
J. D. Rempel, Cashier."

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Bismarck, N. Dak., Dec. 19, 1920.

FRIDAY, MARCH 4, 1921

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"WESTERN UNION TELEGRAM

Farmers State Bank,
Halliday, N. Dak.

Remit First National Bank Minneapolis, eight hundred dollars by wire at once. Wire us advice at once.

Bank of North Dakota."

Chg. Bk. N. Dak.

"January 11, 1921.

Farmers State Bank,
Halliday, N. Dak.

Gentlemen: On December 19th we wired you as follows: "Remit First National Bank, Minneapolis, eight hundred dollars by wire at once. Wire us advice."

Up to date we have failed to receive an answer to our wire. We will thank you to comply with our request.

Yours very truly,
Audits Department."

JWG:M

(661)

"WESTERN UNION TELEGRAM

Bismarck, N. Dak., Dec. 19, 1920.

Farmers State Bank,
Halliday, N. Dak.

Remit First National Bank Minneapolis, eight hundred dollars by wire at once. Wire us advice at once.

Bank of North Dakota."

Chg. Bk. N. Dak.

"January 11, 1921.

Farmers State Bank,
Halliday, N. Dak.

Gentlemen: On December 19th we wired you as follows: "Remit First National Bank, Minneapolis, eight hundred dollars by wire at once. Wire us advice."

Up to date we have failed to receive an answer to our wire. We will thank you to comply with our request.

Yours very truly,
Audits Department."

JWG:M

(662)

Written on letterhead of the

Security State Bank,
Halliday, N. D.,
Capital and Surplus \$15,000.00.
December 14, 1920.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: Your draft of \$500.00 of the public funds account was received this morning. During the present stress, it makes it hard to meet same, until I am able to make arrangements in other places, and will kindly ask you for an extension of a few days in which to remit.

Yours very truly,
Hans Allnuss,
Cashier."

HUMO

February 14, 1921.

Security State Bank,
Halliday, N. D.

Gentlemen: On December 11th, we drew draft against our public funds account in the amount of \$500.00 and we must

insist that you make the remittance for this by return mail.

AJ:FM Yours very truly,
Audits Department Director."

(663)

"February 14, 1921.

First National Bank,
Killdeer, N. Dak.

Gentlemen: We are still without returns on the \$2500.00 draft which we drew on you on December 11th.

At this time we must insist that you send us remittance for this item by return mail.

AJ:FM Yours very truly,
Audits Department Director."

Written on the letterhead of the

"First State Bank,
Manning, N. D., 1-24-1921.

Bank of North Dakota,
Bismarck, N. Dak.

Gentlemen: On account of our reserve being so low at this time, we cannot meet your drafts or the order to transfer by wire, which we regret very much. However, we have every reason to believe that within the next three weeks, we will be able to take care of your drafts without any inconvenience. Trusting this will cause you no inconvenience, and assuring you we are doing all we possibly can, we are

Yours very truly,
C. C. G. Kapelovitz, Prest."

(664)

"February 14, 1921.

First State Bank,
Werner, N. Dak.

Gentlemen: If you are unable to pay the thousand dollar draft which we drew on you on December 11th, we wish you would please return the draft to us.

AJ:FM Yours very truly,
Audits Department Director."

"February 14, 1921.

Merchants State Bank,
Werner, N. D.

Gentlemen: On December 11th, we drew draft on you in the amount of \$2500.00 and to date we are without returns on the same.

Kindly give this your immediate attention.

AJ:FM Yours very truly,
Audits Department Director."

(665)

"February 14, 1921.

First State Bank,
Werner, N. Dak.

Gentlemen: If you are unable to pay the thousand dollar draft which we drew on you on December 11th, we wish you would please return the draft to us.

AJ:FM Yours very truly,
Audits Department Director."

"February 14, 1921.

Merchants State Bank,
Werner, N. D.

Gentlemen: On December 11th, we drew draft on you in the amount of \$2500.00 and to date we are without returns on the same.

Kindly give this your immediate attention.

Yours very truly,

AJ:FM

Audits Department Director."
(666)

"February 11, 1921.

Merchants State Bank,
Werner, N. Dak.

Gentlemen: On November 27th, we drew draft against our public fund account in the amount of \$10,000.00. We wish that you would please return the draft to us by return mail.

Yours very truly,

AJ:FM

Audits Department Director."
(667)

"February 11, 1921.

Merchants State Bank,
Werner, N. Dak.

Gentlemen: On November 27th, we drew draft against our public fund account in the amount of \$10,000.00. We wish that you would please return the draft to us by return mail.

Yours very truly,

AJ:FM

Audits Department Director."
(668)

"February 11, 1921.

Merchants State Bank,
Werner, N. Dak.

Gentlemen: On November 27th, we drew draft against our public fund account in the amount of \$10,000.00. We wish that you would please return the draft to us by return mail.

Yours very truly,

AJ:FM

Audits Department Director."
(669)

Mr. Sinkler: We offer in evidence Exhibit 175 and 176 We will now take up Emmons County, that is located right south of here, isn't it.

Q. In Emmons County, Mr. Cathro, will you state the conditions in respect to the public funds? A. The Bank of North Dakota has redeposited in the banks in Emmons County \$72,559.27. Loaned and discounts to banks in county, \$30,000.00 total \$154,458.27. Excess of public funds in use in county \$48,942.86. There is on deposit in the Bank of North Dakota from all treasurers in Emmons County \$105,515.41. having an excess of \$48,942.86.

Q. Have some of the banks in Emmons County turned down the drafts of the Bank of North Dakota? A. They have.

Q. Now will you go through the list of letters and telegrams and copies of letters contained in Exhibit 178 and state that particular banks have refused to pay drafts? A. The Farmers State Bank, Braddock; The Hague State Bank; The Hazelton Bank.

Q. Did the Bank of Hazelton write you on Jan. 10, 1921,
(670)

as follows: "We have your message of the 8th asking

us to remit to the First National Bank of Minneapolis. \$1,000.00 at once. This is to advise you that we are not doing this for the reason that if we do, we will be far below reserve and this we do not like to do at the present time. We have been drawn on heavily within the last sixty days, and we believe we are entitled to a let up for a short time at least. Just as soon as we get in shape we will be very glad to make a return of this deposit, but at the present time we will have to decline making any payment.

Respectfully yours,

H. O. BATZER, President

HOB-CMcM

Q. Did they so write? A. They did.

Q. And the Security Bank of Kintyre? A. Yes.

Q. Did the Security Bank of Kintyre say to you in a letter "Received your wire today and in response will say we are unable to comply with it as our reserve is too low.

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EXHIBIT 177
"EMMONS COUNTY"

	Loans & Dis.	Redep.	F. L. Spl.
Emmons Co. State			
Braddock	\$ 5,000.00	1,276.97	
Farmers State Braddock	5,000.00	5,452.49	
First State, Hague.....		833.99	
Hauge State, Hauge ..	5,000.00	3,591.82	
Bank of Hazelton, Hazelton		10,355.68	
Farmers State Hazelton ..		4,487.36	
Kintyre State, Kintyre ..	10,000.00	3,246.16	
Security State, Kintyre	10,000.00	6,478.66	2,800.00
City Nat'l, Linton .. .		7,561.80	
First Nat'l, Linton		5,298.40	
First State, Strasburg		4,242.49	
German State, Strasburg		4,883.46	
Security State, Strasburg		8,547.90	
Templeton State Templeton		4,800.12	
Peoples State Bank Linton		1,508.89	
	30,000.00	72,558.27	2,800.00
Due Treas	105,515.41		
Completed Farm Loans	49,100.00		
Balance due Co. Treas.			
amt. included in			
Due Treasurers	50,889.25		
Sinking Funds	13,728.32		
Redeposits	72,558.27		
Loans & Discounts	30,000.00		
Due Treas	105,515.41		
Deficit			2,957.14
Farm Loan Specials	2,800.00		
Farm Loans	49,100.00		
Excess			48,942.86

(672)

EXHIBIT 178
"FARMERS STATE BANK, BRADDOCK.

Mr. R. C. McCain called at the Bank today and says it is

impossible for them at this time to pay any more wire transfers."

Written on letterhead of the "Farmers State Bank, Braddock, N. Dak.

Jan. 28, 1921

Bank of North Dakota,

Bismarck, N. D.

Gentlemen:

Returning from short absence, I find on my desk your message for transmission of a thousand dollars to the First National Bank, Minneapolis. Our reserve is so nearly exhausted that it is impossible for us to comply with your request. I hereby approve disposition of our assistant in letting the matter stand until I could act upon it to the end above stated. I had this matter up in person with your Mr. Cathro and assured him likewise. It will simply be impossible for us to honor more withdrawals at this time and in future until we may be able to build up our reserve.

I am very much displeased with the fact that this call was sent in the form of a message.

(673)

EXHIBIT 178 Continued

I had the matter up with your Mr. Johannesen one day last week, advising him of the disposition of our local telegraph agent and that it would no doubt cause serious embarrassment, because of the report he might circulate if call came in this manner, and was not honored. Rumors in these small towns circulate like wildfire.

We trust you will not further call upon us at the present time or in the very near future. It will be impossible to favorably respond. It would be some mental relief if you would assure us that you would be governed accordingly by early so advising us. Copy of this letter is going to Messrs. Cathro and Johannesen individually.

Yours very truly,
R. E. McCAIN,

Cashier.

"WESTERN UNION TELEGRAM

189F ND 37 Blue.

Hague, Emmons Co.,

Feb. 10, 1921, 1130A

Bank of North Dakota,

Bismarck, N. D.

Remitting as directed under protest knowing never had fair share of county funds, reserve low, why shall we assist paying hail warrants when we have no money here for school warrants. Twelve thousand dollars on hand and no sale, Hague State Bank."

(674)

PART III

Written on the letterhead of the

Security State Bank,
Kintyre, N. D., Feb. 7, 1921.

Bank of North Dakota,

Bismarck, N. D.

Gentlemen: We are unable to comply with your wire message of today. Are too low in funds.

Respectfully yours,
Security State Bank, of Kintyre,
J. M. Erbel, Cashier."

Written on the letterhead of

Security State Bank,
Kintyre, N. D., Feb. 11, 1921.
Bank of North Dakota,
Bismarck, N. D.

Gentlemen: In response to your wire of today, we are sorry that we are unable to comply as we are very low in funds.

Respectfully,
Security State Bank of Kintyre,
By J. A. Erbell,
Cashier."

(675)

"WESTERN UNION TELEGRAM

December 31.

Hauge State Bank,
Hague, N. D.

Remit First National Bank Minneapolis eight hundred dollars by wire at once. Advise us by mail.

The Bank of N. D.

Chg. Bk. of N. Dak."

"SOO LINE TELEGRAM

1-8-21

Bank of Hazelton,
Hazelton, N. D.

Wire First National Bank Minneapolis, One Thousand Dollars at once. Wire us advice.

Bank of North Dakota.

Chg. Bank of N. Dak."

Written on the letterhead of

Security State Bank,
Kintyre, N. Dak.
Jan. 31, 1921.

The Bank of North Dakota,
Bismarck, N. D.

Gentlemen: Received your wire today. In response will say we are unable to comply with this as our reserve is too low.

Respectfully,
Gustav Kleppe, Pres."

(676)

"WESTERN UNION TELEGRAM

Hague, N. D., Jan. 31, 1921

Bank of N. Dak.,
Bismarck, N. Dak.
Impossible.

Hague State Bank,
1140A"

"WESTERN UNION TELEGRAM

Hague, N. D., 230P
Jan. 1, 1921.

Bank of N. D.
Bismarck, N. D.
Impossible.

J. J. Volk, Cashier."
310P

"WESTERN UNION TELEGRAM

Bismarck, N. Dak., Dec. 19, 1920.

Hague State Bank,
Hague, N. D.

Remit First National Bank, Minneapolis, eight hundred dollars by wire at once. Wire us advice.

The Bank of N. Dak.

Chg. Bk. of N. Dak."

(677)

Exhibit 179

"SOO LINE TELEGRAM

Kintrye, N. D., Feb. 18, 1921.

NF 11 collect.

Bank of N. D.

Bismarck, N. D.

Your balance is one hundred seventy dollars and garnisheed today.

Kintyre State Bank
457PM"

"WESTERN UNION TELEGRAM

132 FDK 6 Collect Linton, N. D., 125P Feby. 19, 1921

Bank of North Dak.,

Bismarck, N. D.

Your account garnisheed. Cannot transfer.

City National Bank.
227P."

"WESTERN UNION TELEGRAM

81FV 2 Linton, N. D., Feby. 19, 1921.

Bank of N. D.,

Bismarck, N. D.

Account garnisheed.

Peoples State Bank
1145A."

(678)

Mr. Sinkler: We offer in evidence, Exhibits 178 and 179.

Q. By the way, they garnisheed the funds out in Emons County, have they not? A. They did.

Q. Did the City National Bank of Linton telegraph you as follows: "Your account garnisheed. Cannot transfer."

A. Yes.

Q. Mr. Cathro, Exhibit 180, is a statement of condition of funds in Morton County, is it? A. It is.

Q. State into the record, the condition there. A. There is \$94,918.30 due to all treasurers in Morton County. Total amount maintained in county \$278,392.60.

Q. Maintained in Morton County from the Bank of North Dakota? A. Yes.

Q. Consisting of \$91,290.77 of redeposits and of farm loans and discounts \$116,900.00. on farm loans? Making an excess in that county over and above all public funds belonging to treasurers in that county, \$183,474.30.

Q. We offer in evidence Exhibit 180 and Exhibit 181.

(679)

Q. Will you state whether or not the Bank of Morton County have failed to pay drafts that were made upon them by the Bank of North Dakota? A. They have.

Q. What bank do you refer to? A. The Security State Bank of Flasher, The Flasher State Bank of Flasher, and the Timmer State Bank of Timmer, and the Solen State Bank of Solen, and the Farmers Equity State Bank of Mandan.

Q. You have sent drafts and several wires to the Farmers

Equity State Bank of Mandan? A. Yes, I have.

Q. And they have failed to make reply insofar as you are now able to ascertain from the records? A. There has been a telegraphic communication in addition to this.

Q. You have also called up this bank and talked with them on the telephone and asked them about remitting?? A. Yes.

Q. And the Farmers Equity State Bank of Mandan on the 19th day of January, 1921, had \$22,581.59 on deposit? A. It had.

Q. Subject to demand? A. It had.

Q. Payable on demand? A. It was.

Mr. Sinkler: We offer in evidence Exhibits 180 and 181.

(680)

MORTON COUNTY

	Loans & Disc.	Redep. -	F. L. Spl.
Farmers State, Almont ..	\$ 5,000.00	1,108.27	
Flasher State, Flasher ..		2,965.72	
Security State, Flasher ..	2,000.00	3,180.62	
Citizens State, Fort Rice .		1,179.28	
Farmers State, Glen Ullin		3,353.74	
Merchants Ste., Glen Ullin		3,932.70	14,000.00
Farmers State, Hebron ...	18,560.40	2,505.00	
First National, Hebron ...		682.25	
Merchants State, Hebron..		6,010.90	
First State, Judson		1,904.90	
Far. Equity Ste., Mandan	20,000.00	22,581.59	
First Nat'l., Mandan	3,123.29	21,320.36	
Merchants Nat'l., Mandan.		4,286.10	
State Bank, New Salem ..	507.95	4,856.43	
Ste. Bk. of New Salem...		821.94	
Union Far. St., New Salem	6,010.19	4,036.69	
Timmer State, Timmer...	15,000.00	6,564.28	
	\$ 70,201.83	\$ 91,290.77	\$ 14,000.00
Due all treasurers within the county		94,918.30	
Due county treasurers (general funds) included in above amount	16,912.47		
Due all treasurers (sinking funds) included in above amount	20,426.63		
Total amount due all treasurers			94,918.30
Redeposits in banks in county		91,290.77	
Loans and discounts to banks in county		70,201.83	
Farm loans in county....		116,900.00	
Total amount maintained in county			\$278,392.60
Excess of public funds in use in county			\$183,474.30

(681)

January 19, 1921.

Security State Bank,
Flasher, N. Dak.

Gentlemen: On January 8th, we wired you to transfer \$1000

FRIDAY, MARCH 4, 1921

1125

to the First National Bank of Minneapolis for our credit but to date we have failed to hear from you in regard to this wire. We would thank you to give this your prompt attention and greatly oblige.

Yours very truly,
AUDITS DEPARTMENT
By.

JWG:FM

(682)

February 14, 1921.

Security State Bank,
Flasher, N. D.

Gentlemen: We wish you would please return the \$500 draft which we drew on you on December 11th, by return mail

Yours very truly,
Audits Dept., Diector

AJ:FM

February 14, 1921

Flasher State Bank,
Flasher, N. D.

Gentlemen: We wish you would please return the \$500 draft which we drew on you on December 11th, by return mail.

Yours very truly,
Audits Dept. Director

AJ:FM

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WESTERN UNION TELEGRAM

RECEIVED AT
MROV 12

TIMMER, N. D. FEB. 15, 1921

1134A

BANK OF NO. DAK.
BISMARCK, N. D.

IMPOSSIBLE TO TRANSFER JUST TODAY WILL TRANSFER WHAT WE CAN LITTLE LATER

TIMMER STATE BANK
1240PM

Feb. 14, 1921

Timmer State Bank,
Gentlemen:

If you are unable to take care of the \$500 draft which we drew on you on the eleventh of December, we would be pleased to have you return same to us.

Yours very truly,
Audits Dept., Director

AJ:FM

(684)

Feb. 11, 1921

immer State Bank,
Timmer, N. Dak.

Gentlemen:

Onn November 27th. we drew draft against our public fund account in the amount of \$5000.

We wish you would please return this draft to us by return mail.

Yours very truly,
Audits Dept., Director

AJ:FM

(685)

Written on letterhead of Solen State Bank
Solen, North Dakota,

February 3, 1921

The Bank of North Dakota,
Bismarck, N. Dak
Gentlemen:

We have your telegram asking us to wire First National Bank Minneapolis, Minn, \$1,000.00. Just at this time we are unable to make this transfer, but wish to assure you this transfer will be made in a few days.

Yours truly,

R. B. McDONALD,

Cashier.

(686)

"Exhibit 181"

Morton County

Written on the letterhead of

SECURITY STATE BANK

Flasher, N. D.

Jan. 22, 1921.

The Bank of North Dakota,
Bismarck, N. D.

Gentlemen:—

We have your letter of recent date relative to your wire for transfer of funds in the amount of \$1000 at hand and in reply wish to advise that some time ago we received a wire for transfer for like amount and at that time we called you on the 'phone and told you to charge our account if you so desired and remit to Minneapolis. At that time you told us to disregard the wire if that was the best we could do. When your last wire was received our reserve was around \$5000 there being \$2100 with you, \$1900 cash on hand and the balance in other banks so you can judge from that what we were able to do.

We can assure you that we are doing the best we can and as soon as we can get the money we will gladly give you a check for all that is desired.

(687)

Trusting we have made the matter clear to you and that your appreciate our position in the matter, we are

Yours very truly

N. J. Roop,

Cashier.

SOO LINE

TELEGRAM

SOO LINE

1-8-21

Security State Bank,
Flasher, N. Dak.

Wire First Uational Bank Minneapolis one thousand dollars at once. Wire us advice.

Bank of North Dakota.

Chg. Bk. of N. D.

(688)

Mr. Snkler: I show you Exhibits 182 and 183 being a statement in regard to Pembina County, N. D. Will you state how many banks of this county on the 19th day of Jan-

uary had money on deposit with the Bank of N. D. A. Nineteen.

Q. How much did they have on deposit, subject to demand? A. \$67,414.14.

Q. What was the total amount that all the treasurers of Pembina county had on deposit with the Bank of North Dakota on that day? A. \$103,954.98.

Q. How much money did the Bank of North Dakota have on deposits, loans and discounts, and farm loan specials, on the 19th day of January, 1921, in that county? A. \$121,700.43.

Q. Did the county of Pembina have more money then than they were entitled to, taking into consideration the amount the treasurers had deposited in the Bank of North Dakota? A. They did.

Q. How much was that? A. \$17,745.45.

(689)

Q. Now have the banks of Pembina County refused to honor drafts made upon them by the bank of North Dakota? A. Some of them have.

Q. And what records have you of the banks that failed to meet drafts? A. I have a record of the First State bank of Bowsmont.

Q. What did the First State Bank of Bowsmont telegraph you? A. "Wire received, cannot meet your call at present."

Q. What other bank in Pembina County? A. Crystal State bank of Crystal.

Q. Did all these banks then have money enough that had been deposited by the Bank of North Dakota, in order to meet these drafts? A. Yes, they did.

Q. And the State Bank of Joliette? A. Yes.

Q. What did the State Bank of Joliette telegraph you? A. Cancel demand of five hundred for present; we have not sufficient reserve.

Mr. Sinkler: We offer in evidence exhibits 182 and 183.

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"EXHIBITS 182 & 183"

PEMBINA COUNTY

	Loans & Dis.	Redeposit
First State, Joliette.....	\$ 992.37	\$ 3,094.17
First State, Backoo.....		1,894.89
Bathgate Nat'l, Bathgate.....		953.59
Citizens State, Bathgate.....		14,196.35
First State, Bowsmont.....		2,265.66
First National, Cavalier.....		515.92
Mer & Far Bk, Cavalier.....		6,677.95
First State, Concrete.....		2,954.06
Crystal State, Crystal.....		763.22
First National, Crystal.....		1,455.08
First National, Drayton.....		118.42
Security State, Glasston.....	11,793.60	11,110.03
Bk of Hamilton, Hamilton.....		1,528.63
State Bk of Hensel.....		2,823.03
Mountain State, Mountain.....		41,644.90
Farmers State, Neche.....	5,000.00	3,197.01
First National, Neche.....		1,954.60

	Loans & Disc.	F. L. Spl.
Merchants State Pembina,		5,987.98
	17,785.97	67,414.46
Due all treasurers within the county	\$103,954.98	
Due county treasurers (general funds) included in above amount..	3,277.89	
Due all treasurers (sinking funds) included in above amount.....	40,000.00	
Total amount due all treasurers.....		\$103,954.98
Redeposits in banks in county.....	67,414.46	
Loans and discounts to banks in county	17,785.97	
Farm loans in county.....	36,500.00	
Total amount maintained in county		, 121,700.43
Excess of public funds in use in county		17,745.45

(691)

"EXHIBIT 184"

GOLDEN VALLEY COUNTY

	Loans & Dis.	Redep.
Beach State, Bank.....	\$ 20,000.00	\$ 47,735.45
Far. & Mer., Beach.....		1,915.73
First Nat'l, Beach.....		4,763.08
Golden Valley St., Beach.....	25,000.00	22,816.81
First National, Golva.....		2,914.20
First State, Golva.....		4,363.17
First National, Sentinel Butte.....		2,645.63
Interstate Bank of Billings County, Sentinel Butte		9,499.39
	45,000.00	96,658.46
Due all Treasurers within the Co....	\$ 97,177.14	
Due Co. Treasurer (general funds) included in above amount.....	39,954.34	
Due all Treasurers (sinking funds) included in above amount.....	20,000.00	
Total Amount due all Treasurers...		97,177.14
Redeposits in banks in Co.....	96,658.46	
Loans and Discounts to banks in county	45,000.00	
Farm Loans in Co.....	80,600.00	
Total Amount maintained in Co....		222,258.46
Excess of public funds in use in Co..		\$125,081.32

(692)

"EXHIBIT 185"

GOLDEN VALLEY COUNTY

Written on letterhead of

"Golden Valley State Bank
Beach, N. Dakota
January 20th, 1921.

Mr. J. W. Greenfield,
Audits Department,
The Bank of North Dakota,
Bismarck, North Dakota.

Dear Sir: In reply to your inquiry of the 18th inst., in

FRIDAY, MARCH 4, 1921

1129

connection with your request of December 31st for a transfer to be made to the First National Bank of Minneapolis for your credit, beg to state that such transfer was regularly made on January 4th, although our books show a debit of \$1000.00 instead of \$1500.00, as your letter suggests. We trust that we are correct as to the amount.

It appears that your message was received too late for attention on December 31st., and that Sunday and an intervening holiday somewhat delayed the matter. We trust that this may explain the matter to your satisfaction, and beg to remain,

Respectfully yours,
R. C. Fuller,
Cashier."

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WESTERN UNION TELEGRAM

Send the following message, subject to the terms on back hereof, which are hereby agreed to

December 31

To
Golden Valley State Bank,
Beach, N. Dak.

REMIT FIRST NATIONAL BANK MINNEAPOLIS FIFTEEN HUNDRED DOLLARS BY WIRE AT ONCE ADVISE US BY MAIL

BANK OF N DAK

CHG BK ND"

(694)

January 19, 1921

Golden Valley State Bank,
Beach, North Dakota
Gentlemen:

On December 31st, we wired you to transfer \$1500 to the First National Bank of Minneapolis for our credit but to date we have failed to hear from you in regard to this wire.

We would thank you to give this your prompt attention and greatly oblige.

Yours very truly,
Audits Department.
BY—

JWG:FM

(695)

Written on letterhead of

FIRST NATIONAL BANK

Golva, N. Dak.
January 25, 1921

Bank of North Dakota,
Bismarck, North Dakota,
Gentlemen:

Replying to yours of the 24th inst., beg to advise you that we are unable to comply with your request just at this time, as we have had to pay a bunch of certificates of deposit which recently matured.

We are making arrangements with the Federal Reserve Bank to rediscount some paper for us, and as soon as this is completed we shall be in position to take care of the obligation.

Trusting that you will understand our position in the mat-

ter, and thanking you for past favors, we are.

Yours very truly,
M. L. Callahan,
Cashier.

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WESTERN UNION TELEGRAM

Jan. 24, 1921

To
First National Bank
Golva, No. Dak.

Will you comply with our request at once as outlined in telegrams of December twenty fourth and January eighth. Wire answer collect.

Bank of North Dakota.

CHK BK OF ND
SOO LINE

TELEGRAM SOO LINE
Bismarck, N. D., Jan. 8, 1921

First National Bank.
Golva, North Dakota

Wire First National Minneapolis One Thousand Dollars at once. Wire us advice.

The Bank of North Dakota.

(CHK BK OF ND

(697)

WESTERN UNION TELEGRAM

Bismarck, N. Dak., Dec. 24, 1920

To
First National Bank
Golva, N. Dak.

Wire First National Bank Minneapolis Fifteen Hundred Dollars immediately to apply our draft letter November twenty-seventh. Advise us by mail.

Bank of North Dakota.

Collect.

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Jan. 11, 1921

First National Bank.
Golva, N. D.

Gentlemen:

On December 24 we wired you as follows: "Wire First National Bank Minneapolis fifteen hundred dollars immediately to apply our cash letter November 27. Advise us by mail." Up to date we have failed to receive an answer to our wire.

We will thank you to comply with our request.

Very truly yours,
Audits Department

JWG:M

(699)

Written on letterhead of
FIRST NATIONAL BANK

Golva, N. Dak.
January 8, 1921

The Bank of North Dakota
Bismarck, N. Dak.
Gentlemen:

We enclose herewith our draft in the sum of \$500.00 in payment of draft drawn on us for this amount and beg to advise you that this is the best we can do just at this time.

We believe you understand the situation as it exists at the present time with the country banks, and we are no exception to the rule. Our farmers owe us a great deal of money which we loaned to them during the summer in order to produce this crop, and while there is considerable wheat yet to be placed on the market, they simply refuse to sell it and liquidate their indebtedness with us at the present prices. Of course, we could force some of them to sell by process of law, however, we dislike to do this, as we feel that it would only make a bad matter worse.

We are doing everything possible to collect as soon as possible without crippling any one, but it has been a very slow process to date. On the other hand, we appreciate your position, and know that you also

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February 25, 1921.

Meeting called to order at 4:30 o'clock P. M., by the Chairman, all members of the Committee being present, including the reporter, and attorneys Mr. Sinkler and Mr. Paddock.

Chairman: Let the secretary read the minutes of the previous meeting.

Secretary reads the minutes, and on motion of Senator Baker, seconded by Senator Murphy, the same were approved.

Mr. Paddock: Let the record show at this time that the secretary has vouched for filing the original subpoena for E. L. Fouks of Valley City and E. R. Trubshaw, with affidavits of service. At the time of the creation of this committee or thereabouts, the Senate made a request, I believe, that the Bishop, Brissman & Company should send the men here, who did the work or made the audit of the State's industries. After this committee was created, if my recollection serves me correctly, after its creation or after the 19th of February a telegram to appear, I think it was on the 19th day of February, a telegram was sent to the Bishop, Brissman Company asking that Mr. Bishop and Mr. Altman and Mr. Smith appear

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here for examination, touching upon their audit. The telegram was sent following the testimony of Mr. E. G. Lee, during which testimony it was discovered that he had verified practically none of the figures shown in the report submitted, and that a large part of the commentary was made by Mr. Bishop himself. In response to the telegram Mr. Bishop replied that with a telegram and letter saying that Mr. Lee was here and could be examined. At your last session, I asked that a subpoena be issued for Mr. Smith, Mr. Bishop and Mr. Altman, the subpoena was issued, and in response to your order the following telegram was sent:

Feb. 21, 1921.

"To Mr. Bishop,
c/o Bishop, Brissman Company,
Globe Building, St. Paul, Minn.

This is to notify you that the Senate Auditing Committee of the Seventeenth Legislative Assembly of the State of North Dakota has issued a subpoena for yourself and your two employees Mr. Altman and Mr. Smith to appear before said committee at the capitol at Bismarck, North Dakota, in the Senate Chamber at four P. M. Wednesday, February 23rd. Kind-

ly advise by wire collect whether any of you intend to appear and where Mr. Smith and Mr. Altman can be located. Also

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please inform your Mr. Lee that his presence is desired.

Senate Audit Committee.
By H. A. Paddock. W. J. Church, Secretary."

Mr. Paddock: For the purpose of the record, Mr. Secretary, has there been an answer to that telegram?

Senator Church: No.

Mr. Paddock: I also hold a copy of a telegram forwarded by the Secretary of the Audit Committee at the request of Mr. Sinkler, which reads:

"Bismarck, N. D., February 2, 1921.

Federal Reserve Bank,
Minneapolis, Minnesota.

The Senate Auditing Committee of the State of North Dakota desire to ascertain the whereabouts of P. E. Haldorson who is in your employ there in order to use him as witness. Please advise where he is at this time.

W. J. Church, Secretary,
Senate Auditing Com. State of North Dakota.
By H. A. Paddock."

Mr. Paddock: For the purpose of the record, Mr. Secretary, has there been a reply to that telegram?

Secretary: No, not that I know of.

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Mr. Paddock: Is Mr. P. E. Haldorson here?

(No response.)

Mr. Paddock: For the purpose of keeping the record clear, I would suggest that a subpoena for Mr. P. E. Haldorson be entertained.

Senator Baker: I move that a subpoena be issued for P. E. Haldorson to appear before this committee.

Senator Church: I second the motion.

Upon roll call, Senator Church, Senator Baker and Senator Liederbach voted aye; the ayes have it; motion carried.

Mr. Paddock: In justice to Mr. Altman, I would say that Mr. Altman is here today. Mr. Bishop and Mr. Smith have not come.

Harry Lloyd Altman, having been called as a witness, was duly sworn to testify to the truth, the whole truth, and nothing but the truth, and testified as follows:

EXAMINATION BY MR. PADDOCK:

Q. Mr. Altman what is your full name? A. Harry Lloyd Altman.

Q. Where do you reside? A. Minneapolis.

Q. What is your occupation? A. Public accountant.

Q. Are you a chartered accountant? A. No.

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Q. Who do you work for? A. Bishop, Brissman Audit Company.

Q. Do you know Mr. Bishop? A. Yes.

Q. Mr. Altman, where have you been during the last week or ten days? A. I was in St. Paul until Monday night. I left there Monday night and was in Wahpeton and Breckenridge and arrived here last night.

Q. Did you see Mr. Bishop when in St. Paul? A. I saw him last Monday.

Q. I show you Exhibit marked 300, and ask you to read

it and tell me whether or not you saw a telegram containing in substance the same material in the office of the Bishop, Brissman Company in their offices in St. Paul or Minneapolis? A. Yes, I did.

Q. Where did you see it in the office? A. In our St. Paul office.

Q. Who had it? A. Mr. Bishop.

Q. Mr. Bishop had it? A. Yes.

Q. Was there any comment about it? A. I do not recall, other than made by myself.

Q. Did he show it to you? A. Yes.

Q. Handed it to you to look at? A. Yes.

(705)

Q. But did not say anything? A. Do not recall.

Q. You cannot say whether he made any remarks about it or not? A. I cannot.

Q. Did he ask you to say anything about it? A. He did not ask me, I made my own statement.

Q. What statement did you make? A. I told him I would answer this subpoena.

Q. Where is Mr. Smith? A. I do not know.

Q. Is he working for the Bishop, Brissman Company yet? A. Not to my knowledge.

Q. Did you ever see him before he worked on this job? A. Yes.

Q. Where? A. I cannot say exactly, but I believe I saw him at the State Capitol taking the C. P. A. examination in November? I am not sure or certain about that.

Q. You mean November of this last year? A. Yes, I am not certain, but I think so.

Q. Do you know where he resides? A. I do not.

Q. And you cannot recall anything that was said to you

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by Mr. Bishop concerning the telegram? A. I cannot.

Q. He did not say he was not coming? A. He did not say so definitely, no.

Q. Did he say so in substance? A. I did not ask him.

Q. Did he say it in substance? A. I cannot answer your question directly.

Q. Answer it indirectly then. A. I asked him whether he was coming, and as near as I can recall he did not answer.

Q. Do you know whether any answer was made to this telegram? A. I do not.

Mr. Paddock: I offer in evidence Exhibit marked 300.

Mr. Chairman: Accepted.

Senator Liederbach: I would like to ask you a question, Mr. Altman, did you not have any conversation at all relative to coming up here to this investigation? A. Certainly, yes.

Q. Did not Mr. Bishop tell you anything whether he would come or would not come, or whether he intended to come? A. No. I may have had my assumption, but he did not tell me. He wanted me to leave there Tuesday night, but I made

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the suggestion that I would leave Monday night so I could do some work at Wahpeton on my way up.

Q. Do you think he will come? A. I cannot think, I do not know.

Q. From the conversation you had with him, did you as-

sume such a conclusion? A. I imagine he will not come, if he can avoid it at this time, because it is a very busy time with us. You see it is just before March 15th and all the Federal Income Tax reports have to be in.

Q. Did he say he was so busy he could not come? A. He did not say.

Q. Mr. Paddock: You may be excused from the chair, but remain in the room.

Mr. E. L. Fouks, having been called as a witness, and being duly sworn to tell the truth, the whole truth, and nothing but the truth, testifies as follows:

EXAMINATION BY MR. PADDOCK:

Q. Mr. Fouks, what is your full name? A. Earl L. Fouks.

Q. You reside where? A. Valley City.

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Q. What is your business? A. Banking.

Q. What bank are you connected with? A. Security National Bank of Valley City.

Q. What is your official position? A. Assistant cashier.

Q. How long have you been assistant cashier? A. Since the bank was organized.

Q. How long was that? A. August, 1919.

Q. And you have been since that time assistant cashier? A. Yes.

Q. As assistant cashier, have you charge of the deposit ledger? A. Yes.

Q. I believe that your subpoena called for the deposit sheet of the deposit ledger and the account with the Bank of North Dakota? A. Yes.

Q. Did you bring the sheets from your deposit ledger with you? A. I brought copies.

Q. What system of bookkeeping do you use down there? A. I don't know that it has any particular name, it is a double entry system.

Q. Do you use a Burrougs adding machine? A. Yes.

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Q. Did you bring your loose leafs with you? A. No.

Q. Why not? A. Because we do not carry our account with the Bank of North Dakota except in the general ledger.

Q. Have you a copy of the items? A. Yes.

Q. You have handed me this document marked Exhibit 301, and I will ask you whether or not that is a true and correct statement of the account between the Bank of North Dakota and the Security National Bank from the time the Security National Bank opened until the 31st of January? A. It is an identical account of the transaction between these two banks for the dates asked for in your subpoena.

Q. And it shows the transaction between the two banks in regard to the deposits between Dec. 30th and January 29th, 1921, Dec. 20, 1920 and Jan. 29, 1921 and between December 20th and February 3rd on the one part, and December 3, on the other part? And this is a true and correct copy of the original record in the Security National Bank of Valley City between these two dates or on and between these two dates? A. Yes.

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Q. The debit part of this exhibit, I take it, is the deposits which the Valley City Bank, The Security National Bank of Valley City, carried with the Bank of North Dakota? A. Yes.

Q. And the bottom part of the exhibit is the deposits which the Bank of North Dakota carried with the Valley City Bank?
A. Yes.

Q. Reading then, from Exhibit 301, I find that the first deposit made by the Bank of North Dakota with the Valley City Bank was on March 19, 1920? A. Correct.

Q. For \$20,000? A. Yes.

Q. And that we then find the next deposit was May 12, 1920, for \$94.25? A. Yes.

Q. What was that item for? A. Interest as near as I can recall.

Q. And the next item was May 28, 1920, for \$66.98, what was that item? A. Interest.

Q. And the next item was June 18, 1920, for \$2.25. What was that item for? A. An omission of interest that we did not credit the Bank of North Dakota on the first installment and then did credit them.

Q. The next item is June 30, 1920, for \$67.21, what was that

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item for? A. Interest.

Q. And the next item is July 29, 1920, for \$69.67, what is that item for? A. Interest.

Q. And the next item is August 30, 1920, \$69.90, what was that item for? A. Interest.

Q. And the next item we find is August 30th, 1920, \$69.90, what is that item for? A. Interest.

Q. And the next one is Sept. 29, 1920, \$69.90, what is that item for? A. Interest.

Q. And the next is October 30, 1920, \$70.30, what is that?
A. Interest.

Q. And the next Nov. 30, 1920, \$68.33, what is that item?
A. Interest.

Q. And the next is December 30, 1920, \$63.30, what is that item for? A. Interest.

Q. And the next one—we have an item here of \$3,000.62 on Dec. 14, 1920, what is that item? A. The \$3,000.00 is a remittance to the First National Bank Minneapolis, and the 62c is the wire expense.

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Q. Then we have an item of Dec. 21, 1920, for \$1500.00, that's another wire is it? A. Yes, to the First National Bank of Minneapolis.

Q. And the next is \$63.30, what is that item? A. Interest to the Bank of North Dakota.

Q. And the next and last item is Jan. 29, 1921, \$53.93, what is that item? A. Interest.

Q. Is this record of deposits by the Bank of North Dakota in your bank appearing on the books of your bank as a regular deposit? A. I do not quite understand your question.

Q. Does it appear on your book, on the books of your bank, as a bank deposit? A. Yes.

Q. With other people? A. Not with other people, we do not carry people there.

Q. I mean other banks? A. Yes, positively.

Q. Carried in exactly the same manner as other demand deposits? A. Positively.

Q. With other banks? A. Yes.

Q. In your bank? A. Positively.

Q. You do not wish at this time to state that there was

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any special record in your bank with reference to this deposit other than the record made of deposits in your bank with other banks? A. No, none that I know of.

Q. Now, Mr. Fouks, Exhibit 301, which you have just identified appears to show but one deposit made with your bank by the Bank of North Dakota since the Bank of North Dakota opened, is that correct? A. Yes.

Q. And that was for how much? A. \$20,000.00.

Q. Again, calling your attention to the Exhibit 301, that was on the 19th day of March? A. Yes.

Q. 1920? A. It went on our books on that day.

Q. Mr. Fouks, was there any special arrangement made regarding this deposit when it went on your books? A. None that I know of, sir.

Q. None that you know of? A. No.

Q. Has there been any special arrangement made since it went on your books? A. Not in regard to the deposit, no.

Q. You know of no arrangement in regard to the deposit? A. No.

Q. You carried it on your books from that time until this

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time as a demand deposit subject to check is that correct? A. Yes, demand.

Q. And you know of no arrangement or special arrangement regarding that deposit since the time it was made? A. No.

Q. Did you ever confer with the directors of your bank? A. I did not ever with the Board of Directors.

Q. You never received any instructions that this checking account was not to be drawn upon? A. Yes.

Q. You have? A. Yes.

Q. From whom? A. Mr. Grady.

Q. When? A. I cannot tell you the date.

Q. Would your bank records show the dates? A. No.

Q. You did not make any notation on your general ledger at the time Mr. Grady instructed you that this deposit was not to be drawn upon? A. Well, I was instructed that we were not to honor drafts at different times, but I cannot recall particular dates, or for any particular amount.

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Q. What do you mean by different times? A. When Mr. Grady happened to be in the city.

Q. Does Mr. Grady attend to the accounts? A. Whatever Mr. Grady says in our bank is carried out.

Q. Does he attend to the accounts in the bank? A. Why, no.

Q. Then how did these drafts come to his attention? A. Which drafts?

Q. You said at different times he informed you that these drafts were not to be honored? A. He informed me not to honor them.

Q. Then when he first informed you—well, can you tell us when he first informed you regarding that? A. I have no idea what time of the month or year, it occurred.

Q. Did you ever dishonor any drafts that ever came into the bank? A. Yes.

Q. What explanation did Mr. Grady make to you at the time he told you not to honor drafts from the Bank of North

Dakota? A. He said he had made arrangements for that deposit to remain in the bank.

Q. Is that what he told you? A. As far as I can remember that was all he told me.

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Q. Do you know anything about the loans and discounts in your bank? A. Yes.

Q. Do—have you anything to do with handling them or accounting for them? A. Yes.

Q. Do you recall when six notes being from Mr. C. H. Noltmeier, L. Noltmeier, Mr. Rasmusson, John Staub, and one from William Olson, and one from Mr. McIntry came into your bank? A. Yes.

Q. Do you know when that was? A. Yes.

Q. When? A. In July.

Q. What part? A. The early part of July, I think, I cannot tell you for certain.

Q. Was anything said about these notes when they were brought in and put into your loans and discounts? A. Yes.

Q. These notes were taken by the bank and C. D.'s were given for them? A. Yes.

Q. Who discussed the matter with you? A. Mr. Grady.

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Q. Did he tell you then that the deposit of the Bank of North Dakota was not to be drawn upon? A. No.

Q. Was it before or after then he told you the deposit of the Bank of North Dakota should not be drawn upon? A. I think it was after this.

Q. But he did not explain to you the reason why the deposit should not be drawn upon? A. Why, I do not recall just if he did, in the first instance, probably.

Q. Did he in the second instance? A. In the second instance, perhaps I wrote a letter, I do not remember.

Q. What did he tell you then? A. He told me—well just a minute now—I think perhaps the first time that the draft was returned that he instructed me to return it, with some instruction. I do not remember just what it was at this time. I could not give you the instruction.

Q. But it was because of these six notes having come into the bank? A. No, no.

Q. What was the reason then? A. Personally, I do not know.

Q. Is it the custom of your bank to turn down drafts on your bank without an arrangement? A. It is the custom of

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our bank for the employees to heed the President.

Q. You said something about his explaining the second instance, what did he explain then? A. As near as I can remember it he told me in case a draft came in while he was gone to send it back and to write a letter similar to the one he had possibly written at sometime.

Q. What was the substance of what he instructed you to write? A. Something to this effect, I don't just exactly remember, I haven't seen the copies for sometime, something to this effect—that according to arrangement made we are returning draft No. so and so.

Q. You never inquired what these arrangements were? A. I never inquired.

Q. Now, as a matter of fact, did you not hear the directors discussing what these arrangements were? A. Yes.

Q. What were they discussing? A. They were discussing the taking on of these notes.

Q. What did they have to say about them? A. As near as I can remember, one or two members said something, I (719)

don't remember whether they deliberately criticised it or merely wanted to find out what the notes were taken for.

Q. What was the substance of what was said? A. They wanted to know why we made that loan to these parties?

Q. Who explained? A. I think Mr. Grady explained.

Q. What did he say, in substance? A. I don't think he told anybody in the director's meeting just exactly why they were taken only except it was a good business proposition.

Q. Did he explain in that director's meeting that it would not take any money out of the bank? A. Yes, I beg your pardon, I would not—

Q. Did he explain, state what he explained at that meeting? A. He explained either then or shortly afterwards.

Q. Did you understand that it would not take any money out of the Security National Bank? A. Yes, I understood that.

Q. Did you hear any directors discussing that? A. I did not hear any more until I saw some write ups in the different papers in regard to the affair.

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Q. Did Mr. Grady make any statements to lead you to believe that the Bank of North Dakota was to send money to cover this? A. Never.

Q. There was no possibility of your understanding it that way? A. No.

Q. You do not think it was possible for anybody to misunderstand what he said so they would come to the conclusion that the money was to come from the Bank of North Dakota? A. Personally, I do not see how it could be understood that way.

Q. Did you hear Mr. Grady and Mr. Cowell talking at the director's meeting or after it was over? A. I heard them talking, but did not hear what they said.

Q. How much was it agreed there was to be left on that deposit to cover these notes? A. I don't know that anything was left there to cover these notes.

Q. Nothing left to cover these notes? A. Not that I know of.

Q. If there was no deposit left, why did you not honor

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the drafts? A. For the reason I stated a moment ago. That the deposit was to remain in the Security Bank as per the arrangement previously arranged for.

Q. What do you mean by previously arranged for? A. I did not ask.

Q. Have you ever read the National Banking Act? A. I have read it, but I do not know that I have read anything particularly along that line.

Q. Is it customary to carry a demand deposit not subject to demand, upon its books? A. I could not answer that.

Q. Would you consider an entry not subject to demand, a correct entry? A. I would, provided it was made there with these instructions.

Q. Then you believe it is all right to carry a deposit not

subject to check among your demand deposits for the examiner or any other officer to look at? A. I do not know.

Q. You do not know? A. I do not know.

Q. What do you consider a false entry in the bank's books? A. When something is put there that should not be put there?

Q. Is not a false entry an entry made on the books that
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do not correctly state the condition? A. I do not know.

Q. You do not know? A. No, personally, as far as I understand the situation, it did explain the situation, I never asked for information explaining the entry.

Q. If I had gone into your bank and looked at your general ledger, there was no way by which I could tell that that deposit was not subject to check, could I? A. I do not suppose so.

Q. Then it was a false entry, was it not? A. I do not know.

Q. You do not know? A. No, I am not informed enough to say one way or another.

Q. Now, I notice you have on different dates recognized drafts against this same account; on December 14, 1920, you recognized a draft for \$3,000.00 or a wire instruction rather? A. Yes.

Q. How did you happen to do that? A. I do not remember, I think Mr. Grady handled that situation.

Q. And on December 21, 1920, you recognized a withdrawal of \$1,500.00? A. Yes.

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Q. How did that happen? A. The same way.

Q. Where does Mr. Grady live? A. Minneapolis.

Q. How often does he come to Valley City? A. This fall, he has been there considerable.

Q. When he comes to Valley City, does he take care of the bookkeeping in your bank? A. No.

Q. How did he happen to recognize this draft then or wires? A. They were sent to the Security National Bank and Mr. Grady was in the bank and opened them and read them.

Q. They did not come to your attention? He happened to be there? A. Think in both instances they were handed to Mr. Grady personally.

Q. How many of the drafts that were made on your bank did Mr. Grady instruct you personally not to recognize? A. I do not remember.

Q. Could you tell by looking at your statement? A. No, I could not.

Q. Well, showing you this Exhibit 96, I will ask you whether or not Mr. Grady personally instructed you not to recognize that draft? A. I do not know; I do not remember this particular draft.

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Q. Did you ever see that draft before? A. I might have.

Q. Is it a very ordinary thing for your bank to turn down \$5,000.00 drafts, is it? A. Not necessarily.

Q. Then you would remember it if you had ever seen that before? A. I would possibly, but I would not say I ever have seen that draft before.

Q. How many accounts do you have in your bank carried

upon your ledger as demand accounts upon which drafts can be drawn? A. None that I know of.

Q. Then you will recognize checks on these accounts, is that right, on this account? A. As I said before, I had nothing to do with the arrangement and know nothing about it.

Q. Well will you recognize checks on this account now? A. It is entirely up to Mr. Grady.

Q. Does Mr. Grady's instructions still stand? A. As far as I am concerned they still do.

Q. I will ask you whether or not the notes of these six men whom I have named have been paid and removed from your bank? A. They have.

Q. Then there is no arrangement standing at this time, (725)

that you know of, why drafts should not be paid? A. There is.

Q. What is it? A. We still hold a certificate for \$2550.00. When the same is paid, I expect that account can be drawn upon.

Q. This balance on January 29th was \$16,193.71, and you were holding that to cover a certificate of \$2550.00, is that correct? A. Not necessarily.

Q. What is the correct state of affairs? A. To tell you the truth, I do not know, I have never asked, and I have never inquired.

Q. Then Mr. Grady's instructions to you to not know draft on this account still holds? A. Yes.

Q. And he told you not to honor drafts as long as this \$2550 certificate is still out. A. That is the way I understand it.

Q. And he also instructed you to not allow drafts to be drawn against this account as long as the C. D.'s of these six men were out? A. No.

Q. His instructions only applied to this \$2550. C. D.? A. As far as I know it applied to that only.

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Q. When did he give you these instructions? A. I don't remember; I have known something about that for a long time.

Q. This C/D is what? A. It is a C/D on the American Exchange Bank of Watford City.

Q. Who discounted it with you? A. I don't know.

Q. Did the Bank of North Dakota discount it with you? A. I don't know.

Q. Then you are holding the Bank of North Dakota money to cover a C/D that was not discounted by them with you? A. I understand that is the situation.

Q. Does that sound like good banking, to you? A. I do not know whether it does or not.

Q. How long have you been in the banking business? A. About three years.

Q. Has it been customary for you to make entries in your books that do not correctly state the facts? A. No.

Q. Have you done it except on this occasion? A. I have not done it on this occasion.

Q. Well, I guess I will have to go into that again. This account, you stated, was carried on your books as a demand deposit? A. Yes.

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Q. And it was not subject to check or draft? A. It per-

haps was subject to check to a certain extent.

Q. What was the extent? A. I do not know.

Q. Then as far as you know it was not subject to check at all? A. Not subject to check at all, except with instructions to that effect.

Q. And that being the case, you still carry it on your books as subject to check? A. Yes.

Q. Then it did not correctly state the condition of that account? A. Perhaps not.

Q. How many accounts do you have of similar nature in your bank? A. None, that I know of.

Q. None that you know of? A. No.

Q. How many accounts have you had in your bank in which you work in which similar condition existed? A. I do not remember of any other similar condition.

Q. Then this was a peculiar condition? A. As far as I know, it was.

Q. And then this deposit account as far as you know, was
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being held not subject to check under Mr. Grady's instructions, for the purpose of protecting a \$2550.00 C/D discount with your bank by someone other than the Bank of North Dakota? A. Well, there was not always just \$2550.00 in paper.

Q. How much paper was there? A. I do not know exactly how much paper there was.

Q. Well, approximately? A. I would judge between \$8,000.00 and \$11,000.00.

Q. Whose paper was it? A. I do not know, that is, I do not know who we received it from.

Q. Who were the makers on that paper? A. Different banks in North Dakota.

Q. Do you know who any of these banks were? A. Why, I remember there were one or two C/D's from Watford City, and I know of different cities, but I do not just now remember the different banks they were drawn on.

Q. Then the order to hold this deposit not subject to check did not have anything to do with these six notes of these six farmers? A. Nothing at all.

Q. You are sure about that? A. Reasonably sure.

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Q. What did you base your conclusion on? A. On different things I heard.

Q. Tell us what they are? A. That we were to retain the deposits or at least enough of the deposits with the Bank of North Dakota until these C/D's were paid.

Q. But that had nothing to do with these six farmers' notes? A. Nothing at all.

Q. Do you know of any other reason for holding these deposits? A. Nothing else that I know of.

Q. When did these C/D's come into your bank? A. I believe last spring sometime.

Q. Last spring sometime? A. Yes.

Q. Can you find out what these C/D's were? A. Yes, I suppose I can, I have a record of one at the present time. We still have one in our hands.

Q. If you had special instructions not to honor drafts on this checking account until these C/D's were paid, you cer-

tainly could find out from your bank what these C/D's were?
A. Yes.

Q. Well— A. Certainly.

Q. Will you? A. Certainly.

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Q. Mr. Fouks, showing this instrument marked 301, which you have just testified is a true statement of the deposits account of the Bank of North Dakota with the Security National Bank of Valley City, I will ask you whether there has ever been since March 19, 1920, the date when the first deposit was made, another deposit made in the Security National Bank of Valley City by the Bank of North Dakota? A. None, that I know of.

Q. Does this not correctly show all the deposits? A. I think so, I am quite positive. And as far as I know it is the only deposit ever carried on our books, in fact, I am positively sure it was.

Q. Then, between March 19th and Jan. 19, 1921, and when I say March 19th, I mean March 19, 1920, there has never been a deposit by the Bank of North Dakota in the Security National Bank? A. Except \$20,000.

Q. And that was March 19th? A. Yes.

Q. Now, calling your attention to the conversation had in the Board of Directors' meeting of your bank, at which the

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question of these six farmers' notes was taken up, I will ask you to again state whether or not Mr. Grady made such statements that you could not help concluding that the Bank of North Dakota would send a deposit to your bank to cover those notes? A. No, he never made a statement to that effect, to cover these notes.

Q. What was the substance of that conversation? A. The only thing I ever heard in connection with that affair was that Mr. Grady said he was taking these notes, that they were perfectly good and that the bank received ten per cent and the C/D's bore five per cent, and that the bank made a profit of five per cent and that it was a good proposition for the bank.

Q. And he positively made no statement which would lead you to believe that the Bank of North Dakota was to send money to cover these notes? A. Positively never.

Q. I will read to you from the testimony of S. P. Ellis, given on February 19, 1921, given before the House Audit Committee in the courthouse at Bismarck, North Dakota, ap-

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pearing on Page 590 of the transcript, beginning on line 10: "Q. What was said? A. Well, I can't just say what was said. He said they took certificates of deposit for it and the objection was raised that we didn't have any too much money for our own customers, and we didn't want to take the other fellows that belonged to the other banks, in there."

Q. Do you remember any such conversation? A. I haven't any idea of what was said.

Q. Do you wish to say you do not recall any such conversation? A. I may have heard a conversation to that effect, but I do not believe I did.

Q. Reading from line 16, "Q. Didn't want to loan the other fellows any money? A. No, not to the other fellows, and I was given to understand that it wouldn't make any dif-

ference with our deposits in our bank, it wouldn't hurt our bank any and we would make on the interest."

Q. Did you hear any conversation to that effect? A. I do not think so.

Q. Beginning on line 21, same page, "Q. In other words that the loaning out of this \$15,000.00 wouldn't lower the funds of your bank any because the Bank of North Dakota would make a deposit enough to cover it," was anything of

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that kind said? A. I never heard or understood it that way.

Q. Mr. Ellis said: "A. Well, I gathered that from what was said." Now, you wish to say that so far as your recollection serves you there was no such thing said? A. I don't think Mr. Grady ever said that.

Q. You don't think he said that? A. No.

Q. Now reading from the testimony of Mr. Lee Cowell, given before the House Audit Committee on February 19, 1921, appearing on page 598, line 15— A. I want to state right here that these gentlemen understood it that way, but I do not believe that it was Mr. Grady's intention that they should understand it that way.

Q. You do not believe that was the situation? A. No.

Q. Beginning on line 15, "Q. What is your connection with that bank? A. Director and Chairman of the Board of Directors."

Q. Appearing on page 598, line 15, "Q. What was his explanation? A. He said that Mr. Townley was there and they had tried to negotiate those notes at all the banks in town, but were unsuccessful. And he told them he would

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take those notes, which were absolutely good, providing the money would come from the Bank of North Dakota," did you hear any proposition like that? A. Never.

Q. Do you think Mr. Cowell is mistaken there? A. He may have understood it that way, but I do not believe from what I know of the affair that Mr. Grady intended that.

Q. And from what Mr. Grady said you could not reasonably conclude that? A. Not from what I heard.

Q. Reading from Mr. Cowell's testimony, same page, line 26: "Q. And the money did come from the Bank of North Dakota? A. I suppose it did." That supposition is absolutely false, is it? A. I do not know how a man could get that impression.

Q. The supposition that the money did come from the Bank of North Dakota is absolutely false, is it? A. Yes, absolutely.

Q. Reading to you from the testimony of S. P. Ellis, given before the Senate Committee, in the Senate Chamber, on February 19, 1921, in Bismarck, North Dakota, on page 266, beginning on line 5: "Q. You testified before the House Committee, I believe, that persons to whom these C/D's were issued gave notes to the Valley City bank? A. Yes sir.

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"Q. And that the matter came up for discussion at one of our directors' meetings? Did you not so testify? A. Yes sir.

"Q. And you gave the impression that the money was furnished by somebody else than the Valley City bank? A. That was the understanding.

"Q. That was the understanding. Did you testify that you

knew that was the understanding of your own knowledge or that you simply heard that from someone else? A. That was what they said."

Q. Was any statement like that made by Mr. Grady? A. Mr. Grady, to my knowledge, never made such a statement.

Q. And so far as you know nobody else made such a statement in that directors' meeting? A. Yes, sir.

Q. And you think this is entirely a misunderstanding on the part of this witness, Mr. Ellis? A. I do.

Q. In so far as you know there was no information upon which this statement could be based? A. They may have understood it that way but I do not believe it was intended that way.

Q. Was there anything in the language used that would lead an ordinary intelligent man to understand it that way?

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A. Well, people who are not banking are apt to misunderstand things that kind unless they are explained very plainly just how the matter was handled.

Q. Do you think that they could understand that the money was to come from the Bank of North Dakota unless there was something explained where it was to come from? A. I would not understand it that way.

Q. You think there was nothing said that the money was coming from the Bank of North Dakota? A. Never anything that I heard.

Q. Reading from the testimony of Mr. Ellis, line 8 on page 267, "Q. It wasn't your understanding that any additional money was to be sent down to that bank by the Bank of North Dakota? A. That was my understanding, yes."

Q. Did you hear anything that would sustain such a conclusion at all? A. No, sir.

Q. Reading from line 12, same page: "Q. You know that there wasn't any additional money sent down there, don't you? A. No, I know there was."

Q. Is that true? A. No.

Q. Is that statement false? A. It is positively false.

Q. You wish to say now that Mr. Cowell, if he made that statement, testified to something that was not true? A. He testified to something he didn't know.

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Q. Now, I read to you from lines 12, 13, and 14, page 267, from the Senate Auditing transcript, showing the testimony taken on February 19, and part of the testimony of the witness Cowell: "Q. You know there wasn't any money sent down there, don't you? A. No, I know there was."

Q. The statement "I know there was" is absolutely false, is it? A. I know there was not.

Q. Then that statement is false, is it not? A. It is positively false, but you understand Mr. Cowell may have thought these things, but at the same time it is not true. He may have thought, but it never was true.

Q. Mr. Fouks, Mr. Cowell did not say that he thought, he said "No, I know there was." That statement is false, is it? A. It could not be anything else.

Q. Mr. Paddock: I believe this is Mr. Ellis' testimony, and I have been using the name Cowell, but it was Mr. Ellis' testimony, so I will repeat that testimony again in order to correct that matter.

Q. Reading from the testimony of witness Ellis, given on February 19th, before the Senate Auditing Committee, in the Senate Chamber, as shown on page 267 of the transcript,

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lines 8 to 14, I will read: "Q. It wasn't your understanding that any additional money was to be sent down to the bank by the Bank of North Dakota? A. Yes, that was my understanding."

Q. Now, Mr. Fouks, was there anything said there at that directors' meeting that would give anybody that understanding? A. Nothing that I heard.

Q. Reading from line 12, Mr. Fouks, the same page, "Q. You know there wasn't any additional money sent down there, don't you? A. I know there was."

Q. Now, Mr. Fouks, if the witness Ellis testified in accordance with the question and answer just read, his statement is false, is that true? A. Yes.

Q. And you wish to say now that if he testified that he knew there was money sent down there, that his statement was false? A. State your question again.

Q. You wish to testify that if the witness Ellis testified that he knew there was money sent to the Valley City bank, his testimony is false? A. His testimony was false, but he may have been ignorant of it at the time.

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Q. He said he knew? A. Then he certainly was off.

Q. He certainly stated an untruth if he said that he knew? A. He certainly did.

Q. Then, turning to the testimony of the witness Cowell, given on the same day in the Senate Chamber, before the Senate Audit Committee, on page 318, "Q. Oh, you want to give the conversation you had with Grady on that day" did you hear any conversation between Cowell and Grady on that day? A. No.

Q. You didn't hear that conversation on— A. No.

Q. In relating the conversation on line 27, page 318, and running to line 25, page 319, the witness Cowell testified: "A. I objected to these notes as they were read off and I asked what the idea was, and Mr. Grady made some remark about it in the directors' meeting as much as to tell me he didn't want to discuss it, and I shut up. After the meeting I went into the lobby of the bank after the other directors had gone and I said what's the idea of these loans of \$2500.00 to each of these men and he said Mr. Townley was here and tried to negotiate these notes with these other banks and

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failed, and I thought we might as well have their good will as their ill will, and I made this proposition to Mr. Townley that I would take these notes provided the money came from the Bank of North Dakota, and I said it didn't look very well, and said why not, and I said, it is furnishing them capital to carry on a political campaign. And he said yes, but we are making six per cent off the money and these notes are positively good. And I said there is positively no question about it, and he said I still have a further agreement that I am not to honor any of these drafts no matter who they come from unless they come from a certain man in the bank, his name was Mac something."

Q. Did you ever have any such instructions as that? A. No, I do not think I ever had any such instruction as that.

Q. Mr. Grady never told you about that agreement or any agreement such as that? A. Mr. Grady said he had one, but he did not tell me with whom he had it.

Q. He never said there was any agreement about these six notes? A. No.

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Q. Mr. Cowell is talking about the agreement with reference to these six notes? A. He is wrong about that.

Q. And if Mr. Grady told him these notes were taken providing the money came from the Bank of North Dakota, and no money came, Mr. Cowell is mistaken about that? A. You understand that anything that took place between Mr. Cowell and Mr. Grady I am not in a place to state. Mr. Cowell may have heard it, but I never heard it or understood it that way.

Q. I said if Mr. Townley told him that the money was to come from the Bank of North Dakota and no money came he must have done it to mislead him? A. There must be something wrong somewhere; well, so do I.

A. (No answer).

Mr. Paddock: I want Mr. Cathro to identify a couple of exhibits. Mr. Witness you may sit right where you are. Mr. Cathro sit over here (indicating).

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Mr. F. W. Cathro, recalled as a witness testified as follows:
Mr. Paddock:

Q. Mr. Cathro, showing you exhibit 302, I will ask you what it is? A. It is a draft made by the Bank of North Dakota on the Security National Bank of Valley City, North Dakota. It reads:

"THE BANK OF NORTH DAKOTA No. 7151

77-28

Bismarck, N. D., Oct. 23, 1920.

Pay to the order of the Bank of North Dakota, Bismarck, N. Dak.,	\$1,000.00
Pay \$1000 and 00 cts	Dollars.
Security National Bank	A. C. Brainard, Teller.
Valley City, N. D.	A. Johannsen, Dept. Director.

Endorsement on back:

"Pay to the order of any bank, banker or trust Co. Oct. 23, 1920, The Bank of North Dakota, 77-28, Bismarck, N. Dak., 77-28."

Q. Is that correct? A. It is correct.

Mr. Paddock: We offer in evidence Exhibit 302.

Q. Showing you this instrument marked Exhibit 303, Mr. Cathro, will you tell us what it is? A. It is a draft made

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by the Bank of North Dakota on the Security National Bank of Valley City, North Dakota. This instrument reads:

"THE BANK OF NORTH DAKOTA No. 8935

77-28

Bismarck, N. D., Dec. 11, 1920.

Pay to the order of the Bank of North Dakota, Bismarck, N. Dak.,	\$1500
Pay \$1500 and 00 cts.	Dollars
Security National Bank	A. C. Brainard, Teller.
Valley City, N. Dak.	L. P. McAneney, Dept. Dir.

Endorsement on back:

"Pay to the order of any bank, banker, or trust Co., Dec. 11, 1920, The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28."

Q. Is that correct? A. It is.

Mr. Paddock: We offer in evidence Exhibit 303.

Q. Showing you Exhibit 302, I will ask you whether or not that draft was returned by the Security National Bank, Valley City, without being paid? For the purpose of assisting you I will show you exhibits 87 and 88? A. It was.

Q. I will show you Exhibit 303 and will ask you to refer to Exhibit 87 and 88 to assist you, will you tell me whether

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Exhibit 303 is a draft which was returned by the Security National Bank of Valley City unpaid? A. It is.

Mr. Paddock: That is all, Mr. Cathro.

By Mr. Paddock:

Q. Now, Mr. Fouks, showing you Exhibits 96, 97, 95, 302, and 303, I will ask you to look these over and tell us whether you ever saw any of them before? A. Why, undoubtedly, I saw some, but I couldn't tell you which one.

Q. If you saw some of them and they came to your attention for payment, what did you do? A. I returned them.

Q. You returned them? A. Yes.

Q. Well, your ledger shows there were deposits on hand in your bank on the dates of these drafts in excess of the amount of any of those drafts? A. Yes.

Q. That is the situation? A. That is the situation.

Q. Your ledger shows a checking account subject to check, but you turned these drafts down, is that correct? A. Well, we carried it in the general ledger, our general ledger accounts in some instances they are checked on, and in other instances they are not.

Q. Repeat the question. (Reporter repeats question.)

A. Yes.

Q. Now, Mr. Fouks, do you recall about the date when the notes of these six men were given? A. It was in July, I believe the early part.

Q. Reading to you from the testimony of Mr. Cowell given before the Senate Audit Committee on February 19, 1921, in the Senate Chamber at Bismarck, North Dakota, page 317, line 6, "Q. Now Mr. Cowell, you, of course, do know something about these notes that were there—or did you just hear about them? A. No, I heard them read off. Q. I want to know Mr. Cowell if you can tell me the dates of these notes? A. When I received this subpoena I went to the bank and got the dates of these notes. Now, Mr. Fouks, did Mr. Cowell come in and inquire of you what the dates of these six notes of these six men were? A. Not of me.

Q. Do you know if he inquired of anybody in the bank? A. He may have, yes.

Q. Going on: "A. When I received this subpoena, I went into the bank and got the dates of the notes. O. What was the date? A. July 12, for all except Mr. Staub's note, the

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13th." Do you think that is approximately correct? A. I never paid any attention to the dates, because I did not listen.

Q. Reading from the transcript of the Senate Auditing Committee, Exhibit 80, page 261, line 23:

"Exhibit 80.

Security National Bank,
Valley City, N. D., July 12, 1920.

John E. Staube has deposited in this bank twenty-five hundred dollars \$2500.00 payable to the order of himself six months after date, with interest at the rate of five per cent per annum, upon the return of this certificate properly endorsed. No interest after maturity. Not subject to check. Signed: James Grady, Pres. The endorsements on Exhibit 80 of John E. Staube and Pay to the order of Federal Reserve Bank, of Minneapolis, Minn., and also Pay to the order of any bank, banker, or trust company, Federal Reserve Bank, S. S. Cook, Cashier." "Exhibit 81, same form, and to John McIntyre, for \$2500.00, dated July 12, 1921. Reading on page 263, same form, Exhibit 82, George Rasmusson, \$2500.00? A. Yes.

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Q. Reading from page 263, Exhibit 83, C/D 365, same form, \$2500.00, William Olsen? A. Yes.

Q. Exhibit 84, C/D sum \$2500.00 July 12, to E. H. Noltmeier, is that correct? A. Yes.

Q. Reading C/D 366, Exhibit 85, dated July 12th to L. Noltmeier? A. Yes.

Q. Now, when these C/D's were issued you put them into your record on the liability side of your ledger, as a time deposit did you not? A. Yes.

Q. What entry did you make in your assets side of your ledger? A. Loans and discounts.

Q. What do they consist of? A. They consisted of an even sum of the C/D's.

Q. You understand there may have been other entries also? A. Yes I understand that.

Q. And if the same notes were all same amounts and entered on the opposite side, it did not take any money to make that transaction? A. No.

Q. Now, then if Mr. Ellis and Mr. Cowell's testimony is correct that the money was to be sent from the Bank of North Dakota to take care of the loans, there was no necessity for money was there, and their testimony was illogical, is that correct? A. Illogical, as I see it.

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Q. Now if your orders not to honor checks drawn on this deposit account were given by reason of these six notes, you would not have received these orders until the date of the notes, would you? A. If that be the case, my order would have come after the date of the notes.

Q. Showing you now, Exhibit 96, which is a draft for \$5,000.00 by the Bank of North Dakota on this account, in the Security National Bank, Valley City, and issued July 3rd, that draft was presented before these notes came into your bank? A. Undoubtedly it did.

Q. Then the reason for refusing that draft could not have been that the notes were in the bank and the deposit was being held to cover the notes? A. No.

Q. Now, Mr. Fouks, how long have you been banking in North Dakota? A. What experience I have had has been in North Dakota.

Q. How long has it been? A. About three years.

Q. And where have you worked? A. "The Bank of Valley City," and the Luverne State Bank at Luverne, N. D., and the "Security National Bank at Valley City."

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Q. And have you been conversant with the condition of banks in North Dakota in which you have worked during the last three years? A. Yes.

Q. The Security National Bank of Valley City is a new bank, is it not? A. It will be two years old next August.

Q. Who is the oldest experienced man in your bank at Valley City? A. In banking?

Q. Yes. A. Why, I would judge Mr. Grady is.

Q. I mean the men who are actively working in your bank? A. The other man, who is the bookkeeper, has more experience than I have had. He has been in the bank longer than I have been.

Q. All right. Right now, and for the last six or eight months there has been a very stringent financial condition, has there not? A. Yes.

Q. Did you ever know of a period in your experience in banking when banks have been as hard pressed as during the last six months? A. No.

Q. I suppose your bank has always had lots of money to meet withdrawals? A. Our bank is in a very healthy shape.

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Q. About what are your deposits? A. Probably between \$230,000 and \$250,000.

Q. What proportion is demand and what proportion is time? A. \$76,000 is, I would judge, demand, and \$150,000 of that amount is time. The balance is demand.

Q. What is that? A. \$150,000 of that is time and the balance of that is demand.

Q. Then \$150,000 of that is time and the balance is demand? A. Yes.

Q. And that would leave about \$80,000 demand? A. Yes.

Q. What reserve do you carry on demand? A. We are supposed to carry seven per cent on demand and three per cent on time.

Q. About how much cash do you carry as your cash reserve on account of cash items? A. At the present time our cash reserve is over \$50,000.

Q. Cash on hand—cash in your vault? A. About \$5,000 or \$6,000.00.

Q. Is that about where you carry it? A. It doesn't fluctuate very much.

Q. It doesn't fluctuate very much? A. No.

Q. Has it been approximately that for the

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Q. Then Mr. Fonks, if the date when this \$5,000.00 draft was presented, if you had any other drafts to cash and you only had your usual cash involved, you would have had great difficulty in cashing this draft? A. I don't think you understand me, or else I don't understand you. Understand the cash reserve to be the cash we have access to.

Q. Repeat the question. (Reporter repeats question). A. The Security National Bank, and I do not think any other bank, carries their reserve in the vault to pay their draft with.

Q. Repeat the question. (Reporter repeats question.) A. No.

Q. How would you have cashed it? A. I would draw on some of our bank accounts.

Q. You would have had to send out? A. Yes.

Q. It would greatly lower your reserve? A. Not greatly reduce it, but lower your reserve? It would not hurt it any.

Q. Then if I understand you, the situation is you have been so situated all the time you could have honored the withdrawals of the Bank of North Dakota? A. Yes.

Q. Even to the full amount of the deposits of the Bank of North Dakota? A. To the full amount.

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Q. Without reducing your balance away below reserve? A. Yes.

Q. Now will you take the figures you gave me and figure out what the reserve would be on \$230,000 of which \$89,000 is time and demand? A. Demand.

Q. What percent do you figure for time deposits? A. Three per cent.

Q. And you had \$150,000 of time? A. Yes.

Q. And what per cent for demand? A. Seven per cent.

Q. And the total of your reserve? A. \$10,100.

Q. That was your total reserve? A. Yes.

Q. And you carried regularly how much reserve? A. Our reserve has fluctuated from \$35,000.00 to \$70,000.00 within the last six months.

Q. But you take a balance on your bank every day? A. Yes.

Q. Can you secure for me a copy of the statement of your bank on the third day of July, 1920, 28th day of July, 1920, the 10th day of September, 1920, and 23rd day of October, 1920, and the 11th day of December, 1920? A. Yes.

Q. And the day before each of these days? A. Yes, if it

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isn't Sunday or a holiday.

Q. At the close of business on each day of these dates? A. Yes.

Q. Will you do that? A. Yes.

Q. And bring them here with you when you come back the day after tomorrow? A. Yes.

Mr. P. R. Trubshaw, having been called as a witness, being duly sworn, to tell the truth, the whole truth, and nothing but the truth, testified as follows:

EXAMINATION BY MR. PADDOCK:

Q. What is your full name? A. Percy R. Trubshaw.

Q. Where do you live Mr. Trubshaw? A. Valley City.

Q. What is your business. A. Printing and publishing.

Q. What do you print? A. Oh, Valley City Times Record, daily and weekly.

Q. The subpoena requested that you present a copy of your paper of October 14th and the 23rd, have you them with you? A. Yes, sir.

Q. Let me see them. (Witness hands counsel two newspapers. Marked for identification, Exhibits Nos. 304 and 305.)

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Q. Now, Mr. Trubshaw, I show you paper marked Exhibit 304, and I will ask you whether or not that is a copy of the paper published by you at Valley City on October 14, 1920?
A. Yes, sir.

Q. Do you know what goes into your paper? A. Generally.

Q. Who writes the editorials in your paper? A. When I am in town, I do.

Q. Were you in town on this day? A. Yes, sir.

Q. I want you to watch me while I read this? A. All right I will.

Q. (Reading from Exhibit 304). Page 2, Editorial column: "Cut out your party politics in North Dakota. We are more concerned in this state in getting a change of administration for the better than we are of electing a president. North Dakota is in bad shape and needs united effort on the part of every democrat, every republican, every man in the state, and we mean the women too who has the welfare of the state at heart, to get behind Hon. J. F. T. O'Connor for Governor. We need a period of sanity and business judgment in the capitol at Bismarck by our state officials. Men who can work for the good of all the peoples instead of the needs of the selected and handpicked few. It is a time for sacrifice of personal and political ambition, to be cast aside in the in-

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terest of good government. We want someone for instance, in charge of the Bank of North Dakota who is unafraid of the light of public scrutiny, who is willing to allow a state institution handling hundreds of millions of dollars of our funds to be examined. No man who is straight can object to that. We want a state banker who will keep the money of the people of North Dakota in North Dakota for the needs of the farmers of North Dakota and not for the use of the big business of the east or for the use of political machines like unto the Non-Partisan League, as it is now operated. It is easy to get money from the Bank of North Dakota for political purposes, because five Non-Partisan leaders in Barnes County have secured on their notes \$2,500 a piece, to be used by Mr. Townley for political purposes—but there is no money at Bismarck in our wonderful bank for the use of the needy farmers of the state. It's a rotten condition and a crime. The people of this state need a business governor in the executive chair; instead of a figurehead and a tool. That is what we have had for the past four years. A subservient, cringing tool of the great arch conspirator, A. C. Townley, chief sachem of free love and socialism."

Q. Did you write that? A. I did.

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Q. Mr. Paddock: I want to introduce into the record Exhibit 304.

Q. Now, Mr. Trubshaw, I want to show you committee's Exhibit 305, this is a paper published by you on October 23, 1920, and on the front page, I will read "Cathro says our statement is a lie—is it?" "Says no money has been loaned for political purposes. We are handing Mr. Cathro some real facts which seem to have escaped his mind.

"The five notes tell the story.

"The following letter has been received from the \$10,000 a year manager of the Bank of North Dakota—with board and lodging as extras.

Bismarck, N. Dak.,
October 21, 1920.

The Bismarck Tribune,
Bismarck, N. Dak.

Gentlemen: In your issue of October 19th, in your editorial review, "Cut party politics," you quote from the Valley City Times Record as follows:

It's easy to get money from the Bank of North Dakota for political purposes because five Non-Partisan leaders in Barnes County have secured on their notes \$2500.00 a piece, to be used by Mr. Townley for political purposes,—but there is no

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money at Bismarck in our wonderful bank for the use of our needy farmers of the state. It's a rotten condition and a crime.

This is an unqualified lie. No Non-Partisans of Barnes County or any other county have gotten money from the Bank of North Dakota for political purposes on their \$2500.00 notes or any other notes, neither have they gotten money on any other sized notes. There have not now nor at any time been any such notes in the Bank. It is not only a lie, but it is wilful and malicious for the very simple reason that you could have discovered the truth or the falsity of this statement by calling up the Bank of North Dakota over the telephone before publishing such a statement and could have ascertained from the Bank of North Dakota that no money of any kind had been obtained from the Bank of North Dakota for political purposes.

FWC:RRS

Respectfully,
(Signed) F. W. Cathro."

"Mr. Cathro says that no money has been loaned to Non-Partisans of Barnes County or any other county from the Bank of North Dakota for political purposes. Mr. Cathro says that we are a liar, so we are going to prove that in-

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stead of the editor being the liar it is the Manager of the Bank of North Dakota. We had not intended giving the names of these fine men in Barnes County who got money on their notes for political purposes. We are forced to do so by Mr. Cathro's accusation that we lied. They are:

C. H. Noltimier.
John Staube.
George Rasmusson.
George McIntyre.
William Olson.

These notes were given to the Security National Bank of Valley City at the time Mr. Townley came to Barnes County to get money for the Non-Partisan campaign right after the primary election. Many thousands of dollars were taken in and subscribed all over this country at that time, and those five notes were part of the money contributed. The Banks of Valley City, some of them were asked to take these notes, but refused, and finally the Security National Bank of this City after being guaranteed that the \$12,500.00 would be sent from the Bank of North Dakota to be held as

security until these notes were paid and they were in this bank at the time we wrote the editorial referred to and probably are now. When the banks would not take the notes

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the leaguers got in touch with the Bank of North Dakota to get the money and by mistake the wrong phone number was secured at Valley City. And one of our prominent lady citizens got the phone and heard considerable of the conversation from the State Bank and could have gotten the whole works, but she told them at the Bank in Bismarck that they had the wrong number. We can give the lady's name also, if necessary. However, the money was sent to the Security National Bank of this city to guarantee the notes and it was sent at the request of the League leaders and Mr. Cathro knows it only too well. He is deliberately and wilfully trying to deceive the people of this state in these matters. What has been done in Barnes County has been done in other counties of the State no doubt, although we cannot say as to that, but we do know that it was done in Barnes County 'Shoot-it-to-the-other-banks Cathro all you want to, but you can't fool the people. You may call the editor of this paper a liar, but you cannot stop us from telling the truth, neither can your arch conspirator, Mr. Townley, drive us out of business. Why has the Bank of North Dakota loaned millions of dollars of money outside the state at two per cent when you can get four per cent for it in

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the state and more from good farmers if you want to loan it to them, and they are the ones who should get it. Millions of dollars have been lost to the farmers of his state by this reckless placing of public funds at a lower rate of interest than could be secured at home. Why, has Cathro been a tool to this sort of business. Why have not the farmers of this state been allowed to borrow a reasonable sum of money on their own good paper instead of peanut politicians who have been boosting this socialistic propaganda that is going on in North Dakota. Why is it that the Bank of North Dakota, or rather the officials are so afraid to let the people of the State know its condition. Why is it that every effort on the part of the State Auditor to examine this bank is resisted by the officers in charge? Are there a lot more notes for \$25—each held as political collateral backed by the money of the farmers of this state, while the farmers themselves can get no money to tide them over the rough spots? Come on Cathro, tell the people these things. You have asked for information, called the editor a liar, now we are backing up our statements and you cannot back yours because we have the goods on you.

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You cannot deny the fact that on socialism from your political bosses of whom you are their most subservient tool that you sent this \$12,500.00 to the Security National Bank of this city to take care of these five notes. You know that either you or those under you, at the orders of someone higher up there, sent the money, and you know, of course, that these notes were given. If they were not for political purposes will you kindly state to the people of this state why that much money was loaned to five of the most responsible farmers of Barnes County, who would not need to go

outside of Barnes County for money on their notes if it was not for political purposes. Tell the people these things and if we are the liar we say we are, we want to be one of the first newspapers in the state to brand the editor as such. You know we are telling the truth, and you also know that the State Bank in nothing more or less than a political clearing house for the Non-Partisan League. You cannot deny this and be honest, can you? Anybody but a real honest-to-God farmer can get a loan at the Bank of North Dakota if he wants to boost Boycott Townley, Boycott Frazier and his bunch of political pirates including yourself,

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into office, when you undertake to call the editor of this paper a liar, you bit off more than you could chew, didn't you? Did you think that your little typewritten letter was going to throw a cold chill up and down the spine of the editor of the Times Record? You are sadly mistaken if that is what you think. We have the goods on you and your old politically run Bank of North Dakota and you can't shoot-it-to-the-banks and to the league-kept-press but the handwriting of Belshazar on the wall is staring you and your crew of state wreckers in the face, and on November 2 the people are going to say by their vote you have been weighed in the balance and found wanting. If you want any more of this let me hear from you and if you have forgotten about those five notes call up the Security National bank of this city and they will give you the truth and nothing but the truth.

Q. Mr. Trubshaw, that is a statement in your paper of October 23rd, 1920, is it not? A. Yes, sir.

Q. Did you write that? A. Yes.

Q. Now then I want to ask you is it a crime for a member of the Independent Voters Association to borrow money to

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pay dues to the Independent Voters Association? A. I would depend on how it was borrowed.

. If he went to the Bank and borrowed it, would it be a crime? A. Not if he went to a legitimate bank to borrow it.

Q. Do you call the Security National Bank of Valley City a legitimate bank? A. Yes, I do business with them.

Q. And you think it is all right to borrow money for political purposes if you go to a legitimate bank to borrow it? A. So long as you don't take any of my money in the Bank of North Dakota to do it, certainly.

Q. Repeat the question. (question repeated) A. Yes, I do.

Q. Do you think it is all right for a non-partisan to borrow money for the League if he goes to a legitimate bank? A. Yes.

Q. And you consider the Security National Bank of Valley City a legitimate bank? A. Yes.

Q. Now then you state here in your article, "The Banks of Valley City, some of them, were asked to take these notes

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but refused, and finally the Security National Bank of this city, after being guaranteed that the \$12,500 would be sent from the Bank of North Dakota to be held as security until these notes were paid, took the notes, and they were in this

bank at the time we wrote this editorial referred to and probably are now." Mr. Trubshaw, were you in the room this afternoon while Mr. E. L. Fouks was testifying? A. Yes.

Q. You heard his testimony? A. Yes.

Q. After hearing his testimony, and if it is true, your statement just read is false? A. My statement is absolutely correct as I made it. I don't know what you call his.

Q. Reading from your statement, "Bank of Valley City, some of them, were asked to take these notes, and refused, and finally the Security National Bank of this city, after being guaranteed that the \$12,500 would be sent from the Bank of North Dakota to be held as security until these notes were paid, took the notes, and they were in the bank at the time we wrote this editorial referred to, and probably are now" You heard Mr. Fouks testify there was no guarantee of twelve

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thousand five hundred dollars? A. Yes, I did.

Q. And if his statement is correct, your statement is false?

A. My statement is not false, but I do not say his is correct.

Q. I said if it is a fact that his statement is correct? A. His statement may be correct as far as he knows, but my statement is correct as far as I know.

Q. How much do you know? A. Enough to write that statement.

Q. Where did you get your facts to make that statement? A. It was common talk all over town, and I also got it from what I considered good authority.

Q. Who was that? A. Lee Cowell, Chairman of the Board of Directors.

Q. Is that the only information you had upon which to base that statement? A. That is the only information.

Q. Point to this part of your article in your paper, "However, the money was sent to the Security National Bank of this city, to guarantee the notes and it was sent at the re-

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quest of the League leaders and Mr. Cathro knows it only too well." Did you hear Mr. Fouks testimony? A. Yes.

Q. Did you hear him say there had been no deposits made in the Security National Bank after the 29th of March, 1920. A. Yes.

Q. And you heard him testify these notes came into the bank sometime in July? A. Yes.

Q. Now then, if that statement was true, your statement that the money was sent to the Security National Bank of Valley City to guarantee these notes was false, is it? A. No.

Q. Will you please explain? A. Yes, why I got my information from the Chairman of the Board of Directors of that bank, and he said he got it at the meeting.

Q. I am asking you for that information? A. I have answered you.

Q. Answer the question? A. I have answered it.

Q. You have not answered the question? A. I have answered the way I feel like.

Mr. Chairman, Oh, no you don't. You answer the question

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you are asked.

Mr. Paddock:

At this point I wish to ask Mr. Fouks to bring a certified copy of the entire record of deposits of the Bank of North Dakota in your bank. Have a photograph taken of both pages. We will pay for the expense of it. Mr. Fouks: I don't know if we can have that done in our town.

Mr. Paddock: Haven't you a photographer there?

Mr. Fouks: Yes, but I don't know if he can do that kind of work.

Mr. Paddock: Also bring the original debit and credit record of the entire account with the deposit on the Bank of North Dakota in the Security National Bank.

Mr. Fouks: Say that again.

Mr. Paddock: Bring the original debit and credit slips of the deposit account of the Bank of North Dakota with the Security National Bank.

Mr. P. The original credit and deposit slips of the loans represented by these C-D's and those six notes.

Mr. Fouks: All right.

Mr. Paddock:

Q. Now, Mr. Trubshaw, I will ask to have the last question repeated, will you repeat the question, please, Mrs. Stone?

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Q. (As repeated) Now then if his statement was true, your statement that the money was sent to the Security National Bank of Valley City, to guarantee the notes, was false, is it? A. My statement is not false.

Q. The question is based on the assumption that if his statement was true, yours disagrees entirely with his? A. Yes.

Q. And if his statement is true, and yours disagrees, then yours must be untrue? A.No, I would not put it that way. I would not say it that way. I do not think his evidence is any better than mine.

Q. What have you to book your evidence? A. The statement from the Chairman of the Board of Directors of the Security National Bank—he told me that it was true—that it was so.

Q. Then if you had told all you know you would have stated that the Chairman of the Board of Directors stated that the money was sent to guarantee these six notes? A. I suppose I could have said it that way.

Q. Then you were stating here something that, of your own personal knowledge you did not know? A. Yes.

Q. If the information given you was not correct then your statement was not correct? A. It must have been.

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Q. Then if the testimony of Mr. Fouks is correct your statement was incorrect? A. I will admit that I will not admit my statement was incorrect.

Q. Mr. Trubshaw, I have here an instrument marked "301" that Mr. Fouks states is a true and correct copy of the account between the Bank of North Dakota and the Security National Bank of Valley City, directing your attention to the

part that relates to the deposit in the Security National Bank of Valley City, I will ask you to show me a single deposit exceeding one hundred dollars after the 19th of March, 1920, up to the 29th day of January, 1921. A. There are none on that list.

Q. And if his statement is correct, that is if this is a true and correct statement, then your staemen is incorrec? A. No, Mr. Fouks stated that he did not know what agreement was made between Mr. Grady and the persons who gave the notes

Q. I did not ask about the agreement. I asked you about the deposits. A. I said there is none other there, exceeding one hundred dollars, but I do not know what that thousand was put there for.

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A. It was put there March 20th.

Q. And your paper was dated October 23rd? A. Yes.

Q. And you heard the testimony that the notes were dated July 12th? A. Yes.

Q. Is that correct? A. Yes.

Q. And that money was there, if this statement is correct, about four months before the notes ever came into the Security National Bank of Valley City, is that correct? A. According to your evidence, yes.

Q. Is it your custom to publish charges that you know them to be true, when you have not seen the evidence—that you know the condition to be true, when you have not seen the evidence? A. It is my custom, as a newspaper man that when I get hold of a story, to publish it as true.

Q. You stated it was true? A. That was the way I thought of it at the time and I still think it is true.

Q. You still think it is true? A. Yes.

Q. What other evidence do you want? A. I would like Mr. Grady to go on the stand and be cross examined.

Q. Would Mr. Grady's words or the records of the bank be the best evidence? A. Mr. Grady's evidence should be.

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Q. I asked you which would be—which would be the best evidence. Mr. Grady's evidence or the records of the bank? A. I would say Mr. Grady's evidence would be in this case.

Q. You think that bank keeps an incorrect record? A. No, I do business with that bank. I think it is a good bank.

Q. Do you think that their records would be kept correctly? A. In the main.

Q. What do you mean by "in the main"? A. Well you know politics cover a multitude of sins.

Q. Don't you know that it is a felony against the United States to make a false entries in the national banks, in a national bank? A. I do not know. I assume it is. I am not a lawyer.

Q. You think on account of politics they were making false entries? A. I do not say "false entries but I think ther was an agreement, even if it was put into the bank months before.

Q. Do you call money agreement? A. No.

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Q. I now want to ask you about your statement "However, the money was sent down to the Security National Bank of this city to guarantee these notes" how do you know that?

A. I was told.

Q. Why did you not say that? A. I did not feel like it.

Q. You took a chance on making a false statement in this newspaper? A. Yes, they had a chance to get me, and they have yet.

Q. You think it is all right to hold up a man to the public as a liar? A. He said I was a liar, and I thought I would protect myself.

Q. By calling him a liar. Well your statement "It is easy to get money from the Bank of North Dakota, for political purposes, because five non partisan leaders in Barnes county have secured on their notes \$2,500 apiece to be used by Mr. Townley for political purposes—but there is not money at Bismarck in our wonderful bank for the use of needy farmers of the state. It is a rotten condition and a crime." What did you mean by that? A. I mean they had gotten that money, or enough was gotten, from the Bank of North Dakota, to protect these notes until paid.

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Q. And if Mr. Fouks statement is correct then that statement is false? A. I do not deem it is correct, and mine I know is not false.

Q. It is pretty hard to get enough evidence to satisfy you? A. From some people.

Q. And from some Books? A. Yes it would.

Q. But here is a sworn statement of the records of the Security National Bank of Valley City as of that date, do you doubt that? A. I don't doubt these figures. I have said that before.

Q. Then if you do not doubt these figures you must feel that you have done Mr. Cathro an injustice? A. No I do not feel anything of the kind.

Q. Do you think anything could be an injustice to a man—any man? A. Yes, I think Mr. Cathro's statement when he said I lied was an injustice and he is no better than I am.

Q. What evidence have you that any money was sent? A. Just what I have stated, that Mr. Cowell said it had—it was all hearsay with me.

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Q. You published a statement in your paper that he was a liar? A. He charged me first.

Q. Yes, but the evidence thus far enduced from Mr. Fouks shows that he was right and you were wrong? A. You may say that but I will say this: If I get another story in the same way I would publish it in the same way.

Q. Yes, I think so—I do not doubt it for the minute. A. I don't want you to think I am that kind of a man.

Q. If you could get any kind of a story against the Non Partisan league you would write it, wouldn't you? A. No, I have a lot of good friends in the Non Partisan League. I think in some respects it is a pretty good league. I don't think it's so bad.

Q. Why that is the best thing you have said today. A. (Laughs).

Senator Liederbach: I want to ask you a few questions. Did I hear you say that if you made a false statement, we had an opportunity to get back at you? A. Yes.

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Q. What is your financial worth? A. I don't know, but my bills are all paid one hundred cents on the dollar, and I have issued no post dated checks either.

Q. Are you execution proof? A. Yes, and I want you to know I don't issue any postdated checks either.

Q. I would hate to have any? A. Well, I'll tell you—if you got any, Mr. Fouks would be mighty glad to cash them for you.

Q. I don't know about that? A. I do.

Mr. Paddock:

Q. I notice that you say in your article that "by mistake the wrong phone number was secured in Valley City and one of our prominent lady citizens got to the phone and heard considerable of the conversation from the state bank and could have gotten the whole works but she told them at the Bank of Bismarck, they have gotten the wrong number." Who was this lady? What was her name. A. I could not give you that, that was a stretch of imagination.

Q. That was false? A. I was told the name could be

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given, and when I asked for it they refused to give it to me. That was simply rumor.

Q. That was what you call newspaper privileges? A. Yes.

Q. And that privilege is stretched a long way? A. It was not stretched in my case. I was told the name could be given and when I asked for it they refused to tell. They refused to give me the name.

Q. Is there anything else here that is newspaper privilege—you think you are a good judge? A. I think my paper is a good judge. You read it.

Q. There are not any more statements in this article here that you can give the information you say you can? A. I can furnish you more if you want it.

Q. I don't think anybody would care to see any more of it? A. I will probably have more of it tomorrow that they will like down our way.

Q. Some people like falsehoods? A. Yes, I think it agrees with you all right. A. Yes, it tickles me.

Upon the motion of Senator Church, seconded by Senator Liederbach, adjournment was taken until 4 o'clock, p. m. Thursday, February 24, 1921.

Committee stands adjourned.

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February 24, 1921.

Meeting called to order at 3 o'clock PM. by the Chairman, all members of the committee being present, together with reporter, Laura D. Stone, and attorneys Mr. Sinkler and Mr. H. A. Paddock.

Chairman: Will the Secretary please read the minutes of the previous meeting?

Secretary reads minutes of previous meeting.

Senator Ployhar: I move that the minutes as read be approved.

Senator Murphy: I second the motion.

Upon roll call, all members present voted aye, and the same were approved.

Mr. J. N. Hagan, having been called as a witness, was duly sworn, and testified as follows:

EXAMINATION BY MR. PADDOCK.

Q. Mr. Hagan what is your full name? A. John N. Hagan.

Q. Where do you reside? A. Bismarck, N. D.

Q. What is your business? A. Commissioner of Agriculture and Labor.

Y. And are you a farmer? A. Yes.

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Q. I believe you testified before the House Audit Committee this morning? A. Yes, sir.

Q. And in testifying you were requested to furnish information concerning transactions of the Industrial Commission with reference to publications of a series of articles in the press of the state by the Industrial Commission? A. I was.

Q. And you were unable to give a great deal of information concerning it? A. Not very much information.

Q. What was the reason for that? A. Because the work of arranging and having these publications was left to the Secretary of the Industrial Commission, delegated to him.

Q. There were some letters produced to you there and handed to you for your examination? Was there not? A. Yes, there was.

Q. Do you know whether or not you had ever seen any of them before? A. I hadn't seen them before.

Q. You had no opportunity to examine them before? A. No.

Q. And, therefore, was not able to give much informa-

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tion concerning them? A. I was not able to give much information concerning the correspondence.

Q. Do you know who could? A. The Secretary of the Industrial Commission could have been able, and could.

Q. Did you offer to refer the matter to the records? A. Yes.

Q. And you were also examined concerning whether or not payment was being made to the reporters by the Industrial Commission, taking the testimony in the Senate investigation? A. Yes.

Q. Did you have any definite information about that? A. No, I did not. And I refused to give my opinion on the matter, because the records would be the best evidence.

Q. What records would be? A. The record of whether the Industrial Commission had authorized the payment of the help in the Senate investigating committee.

Q. Showing you this instrument, marked Committee Exhibit 306 LDS, I will ask you if that is the same number of letters and copies which were introduced in the House as Committee's Exhibit 108 CCW, four pages, is it not? A.

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I think so.

Q. Don't you know, can't you tell by looking at it? A. It is their mark on it and I think it is the same ones.

Q. Showing you Exhibit marked 307 LDS, I will ask you whether or not that is the same letters and copies as introduced at the House Committee hearing as Exhibit IIICCW, four pages? A. I think it is.

Q. Showing you this instrument marked 308 LDS, I will ask you whether that is the same letters and copies introduced in the House Committee as Exhibit 112 CCW, two pages? A. It is.

Q. Showing you this instrument marked Committee's Exhibit 309 LDS, I will ask you whether or not that is the same letters and copies that were introduced in the House as Exhibit 109 CCW, five pages? A. It is.

Q. Showing you this instrument marked Exhibit 310 LDS, I will ask you whether or not that is the same instrument in the House Committee hearing as Exhibit 110 CCW? A. Yes, it is.

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Q. I show you this instrument marked Exhibit 311, LDS, and will ask you whether or not they are the same letters and copies of letters which were introduced at the House Committee hearing this morning and marked as Exhibit 113 CCW, three pages? A. It is.

Q. But you were unable to identify any of these from your own knowledge in the House Auditing Committee because you had not seen them before? A. Yes.

Mr. Paddock: Wish to offer in evidence, Exhibits 306 to 311, inclusive. Are they accepted?

Mr. Chairman: Accepted.

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"EXHIBIT 306" LDS

Written on letterhead of the

Industrial Commission,
Bismarck, N. D.

Feb. 8th, 1921.

Dear Sir: Enclosed please find copy for page ad for the Industrial Commission of North Dakota to run in this week's Feb. Paper.

Send bill attached to checking copy for your paper by first class mail to the Greve Advertising Agency, 616 Hamm Building, St. Paul, Minnesota, and check for this advertising will be promptly sent.

The Greve Advertising Agency is sending you a formal order for this advertising from their office today and we are sending a copy direct to you, in order to be sure of getting it in this week's issue.

Several more page ads will follow.

Very truly yours,
The Industrial Commission of
North Dakota.

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February 8th, 1921.

Greve Advertising Agency,
616 Hamm Bldg.
St. Paul, Minn.

Gentlemen: Please find orders to the following publications for a page advertisement to run in this week's issue:

McLean County Independent, Garrison, N. D.
 Hazen Star, Hazen, N. D.
 News, Mandan, N. D.
 Sun, Stanley, N. D.
 Record, Petersburg, N. D.
 Republican, Center, N. D.
 Pioneer Express, Pembina, N. D.
 Tribune, Rugby, N. D.
 Journal, Devils Lake, N. D.
 Independent, Enderlin, N. D.
 Farmers Press, Renville, N. D.
 Comet, Burnstad, N. D.
 Farmers Press, Rugby, N. D.
 Renville Co. Farmers Press, Mohall, N. D.
 Richland Co. Farmer, Wahpeton, N. D.
 Recorder-Post, Dickinson, N. D.
 Record, Cando, N. D.
 News, Hillsboro, N. D.
 Ward Co. Farmers Pres, Minot, N. D.
 Citizen, Valley City.
 Pioneer, Mandan, N. D.
 Staats Anzeiger, Bismarck, N. D.
 Globe Gazette, Wahpeton, N. D.
 Peoples Opinion, Valley City.
 Farmers Press, Minnewaukan.
 Pioneer, Fryberg.
 Courant, Bottineau.
 Farmers Leader, Bowman.
 Tribune, Bowbells.
 Farmers Labor State Record, Bismarck.
 Forum, Fargo.
 Republican, Langdon.
 Leader, Ellendale.
 Farmers Press, Crosby.
 Farmers Journal, Dunn Center.
 Farmers Provost, New Rockford.
 Record, Linton.
 Independent, Carrington.
 Advance, Beach.
 Herald, Grand Forks.
 Press, Carson.

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Sentinel Courier, Cooperstown.
 Pioneer Press, Mott.
 Farmers Press, Steele.
 Mail, Edgeley.
 Homestead, Napoleon.
 Mouse River Farmers Press, Towner.
 Tribune, Ashley.
 McKenzie Co. Farmer, Arnegard.
 Record, Carrington.
 Golden Valley Sun, Beach.
 Grant Co. Leader, Carson.
 News, Hankinson.
 Enterprise, Hannaford.
 Tribune, Bismarck.
 Normanden, Grand Forks.
 Herald, Grand Forks.
 News, Leeds.
 Farmers Press, Park River.
 Peoples Press, Mayville.

Tribune, Mayville.
 Gazette, Bisbee.
 Pioneer, Hope.
 Times, Belfield.
 Selfridge Journal, Selfridge.
 Citizen, Goodrich.
 Independent News, Forman.
 Times, Oakes.
 Turtle Mountain Star, Rolla.
 Free Press, Lisbon.
 Chronicle, Cavalier.
 Herald News, Edmore.
 Observer, Lakota.
 American, Lakota.
 Republican, Scranton.
 Leader, Washburn.
 Guide, Watford City.
 LaMoure Chronicle, LaMoure.
 Herald, Killdeer.
 Williams Co. Press, Williston.
 Free Press, Fessenden.
 Independent, Minot.
 News & Times, Grafton.
 Banner, Hillsboro.
 Herald, Cando.
 Alert, Jamestown.
 Farmers Press, Finley.
 Press, Dickinson.

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Feb. 8th, 1921.

Farmers Press, Amidon.
 Sioux Co. Pioneer, Fort Yates.
 Gazette, McClusky.
 Enterprise, Cogswell.
 Record, Rolette.
 Adams Co. Record, Hettinger.
 Independent, Onabrock.
 Farmers Sentinel, Forbes.
 Courier News, Fargo.
 Enterprise, Sanborn.

Copy for this advertisement is being sent direct from Bismarck, N. D. and we have instructed the various publications to send checking copy and bill direct to you for payment.

Yours very truly,
 The Industrial Commission of
 North Dakota.

 Secretary.

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"EXHIBIT 307". LDS

Feb. 19, 1920.

Publishers National Service Bureau
 Fargo, N. D.

Gentlemen: Copy accompanies this for a page ad to be run in the very first issue consistent with possibility in the accompanying list of newspapers. It is understood, by you, of course that those newspapers which have not yet run previous copy are to make this succeed the very next week the copy they have on hand.

Please accept this as an order from the Industrial Commission, subject, however, to cancellation for each and all of the papers at any time prior to publication on order from the Industrial Commission.

I am today instructing the Western Newspaper Union, Fargo, to obtain copy from you, set up and make stereotype plates enough to supply the papers for which we are enclosing run orders.

Please observe, however, that the Commission dislikes the form of set-up obtained last week. Three columns even to a six column paper are too wide to be read easily when set as small as brevier. Set in measure that will provide at least four columns, with white space, instead of rules in between.

Yours very truly,
Acting for the Industrial C.

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ENC.*—Service Bureau Fargo.
McLean County Independent, Garrison, N. D.
Hazen Star, Hazen, N. D.
News, Mandan, N. D.
Sun, Stanley, N. D.
The Republican, Center, N. D.
The Independent, Enderlin, N. D.
Farmers Press, Renville, N. D.
Renville Co. Farmers Press, Mohall, N. D.
Richland Co. Farmers, Wahepton, N. D.
Recorder Post, Dickinson, N. D.
The Record, Cando, N. D.
The News, Hillsboro, N. D.
Ward County Farmers Press, Minot, N. D.
The Staats-Anzeiger, Bismarck, N. D.
The Peoples Opinion, Valley City, N. D.
The Farmers Press, Minnewaukan, N. D.
The Pioneer, Fryburg, N. D.
The Courant, Bottineau, N. D.
The Farmers Leader, Bowman, N. D.
The Tribune, Bowbells, N. D.
Farmer Labor State Record, Bismarck, N. D.
The Farmers Press, Crosby, N. D.
Farmers Journal, Dunn Center, N. D.
Farmers Provost, New Rockford, N. D.
Sentinel Courier, Cooperstown, N. D.
The Pioneer Press, Mott, N. D.
Farmers Press, Steele, N. D.
The Mail, Edgely, N. D.
Mouse River Farmers Press, Towner, N. D.
The Tribune, Ashley, N. D.
McKenzie County Farmer, Arnegard, N. D.
The Record, Carrington, N. D.
Golden Valley Progress, Beach, N. D.
Grant County Leader, Carson, N. D.
The Farmers Press, Park River, N. D.
The Peoples' Press, Mayville, N. D.
The Chronicle, Cavalier, N. D.
The Observer, Lakota, N. D.
Williams County Press, Williston, N. D.
The Free Press, Fessenden, N. D.
Farmers Press, Finley, N. D.

Farmers Press, Amidon, N. D.
The Gazette, McClusky, N. D.

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ENC. 2.
Adams County Record, Hettinger, N. D.
The Farmers Sentinel, Forbes, N. D.
The Courier News, Fargo, N. D.
The German Leader, Fargo, N. D.
North Dakota Leader, Fargo, N. D.
Devils Lake World, Devils Lake, N. D.
Cavalier County Farmers Press, Langdon, N. D.

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NORTH DAKOTA LEADER

Fargo, N. Dak.
Feb. 19, 1921

Mr. H. A. Paddock,
Secretary of Industrial Commission,
Bismarck, N. D.

Dear Mr. Paddock:

Enclosed find bill for advertising in the Volksregierung. Inasmuch as we are greatly in need of funds would like to have a cashable check for this amount by return mail. That is, do this or have it done, if it is not asking too much,

With best wishes,
Yours,

North Dakota Leader & Volksregierung.
E. R. Meitzen, Manager.

ERM:ET

(Stamp)

Received
Feb. 19, 1921,
By the Ind. Comm. of No. Dak.
Answered

VOLKSREGIERUNG

Fargo, N. D.

N. D. Industrial Commission, February 19, 1921.
Bismarck, North Dakota,
Feb. 19, 1 page advertising \$160.00
(Including translation)

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Exhibit 308 LDS.
Exhibit 112 ccw;

Lemke
February 4th, 1921
Publishers National Service Bureau,
Fargo, N. D.
Gentlemen:

Can you give me the prices for a half page, a quarter page and a full page of space in the weekly issues of all the papers to whom you furnish service. The matter to be printed in said papers space to be furnished by me.

Kindly give me a list of the paper with which you correspond in each county. It is my understanding that in many counties the paper, which which you correspond is neither the official paper nor the paper largest in circulation, so kindly furnish me with the name and address of the

other papers in the counties where your paper is not the official paper or where it is not the paper of the largest circulation.

If this matter is closed, it will mean a considerable amount of advertising revenue for the papers with which you correspond and it seems to me they ought to make us a very low price in view of the size of the order.

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EXHIBIT 308 continued

Kindly let me hear from you at your earliest convenience.

Very Truly Yours,

HAP:M

Secretary of the Commission.

PUBLISHERS NATIONAL SERVICE BUREAU

FARGO, NORTH DAKOTA

H. A. Paddock, Secretary,

Feb. 6, 1921.

Industrial Commission,

Bismarck, N. D.

Dear Sir:

This will acknowledge receipt of your letter of the 4th inst., relative to advertising rates in the weekly newspapers of this state.

We are direct agents for fifty farmer owned weekly newspapers, one in each county, and quote you a rate of 29c. per column inch for display in each. If your order were placed including the entire fifty, the rate would be \$14.50 per column inch to cover the whole fifty newspapers.

We take from your letter that you desire only to use the sation? A. I may have heard a conversation to that effect.

Q. Reading from line 12, same page: "Q. You know that official newspapers. Of our list, thirty-two are official, and the rate above given for the entire list will be applicable to these, namely, 29c per column inch per paper. That is 29c multiplied by 32, or \$9.28 per column inch, display, for the

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Exhibit 308 continued

32 official newspapers.

We will be glad to accept your order for advertising in any newspaper in this state, regardless of its political affiliations or its position as official or unofficial newspaper. On receipt of list of selected newspapers from you, we shall be pleased to quote you advertising rates, either upon separate publications or upon an entire list.

Our service as advertising agents includes furnishing the copy, with instructions, to the publishers, securing and placing before you proof of publication, and assuring your advertising the preferential position and treatment which we are able, because of our position, to assure to our customers.

The rate quoted above may be regarded as preferential, as there are not cash to us. We do not believe you can secure as low a rate dealing direct with the newspapers, and you will find the usual trouble as to placing of copy and other service items, in addition to the higher rate you will pay.

We submit the following figures to show cost to you on page, 1-2 page and 1-4 page spaces in our fifty newspapers:

1 page, or 120 inches, in 50 newspapers, 1 pub.	\$1,740.00
1-2 page, or 60 inches, in 50 newspapers, 1 pub.	\$870.00
1-4 page, or 30 inches, in 50 newspapers, 1 pub.	\$435.00

Publishers National Service Bureau,

By P. L. Aarhus, Manager.

FRIDAY, MARCH 4, 1921

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Lemke Exhibit 309 LDS
February 19th, 1921
Mr. Aarhus,
Publishers Nat'l Service Bureau,
Fargo, N. D.

Dear Sir:

Enclosed find copy of letter in response to request from Mr. Meitzen for warrant.

Would suggest that when you submit vouchers, submit therewith proofs of each paper covered by the voucher.

Yours very truly,
H. A. Paddock.

HAP:M
Encl.

Secretary of the Commission.
NORTH DAKOTA LEADER
Fargo, N. Dak.
Feb. 22, 1921,

Mr. H. A. Paddock,
Secretary of the Commission
The Industrial Commission,
Bismarck, N. D.

Dear Mr. Paddock:

Replying to yours of the 19th will say that owing to a

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mix-up between this office and the Minneapolis office we are not sure about the rate so we have written them since and find that instead of the 85c rate it was 70c. Accordingly we are making a new bill as per instructions to the Publishers National Service Bureau who will take up the matter with you direct.

Thanking you for a prompt reply to our former letter and with best wishes,

Yours,
North Dakota Leader.
E. R. Meitze, Mgr.

ERM:ET

Stamp
Received
Feb. 23, 1921.
By Ind. Comm. of N. Dak.
Answered

LEMKE

February 19th, 1921
Mr. E. R. Meitzen,
North Dakota Leader,
Fargo, N. D.

Dear Sir:

Your favor of the 18th arrived today. We find by our

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records that orders for publication in the Volksregierung were furnished to the Publishers National Service Bureau, and that we are responsible to them for the bill.

I am enclosing some vouchers to the Publishers National Service Bureau today, together with a copy of this letter. Would suggest that you furnish them with the proof of the publication in the Volkseregierung, then if they will prepare the vouchers in duplicate and forward them to this office, we shall be glad to have a warrant issued for the amount of the claim.

However, although I have not had an opportunity to investigate the matter, it strikes me that the charge is rather unreasonable in amount.

Kindly take this matter up with Mr. Aarhus. Have Mr. Aarhus furnish me with a certified statement as to the circulaion of the Volkeregierung, the space and rate advertised by it.

Very truly yours,

H. A. Paddock,

Secretary of the Commission

HAP:M

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Exhibit 310 LDS

Feb. 19, 1920.

Western Newspaper Union,

Fargo, N. D.

Attention Mr. De Haven;

Dear Sir:

This day we are forwarding to the Publishers National Service Bureau copy for a page ad to be run in a list of 50 newspapers in the state. Will you obtain a copy, have it set up, and 50 plates made and forwarded to the newspapers along the line of the arrangement we made with you last week. The Service Bureau had the list of papers with our order. It is understood the composition and plate casting will cost us \$165 for the Service Bureau list of 50.

In turn we also are sending to the Greve Agency in St. Paul a list of newspapers. This list runs about 45. You will cast plates for that list, get in touch with the Greve agency for a direct order, and bill the cost to them. It is understood you will forward these plates for the Greve Agency also.

Yours very truly,

Acting for the Industrial Commission.

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EXHIBIT 311 LDS.

THE INDUSTRIAL COMMISSION, OF NORTH DAKOTA
BISMARCK, NORTH DAKOTA

Duplicate

Feb. 14, 1920.

Publishers National Service Bureau.

Fargo, N. D.

Gentlemen:

Copy accompanies this for a page ad to be run in the very first issue consistent with possibility in the accompanying list of newspapers. Please accept this as an order in behalf of the Industrial Commission, for publication of the page ad in these newspapers, subject, however, to cancellation of this order for each or all of these papers on order from the Industrial Commission at any time prior to publication.

If acceptable please inform us at once.

We trust you will have this ad set up and stereotyped so you will save us composition expense. We have your quotation of 29 cents an inch per newspaper. Where the minimum rate for any newspaper is less than 29 cents we expect to pay the minimum.

I shall confer with you tomorrow over the telephone re-

garding further details of stereotyping which it may be necessary for me to outline.

Yours very truly,
Acting for the Industrial Commission.

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Exhibit 311 continued .

(ENC)

Newspapers in which the Publishers National Service Bureau will run one page ad. subject to cancellation of each or all papers by the Industrial Commission.

McLean County Independent, Garrison, N. D.
Hazen Star, Hazen, N. D.
News, Mandan, N. D.
Sun, Stanley, N. D.
The Republican, Center, N. D.
The Independent, Enderlin, N. D.
Farmers Press, Renville, N. D.
Renville Co. Farmers Press, Mohall, N. D.
Richland Co. Farmer, Wahpeton, N. D.
Recorder Post, Dickinson, N. D.
The Record, Cando, N. D.
The News, Hillsboro, N. D.
The Ward Co. Farmers Press, Minot, N. D.
The State Anzeiger, Bismarck, N. D.
The Peoples Opinion, Valley City, N. D.
The Farmers Press, Minnewaukan, N. D.
The Pioneer, Fryburg, N. D.
The Courant, Bottineau, N. D.
The Farmers Leader, Bowman, N. D.
The Tribune, Bowbells, N. D.
The Farmer Labor State Record, Bismarck, N. D.
The Farmers Press, Crosby, N. D.

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The Farmers Journal, Dunn Center, N. D.
The Farmers Provost, New Rockford, N. D.
The Sentinel Courier, Cooperstown, N. D.
The Pioneer Press, Mott, N. D.
The Farmers Press, Steele, N. D.
The Mail, Edgely, N. D.
Mouse River Farmers Press, Towner, N. D.
The Tribune, Ashley, N. D.
McKenzie County Farmer, Arnegard, N. D.
The Record, Carrington, N. D.
Golden Valley Progress, Beach, N. D.
The Farmers Press, Park River, N. D.
Grant County Leader, Carson, N. D.
The Peoples' Press, Mayville, N. D.
The Chronicle, Cavalier, N. D.
The Observer, Lakota, N. D.
Williams County Press, Williston, N. D.
The Free Press, Fessenden, N. D.
Farmers Press, Finley, N. D.
Farmers Press, Amidon, N. D.
The Gazette, McClusky, N. D.
The Farmers Sentinel, Forbes, N. D.
Adams County Record, Hettinger, N. D.
The Courier News, Fargo, N. D.

The German Leader, Fargo, N. D.
 The North Dakota Leader, Fargo, N. D.
 The Devils Lake World, Devils Lake, N. D.
 The Cavalier County Farmers Press, Langdon, N. D.

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Q. Mr. Hagan can you explain to the Senate Auditing Committee why you should not have seen all these letters in the exhibits just introduced? A. It would be impossible for me as a member of the Industrial Commission to know all the details in the correspondence of any particular thing in any of the industries, unless I had taken particular notice to look up that particular thing, it would be impossible.

Q. Mr. Hagan, show you page 128 of the Minute Book of the Industrial Commission of North Dakota, of meeting of February 4th, 1921, and I will ask you whether or not that is the minutes which were read in the House Committee hearing this morning concerning the advertising being done by the Industrial Commission? A. Yes, it is.

Q. Mr. Hagan, have these minutes or records ever been a secret from the House Audit Committee, that you know of? A. No, not to my knowledge.

Q. Is it a fact, that you have ordered the employees of the different industries to exhibit the records to any employee of the House Auditing Committee? A. Yes, I have.

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Q. And so far you know they have never refused to exhibit the records? A. Nothing has ever come to my attention.

Q. So this resolution was not a secret? A. No.

Q. So the matter that the advertising was being done under the authority of the Industrial Commission is not a secret? A. No.

Q. As a matter of fact, is it not true that the ads carrying the name of the Industrial Commission of North Dakota? A. Yes.

Q. And their name in most of the ads ran clear across the bottom of a full page ad? A. Yes.

Q. So then there was no secret that the Industrial Commission was paying for that advertisement? A. No.

Q. Have you any idea what the purpose of the House Audit Committee was in placing you upon the stand, who knows so little about this matter, when there was in the courtroom at the time, or in the committee room at the time, or in the committee room at the time, the Secretary of the Commission, who had produced the records and knew about the matter? A. I do not know why they wanted me.

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Q. You have no idea of why they wanted you? A. No.

Q. Is it not possible that the purpose of the House Committee was endeavoring to show the Industrial Commission tried to conceal the fact that we were paying for this advertisement? A. It may have been that. From the questions asked, one would be led to believe so.

Q. Now, Mr. Hagan, turning to Page 135 of the minutes of the Industrial Commission, in the minutes of the meeting of February 18, 1921, I will ask you to read from the bottom of Page 135 to the top of Page 136. A. "Moved by Mr. Lemke seconded and upon roll call unanimously carried, that the employment of two court reporters to report the doings of

the House and Senate investigating committees be hereby ratified, and that the Secretary be instructed to approve vouchers submitted for the payment of their compensation and expense. The motion was declared carried. Thereupon, the meeting duly adjourned."

Mr. Paddock: It may be understood, gentlemen of the committee, that these resolutions just read, may be put into the record, as well as the minutes of February 4, appearing on Page 128, which were read into the records of the House

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committee this morning. It's the resolution authorizing the advertising campaign.

Senator Ployhar: I want to say this, I do not know what line you are following here at the present time, but I have absolutely no knowledge of any evidence submitted to the House committee, and I do not see why you gentlemen bring witnesses here to contradict any evidence that was submitted to the House committee, because this committee is not going to act upon the House Committee's report. We are going to render a separate report.

Mr. Sinkler: From day to day, we are offering and producing in the record, the records offered before the House Committee and we expect to offer in evidence the entire record shown before the House Committee.

Senator Ployhar: I have never been in the courthouse, or attended a single meeting there yet, and I do not know your purpose is.

Mr. Paddock: The question is being raised as to what this advertisement is being paid with, and we feel it is your privilege to know what the circumstances are.

Senator Ployhar: There has been no question raised before this committee.

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Senator Murphy: It appears to us that the House is furnishing the testimony and the Senate is furnishing the rebuttal.

Senator Liederbach: I think it is a good thing to have the Senate do that. If the House is bringing out a lot of propaganda stuff, I think it is proper for the Senate to show what it is and shut it off. We do not want to sanction the propaganda stuff brought out and let it go out to the world un rebutted.

Mr. Sinkler: If we present in evidence all of the testimony that is produced by the House committee and in addition thereto all the explanation that may be offered with respect to that testimony, so that this committee not only will have the testimony that the House committee had, but in addition thereto will have a full knowledge of the explanation that can be made with respect to that testimony, it seems to me this committee will be in a better position to give a report than the House, which has not as full knowledge as this committee. This morning there was an attempt made to explain certain things, and the attempt was refused. And the same thing happened yesterday, and the witness was required

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to answer the question, and when they want to put in some explanations they are interrupted and cannot make their explanations with respect to the offer of testimony adduced before the House, and the explanations are offered here so the committee will have full knowledge, and so there will be nothing kept back and this testimony will all be offered in evidence. I have sought to introduce into the record each day the testimony put in before the House. This will all be offered here before we have finished.

Senator Ployhar: I did not even know that Hagen was on the stand today.

Mr. Sinkler: Well, the very first questions asked were did he testify before the House committee today, and the answer was yes.

Mr. Paddock: The resolution of February 4, 1921, reads as follows, does it not:

(This resolution has already been incorporated in the record and is found on Page 489),

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H. A. Paddock, having been called as a witness, was duly sworn to tell the truth the whole truth, and nothing but the truth, and testified as follows:

EXAMINATION BY MR. SINKLER:

Q. You are the Secretary of the Industrial Commission, are you not. A. Yes.

Q. How long have you been secretary of the Industrial Commission? A. January 5th or 6th, 1921.

Q. And as such secretary of the Industrial Commission have you in your charge the various records, as kept by the commission, or some of them? A. I have in my charge in my office, the various correspondence, and that comes directly before the Commission before we pass them.

Q. Were you at the courthouse today or at the House Auditing Committee, were you not, and present while some of the witnesses were testifying. A. I was present while some of the witnesses were testifying.

Q. And were you not the person who brought before the House Committee the various records concerning the various contracts, of the advertising campaign that has been instituted by the Industrial Commission?

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ed by the Industrial Commission? A. I was the person who brought the minute book of the Industrial Commission and the instruments referred to in the House Committee on Exhibits 113, 110, 109, 112, 111, and 108 upon which Mr. Hagan was questioned.

Q. And you were the person who carried on that correspondence, were you not? A. I carried on a part, a part was carried on by the others.

Q. Under what authority did you carry on the correspondence? A. Under the authority of the Industrial Commission given us in the minutes just read.

Q. Under the authority in the resolution which was read by Mr. Hagan; however, there is another resolution later on approving the action which I had taken with reference to employing a man and the first advertising that was done.

Q. Mr. Paddock, are you able to refer to the statutes wherein the powers of the Industrial Commission were, with respect to this particular matter, is set forth? A. I think I can.

Q. Will you refer to it and read into the record the statute defining the power of the Industrial Commission upon that matter? A. Mr. Counsel, that's a very long statute.

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Q. I only want you to read portions from it. If you will mark a certain portion of that statute that you deem pertinent to the inquiry? A. I have marked one, but I can select the others very readily.

Q. Select them and read them? A. From Chapter 151 of the Session Laws of 1919, under Section 1, is as follows:

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Q. Now, Mr. Paddock, do you know why it was necessary to introduce this resolution as it read, for the purpose of procuring advertising throughout the state of North Dakota? A. May I answer that generally?

Q. Yes make a full and complete statement in any manner in which you desire to make such statement. A. In conducting any business, whether it be bank, mill, home building, running an electric light plant, meat packing plant, oil business or railroad business, it has come to be recognized that a certain amount of advertisement of the facts about the business is a part of the necessary expense to be figured in operating a successful business, this may be illustrated by the advertising campaign being made, most of the time by the Standard Oil Company, Swift, Armour, the Northern States Powers Company, the Montana Power Company, and the Steel Corporations. Their purpose in running such advertisement is not so much directly to bring business, it is to present their business before the public, in the manner in which they consider it. In other words, to protect their business against attack. For illustration, frequently, when the packing trust is under investigation they spend vast

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sums of money in advertising what they consider their side of the case. Here in North Dakota by law, there has been created the several industries and the Industrial Commission has been charged with operating them from the very day of their creation, and they have been attacked perhaps more viciously than any other business of which I know. These attacks have taken the shape of publication of half truths, deliberate falsehoods, misleading press reports, and vast amount of information, since the House Investigating Committee started there has been a great deal of that publicity. In fact, there are certain papers, or rather I will say there are a large number of papers that seem to be endeavoring to construe evidence taken before the House and Senate Committees in a manner which is misleading to one who is not closely acquainted with what takes place in these committees. If the Industrial Commission were to make no attempt to get the real information before the taxpayers of the state they would be derelict in their duty as trustees charged with operating the state industries, and for that reason, I believe, the Industrial Commission adopted the resolution after having been advised by the Attorney Counsel of the State

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whose duty it is to advise the officers of the state that they were operating within the provisions of the law.

Q. Now, after this resolution was passed, what action was taken to get these advertisements before the people of the State of North Dakota, Mr. Paddock? A. A man was employed to take charge of it, and an endeavor was made to send the advertisement to a large number of weekly papers and some daily papers in North Dakota irrespective of what political faction they represented.

Q. Did you take up the matter as Secretary of the Industrial Commission? A. I wrote letters to the National Service Bureau, and I got in touch with a man of wide newspaper experience by the name of Rex Large, from the Twin Cities, and he came to Bismarck and met with the Commission and talked over the matter, and as a result of that conference he made arrangements to have the Greve Advertising Agency of St. Paul place the order for the first week's advertisement.

Q. I notice in the investigation in the House Committee, that there was a very strong effort made to get Mr. Hagan to testify that these advertisements which were being prepared was for political propaganda, what have you to say with respect to that?

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Q. As to whether or not that is political propaganda or whether it is simply for the purpose of carrying the truth and the whole truth respecting those industries of the State to the people of the State of North Dakota so the people will know the truth, A. In my opinion, the people who are conducting the House Investigation consider anything said in favor of state industries as political propaganda. The purpose of the advertisements was to put these facts before the people of the State which the House investigating committee or at least its attorneys try to suppress.

Q. Were there any agreements made with respect to paying these advertisements? A. Only the orders from week to week as shown by these letters.

Q. You heard the attorney for the House Auditing Committee make a demand that these articles which were being published in the various newspapers of the state be produced, or were you there when that demand was made? A. I think I was there.

Q. Did you bring these advertisements from your office? A. I had already brought the first two weeks, I have not received the proof of the third.

Q. Have you the first two advertisements that were put

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in the various newspapers of the State with you? A. I have a copy of the first one that was published in the Farmer-Labor State Record of Bismarck, and a copy of the second which was published in Divide County the following week.

Q. I show you Exhibit 312 and 313 and ask you if these are copies of the advertisements that have been sent out to the various newspapers of the state by the Industrial Commission of the State of North Dakota? A. They are with the exception that I have not proof read them.

Q. They are substantially correct, are they not? A. I think they are.

Mr. Sinkler: I offer in evidence Exhibits 312 and 313, but we do not desire to read them at this time into the record.

Q. Now, Mr. Paddock, do you know whether the court stenographers that are being used by the Senate Committee are being paid through the Industrial Commission or by the Committee itself? A. Yes, I know, but I think there is further information that I think the Committee would like to

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have on the advertising.

Q. Yes, I will go into that later, just answer the question?

A. Yes, I know.

Q. And what have you to say in respect to that, is the Industrial Commission paying the court stenographers? A. Yes.

Q. I show you Exhibits 314 to 321, inclusive, and ask you if they are vouchers and copies of vouchers? A. These are the copies of vouchers that were made out for the two reporters that have been reporting the House and Senate investigation, and also the vouchers for Mr. Rex Large, who has been employed to take charge of the advertisements.

Q. Do you deem it necessary to have a reporter reporting this matter? A. The Industrial Commission feels it is necessary.

Q. Why? A. Because we feel in as much as the Industrial Commission were being investigated and they were in charge of them it was a very important part of their business to know what was taking place in them and under the statute creating the Commission they are given the authority to conduct investigations in their own behalf if they so desire, and

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subpoena witnesses and make such investigation as they wish.

Q. Without the Legislatures consent? A. Positively.

Q. What arrangements did you make with the respect to paying these various advertisements in the papers? Just take your records and make your statement, and if you desire to read them into the record any letters— A. To save time, I think I can tell you off hand.

Q. Alright. A. Each week's ad is placed as a separate order. The first week the order was for publication, and I believe in one hundred and one papers. I noticed after I checked the list over there were two or three papers on that list which were not being published.

Q. Which papers absolutely refused to publish these paid advertising? A. As I recall, that was told me. I have a letter from the Mandan Pioneer that they will publish the ad if we made a different order and placed the order from Burleigh or Morton County. I believe Grand Forks Herald and the Fargo Forum did not publish it, in fact, I haven't a record of how many didn't publish it.

Q. I believe you knew the Fargo Forum wrote an editorial stating they wouldn't publish this ad but would publish

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the proceedings of the Industrial Commission? A. I think I recall such an editorial.

Q. You haven't seen the publication of any Senate proceedings in these state papers to amount to anything? A. That is covering quite a lot of territory. I have seen some comment on the Senate proceedings in some of the state papers.

Q. Can you state what arrangements you made with the

people who will make these publications? A. Well, the second week the order was placed for the publication of approximately fifty, or somewhere around there, through the Greve Agency and for the publication of about fifty through the Publishers National Service Bureau.

Q. The order for making the publication, who wrote the offer? A. Part of these letters were written by us, and considerable of the letters were written by Mr. Large in charge of the work.

Q. Who is the man in charge of writing these? A. Mr. Rex Large.

Q. Does he write them entirely, or does he have any assistance? A. I think he writes them entirely so far as I know, but at the time I have been here he submits them for

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cursory examination, at the time I have been here, he submits his papers for cursory examination of the Commission. At the present time I do not know how many papers they have been published in. I only have proof of their being published in a dozen or fourteen.

Q. There are varying rates, depending upon what their publication rate is, and whatever their publication rate is the Industrial Commission will have to pay? A. Yes.

Senator Ployhar: Will it amount to 25c an inch? A. I think more, I think any country weekly will amount to 29c or 30c and if they have to set up the make up, it will cost more. Of course, this is only information given me during the last week.

Senator Liederbach: Haven't the publications a combination of fixed rates? A. You are asking me something I don't know. I am only telling you what has been told me. Each paper has different rate, I think. Thus far, the Commission has not paid any bills at all for advertising, one bill has been submitted, but not approved by the Commission. I have con-

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siderable more correspondence than was introduced in the House Committee hearing this morning, and introduced here regarding this matter. You may have it in your record if you wish it, but I would like to have the correspondence back in the house as it is something that is moving right now.

Q. I call your attention to Exhibit 323, and ask you if that is the additional correspondence you have had upon this matter? A. Yes, with the exception of some of these letters written by myself, and some by Mr. Large.

Q. There are a number or part of the files of your office? A. Yes, I got them from the files of my office.

Mr. Sinkled: I offer in evidence, Exhibit 312.

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"EXHIBIT 312"

POLITICAL CONSPIRACY TO WRECK STATE REVEALED

CAMPAIGN TO DESTROY CONFIDENCE OF PEOPLE IN STATE-OWNED INSTITUTIONS REACHES CLIMAX IN HOUSE AUDITING COMMITTEE'S MOCK INVESTIGATION OF BANK OF NORTH DAKOTA. WHILE CREDIT STRUCTURE OF STATE ENDANGERED, INCLUDING EXISTENCE OF SCORES OF BANKS, BY CONSPIRACY SEEKING TO BRING ABOUT CRASH AND THUS DISCREDIT THE STATE ADMINISTRATION AND THE IDEA OF STATE OWNER-

SHIP OF MARKETING FACILITIES. PLOT IS SPRUNG AT TIME COUNTRY GROANS UNDER DEPRESSION BROUGHT ABOUT BY NATION'S BANKING SYSTEM CO-ORDINATING WITH GRAIN GAMBLERS.

PARTISAN FANATICISM BRAVES GRAVEST CONSEQUENCES

The people of the State of North Dakota are faced by the most serious crisis in their history. This crisis is brought on by a gigantic political conspiracy. That conspiracy is the cap-stone of years of effort on the part of certain huge and powerful interests to destroy the idea that the people may go into business for themselves for their own better interest, rather than permit industries and marketing machinery to remain in the exploiting hands of private privilege.

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In this battle the representative of the people is the Industrial Commission of the State of North Dakota. In the actions of this committee rests the fate of the State owned industries for which the farmers of North Dakota have been battling for seventeen years. But more than that indeed the Industrial Commission today is forced to battle a political conspiracy to destroy the very foundations of the credit system of this state.

When the history of this gigantic politico-economic conspiracy shall have been written it will reveal one of the blackest pages in American history.

Beside it the deeds of the Robber Barons will pale into insignificance.

The impossibility of obtaining fair representation of facts—and the facts alone by which the people may judge—in the public press impels the Industrial Commission to attempt to lay before the public the details by which this conspiracy has been fostered. The people are entitled to know and form their own independent judgment as to the conflict which is raging in North Dakota.

The Commission realizes that aside from the factional bias which dictates, either unconsciously, or deliberately, the transmission of news in the public press, there are other considerations which may be advanced in extenuation of the fail-

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ure of the press to function efficiently in informing the public on the momentous events which have transpired in this state; namely, the mechanical limitations and production costs of the publishing business which limit space; and the very maze of uncertainty as to what are facts. The whole effort of the opposition to the Industrial Commission involved in this political conspiracy has been not only to obscure the issue, but to attack the farmer-labor program by innuendoes, unsustained charges and plain libel and scandal mongering.

In other words, this conspiracy has worked unceasingly to one end.

And that end is to destroy the confidence of the people in their own enterprises.

The motive for that conspiracy is simple enough.

It is the fear of private privileges that the people will succeed in throwing off the shackles of exploitation.

This struggle in North Dakota is more than political. Politics is merely its manifestation. It is to the forces directing the politics of the anti-state ownership interests to which the people should turn their eyes for the revealing light on the

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motives actuating these ceaseless attacks on public institutions.

HOW THE SYSTEM WOULD THROTTLE A STATE

It is axiomatic that the oppressed people will bear their burden only up to a certain point. Then they will turn on their oppressors and institute reforms or fundamental changes that will relieve them. Whereupon the battle between the exploiter and the exploited, the kings and the commons, begins.

North Dakota is the test tube wherein the reactions of oppressed and oppressor may be best observed in American history.

The people conceived the idea that state elevators—in other words the utilization of their common power—would help solve the problem of marketing grain through which the exploiters robbed them of their birthright.

State elevators were fought and checked with the powerful backing of the system at every turn and corner.

Eventually though the rising power of public opinion put the representatives of that vast body of farmers and laboring men in power who demanded relief. Whereupon the vast, illimitable resources of the commercial autocracy of not only the state, but the nation were unleashed to checkmate the idea that private privilege was not absolute.

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The state, through the legislature and Industrial Commission organized a state mill and elevator system.

The state organized the Bank of North Dakota; a bank whose prime motive was service to the people at large, rather than mere profit making. The bank was designed, primarily, to serve two purposes; first to liquify the credit of the state so that its flow could be adjusted efficiently and cheaply to those regions where it was most demanded. In other words, to see that the stream of credit flowed where it would do the most good for the greatest number. The other purpose was to provide a better system of rural credits; which it has done.

By concentrating the power of public funds, usually lying dormant in private institutions serving rarely more than the purpose of petty private graft, the bank was enabled to increase the efficiency of the credits of the state immeasurably for the benefit of the people.

Private banking interests, not only those of North Dakota, but those of the Twin Cities and the nation at large, saw an immense danger in the Bank of North Dakota. It could not be permitted to succeed. It not only tore down the false tradition that the private banker was absolute over the credits of the nation. It struck at his private profits for the first

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time in its history, the State of North Dakota was on its way to something like independence from the Twin City grain, banking combination which had held it down for so long; which dictated, as it were, the fate of practically every inhabitant of a great commonwealth.

The system works through politics. Consequently a hungering pack of politicians was unleashed. They proceeded by various devious means—through misrepresentation, lies, libel—to strike at the confidence of the people. They concentrated their efforts on the Bank of North Dakota. Upon the milling and marketing program they dared not dwell. The people know what they wanted in that regard. Yet the system knew that if it could destroy the Bank of North Dakota, the state's industries would return to complete dependency upon its whims; because it is the credit structure of the country that is the mainstay of the system.

To repeat, one motive was back of the never ceasing campaign. That motive was to destroy confidence in the Bank of North Dakota.

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BLOCK SALE OF STATE BONDS BY TACTICS

The various peaks of the political conspiracy by the system are easy to trace.

The first outstanding peak is that famous incident whereby a politician endeavored the wreck of a bank in Fargo—one of the large institutions patronized by farmers and their organizations. It was not that particular bank which the system cared so much about; but it was hoped by that closing to cast some discredit on the Bank of North Dakota. The record is clear on that point, however, so far as the people of North Dakota is concerned.

So far as the people of the nation living outside North Dakota's borders are concerned, the story is different. Millions of newspaper readers gained the impression that it was the Bank of North Dakota itself that had closed its doors. Such an impression was merely a question of skillful propaganda exercising the art of innuendo. What mattered it if the Fargo bank itself reopened its doors. The object had been achieved. Propaganda had skillfully linked up the name of the Bank of North Dakota in such a way that the casual reader carried in the back of his head some vague suggestion that he couldn't define. Yet the entering wedge had been driven. Such is the power of pen and ink and printing presses.

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It would hardly be said that the Fargo bank fiasco was a success for the political conspirators setting out to destroy the confidence of a whole state in itself. But that was only the beginning.

Next, F. W. Cathro, director general of the Bank of North Dakota, negotiated a sale that would lead to the disposal of seventeen million dollars in state bank, rural credit and industrial program securities through two of the largest bond houses in America. In passing it is noteworthy that, at the time, these bond houses were extremely anxious to underwrite the bonds. There was no question as to their validity or the soundness of the credit which they represented.

The deal was up to the point of consumption. But, in the meantime, an influential man of the state, servant of Big Business and philosopher of the exploiter bent of mind, went back east. There he conferred with certain interests. Following upon that incident, the bond houses' attorney advised rejection of the North Dakota securities. The reason he ad-

vanced for that rejection was most significant. In substance, he said, there was too much evidence that North Dakota would remain in a state of political controversy for years. The bonds were excellent securities, but he advised that where

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politics were active and ever existent as they would be in North Dakota that his clients, the bond houses, should hold off. The inference is plain enough. One of North Dakota's most influential interest-serving politicians had called upon that attorney. It was not unnatural that the attorney should gain the impression politics would be bitter in this state for some time to come.

ATTACKS ON BANK MADE ON ANY PRETEXT

Other peaks were passed, though, in the progress of the people toward fruition of their program. It was noteworthy that at the time the press was full of the Fargo bank incident, with its deliberate baseless insinuations directed against the Bank of North Dakota, the state auditor, known throughout the state as an opponent of the administration and the Industrial Commission, demanded entrance to make an "audit" of the Bank of North Dakota.

Officers of the bank and members of the Industrial Commission refused the state auditor permission to follow the course he had set out to pursue. Great publicity was given to this incident. The Industrial Commission had decided that publicity adverse to the Bank of North Dakota was the impelling motive back of the effort. Ridiculous statements as to the condition of the state bank were published broadcast, nevertheless, hinged merely upon the word of a politi-

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cal opponent who had made no audit.

Continuing throughout this period was a crossfire of criticism from certain bankers in the state; as well as from the anti-state ownership politicians of political subdivisions. One of the methods by which the bank concentrated and made available the credit of the state for the benefit of the producers was by the law which compelled all public funds of political subdivisions be deposited in the Bank of North Dakota. The cry was raised that political subdivisions under the old system were obtaining higher rates of interest than the 2 per cent allowed them by the state bank. In some cases this was true, insofar as local private bankers at times allowed a nominal 3 percent on local political subdivisions funds. But the real motive for this outcry was apparent. The Bank of North Dakota demanded that the local bankers pay 4 per cent for these same funds. The general assertion is not too broad that in scores of cases throughout the state they never had paid anything up to the time the Bank of North Dakota came into existence.

In other words, the Bank of North Dakota took the funds of counties and redeposited them in the banks of those counties and made the banks pay a fair rate of interest. Therein

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lies the real explanation for the propaganda that was directed against the state bank on that score. The people were getting a fair return on their money—which was something that had **not** been done before, even in those instances where bankers **actually** were paying interest at 3 per cent.

Members of the Industrial Commission are officers of the state. They have acted with the best interests of the state at large in mind at all times. Their responsibility has been heavy. Yet in the struggle against the political conspiracy directed at the state industries, at no time has the responsibility been so heavy, and the consequences of wrong action or misguided policy so fraught with potential calamity as in the last six months.

Because the political conspirators have struck at a time when the credit structure of the whole state was wavering, tottering, it might be said, under the blows administered against the market price of crops by grain gambler and the coordinate checking of credit by the nation's banking system.

DRIVING THE PEOPLE ON TO CALAMITY

The history of the recent period of what Wall Street characteristically calls "Deflation" is tragically familiar to the North Dakota farmer and laboring man.

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The relation of the Federal Reserve system banks to this so-called "deflation" is apparent.

It was a ruthless process; whatever may be the argument for the economic policy involved.

The North Dakota farmer is aware that in effect the great banks ordered the smaller banks to sell him out. The wheat strike that followed will go down in history.

As the consequence of that ordeal, however, hundreds of the smaller banks throughout the state were faced with extreme difficulties.

The farmer was right; he had been robbed. He was entitled by every law to hold his wheat for a betterment in prices; to give the market gambler abetted by the great banks a taste of their own medicine. The situation made rough going for the smaller bank, however, in fact more than a score of them closed their doors.

AND HAD IT NOT BEEN FOR THE BANK OF NORTH DAKOTA THIS STATE WOULD HAVE TREMBLED UNDER THE CRASH OF SOME 150 TO 300 BANKS. IT WOULD HAVE BEEN A BLOW AT THE CREDIT OF THE STATE FROM WHICH IT WOULD HAVE BEEN YEARS IN RECOVERING. IN THAT FACT LIES THE PRESENT TACTICS INVOLVED IN THE POLITICAL CONSPIRACY AGAINST THE STATE INSTITUTIONS. POLITICIANS ACTING ON THE ORDERS OF THE SYSTEM WANT TO BRING WIDESPREAD REPUDIATION AND RUIN ON THIS STATE. THEY KNOW

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THE COST TO THEMSELVES. THEY ARE WILLING TO PAY IT. IF THEY DON'T AND THE STATE INDUSTRIES SUCCEED THEIR LOSSES IN ILLEGITIMATE PROFITS OF EXPLOITATION WILL BE EVEN HEAVIER.

IF THE CRASH CAN BE BROUGHT ABOUT AND MADE SO DEVASTATING THAT NO MAN, WOMAN OR CHILD IN THE STATE CAN ESCAPE ITS CONSEQUENCES, THEN THE CONSPIRATORS WILL ATTEMPT TO LAY ON THE PRESENT ADMINISTRATION ELECTED IN OPPOSITION TO THE SYSTEM RESPONSIBILITY FOR THE RUIN SPREAD BY THE LORDS OF HOARDED GOLD.

FINANCIAL CRASH SOUGHT TO BLAME PEOPLE

The politics of this conspiracy thus is as simple as it is monstrous.

The people, the politicians argue, will not stop to make a calm, dispassionate judgment as to who should bear the responsibility for such a smash. The whole crash could be laid upon and would be laid upon the people's institutions. It would teach the people to let well enough alone and stay out of business.

Thus at a time when the state bank is beginning to function a load is thrown upon it that would tear to its very foundations any bank of like size in the world.

The Bank of North Dakota is standing up through it all. From out of this storm of propaganda directed at it in these perilous times, it emerges day by day sound as a rock. And

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in the meantime the conspiracy rages around it; more violent, more bitter in proportion to the growing desperation of those who would destroy it if they could.

The crux of the conspiracy lies in the so-called investigation of the Bank of North Dakota by a committee appointed by the majority of the lower House of the state legislature.

The tactics of the majority members of this committee have been so obviously inspired by prejudice and a desire to make political propaganda rather than ascertain a true audit of the bank that the minority members have withdrawn from participation.

Two attorneys, known throughout the state for their opposition to the present administration and the policy and purpose of the Industrial Commission, not only were hired by the house committee to conduct the inquiry, but were empowered and did draw up the rules under which the committee is acting.

These rules and the conduct of the so-called inquiry has led to the frequent and general charge that it is merely a kangaroo court.

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The committee has this audit before it; yet it has made no attempt to analyze the audit itself.

In addition, the committee has the audit of the Industrial Commission in its possession. This audit agreed with that

of Bishop, Brissman Company, yet so far as analysis is concerned the committee has not moved. The committee in fact

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has not accountant representation, although it is difficult to conceive how an examination of so complicated a structure as a bank can be made without expert assistance of that sort.

In the proceedings of the committee, however, lies the revelation as to the purpose of this inquiry.

WHY CATHRO BALKED MOCK INQUISITION

From the beginning of the inquiry the questioning of the committee's attorneys has been obviously directed at making F. W. Cathro, director general of the bank, refuse to answer certain questions.

The tactics involved are shrewd. Knowing Mr. Cathro is a banker and placed in confidential relations with hundreds of bankers and banking institutions throughout the state, it was not at all problematical that he would refuse to reveal affairs that might shake the confidence of the depositors in those banks.

The time, as perhaps, the inspiration for the inquiry was apt.

Public confidence in wheat belt banks could easily be shaken. It would be a daring thing indeed for Mr. Cathro to reveal the conditions of certain institutions. Noteworthy, too, is it, that many of these banks that could have been thrown into the spotlight of disastrous publicity had the committee had its way with Mr. Cathro were institutions officered

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and directed by bankers opposed to the present administration and the idea of state ownership in industry.

Mr. Cathro pointed out repeatedly on the stand that the members and officials representatives of the committee were at liberty under his orders from the Industrial Commission to call at the bank and make any investigation that they might see fit. Accounts would be opened for inspection and every courtesy and assistance shown the inquisitors. He did object, however, to dragging these records out into the public to be distorted and lied about in the press. In short it was a violation of common sense, to say nothing of the trust devolving upon him through the relations of the Bank of North Dakota with the other banks of the state. There could be no foretelling the consequences to scores of institutions were this to happen.

Therein lies the explanation of Mr. Cathro's attitude on the stand and the cause of his citation to appear before the house of representatives on a charge of contempt of the house. The members of the investigating committee, with the comparable audits of both Bishop, Brissman Company and the audit of the Industrial Commission itself at their hands; with the oppor-

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tunity offered for a direct examination of the records of the bank in the institution itself were bent, through their attorney, in belaboring the banking system of the state to the point of crash.

The rules under which the committee proceeds were drawn up by its attorneys. One of the most noteworthy of this set of rules is the now famous No. 12. It reads:

"Witnesses shall be examined by counsel employed by this committee, provided however, that if a member of the committee wishes to question a witness, permission shall first be given by the chairman of said committee, provided, further, that if it shall appear to the chairman that such question or questions are not propounded in good faith, he shall refuse to permit same to be asked unless directed so to do by a majority of the whole committee.

Another rule which would have the effect of holding up operation of the state institutions is particularly significant in relation to the committee attorney's insistence that records from the Bank of North Dakota be brought into the hearing. It was the possibility involved into this rule that prompted the Industrial Commission to issue an order permitting officers of the bank or of the Industrial Commission to take documents and papers into the investigating room, but not to per-

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mit them to go out of their possession. The rule reads:

"All documents, papers and exhibits offered and received in this investigation shall immediately be filed with and kept in the custody of the secretary of this commission until the same shall be annexed to the report of this committee and filed with the house of representatives."

More than irony is implied in this rule:

"The proceeding being in the nature of an investigation, and the controversies incident to the average trial being absent, the counsel for the committee are directed to proceed to the examination of witnesses by the question and answer method, and without reference to the formal rules of evidence, elicit, from witnesses, as expeditiously as the circumstances will permit, the ultimate and essential facts to be by each witness disclosed."

The Industrial Commission as the ultimate executive authority over the state institutions frankly warned officers and other employes that the investigation was designed to throttle the state institutions in their operation.

A resolution directed to all employes of the various state enterprises says:

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"It is the opinion of the governor, the attorney general and the commissioner of agriculture and labor, constituting the Industrial Commission of North Dakota and representing the executive department of the state of North Dakota that the actions adopted by said (investigation) committee were taken and adopted for the purpose of preventing a full and honest investigation of the North Dakota state industries and are in the nature of a third degree or star chamber proceeding unheard of in the annals of the courts or legislative investigations of the United States, or in the orderly processes of civilized governments.

"A compliance with the demand (of the committee) to produce the books and records of the state industries * * * * * would stop the operation of said industries and destroy them.

"It is the opinion of the governor, the attorney general and the commissioner of agriculture and labor, as members of the executive department of the state and as members of the Industrial Commission, that such proceedings are taken not with a view to securing evidence or inspection of such books, records, and documents, but for the purpose of stopping the

operation of said industries and of destroying them; and that such action was taken for no fair and honest purpose and is in violation of the constitution and laws of the state of North

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Dakota and is an attempt to usurp the prerogatives of the executive department of the state."

INVESTIGATORS INVITED TO SCAN RECORDS

Seeking to lend full and reasonable assistance to any investigation, however, the Industrial Commission, after ordering employes to refrain from taking books or papers out of the institution, delivered the following order in the resolution:

"You are * * * * ordered to permit any person duly authorized by a resolution duly passed in either house of the seventeenth legislative assembly, or persons duly delegated by said resolutions, carrying proper credentials, showing such authorization, to examine and inspect any of the above mentioned items or property which are in your possession, under your control or in your use at any time during business hours on business days, provided, however, such inspection shall only be permitted when your managing officer of the particular industry in which you are employed has authorized or delegated some other person to act in his behalf in that respect. You are further hereby ordered not to permit any person so inspecting any of such items or property to change, alter or remove any of the same.

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"You are ordered and directed to do everything in your power consistent with this order to assist and co-operate with such persons in securing for them such information as they may be seeking by such examination, and inspection, so that it will be possible for such committee or committees to obtain all the real facts concerning the said industries if they so desire."

The commission is seeking by every avenue to prevent the throttling of the state's industries and the state's credit by this political conspiracy. The success or failure of the commission in this struggle rests with the people. Will public opinion rise up and condemn for all times tactics of politicians, who for the price of fleeting partisan success, would strike at the foundations upon which North Dakota is builded as one of the sister states of the union; would bring poverty and suffering to the hearthside of thousands of homes; would destroy that confidence upon which the state must live in relation to the other states of the union.

The Industrial Commission believes that public opinion will answer the conspirators in only one way, once the facts have been placed before the people.

THE INDUSTRIAL COMMISSION OF THE STATE OF NORTH DAKOTA. (First in a Series of Advertisements.)

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"EXHIBIT 312"

POLITICAL CONSPIRACY TO WRECK STATE REVEALED

CAMPAIGN TO DESTROY CONFIDENCE OF PEOPLE IN STATE-OWNED INSTITUTIONS REACHES CLIMAX IN HOUSE AUDITING COMMITTEE'S MOCK INVESTIGATION OF BANK OF NORTH DAKOTA. WHOLE CREDIT STRUCTURE OF STATE ENDANGERED, INCLUDING EXISTENCE

OF SCORES OF BANKS, BY CONSPIRACY SEEKING TO BRING ABOUT CRASH AND THUS DISCREDIT THE STATE ADMINISTRATION AND THE IDEA OF STATE OWNERSHIP OF MARKETING FACILITIES. PLOT IS SPRUNG AT TIME COUNTRY GROANS UNDER DEPRESSION BROUGHT ABOUT BY NATION'S BANKING SYSTEM CO-ORDINATING WITH GRAIN GAMBLERS.

PARTISAN FANATICISM BRAVES GRAVEST CONSEQUENCES

The people of the State of North Dakota are faced by the most serious crisis in their history. This crisis is brought on by a gigantic political conspiracy. That conspiracy is the cap-stone of years of effort on the part of certain huge and powerful interests to destroy the idea that the people may go into business for themselves for their own better interest, rather than permit industries and marketing machinery to remain in the exploiting hands of private privilege.

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In this battle the representative of the people is the Industrial Commission of the State of North Dakota. In the actions of this committee rests the fate of the state owned industries for which the farmers of North Dakota have been battling for seventeen years. But more than that indeed the Industrial Commission today is forced to battle a political conspiracy to destroy the very foundations of the credit system of this state.

When the history of this gigantic politico-economic conspiracy shall have been written it will reveal one of the blackest pages in American history.

Beside it the deeds of the Robber Barons will pale into insignificance.

The impossibility of obtaining fair representation of facts—and facts alone by which the people may judge—in the public press impels the Industrial Commission to attempt to lay before the public the details by which this conspiracy has been fostered. The people are entitled to know and form their own independent judgment as to the conflict which is raging in North Dakota.

The Commission realizes that aside from the factional bias which dictates, either unconsciously, or deliberately, the transmission of news in the public press, there are other con-

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siderations which may be advanced in extenuation of the failure of the press to function efficiently in informing the public on the momentous events which have transpired in this state; namely, the mechanical limitations and production costs of the publishing business which limit space; and the very maze of uncertainty as to what are facts. The whole effort of the opposition to the Industrial Commission involved in this political conspiracy has been not only to obscure the issue, but to attack the farmer-labor program by innuendoes, unsustained charges and plain libel and scandal mongering.

In other words, this conspiracy has worked unceasingly to one end.

And that end is to destroy the confidence of the people in their own enterprises.

The motive for that conspiracy is simple enough.

It is the fear of private privilege that the people will succeed in throwing off the shackles of exploitation.

This struggle in North Dakota is more than politics. Politics is merely its manifestation. It is to the forces directing the politics of the anti-state ownership interests to which the people should turn their eyes for the revealing light on

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the motives actuating these ceaseless attacks on public institutions.

HOW THE SYSTEM WOULD THROTTLE A STATE

It is axiomatic that the oppressed people will bear their burden only up to a certain point. Then they will turn on their oppressors and institute reform or fundamental changes that will relieve them. Whereupon the battle between the exploiter and the exploited, the kings and the commons, begins.

North Dakota is the test tube wherein the reactions of oppressed and oppressor may be best observed in American history.

The people conceived the idea that state elevators—in other words the utilization of their common power—would help solve the problem of marketing grain through which the exploiters robbed them of their birthright.

State elevators were fought and checked with the powerful backing of the system at every turn and corner.

Eventually though the rising power of public opinion put the representatives of that vast body of farmers and laboring men in power who demanded relief. Whereupon the vast, illimitable resources of the commercial autocracy of not only the state, but the nation were unleashed to checkmate the idea that private privilege was not absolute.

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The state, though the legislature and Industrial Commission organized a state mill and elevator system.

The state organized the Bank of North Dakota; a bank whose prime motive was service to the people at large, rather than mere profit making. The bank was designed, primarily, to serve two purposes; first to liquify the credit of the state so that its flow could be adjusted efficiently and cheaply to those regions where it was most demanded. In other words, to see that the stream of credit flowed where it would do the most good for the greatest number. The other purpose was to provide a better system of rural credits; which it has done.

By concentrating the power of public funds, usually lying dormant in private institutions serving rarely more than the purpose of petty private graft, the bank was enabled to increase the efficiency of the credits of the state immeasurably for the benefit of the people.

Private banking interests, not only those of North Dakota, but those of the Twin Cities and the nation at large, saw an immense danger in the Bank of North Dakota. It could not be permitted to succeed. It not only tore down the false tradition that the private banker was absolute over the credits

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of the nation. It struck at his private profits for the first time in its history, the state of North Dakota was on its way to something like independence from the Twin City grain-banking combination which had held it down for so long;

which, dictated, as it were, the fate of practically every inhabitant of a great commonwealth.

The system works through politics. Consequently a hungering pack of politicians was unleashed. They proceeded by various devious means—through misrepresentation, lies, libel—to strike at the confidence of the people. They concentrated their efforts on the Bank of North Dakota. Upon the milling and marketing program they dared not dwell. The people know what they wanted in that regard. Yet the system knew that if it could destroy the Bank of North Dakota, the state's industries would return to complete dependency upon its whims; because it is the credit structure of the country that is the mainstay of the system.

To repeat, one motive was back of the never ceasing campaign. That motive was to destroy confidence in the Bank of North Dakota.

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BLOCK SALE OF STATE BONDS BY TACTICS

The various peaks of the political conspiracy by the system are easy to trace.

The first outstanding peak is that famous incident whereby a politician endeavored the wreck of a bank in Fargo—one of the large institutions patronized by farmers and their organizations. It was not that particular bank which the system cared so much about; but it was hoped by that closing to cast some discredit on the Bank of North Dakota. The record is clear on that point, however, so far as the people of North Dakota is concerned.

So far as the people of the nation living outside North Dakota's borders are concerned, the story is different. Millions of newspaper readers gained the impression that it was the Bank of North Dakota itself that had closed its doors. Such an impression was merely a question of skillful propaganda exercising the art of innuendo. What mattered it if the Fargo bank itself reopened its doors. The object had been achieved. Propaganda has skillfully linked up the name of the Bank of North Dakota in such a way that the casual reader carried in the back of his head some vague suggestion that he couldn't define. Yet the entering wedge had been driven. Such is the power of pen and ink and printing presses. It would

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hardly be said that the Fargo bank fiasco was a success for the political conspirators setting out to destroy the confidence of a whole state in itself. But that was only the beginning.

Next F. W. Cathro, director general of the Bank of North Dakota, negotiated a sale that would lead to the disposal of seventeen million dollars in state bank, rural credit and industrial program securities through two of the largest bond houses in America. In passing it is noteworthy that, at the time, these bond houses were extremely anxious to underwrite the bonds. There was no question as to their validity or the soundness of the credit which they represented.

The deal was up to the point of consumption. But, in the meantime, an influential man of the state, servant of Big Business and philosopher of the exploiter bent of mind, went back east. There he conferred with certain interests. Following upon that incident, the bond houses' attorney advised rejection of the North Dakota securities. The reason he advanced for that rejection was most significant. In substance,

he said, there was too much evidence that North Dakota would remain in a state of political controversy for years. The bonds were excellent securities, but he advised that where

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politics were active and ever existent as they would be in North Dakota that his clients, the bond houses, should hold off. The inference is plain enough. One of North Dakota's most influential interest-serving politicians had called upon that attorney. It was not unnatural that the attorney should gain the impression politics would be bitter in this state for some time to come.

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Therein lies the explanation of Mr. Cathro's attitude on the stand and the cause of his citation to appear before the house of representatives on a charge of contempt of the house. The members of the investigating committee, with the comparable audits of both Bishop, Brissman Company and the audit of the Industrial Commission itself at their hands; with the

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opportunity offered for a direct examination of the records of the bank in the institution itself were bent, through their attorney, in belaboring the banking system of the state to the point of crash.

The rules under which the committee proceeds were drawn up by its attorneys. One of the most noteworthy of this set of rules is the now famous No. 12. It reads:

"Witnesses shall be examined by counsel employed by this committee, provided, however, that if a member of the committee wishes to question a witness, permission shall first be given by the chairman of the committee, provided, further,

that if it shall appear to the chairman that such question or questions are not propounded in good faith, he shall refuse to permit same to be asked unless directed so to do by a majority of the whole committee.

Another rule which would have the effect of holding up operation of the state institutions is particularly significant in relation to the committee attorney's insistence that records from the Bank of North Dakota be brought into the hearing. It was the possibility involved in this rule that prompted the Industrial Commission to issue an order permitting officers of the bank or of the Industrial Commission to take documents and papers into the investigating room, but not to

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permit them to go out of their possession.

The rule reads:

"All documents, papers and exhibits offered and received in this investigation shall immediately be filed with and kept in the custody of the secretary of this commission until the same shall be annexed to the report of this committee and filed with the house of representatives."

More than irony is implied in this rule:

"The proceeding being in the nature of an investigation, and the controversies incident to the average trial being absent, the counsel for the committee are directed to proceed to the examination of witnesses by the question and answer method, and without reference to the formal rules of evidence, elicit, from witnesses, as expeditiously as the circumstances will permit, the ultimate and essential facts to be by each witness disclosed."

The Industrial Commission as the ultimate executive authority over the state institutions frankly warned officers and other employes that the investigation was designed to throttle the state institutions in their operation.

A resolution directed to all employes of the various state enterprises says:

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"It is the opinion of the governor, the attorney general and the commissioner of agriculture and labor, constituting the Industrial Commission of North Dakota and representing the executive department of the state of North Dakota that the actions adopted by said (investigation) committee were taken and adopted for the purpose of preventing a full and honest investigation of the North Dakota state industries and are in the nature of a third degree or star chamber proceeding unheard of in the annals of the courts or legislative investigations of the United States, or in the orderly processes of civilized governments.

"A compliance with the demand (of the committee) to produce the books and records of the state industries * * * * * would stop the operation of said industries and destroy them.

"It is the opinion of the governor, the attorney general and the commissioner of agriculture and labor, as members of the executive department of the state and as members of the Industrial Commission, that such proceedings are taken not with a view to securing evidence or inspection of such books, records and documents, but for the purpose of stopping the operation of said industries and of destroying them; and that such action was taken for no fair and honest purpose and is

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in violation of the constitution and laws of the state of North Dakota and is an attempt to usurp the prerogatives of the executive department of the state."

INVESTIGATORS INVITED TO SCAN RECORDS

Seeking to lend full and reasonable assistance to any investigation, however, the Industrial Commission, after ordering employes to refrain from taking books or papers out of the institution, delivered the following order in the resolution:

"You are * * * * ordered to permit any person duly authorized by a resolution duly passed in either house of the seventeenth legislative assembly, or persons duly delegated by said resolutions, carrying proper credentials, showing such authorization, to examine and inspect any of the above mentioned items or property which are in your possession, under your control or in your use at any time during business hours on business days, provided, however, such inspection shall only be permitted when your managing officer of the particular industry in which you are employed is present in person during such inspection, or has authorized or delegated some other person to act in his behalf in that respect. You are further hereby ordered not to permit any person so inspecting any of such items or property to change, alter or remove any of the same.

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"You are ordered and directed to do everything in your power consistent with this order to assist and co-operate with such persons in securing for them such information as they may be seeking by such examination, and inspection, so that it will be possible for such committee or committees to obtain all the real facts concerning the said industries if they so desire."

The commission is seeking by every avenue to prevent the throttling of the state's industries and the state's credit by this political conspiracy. The success or failure of the commission in this struggle rests with the people. Will public opinion rise up and condemn for all time tactics of politicians, who for the price of fleeting partisan success, would strike at the foundations upon which North Dakota is builded as one of the sister states of the union; would bring poverty and suffering to the hearthside of thousands of homes; would destroy that confidence upon which the state must live in relation to the other states of the union?

The Industrial Commission believes that public opinion will answer the conspirators in only one way, once the facts have been placed before the people.

THE INDUSTRIAL COMMISSION OF THE STATE OF NORTH DAKOTA. (The First in a Series of Advertisements.)

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"**EgHIBIT 313**"

EVERY BUSINESS IN STATE IS ENDANGERED

Business men as well as farmers and workers vitally affected by Political Conspiracy to wreck the Bank of North Dakota. So-called investigation of State's bank is for the benefit of malicious misrepresentation on part of anti-administration press agents. Audit shows soundness of bank's condition and policy. Industrial Commission invokes People's common sense to check this conspiracy before too late.

Three motives prompted the Industrial Commission of the state of North Dakota to use this newspaper space in behalf of the people's common interest.

They are:

First—To impress upon the people facts about the political conspiracy which is the open manifestation of underground attacks made upon the Bank of North Dakota in the hope of destroying it.

Secondly—To report to the people directly upon the audits made of the Bank of North Dakota, rather than have the report disseminated through biased partisan channels.

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Thirdly—To reveal to them how the Bank of North Dakota has operated to uphold the credit structure of the state at a time when the wheat belt is suffering from a most serious financial stringency due to various causes.

The declaration of financial independence represented in the authorization by the voters and the establishment of the Bank of North Dakota set to work every wheel of the political and economic system opposed to the people entering business for their common interest. Certain privileges were threatened which time had come to consider in the light that kings used to consider the heritage of thrones—theirs by divine right.

Thus the large situation into which the people injected the Bank of North Dakota becomes apparent. The bank was predestined to be the subject of battle from the time it was organized.

No less astounding than the very idea itself to the banking interests was the success of the institution from the start. No less astounding was the soundness of the principles upon which the bank was founded, and the policy under which it was agreed to operate it.

Mr. E. J. Bishop, of Bishop, Brissman Co., of St. Paul, the auditing company employed by a group of state office-holders hostile to the Nonpartisan League to make an audit of the state's bank, himself acknowledged, in fact expressed his

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admiration for the sound principles upon which the bank was operated. He compares it in scope and purpose and policy with the basic idea of the federal reserve system; admits its functions are necessary to the state and criticizes the institution, probably through misapprehension of the facts, in a way against which the Industrial Commission has only one major objection.

Mr. Bishop, writing his commentaries in the audit which ostensibly issued in the investigation by a committee of the house of representatives, says:

ONLY CRITICISM MADE DODGES FACTS

"The basis of our entire industrial and economic structure is credit. The success of all business enterprises is dependent to a large degree upon the establishment of adequate credit relations. The function of a bank is credit extension. The national reserve system was established for the purpose of enlarging, regulating and stabilizing credit relations."

Mr. Bishop might have added that the foregoing also was the purpose in establishing the Bank of North Dakota.

"The Bank of North Dakota operates," he continues, "under a plan peculiarly analagous to the functions of a reserve bank.

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"It is self evident that to properly perform these functions a bank must provide for a reasonable and sufficient liquidity of its assets at all times.

"You are aware of the prevalent condition of contraction. This is general and serious. In some ways, it is particularly acute in your state. At such a time and in such a condition the bank as organized should be in a position to extend considerable relief through the customary channels of credit extension."

The Industrial Commission, despite the attacks this subject has aroused in the press of the state hostile to the present administration, chooses to assume Mr. Bishop based his next statement upon being misinformed, rather than on the fact that he was employed by politicians opposed to the very idea of state ownership and a state bank. But the Industrial Commission differs with Mr. Bishop decisively and emphatically upon the next statement. The commission points out a very obvious fact. The commission had no control over the conditions which report criticizes; namely the withdrawal of state funds in private banks where they had been redeposited.

A law initiated by forces hostile to the administration and the farmer-labor program made mandatory for the Bank of

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North Dakota to withdraw these funds from private banks, because local public officials had taken advantage of the letter rather than the spirit of the law to provoke an unprecedented run on the resources of the Bank of North Dakota.

The law left the decision of the officials of public subdivisions to them as to whether they would carry public funds in the state's bank. Heretofore they were compelled to carry them there. Whatever may have been the issue as the people saw it, the law and its passage was engineered for the purpose of creating a run on the Bank of North Dakota. And it did. No bank of relative size in the world has probably ever been subjected to such an avalanche of withdrawals immediately the initiated act became effective. Yet the bank stood up safely, thanks to the action of the Industrial Commission which issued an order that withdrawals should be limited to the normal demands of the public treasuries for money. It was not the Bank of North Dakota alone that the order was designed to protect; but private banks throughout the state, which, tottering as they were, would have gone down under cash demands from the Bank of North Dakota.

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The audit report was written by a man misinformed on the subject. At any rate, the commentary of which the press fighting the present administration has made much of, says:

"It is therefore significant that, as appears herein, on November 27, 1920, the bank apparently found it necessary or advisable to draw upon its redeposits of public funds in local banks to the amount of \$1,390,000. IT IS APPARENT THAT THIS COULD ONLY EFFECT AN INCREASED STRINGENCY AND DECREASE THE ABILITY OF LOCAL BANKS TO ASSIST THE LOCAL MERCHANT AND FARMER AT THE TIME OF THEIR GREATEST NEED."

BANKERS PAY PENALTY OF OWN BLINDNESS

The report of the audit company has been advertised by misconstruction and deliberate malice as a criticism of the

administration of the Bank of North Dakota. Yet private bankers blinded for the moment by partisan passion, helped initiate that law which was so serious a blow at the credit fabric at the very time when every resource should have been concentrated to help keep the credit machine working. The bank had no alternative but to obey the law. It was not the bank's wish, nor was it the bank's policy to withdraw funds

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from localities where they would help keep banks open, irrespective of the political views of their officers; where they would help keep the merchant in business, the mills running and the farmer going on the farm.

Members of the commission feel assured that had business men foreseen they were voting a group of politicians the right to wreck the state's bank the law never would have carried. What might have been, however, is aside from the question. The fact remains that the political conspirators, blindly, unseeingly, as it turned out, were given carte blanche to cast ruin on the state at a time when the people were groaning under the additional burden of financial depression.

Significant indeed was the later attitude of the North Dakota Bankers' association, which endorsed and so many members of which were active in the campaign against the Bank of North Dakota. Bankers woke up at last to the danger in which they had involved the state in the initiated law. The bankers' association voted unanimously against a resolution condemning the Industrial Commission for its order commanding the bank to stop the political run on the institution.

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If ever there was a time when confidence in the banking system of the state and nation should be maintained by every possible manner, this is the time.

Every business man and every farmer and working man in the state is aware of that fact. The well-being of thousands depend upon what course of action is followed. The future of the state is at stake.

Yet upon this trembling stage the politicians opposed to the present state administration entered and the lower house of the legislature authorized a committee to investigate the affairs of the state industries.

The Industrial Commission welcomes a real investigation not only of the Bank of North Dakota, but of all the state enterprises. There never has been any difference of opinion on that score; no attempt to block an impartial investigation.

Yet the house auditing committee investigation is a show place to provide a basis for newspaper attacks on the Bank of North Dakota for one purpose only—to destroy the people's confidence in the bank and make political capital.

Every courtesy has been offered the auditors hired by the politicians hostile to the Bank of North Dakota; every courtesy and opportunity has been offered to the house auditing

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committee of its employees to find out whatever it is that they wanted to know. The commission has objected, however, to a mock investigation staged merely for the purpose of creating newspaper propaganda; of distorting details and releasing false impressions by deliberate misrepresentation.

Two complete audits of the affairs of the Bank of North Dakota have been made. One was that of Bishop, Brissman & Co.; the other was by the Industrial Commission. Both audits are in substantial agreement. Nothing wrong was found with the state's bank in either. That fact has stood out like a sore thumb in all the attacks on the institution made before the house auditing committee.

H. A. Paddock, secretary of the Industrial Commission, in his report on the Bank of North Dakota, submitted to the house, senate and secretary of the state, reveals the error of fact in the commentaries of the Bishop, Brissman Company's report. He says:

"In the face of falling prices and heavy withdrawals of funds by institutions outside the state, the Bank of North Dakota has used its resources in an effort to prevent disaster from falling upon the financial institutions within the state. This is in marked contrast to the action of the Federal Re-

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serve bank of this district, which forced vast amounts of liquidation within the state of North Dakota at a time when it was extending further credit to other sections of the same district. The reserve bank also refused to extend credit to enable the farmer to hold his crop for a reasonable price, at the same time that it was extending credits in such manner that the millings interests of the Twin Cities were enabled to use those credits to hold the same crop after it got into their hands."

HOSTILE BANKS GET AID FROM BANK OF N. D.

"The Bank of North Dakota was created as a people's BANK AND IS BEING RUN FOR THE BENEFIT OF THE PEOPLE. Which explains its policy with reference to the situation just discussed. In pursuing this policy of attempting to preserve the welfare of all the people of North Dakota, including all financial institutions, the Bank of North Dakota has in many cases assisted financial institutions the officers of which were doing their utmost to destroy the Bank of North Dakota, and irrespective of what the future attitude of such financial institutions may be, the management of the

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Bank of North Dakota has announced that it intends to continue to operate in the manner best fitted to serve the interests of all the people of the state."

The foregoing report was offered to legislators, whose efforts to destroy confidence in the Bank of North Dakota were later to come out into the open.

Despite charges to the contrary any unbiased inspection of the loans and discount and redeposit records of the institution will reveal that those communities which are notoriously hostile to the organized farmers and labor who elected the present administration have received their full share of public funds as well as those which have supported the present administration.

Were sincere efforts on the part of the press and the politicians opposed to the administration made to set the actual facts before the public, the fairness with which each community has been treated according to its needs and the resources of the Bank of North Dakota would be as clear as day.

Instead of that, the so-called "investigation" has become the stamping ground for politicians. What was purported to be a fair inquiry into the business and condition of the Bank

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of North Dakota has failed to reveal any unsoundness of policy of practice; but it has permitted the politicians every opportunity to mislead, distort, over-emphasize and misrepresent not only the Bank of North Dakota but members of the Industrial Commission. Wild, unsustained charges have been made with one and one only object in view. That object is the headlines in the press politically hostile to the organized farmer and labor government.

On December 31st, the Bank of North Dakota's balance sheet showed a net profit for the eighteen months of its operation of \$135,998.50. But it is another and more significant point that Mr. Paddock in his report calls to the particular attention of the legislature.

FARM MORTGAGE BANKERS IN FIELD AGAIN

The bank was organized for service, rather than profit, and Mr. Paddock points to the remarkable farm loan record made by the institution. It will be recalled that although no one has questioned the soundness of North Dakota bonds as security certain interests working through political channels have managed to hold up the sale of the State's bonds. Despite that fact, the Bank of North Dakota, crippled as it was by this conspiracy, went ahead with its farm loans as best

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it could because of the pressing need of the farmers. Mr. Paddock's report says:

"Banker's conservatism has been used in farm loan business of the bank. The average amount per acre loaned by the Bank of North Dakota, based on all loans made up to December 31st, 1920, was only \$14.17, while the average assessed valuation per acre of all land in the state in 1920 was \$25.27 and the average market value was probably well above \$30.00 per acre.

"Banker's conservatism has also been used in the total amount of loans made by the bank as compared with the legal limit authorized. Under the law creating the Bank of North Dakota it is permitted to make farm loans in an amount not exceeding 30 per cent of its capital and 20 per cent of its deposits. On July 15th, 1920, it had made such loans to the amount of \$2,759,000.00 at a 6 per cent interest rate, and had a considerable amount of such loans ready to close. The loans then amounted to only 61 per cent of the legal limit and only 81 per cent of the sinking funds then on deposit. On October 15th, 1920, the farm loans amounted to only 75 per cent of the legal limit and only 85 per cent of the sinking funds then on deposit.

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"The initiated measure supported by the North Dakota Banker's association, passed in the general election in November, 1920, was designed to destroy the Bank of North Dakota. Prior to the passage of this law, mortgage loan companies refused to loan money in the state in competition with the Bank of North Dakota 6 per cent interest rate.

"Immediately after the passage of this law, mortgage loan company representatives, at a meeting in the Twin Cities, announced that they would resume making loans in North Dakota. They did this under the impression that the Bank of North Dakota was destroyed and they would no longer have to compete with a 6 per cent interest rate. Their rate had

always been and is now, on the average, approximately 8.7 per cent per annum."

Thus the initiated law, backed by the North Dakota Bankers' association, compelled the Bank of North Dakota to stop making farm loans because it destroyed the fundamental service performed by the bank—that is, the concentration of public funds.

Officers of the bank and the Industrial Commission did not quit fighting, however, and forced to adopt a new policy by the initiated law, took steps which will bring about the sale of the farm loan bonds in time, so farm loans can be con-

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tinued.

The Industrial Commission thus has been forced to fight from every angle to preserve the credit machine of the state so that it would operate for the advantage of the people rather than for private privilege.

Seeking to destroy confidence in the Bank of North Dakota, the effort also has been made to destroy confidence in the officers of the institution.

CATHRO FIGHTS VICIOUS DRIVE ON BANKS

Credit and banking are built on confidence. Destroy it and the whole structure comes tumbling down. Although every opportunity was offered the house audit committee to learn each and all details in connection with the Bank of North Dakota, the effort was made to force the officers of the institution to divulge the affairs of private banks in all parts of the state.

It will be remembered that the Bank of North Dakota does business with more than 800 banks in North Dakota.

It will also be remembered that the financial conditions of this state, as well as all others in the nation, are in a condition when any breath directed against the condition of a bank might and probably would be, disastrous.

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Mr. Cathro, explaining his stand, said:

"Mr. Chairman and gentlemen of the committee: I have been wondering whether your statement is quite correct that I have refused to testify? I have been relying on the instructions I received from my superior officers and so stated. Nevertheless I appear before you prepared to submit to such examination as you may wish to make. I have not refused, but have pleaded with you to refrain from going into these matters that disturb confidence. Banking is based on confidence. No man will use a bank which makes a practice of telling the world the size of his deposits and loans. Bankers know this and consider the information which comes to them through their business as confidential. A violation of such confidence is classed as one of the lowest crimes a banker can commit.

"The Fargo Forum carries an article this morning that I am afraid to produce any of the records (of the bank). There are no defalcations, no embezzlements and no so-called 'league paper,' no post-dated checks in the bank and have not been, so there is no reason why I should be afraid to produce the records.

"We are just emerging from a period of inflation. For four

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years our state has had poor crops. Loans of banks have steadily increased during that period. The last crop season

has seen a drop in farm prices of more than one-half. The period of adjustment is at hand. Several banks have already closed their doors. Public confidence at this time means that many more banks will be forced to close their doors. If they do close, it will bring untold hardship to thousands of their patrons.

"Even the large bankers of the Twin Cities recognize this, and brought influence to bear to have the call for publication of bank statements withdrawn. When I was in Minneapolis about the 23rd of November, a conference was being held of the creditors of one of the banks of this state, trying to arrange some plan to carry the bank over. One of the bankers left the conference and came to me—I was not in the conference—and said:

"For God's sake wire Governor Frazier and have him get the state bank examiner to pull off the call for publication of those statements. If the people realize the vast amount of borrowed money these banks have up there and the small reserve, they will lose confidence and withdraw their deposits not only outside the state but in North Dakota. Many people

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in Minnesota will pull out their money.'

"I said: 'Why, yes, I will do that,' and immediately wrote out a telegram and sent it. That call was not published in an effort to retain confidence. The Bank of North Dakota has been doing business with about eight out of nine hundred banks in this state, and therefore, a publication of the deposits and loans of those banks do more to destroy confidence than any thing that could be done. Neither the Industrial Commission nor myself would be a party to such disclosure.

"Your auditors have had access to the bank's records. You, yourself, have been asked to examine them. Your auditor's reports set out all the information for which you ask me. Your newspapermen have had access to these reports, and they, having no consideration of the results, have used that information in a false and misleading way; in a manner calculated by them to cause as much disturbance of public confidence as possible, and thereby destroy a large number of banks.

"In view of that situation," Mr. Cathro continued, "I, myself, and the Industrial Commission, feel that it is impossible for us longer to protect the banks and their confidence. If disaster comes to the state it has been in spite of our efforts

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and from the misinformation being spread by the press agents in this hearing, which is causing more harm than the actual facts as they are.

"I have only one request to make and that is that you do not confine me in my testimony of this subject to any few banks. I have said that the policy of the Bank of North Dakota, in the main, was to leave the money where we found it, in the localities where it originated. I still insist that is correct. You cannot prove or disprove the policy by considering any one bank or group of banks, but you must consider them all, the entire eight hundred.

"I therefore, at this time, request that as we proceed with my testimony I be permitted to give you all this information so you may know all the facts, and not merely the facts which partisan counsel may wish to elicit. In closing, let me state

that the records have at all times been open to you and your counsel, and I wish further to state that I want to offer you a special invitation, either singly or in a body, to go into the bank and look over our records, to gather some idea of the large amount of records to be gone into, which you cannot get except by a visit to the bank itself. I thank you."

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Immediately on the heels of this statement, as showing there was no conflict over the figures in the audit, which the house committee had in its possession, Mr. Cathro testified: "There has never been brought to my attention anything that would cause me to doubt it in any substantial manner."

The only objection offered to the auditor's report by Mr. Cathro were the conclusions drawn by the head of the audit firm, which were discountenanced by the facts in the situation over which the bank had no control, such as the passage of the initiated law.

"The Industrial Commission and Mr. Cathro opposed to the last of their resources these efforts to tear down confidence in the whole banking system of the commonwealth.

BANKERS ORDERED TO PAY OBLIGATIONS

After this action of the house investigation committee, in order to safeguard itself so far as possible, the bank had only one course of action left open. The Industrial Commission issued an order to register for deferred payment, if necessary, checks from political subdivisions and the state treasurer, with the exception of those for the public schools and the state penal, charitable and educational institutions. Political

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subdivisions maintaining their deposits in the state bank were exempted. This action was needed to protect the Bank of North Dakota against further designed withdrawals. At the same time, the policy of leniency toward the private banking system was necessarily abandoned, because the house audit committee had destroyed the fruits of that policy.

The responsibility rests upon the political conspirators.

Collectors were ordered sent out to every bank in the state to demand payment from the private bankers of their obligations to the Bank of North Dakota. The statement of position of the Industrial Commission said:

"Many private banks have failed, neglected and refused to pay funds due the Bank of North Dakota when called upon, giving as their reason poor crop conditions and failure of the people to meet their obligations.

"The Bank of North Dakota has endeavored to be as lenient as possible with such private banking institutions in forcing payment of such obligations.

"Probate banking institutions have charged that the Bank of North Dakota was embarrassed and in financial stringencies, when as a matter of fact its only difficulty was the in-

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ability of the privately owned banks and private banking system to meet its obligations, due to such private bankers and such private banking system having extended more loans than they should have; having failed to keep a sufficient amount of reserve and being unable to meet checks upon demand deposits made with them.

"The press of the state is trying to conceal the fact that the financial stringency is due to the failure of private banks

and bankers to meet their obligations. Now in order that the Bank of North Dakota may be enabled to collect a portion of those funds which are due it, the management of the bank is hereby directed to send out collectors to force payment of obligations due it, and in case payment is not made, to report the matter to the examiner."

Farmers, labor and business men of the whole state:

The Industrial Commission's desire is simply to set the facts of this political conspiracy before you. With the facts, the people will know where to place the responsibility. These attempts to bring down the whole credit structure of North Dakota on a chance that some political capital may be made

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out of it, are more than poor judgment. They represent more than an infamous stab at the reputation of North Dakota among the sister states of the Union. They represent positive inhumanity, because the welfare of every individual in the state—of every man, woman, or child—is involved.

THE INDUSTRIAL COMMISSION OF THE STATE OF NORTH DAKOTA. (Second in a series of advertisements).

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"EXHIBIT 314"

STATE OF NORTH DAKOTA, Dr.

To Rex Large

Address McKenzie hotel and Mpls.

To expenses, Minneapolis to Bismarck and in Bismarck as per attached expense sheet, Feb. 3, 1921 to Feb. 16, 1921. 142.32.

CHARGE IND. COMM. FUND

APPROVED

Feb. 19, 1920, By Ind. Com. of N. D.

H. A. PADDOCK, Sec.

Expense sheet attached thereof.

(887)

"EXHIBIT 315" LDS

Bismarck, N. D. Feb. 18. 1920

STATE OF NORTH DAKOTA, Dr.

To Rex Large

Address McKenzie Hotel and Minneapolis.

To salary one week, Feb. 11 to Feb. 17 \$100.00

Charge Ind. Comm. Fund.

APPROVAL,

H. A. PADDOCK.

8-17-21

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"EXHIBIT 316" LDS

Feb. 11 1921

STATE OF NORTH DAKOTA, Dr.

To Rex Large

Address McKenzie hotel, Bismarck, N. D.

To salary one week

One week Feb. 11 to Feb. 17, (inclusive)100.00

APPROVED

Feb. 11, 1921

By Ind. Com. of N. D.

EXHIBIT 316

Feb. 11, 1921.

STATE OF NORTH DAKOTA, Dr.

To Rex Large

Address McKenzie Hotel, Bismarck, N. D.

To Salary one Week,

One week Feb. 5 to Feb. 10, (inclusive)100.00

APPROVED

Feb 11, 1921.

By Ind. Com. of N. D.

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"EXHIBIT 317" LDS

Feb. 23, 1921

STATE OF NORTH DAKOTA

To Andrew J. Loran, Address Jamestown, N. D.

Reporter Senate Investigation Committee, 17th Legislative
Assembly, Expense Account.

Hotel McKenzie as per statement attached26.50

Livery 1.25

Misc meals as per statement 1.30

R. R. Fare, Jamestown 3.30

32.25

Charge Ind. Comm. Fund.

APPROVED

Feb. 22, 1920,

By Ind. Com. of N. D.

H. A. PADDOCK.

Statement attached thereon:

32.25

(890)

"EXHIBIT 318" LDS

February 23rd., 1921.

STATE OF NORTH DAKOTA

To Andrew J. Loran, Address, Jamestown, N. D.

Services Reporter Senate Investigating Committee 17th.,
Legislative Assembly.

Per Diem from 2-17 to 2-22 incl. 6 da60.00

Transcript of entire proceedings, daily, 518 Folio at 25c.128.50

Extra Stenographic Help 15 hrs at \$1.00..... 15.00

203.50

CHARGE IND COMM. FUND

APPROVED

Feb. 23, 1920.

By Ind. Com. of N. D.

H. A. Paddock.

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"EXHIBIT 321" LDS

February 17th, 1921

STATE OF NORTH DAKOTA

To—Laura D. Stone,

Address, Grand Forks, N. D.

Services Reporter Investigating Committee; 17th Legislative
Assembly. House.

Per Diem 2-2 to 2-9 inclusive 8 Da at \$10.00\$80.00

Daily Transcripts entire proceedings, 2-2 to 2-9 inc

400 folio at 25c .. . 100.00

FRIDAY, MARCH 4, 1921

1205

Extra Stenographic help 15 hrs. at \$1.....	15.00
Services Reporter Senate Investigating Committee;	
Per Diem 2-5 to 2-16 inclusive	
Per Diem from 2-9 to 2-16 incl. 7 Da at \$10.00.....	70.00
Daily Transcripts entire proceedings 2-9 to 2-16 incl	
746 Folio at 25 c	185.00
Extra Stenographic Help 15 hrs at \$1.00.....	15.00
Charge Ind Comm Fund	

\$465.25

APPROVED

Feb. 18, 1920

By Ind. Com. of N. D.

H. A. Paddock, Sec.

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"EXHIBIT 319" LDS

February 17th, 1921

STATE OF NORTH DAKOTA

To Andrew J. Lorem, Address, Jamestown, N. D.

Expense Account: Reporter Senate Investigating Committee 17th., Legislative Assembly.

Hotel McKenzie, as per statement	30.50
Misc Meals as per expense list ..	6.50
Misc. Supplies and exp, as per expense sheet.....	3.40
Livery	1.50

41.90

Charge Ind. Comm. Fund.

APPROVED

Feb. 21, 1921,

By Ind. Com. of N. D.

H. A. Paddock, Sec.

Amount of statement attached thereon;..... 41.90

(893)

"EXHIBIT 320" LDS

Feb. 17th., 1921

STATE OF NORTH DAKOTA, Dr.

To Andrew J. Loram, Address, Jamestown, N. D.

Services as reporter Senate Investigating Comm. 17th

Legislative, Assembly, as follows:

Per Diem 2-9 to 2-16 inclusive 7 days at \$10.00.....	70.00
Daily Transcripts Entire Proceedings 2-9 to 2-16 incl.	
746 Folio at 25c	185.25
Extra Stenographic Help 17 hrs. at \$1.00	17.00

\$272.25

Charge Ind. Comm. Fund.

APPROVED

Feb. 18, 1920,

By Ind. Com. of N. D.

H. A. Paddock, Sec.

(894)

EXHIBIT 322

Lemke

Feb. 17th 1921,

Greve Advertising Agency,

St. Paul, Minn.

Gentlemen:—

Upon my return I find your letter of February 15th awaiting attention. I have had little opportunity to learn just what the situation is, but can tell you exactly what the proposition is with the Commission. The Industrial Commission pays the expenses out of appropriations. UNDER THE LAW In North Dakota, we can not make any payments out of appropriations except for services actually already rendered or for materials already furnished. And it must be so represented on any voucher presented for payment.

I have seen the proper authorities and feel safe in assuring you that the minute your checking copies and itemized statements come, which show that the services have been actually rendered, you will be fully paid. We can not do any different than that because the law specifically limits the method of handling these matters in the manner suggested above.

(895)

EXHIBIT 322 Continued. LDS

We are very sorry we can not comply with your request, but feel positive that if you will hasten along your statement for the past week, you will get an immediate remittance.

Very truly yours.

H. A. PADDOCK,

Secretary of the Commission

GREVE ADVERTISING AGENCY Inc.

St. Paul, Minn.

February 15th, 1921

Mr. H. A. Paddock, Secretary,
Industrial Commission of No. Dak.
Bismarck, N. D.

Dear Sir:

Owing to the fact that a considerable number of the publications are requesting cash in advance. We would ask that you kindly send us a remittance for \$2000. to be credited to your account and used in this way whenever necessary. A full itemized statement will be sent you as soon as we have the necessary information, checking copies etc.

(896)

We are enclosing two sample letters showing the nature of the requests to which we refer.

Yours very truly,

GREVE ADVERTISING AGENCY, INC.

O Lindquist,

Cashier

OLH Enc-2
(Stamp)

RECEIVED
Feb. 17, 1921

By Ind. Com. of N. Dak.

Answerd.....

Ellendale, N D., Feb. 12, 1921

Greve Advertising Agency Inc.
St. Paul, Minn.

Gentlemen:

Subsequent to our letter of yesterday re-advertising for the Industrial Commission of Bismarck, it appears that the Bank of North Dakota, which is controlled by the Industrial Commission, and from which institution the said Industrial Com-

mission's funds are available presumably drawn, has refused to issue checks or warrants for any purpose other than the support of the state institutions.

Lets us make it clear to you that we do not in the least question the reliability of yourselves. But it is apparent that

(897)

you will not care to pay for advertising for a client unless that client, in turn pays you. It seems to us that the Industrial Commission's ability to pay for this advertising is extremely problematical, and we feel, consequently that we are only safeguarding our own interests in insisting that payment for advertising for the industrial Commission be made in advance.

Please do not misunderstand us in this statement. For any other client of yours, we shall be very glad to accept advertising to any amount on our usual terms. But we consider the Industrial Commission to be a very poor financial risk, and we must insist upon advance payment for any advertising done for them.

For your convenience, our page contains 120 inches which at 28c plus 5c composition charge, totals 33.80 per age. A check upon any other than the Bank of North Dakota or the Scandinavian American Bank of Fargo, for this amount, less the discounts of 16-5 per cent will be necessary before we can publish this advertising.

Thanking you for past business favors your prompt reply to this and our letter of yesterday, and our repetition of the statement that this casts no reflection upon the Greve Advertising Agency, we beg to remain.

Very truly yours,
 DICKEY COUNTY LEADER,
 Per H. J. Goddard.

Send check per W. M. R

(898)

THE HILLSBORO BANNER
 L. E. GEORGE, Publisher
 BOOK AND COMMERCIAL PRINTING
 Hillsboro, North Dakota

February 14, 1921

S. Greve Agency,
 St. Paul, Minn.

Dear Sir: Your order to insert page adv. N. D. Industrial Commission for this week received.

As there is some question with myself as to who will pay this advertising fee, will you kindly send me a check for amount, 30 cents an inch, 10 cents an inch for composition, less your commission of 15 per cent.

Respectfully,

40c

S. K. Per W. M. R.

Feb 19, 1920

Greve Advertising Agency,
 St Paul, Minn.

Attention Mr. Robbins:

Gentlemen:

Please accept this as an order for a page sized ad to run in the accompanying list of North Dakota newspapers, subject however, to cancellation on order from the Industrial

Commission, naturally these papers which have previous ads yet to run will do so, and make this one succeed in order.

(899)

I am informing the Western Newspaper Union of Fargo to cast stereotype plates, as the copy is in their possession, bill cost to you, and forward place to newspaper on your immediate order. You in turn will bill the Industrial Commission in full. The accompanying list of papers is a duplicate of that sent you with order for a page ad a week ago.

It is understood of course, that the usual rates of the newspapers obtained in this order, as in previous orders.

Yours very truly,

Acting for the Industrial Commission

Enc.

The Record, Petersburg, N. D.
 The Pioneer Express, Pembina, N. D.
 The Tribune, Rugby, N. D.
 The Journal, Devils Lake, N. D.
 The Citizen, Valley City.
 The Pioneer, Mandan, N. D.
 Globe Gazette, Wahpeton, N. D.
 Republican, Langdon, N. D.
 Leader, Ellendale, N. D.
 Record, Linton, N. D.
 Independent, Carrington, N. D.
 Advance, Beach, N. D.
 Herald, Grand Forks, N. D.

(900)

Press, Carson, N. D.
 Homestead, Napoleon, N. D.
 News, Hankinson, N. D.
 Enterprise, Hannaford, N. D.
 Tribune, Bismarck, N. D.
 Normanden, Grand Forks, N. D.
 News, Leeds, N. D.
 Tribune, Mayville, N. D.
 Gazette, Bisbee, N. D.
 Pioneer, Hope, N. D.
 Times, Belfield, N. D.
 Selfridge Journal, Selfridge, N. D.
 Citizen, Goodrich, N. D.
 Independent News, Forman, N. D.
 Times, Oakes, N. D.
 Turtle Mountain State, Rolla, N. D.
 Free Press, Lisbon, N. D.
 Herald News, Edmore, N. D.
 American, Lakota, N. D.
 Republican, Stanton, N. D.
 Leader, Washburn, N. D.
 Guide, Watford City, N. D.
 La Moure Chronicle, La Moure, N. D.
 Herald, Kildeer, N. D.
 Independent, Minot, N. D.
 News and Times, Grafton, N. D.
 Banner, Hillsboro, N. D.
 Herald, Cando, N. D.

(901)

Alert, Jamestown, N. D.

Press, Dickinson, N. D.
 Sioux Co. Pioneer, Fort Yates, N. D.
 Enterprise, Cogswell, N. D.
 Record, Rolette, N. D.
 Enterprise, Sanborn, N. D.
 Eliminate these papers which have refused to run ad.

Lemke.

Feb. 23rd, 1921

Publishers National Service Bureau,
 Fargo, N. D.

Gentlemen: Attention of Mr. Aarhus, Manager.

If the three papers you mentioned in your letter of February 21st were overlooked by us in making up our list, please see that plates and orders for page ad entitled "Where Blame Rests for Credit Collapse" go forward at once.

According to your letter of February 21st these papers are:

Sargent Co. News, Forman, N. D.

Free Press, Linton, N. D.

Rolette Record, Rolette, N. D.

RL:M

Yours very truly,

(902)

PUBLISHERS NATIONAL SERVICE BUREAU

Fargo, N. D.

Feb. 21, 1921

Mr. Rex Large
 Industrial Commission,
 Bismarck, N. D.

Dear Sir:

In billing our papers we find that three of our papers are not included in your list, they are Sargent County News-Forman, N. D. Free Press, Linton, N. D. and the Rolette Record, Rolette, N. D.

If it is your wish that these papers should receive the Industrial Commission ad kindly advise us, with instructions.

Yours truly

Publishers National Service Bureau,

By P. L. Aarhus, Mgr.

Lemke.

February. 23rd, 1921.

Western Newspaper Union,

Fargo,

North Dakota,

(903)

Attention Mr. David De Haven,

Dear Mr. De Haven:

Following receipt of your letter of February 21st yesterday, IL called on Mr. Walter M. Robbins of the Greve Agency of St. Paul and he informed me that he had forwarded an order for the Industrial Commission page plates either Tuesday or Wednesday a week ago; and that he had not been informed that when an order had not been received. Would you kindly check this matter up again, as it is imperative that last week's plates go forward.

Incidentally will you please forward a bill for plates cast for the Industrial Commission on the basis of our order

directed to you, which named a price of \$166 for fifty plates. Including composition.

Yours very truly,

NL:M

WESTERN NEWSPAPER UNION

Fargo, N. Dak.

Feb. 21, 1921

Mr. Rex Large,
Industrial Commission,
Bismarck N. D.
Dear Mr. Large,

(904)

Last week when I returned to the office Wednesday evening I wired you that we were sending out the plates for the second ad in your series on order of the Publishers National Service Bureau per arrangement made with the Service Bureau and that the plates for the Greve Agency would doubtless go forward on Thursday.

This telegram should have been confirmed by letter but on account of my absence from the city the following day such confirmation was necessarily delayed.

Under the circumstances, the plates last week were not charged to the Industrial Commission nor will they be this week for the reason that we have made arrangement with Mr. Aarhus to send the plates out on the order of the Publishers Service Bureau.

We might say for your information that we have not received an order from the Greves Agency to ship the plates which we made last week. As advised in our telegram the plates were made on Wednesday but we have not had an order from the Greves Agency to release the shipment and consequently the publishers have not received this plate.

We hope to have shipping instructions from Greves, not only for the plates of the second ad but also for the third ad, that is the one of this week.

We want you to understand just how we were handling the plates for the Service Bureau so that you would not be looking for an invoice for them from us.

Yours very truly,
Western Newspaper Union,
D. De Haven, Mgr.

(905)

Feb. 23rd, 1921

Mr. R. W. McClintock,
Courier News
Fargo, N. D.

Dear Sirs:

Would you tell me whether you received last week, I think probably Wednesday a story on the outcome of the Minneapolis Conference regarding the sale of bonds. I ask this because I see that you did not use it, but instead printed a story over which the headline said "No Compromise" written by yourself.

I am not asking this to kick because my story wasn't printed, but merely to learn whether you received it from the Telegraph company.

FRIDAY, MARCH 4, 1921

1211

I was in Minneapolis Monday and learned there that the Star never had received the story although I filed it for the Star and the Courier News at the same time.

I am making a kick with the Western Union and would like to know whether or not you got the story so I may re-enforce my demands for an explanation. If you did not get it it is simply doubly peculiar about what became of it.

NL:M

Yours with best regards,

(906)

Lemke.

Feb. 23rd, 1921

Minneapolis Tidende,
Minneapolis, Minn,
Gentlemen:

In reply to your inquiry of Feb. 19th will inform you that the Industrial Commission is confining the advertising campaign to the State of North Dakota, and for that reason naturally it would be impossible for us to place the copy you suggest in the Tidende.

Yours very truly,

NL:M

MINNEAPOLIS TIDENDE

Minneapolis, Minn.

Feb. 19th, 1921

Secretary,
The Industrial Commission of North Dakota,
Bismarck, N. D.
Dear Sir:

We note announcement, which you state is the first of a series in "Normanden" February 14 and we write to suggest that you run this series in the weekly edition of the Minneapolis Tidende. The cost will be \$140 per inch, single

(907)

column, which makes the cost \$205.80 per page.

The average circulation of our weekly edition for last year was 21,704 copies per issued. Besides reaching a large number of Norwegians of North Dakota and Minnesota, it has a wide distribution throughout North Dakota, Iowa and Wisconsin territory that we assume you are interested in reaching also.

Yours truly,
Minneapolis Tidende.

M:V

(Name Unreadable), Business Manager.

(Stamp)

Received

Feb. 21, 1921

By Ind. Com. of N. Dak.

Answered

THE MANDAN NEWS

Mandan, North Dakota,

February 11th, 1921

State Industrial Commission,
Bismarck, N. D.
Gentlemen:

Under date of February 9th, 1921 the Greve Advertising Agency of St. Paul, Minnesota advised us of order for one page ad for you in weekly issue of the News for the week beginning February 6.

(908)

Of course it is a physical impossibility to comply with that however, if the week of February 18th will answer we can take care of the order very nicely.

If it can be arranged this order comes from "Morton or Burleigh Counties, North Dakota, we can perform the service as directed in the said order, and the rates quoted. If the order is coming from St. Paul or anywhere outside of the two counties mentioned the order must come through the American Press Association, of New York, at the rate of 40 cents, per inch.

We are writing Greve Advertising Agency today and will enclose carbon copy of this letter to them. Please wire if this order can "originate in Morton or Burleigh Counties, North Dakota." And if issue of February 18th will do.

Very Sincerely yours,
The Mandan News,
Per Frank Wilder.

THE MANDAN NEWS

Mandan, N. D.
February 11th, 1921

Greve Advertising Agency
St. Paul, Minn.
Gentlemen:

(909)

Your order of February 9th for running a one page ad for the North Dakota State Industrial Commission in weekly edition for week beginning February 6th came to hand this morning after the edition mentioned had gone to the post office.

If the week beginning February 13th will answer we can handle the order very nicely.

If this can be arranged to come from either "Morton or Burleigh Counties, North Dakota, we will be pleased to execute the order as per rate instructions in your order—at the same time if it is necessary to have the order come from St. Paul Minnesota, we will be compelled to refer you to the American Press Association, New York, through whom all foreign advertising for the News must come.

We are writing the Industrial Commission today and enclose a carbon copy of our letter to them. We are also sending them a carbon copy of this letter.

Wire us if February 13th will do and if it can be arranged to have this order coming to us from Burleigh County, North Dakota.

Very sincerely yours,

(910)

WESERN UNION TELEGRAM

Received at
161F

DK 9

Mayville, N. Dak, IP Feb. 10, 1921.

Industrial Commission of N. Dak.
Bismarck, N. D.

Ad Just arrived must it run this week answer.

Mayville Tribune.
202P

FRIDAY, MARCH 4, 1921

1213

TELEGRAM

Devils Lake N. D., Feb. 940AM 14, 1921

H. A. Paddock,
Sec'y Ind. Comm'n Bismarck, N. D.

The World failed to be specified for page ad, do we get in on this circulation our 2000 largest in country wire answer.
Devils Lake World,

Austin,
950 AM

TELEGRAM

Fargo, N. D. Feb. 16, 1921.

Rex Large,

Industrial Commission, McKenzie Hotel, Bismarck, N. D.

Plates Industrial Commission ad went out express to service bureau last evening per arrangements with service bureau. Order from graves received too late for shipment tonight will go forward on their order to their list Thursday morning.

Western Newspaper Union.

(911)

Mr. Paddock: I will now call Mr. H. D. Paulson.

(Mr. Paulson not in room.)

Mr. Paddock: I would suggest to the Committee that we take a recess of five minutes while waiting for this witness.

Mr. Chairman: We will take a recess for five minutes.

Meeting called to order by Chairman.

H. D. PAULSON, having been called as a witness, was duly sworn, and testified as follows:

EXAMINATION BY MR. PADDOCK

Q. What is your name? A. H. D. Paulson.

Q. Where do you live? A. Fargo, North Dakota.

Q. What is your business? A. Managing editor of Fargo Forum.

Q. Of the Fargo Forum? A. Yes.

Q. Would you recognize a copy of the Fargo Forum if you saw it? A. I'd say so.

Q. I show you this instrument marked Exhibit 323 and will ask you whether or not that is a copy of the Fargo Forum, at least, the front page of the Fargo Forum of Feb-

(912)

ruary 23rd, 1921? A. It is.

Q. What is your official position, with reference to it? A. Managing Editor.

Q. And this article, in the column to the extreme right hand, under the heading "By H. D. Paulson" was written by you? A. It was.

Mr. Paddock: I offer in evidence Exhibit 323.

Chairman: Accepted.

Mr. Paddock: I offer in evidence Exhibit 323 asking that the extreme right hand column on the first page be placed in the record and that the headlines reading: "Cathro admits Bank lacks \$2,197,269.00 in cash assets." and all the headings and subheadings under the right hand column be placed in that record: Liquid Assets insufficient to meet all claims of depositors. Two millions short even if all the state money were used.

Chicago Bank to call its loan. The State must pay a million dollars March 15th or lose its collateral bonds.

(By H. D. Paulson)
 Bismarck, N. D., Feb. 23—Answering today a hypothetical question concerning the ability of the Bank of North Dakota
 (913)

to meet all demands that may be made upon it under the law by public treasurers and others who have deposits in the State Bank, F. W. Cathro, manager and director of the Bank said that the institution would be \$2,197,269.00, short of being able to go on a cash basis. Cathro, during the course of his examination, took the position that sinking funds deposited in the Bank of North Dakota by political subdivisions of the State are not subject to withdrawal under he initiated law adopted last November. He asserted that the initiated law did not provide for the transfer of such funds, and that the Bank of North Dakota law established a sort of trust relationship under which the State Bank was charged with preserving the money paid by the taxpayers for the purpose of retiring bonds. With this view, Attorney John F. Sullivan, who conducted the examination, did not agree, taking the position that under the initiated law doing away with compulsory deposit of public funds, public officials acquired authority to transfer not only general public funds but funds raised for the retirement of bond issues as well.

Using Mr. Sullivan's theory as a basis for calculation and including in the demand liabilities of the Bank of North
 (914)

Dakota the million dollars due to the Chicago Bank on March 15th and of which it is expected the Chicago Bank will demand payment, Mr. Cathro's figures taken from the Bank of North Dakota statement of conditions of February 15th showed that \$9,072,834 could be classed as demand liabilities. The items entering into this computation are sinking funds of political subdivisions, general funds of political subdivisions, reserve deposits by private banks, cash items due to private banks, from the state banks and the bills payable.

The Liquid Resources.

Liquid resources of the Bank of North Dakota with which to off set the demand liabilities as listed from the Bank statement totaled \$6,875,504.00. These resources, including all the money in the Bank whether on redeposit or loans, but not including the money in closed banks. Mr. Cathro estimated that the amount in closed banks was about \$1,250,000, though the Bishop Brissman report of the State Bank's redeposits and loans to the banks that are closed indicates that the total is somewhat higher, probably a million four hundred thousand, not including the Non-Partisan league bank at Courtenay which closed today in which
 (915)

the State had about \$50,000 of public funds.

The calculation, stated by Mr. Sullivan, to be hypothetical, is looked upon as answering the State Industrial Commission's contention that if the private banks met their obligations promptly, the State Bank itself would be able to meet its obligations.

By the calculation disclosing more than two million of funds not available for repayment to political subdivisions

of the State, it also is disclosed that there would be no funds whatsoever left in the Bank of North Dakota with which to finance the State government, which has deposited about three millions in the bank. The computation goes back to the proposition that more than five million of public funds have been so handled by the Bank of North Dakota, that they are not now available for the purposes for which they were paid by the taxpayers.

McAneney's Admission.

Another important development of the day was the testimony of Mr. L. P. McAneney, Director of Credits of the Bank of North Dakota who testified himself, if left to his own judgment, would not have much such heavy advances of credit, to the Scandinavian-American of Fargo as has been made by the state bank.

(916)

McAneney also testified that he personally was present at a conference, that J. R. Waters, former manager of the bank, had with Governor Frazier, early last year, when Waters made known his objection to the placing of money in the Fargo bank. Waters and McAneney had gone to Fargo on New Year's day last year, making a brief examination of the Scandinavian-American bank, from which McAneney said Waters apparently became convinced that the institution was not sound. McAneney said he himself gained the impression by that examination, that the Fargo bank 'needed a lot of fixing.'

McAneney also testified further, concerning his trip to Florida early last year, where he said he interviewed Waters carrying to Waters a resignation letter, he said had been prepared by Ray Craig, former state Manager of the Non-Partisan league. McAneney could not recall, he told the committee, whether he—"

Q. Now Mr. Paulson, how long have you lived in Fargo?
A. About five years.

Q. How long have you lived in North Dakota? Ha, that's telling my age. A little better than thirty-three years. How old is he?

(917)

Q. Then you are fairly well acquainted in the State of North Dakota? A. I guess I am.

Q. Are you acquainted with any bankers in North Dakota? A. Lots of them.

Q. And I suppose then, you have been watching the House and Senate investigation of the Bank of North Dakota? A. I have.

Q. I want to ask you if you do not consider the First National Bank of Fargo one of the biggest and soundest banks in the State of North Dakota? A. I do my business there on my theory.

Q. Do you know whether or not it is the biggest. A. I do not. It possibly is excepting the Bank of North Dakota.

Mr. Paddock: Paper marked Exhibit 324 LDS, and I will ask you whether or not that is Page 7 of the Forum of Tuesday evening Jan. 11, 1921? A. It is.

Q. Calling your particular attention to the fourth column from the left side beginning at the top and running to the bottom of the page, I will ask you whether or not that is a published statement of the condition of the First

(918)

National Bank of Fargo on December 29, 1920? A. It is.

Q. It is? A. It is.

Q. That is all, Mr. Paulson.

Harry L. Altman, recalled, as a witness.

EXAMINATION BY MR. PADDOCK:

Q. Mr. Altman, you were sworn yesterday were you not?

A. Yes.

Q. How long have you lived in Minneapolis? A. Since 1911.

Q. Since 1911? A. Yes.

Q. How long have you been in the auditing business?
A. It's been five years straight. I was part of the time, I spent five years in the study of accountancy in different colleges and universities and four years since then in the practice.

Q. Are you acquainted with the different accounting firms in the Twin Cities. A. Yes.

Q. Did you ever hear of the Temple-Webb firm? A. Yes.

Q. Do you know Mr. Temple? A. I met him the other day.

(919)

Q. When? A. Wednesday.

Q. This week? A. Yes.

Q. Where? A. In Bismarck.

Q. And where in Bismarck. A. Grand Pacific Hotel.

Q. In the lobby? A. In his room.

Q. What room? A. Room 204, either 104 or 204.

Q. Was that Wednesday? A. Yes.

Q. That was Wednesday? A. Yes.

Q. On the 23rd day of February? A. Yes.

Q. Who else was in the room? A. At the time I met him there was—I met him first in Room 205.

Q. Whose room is that? A. I do not know. Its the general assembly room.

Q. The general assembly room for whom? A. I believe it is for something in connection with the house committee.

(920)

Q. Who was in that room when you met him? A. A young lady.

Q. Do you know her name? A. I do not.

Q. Who was in the room, 204? A. Mr. Temple. I met him there a few minutes later.

Q. Was anybody else in that room? A. There was not.

Q. Who introduced you to Mr. Temple? A. I believe it was—I will tell you in a minute. Mr. Sullivan introduced me to Mr. Temple.

Q. One of the attorneys for the House investigating Committee? A. I presume so.

Q. Did he tell you who Mr. Temple was? A. He did not need to tell me. When he introduced me, I knew he was of Temple-Webb.

Q. Did you have a conversation then. I did.

Q. What was that in reference to? A. The Drake Mill.

Q. And with reference to the Bishop Brissman report of the Drake Mill? A. Yes.

Q. Who else was in that room when Mr. Sullivan introduced you to Mr. Temple? A. It must have been that young lady there.

Q. Anybody else beside the young lady and Mr. Sullivan.

(921)

A. Nobody else that I can recall.

Q. Was anybody else in the room with you and Mr. Temple? When you had your conversation? A. There was not.

Q. And what was your conversation with Mr. Temple, was it with reference to the Drake Mill. A. I told Mr. Temple I was to get certain information we needed to complete our report of the Drake mill, and he told me in effect that that information was in your possession. And he wanted me to see that I got it and complete the report. We had a very brief conference.

Q. He was interested in the completion of the Bishop Brissman report on the Drake mill? A. If you wish to state it that way.

Q. Is that your conclusion? A. It is.

Q. Is Mr. Temple in the employ of the Bishop Brissman Company? He is not.

Q. Has he been. A. I am quite sure he is not. He is a competitor of ours.

Q. Do you know in whose employ he was when he had that conference with you? A. I do not.

Q. Do you know how long he had been in Bismarck? A. I do not.

Q. Do you know when he came here? A. I do not.

(922)

Q. Did Mr. Sullivan say anything about his directing the completion of the audit of the Drake Mill. A. He did not.

Q. He just said he was interested in the Drake Mill. A. He just introduced me to Mr. Temple and said he was interested in the Drake Mill. He introduced me to Mr. Temple and said he wanted to have a conference with me.

Q. Where is Mr. Temple now? A. In St. Paul, at his main office.

Q. What makes you believe that? A. I was informed that he left for there Wednesday night, in fact, I have his room now.

Q. He informed you he was leaving Wednesday night? A. The clerk at the hotel informed me that he was leaving Wednesday evening, told me he had left Wednesday evening.

Q. The clerk at the hotel announced to you that he left? A. He gave me room 204, and I said it was Mr. Temple's room because I had been in it.

Q. When is Mr. Temple coming back? A. I cannot say.

Q. He didn't tell you? A. He didn't tell me he was leaving.

(923)

Q. Mr. Paddock: That is all. You may take your chair here, and I will recall you later.

Mr. Henry Halvorson, having been called as a witness, was duly sworn, and testified as follows:

EXAMINATION BY MR. PADDOCK:

Q. What is your full name? A. Henry Myron Halvorson.

Q. What is your business? A. Hotel proprietor.

Q. Of what hotel are you proprietor? A. The Grand Pacific.

Q. Do you keep a ledger there? A. Yes.

Q. Do you know a man by the name of Herbert Temple being there during the past week? A. Yes.

Q. How often has he ben there during the last week?
A. Once.

Q. How often before that? A. Two times.

Q. And before that. A. Once that I know of.

Q. What were the dates that he was there? A. He came on the everying ofthe 4th and left on the evening of the 5th of February.

(924)

Q. Turn to your register and show me where he has registered in your hotel. A. He is not registered.

Q. Why not. A. Reservation was made for him and when he came in on the noon train, the key was handed to him.

Q. Is it the custom or it is not ucstomary for customers when they make reservations, to register? A. Usually.

Q. Why was there an exception in this case? A. They wished it that way.

Q. How do you know? A. I was not there at the time. when I came in, the clerk told me he was in the room and I called up Mr. Temple and asked him, and he said he didn't care to have his name on the book. And I asked him his name and he gave me his initials and I said all right. I found out from somebody I asked that he was the man he represented himself to be.

Q. You don't remember whom you asked. A. No.

Q. You do not recall whom you asked? A. All I remember is the fact that he was in that room. The clerk told me it was not his wish to register and I called up and

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he said he did not wish it know he was in the room.

Q. And he left on the 5th? A. Yes.

Q. And he arrived again on the 9th? A. He made reservation that day before he came. And the key was handed to him. He did not register that day either.

Q. Then he came back on the 11th? A. Yes.

Q. Did he make reservation then? A. Yes.

Q. And then what day did he come back again? A. On the 22nd.

Q. Had he made reservation again? A. Yes.

Q. For when? A. Wednesday.

Q. Is he coming back again? A. Yes.

Q. When? A. Next Wedensday.

Q. For this same room, 204? A. Yes.

Q. And his name does not appear on your hotel register on any of these dates? A. No.

Q. Is it customary for people to come in and be in your hotel without registering on your hotel register? A. No.

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except we know them.

Q. What is the purpose of keeping a hotel register? A. So we have the signature of the guests who register there.

Q. And for the examination of the hotel inspector? A. No, he has nothing to do with it.

Q. Just for your own information? A. Yes, and for the information of the public.

Q. How many other people were in your hotel on these days not registered? A. None.

Q. How many during the last month? A. I believe one.

Q. And the month preceding that? A. I believe none.

Q. And the month preceding that? If you do not know say so. A. There was just one instance.

Q. What was that? A. That was the clerk of the Hotel McKenzie got drunk and I gave him a room without registering on the register.

Q. Then it is very much out of the ordinary for a man to come to your hotel and you give him a room without his registering? A. Yes.

Mr. Paddock: That is all.

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Mr. Altman recalled.

Examination by Mr. Paddock:

Q. You say you just met Mr. Temple? A. Yes.

Q. How old a man is he? A. I would judge aroundy forty-seven.

Q. How many years has he been in the auditing business? A. As long as I can remember. He is one of the most prominent men in the field.

Q. Have you ever heard of the Townley Bankruptcy case? A. I don't know. All that I know about Mr. Temple is that his character is excellent,—I mean his reputation.

Q. I am not questioning his reputation.

Q. Do you know what his purpose was in being in Bismarck? A. I presume in connection with this audit. I don't know.

Q. In connection with the completion of the report on the Drake Mill? A. I presume so.

Q. And he talked to you about it? A. Yes, he did.

Q. Is it customary for one auditing firm to appear to explain their work done by another auditing firm? A. Very

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customary.

Q. Is it customary for them to come to town and not register in hotels when in town? A. I would say just as customary but no more customary than any other individual.

Q. You heard the hotel man testify, that there were no other exceptions? A. Then it would be un-customary. An accountant is no different than any other person.

Q. It is not customary for an accountant to go around secretly and work on the accounts of other accountants is it? A. I don't say that. I did say that, I said it is not customary for them to do anything anybody else would not do.

Q. Is that the way you would go about it, to audit the report of an audit company? A. It would depend on the situation.

Q. If it were a situation where you did not want the evidence to be known you would probably do it that way? A. Undoubtedly.

Q. That is what I thought. Mr. Altman, how old are you? A. I am twenty-eight.

Q. And you have been studying accountancy and practicing it for the last nine years? A. Yes.

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Q. How long have you been employed by Bishop-Brissman Company? A. Since December, 1916, except during the time I spent in the service.

Q. How long have you known Mr. Lee? A. Three years.

Q. Did you ever work with him on a job? A. I did.

Q. Where? A. The Pan Motor company, at St. Cloud.

Q. When was that? A. 1919, the early part of 1919.

- Q. Who were you working for, the Pan Motor Company?
 A. That I cannot say.
- Q. Who were you working for, the Pan Motor Company?
 A. That I cannot say.
- Q. You don't know who you were working for? A. No. I know we turned our report over to the Security Commission of Minnesota.
- Q. The Security Commission of Minnesota passed the Pan Motor Company on your report did they not? A. They did not—decidedly not.
- Q. They did not? A. Decidedly not.
- Q. And how many other jobs have you worked on with Mr. Lee? A. That I do not recall.
- Q. During the four or five years you have never worked on but one job with him? A. Just one job.

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- Q. How long has he been employed by the Bishop-Brissman Company? A. That I cannot say. When I came back from the Service I found him there.
- Q. Are you a certified public accountant? A. I took the final examination last November.
- Q. What other accounting firms have you worked for? A. Marwitch—Mitchell-Peat.
- Q. How long did you work for them? A. About a month, just before I went to work for the Bishop-Brissman Company.
- Q. Any other companies? A. No.
- Q. What class of work in auditing do you do? A. About every class I can imagine.
- Q. What is your experience with contracting and building accounting? I have had some of that.
- Q. Where? A. I believe I worked in W. A. Whitney Co., but I am not certain, in St. Cloud. A contracting Company about four months, I cannot recall the name of the Company, and but being in the office, we have an immense amount of every sort of work, and that includes every sort of work.
- Q. In this accounting were you a senior or junior accountant?

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- Q. In this work were you a Junior or Senior accountant?
 A. I believe I was working as a Senior. It 'so long ago I don't recall.
- Q. You consider yourself well qualified in contracting and building accountancy? A. Yes.
- Q. All right. What experience have you had in the examination and auditing of banks? Every accountant necessarily gets an immense amount of work with banks, because every audit he is on he must time and again refer to banking records.
- Q. I did not ask you about every accountant. I asked what experience you have had. A. The same as any other accountant.
- Q. What bank have you audited? A. No, other bank, but the Bank of North Dakota.
- Q. What experience have you had in milling audit? A. Very great—we have a great deal of elevator work.
- Q. Ever had any experience in auditing a milling concern? A. No, except auditing the milling accounts in the Cities.

Q. Then you don't know much except in theoretical way?

A. Your suggestion is unfair. No, in a practical way as well.

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Q. What mill did you ever work on? A. You don't have to work on a mill to get experience. In five years' study you always get a good deal.

Q. You figure you are as well qualified as a man can be in milling accountancy? A. I do.

Q. What do you know about Mr. Lee's experience in milling accountancy? A. Not a thing.

Q. What do you know about his experience in auditing a bank? A. I don't know.

Q. In contracting and building accountancy? A. I do not know.

Q. What was his capacity with respect to his employment by Bishop, Brissman Company in respect to the audit of the state's industries? A. He was one of the senior accountants.

Q. Did he not have charge of the entire job? A. It is pretty hard to answer that directly for the simple reason that part of the time he may have had charge of the entire job and part of the time I may have had charge of the job; however, we worked together on the job.

Q. You wish to say he was not in charge of the entire

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audit for the Bishop Brissman Company? A. I do not. There may have been an arrangement between him and the Bishop Brissman Company.

Q. You don't know that yourself? A. No, I don't know whether he was given full charge or not.

Q. Did you work with Mr. Lee on the audit of the Bank of North Dakota? A. I did.

Q. What work did you do? A. I worked on farm loans. I think I had charge of that part of the time. I think that was practically all I did in the bank—work on farm loans.

Q. Did you verify all the farm loan department work? A. All with the exception of the abstracts. I started work on them but had to leave them to go to Drake.

Q. What did you do with the abstracts? A. I started to examine them when I left to go to Drake.

Q. What about the abstracts? A. I started to examine the abstracts to see if the titles were clear.

Q. You were preparing to make a report to see whether the titles were clear on these abstracts? A. We had just turned to the abstracts when I left.

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Q. What was the purpose of your making a report on the abstracts? A. My purpose was to make a report on the accuracy of the transcripts.

Q. What were you going to do—give a conclusion on the whole abstract? A. Yes, after I went through them.

Q. You would make a report on whether you thought it showed good title or not, is that it? A. Among other things.

Q. What is your qualification for examining abstracts? A. The same qualification that any other public accountant has by going through numerous abstracts. We do not pass upon them as an attorney would, certainly, but we go through a number in our different audits and we judge fairly; in passing on the abstracts we would take an attorney's—

Q. Your report would not show anything? A. Only the facts contained in the abstract.

Q. Would you put a copy of the abstract in the report?
A. No, a copy of certain facts in the report. If you have the report here I can point out these facts to you, or these parts that I took out of the abstract.

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Q. That is the one part of the report that you verified?
A. I went through the farm loans, yes.

Q. Did you write any of the commentaries on the bank in that report? A. No, I did not.

Q. Did Mr. Lee write any of the commentaries? A. I was not closeted with him. I don't know how much he wrote. We discussed parts together. I would give a suggestion, and he would give his, and others would give theirs. You see the report is built up by everyone in the audit as far as giving their suggestions.

Q. Who wrote the commentaries in the bank report? A. There was a collection but probably finally gone over by Mr. Bishop.

Q. Who dictated the commentaries? A. I might have some, and turn them over to somebody else, and somebody might do likewise, and then we would gather there together and Mr. Bishop and Mr. Brissman, and we would all go over this together and probably have a session, and might call in other accountants from the other firms and go over them, and arrange it, and write up the report.

Q. You have other accountants from other firms help make up the reports is that it? A. I said we sometimes do. It is no more or no different than doctors and attorneys do—

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they call in one another to consult over a case.

Q. Did you call in Temple-Webb to help you make up this report? A. I never saw Temple.

Q. Well, who do you thing wrote up the commentaries in the report on the Bank? A. I think Mr. Bishop wrote them up. Mr. Bishop undoubtedly took the responsibility for writing them up. He undoubtedly went over all of it, but I don't know how much he wrote.

Q. But he is not proud enough of his job to come up here and be examined upon it? A. That you will have to take up with him.

Q. We have taken it up with him but we don't get any answers.

Q. What part of the commentaries on the Drake mill did you write? A. I believe I went over every bit of it.

Q. You went over all of it? A. Yes.

Q. And approved all the commentaries? A. Undoubtedly.

Q. Did you? A. Certainly.

Q. What part of the Drake mill did you verify? A. Every bit of it.

Q. You are willing to state that it is true and correct? A. Yes.

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Q. What part of the report in the Home Building report did you write? A. None whatever.

Q. Did you see any of the commentaries in it? A. I probably did. However, I would need the report to refresh my memory. I haven't looked at it for six weeks or so.

Q. Do you know what reserve is in a bank? A. Why, yes.

Q. What is it? A. Reserve is the amount that is set aside, or held to meet certain contingencies. Generally a fund required by law. For instance the state law or national law may require a bank to keep a certain amount of its funds or certain funds equalling a certain per cent of its deposit. Either in its vault or in the other banks or probably a certain amount in ether, and a bank has reserves for redeeming bonds.

Q. We are speaking of reserves for deposits? A. Well I explained that first then.

Q. Then a reserve for deposits is that portion of the funds which they keep in money in their vault or deposit with reserve agents? A. Not necessarily money.

Q. What do they keep in their vault then? A. It would depend entirely upon the law.

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Q. Let me finish my question. Then the reserve is the money they keep in their vaults, and the deposits they have with reserve agents subject to demand call for the purpose of meeting withdrawals of deposits in their own bank? A. Yes, with these reserves. For instance, a law--

Q. I didn't ask you about the law. That is the general purpose of the reserves? A. Yes.

Q. If a bank is an institution handling cash it should have enough to pay off its debts right away? A. Why no.

Q. No, will you please explain why not? A. Why the ordinary bank lives on loaning money to others. Suppose it receives a million dollars in deposits, its success depends on how much that it can put out in different business to earn money for it, if it figures out, but as in this case the law figures out that the people will not ordinarily demand more than a tenth of the money they deposit. There is no necessity for a bank to hold more than that.

Q. The purpose of the bank is to loan as much money at as high a percentage and only hold enough funds to meet the

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average withdrawals. That is the purpose of an ordinary bank? A. Yes.

Q. Is there any exception to that rule? A. There may be, depending upon the condition of the bank.

Q. What is the exception? A. There are commercial banks and trust companies.

Q. A commercial bank? What is a commercial bank? What do you think the Bank of North Dakota is? A. I can't say, it's not a regular commercial bank in the regular sense of the word, in that it did not accept deposits from individual depositors.

Q. Does it handle transit business? A. Yes.

Q. And rediscount loans? A. Certain kinds of loans.

Q. Does it deposit funds with other banks? A. Yes.

Q. Does it make loans to other banks? A. Yes.

Q. And make loans to individuals on certain kind of security? A. Yes.

Q. And on farm security and warehouse receipts? A. It did on farm security but not on warehouse receipts, when we were there as near as I recall.

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Q. Then you don't remember? A. I do not.

Q. Then for your information I will tell you it did. A. Very well.

Q. Then this kind of business which I have named to you, or rather this kind of banking I have named, is commercial banking? A. Elements of commercial banking.

Q. What is liquidity of a bank? A. Ability of the bank to meet ordinary demands on the bank.

Q. To determine the liquidity of the bank, how would you do it? A. First of all, I would find out what funds it could lay its hands on in a small enough period to meet ordinary demands; for instance, it has been found in commercial banking all Federal Reserve banks will not permit commercial paper for over ninety days for the reason they must have commercial paper they can lay their hands on at all times. And commercial paper over ninety days old has been found to be unliquidable.

Q. In figuring the liquid assets of a bank, do you count its demand deposits with others? A. It depends upon the situation of the deposits.

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Q. Then, if you were to examine the statement of a bank and determine what part, on the face, of the statement, to be its liquid assets you would take demand deposits as one of its assets? A. I would want to know what the other facts were.

Q. I asked you from a statement of the bank? A. I wouldn't give it from a statement of the bank.

Q. I think you will. What else would you take besides demand deposits, on other banks, cash on hand? A. Cash on hand, of course, and such items as liberty bonds and other bonds that are known to be marketable in a regular market, would be known as liquid assets.

Q. Name some of these bonds that are marketable on a regular market besides liberty bonds? A. I would take those listed on the New York Exchange with a certain reserve for their fluctuations. They are as liquid as cash.

Q. Whenever they could be sold? A. What?

Q. Whatever they could be sold for? A. Yes.

Q. But they may be worth only half as much the next day? A. No regular railroad bonds do not drop to half.

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Q. They do not fluctuate rapidly? A. Not ordinarily, no.

Q. What happened to them at the time the Government passed the Ash-Aimes regulation? A. They did not go up rapidly before it?

Q. Then they did fluctuate? A. Yes.

Q. If you were given a statement of the bank to determine its liquid assets, what items would you take into consideration? A. Cash and deposits in other banks, I would take them into consideration. I would take Liberty bonds and such other bonds as I would consider to be readily marketable.

Q. Are they usually listed on the face of the statement? A. Certainly, they are.

Q. In a published statement of the bank? A. Certainly.

Q. The kind of bonds are listed in a published statement of the bank, other than Liberty bonds? A. No, I will tell you why.

Q. I do not care why. A. No, they are not because the bank does not invest in them.

Q. What other items would you take except those you have named as liquid assets? A. Municipal bonds.

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Q. How would you rate them if they are not listed on the face of a published statement? You could not rate them on the face of a published statement if they were not listed, could you? A. You could very easily, by investigation of what they are worth. If they are from a good municipality, you are bound to know they are marketable.

Q. I asked you if the character of bonds are generally listed on the face of a published statement? A. Yes, they are.

Q. Did you ever see a published statement of a bank that carried the names of municipal bonds? A. No.

Q. All right, then, if you say a bank statement shows stocks and bonds of so much and does not show what they were, could you figure them as demand assets? A. They would ordinarily be figured—no, no.

Q. They would not be figured, would they? A. No.

Q. The only thing that is figured is demand assets—did you figure loans and discounts as demand assets? A. Demand loans, yes. No, I mean demand liability.

Q. You mean demand liability? A. Yes.

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Q. And loans which are due you figure as demand liability is that correct? A. Loans which are due are demand liabilities.

Q. Now you stated a while ago, Mr. Aultman, the purpose of a bank is to loan as high a percentage of its deposits as it could and still reserve enough money to meet the average withdrawal, did you not? A. Yes.

Q. Do you know of any bank anywhere that has enough funds to meet all its liability? A. No.

Q. You do not know? A. No.

Q. Do you know of any in North Dakota? A. No.

Q. Or any in the Twin Cities? A. No.

Q. That is not the way banking is done is it? A. No.

Q. The principle of banking is to take your deposits and loan all you can and still retain sufficient money to meet the usual withdrawals, is that right? A. Loan them in such a way that you can readily get at them.

Q. On good security and all that? Now were you in the

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room when Mr. Paulson was testifying? A. Yes.

Q. I show you Exhibit 324, the fourth column, you heard him testify that the First National Bank of Fargo was one of the biggest and best banks in the state? A. Yes.

Q. Showing you the statement of this bank, take your pencil, now I want you to take the demand assets as we come to them, of the First National Bank of Fargo. The first item is Loans and Discounts, including rediscounts, is that a demand asset? A. It is.

Q. What? How do you know these loans are due now or due six months from now? A. They are current. I could not tell from the face.

Q. Loans and discounts are not considered demand are they? A. They are current — No.

Q. And the next item, overdrafts unsecured, you do not call these demand assets do you? A. It would depend upon whom the overdraft was made to. \$1,506.82.

Q. And the next item is U. S. Government securities, owned and deposited to secure circulation, U. S. Bonds par value, \$50,000.00. Do you call that a demand asset? A. Yes, but

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that is something that determines reserve.

Q. If you use it as a demand asset, you must take the circulation notes outstanding below? A. You were right.

Q. Pledged to secure U. S. Deposits, par value, \$220,000, that is what? A. Same kind of balance as the \$50,000.00.

Q. I don't agree with you? These are merely pledged as security for that charge or credit there. Then we will charge the deposits as a demand liability, \$220,000.00.

Q. Now owned and unpledged, \$52,900.00, that is a demand asset is it not, these U. S. Government securities? A. Yes.

Q. And War Savings Certificates, \$36.19? A. That is also a demand asset.

Q. Bonds other than U. S. Bonds, pledged to secure postal deposits, \$8,000.00, they may be good for it or not, but we will say they are good at par? Put it down as a demand asset, it is doubtful.

Q. Securities other than U. S. Bonds, (not including stocks owned and unpledged). Now then you cannot tell what that is, can you? A. Not from the face of the report.

Q. But from the face of the report, you would not be safe in calling it a demand asset? A. You would not be safe in

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calling anything.

Q. Then the \$15,000, would you call that a demand asset? A. No.

Q. Furniture & Fixtures, \$7,194.80? A. No.

Q. Real Estate, owned other than banking house, is that a demand asset? A. No.

Q. Is the next a demand asset? A. Yes.

Q. \$323,805.39 cash involved, net amount due from national bank \$488,671.56, net amount due from banks and bankers and trust companies in U. S. other than included above, do you think that is a demand asset? A. Ordinarily.

Q. So do I. But you do not know what kind of banks they are in. A. But I would never accept it from a face statement.

Q. You would call it a demand asset? A. Yes.

Q. And exchanges for clearing house, \$35,425.47. Checks in banks located outside of the city or town, liberty bonds and other cash items, would you call that a demand asset? A. \$4,444.93.

Q. Now you do not know whether that is on good banks or bad banks, but customarily you would say it is a demand asset? A. Customarily you would say it would be so considered.

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Q. Redemption fund with U. S. Treasurers, would you call that a demand asset, \$2,500.00? A. Yes.

Q. Interest earned but not collected? A. No.

Q. Would you call that a demand asset? A. No.

Q. Now, you have listed all that you would call a demand asset? A. Customarily, I would call them demand assets, but I would not without further investigation.

Q. On the liability side, Capital stock paid in, would you call them a demand liability? A. No.

Q. Surplus fund, would you call that a demand liability? A. No.

Q. And interest and discount collected in advance of maturity, credited as not earned, would you call that a demand liability? A. No.

Q. Amount reserved for taxes accrued, would you call that a demand liability? A. That would very likely be a demand liability about this time of the year, because taxes are almost always due.

Q. Taxes are not delinquent until March and this is a December statement.

Q. Amount reserved for interest accrued, \$10,000.00; circulating notes outstanding, that is not a demand liability un-

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less you take the amount above in the assets? A. Yes.

Q. Net amount due from National Banks \$342,037.98.

Q. Net amount due to banks, bankers, and trust companies, \$518,328.89, is that a demand liability? A. Yes.

Q. Certified checks outstanding \$2,424.65? A. Yes.

Q. Cashier's checks on own bank outstanding, \$86,914.17? A. Yes.

Q. That is a demand liability? A. Yes.

Q. And demand deposits other than bank deposits subject to reserve deposits payable within thirty days? A. Yes.

Q. \$2,012,581.63 demand liabilities, is it not? A. Yes.

Q. Certificates of deposit due in less than 30 days other than for money borrowed \$121,187.32, is that considered current demand? A. Yes.

Q. Total of demand deposits, other than bank deposits, subject to reserve, what is the total? A. That is the total.

Q. Time deposits subject to reserve, payable in thirty days or subject to thirty days or more, postal savings, is that a

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demand liability? A. No.

Q. Certificates of Deposits other than for money borrowed, is that a demand liability? A. No.

Q. Postal Savings deposits, \$3,835.84? A. Yes.

You take in the deposit to secure the bond and other time deposits.

Q. And the amount of that is \$866,635.48? A. Yes.

Q. Other time deposits, that would not be considered demand liabilities, and war savings certificates and thrift stamps deposit accounts, also other U. S. deposits, including deposits of U. S. disbursing officers; now then, this one, the one I read first, U. S. deposits other than postal savings, \$963.81, would that be termed demand liability? A. Ordinarily classed as such.

Q. And other U. S. deposits including deposits of U. S. Disbursing Officers, \$59,212.56, that would be a demand liability would it not? A. Yes.

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Q. And bills payable other than with Federal Reserve Banks, including all obligations representing money borrowed other than rediscounts? A. Generally not.

Q. The reason you do not carry as demand certificates, is because you do not know when it is due and properly it is not demand liabilities.

Q. And you did not credit the loans above in the assets? A. No.

Q. Liabilities other than stated above? \$36,000.00, would you class that as demand liabilities? It is not stated.

Q. \$36,000.00? A. I don't know what it is.

Q. Now, then, total your demand liabilities; now then total your demand assets; now then subtract your demand liabilities from your demand assets? A. It all amounts to the same thing.

Q. All right go ahead and do it your own way? A. Well, it all amounts to the same thing.

Q. Now, then, will you please tell me how much more demand assets the First National Bank of Fargo has than its demand liabilities? A. No more.

Q. How much less has it? A. \$1,923,614.03.

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Q. Less demand assets than demand liabilities, is that correct? A. Yes.

Q. From your experience as an auditor, would you not say that the First National Bank of Fargo is in a good healthy condition? A. Yes, certainly.

Q. Will you now figure what percentage your demand assets are of your demand liability, that is in December? A. Thirty-nine per cent.

Q. Approximately thirty-nine per cent as much asset as demand liability? A. Yes, approximately forty per cent.

Q. All right call it forty per cent, now if I should send a newspaper article out through the State of North Dakota that the First National Bank of Fargo was in a bad condition because its demand liability exceeded its demand assets \$1,923,614.03, it would be extremely unfair, to say the least, to the First National Bank of Fargo, would it not? A. It would be ridiculous.

Q. It would be very likely to tend to deceive any person who did not understand the principle upon which banking is done? A. It would be saying very little for the people of North Dakota.

Q. Understand my question—then answer it? A. Ask to have the question repeated.

(Question repeated by reporter).

Q. And you would think if I sent out such a report as that that I had positively forgotten the principle of justice to that bank? A. I would say justice to yourself.

Q. It would, wouldn't it? A. Yes.

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Q. And to the bank also, is that not true? A. I am not here to determine matters of justice.

Q. Will you please answer my question? A. The answer is too far fetched from the question.

Q. I agree with you. Now answer the question. A. What is the question?

(Question repeated by reporter).

A. I will not answer that question.

Mr. Paddock: Will you please have the witness answer the question, this is important.

Mr.. Chairman: Please answer the question.

Mr. Paddock: This is no joke, it is serious business.

A. I understand what you will use my answer for.

Q. For the same purpose this item is published, now answer the question? A. I will answer in a moment.

Witness turned to the Chairman and asked "Must I answer that question now?"

Chairman: Yes.

A. Yes.

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Q. Now you stated it would be an injustice to myself to send out such a statement, what do you mean? A. Simply that it would sound ridiculous to other bankers and the average business man.

Q. I would be classing myself with unreasonable people, would I not, by sending out such a statement, and with ridiculous people, is that not true? A. Yes.

Q. It would tend to show that I had no sense of fairness, wouldn't it? A. Not necessarily, it is not a question of fairness; when a man goes to that extent, it is not a matter of fairness.

Q. It is a matter of deception? A. No, he may be entirely ignorant of the fact himself. He may not know.

Q. If he were ignorant, he would not be able to get the figures? A. It doesn't purport anything.

Q. It would tend to deceive a person who did not understand it, would it not? A. It might.

Q. Now then, Mr. Aultman, showing you this document marked Exhibit 5, I will ask you if you have ever seen anything like that before? A. Yes.

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Q. What is it? A. Report on the examination of the Bank of North Dakota.

Q. By whom? A. Bishop, Brissman Company of St. Paul.

Q. What is the date of that report? A. December 3, 1920.

Q. It is of December 3, 1920? A. Yes.

Q. Now then, you believe this report to be correct? A. Yes.

Q. Are you positive it is correct? A. No.

Q. You are not positive, why not? A. Why no, not positive unless I made it up myself.

Q. This report was submitted to the Senate and House committee as being a true and correct report and so certified by Bishop, Brissman Company? A. Yes.

Q. And you say now that you do not know whether it is correct or not? A. Not individually, I presume it is. Mr. Bishop has never issued a report that is not correct.

Q. We will change your idea of this before we get through.

A. You will have to go some to do it.

Q. I will go some, and so will you.

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Q. Now, taking your report as of December 3, 1920, on the Bank of North Dakota— A. Yes.

Q. And ascertaining from this exhibit what the demand assets of the Bank of North Dakota were on that date you wouldn't class notes, loans and discounts as demand assets, would you? A. I would not give any answer on that until I had gone into it.

Q. You analyzed the statement; are these notes and certificates demand assets? A. I cannot tell unless I read the report. That simply was a statement made by a newspaper, and I would not state specifically in that case, and when we make a report we go into each item.

Q. Now, customarily, do you class notes, loans and discounts as demand assets? A. No.

Q. All right, we will not put that down.

Q. Rediscounts, do you class them as demand assets? A. No.

Q. Loans to individuals? Do you class that as a demand asset? What did you do here, did you so class it? A. No. But before I go ahead, I want to say that is very unfair. You want to get me to make a statement without going into this.

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Q. Warehouse receipts, would you customarily class that as demand assets, would you? A. I have in instances.

Q. I asked you what you would do customarily, if you saw it in a statement like this, would you not class it? A. No.

Q. Loans to State Institutions, would you class that as a demand asset? Customarily, would you? A. Customarily I would in most other states.

Q. In most other states, you would customarily class it as a demand asset? A. It would depend on the state institution.

Q. To get this clear, you consider this report here as you would consider a newspaper statement published? A. I will refuse to do so unless the Chair orders it, and I wish to call your attention to the fact that we never accept a newspaper report.

Q. I want you to consider this the same as we did that before; redeposits of public funds, would you call that demand assets, would you not customarily, seeing it in a statement in the newspaper? A. I will not express my opinion on the matter.

Q. You are going to express your opinion? A. I want to see the backing up of that.

Q. You did not see the backing up of the redeposits here

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in the First National Bank, did you? A. I said in every case.

Q. You can tell me now if customarily you class redeposits of public funds as a demand asset? A. Why, yes.

Q. \$7,040,899.19, overdrafts, depository banks and state institutions, you class overdrafts as demand assets customarily, is that right? A. You are stretching this. I want to appeal to the Chair before I go ahead with this.

Witness addresses Chairman as follows:

Taking a newspaper item, we always consider they are very far stretched. We do not pay any attention to them. A statement may appear as a loan in a newspaper, but we accept it all conditionally. Some are short termed, and some

shorter, and on looking at this report, I would ordinarily think this is so, but looking in the body of the report I might find an item which might in many cases appear to be a demand asset and we would find on the examination of the records being time.

Q. Before I get there, I will let you know what is in closed banks, I will let you deduct that. I want to call your attention to the fact that this is a copy of the sworn statement of the First National Bank of Fargo. A. Yes, but a

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sworn statement may be meaningless unless we investigate it.

Q. Would not the same rule apply to another state customarily? A. Yes.

Q. All right. Then, customarily, these overdrafts are demand assets? A. Yes, but in saying so, I would assume in the soundness of the bank he would not allow any overdrafts except in instances where he could get at the funds to cover the overdrafts without the least bit of trouble.

Q. Overdrafts, depository banks, and state institutions, \$420,027.33, is that correct? A. Yes.

Q. Deposits in correspondent banks \$520,396.55, would you consider that demand assets? A. Yes, ordinarily.

Q. Ordinarily? A. Yes.

Q. This happened to be mostly Twin City and New York banks.

Q. Cash on hand, would you call that a demand assets, \$46,767.83; cash items \$24,530.06? A. I would question that.

Q. Did you not credit cash items above? A. Yes, ordinarily.

Q. Well, that will follow the same rule; we will follow the

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same rule as we did with the First National Bank of Fargo, —\$24,530.06, is that a demand asset? A. Yes.

Q. Items out for collection? Now customarily, and in case of our discussion of the First National Bank, we will call that demand assets, did we not call that a demand asset? A. If you put in the word ordinarily.

Q. That is \$1,870,706.64 warrants out for collection; ordinarily that would be considered a demand asset? A. Yes.

Q. Farm loans, would you ordinarily consider that demand assets? A. No.

Q. Farm loans special deposits? A. They may be and may not be. I think in this instance, I do not think they were. If they still were within legal jurisdiction of the funds of the bank—

Q. I will ask you a question and want you to answer it. I will put it this way, I will make a statement and ask you to answer it. These deposits are sent out under the instructions that they are to be paid out upon checks of the Bank of North Dakota? A. Yes.

Q. Under these circumstances it would be demand assets? A. Yes.

Q. \$307,300.00 bonds of North Dakota series, we will leave these out, shall we, we will not call them demand assets. A.

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It will depend on the situation.

Q. U. S. Liberty bonds? Would you call them demand assets? A. Yes, it appears that way.

Q. Sinking Fund? A. Yes.

Q. Interest Receivable. Would you call that a demand asset? A. Well, now as to that there is a question. A. I would not in this instance.

Q. If we leave interest receivable out, we will leave out interest payable on the other side? A. That would depend if interest payable are in notes which are shortly due, i: is then certainly a demand liability.

Q. Coupons and bonds of North Dakota? A. I should the State is good for that.

Q. \$1996.25? A. Yes.

Q. Inventory supplies on hand? A. No.

Q. Furniture and fixtures? A. No.

Q. Automobiles? A. No.

Q. Now take the liability side. Now you would call individual deposits and certificates of deposit demand liability?

A. On the face of it demand liability. I don't know when

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they are due.

Q. All right. Detail No. 15. Let me see what that is.

Q. You have not divided these Certificates of Deposits? A. Yes, I have. Let me see.

Q. All right. A. Some of these are past due and so some are demand liability, maybe good and maybe bad. Some are not due yet.

Q. You have not divided it in your statement here?

Mr. Sinkler: They were not considered here.

Mr. Paddock: In your discussion of the First National Bank, you did not consider time deposits as demand liability did you, you did not take that item into consideration, did you? A. Yes, I did.

Q. I don't know how to divide this.

Q. To be on the safe side I would consider them demand. You would consider loan and discounts demand then also? A. No, one would not jibe with the other.

Q. All right, we will make you a present of that \$169,129.-02? A. Yes.

Q. Due depository banks, do you call that a demand liability? A. Yes.

Q. One million one hundred and ninety-two thousand, nine

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hundred eighty-nine dollars and seventy-six cents, is that right? A. Yes.

Q. Public depositories, open accounts, \$10,714,007.16. Now we come to public treasurer's sinking fund account? A. That would depend on the law whether it is demand or not.

Q. Public Treasurers sinking fund account ordinarily a demand liability? A. That would depend on the law, governing that. If it is stated funds that the Treasurers can draw out anytime they pass.

Q. And if the law compels them to be kept here, then what is it? A. No, if the law requires that they build up the sinking fund in the bank.

Q. Take the next one, notes payable and secured by bonds of the Bank of North Dakota, would you consider them demand liabilities? A. In this instance I probably would. If it is due short.

Q. You do not call notes payable and demand liability over here did you? A. No, I did not.

Q. Then it would not be fair to call it one here? applying the same rule? A. No.

Q. Cashiers checks, \$22,382.20? A. Yes.

Q. Suspense account, unposted? from corresponding banks—\$156,262.60?

Q. You would not divide that? A. No.

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Q. Appraisal fees paid in advance, would you consider that a demand liability? A. Why, yes.

Q. \$8,743.64, deposits to pay for the appraising of land here where there was applications on farm lands? A. Is that money to be paid to appraisers?

A. It is if he makes the appraisals. Ordinarily it is not a demand liability.

Q. Sinking fund securities, and reserves to pay Legislative appropriations? A. No.

Q. Interest payable. You would not call that because you did not figure on interest received?

Q. And interest receivable was \$360,000. and the interest payable was \$92,000. It is favoring you and it is against the Bank of North Dakota, to figure them both out.

Q. Capital, surplus, undivided profits, you did not figure these? A. No.

Q. All right. Total the demand liabilities and without this sinking fund? A. Yes.

Q. Now total your demand assets? A. All right.

Q. Now figure what percentage one is of the other? We will have you figure it the other way later on. A. Approxi-

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mately 83%.

Q. Approximately 83%? A. Yes.

Q. All right. Now we will take the next item. No, leave that sheet in. Don't tear it out. Now take the total of your demand liabilities and add to them the sinking fund? A. Yes.

Q. What is the total of your demand liability? A. \$12,-276,446.08.

Q. Now in regard to the reservations for redeposits in closed banks, to deduct against the Bank of North Dakota? by adding that in— A. Yes.

Q. Total that up. All right, now divide that into your demand assets? A. You understand when he uses the term demand assets it does not mean that I agree with you—

Q. What is the percentage? A. 66% approximately.

Q. Approximately 66%? A. Yes.

Q. Now take these figures that you now have and add in the demand liability and add to it the amount in closed banks on that date according to your statement? A. In other words, subtract them from the assets?

Q. Subtract the amount of \$648,394.50 from your total demand assets, which is \$10,173,831.08.

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Q. Approximately 61%. 62% maybe.

Q. They figured the statement the same in your audit report or balance sheet, in the same manner as you did or do figure in the customary and ordinary manner and as you did in the sworn statement of the First National Bank of Fargo? Figuring it the worst way you can against the Bank of North Dakota? A. 61%.

Q. As much liquid assets as it had demand liability? A. On the face of the balance sheet.

Q. On the face of the balance sheet? A. Yes, that is what I said.

Q. On the face of the balance sheet of the First National Bank as shown on the public statement which I have shown you, which is a copy of the sworn statement, it is what per cent? A. 39%.

Q. Figuring each item in the First National Bank, in its favor, is that correct? A. Yes.

Q. Whenever we come to a figure in doubt we will give the First National the benefit. We will give the figure in doubt to the First National? A. In so far as I could figure from the face of the statement.

Q. Then from the two statements, The Bank of North Dakota, and the First National, this statement shows 61% as
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much current demand assets and the First National shows 39%? A. Yes, but they are both meaningless. Positively.

Q. All right—I think so too.

Q. Now this item, Farm loans, under date of February 23rd, means nothing to a man who knows anything about banking, is that correct? A. Yes.

Q. Then this statement at the head of this paper, "Cathro admits that the Bank of North Dakota lacks two million two hundred seventy-nine dollars—or like amount" means nothing? A. I don't know what that means, and I don't think any banker would know from that statement. From that head line alone, I don't think so, but following it up with the rest that follows—of course, I don't know what the rest is.

Q. According to your figures, the First National Bank of Fargo had only one million nine hundred twenty-three thousand, six hundred fourteen dollars and three cents less than its demand liability according this statement of December 29th, 1920? A. Yes, from the face of the statement.

Q. I can not hand you this paper because this has been marked an exhibit and offered in evidence here, and has now become an official record, but I will ask that you procure a paper for yourself of this date, and that you will read that
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article, as shown in "Exhibit 323" the Fargo Forum as of February 23, 1921, as it relates to the liquidity of the assets of the Bank of North Dakota, and appear here at 2:30 tomorrow afternoon and explain it. Will you do that? A. Yes, certainly. I presume I am under orders.

Q. All right, please do that.

Mr. Paddock: At this time I would like to have the Committee issue a subpoena for Mr. Sinkler, Mr. Thatcher, Mr. Paddock and Mr. Cathro, to be here at every session from now until the close of the investigation.

Mr. Aultman: I am here under subpoena from the House, and if it interferes with the time they want me?

Mr. Paddock: I want the Committee to issue a subpoena for these men, and I want it understood that they are to be here at every session from now on, and I would like a motion to that effect.

Senator Church: I move you that this Committee issue a subpoena for Mr. Cathro and Mr. Paddock, and Mr. Thatcher and Mr. Cathro, to be here at every session, until excused by

your Committee, and Mr. Aultman we will excuse him if the House wants him.

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Senator Liederbach: I second the motion.

The Chairman: Gentlemen, you have heard the motion made by Senator Church, seconded by Senator Liederbach, what is your pleasure?

Mr. Chairman: The ayes have it. Motion carried.

Senator Church: I move that we adjourn until 2:30 o'clock February 25, 1921.

Senator Murphy seconded the motion.

Upon the motion of Senator Church, seconded by Senator Murphy, the committee adjourned until 2:30, February 25, 1921.

End of February 24, 1921.

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February 25, 1921

Meeting called to order by the Chairman at 3 o'clock p. m., all members being present, including the reporter and attorneys, Mr. Sinkler and Mr. Paddock.

Minutes of previous meeting read by the Secretary and approved as read.

Mr. Sinkler: We offer in evidence Exhibit 326, being pages 311 to 315, inclusive, being the rules governing the practice and procedure of the House Audit Committee, and we offer the same in the record at this time.

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"EXHIBIT 326"

Mr. Watt: I regard this as just one more effort on the part of the minority to block this audit report getting before the people therefore, Mr. Speaker, I vote no.

The question being on the motion of Mr. Johnson that the audit committee be dissolved, the motion was lost.

Mr. Vogel moved that the rules governing the practice and procedure of the House Audit Committee be printed in the Journal, which motion prevailed.

RULES GOVERNING THE PRACTICE AND PROCEDURE OF THE HOUSE AUDIT COMMITTEE.

The following are the rules governing the practice and procedure before the House Audit Committee of the House of Representatives of the State of North Dakota, Seventeenth Session, appointed to investigate the affairs of the Bank of North Dakota and other State industries:

RULE I

The hour of the day at which the House Audit Committee shall sit upon this investigation shall be at 9:30 o'clock a. m., and when the hour shall arrive the Chairman of said Committee shall so announce, and, thereupon, the business of the investigation shall proceed.

RULE II

The Secretary of this Committee shall keep a full and

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complete record of all proceedings had in this investigation, including all motions made by members of said Committee and the vote thereon and a verbatim report of all testimony taken on said investigation, including all papers, documents and records which may be offered in connection therewith; provided, however, that all testimony may be

taken in shorthand by a reporter, duly appointed and sworn for that purpose, and by him transcribed.

The oath taken by the reporter shall be substantially in the following form:

State of North Dakota,
County of Burleigh—ss.

I....., do solemnly swear that I will support the Constitution of the United States of America, and the Constitution of the State of North Dakota; that I will perform the duties of the office of Reporter of the investigation before the House Audit Committee of the House Audit Committee of the House of Representatives of the State of North Dakota, 17th Session, to the best of my ability. So help me God.

Subscribed and sworn to before me this
day of A. D. 1921.

.....
Notary Public, State of North Dakota
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RULE III

Upon the application of any Committeeman to the Chairman of this Committee, or of Counsel appointed to aid in this investigation subpoenas shall be issued by the Chairman of the Committee, attested by the Secretary thereof, and such subpoenas shall state the time and the place at which the same shall be returnable, and shall be substantially in the following form:

State of North Dakota
County of Burleigh—ss.

Before the House Audit Committee of the House of Representatives of the State of North Dakota, 17th Session, appointed to consider the audit and investigate the affairs of the Bank of North Dakota and other State Industries.

THE STATE OF NORTH DAKOTA TOGREETING:

You, and each of you, are hereby commanded to appear before the House Audit Committee of the House of Representatives of the State of North Dakota, 17th Session, sitting to investigate and consider the audit of the affairs of the Bank of North Dakota and other State industries, on theday of, 1921, at the Court House in the City of Bismarck, County of Burleigh and State of North Dakota, then and there to testify your knowledge in the matter which is before said committee to-wit: the investigation and consideration of the audit and affairs of the Bank of North Dakota and other

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State industries and you are required to bring with you the following:

.....
.....
.....

Hereof fail not.

Attest:

.....
.....
Chairman of House Audit Committee.

.....
.....
Secretary of House Audit Committee.

RULE IV

All witnesses subpoenaed as above shall immediately report to the Secretary of said Committee and upon discharge of such duties of witnesses they shall present to said Secretary their said subpoena and he shall thereupon certify thereon the mileage and per diem of such witnesses, which certificate shall be accepted as evidence thereof.

RULE V

The form of direction for the service of such subpoena shall appear upon the subpoena and shall be substantially as follows:

The State of North Dakota:

To the Sergeant at Arms of the House of Representatives of the State of North Dakota, or any of his assistants or any Special Officer appointed by the House Audit committee, or to any Sheriff, Constable, Marshal or Police Officer within the State of North Dakota:

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You are hereby commanded to forthwith serve and return the within subpoena according to law.

Dated at Bismarck, N. D. thisday of, 1921.

.....
Secretary of House Audit Committee.

Proof of service of such subpoena shall be governed by the provisions of Section 7436, Civil Code, Compiled Laws of 1913.

RULE VI

Each witness shall be sworn in the following manner:

You do solemnly swear (affirm) that the evidence you will give in the matter of the investigation and consideration of the audit of the affairs of the Bank of North Dakota, and other State Industries, now before this House Audit Committee, shall be the truth, the whole truth, and nothing but the truth, so help you God.

Which oath shall be administered by the Chairman of this House Audit Committee.

RULE VII

The hearings shall be open to the public, provided, however, that upon the motion of any member of this Committee, or at the discretion of the Chairman thereof, the Committee may go into executive session, whereupon all

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persons shall be excluded from said hearing, save and except the members of said Committee, counsel employed by said Committee, the necessary accountants and other employees, and the person under examination.

RULE VIII

This proceeding being in the nature of an investigation, and the controversies incident to the average trial being absent, the Council for the Committee are directed to the examination of the witnesses by the question and answer method, and, without reference to the formal rules of evidence, elicit from the witnesses, as expeditiously as the circumstances will permit, the ultimate and essential facts to be by each witness disclosed.

RULE IX

This proceeding being in the nature of an inquiry and investigation and not a trial, no witness or other person shall be permitted to appear or be represented before this House Audit Committee at any hearing by agent, representing attorney, counsellor or in any other manner than in person.

RULE X

The Chairman of this House Audit Committee shall direct all necessary preparation for the hearings before said Committee, and upon the hearing shall direct all forms of proceedings not otherwise specifically provided for herein.

RULE XI

When no rule is herein provided for the governing of the practice and procedure of this House Audit Committee, the Chairman thereof shall announce the rule, subject to the right of any member of said Committee to appeal therefrom to the whole Committee.

RULE XII

Witnesses shall be examined by council employed by this Committee, provided however, that if a member of the Committee, wishes to question a witness permission shall first be given by the Chairman of said Committee, and, provided further that if it shall appear to the Chairman that such question or questions are not propounded in good faith, he shall refuse to permit same to be asked unless directed so to do by a majority of the whole Committee.

RULE XIII

The parliamentary rules adopted by the House of Representatives of the State of North Dakota, 17th Session, so far as the same may be applicable and not inconsistent with the specific rules adopted by this Committee shall govern the proceedings upon this investigation.

RULE XIV

In the event of any witness failing to appear before this

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Committee in answer to a subpoena, upon such fact being found by this Committee the Chairman thereof shall prepare a statement thereof showing the following facts

- (1) The issuance of the subpoena and the date thereof.
- (2) The service thereof upon such person, including the time and place of such service.
- (3) A statement of the time and place when and where such witness was by such subpoena directed to appear.
- (4) The fact of the failure or refusal of such witness to so appear.

Such statement shall be signed and certified by the Chairman of this Committee and attested by the Secretary hereof, and shall be filed with the Speaker of the House of Representatives of the State of North Dakota for such proceedings in said House for Contempt as may be in accordance with the rules of said House of Representatives.

RULE XV

In the event of any witness refusing to answer a question or questions propounded to him by counsel for this Committee, upon such fact being found by this Committee the Chairman hereof shall prepare a statement showing the following facts:

(1) The issuance of the subpoena and the date thereof.

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(2) The service hereof upon such person, including the time and place of such service.

(3) A statement of the time and place when and where such subpoena directed to appear.

(4) The fact of his refusal to answer questions propounded.

Such statement shall be signed and certified by the Chairman of this Committee and attested by the Secretary hereof, and shall be filed with the Speaker of the House of Representatives of the State of North Dakota for such proceedings in said House for contempt as may be in accordance with the rules of said House of Representatives.

RULE XVI 1-2

In the event of the failure of any witness, duly subpoenaed, to appear and bring with him any books, papers, documents or records, and upon such fact being found by the Committee, the Chairman shall prepare a statement showing the following facts:

(1) The issuance of the subpoena and the date thereof, together with a description of the books, papers, documents or records.

(2) Service thereof upon such person, including the time and place of such service.

(3) A statement of the time and place when and where such witness was by such subpoena directed to appear and produce such books, papers, documents or records.

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(4) The fact of his refusal to produce such books, papers, documents and records.

Such statement shall be signed by and certified by the Chairman and attested by the Secretary of the Committee, and shall be filed with the Speaker of the House of Representatives of the State of North Dakota for such proceedings before said House for contempt as may be in accord with the rules of such House of Representatives.

RULE XVI

Upon the final completion of this investigation the Chairman of this Committee shall direct the stenographer or stenographers taking the testimony thereof to make a full, complete and verbatim transcript of all such testimony and to affirm the same under oath and there may be annexed thereto any and all papers, documents or exhibits offered or received in connection therewith, or certified copies thereof, duly certified to by the Chairman of this Committee which said verbatim report of such testimony, together with such papers, documents and exhibits as shall be deemed necessary to a proper understanding of the report, shall be annexed and attached to the report of the House Audit Committee and filed with the House of Representatives of the State of North Dakota.

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RULE XVII

All documents, papers and exhibits offered and received in this investigation shall immediately be filed with and kept in the custody of the Secretary of this Committee until the same shall be annexed to the report of the Committee and filed with the House of Representatives.

MESSAGE FROM THE SENATE

Bismarck N. D., Feb. 5, 1921.

Mr. Speaker: I have the honor to transmit herewith the following bills:

Senate Bill No. 81: A Bill for an Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Mining Lignite Coal for Use in its State Institutions. to be Operated by the State and Making an Appropriation therefor.

Which the Senate has passed and your favorable consideration is respectfully requested.

Very respectfully,
W. J. Prater,
Secretary."

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Mr. Sinkler: Is Mr. Halldorson here?

(No response.)

Mr. Sinkler: Is Mr. Ebbert here?

(No response.)

Mr. Sinkler: Now, we will call Mr. L. P. McAneney.

L. P. McAneney, having been called as a witness, was duly sworn and testified as follows:

Mr. Sinkler: We offer in evidence a letter and telegram from the Federal Reserve Bank concerning Mr. P. E. Halldorson, who is the gentleman who made the audit report to the Supreme Court in the matter of the Scandinavian American Bank in the fall of 1919.

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"EXHIBIT 327"

WESTERN UNION TELEGRAM

Received at
148FC

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Minneapolis, Minn., 412P Feb. 23, 1921

W. J. Church,
Secy State Auditing Committee
Bismarck, N. D.

Halldorson in Minneapolis today but is leaving tonight to complete some special work he is doing for us he should be able to return to Minneapolis within two or three days and mail addressed to him care of us will reach him.

Federal Reserve Bank of Mpls.
440PM

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EXHIBIT 328 LDS

x Day

"Federal Reserve Bank
Minneapolis

CONFIRMATION OF TELEGRAM

Feb. 23, 1921.

W. J. Church, Secretary
State Auditing Committee,
Bismarck, N. D.

Halldorson in Minneapolis today but is leaving tonight to complete some special work he is doing for us. He should be able to return to Minneapolis within two or three days and mail addressed to him care of us will reach him.

Federal Reserve Bank.

Minneapolis."

RAY:C

Mr. Sinkler:

Q. Mr. McAneney what position do you occupy in the Bank of North Dakota? A. Credits Department Director.

Q. What are your duties in that department? A. I have charge of the collateral and loans of the bank.

Q. How long have you had charge of that particular department of the Bank? A. Since its organization in 1918.

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Q. I want to call your attention to Bishop Brissman report, with respect to loans made by the Bank of North Dakota with the Michigan City Bank, have you these notes and securities attached to these notes in your possession?

A. Yes.

Q. Will you produce them? How many notes are there?

A. Six.

Q. How did these notes come to be in the Bank of North Dakota? A. They were rediscounted to us by the Michigan City Bank.

Q. Were you present before the House Committee this morning when this particular transaction was being discussed? A. No.

Q. You were not a witness there this morning? A. No.

Q. Do you know who made the arrangements for taking this particular paper into the Bank of North Dakota? A. The Conway Storage Company paper—Mr. Waters.

Q. Who is Mr. Waters? A. He was at that time Manager of the Bank.

Q. Do you recall whether at any time while you were in the Bank Mr. Waters had a conversation over the tele-

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phone with Mr. Stary who was connected with the Conway Storage Company? A. Mr. Waters told me he had such a conversation.

Q. And it was thru Mr. J. R. Waters' conversation with Mr. Stary that these notes were taken into the Bank. A. Yes.

Q. In what connection were these notes, will you state whether or not these notes were secured? A. They are.

Q. And in what manner are these notes secured? A. They are secured by automobile and tractors, covered by warehouse receipts, the warehouse receipts being issued by the Conway Storage Co.

Q. Are the automobiles and tractors all covered by insurance? A. They are.

Q. Insurance in old line companies? A. Yes.

Q. Now, are these notes also secured in any other manner except by the storage or warehouse receipts? A. They bear the personal endorsement of B. H. Stary and also are guaranteed to us by the Michigan City Bank.

Q. Do you know whether or not that was the under-

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standing when they were taken into the Bank that they would be guaranteed by some reliable Bank? A. It was.

Q. And that was the understanding at the time they were

taken in? A. Yes.

Q. And are all these notes that you have in your possession, that were taken from the Conway Storage Company into the Michigan City Bank all guaranteed by the Michigan City Bank? A. They are.

Q. Do you know who the officers are of the Michigan City Bank? A. N. M. Orvik is Cashier, and Oliver Knutson is Vice President.

Q. Oliver Knutson, I believe, is the gentleman who was Bank Examiner during Governor Burke's administration, was he not? A. Yes.

Q. Have you the statement in your possession as to the condition of the Michigan City Bank? A. I have a copy.

Q. Will you produce the copy which you have in your possession?

(Witness hands counsel the statement.)

Mr. Sinkler: I will show you Exhibit 328 and will ask you if that is a copy of a statement by the Michigan City Bank? A. It is.

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Q. What date was that statement made? A. February 28, 1920.

Q. Have you ever been engaged in the business of examining banks? A. I have.

Q. How long were you engaged as a Bank Examiner? A. Two years.

Q. Was that immediately prior to the time that you became connected with the Bank of North Dakota? A. Yes.

Q. What can you say with respect to the financial statement made by the Conway Storage Company? A. On this date has guaranteed the notes that were produced and have been made by the Conway Storage Company? A. On this date, they show no bills payable, or rediscounts of any kind. Their reserve was a little short of requirement, but the fact that they discounted this paper with us I took it was for the purpose of replenishing the shortage, I assume.

Mr. Sinkler: We will offer in evidence Exhibit 329.

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"EXHIBIT 329."

Loans and Discounts.....	\$199,967.85
C. D.	928.18
Warrant, Stocks & Bonds.....	2,231.20
Govt. Issues	4,140.96
Banking House Fur. & Fix.....	2,500.00
O Real Estate	2,880.15
Due From Banks	12,611.56
Checks and Cash Entries	2,563.77
Cash	3,145.96
	<hr/>
	230,969.64
Capital	10,000.00
Surplus	5,000.00
Undivided Profits	8,150.82
Individual Profits	73,644.06
Guaranty Funds	102.02
Time C. D.	131,721.09
Certified Checks	485.87
Cash Checks	1,865.58
	<hr/>
	230,969.64

(990)

Q. Now were there any more notes held by the Bank of North Dakota than the notes described on Page 15 and 16 of the Bishop Brissman report? A. At the time the report was made?

Q. I mean during the summer of 1920? A. Yes.

Q. Do you have any recollection whether there was a note held by the Bank of North Dakota which was guaranteed by the Bank of Park River? A. There was.

Q. And was that note signed by the Conway Storage Company, the same Company that signed these notes? A. Yes.

Q. Have you any present recollection of the amount of that note? A. \$4,473.00.

Q. And was that note also secured in the same manner as these notes were secured by warehouse receipts? A. Yes.

Q. What bank did this note come from? A. Bank of Park River.

Q. Do you know who the officers of the Bank of Park River are who turned over that particular note? A. C. D. Lord is President, and E. J. Holmes is Cashier.

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Q. Do you know whether or not C. D. Lord holds any official position in the Bankers' Organization in the State of North Dakota? A. I do not know.

Q. You do not know? A. No.

Q. He doesn't belong to the N. P. League does he? A. I hardly think so.

Q. You had noticed after the hearing that have been had, the papers which have been signed by men affiliated with the Non-Partisan League that such papers are being criticized, is that not a fact? A. Yes.

Q. And this paper here that you refer to has been transferred to the Bank of North Dakota by the Park River Bank has that been paid? A. Yes.

Q. How much was the total amount of that paper that had been rediscounted by banks? And that has been made by the Conway Storage Company the entire amount? A. About \$69,000.00

Q. About \$69,000.00. A. Yes.

Q. Did all of that paper come from the Michigan City Bank? A. No.

Q. What other banks did it come from? A. The Farm-

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ers & Merchants at Inkster, and the People State at Grand Forks.

Q. And the Bank of Park River? A. Yes, that is right.

Q. Now has this Conway Storage Company paid anything upon these notes? A. They have paid everything except this bunch I hold in my hand.

Q. How much have they paid, approximately, have you got the figures there? A. About \$36,000.00.

Q. And that \$36,000.00 was paid by the Conway Storage Company upon these notes during the summer and fall of 1920? - A. Yes.

Q. Now, did the Conway Storage company submit to you at the time the notes were turned into the Bank, or did the Michigan City Bank submit a property statement? A. The

Michigan City Statement is the one I just had there, and the Storage company, we had a statement from them, too.

Q. As to the standing of the signers of these notes, they have been criticized here as being insufficient? A. Yes.

Q. Now, in addition to the guarantee of the Bank of Michigan City, the ware house receipts and the insurance (993)

policies upon these automobiles. you have also the endorsement of the makers of these notes, have you not? A. Yes.

Q. I will show you Exhibit 330, and ask you if 330 Exhibit was the property statement that was submitted at the time these notes were taken into the Bank of North Dakota?

A. This happens to be the statement that was made later.

Q. When was this statement made? A. October 1, 1920.

Mr. Sinkler: We offer in evidence, Exhibit 330, will you read that into the records.

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"EXHIBIT 330"
AUTOS AND TRACTORS

Conway, N. Dak., Walsh County

B. H. Stary.

Oct. 1, 1920.

ASSETS

Bills Receivable, not due	\$ 28,125.12
Bills Receivable, past due	8,765.30
Accounts Receivable, not due	7,653.20
New Automobiles at cost (11)	10,560.50
Second hand cars, realizable value (15)	6,500.00
Deposit with Mfgs.	4,000.00
Parts and Accessories	2,000.00
Tires	3,520.21
Three houses in Conway)	
Three Quarter Sections)	25,100.00
One half section Bayfield, Wis.	7,500.00
Machinery, tools, Shop. Equip. & Horses	4,000.00
Tractors,	12,500.00
Garage Building	3,000.00
Cash on hand and in banks	1,250.25
Total	\$124,474.62

LIABILITIES

Loans from Bank, unsecured	\$ 15,000.00
Loans from bank, secured	35,000.00
Net worth,	74,474.62

Total \$124,474.62

In business seven years, 10,000.00

Insurance on buildings 25,000.00

Insurance on Stock, etc.

Carry Employers Liability insurance

Garage Buildings	3,000.00	3,000.00
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Real estate	Value	Mtge.	Equity
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¾ sections Walsh Co. 480	24,000.00	10,500.00	13,500.00
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½ section Bayfield, Wis.	7,500.00		7,500.00
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3 houses and lots, Conway.....	11,600.00		11,600.00
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References: Farmers Security Bank, Conway, N. Dak.;

Ardock State Bank, Ardock, N. D.; Fisk Rubber Co., Fargo,

N. Dak.; Williams Hardware Co., Minneapolis, Minn.

Carries Life Insurance \$50,000.00.

(995)

- Q. And that was the statement that was submitted to you?
 A. Yes, sir.
 Q. And in addition to that this letter attached to the statement sent you by the Michigan City Bank? A. Yes.
 J. This letter reads as follows:

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Written on letterhead of the

Michigan City Bank,
 Michigan City, No. Dak.,
 October 18th, 1920.

Bank of North Dakota,
 Bismarck, North Dakota.

Gentlemen: In answer to your letter of October 14th will say that the writer spent Saturday with Mr. Stary of the Conway Storage Company, and we went into matters very thoroughly, and I can say for the Conway Storage Co., as well as for the rest of us that we are right up against a stone wall.

The farmers absolutely refuse to sell grain at the present prices, and we cannot blame them. If they were forced to sell their grain at the present prices it would not pay them the cost of production. Mr. Stary is willing to do anything to get the matter in some shape, and he outlined a way that we think will be satisfactory in order to bridge us all over the present conditions.

The proposition is this: he will get other banks to endorse some of the Conway Storage Company's papers, and in that way relieve us of such a large amount, and at the same time it will also relieve you of having such a large amount against one institution.

(997)

Bk N D No 2

Before leaving Mr. Stary, we had him make a sworn statement of what property he has on hand, personal and real estate, and we enclose herewith copy of same. This would indicate that the party in question is worth around \$80,000.00, this is also substantiated by the records in the Grafton County court house. We made the trip to Grafton and investigated the records.

The balance due on the July note will be taken care of at once, but the rest some extension of time will have to be given.

We will say for instance, that the Bank of Hoople will endorse papers to the extent of \$7,000. The Security Bank of Conway for \$5,600, and some other bank for like amount, and the balance we would endorse here again, by getting new papers secured by goods he now has on hand.

Mr. Stary is going to have Mr. Bina, the examiner write to you regarding conditions. In this way, your papers will not be past due, and I do not think the time of extension will be so very long, conditions will have to change very soon.

The dealers here at Michigan are all up against the same proposition. They are not collecting enough to pay running expenses.

We sincerely trust this will meet with your approval, and if satisfactory, Mr. Stary will proceed at once to get the other banks lined up, and relieve us of part of the obligations.

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Bk N D No 3

We feel sure you will agree with us of the above arrangements, and we will be pleased to hear from you at an early date, I thank you.

Yours very truly,
N. M. Orvik,
Cashier.

Encl.

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FINANCIAL STATEMENT OF THE CONWAY STORAGE
COMPANY

B. H. STARY, Manager.

Statement submitted October 16th, 1920.

Six Threshers	\$ 7,200.00
Thirty-eight tractors	38,000.00
Twenty-one cars	21,000.00
House	10,000.00
Two houses	1,600.00
Tools and Stocks	8,000.00
Garage	3,300.00
Three quarters, \$24,000.00; Mortgage, \$10,500.00...	13,500.00
Thirteen hundred, flax in Elev.	2,500.00
One-half section in Bayfield, Wis.	10,000.00
Horses and Machinery	8,000.00
Fifteen second hand cars	4,500.00
Four second hand tractors	1,200.00
Thirty-one shares bank stock	3,100.00
	<hr/>
	\$131,600.00
Liabilities	\$ 56,000.00

 \$ 75,600.00

Signed: B. H. Stary.

(1000)

Q. Now, Mr. McAneney in your experience as a bank examiner, I suppose it has been necessary for you to pass upon security from time to time, has it not? A. Yes.

Q. And it also has been your duty in the Bank of North Dakota to pass upon the sufficiency of security? A. Yes.

Q. Have you passed upon these particular notes? A. - Yes.

Q. In your opinion is the security amply sufficient? A. Yes.

Q. And do you think this is a deal that any Bank in North Dakota could take on and feel secured in taking the same on? A. I do.

Q. I will ask you to compare the notes which you have here with the Bishop, Brissman report for the purpose of ascertaining if the facts in the Bishop, Brissman report are true, with respect to these particular notes that were produced today before the House audit committee. I want to call your attention to the fact that the Bishop, Brissman Company shows there is \$4,900.00 due upon seven Ford automobiles, have you got these notes on that particular transaction? A. Yes.

Q. Now, as a matter of fact, at the time the Bishop, Briss-

(1001)

man report was made, was Exhibit 331 in the Bank of North Dakota? A. It was.

Q. And were the payments that have been made upon that Exhibit 331 endorsed upon the back of that note at the time?
A. They were.

Q. Now, how much was due at that time on that note?
A. \$900.00.

Q. And is that the same note that is described in the Bishop, Brissman report for \$4,900.00? A. It is.

Senator Ployhar: What is this particular note?

This note is signed by Conway Storage Company, by B. H. Stary, President, and B. H. Stary, as individual, and guaranteed by the Bank of Michigan City, and there was only due on that note at the time Bishop, Brissman report was made, the sum of \$900.00.

Mr. Sinkler: Will you kindly compare and see if the note in this report is correct as to amount? Is there anything in the Bishop, Brissman report on these pages to show that the Michigan City Bank has guaranteed this paper? A. Well, it does not say so. The Michigan City Bank name is mentioned

(1002)

here, but if I did not know I could not tell from that report that they were guarantors.

Q. There is nothing on the face of that report to show that they were guarantors of that note? A. No.

Mr. Sinkler: Exhibits 332, 333, 334, and 335, are offered in evidence.

(1003)

Q. Now, have these notes mentioned in the Bishop, Brissman report been renewed? A. They were.

Q. When were they renewed? A. December 9th and January 5th.

Q. And have all the notes mentioned in the Bishop, Brissman report been renewed by a note given direct to the Michigan City Bank? A. Yes.

Q. So far as the records here show, there was a settlement made by Mr. Stary with the Michigan City Bank and this settlement was sent to the Bank of North Dakota? A. Yes.

Q. These settlements are not shown upon the Bishop, Brissman report? A. No.

Q. The fact that there has been paid upon these notes the large sum you have testified to, during the summer and fall of 1920, does that not lead you to believe that the people back of these notes are good and that they will be eventually paid in full? A. Yes.

Q. Do you not feel as manager of this department that you are conducting in this bank that these notes will be paid in full? A. Yes.

Q. Is not the security back of these notes ample? A.

(1004)

Yes, I feel so.

Mr. Sinkler: We offer in evidence, Exhibits 336 and 337.

(1005)

Q. Now, Mr. McAneney do you know how much has been paid by Mr. Stary upon notes held by the Bank of North Dakota thru the Inkster Bank? A. \$3500.00 and interest.

Q. And how much with the Park River Bank? A. \$4,473.00.

Q. And how much thru the Bank at Grand Forks? A. \$10,773.50.

Q. And how much to the Michigan City Bank? A. \$17,435.72.

Q. Now, what's the total amount the Conway Storage Co. has paid to these various banks, which has been by these banks transmitted to the Bank of North Dakota to be applied upon the notes so held by the Bank of North Dakota? A. \$36,182.22.

Q. This morning, in the House committee, there was a loan criticised that had been made thru the First Farmers Bank of Minot, by reason of the fact that it was a note given by some farmers' organization, and I will call your attention to Page 142 of the Bishop, Brissman report, being—well, you read the note into the record, that part of it? A. "1002. First Farmers Bank of Minot. Note \$6,520.00. Demand. Equity Cooperative Packing Co. Secured by note by same to same, \$20,000.00, dated 3-19-20, due 6-1-20, like amount, like rate."

(1006)

Q. Where did that note come from into the Bank of North Dakota? A. From the Farmers State Bank of Minot.

Q. Who executed that note? A. The cashier, J. E. Ebbert, I believe.

Q. Do you know by what means that particular note was secured? A. Secured by this Cooperative Packing Company note.

Q. How was that note secured? A. It was secured by Liberty bonds, various bonds, and C/Ds.

Q. Was that note executed by the Equity Cooperative Packing Plant amply secured? A. It was.

Q. And the only criticism that can be offered against that paper is the fact that it was a farmers' organization that executed it? A. It is.

Q. Now, I do not know whether you were before the House Audit Committee this morning, and did you hear Mr. Ebbert's testimony? A. No.

Q. You did not hear that? A. No.

Q. Has that note been paid? A. Yes.

Q. In full? A. Yes.

(1007)

Q. The Bank of North Dakota has no claim so far as that note is concerned? A. No.

Q. It has been settled? A. Yes.

Q. You say it has been settled? A. Yes.

Mr. Sinkler: That is all.

Mr. Ebbert, you do solemnly swear that the testimony you shall give in the matter now before the Senate investigating committee, shall be the truth, the whole truth, and nothing but the truth, so help you God.

Mr. Ebbert: I do.

EXAMINATION BY MR. SINKLER

Q. Where do you live? A. Minot.

Q. How long have you lived there? A. One year.

Q. What business are you engaged in? A. Banking.

Q. How long have you been engaged in the banking business? A. Twenty years.

Q. And where were you engaged in the banking business before coming to Minot? A. Fessenden and Anamoose, and—

Q. What bank were you connected with at Minot? A.

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First Farmers Bank.

Q. That bank is now closed, is it? A. Yes.

Q. How long has the First Farmers Bank been closed?

A. About two months.

Q. Now, did the First Farmers Bank have any business connections with the Equity Cooperative Plant? A. They did.

Q. When did they have that transaction? A. About 1920.

Q. What was that transaction? A. Making a loan to the packing plant for \$20,000.00.

Q. I will call your attention to Exhibit 342 and ask you if that particular item was called to your attention today while you were a witness at the House hearing? A. It was.

Q. You were a witness there today and testified? A. I did.

Q. And you were asked certain questions relating to that particular transaction were you not? A. Yes.

(1009)

Q. And you were asked if the Equity Cooperative Packing plant gave a note to the First Farmers Bank? A. Yes.

Q. And you said yes? A. I did.

Q. And then you were asked if the First Farmers Bank sent that note to the Bank of North Dakota, and you said yes, that's a fact? A. Yes.

Q. And then you were told that was all, by Murphy, is that a fact? A. That is a fact.

Q. And then you said to Mr. Murphy "Mr. Murphy do you not want to know what security is back of this," and he said "We don't care," is that a fact? A. Yes.

Q. And then you said "Do you not want to know if this note is paid," and he said "We don't care about that either." Is that a fact? A. Yes.

Q. Now, I want to know all the facts here; everything connected with it, so we will know all about it. A. All right.

Q. When that note of \$20,000.00 was given to the Farmers State Bank of Minot, was any security given at the same

(1010)

time? A. Yes.

Q. Tell the committee what security was offered to the First Farmers Bank as security on that note? A. Somewhere about \$23,000 or \$25,000 in Liberty bonds, and bank certificates, and some storage receipts.

Q. Can you give the exact amount in figures on that particular transaction, so that we will know if the note was amply secured? A. I haven't the original figures. The securities were subsequently exchanged. Liberty bonds given for warehouse receipts.—When they would sell the meat, they would want the warehouse receipts, and then they would give Liberty bonds, and as near as I can recall they had \$15,896.90 in other bank's certificates of deposit.

Q. Certificates of Deposit in other banks? A. Yes, in Minnesota and North Dakota. \$6,750.00 in Liberty bonds, making a total of \$22,646.90.

Q. Now, are you considering the security—withdraw that, I will put it this way—did you consider the security good for this amount? A. Yes, I did.

(1011)

Q. You felt that you were not doing the Equity Cooperative plant any favor in taking on this paper, did you? A. No. We got a good rate of interest, and the security was good.

Q. You took it on because you considered it good business? A. Good profitable business.

Q. You considered you were making a good rate of interest for the stockholders, did you not? A. It was the best piece of business we had this year.

Q. Has that note been paid in full, interest and all? A. Paid in full, interest and all.

Q. Was it paid at the time the Bishop, Brissman made that report there? All but \$4,092.20? A. All but \$4,092.20, A. Yes.

Q. At the time the Bishop, Brissman Co. made the report, which we have in evidence, all was paid on this except the sum of \$4,092.20? A. Yes.

Q. Well, was that sum afterwards paid? A. Yes, it was paid on December 8, 1920.

Q. Five days after the Bishop, Brissman Co. commenced their investigation? A. Yes, as I understand it.

(1012)

Q. Do you know when they finished their investigation? A. I don't know.

Q. Do you know if they made any report that this note was paid? A. I do not.

Q. You have made no examination of this purported report, that they purport to have made, other than telling the Co. this note was paid? A. No, and I don't care to. (Laugh.)

Q. You don't care to examine that report? A. No, not at all.

Mr. Sinkler: That is all.

Mr. B. H. Stary, having been called as a witness, was duly sworn, and testified as follows:

EXAMINATION BY MR. SINKLER:

Q. What is your name? A. B. H. Starey.

Q. Where do you live? A. Conway, N. D.

Q. Now, you told the House committee this morning that you were Mayor of Conway? And I want you to tell it here—are you? A. I am.

Q. And how long have you lived there? A. All my life.

Q. Born there? A. Yes.

(1013)

Q. Are you engaged in business at Conway? A. Automobile and tractor business, yes, sir.

Q. How long have you been engaged in business at Conway? A. Between five and seven years.

Q. Are you interested in the Conway Storage Co.? A. Yes, sir.

Q. And when was the Conway Storage Co. organized? A. Somewhere about, let me see, in Dec. 1917.

Q. I will show you exhibits 336, 337, 335, 334, 333, and 332, and I will ask you if that is your signature attached to these exhibits? A. Yes, sir.

Q. And is that also the signature of Conway Storage Co., in which you are an officer? A. Yes, sir.

Q. How long, did you say, have you been engaged in the automobile business? A. Between five and seven years.

Q. Do you have a bonded warehouse there at Conway?
A. Yes, sir.

Q. How did it come that you executed these notes, what was your purpose? A. Well, I was doing business on a large scale, and I found I was unable to finance this without a bonded warehouse, and so I incorporated a company and started a public warehouse, a bonded warehouse.

(1014)

Q. Now with whom were you dealing when you executed these notes? A. I was dealing with mostly local banks.

Q. What banks did you deal with? A. I cannot just recall all of them, I was dealing with all the banks within a radius of fifty miles around.

Q. Name what banks you had dealings with? A. Bank of Conway, Farmers Security Bank of Conway, two banks of Inkster, Bank of Park River, Pisek, Fordville, Lankin, and Michigan City.

Q. How extensive was your automobile business? A. I sold four hundred and sixty cars last year at retail.

Q. Now, did you have these cars in your warehouse at the time these notes were executed? A. Positively.

Q. Why did you give warehouse receipts as security for these notes? A. That was the only way I could borrow money in a large lump by giving warehouse receipts.

Q. Now, how much money did you borrow from the Michigan City Bank? A. As near as I could recall, I think about \$47,000.00.

(1015)

Q. Prior to the time you made arrangements to borrow this money from the bank, had you any opinion from anyone with respect to these warehouse receipts? A. Yes, I had a letter—an opinion—from Attorney General's office, and a letter from O. E. Lofthus, State Examiner.

Q. I do not know if you have heard the criticisms made upon the Michigan City Bank's loan as being excessive? Did you hear it? A. Yes.

Q. You read it in the newspaper? A. Yes.

Q. You read in the newspapers that the Michigan City Bank has made excessive loans to you? A. Yes, sir.

Q. And at the very time you read in the newspapers that the Michigan City Bank had made excessive loans to you, you had that OPINION from Attorney General Langer's office? A. He had the opinion from the Attorney General's office—O. E. Lofthus had it.

Mr. Sinkler: Now, that letter and OPINION was offered in evidence this morning at the House Committee hearing, wasn't it? A. Yes, sir, and left there.

(1016)

Q. Then you haven't got them with you now? A. No, they asked me to leave them there.

Q. Can you state in substance the OPINION that was given by Attorney General Langer's office with respect to these loans being excessive? A. I didn't have a letter, I had a copy of a letter that Mr. Lofthus received.

Q. A certified copy? A. A certified copy.

Q. Did not the Attorney General's office say to you, in effect, that these loans were not excessive as they were secured by warehouse receipts, and that under the statute such a loan secured by a warehouse receipt was not excessive

even though the loan was more than the Bank was permitted to loan to anyone individually, taking into consideration the capital stock of that bank? A. Yes.

Q. Was that the substance of Attorney General Langer's OPINION? A. Yes.

Q. And was that OPINION acted upon by you? A. Yes.

Q. So if Attorney General Langer's OPINION was correct, the loan that was made by the Michigan City Bank was not excessive as it was secured by warehouse receipts? A. Yes.

(1017)

Q. Do you know how much the total amount was that you originally loaned from this bank? A. I think I stated that once before, about \$47,000.00.

Q. By the way, this paper has found its way into the Bank of North Dakota, were you acquainted with any of this bank's officers? A. I knew Mr. J. R. Waters.

Q. He was Manager of the Bank at that time was he not? A. Yes.

Q. Do you know of any other officers of that bank? A. No.

Q. None of them? A. Not at the time.

Q. When did you become acquainted with any other officers of this Bank? A. I met Mr. Cathro, the other day, over here in the lobby of the McKenzie Hotel.

Q. You know Mr. Cathro, or met him, after you had been subpoenaed to appear as a witness to appear before the House Committee? A. Yes, sir.

Q. When did you meet any of the other officers? A. I met Mr. McAneney either in Grand Forks or Fargo last fall.

Q. That was long after this deal had been closed? A. Yes.

(1018)

Q. Did you ever have any particular talk with Mr. McAneney in regard to this particular deal? A. No.

Q. And you never had any particular talk with Mr. Cathro regarding this particular deal? A. No.

Q. Did you ever have any talk with anybody in the Bank of North Dakota, with respect to cashing some of the paper? A. Well, I called up Mr. J. R. Waters,

Q. When did you call him—how did you call him? A. By long distance telephone.

Q. What was your conversation? A. I asked him if he could not discount some of the Conway Storage Company's paper in the Bank of North Dakota?

Q. When you asked him if you could rediscount some of your Conway Storage Company's paper, what did he say to you? A. He said to get some local banks to endorse it and the Bank would take it.

Q. And in conformity with that talk you had with J. R. Waters, Manager of the Bank of North Dakota, did you procure any bank to guarantee or sign your paper? A. I got the Bank of Michigan City, the Park River bank, and I think

(1019)

the Bank of Inkster to discount some of my paper?

Q. These banks all discounted some of your paper? A. Yes, I told them they could rediscount it if they wanted to.

Q. Now, how much paper, during the summer of 1920 did you turn over to these various banks that you have referred to? A. I couldn't just recall them all off hand.

Q. Approximately how much? A. Oh, it is along some sixty to sixty-five thousand dollars.

Q. Do you know approximately how much of that paper found its way into the Bank of North Dakota? A. I cannot just remember, I think it was at the Bank of Park River—I discounted some paper at the Bank of Park River.

Q. How much did you rediscount thru the Bank of Park River? A. I discounted somewhere in the neighborhood of \$4400.00.

Q. Was that paper also secured in the same way as these exhibits or notes we offered in evidence today, were secured? A. Yes.

Q. By warehouse receipts? A. Yes.

(1020)

Q. Do you know whether that paper found its way into the Bank of North Dakota? A. Yes.

Q. Was it subsequently paid? A. Yes.

Q. Did the paper that you discounted with the Bank at Inkster find its way into the Bank of North Dakota? A. Yes.

Q. Do you know how much that amounted to? A. I cannot recall, it was about \$3600.00.

Q. And has that paper been paid by you? A. Yes.

Q. And has all of the paper been paid by you which you rediscounted to the various banks except the amount represented by the notes offered in evidence here today? A. Yes.

Q. Do you know what the total amount is that you have paid upon these various notes during the fall of 1920? A. On the Michigan City Bank I think I paid—

Q. Can you tell by looking at that memorandum to refresh your memory, and state what the amount is? A. \$36,182.22.

(1021)

Q. What is the total amount you paid? A. Yes.

Q. What is the total amount due the Bank of N. D.? A. \$29,644.00 and some cents.

Q. I show you exhibit 330 and will ask you if that is a copy of a purported statement prepared by you? A. Yes.

Q. And that was sworn to by you? A. Yes.

Q. That purported statement shows you are worth approximately \$80,000, is that correct? A. Somewhere in that neighborhood.

Q. Now, regarding these storage or warehouse receipts all of these cars that were ordinarily described in these warehouse receipts now in that warehouse? A. I couldn't say that; I couldn't say that.

Q. Now I want to get your practice, for instance if one of these cars were moved during the summer by reason of a sale, were you supposed to substitute in place of the car that was moved another car? A. Yes.

Q. And did you at all times keep in this warehouse property of equal value to the property that was originally therein and covered by these warehouse receipts? A. Yes.

(1022)

Q. Now, as I understand it, you had all these dealings with the Michigan City Bank? A. Yes.

Q. And when you would remove one of these cars or tractors which had been placed in this bonded warehouse by you for the purpose of sale, would you notify the Michigan City Bank of the fact? A. Yes.

Q. And would you keep the Michigan City Bank informed of these affairs in your warehouse there? A. To the best of my ability.

Q. And from time to time as sales were made of the various tractors and automobiles that were continued in that warehouse was payment made upon the notes held by the Michigan City Bank? A. Yes.

Q. Did you ever make any payments direct with the Bank of North Dakota? A. No.

Q. Were all of the payments that you made, made to the Michigan City Bank? A. Yes.

Q. As you made these payments that were made by the Michigan City Bank transmitted to the Bank of North Dakota? A. Yes.

(1023)

Q. Mr. Stary are you going to pay these notes? A. Yes, sir.

Q. Every dollar? A. Yes sir.

Q. You consider them amply secured? A. Yes.

Q. You feel even though you have no security back of them at all, your own signature would compel payment? A. Yes sir.

Q. By the way, I believe it developed this morning in the House hearing that you have been unfortunate enough to have sold automobiles to people who were connected with the Non-Partisan League? A. Yes, sir.

Q. That was the material that was brought out in your testimony this morning, was it not? A. Yes.

Q. And I suppose you would like to be pardoned for so doing? A. (laugh.)

Q. Well, Mr. Stary, I suppose that it is not any crime to have sold automobiles to these gentlemen, in your estimation? A. No, they paid me for them.

(1024)

Q. And I suppose if you feel you were able to sell these Non-Partisan gentlemen cars in the future you would do so, wouldn't you? A. Yes.

Q. Now what particular men connected with the Non-Partisan League have you sold cars to? A. I would.

Q. Now what particular men connected with the Non-Partisan League have you sold cars to? A. I have sold most of the—

Q. Did you sell Townley? A. Yes.

Q. You sold Fords to him did you not? A. Yes.

Q. For the purpose of being used in the Non-Partisan League? A. Yes.

Q. Now, there was a distinction drawn between organizers and ordinary men by inference, or insinuation? A. Yes.

Q. Have you sold anybody else besides the leaders of this League, cars? A. Mr. Lemke.

Q. Oh, you sold Mr. Lemke a car? A. Yes.

Q. Did he pay for it? A. Yes.

(1025)

Q. Didn't the Non-Partisan League pay for it? A. No, he paid for his own car.

Q. How did he? A. He gave me check for part and note for part.

Q. Did he pay for the note? A. He did.

Q. You did not rediscount that note at the Bank of North Dakota, did you? A. No, the Bank of North Dakota was not going then.

Q. The Bank of North Dakota was not going then? A. No.

Q. So the Bank of North Dakota cannot be blamed for that transaction? A. No, the Bank never saw that note.

Q. Who else did you sell cars to that were connected with the Non-Partisan League? A. Mr. Waters and Mr. Brinton.

Q. And to Mr. Waters and Mr. Brinton? A. Yes.

Q. You sold these two gentlemen cars? A. Yes.

Q. Did they get their cars? A. Yes.

Q. Did they pay for them? A. N-o-t y-e-t.

Q. Not yet? A. No.

(1026)

Q. By the way, it seems to me there was a note given for one of these cars, wasn't there? A. Yes.

Q. It was a Cadillac car, was it not? A. Yes.

Q. Was it two Cadillac cars? A. No, one was a Studebaker.

Q. One was a Studebaker; who got the Cadillac? A. Mr. Waters.

Q. I believe that there was an attempt to rediscount that paper in the Bank of North Dakota? A. No.

Q. Was there any attempt to rediscount any additional paper after Mr. Waters left the Bank of North Dakota? A. I could not rediscount any more after Mr. Waters left.

Q. Was that because you had sold him a car? A. I don't know, we were always good friends, I had known Mr. Waters.

Q. And Mr. Waters had confidence in you as far as you know. A. Yes.

Q. I supposed you had also sold cars to men who were not affiliated with this organization, or who were being backed by it? A. Yes.

(1027)

Q. Lots of them? A. Yes.

Q. More than you have to Non-Partisans? A. Yes.

Q. You are sort of a middle roader, then are you not? A. Yes.

Senator Ployhar: I would like to ask the witness a question. I want to know what kind of car Bill Lemke bought? A. A six cylinder Buick.

Senator Liederbach: I would like to ask a question. Would you consider it a crime to sell a car to a resident of Fargo, N. D.? A. No.

Q. You were asked this morning by the House attorneys if it was not contrary to the rules for any person to sell a car outside of his own territory? A. I was.

Q. And that was in connection with the selling of the car to Mr. Lemke? A. Yes.

Q. And they intimated it was not quite right? A. The dealer at Fargo filed an encroachment.

Q. What do you mean by that? A. It means that he was

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entitled to a commission on the car, if it was sold within ninety days. After ninety days in the warehouse it becomes stock.

Q. So Bill had to pay a commission down there? A. No.

Q. Explain it then? A. I had the car ninety days in stock before Bill got it.

Q. You are sure you didn't give that car to Bill? A. No, but I gave him a little better deal.

Q. But you made money on it? A. Yes.

Q. Now, I will show you Exhibit 338, and will ask you if that is the substance of a letter or does it appear to you to be a copy of a letter which you produced before the House Committee and which was offered in evidence this morning?
A. Yes, it was.

Q. Mr. Sinkler: Exhibit 338 read into the record:

(1029)

"EXHIBIT 338"

January 7, 1920.

Mr. Bert H. Stary,
Conway, North Dakota.

Dear Sir: I can advise you that I have had an opinion from the Attorney General stating that paper secured by automobiles stored in a licensed and bonded warehouse will not be considered as excess loan.

Yours truly,
State Examiner.

OEL/G

(1030)

"EXHIBIT 339" LDS

January 6, 1920.

Mr. O. E. Lofthus,
State Bank Examiner,
Bismarck, N. Dak.

OPINION

Dear Sir: In your letter of recent date directed to Attorney General Langer you request an opinion as to whether or not a loan made by a bank secured by automobile warehouse receipts covering automobiles stored in a licensed and bonded warehouse should be taken into consideration in determining whether or not the borrower has exceeded the legal loan limit of the bank from which such loan is obtained.

In reply, your attention is directed to the following language, taken from Section 5172 C. L. 1913:

* * * * * but the discount of bills of exchange drawn in good faith against actual existing values, or loans upon produce in transit or actually in store as collateral security; provided, that all paper relating to such transactions be made payable to and such paper and the security therefor be and remain in the possession and control of such association until the advance or debt be paid shall not be considered as

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money borrowed, and such association may discount commercial or business paper actually owned by the person negotiating the same without it being deemed an addition to the loans to said negotiator."

It is probable that automobiles would be considered as "existing values;" likewise, I find upon consulting the authorities that "produce" is defined as meaning "the product of natural growth, labor, or capital." It is clear under the last definition given that automobiles should be classed as "produce." Such being the case, if the provisions of Section 5172 are complied with, that loans secured by warehouse receipts covering automobiles stored in a licensed and bonded warehouse should not be considered in determining the amount of the loan which a negotiator to whom money had been advanced upon such stored automobiles could obtain.

Yours very truly,

EBC K

Edw. B. Cox,
Assistant Attorney General.

(1032)

Mr. Sinkler: Exhibit 339 is the OPINION of the Attorney General's office of the state.

Q. Now, that date, Jan. 6, 1920, you must have had that talk about that time with Mr. Waters? A. I did not have any talk with Mr. Waters about that time, it was later, about the first of March or the last of February.

Q. You do not remember the exact date? A. I do not.

Q. After reading the Exhibit, now Mr. Stary there was another matter that was gone into this morning, I understood that you started to state that there were some farmers' notes turned in on some of these automobiles? A. I tried to explain that.

Q. Were there? A. Some one hundred notes.

Q. Some one hundred notes turned in on automobiles? A. Held as collateral.

Q. These farmers, I presume, were willing to contribute one hundred dollars to the campaign of the Non-Partisan League but should be condemned for so doing? A. Not necessarily.

(1033)

Q. You figured these notes were good, did you not? A. Yes.

Q. And you figured when you took these notes that they were just as good as any paper of any bank in the country? A. To the best of my knowledge.

Q. Were they different farmers you knew? A. They were farmers from the different parts of the state.

Q. And these notes were taken by you in payment of the automobiles, were they not? A. As collateral.

Q. Have the automobiles since been paid for? A. Yes.

Q. And you did not lose anything in taking this unfortunate paper from the farmers did you? A. No.

Q. It has been proved good, has it not? A. Yes.

Senator Church: I now move we take a recess of ten minutes.

Chairman: Recess will be taken for ten minutes.

Chairman: Meeting called to order.

(1034)

Mr. Gilbert Semingson, having been called as a witness, was duly sworn, and testified as follows:

EXAMINATION BY MR. SINKLER:

Q. What is your name? A. Gilbert Semingson.

Q. Do you occupy any official position in this state of North Dakota? A. Deputy State Examiner.

Q. I show you Exhibit 333 and will ask you if Exhibit 333 is a copy of a letter sent to John B. Stary by the State Examiner of the State of North Dakota? A. It is.

Q. I show you Exhibit 339, and ask you if the original of Exhibit 339 is on file and one of the records of the State Examiner's office of the State of North Dakota? A. Yes. This is the original.

Q. Oh, I understood this was a copy? A. No, this is the original.

Q. This is the original opinion of the Attorney General's office of the State under the regime of Langer? A. Yes.

Mr. Sinkler: All right, that is all.

(1035)

John B. Stary, recalled as a witness.

EXAMINATION BY MR. SINKLER:

Q. Mr. Stary, you have testified in times past that you have sold automobiles to men affiliated with the Non-Partisan League? A. Yes.

Q. When did you commence to have transactions of that kind with Non-Partisan Leaguers? A. Ever since we started.

Q. When did they start? A. I do not know just what year, I cannot recall just what year it was.

Q. Have you had any transactions with any of the leaders of the Non-Partisan League lately? A. No.

Q. How long has it been since you have had any transactions with leaders of the Non-Partisan League? A. To the best of my knowledge, I think I sold some cars last year. I would not swear to it because I am under oath, but I think I sold them three or four Fords last year.

Q. Were all the other cars sold prior to 1920? A. Yes.

Q. Did you sell any cars in the fall of 1919? When did you give these cars to Brinton and Waters? No, no,—I mean sell

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them? A. I sold them sometime in the fall of 1919.

Q. Sometime in the fall of 1919? A. I think so.

Q. I want to find out if you sold any of these cars to the Non-Partisan Leaguers since the Bank of North Dakota started to do business? A. It was just as I stated before, either three or four Fords, that I sold.

Q. All the other cars were sold before that? A. Yes.

Q. And the cars are paid for to the best of your knowledge? A. Yes.

Mr. Sinkler: That is all.

Mr. Greenfield, having been called as a witness, was duly sworn, and testified as follows:

EXAMINATION BY MR. SINKLER:

Q. Where do you live Mr. Greenfield? A. Why, I couldn't tell you the address right off but Bismarck.

Q. Do you live in Bismarck? A. Yes.

Q. Where are you working? A. Bank of North Dakota.

(1037)

Q. How long have you been working in the Bank of North Dakota? A. Since 1919, ever since the 25th of August, 1919.

Q. Have you been connected with the Bank ever since it started to do business? A. Yes, within a few weeks.

Q. In what particular department of the Bank do you work in? A. In the Audits Department.

Q. Have you charge of that part of the work? A. Not exactly no.

Q. Well, you are working in that Department? A. Yes.

Q. You are the man as I understand it who has tried to collect money from the banks in the state? A. Yes.

Q. All over the state? A. Yes.

Q. But you haven't had very much success, have you? A. No.

Q. Have you any evidence on your person to show us how poor a collector you really are? A. Yes.

Q. Will you produce that evidence? A. (The witness produces a bunch of notes).

Q. That's really a pile, isn't it? (Witness laughs).

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EXAMINATION BY MR. PADDOCK:

Q. Mr. Paddock: Sheets marked Exhibits 340 to 370 inclusive, and offered in evidence.

Q. Mr. Greenfield, I show you exhibits 340 to 370, and will ask you whether or not you assisted or had charge of the preparation of the sheets called a summary of drafts, telegrams refused, or unacknowledged? A. I assisted in compiling these tabulations.

Q. These tabulations were compiled from the books, records, and files of the Bank of North Dakota? A. Yes.

Q. Calling your attention to Exhibit 340, in the first column, we have the name of the town in which the Bank is located, is that correct? A. Yes.

Q. Calling your attention to the next column, we have the number of drafts or attempted withdrawals have we not? A. Indeed yes.

Q. The index shows a figure for the number of the bank and for the town, does it not? A. Yes.

Q. That would be the number of the town and the number of the bank? A. Yes.

Q. According to this schedule? A. Yes.

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Q. And the ABC is the different attempted withdrawal by draft or attempted communication by telegram? A. Yes.

Q. And the next two columns headed Bank, we have the names of the Bank in that particular town, have we not, Mr. Greenfield? A. Yes.

Q. And in the next column to the right, headed Drafts on Redeposit, and Date Withdrawal was Attempted, is divided into two columns first of which shows the date of attempted withdrawal and the second column shows the amount of balance on deposit in the bank, from the Bank of North Dakota, on that date, is that correct? A. Yes.

Q. And in the next column to the right we have again the date of attempted withdrawal, is that correct? A. Yes.

Q. And in the next column to the right headed By Withdrawals, Drafts Refused, Number of figures showing the number of draft on that date if it was a draft? A. Yes.

Q. And in the next column headed Drafts Outstanding, we will have the amount of the draft if it was a draft, is that correct? A. Yes.

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Q. And in the next column headed Drafts Outstanding, we will have the amount of the draft, in figures, if the draft is still outstanding and unpaid? A. Yes.

Q. And in the next column to the right headed by Telegraph Order will be the amount requested to be transferred by telegraphic order by the Bank of North Dakota to the Bank in question, is that correct? A. Yes, sir. Say that again.

Q. Now, we will start again. In the next column to the right, headed By Telegraphic Order will be shown the amount of the telegraphic order on that date? A. Yes.

Q. And in the next column of the right under the heading Drafts Still On Hand dated February 21, 1921, in figures 2-21-21, will be shown the balance still on hand in the Bank February 21, 1921? A. Yes, sir.

Q. And the date taken in the basis for this statement? A. Yes, sir.

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Q. These statements refer entirely to transactions prior to February 21, 1921? A. Yes, sir.

Q. Further out here, there appears in the next column to the right a statement of the amount of cash reserve required, the percentage of actual cash on hand, and amount; is it because you did not have time to complete the computation that this is as far as you got at this time with the work, is that correct? The reason we have no figures there? A. Yes.

Q. Now, further to the right you have a column headed Special Payment of Wires, in this column will be noted all the payments which do not coincide with the amount of wire requests, but will show that was actually paid or transferred? A. Actually transferred.

Q. That is transferred to your Minneapolis Bank and placed to your credit there, and when I say "your" I mean the Bank of North Dakota? A. Yes, sir.

Q. And further to the right, we have a column headed "Banks Closed" and you have a heading under each account which shows the bank is closed, is that right? A. Where there is a question about it we have marked it.

Q. In making up this abstract, you did not take into consideration did you, the demands on banks to pay withdrawals

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by checks drawn on County Treasurers or other Treasurers against this fund, or sinking funds, is that correct? A. Yes, sir.

Q. Now, I want to get this just the way it is. And I want you to call my attention to it if I leave out something here. To illustrate, I will refer to the First National Bank of Alamo, which shows that in the town of Alamo Bank No. 1, Withdrawal A, The Farmers State Bank of Alamo, on November 27, 1920, you had on deposit in that bank, or rather The Bank of North Dakota had on deposit in that Bank \$11,884.74, and that you drew a draft for \$5,000.00 and which was returned, refused payment, and the collateral has not been paid? A. Yes, according to our records.

Q. According to your books? A. Yes.

Q. And this also shows that on February 21, 1921, you still had on deposit in that Bank \$10,194.10? A. Yes, according to our records.

Q. And it shows in the next column, Farmers State Bank, on January 12, 1921, and on deposit \$6,491.10. Now, the reason that the deposit was that amount was because you had

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credited them with the \$500 when you drew the draft, is that correct? Yes.

Q. And on that day you wired them an order to transfer \$1400 funds to your credit, is that correct? A. Yes.

Q. And that wire transferred has not been recognized according to your records? A. No.

Q. And the town the same bank on Nov. 14, had on deposit \$11,491.10 and the reason it has that amount is because the \$5000 draft had been returned unpaid and charged to their account again. Is that not correct? A. Yes, sir.

Q. And on the date when you had \$11,491.10 you wired them to transfer a thousand dollars to your credit? A. Yes sir.

Q. And that has not been recognized? A. No.

Q. When you wire a transfer you wire a depository bank to transfer funds to your credit in a designated bank. Is that correct? A. Yes, sir.

Q. Now that is bank No. 1 is it not? And as we go through these Exhibits 340 to 370 inclusive each bank is handled in the same manner, is that not correct? And we find all told 434 banks in N. Dakota that have not met their withdrawals by drafts or have out drafts against them and have not met requests to transfer funds by wire, is that correct? A. Ac-

(1044)

ording to our records, on that date.

Q. Now, in many of these cases there were several demands to make withdrawals. Is that not correct? A. That is correct.

Q. In the case of many of these banks you attempted either by wire or draft to withdraw several different times? A. Yes.

Q. Now in making these drafts you were going thru the customary procedure of withdrawals to withdraw your deposits or a portion of them? A. Yes.

Q. That is the method you have of presenting its checks upon its deposits, in that particular bank? A. Yes.

Q. Either with a wire or transfer of funds? A. Yes.

Q. When these drafts are sent out and sent to the bank to be put there to be paid they are referred to in banking parlance as cash sales, are they not? A. Yes.

Mr. Paddock: At this time we offer in evidence, Exhibits 340 to 370, inclusive.

(The Bank of North Dakota has consented, for the purpose

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of this record, to furnish copies of Exhibits 340 to 370, inclusive).

Mr. Paddock: There are one hundred and nineteen drafts here, according to the count of Mrs. L. D. Stone, the court reporter. I show you Exhibits marked 371 to 489, inclusive, and I will ask you to look these over and tell me what they are? (Handing witness exhibits).

Q. What are these, Mr. Greenfield? A. They are drafts drawn against the various banks in which the Bank of North Dakota has money deposited, and which have been returned unpaid.

Q. Which were returned unpaid either on account of the length of time they have been out or turned down by the bank upon which they have been drawn.

Q. I notice you have picked out a few which you have a doubt about, the first is marked Exhibit 134a, draft No. 3276, for \$10,000.00 on the Dakota Savings Bank, Fargo and the reason you picked that out is because there is doubt in your mind for returning it unpaid, is that correct? A. Yes.

Q. Now this other one is a draft on the Security Savings Bank, Jamestown, N. Dak., dated February 5, 1921, for \$1500.00, do you know why that was returned unpaid? A. It was

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returned unpaid for the reason that they had already remitted for the balance of our deposit with them.

Q. Before the draft reached them? A. Yes.

Q. Now, Mr. Greenfield, your sheet here shows 434 banks have failed to meet withdrawals, either by draft or by wire, while it appears there are only 119 drafts here, which would

seem strange, but I will ask you again, your sheet shows attempted withdrawals, not only by wire but by drafts? A. Yes.

Q. And these were by wire? A. Yes.

Q. And by drafts still outstanding and unpaid? A. Yes.

Q. And this bunch of drafts is only those that have been returned cancelled and there are numerous drafts still out and unpaid? A. According to our records, yes.

Q. And there were numerous wires for transfers of funds to your correspondent banks that were unrecognized or unpaid by the banks upon which these wires were drawn? A. Yes, using the term unrecognized, we do not recognize the wire until we get credit advice of the transfer from the correspondent bank.

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Q. In other words, these show the attempted withdrawals by telegraph for which you have not received a credit advice from the bank in Minneapolis or St. Paul to which you ordered the transfer made? A. Yes.

Q. I notice this sheet does not have a statement of the total attempted withdrawals, and I will ask you whether it is not a fact that if we should total the attempted withdrawals by draft, and by drafts still outstanding, and by wire, there would not be—I will put it this way, I will state it differently. Let us take this Bank here the First National and Farmers state of Alamo. It appears there was an attempt to withdraw \$5,000.00 by draft on Nov. 27, 1920, which was returned unpaid; there was an attempt on January 24, 1921, to withdraw \$1400.00 by telegraphic order, which is still unpaid, and there was an attempt on February 14th to withdraw \$1,000.00 by telegraphic order? A. Yes, sir.

Q. But you did not get any money on any of them? A. Not according to our records.

Q. Then this is a list, bank by bank, of attempted withdrawals separately? A. Yes.

(1048)

Mr. Paddock: At this time we wish to offer in evidence, Exhibits 371 to 489, inclusive, are they accepted?

Mr. Chairman: Accepted.

(1049)

Q. But you did not get any money on any of them? A. Not according to our records.

Q. I will now ask you Mr. Greenfield, to figure up the total outstanding drafts as shown by the records of your bank as shown by Exhibits 340 to 370, inclusive? A. There are forty-seven drafts outstanding, as I count them.

Q. As to the number of drafts in this bunch just submitted and the drafts outstanding and the number of telegraphic withdrawals, I would like to have this made subject, however, to verification in the checking up more carefully, is that satisfactory, Mr. Chairman?

Mr. Chairman: Yes.

Q. If you will give us the number of attempted withdrawals by telegraphic order?

Q. How many drafts outstanding did you have? A. Forty-seven, I believe, and one hundred and nineteen drafts unpaid.

Q. Now, Mr. Greenfield, from your taking up from this abstract made from the records of your bank you find, upon a more careful investigation, that there were one hundred and nineteen drafts returned unpaid, made by your Bank on the banks in which it had deposits, is that correct? A. Yes.

(1050)

Q. And there were forty-seven drafts outstanding at the date these Exhibits 340 to 370, inclusive, were checked up? A. According to our records.

Q. And there were forty-seven attempted withdrawals by telegraph which had been unrecognized up to February 21st according to the records of the Bank of North Dakota? A. According to our records, yes.

Q. And the total of drafts unpaid, out standing and unpaid, and attempted transfers by wire, orders to depositary banks, which has been unrecognized, is 641, according to your computation at this time, subject to verification? A. Yes, sir.

Q. And these 641 attempted withdrawals were made against 434 banks in North Dakota, in which the Bank of North Dakota had deposits sufficient to cover attempted withdrawals on the date the withdrawals were attempted, is that correct? A. Yes.

Mr. Paddock: Exhibits 340 to 370, inclusive, were turned over by Mr. Paddock and the Court Reported to Mr. Greenfield for the purpose of making duplicate copies for the

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Court Reporter's record.

On motion of Senator Church, seconded by Senator Baker, adjournment taken until 2:30 P. M., February 26, 1921, at the Senate Chambers.

End of February 25, 1921.

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"EXHIBIT 371"

THE BANK OF NORTH DAKOTA No. 7611
Bismarck, N. Dak. Nov. 27, 1920.

Pay to the order of The Bank of North Dakota, Bismarck, N. Dak. \$7,500.00
..... Pay \$7,500 and no/cts..... Dollars
First State Bank,

A. C. Brainard, Teller.

Zahl, N. Dak.
(Cancelled 1-10-21)

L. B. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker, or Trust Co., Nov. 27, 1920 All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 372"

THE BANK OF NORTH DAKOTA No. 3316
Bismarck, N. Dak. Jun. 21, 1920

Pay to the order of The Bank of North Dakota, Bismarck, N. Dak. \$1500.00
..... Pay \$1,500. and no/cts..... Dollars
To First National Bank,

A. C. Brainard, Teller.

(cancelled 7-23-30)

Woodworth, N. Dak.

A. Johannson, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Jul. 7, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. D. 77-28.

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"EXHIBIT 373"

THE BANK OF NORTH DAKOTA No. 7604

Bismarck, N. Dak. Nov. 27, 1920

Pay to the order of The Bank of North Dakota, Bismarck,
 N. Dak. \$3,500.00
 Pay \$3,500 and no/cts..... Dollars
 A. C. Brainard, Teller.

Burleigh County State Bank,
 (Cancelled—no date)
 Wing, N. Dak.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Trust Co.,
 Nov. 27, 1920. All Prior Endorsements Guaranteed. The
 Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 374"

THE BAN KOF NORTH DAKOTA No. 7598

Pay to the order of the Bank of North Dakota, Bismarck,
 N. Dak. \$15,000.00
 Pay \$15,000.00—and no/cts..... Dollars
 Williston State Bank,

A. C. Brainard, Teller.

Williston, N. Dak.

(Cancelled 1-10-21)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the Order of Any Bank, Banker, or Tust Co., Nov.
 27, 1920. All Prior Endorsements Guaranteed. The Bank
 of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

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"EXHIBIT 375"

THE BANK OF NORTH DAKOTA No. 7597

Bismarck, N. Dak. Nov. 27, 1920.

Pay to the order of The Bank of North Dakota, Bismarck,
 N. Dak. \$20,000.00
 Pay \$20,000.00 and no/cts..... Dollars
 Williams County State Bank,

A. C. Brainard, Teller.

Williston, N. Dak.

(Cancelled 12-16-20)

L. P. McAneney, Dept. Director.

Endorsed on the bank thereof the following:

Pay to the Order of Any Bank, Banker or Tust Co., Nov.
 27, 1920. All Prior Endorsements Guaranteed. The Bank
 of North Dakota. 77-28 Bismarck, N. Dak. 7-28.

"EXHIBIT 376"

TE BANK OF NORTH DAKOTA No. 7598

Bismarck, No. Dak. Nov. 27, 1920

Pay to the order of The Bank of North Dakota, Bismarck,
 N. Dak. \$20,000.00
 Pay \$20,000 and no/cts..... Dollars
 First National Bank,

A. C. Brainard, Teller.

Williston, N. Dak.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any bank ,Banker or Trust Co., Nov.
 27, 1920. All Prior Endorsements Guaranteed. The Bank
 of North Dakota. 77-28 Bismarck, N. Dak. 77-28

(1055)

"EXHIBIT 377"

THE BANK OF NORTH DAKOTA No. 8076

Bismarck, N. Dak. Feb. 1, 1921

Pay to the order of The Bank of North Dakota, Bismarck,
 N. Dak. \$20,000.00
 Pay \$20,000 and no/cts.....Dollars
 First National Bank,

A. C. Brainard, Teller.

Williston, N. Dak.

(Cancelled 2-14-21)

A. Johannson, Dept. Director.

Protested 2-5-21

Oscar W. Bell,
 Notary.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Tust Co., Feb.
 1, 1921. All Prior Endorsements. Guaranteed. The Bank
 of North Dakota. 77-28 Bismarck, N. D. 77-28

Also:

Pay to the order of Federal Reserve Bank of Minneapolis,
 17-2 Feb. 2, 1921 17-2 First National Bank Minneapolis,
 Minn. Pay to the order of Any Bank, Banker or Trust Co.,
 Federal Reserve Bank of Minneapolis 17-8 S. S. Cook,
 Cashier 17-8

Pay Any Bank or Banker or order Feb. 2, 1921 17-2
 First National Bank, Minneapolis, Minn. 17-2

(1056)

"EXHIBIT 378"

THE BANK OF NORTH DAKOTA No. 7586

Bismarck, N. Dak. Nov. 27, 1920.

Pay to the order of The Bank of North Dakota, Bismarck,
 N. Dak. \$10,000.00
 Pay \$10,000 and no/cts.....Dollars

A. C. Brainard, Teller.

Merchants State Bank,

(Cancelled 2-17-21)

Werner, N. Dak.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Nov.
 27, 1920. All Prior Endorsements Guaranteed. The Bank
 of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 379"

THE BANK OF NORTH DAKOTA No. 7585

Pay to the order of The Bank of North Dakota, Bismarck,
 N. Dak. \$5000.00
 Pay \$5000. and no/cts.....Dollars
 First State Bank,

A. C. Brainard, Teller.

(Cancelled 1-11-21)

Werner, N. Dak.

L. B. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the Order of Any Bank, Banker or Tust Co., Nov.
 27, 1920. All prior Endorsements Guaranteed. The Bank
 of North Dakota 77-28 Bismarck, N. D. 77-28

(1057)

“EXHIBIT 380”

THE BANK OF NORTH DAKOTA No. 8039
Bismarck, N. Dak., Dec. 11, 1920

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak. \$500.00
..... Pay \$500 and No Cents Dollars
Farmers State Bank.

A. C. Brainard, Teller.

Voltaire, N. D.

(Cancelled 1-8-21)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:
Pay to the order of any Bank, Banker, or Trust Co., Dec.
11, 1920. All Prior Endorsements Guaranteed.
The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

“EXHIBIT 381”

THE BANK OF NORTH DAKOTA No. 7579
Bismarck, N. D., Nov. 27, 1920

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak. \$1,000.00
..... Pay \$1,000.00
Farmers State Bank

A. C. Brainard, Teller.

Voltaire, N. D.

(Cancelled 1-8-21)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:
Pay to the order of any Bank, Banker or Trust Co.,
Nov. 27, 1920. All prior endorsements guaranteed.
The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1058)

“EXHIBIT 382”

THE BANK OF NORTH DAKOTA No. 7576
Bismarck, N. D. Nov. 27, 1920.

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak. \$10,000.00
..... Pay \$10,000 and no cents Dollars
Scandinavian American State Bank.

L. C. Brainard, Teller.

Van Hook, N. D.

(Cancelled 1-10-21)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:
Pay to the order of any Bank, Banker or Trust Co.,
Nov. 27, 1920, All prior endorsements guaranteed.
The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

“EXHIBIT 383”

THE BANK OF NORTH DAKOTA No. 7566
Bismarck, N. D., Nov. 27, 1920.

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak. \$6,000.00
..... Pay \$6,000 and no cents Dollars
Trenton State Bank,

A. C. Brainard, Teller.

Trenton, N. D.ak.

(Cancelled 12-21-20)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker or Trust Co.,
Nov. 27, 1920, All Prior Endorsements guaranteed.
The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1059)

"EXHIBIT 384"

THE BANK OF NORTH DAKOTA No. 8028

Bismarck, N. D., Dec. 11, 1920

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak. \$1,000.00
..... Pay \$1,000 and no cents Dollars
First National Bank.
A. F. Brainard, Teller.

Tower City, N. Dak.

(Cancelled 12-31-20)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker or Trust Co.,
Dec. 11, 1920, All prior endorsements guaranteed.
The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 385"

THE BANK OF NORTH DAKOTA No. 8028

Bismarck, N. D., Dec. 11, 1920.

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak., \$500.00
..... Pay \$500 and no cents Dollars
To:

First State Bank,

A. C. Brainard, Teller.

Towner City, N. Dak.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker or Trust Co.,
Dec. 11, 1920(All prior endorsements guaranteed.
The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1060)

"EXHIBIT 386"

THE BANK OF NORTH DAKOTA No. 7137

Bismarck, N. D., Oct. 23, 1920.

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak. \$1,000.00
..... Pay \$1,000 and no cents Dollars
Tolley State Bank,

A. C. Brainard, Teller.

Tolley, N. D.

(Cancelled 12-21-20)

A. Johannson, Dept. Director.

(Protested 11-6-20)

Endorsed on the back thereof the following:

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28
Pay to the order of any Bank, Banker or Trust Co.,
Oct. 23, 1920, all prior endorsements guaranteed.
The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 387"

THE BANK OF NORTH DAKOTA No. 6052
Bismarck, N. D. Sept. 19, 1290.

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak.,\$1,500.00
..... Pay \$1500 and no/ctsDollars
Tolley State Bank

A. C. Brainard, Teller.

Tolley, North Dakota.

(Cancelled 12-21-20)

Protested 11-16-20

L. Hartful, Notary..

A. Johansson, Dept. Director.

Endorsed on the back thereof the following:

Pay to the Order of any Bank, Banker or Trust Co.,
Sept. 10, 190, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1061)

"EXHIBIT 388"

THE BANK OF NORTH DAKOTA No. 8024
Bismarck, N. D., Dec. 11, 1920.

Pay to the order of the Bank of North Dakota, Bismarck,
N. Dak.\$500.00
.....Pay \$500.00 and no centsDollars

To:

Timmer State Bank

A.C .Brainard, Teller.

Timmer, N. Dak.

(Cancelled 2-17-21)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any bank, Banker, or Trust Co.,
Dec. 11. 1920 all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 389"

THE BANK OF NORT HDAKOTA No. 6558
Bismarck, N. D. Nov. 27, 1920.

Pay to the Order of the Bank of North Dakota, Bismarck,
N. Dak.,\$5,000.00
..... Pay \$5,000 and no centsDollars

Timmer State Bank

A. C. Brainard, Teller.

Timmer, N. Dak.

(Cancelled 2-17-21)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker, or Trust Co.,
Nov. 27, 1920, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck N. D. 77-28

(1062)

"EXHIBIT 390"

THE BANK OF NORTH DAKOTA No. 3653
Bismarck, N. D. June 28, 1920.

Pay to the order of the Bank of North Dakota ..\$4,000.00

.....Pay \$4,000 and no centsDollars
To the Timmer State Bank

A. C. Brainard, Teller.

Timmer, N. Dak.

(Cancelled no date)

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
June 28, 1920, All Prior Endorsements Guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28
"EXHIBIT 391"

THE BANK OF NORTH DAKOTA No. 8022
Bismarck N. D. Dec. 11, 1920.

Pay to the order of The Bank of North Dakota ..\$1,000
.....Pay \$1,000 and no centsDollars
Templeton State Bank

A. C. Brainard, Teller.

-Temvik, N D.

L. P. McAneney, Dept. Director.

(Cancelled 2-17-21)

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
Dec. 1920, All Prior Endorsements Guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1063)

"EXHIBIT 392" LDS

THE BANK OF NORTH DAKOTA No 6804
Bismarck, N. Dak., 23, 1920.

Pay to the order of the Bank of North Dakota ..\$1,000
.....Pay \$1,000 and no centsDollars
Security State Bank,

A. C. Brainard, Teller.

A. Johannsen, Dept. Director.

Glasston, N. Dak

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
..... 23, 1920, All Prior Endorsements Guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 393" LDS

THE BANK OF NORTH DAKOTA No. 4690
Bismarck, N. D. July 28, 1920.

Pay to the order of the Bank of North Dakota\$1,000
.....Pay \$1,000 and no centsDollars
Farmers State Bank

A. C. Brainard, Teller.

Greene, N. Dak.

A. Johannsen, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
July 29 1920, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1064)

"EXHIBIT 394" LDS

THE BANK OF NORTH DAKOTA No. 5603
Bismarck, N. D. Aug. 18 1920.

Pay to the order of The Bank of North Dakota\$1000

.....Pay \$1,000 and no centsDollars
To: Farmers State Bank

A. C. Brainard, Teller.

Greene N. Dok.

A. Johannsen, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
Aug. 16, 1920, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 395" LDS

THE BANK OF NORTH DAKOTA No. 6824
Bismarck, N. D., Oct. 23, 1920.

Pay to the order of the Bank of North Dakota\$500

.....Pay \$500 and no centsDollars
Farmers State Bank,

A. C. Brainard, Teller.

Greene, N. D.

A. Johannsen, Dept. Director.

Endorsed on the back thereof the following:

Pay

(1065)

"EXHIBIT 396" LDS

THE BANK OF NORTH DAKOTA No. 7819
Bismarck, N. D., Dec. 11, 1920.

Pay to the order of The Bank of North Dakota ..\$1,000

.....Pay \$1,000 and no centsDollars
To: Farmers State Bank of

A. C. Brainard, Teller.

Hampden, No. Dak.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
Dec. 11, 1920, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 397" LDS

THE BANK OF NORTH DAKOTA No. 7378
Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota\$5,000

.....Pay \$5,000 and no centsDollars
State Bank of Hanks

A. C. Brainard, Teller.

Hanks, N Dak.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
Nov. 27, 1920, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1066)

"EXHIBIT 398" LDS

THE BANK OF NORTH DAKOTA No. 7377
Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ..\$5,000

.....Pay \$5000 and no centsDollars
Farmers State Bank

A. C. Brainard, Teller.

Hanks, N. Dak.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
Nov 27, 1920, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28
"EXHIBIT 399" LDS

THE BANK OF NORTH DAKOTA No. 7384

Bismarck, N. Dak., Nov. 27, 1920

Pay to the Order of the Bank of North Dakota\$10,000
.....Pay \$10,000 and no centsDollars
Peoples State Bank,

A. C. Brainard, Teller.

Hatton, N. Dak.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co.,
Nov 27, 1920, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1067)

"EXHIBIT 400" LDS

THE BANK OF NORTH DAKOTA No. 5640

Bismarck, N D., August 18, 1920.

Pay to the order of the Bank of North Dakota\$1,000
.....Pay \$1,000 and no centsDollars
Citizens State Bank

A. C. Brainard, Teller.

Hazen, N. D.

A. Johannsen, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker, or Trust Co.,
Aug. 16, 1920, all prior endorsements guaranteed.

The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 401" LDS

THE BANK OF NORTH DAKOTA NO. 6856

Pay to the order of the Bank of North Dakota ..\$1,000
..... Pay \$1000 and no centsDollars.
Citizens State Bank

A. C. Brainard, Teller.

Hazen, N. Dak.

A. Johannsen, Dept. Director.

No endorsement on the back thereof.

(1068)

"EXHIBIT 402" LDS

THE BANK OF NORTH DAKOTA No. 7388

Bismarck N D., Nov. 27, 1920.

Pay to the order of the Bank of North Dakota ..\$15,000
.....Pay \$15000 and no centsDollars.
Citizens State Bank

A.C. Brainard, Teller.

Hazen, N. D.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co.,
Nov. 27, 1920, all prior endorsements guaranteed.

The Bank of North Dakota, 77-28 Bismarck, N. D. 77-28

"EXHIBIT 403" LDS

THE BANK OF NORTH DAKOTA No. 6858
 Pay to the Bank of North Dakota\$1,000
Pay \$1,000 and no centsDollars.
 First State Bank

A. C. Brainard, Teller.

Hazen, N. D.

A. Johannsen, Dept. Director

No endorsement on the back thereof.

(1069)

"EXHIBIT 405" LDS

THE BANK OF NORTH DAKOTA No. 4067
 Bismarck, N. D. Jul. 3, 1920
 Pay to the order of The Bank of N. D.....\$5,000
 Pay \$5,000 and no/cts.....Dollars
 Merchants State Bank,

P. McAneney, Credits Dept. Dir.

Hebron, N. Dak.

A. Johannsen, Audit Dept. Dr.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker, or Trust Co., July
 3, 1920. All prior endorsements guaranteed. The Bank of
 North Dakota 77-23 Bismarck, N. D. 77-28

"EXHIBIT 406" LDS

THE BANK OF NORTH DAKOTA No. 8088
 Bismarck, N. D. Feb. 5, 1920
 Pay to the order of The Bank of N. D.....\$1500
 Pay \$1500 and no/cts.....Dollars
 Security Savings Bank,

A. C. Brainard, Teller.

Jamestown, N. Dak.

Cancelled Feb. 18/21

P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of the State Hospital For the Insane,
 Jamestown, N. Dak. W. H. Patrick, Treasurer. The Bank
 of North Dakota, Bismarck, N. Dak.

By P. McAneney, Credits Dept. Director.

Pay to the order of The Bank of North Dakota, Bismarck,
 N. Dak., State Hospital For the Insane 501-13 Jamestown,
 N. Dak. 501-13

W. H. Patrick, Treasurer.

(1070)

"EXHIBIT 407" LDS

THE BANK OF NORTH DAKOTA No. 6381
 Bismarck, N. D. Oct. 23, 1920
 Pay to the order of The Bank of North Dakota....\$1000.00
 Pay \$1000 and no/cts.....Dollars
 Security State Bank,

A. C. Brainard, Teller.

Karlshruhe, No. D.

A. Johannsen, Dept. Director.

"EXHIBIT 408" LDS

THE BANK OF NORTH DAKOTA No. 7418
 Bismarck, N. D. Nov. 27, 1920
 Pay to the order of The Bank of N. D.....\$2500
 Pay \$2500 and no/cts.....Dollars
 Security State Bank,

A. C. Brainard, Teller.

Krem, N. D.

Cancelled 1/8/21

P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker, or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. Dak. 77-28

(1071)

"EXHIBIT 409" LDS

THE BANK OF NORTH DAKOTA No. 5237
Bismarck, N. Dak. Aug. 18, 1920

Pay to the order of The Bank of North Dakota.....\$2000
..... Pay \$2000 and no/cts.....Dollars
To Citizens State Bank,

A. C. Brainard, Teller.

Langdon, No. Dak.

A. Johannsen, Dept. Director.

Cancelled

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Aug. 16, 1920. All prior endorsements guaranteed. The Bank of North Dakota, Bismarck, N. D. 77-28

"EXHIBIT 410" LDS

THE BANK OF NORTH DAKOTA No. 6911
Bismarck, N. Dak. Oct. 23, 1920

Pay to the order of the Bank of N. D.....\$500.00
..... Pay \$500 and no/cts.....Dollars
First State Bank,

A. C. Brainard, Teller.

Larson, N. Dak.

Endorsed on the back thereof the following:

A. Johannsen, Dept. Director.

Pay to the order of Any Bank, Banker, Trust Co., Oct. 23, 1920. All prior endorsements guaranteed. The Bank of North Dakota, Bismarck, N. D. 7-28

(1072)

"EXHIBIT 411" LDS

THE BANK OF NORTH DAKOTA No. 7868
Bismarck, N. Dak., Dec. 11, 1920

Pay to the order of The Bank of N. D.....\$1000
..... Pay \$1,000 and no/cts.....Dollars
First State Bank

A. C. Brainard, Teller.

Larson N, D.

Cancelled 12/23/20

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker, or Tust Co., Dec. 11, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 412" LDS

Bismarck, N. Dak., Dec. 11, 1920

Pay to the order of The Bank of N. D.....\$2500
..... Pay \$2500 and no/cts.....Dollars
Peoples State Bank,

A. C. Brainard, Teller.

Leith, N. D.

Cancelled 1/17/20

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Dec. 11, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. Dak. 77-28

(1073)

“EXHIBIT 413”

THE BANK OF NORTH DAKOTA No. 7878
Bismarck, N. Dak. Dec. 11, 1920

Pay to the order of The Bank of North Dakota.....\$2500
..... Pay \$2500 and no/cts.....Dollars
First State Bank,

A. C. Brainard, Teller.

Cancelled 1/18/21

Lignite, N. D.

L. P. McAnaney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Dec. 11, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

“EXHIBIT 414” LDS

THE BANK OR NORTH DAKOTA No. 7424
Bismarck, N. D. Nov. 27, 1920

Pay to the order of The Bank of N. D.....\$2500.00
..... Pay \$2500 and no/cts.....Dollars
First State Bank,
Lone Tree. N. D.

A. C. Brainard, Teller.

Cancelled 1/1/21

L. P. McAnaney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1074)

“EXHIBIT 415” LDS

THE BANK OF NORTH DAKOTA No. 7425
Bismarck, N. D., Nov. 27, 1920

Pay to the order of The Bank of North Dakota....\$1500.00
..... Pay \$1,500 and no/cts.....Dollars
Lorraine State Bank

A. C. Brainard, Teller.

Cancelled 12/13/21

L. P. McAnaney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

“EXHIBIT 416” LDS

THE BANK OF NORTH DAKOTA No. 7428
Bismarck, N. D., Nov. 27, 1920

Pay to the order of The Bank of North Dakota...\$5,000.00
..... Pay \$5,000 and no/cts.....Dollars
McGregor State Bank,

A. C. Brainard, Teller.

Cancelled 12/30/20

McGregor, N. D.

L. P. McAnaney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1075)

"EXHIBIT 417" LDS

Bismarck, N. D., Nov. 27, 1920

Pay to the order of The Bank of North Dakota \$5000
..... Pay \$5000 and no/cts Dollars
Mercer County State Bank,

A. C. Brainard, Teller.

Cancelled 12/23/20

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota, Bismarck, N. D. 77-28

"EXHIBIT 418"

THE BANK OF NORTH DAKOTA No. 7439

Bismarck, N. D., Nov. 27, 1920

Pay to the order of The Bank of North Dakota \$2000
..... Pay \$2000 and no/cts Dollars
First State Bank,

A. C. Brainard, Teller.

Cancelled 1/18.21

Manning, N. D.

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of any Bank, Banker or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota, Bismarck, N. D. 77-28

(1076)

"EXHIBIT 419" LDS

THE BANK OF NORTH DAKOTA No. 7446

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$1500
..... Pay \$1500 and no/cts Dollars
State Bank of Maxbass,

A. C. Brainard, Teller.

Maxbass, N. D. L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 420" LDS

THE BANK OF NORTH DAKOTA No. 7448

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$3000.00
..... Pay \$3000 and no/cts Dollars
First National Bank,

A. C. Brainard, Teller.

Medina, N. D. L. P. McAneney, Dept. Director.

Cancelled 12/7/20

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

(1077)

"EXHIBIT 421" LDS

THE BANK OF NORTH DAKOTA No. 7450

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$3000.00
..... Pay \$3000 and no/cts Dollars
First State Bank,

A. C. Brainard, Teller.

Mercer, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/11/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 422" LDS

THE BANK OF NORTH DAKOTA No. 5308

Bismarck, N. D., Aug. 1, 1920.

Pay to the order of The Bank of North Dakota \$5000
 Pay \$5000 and no/cts Dollars
 To Citizens Bank, A. C. Brainard, Teller.
 Minot, N. D. L. P. McAneney, Dept. Director.
 Void

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Aug. 16, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

(1078)

"EXHIBIT 423" LDS

THE BANK OF NORTH DAKOTA No. 7454

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$7500.00
 Pay \$7500 and no/cts Dollars
 First Farmers Bank, A. C. Brainard, Teller.
 Minot, N. D. L. P. McAneney, Dept. Director.

Cancelled 11/8/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 424" LDS

THE BANK OF NORTH DAKOTA No. 7461

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$1,000.00
 Pay \$1,000 and no/cts Dollars
 Mohall Security Bank, A. C. Brainard, Teller.
 Mohall, N. D. L. P. McAneney, Dept. Director.

Cancelled 12/11/20

Endorsed on back thereof the following:

Pay to the order of The Bank of North Dakota ... \$1,000.00
 Pay \$1,000 and no/cts Dollars
 Mohall Security Bank, A. C. Brainard, Teller.
 Mohall, N. D. L. P. McAneney,

(1079)

"EXHIBIT 425" LDS

THE BANK OF NORTH DAKOTA No. 7477

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$5000
 Pay \$5000 and no/cts Dollars
 Farmers & Merchants State Bank,
 Niobe, N. D. A. C. Brainard, Teller.
 L. P. McAneney, Dept. Director.

Cancelled 12/21/20

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 426" LDS

THE BANK OF NORTH DAKOTA No. 7486

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$2500.

..... Pay \$2500 and no/cts Dollars

Scandia American Bank, A. C. Brainard, Teller.

Palmermo, N. D. L. P. McAneney, Dept. Director.

Cancelled

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

(1080)

"EXHIBIT 427" LDS

THE BANK OF NORTH DAKOTA No. 7489

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$2500.

..... Pay \$2500 and no/cts Dollars

First National Bank, A. C. Brainard, Teller.

Parshall, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/11/20

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 428" LDS

THE BANK OF NORTH DAKOTA No. 7493

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$2500.

..... Pay \$2500 and no/cts Dollars

First National Bank, A. C. Brainard, Teller.

Plaza, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/10/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

(1081)

"EXHIBIT 429" LDS

THE BANK OF NORTH DAKOTA No. 7495

Pay to the order of The Bank of North Dakota ... \$1,000.00

..... Pay \$1,000 and no/cts Dollars

Bank of Pleasant Lake, A. C. Brainard, Teller.

Pleasant Lake, N. D. L. P. McAneney, Dept. Director.

Cancelled

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 430" LDS

THE BANK OF NORTH DAKOTA No. 7039

Bismarck, N. D., Oct. 23, 1920.

Pay to the order of The Bank of North Dakota ... \$1,000.00

..... Pay \$1,000 and no/cts Dollars

First International Bank, A. C. Brainard, Teller.

Portal, N. D. A. Johannsen, Dept. Director.

Cancelled 1/10/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Oct. 23, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

(1082)

"EXHIBIT 431" LDS

THE BANK OF NORTH DAKOTA No. 7963
Bismarck, N. Dak., Dec. 11, 1920.

Pay to the order of The Bank of North Dakota \$500.
..... Pay \$500 and no/cts Dollars
First International Bank, A. C. Brainard, Teller.
Portal, N. D. L. P. McAneney, Dept. Director.

Cancelled 2/16/21

Endorsed on the back thereof the following:

Pay to the order of Any Banker, Bank or Trust Co. Dec. 11, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 432" LDS

THE BANK OF NORTH DAKOTA No. 7964
Bismarck, N. D., Dec. 11, 1920.

Pay to the order of The Bank of North Dakota ... \$1,000.00
..... Pay \$1,000 and no/cts Dollars
Portal State Bank, A. C. Brainard, Teller.
Portal, N. D. L. P. McAneney, Dept. Director.

Cancelled 12/18/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Dec. 11, 1920. All prior endorsements guaranteed. The Bank of North Dakota, Bismarck, 77-28 N. D.

(1083)

"EXHIBIT 433" LDS

THE BANK OF NORTH DAKOTA No. 7505
Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$7000.
..... Pay \$7000 and no/cts Dollars
Farmers State Bank, A. C. Brainard, Teller.
Regan, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/11/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 435"

THE BANK OF NORTH DAKOTA No. 4263

Pay to the order of The Bank of North Dakota \$5000
..... Pay \$5000 and no/cts Dollars
Regent State Bank, L. P. McAneney, Teller.
Regent, N. D. A. Johannsen, Dept. Director.

Cancelled 7/26/20

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. July 3, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. D. 77-28.

(1084)

"EXHIBIT 436" LDS

THE BANK OF NORTH DAKOTA No. 7985
Bismarck, N. D., Dec. 11, 1920.

Pay to the order of The Bank of North Dakota \$500.00

Pay \$500 and no/cts Dollars
 To Farmers State Bank, A. C. Brainard, Teller.
 Rutland, N. Dak. L. P. McAneney, Dept. Director.

Cancelled 12/15/20

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co. Dec. 11, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 437"

THE BANK OF NORTH DAKOTA No. 7525
 Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$5000
 Pay \$5000 and no/cts Dollars
 Farmers State Bank, A. C. Brainard, Teller.
 Sanish, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/10/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

(1085)

"EXHIBIT 438"

THE BANK OF NORTH DAKOTA No. 7526
 Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$1500
 Pay \$1500 and no/cts Dollars
 Peoples State Bank,

A. C. Brainard, Teller.

Sanish, N. D.

Cancelled 1/10/21

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of the Bank, Banker, or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

"EXHIBIT 439" LDS

THE BANK OF NORTH DAKOTA No. 6012
 Bismarck, N. D., Sept. 10, 1920

Pay to the order of The Bank of North Dakota \$1000
 Pay \$1000 and no/cts Dollars
 To First State Bank

A. C. Brainard, Teller.

Sawyer, N. D.

Cancelled

L. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Sept. 10, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1086)

"EXHIBIT 440" LDS

THE BANK OF NORTH DAKOTA No. 7084
 Bismarck, N. D., Oct. 23, 1920

Pay to the order of The Bank of North Dakota \$1,000
 Pay \$1000 and no/cts Dollars
 First State Bank,

A. C. Brainard, Teller.

Cancelled

Sawyer, N. D.

A. Johannsen, Dept. Director.

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co., Oct. 23, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. D. 77-28

"EXHIBIT 441" LDS

THE BANK OF NORTH DAKOTA No. 7520
 Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota... \$2500.00
 Pay \$2500 and no/cts..... Dollars
 First State Bank,

A. C. Brainard, Teller.

Cancelled 1/8/21

Sawyer, N. D.

I. P. McAneney, Dept. Director.

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28

(1087)

"EXHIBIT 442" LDS.

THE BANK OF NORTH DAKOTA. No. 7521
 Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$2500.
 Pay \$2500 and no/cts Dollars
 Sawyer State Bank, A. C. Brainard,
 Sawyer, N. D. Teller.

L. P. McAneney,
 Dept. Director.

Cancelled 1-10-21.

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker, or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 443" LDS.

THE BANK OF NORTH DAKOTA No. 7527
 Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$2500.
 Pay \$2500 and no/cts Dollars
 Citizens State Bank, A. C. Brainard,
 Selfridge, N. D. Teller.

L. P. McAneney,
 Dept. Director.

Cancelled 1-10-21.

Endorsed on the back thereof the following:
 Pay to the order of any Bank, Banker, Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota, 77-78, Bismarck, N. D. 77-28.

(1088)

"EXHIBIT 444" LDS

THE BANK OF NORTH DAKOTA No. 6918
 Bismarck, N. D., Sept. 10, 1920.

Pay to the order of The Bank of North Dakota \$1500
 Pay \$1500 and no/cts Dollars
 To: Interstate Bank of Billings County.,
 Sentinel Butte, N. Dak. A. C. Brainard, Teller.

A. Johannsen, Dept. Director

Cancelled

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Sept. 10, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 445" LDS

THE BANK OF NORTH DAKOTA No. 7530

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$5000
 Pay \$5000 and no/cts Dollars
 Interstate Bank of Billings Co. A. C. Brainard, Teller.
 Sentinel Butte, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/8/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

(1089)

"EXHIBIT 446" LDS

THE BANK OF NORTH DAKOTA No. 7537

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$500.
 Pay \$500 and no/cts Dollars
 First State Bank, A. C. Brainard, Teller.
 Simcoe, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/11/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 447" LDS

THE BANK OF NORTH DAKOTA No. 8004

Pay to the order of The Bank of North Dakota \$500.

..... Pay \$500 and no/cts Dollars
 First State Bank, A. C. Brainard, Teller.
 Simcoe, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/11/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Dec. 11, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

(1090)

"EXHIBIT 448" LDS

THE BANK OF NORTH DAKOTA No. 7546

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$2500.
 Pay \$2500 and no/cts Dollars
 First National Bank, A. C. Brainard, Teller.
 Stanley, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/8/21

Pay to the order of Any Bank, Banker, Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 449"

THE BANK OF NORTH DAKOTA No. 7543.

Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$3000.00

..... Pay \$3000 and no/cts Dollars
 Sterling State Bank, A. C. Brainard, Teller.
 Sterling, N. D. L. P. McAneney, Dept. Director.
 Cancelled 1/10/21.

Endorsed on the back thereof the following:

Pay to the order of the Bank, Banker, Trust Co. Nov. 27,
 1920. All prior endorsements guaranteed. The Bank of North
 Dakota 77-28 Bismarck, N. D. 77-28.

(1091)

"EXHIBIT 450"

Bismarck, N. D., Nov. 27, 1920.
 THE BANK OF NORTH DAKOTA No. 7550
 Pay to the order of The Bank of North Dakota \$500
 Pay \$500 and no/cts Dollars
 German State Bank, A. C. Brainard, Teller.
 Strasburg, N. D. L. P. McAneney, Dept. Director.
 Cancelled 1/10/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Nov. 27,
 1920. All prior endorsements guaranteed. The Bank of North
 Dakota 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 451" LDS

THE BANK OF NORTH DAKOTA No. 8014
 Bismarck, N. D., Dec. 11, 1920.
 Pay to the order of The Bank of North Dakota ... \$1,000.00
 Pay \$1,000 and no/cts Dollars
 Security State Bank, A. C. Brainard, Teller.
 Strasburg, N. D. L. P. McAneney, Dept. Director.
 Cancelled 12/13/20

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Dec. 11,
 1920. All prior endorsements guaranteed. The Bank of North
 Dakota. 77-28 Bismarck, N. D. 77-28.

(1092)

"EXHIBIT 452" LDS

THE BANK OF NORTH DAKOTA No. 7544
 Bismarck, N. D., Nov. 27, 1920.
 Pay to the Bank of North Dakota \$4000.00
 Pay \$4000 and no/cts Dollars
 First National Bank, A. C. Brainard, Teller.
 Streeter, N. D. L. P. McAneney, Dept. Director.
 Cancelled 1/10/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov.
 27, 1920. All prior endorsements guaranteed. The Bank of
 North Dakota. 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 453" LDS

THE BANK OF NORTH DAKOTA No. 7553
 Bismarck, N. D., Nov. 27, 1920.
 Pay to the order of The Bank of North Dakota \$5000
 Pay \$5000 and no/cts Dollars
 Pay \$5000 and no/cts Dollars
 Citizens State Bank, A. C. Brainard, Teller.
 Tagus, N. D. L. P. McAneney, Dept. Director.
 Cancelled 1/12/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Nov.
 27, 1920. All prior endorsements guaranteed. The Bank of
 North Dakota. 77-28 Bismarck, N. D. 77-28.

(1093)

"EXHIBIT 454" LDS

THE BANK OF NORTH DAKOTA No. 7556
Bismarck, N. D., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$7,500
..... Pay \$7500 and no/cts Dollars
Security Bank, A. C. Brainard, Teller.
Temple, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/8/21

Endorsed on back thereof the following:

Pay to the order of Any Bank, Banker, Trust Co. Nov. 27,
1920. All prior endorsements guaranteed. The Bank of North
Dakota. 77-28 Bismarck, N. D. 77-28.

(1094)

"EXHIBIT 455"

THE BANK OF NORTH DAKOTA No. 5563
Bismarck, N. D., Aug. 18, 1920.

Pay to the order of The Bank of North Dakota \$2500.
Bismarck, N. Dak.
..... Pay \$2500 and no/cts Dollars
First State Bank, A. C. Brainard, Teller.
Fryburg, N. Dak. A. Johannsen, Dept. Director.

(Cancelled.)

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Aug.
16, 1920. All prior endorsements guaranteed. The Bank of
North Dakota. 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 454"

THE BANK OF NORTH DAKOTA No. 5574
Bismarck, N. D., Aug. 18, 1920.

Pay to the order of The Bank of North Dakota ... \$1,000.00
Bismarck, N. Dak.
..... Pay \$1,000 and no/cts Dollars
First State Bank, A. C. Brainard, Teller.
Gascoyne, N. Dak. A. Johannsen, Dept. Director.

Cancelled

Endorsed on the back thereof the following:

Pay to Any Bank, Banker, or Trust Co. Aug. 16, 1920. All
prior endorsements guaranteed. The Bank of North Dakota.
77-28 Bismarck, N. Dak. 77-28

(1095)

"EXHIBITS 457"

THE BANK OF NORTH DAKOTA No. 7343
Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$5000.
Bismarck, N. Dak.
..... Pay \$5000 and no/cts Dollars.
Fort Ransom State Bank, A. C. Brainard, Teller.
Fort Ransom, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/8/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Nov.
27, 1920. All prior endorsements guaranteed. The Bank of
North Dakota. 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 456"

THE BANK OF NORTH DAKOTA No. 7345
Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$2000.

Bismarck, N. Dak.
 Pay \$2000 and no/cts Dollars.
 Fortuna State Bank, A. C. Brainard, Teller.
 Fortuna, N. D. L. P. McAneney, Dept. Director.
 Cancelled 12/7/21
 Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co., Nov.
 27, 1920. All prior endorsements guaranteed. The Bank of
 North Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1096)

"EXHIBIT 459"
 BANK OF NORTH DAKOTA No. 3276
 Bismarck, N. Dak., June 19, 1920.
 Pay to the order of The Bank of North Dakota ... \$10,000.00
 Bismarck, N. Dak.
 Pay \$10,000 and no/cts Dollars.
 Dakota Savings Bank, A. C. Brainard, Teller.
 Fargo, N. Dak. L. P. McAneney,
 Dept. Director.

Cancelled

(No Endorsement)

"EXHIBIT 458"
 BANK OF NORTH DAKOTA No. 7769
 Bismarck, N. Dak., Dec. 11, 1920.
 Pay to the order of The Bank of North Dakota ... \$1,000.00
 Bismarck, N. Dak.
 Pay \$1,000 and no/cts Dollars
 Citizens State Bank, A. C. Brainard, Teller.
 Flaxton, N. D. L. P. McAneney, Dept. Director.
 Cancelled 2/18/21

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker, or Trust Co. Dec.
 11, 1920. All prior endorsements guaranteed. The Bank of
 North Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1097)

"EXHIBIT 461"
 THE BANK OF NORTH DAKOTA No. 3948
 Bismarck, N. Dak., Jul. 3, 1920.
 Pay to the order of The Bank of North Dakota ... \$3000.00
 Bismarck, N. Dak.
 Pay \$3000 and no/cts Dollars
 State Bank, L. P. McAneney,
 Elliott, N. Dak. Credits Dept. Director.
 A. Johannsen, Audit Dept. Director.

Cancelled 7/26/20

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co., Jul. 3,
 1920. All prior endorsements guaranteed. The Bank of
 North Dakota. 77-28 Bismarck, N. D. 77-28.

"EXHIBIT 460"
 THE BANK OF NORTH DAKOTA No. 7325
 Bismarck, N. Dak., Nov. 27, 1920.
 Pay to the order of The Bank of North Dakota ... \$4,000.00
 Bismarck, N. Dak.
 Pay \$4,000 and no/cts Dollars
 First State Bank, A. C. Brainard, Teller.
 Epping, N. Dak. L. P. McAneney, Dept. Director.

Cancelled 2/16/21

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1098)

"EXHIBIT 463"

BANK OF NORTH DAKOTA No. 5224
 Bismarck, N. Dak., Aug. 18, 1920.

Pay to the order of The Bank of North Dakota ... \$1,000.00
 Bismarck, N. Dak.

..... Pay \$1,000 and no/cts Dollars
 Farmers State Bank, A. C. Brainard, Teller.
 East Fairview, N. Dak. A. Johannsen, Dept. Director.

Cancelled 1/10/21

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co., Aug. 16, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 462"

THE BANK OF NORTH DAKOTA
 Bismarck, N. Dak., Oct. 23, 1920.

Pay to the order of The Bank of North Dakota \$2000.00
 Pay \$2000 and no/cts Dollars
 Citizens State Bank, A. C. Brainard, Teller.
 Edgeley, N. D. A. Johannsen, Dept. Director.

Cancelled 12/16/21

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co., Oct. 23, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1099)

"EXHIBIT 465"

THE BANK OF NORTH DAKOTA No. 7316
 Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$7000.
 Bismarck, N. Dak.

..... Pay \$7000 and no/cts Dollars
 First State Bank, A. C. Brainard, Teller.
 Dunn Center, N. D. L. P. McAneney, Dept. Director.

Cancelled 2/18/21

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 464"

THE BANK OF NORTH DAKOTA No. 4509
 Bismarck, N. Dak., Jul. 28, 1920.

Pay to the order of The Bank of North Dakota ... \$1,000.00
 Bismarck, N. Dak.

..... Pay \$1,000 and no/cts Dollars
 Farmers State Bank, A. C. Brainard, Teller.
 East Fairview, N. Dak. A. Johannsen, Dept. Director.

Cancelled 1/10/21

Endorsed on the back thereof the following:
 Pay to the order of Any Bank, Banker or Trust Co. Jul. 29, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1100)

"EXHIBIT 467"

THE BANK OF NORTH DAKOTA No. 7686
Bismarck, N. Dak., Dec. 11, 1920.

Pay to the order of The Bank of North Dakota \$500.00
Bismarck, N. Dak.

..... Pay \$500 and no/cts Dollars
First Security Bank, A. C. Brainard, Teller.
Carplo, N. Dak. L. P. McAneney, Dept. Director.
Cancelled 2/9/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Dec. 11, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 466"

THE BANK OF NORTH DAKOTA No. 7221
Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota \$7000.
Bismarck, N. Dak.

..... Pay \$7000 and no/cts Dollars
Peoples State Bank, A. C. Brainard, Teller.
Casselton, N. D. L. P. McAneney, Dept. Director.
Cancelled 1/6/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co. Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1101)

"EXHIBIT 469"

THE BANK OF NORTH DAKOTA No. 5723
Bismarck, N. Dak., Sep. 10, 1920.

Pay to the order of The Bank of North Dakota \$2500.
Bismarck, N. Dak.

..... Pay \$2500 and no/cts Dollars
Farmers State Bank, A. C. Brainard, Teller.
Braddock, No. Dak. A. Johannsen, Dept. Director.
Cancelled

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Sep. 10, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 468"

THE BANK OF NORTH DAKOTA No. 7270
Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$10,000
Bismarck, N. Dak.

..... Pay \$10,000 and no/cts Dollars
American State Bank, A. C. Brainard, Teller.
Burlington, N. D. L. P. McAneney, Dept. Director.
Cancelled 1/15/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Nov. 27, 1920. All prior endorsements guaranteed. The Bank of North Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1102)

"EXHIBIT 471"

THE BANK OF NORTH DAKOTA No. 3829

Bismarck, N. Dak., Jul. 3, 1920.

Pay to the order of The Bank of North Dakota ... \$5000.00
 Pay \$5000. and no/cts Dollars
 Farmers State Bank, L. P. McAneney,
 Braddock, N. D. Credits Dept. Director

A. Johannsen, Audit Dept. Director.

Cancelled

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co. Jul. 3,
 1920. All prior endorsements guaranteed. The Bank of North
 Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 470"

THE BANK OF NORTH DAKOTA No. 5055

Bismarck, N. Dak., July 29, 1920.

Pay to the order of The Bank of North Dakota ... \$5,000.00
 Pay \$5,000 and no/cts Dollars
 Farmers State Bank, A. C. Brainard, Teller.
 Braddock, N. Dak. A. Johannsen, Dept. Director.

Cancelled

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Jul. 29,
 1920. All prior endorsements guaranteed. The Bank of North
 Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1103)

"EXHIBIT 473"

THE BANK OF NORTH DAKOTA No. 7257

Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$2000
 Pay \$2000 and no/cts Dollars
 First National Bank, A. C. Brainard, Teller.
 Bottineau, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/8/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Nov.
 27, 1920. All prior endorsements guaranteed. The Bank of
 North Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 472"

THE BANK OF NORTH DAKOTA No. 7661

Bismarck, N. Dak., Dec. 11, 1920.

Pay to the order of The Bank of North Dakota \$500.
 Pay \$500 and no/cts Dollars
 First National Bank, A. C. Brainard, Teller.
 Bottineau, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/8/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker or Trust Co., Dec.
 11, 1920. All prior endorsements guaranteed. The Bank of
 North Dakota. 77-28 Bismarck, N. Dak. 77-28.

(1104)

"EXHIBIT 475"

THE BANK OF NORTH DAKOTA No. 7255

Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$10,000.00
Bismarck, N. Dak...... Pay \$10,000 and no/cts Dollars
Security State Bank, A. C. Brainard, Teller.
Bonetrail, N. Dak. L. P. McAneney, Dept. Director.

Cancelled 1/10/21

Endorsement on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Nov.
27, 1920. All prior endorsements guaranteed. The Bank of
North Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 474"

THE BANK OF NORTH DAKOTA No. 7256

Bismarck, N. Dak., Nov. 27, 1920.

Pay to the order of The Bank of North Dakota ... \$3000.00
..... Pay \$3,000 and no/cts Dollars
Bottineau County Bank, A. C. Brainard, Teller.

Bottineau, N. D. L. P. McAneney, Dept. Director.

Cancelled 1/8/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co., Nov.
27, 1920. All prior endorsements guaranteed. The Bank of
North Dakota. 77-28 Bismarck, N. D. 77-28.

(1105)

"EXHIBIT 477"

THE BANK OF NORTH DAKOTA No. 4488

Bismarck, N. Dak., Jul. 28, 1920.

Pay to the order of The Bank of North Dakota ... \$1,000.00
Bismarck, N. Dak...... Pay \$1,000. and no/cts Dollars
Security State Bank, L. P. McAneney,
Bonetrail, N. Dak. Credits Dept. Director.

A. Johannsen, Dept. Director.

Cancelled 1/20/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Jul.
29, 1920. All prior endorsements guaranteed. The Bank of
North Dakota. 77-28 Bismarck, N. Dak. 77-28.

"EXHIBIT 476"

THE BANK OF NORTH DAKOTA No. 5129

Bismarck, N. Dak., Aug. 18, 1920.

Pay to the order of The Bank of North Dakota ... \$1,000.00
Bismarck, N. Dak...... Pay \$1,000 and no/cts Dollars
Security State Bank, A. C. Brainard, Teller.
Bonetrail, N. D. A. Johannsen, Dept. Director.

Cancelled 1/18/21

Endorsed on the back thereof the following:

Pay to the order of Any Bank, Banker, or Trust Co. Aug.
16, 1920. All prior endorsements guaranteed. The Bank of
North Dakota. 77-28 Bismarck, N. Dak. 77-28.