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Political factional strife in North Dakota from 1920-1932

Edward Converse Blackorby

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POLITICAL FACTIONAL STRIFE IN NORTH DAKOTA
FROM 1920 TO 1932

A Thesis
Submitted to the Graduate Faculty
of the
University of North Dakota

by
E. C. Blackorby

In Partial Fulfillment of the Requirements
for the
Degree of
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University of North Dakota
August, 1938

This thesis, presented by E. C. Blackorby in partial fulfillment of
the requirements for the degree of Master of Science, is hereby approved by
the Committee on Instruction in charge of his work.

Committee on Instruction

[Signatures]

W. Brehmesser
Director of the Graduate Division
A study of factional North Dakota politics was chosen as a thesis topic because of the writer's interest in the political strife that involved his home state during his boyhood.

The period prior to 1920 has been covered by a number of books. Therefore the period since that time has been chosen as the subject of this study. However, a history of the political strife in North Dakota prior to 1920 is reviewed in the introductory chapter. The year 1932 was chosen as the stopping point because that year marked the end of a period and the inauguration of another phase of North Dakota politics.

The writer wishes to acknowledge his obligation to the members of the faculty under whose direction he has worked. He is especially grateful to Dr. J. L. Sayre for guidance and direction during the preparation of this study.

Too, he wishes to acknowledge his indebtedness to the staffs of the University of North Dakota Library, the University of North Dakota Law Library, and the State Historical Library at Bismarck, North Dakota.

Too, he wishes to express his gratitude to Mrs. O. R. Anderson of Hansboro, North Dakota; O. R. Burtness of Grand Forks, North Dakota; R. A. Nestos of Minot, North Dakota; Senator Lynn J. Frazier of Washington, D. C; S. A. Olsness of Sheyenne, North Dakota; Pete Crogan of Niagara, North Dakota; W. F. Davies of Grand Forks, North Dakota; George Shafer, Alfred S. Dale, John Steen, Judge A. M. Christianson, all of Bismarck, North Dakota; and to his father, C. E. Blackorby of Hansboro, North Dakota, for the time and material of which they so generously gave.
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A stranger to North Dakota arriving after the year 1916 would have been surprised to find that a truce had been declared there in the longstanding feud between the Republican and Democratic parties. This truce enabled the members of the two parties to partake in a political contest that transcended party lines with a bitterness and class consciousness unusual to American politics. National issues had been eclipsed by the issue of whether or not the farmers through their organization known as the Non-Partisan Leagues would establish state-owned industries. Had he arrived prior to 1921, he would have found the Non-Partisan League in power and the issue clearly defined. If his arrival was subsequent to 1921, he might have found either the Non-Partisan League or its opposition, the Independent Voters Association, in power. Subsequent to 1921 he would not have found the issue so clearly defined.

The earlier period (1916-1921) has been covered by several books. It is with the years between 1921 and 1932 that this study is mainly concerned. However, the events of these years are so inter-related with those of the earlier period that a short review of the events between 1916 to 1920 is necessary as an introduction to our study. This first chapter will present briefly the political events of the years between 1916 and 1920.

Discontent

Throughout the state of North Dakota during the months of January and
February 1915, farmers interestedly followed the course of legislation in the state legislative assembly. Their interest was not the interest of citizens casually following the acts of their elected representatives but rather the interest of men who expected something to happen of great benefit to themselves. Their eyes were not trained upon each of the many acts that were being considered. They were focused on the act providing that the state of North Dakota should appropriate three hundred thousand dollars to aid a cooperative society in providing terminal facilities to handle North Dakota grain in a market to be owned and controlled by North Dakotans. Long years of patient suffering had occasioned the demand for this measure and now heightened the interest and anxiety with which farmers viewed the acts of the legislature in respect to the terminal elevator bill.

The terminal elevator plan was not a plan recently hatched but one that had resulted from a slow crystallization of public opinion that had twice expressed itself by ballot. Years of experience with a marketing system later admitted by Non-Partisan League opponents to have been unfair had convinced farmers that they must have one place where they could market their products free of the control of Twin City capitalists.

For years it had seemed that they had battled an unbeatable combination, a bad marketing system working hand in hand with the state's railroads to defraud the farmers of the profits of their labors. For years a political dictatorship had existed in the state. It was rightly believed that that dictatorship had had direct connections with the Twin Cities.

1 R. A. Nestos in a speech delivered before the New York Chamber of commerce and recorded in the minutes of that organization, Vol. 15, No. 4, November 1923, stated, "This was in 1915 and 1916. Marketing conditions had been and were bad, and the farmers were much dissatisfied with the existing grain grading system."
Andrew A. Bruce in his book *Non-Partisan League*\(^1\) states that, "Rightly or wrongly, and often wrongly, the railroads and the financial interests of St. Paul and Minneapolis soon began to interfere in the politics of North Dakota and soon the Merchants Hotel at St. Paul became the throne-room of its political bosses. .......... Soon, too, they came to have other clients, and as their clients increased their power increased also. These new clients were the banks, insurance companies, and the owners of the lines of grain elevators and lumberyards, all of which had their headquarters in eastern cities, and all of which seemed to deem it necessary to maintain lobbies at the North Dakota capital to protect their interests." Bruce was referring to years prior to 1906. However, farmers realized that there would be Twin City interests at Bismarck unfriendly to the terminal elevator proposal and that there was definite possibility of its defeat. Farmers who were members of the Equity Co-operative Society (the organization which had sponsored the terminal elevator plan) gathered in Bismarck to bring pressure on the legislature. Their leader was George Lofthus. He obtained the right for a committee of farmers to appear at the hearings of the legislative committee considering the proposal. Lofthus himself appeared before the legislature. Too, he held indignation meetings of Equity members at which he called the roll of the legislature bitterly attacking the members opposed to the terminal elevator plan.

The subsequent defeat of the terminal elevator plan he attributed to Twin City lobbyists. After the legislature adjourned, Lofthus traveled over the state holding stock subscription meetings for the Society of Equity.

\(^1\)Andrew A. Bruce, *Non-Partisan League*, p. 25
He was a dynamic speaker capable of carrying and convincing his audience. His method of encouraging farmers to buy stock consisted of working them to an emotional pitch about the Twin City control of the state and state government until they believed him when he said that the only way they could free themselves was to buy stock in the Society of Equity. Although he succeeded in selling many shares of Equity stock, the main result was to create bitter distrust of and bitter resentment towards the influences then controlling our state government. The bitterness was the easier to arouse because of past injustices farmers had received at the hands of bankers, merchants, and grain dealers.

Non-Partisan League

Many of the state's discontented citizens in years past had turned to the only organization that then sympathized with them, the Socialist party. Three such citizens were A. E. Bowen, Arthur Le Seur, and A. C. Townley. The latter, a one-time bonanza Flax King who had "gone busted", had lectured for the Socialists for a time. Evidence seems to indicate that the idea of the farmers creating their own organization was forming gradually in his mind as he lectured his way from town to town. Stopping in the law office of George Shafer at Schafer, North Dakota, he outlined his plan for a League that would consist of farmers only the purpose of which would be to gain control of the Republican party and the state government of North Dakota. A distinctive characteristic of this class organization would be the membership fee annually collected from each member. Townley's reply to Shafer's contention that it would not work was "I'll make it work". How long this plan was carried in one man's mind and what changes transpired

1Paul R. Fossum, Agrarian Movement in North Dakota, p. 91
there no one knows. Neither is there any certainty as to how much and what parts of the plan were contributed by Arthur Le Seur, A. E. Bowen, and F. B. Wood. This much is certain that the refusal of the legislature to appropriate money for the terminal elevator together with the campaigning of Lofthus created a perfect seed-bed for Townley's plan.

With Mr. Wood, an Equity member living near Deering, North Dakota, Townley began a campaign of soliciting memberships in an organization that was to be the farmer's party that he had dreamed of. The rallying cry was a statement attributed to one of the 1915 legislators, "Go home and slop the hogs and leave us to make the laws". The platform was:

1. State ownership of terminal elevators, flour mills, packing houses, and cold storage plants.
2. State inspections of grain and grain dockage.
3. Exemption of farm improvements from taxation.
4. State hail insurance on the acreage tax basis.
5. Rural credit banks operated at cost.

The slogan and program came at the psychological moment; the idea caught and spread like a prairie fire. The fees collected from the first members were used to finance the soliciting of the next farmers and so on until a majority of the farmers of the state had become members of the new organization. The work was done, upon the instructions of Townley, quietly. He did not want those that were certain to be enemies of his organization to realize too soon what was happening. His Non-Partisan League must be prepared to capture the Republican party and through it the state govern-

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1Herbert E. Gaston, The Non-Partisan League, p. 60

2J. W. Brinton, Wheat and Politics, p. 34, Brinton relates that when Townley entered a subscription list of 30,000 for a Non-Partisan publication late in the year 1915, the postmaster declared that Townley must be lying as he (the postmaster) had never heard of such an organization. The postmaster demanded to know how there could be an organization with so many members without he (the postmaster) hearing of it. Townley's laconic reply was, "I'm not organizing postmasters".
ment before natural enemies of the League awoke to its power.

Campaign of 1916

The first convention of the League was held at Fargo. There a complete slate of farmer candidates was endorsed, all except one in the Republican party. The candidates were new and without political experience. In the primaries all of the candidates endorsed by the League won the nomination of the party in which their candidacies were placed. In the fall all of the Republican candidates won. The only candidate endorsed by the League to lose was the one on the Democratic ticket who lost by two hundred votes to John Steen. This made the latter the logical candidate of the opposition for governor two years hence.

A factor in the campaign was the light weight wheat that was classed by the elevators as "feed" wheat. Dr. Ladd of the North Dakota Agricultural College carried on experiments showing that the light weight wheat was as good for making flour as wheat that weighed sixty pounds to the bushel. He pointed out that whether the elevators bought wheat that weighed sixty pounds or forty pounds per measured unit, that the wheat was purchased by weight and if the wheat was lighter, the elevators took more bulk to make the full sixty pounds. Any reduction in price for light-weight wheat meant that the elevators not only took larger bushels but paid less for the larger bushel when the wheat was light weight. The importance of Dr. Ladd's experi-

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1How new the leaders and candidates of the Non-Partisan League were to public life is illustrated by the following excerpt from a letter written to the Grand Forks Herald by its former editor, George B. Winship, who was living in California. "But what puzzles me is the leadership of the movement and how they so speedily won the confidence of the people. With one exception, all are strangers to me. I supposed I knew in a general way most everybody in the state. But in less than three year's time, there has risen phoenix-like a bunch of reform leaders with hypnotic powers strong enough to induce 40,000 farmers to contribute $9 a piece." Grand Forks Herald, October 15, 1916, p. 4.
ments were that they removed the last vestige of doubt in the farmer's mind as to the crookedness of the grain and milling trust and thus made inevitable the building of a state-owned mill.¹

Lynn J. Frazier, successful candidate for governor, was a Pembina County farmer, a man who had had no previous political experience. All of the League candidates were new to the political arena. Other successful candidates whose names were to become centers of political controversy were Thomas Hall, Secretary of State; Wm. Langer, Attorney General; and Karl Kositsky, State Auditor. The League had received lukewarm support from the Conservative Republicans during the fall campaign.² After the campaign was closed, conservative newspapers tried to treat it like a regular Republican victory, congratulating Frazier and warning him against visionaries.³ Frazier himself in a public statement said that the victory was not personal but a recognition of the justice of the cause of the farmer.⁴

Legislative Assembly of 1917

From the time of the general election in the fall of 1916 until the

¹Andrew A. Bruce, Non-Partisan League, p. 38

²Grand Forks Herald, October 4, 1916, p. 4, editorial typifying conservative attitude. "...Because these nominees are thus the representatives of a party sentiment, the ticket is entitled to respect and to the support of those who believe in the maintenance of party organization as a means towards good government.

The circumstances under which the state ticket was nominated have no parallel in the history of this or any other state, but the fact remains that the candidates are the regularly chosen candidates of the party and unless we are to bring about political chaos, the party must give support to the candidates the majority have selected, there being nothing in the character of the candidates to the contrary. ...There is not the slightest reason why the county ticket should not be elected."

³Ibid., November 9, 1916, p. 4

⁴Ibid; this is as quoted, November 10, 1916, p. 1
convening of the legislative assembly of 1917, there was much speculation as to the program of the new administration. Small items of news were significant as to the general trend of events. On November 19 a news item stated that there was an unusual demand at the State Library by prospective legislators for copies of Roberts Rules of Order. Unimportant in itself, this small item reveals how new to the legislative scene were most of the League legislators. Evidence of the attitude of many was expressed by the famous Mr. Dooley who said, "It aint coom yit, but oi think there'll be hell poppin' nixt month when....th'Non-Partition League gits t' runnin' things at Bismarck." On December 26 came the startling announcement that the Non-Partisan League had rented the entire Northwest Hotel accompanying the announcement of the lease with the statement that all but League members and League legislators were to be excluded. Privacy, seclusion, and cohesion were later given as the reasons. The real reason was to protect the legislators from lobbyists and other influences. In January when the legislature assembled A. E. Bowen was elected clerk and D. C. Coates, an imported liberal, sat at the right hand of the newly elected speaker, Howard R. Wood.

Before the legislature convened and even after it was organized, there was much talk of making a constitutional convention of the legislative assembly. The conservatives were able to keep control of the senate and talk of such action died. There was resentment against the League and more especially against radicals who had come from other states to help this new movement, but

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2Ibid; December 19, 1916, p. 5.
3Ibid; December 26, 1916, p. 1.
4Ibid; January 3, 1917, p. 3.
the decisive event of the legislative assembly of 1917 was the introduction of House Bill 44. This was a lengthy measure which would have enabled the state government to enter every conceivable kind of business. Immediately both within legislature and amid conservative circles throughout the state, a storm of opposition arose. Practically all of the former opponents of the League that the writer talked to gave the introduction of House Bill 44 as the event that made organized opposition to the League certain. The holdover conservative majority in the senate voted House Bill 44 down and League leaders gave up hope of its passage at that session. One bill establishing a terminal elevator was passed, but Governor Frazier vetoed it because he felt that the bill had been so drawn that the enterprise was bound to fail. The legislature adjourned in March without passing any legislation establishing the League program. However, it had effectively aroused fear and bitterness and throughout the tumultuous years ahead House Bill 44 was destined to be mentioned time and again as having been the signal for the outbreak of open warfare between the Non-Partisan League and its opponents.

Opposition

After the legislative session was over, part of the conservative element, led by Jerry Bacon, J. A. Dinnie and others, caused a meeting to be called at Grand Forks at which measures to oppose the League might be discussed. Feeling ran high. A. G. Divet, conservative member of the house, recounted the past legislative session stating that green members of the house were informed how to vote by watching which clerk read the bill. One of the house clerks, A. E. Bowen, was present. Divet shook his fist at him calling him "a cockeyed son of Jezebel whom I've had to look in the
face for sixty days”. The League had been bitter. The new group responded in kind. The legislative assembly at Bismarck was thoroughly gone over by Mr. Divet and others, and it was amidst the resultant indignation that the Lincoln Republican Club was born.1

The Lincoln Republican Club decided to hold its 1918 convention at Minot. It was there decided that it would be necessary to attract the conservative vote of the Democratic party to counteract the radical vote of that party that had gone to the Republican column to vote for the Non-Partisan League. It was felt that the name Lincoln might be offensive to Democrats, and the organization changed its name to Independent Voters Association. John Steen was nominated for the office of governor and preparations were made to enter in earnest the campaign of 1918.2

In the meantime in an effort to discredit the League another type of activity was undertaken by its opponents. America’s entrance to the World War had been declared in April 1917. In the hands of part of the conservative group, the war was just another instrument with which to defeat the League. The press was savage in its attacks on the League in this respect. In the Grand Forks Herald of April 12, 1917, there appeared a cartoon depicting Kaiser Bill and A. C. Townley together as enemies of civilization.3 Townley did make statements to the effect that rich men were getting the large profits and that their patriotism ceased when profits ceased,4 but he

1Grand Forks Herald, April 15, 1917, pp. 1, 18
2Ibid., May 2, 1918, p. 1
3Ibid., April 12, 1917, p. 1
4Address of A. C. Townley at the Farmers and Workers Conference held in St. Paul in September, 1917, pp. 32, 33. On file at University Library.
did not deserve criticism and no excuse can be imagined for the harpooning given in that cartoon.

Mr. Frazier stated that "the opposition took advantage of the situation in its fight against us and mixed politics in all of the war activities. All appointments went to those in opposition to the state administration, and I was forced to make a special trip to Washington to persuade the Red Cross authorities that they must keep politics out of Red Cross work in North Dakota if they wanted North Dakota to raise its share of war funds. "...
from that time on politics was kept out of the Red Cross work."¹

Thorstein Veblen, at that time a representative of the Food Administration on special investigation duty in the Northwest, called the attention of his chief to "a particular political muddle in the North Dakota area and to the mischief which it is causing just now" and the consequent necessity of prompt and independent action on the part of the Food Administration if it is to save the grain crops in that region. The Minneapolis office of the Farm Loan Corporation, which was a branch of the Treasury Department, refused for formal reasons to lend to the farmers who needed funds for the purchase of seed. Veblen declared that the Farm Loan people in collusion with the American Federation of Labor representatives of the Department of Labor and equally political representatives of the Department of Agriculture "are exclusively playing politics to queer the Non-Partisan League (which is in control of North Dakota) at all costs. The fortunes of war and the chances of famine are a secondary consideration in the county, state, and national party politics of those Northwestern states. "...
I gravely suspect the Railway Administration will lend itself to political maneuvers for defeating the

¹Quoted from letter to author dated May 11, 1938.
Non-Partisan League. To get the seed into the farmers hands the Food Ad-
ministration will have to disregard formalities and go over the heads of the
Farm Loan people as well as the representatives of the Agricultural Depart-
ment. Townley was arrested in Minnesota for violation of a state statute
forbidding seditious remarks. It is not to strong to say that no stone was
left unturned by many opponents of the League in the effort to paint dis-
loyal stripes on the Non-Partisan League.

Campaign of 1918

It is a question as to whether or not the disloyalty propaganda injured
the Non-Partisan League in North Dakota or not. If it did, a study of 1918
election results does not make it apparent. The League again captured the
Republican party in the primaries. About thirty thousand votes that were
cast for John Steen, candidate for governor of the Independent Voters Asso-
ciation in the June primaries, were cast in the fall election for S. J. Doyle,
the Democratic candidate for governor. From this time on which ever of the
two factions of the Republican party lost in the primaries entered the fall
campaign either by substituting nominees of their own for the Democratic
nominees or by supporting the Democratic nominees.

In the 1918 fall election the League leaders initiated ten constitutional
amendments which when enacted would create the main changes in governmental
structure that were contemplated by the authors of House Bill 44 in the leg-
islative assembly of 1917. It was termed the "soul of House Bill 44." All
ten amendments carried by substantial majorities. The only election result
adverse to the League was the defeat of N. C. McDonald, League candidate for
re-election to the office of Superintendent of Public Instruction, by Minnie

1Joseph Dorfman, Thorstein Veblen and His America, p. 384
J. Nielsen. The defeat was attributable in part to the personalities of the two candidates. The latter was an effective campaigner and the League candidate was unpopular with many elements in the state. Women were permitted to vote for this office. A larger percentage of town women than farm women availed themselves of the privilege. These things worked together to defeat the only League candidate defeated in the election of 1918. As a whole it was a complete victory for the Non-Partisan League in North Dakota.

League Program Becomes Law

The elections of 1918 had left the legislature completely in the hands of the League. A very small group in the house of representatives led by L. L. Twitchell, O. B. Burtness, and J. F. T. O'Connor became the spearhead of opposition to the League program. Towards the last of the session they had won enough support to prevent the League members from applying the clincher or emergency clause which required a two-thirds vote. The attachment of the emergency clause caused a law to go into effect immediately. Even if there is an attempt to refer, the law remains in effect until an actual adverse vote by the people. One of the chief issues of the session was the size of the appropriation for the mill and elevator. The Independents advocated a smaller appropriation for a smaller mill. In the light of experience, the contention of the Independents seems very wise. One must remember, however, that the farmer's experiences with the stalling subterfuges of the conservative legislators of 1915 would almost justify him in viewing any proposal of the conservatives as a wrecking tool in disguise.

Other measures passed by the League majority at the legislative session of 1919 provided for the establishment of a Bank of North Dakota to extend credits to state industries and to farmers, a system of compulsory state
hail insurance, an amendment to the grain grading law, a state income tax, a home-building association to provide credit for people who wished to build their own homes, two laws providing for one official newspaper in each county to be appointed by the administration until the next election after which it was to be chosen by ballot (the purpose of this was to make legal printing cheaper and to remove the danger of legal notices being printed in obscure newspapers), an act establishing industrial commission (consisting of governor, attorney general, and commissioner of agriculture and labor) to run all of the new industries to be established, an act consolidating the administration of all state educational and eleemosynary institutions in one board to be known as the board of administration, and several laws for the benefit of labor.

Some things about the legislation should be called to the reader's attention as they later proved to be the weaknesses and mistakes in the League program.

The original League program did not include such laws as the newspaper law and board of administration law. The newspaper law did work a hardship on many opposition newspapers. It was felt by opponents that enterprising "hangers on" of the League had sponsored the measure with the intention of getting control of one newspaper in each of the several counties and later having it chosen as the official county newspaper. However wise or unwise the board of administration measure was, it was interpreted by many as an attempt to strip the office of the state superintendent (held by an opponent of the League) of many of its powers. Neither of these measures strengthened the League with its own members or with border-line voters. Section 7 of House Bill 18 provided for the deposit of all public funds in the Bank of
North Dakota. This left the Bank of North Dakota in danger of sudden withdrawal of funds if opponents of the League should regain power. Arthur Le Seur, one of the early prominent Leaguers, criticized this very strongly. In his opinion though it brought greater amounts of deposits to the Bank of North Dakota more quickly, it was unwise because of the Bank's increased vulnerability to attacks of opponents of the League program.¹

The League had become a national organization spreading to states where the labor vote was necessary to win election contests. The labor laws passed in North Dakota were an attempt to appeal to voters in other states. They did not strengthen the League in North Dakota.

The following seven measures were referred:

1. The law giving the administration power to appoint official newspapers.
2. The law establishing a board of administration.
3. The law replacing the three-man tax commission with a tax commissioner.
4. The law appropriating money to be spent by the commissioner of immigration.
5. The law establishing the industrial commission.
6. A law changing judicial districts.
7. The law creating the Bank of North Dakota.

At the same time that referendum petitions were filed, Independents filed petitions for four initiated measures. On the petitions, Independents requested that a special election be called not sooner than sixty days pursuant to the filing of the petitions in order that the initiated measures might be voted on. The statute providing for the initiative in North Dakota expressly states that there must be a period of sixty days between the filing of petitions for initiated measures and the date the initiated measures would be voted upon. This limitation did not apply to referred measures.

¹Arthur Le Seur, An Open Letter—Take Your Industries Out of Politics, p. 20; on file at the library of the University of North Dakota.
The governor called the election for a date too soon to permit voting on the initiated measures. His contention was that voting on both initiated and referred measures at the same time might confuse the voters. The Independent Voters Association began to publish a paper called the Independent to help the referendum campaign. This paper under the direction of Theodore Nelson and Matt Johnson viciously attacked Governor Frazier for calling the election so soon that the initiated measures could not be on the ballot. In one issue this publication said in regard to this act of Governor Frazier's "No European monarch ever arrogated to himself more power than did Governor Frazier when he decreed what measures should be voted on at the referendum election--Governor Frazier is a small man. He is out of place as governor. He is as unfair as his ability permits him to be. To this writer it appears that Governor Frazier was justified in keeping the initiated measures from the ballot and that the press attack on him was entirely unjustified. The referendum election was held and all of the referred measures were endorsed by the people. The measures that were part of the League program carried by the largest vote. The newspaper law and the board of administration law had the smallest majorities.

However, the League program was not yet enacted. The legislature had provided for the financing of the state industrial institutions by the issuance of state bonds. Sale of two million dollars of bonds was to provide the capital for the Bank of North Dakota while the sale of many millions of dollars of bonds was to provide the money to finance the other state enterprises. A suit was brought in Federal court attacking the validity of a bond

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2The Independent, May 15, 1919, pp. 1, 4.
series issued to finance an industrial program. An injunction was granted thus preventing the sale of bonds pending the outcome of the litigation. The case was decided in favor of the legality of the bonds by the Federal District Court. The case was appealed to the Supreme Court where a congested calendar would prevent its being heard for many months. Governor Frazier called a special session of the legislature to memorialize the Supreme Court to set the case ahead on the calendar. This request was granted and in May, 1920, a decision holding the bonds to be legal was handed down by the Supreme Court.1

Whether the litigation had been well advised on the part of the individuals that brought it is a question. It succeeded in proving the constitutionality of the bonds by the highest authority that could pass on them, and it gave League leaders another example of obstructionism with which to convince the people that the Independents really wanted to kill the League program and not improve it as Independents claimed. However, the court suit succeeded in preventing the sale of bonds until a changed condition of the bond market and knowledge of the North Dakota industrial program removed any possibility of selling North Dakota bonds through the regular financial channels. It has been said that the Non-Partisan League thrived upon the resourcefulness of its opposition. The bond suit seems to be a valid illustration of that statement. Through all of the controversy, the Non-Partisan administration depended upon popular demand for its program to overcome the legal and financial obstacles placed in its way by opponents.

Wm. R. Crompton & Company of Chicago had originally agreed to buy the bonds. One stipulation of the agreement was that the constitutionality of

1Green vs Frazier, 253 U. S. 233.
the bonds be approved by attorneys selected by the bondhouse.¹ These attorneys were to be John C. Thompson of New York and Charles B. Wood of Chicago. The sale of these bonds was essential to the conduct of the industrial program. On September 26, 1919, the agreement to sell the bonds was announced in banner headlines in the League's daily newspaper, The Fargo Courier-News.² According to the news story in the Courier-News, Wm. R. Crompton & Company had agreed to take two million dollars worth of state bonds that were issued to establish the Bank of North Dakota and one million dollars worth of state bonds issued to establish the mill and elevator. The Independent in its issue of October 2 questioned the authenticity of this report.³ On October 31 the Courier-News⁴ admitted that the bond sale had not been completed as expected. One of the attorneys of the bonding house had advised that there was some doubt as to the constitutionality of the bond issue. The telegram from the bond house was as follows:

"Without the actual supporting opinion of this recognized authority (the lawyer), it would be foolish to market State of North Dakota securities and under the circumstances we have no alternative and must be guided by the provisions of our written contract which stipulated the purchase of the bonds is subject to his (lawyer's) approving opinion. We do not believe there is the slightest possibility to persuade him to abandon it. Had we anticipated present developments, would most assuredly have spared state officials and ourselves this embarrassment. As the situation is beyond our control, we can merely express profound regret."⁵

¹National Non-Partisan Leader, March 7, 1921, p. 5.
³Independent, October 2, 1919, p. 4.
⁵Ibid., October 31, 1919, p. 6.
The Independent commented on the situation at length in an editorial printed under the caption, "Somebody Lied".\(^1\)

Even though the bonds could not be sold, the Bank of North Dakota was started. This was done by the expedient of selling the bonds to the Bank of North Dakota. Without any capital and with only such funds as had been deposited by governmental units, the Bank of North Dakota issued two cashier's checks (one for five hundred thousand dollars and the other for one million five hundred thousand dollars). The industrial commission issued state bonds for two million dollars and delivered them to the Bank of North Dakota in exchange for the cashier's checks. The cashier's checks were then endorsed back by the industrial commission to the Bank of North Dakota to become its capital.\(^2\) Of course this "high finance" provided the bank with no real money. If it had not been for the compulsory deposit in the bank of tax moneys of all taxing units within the state, it would have been impossible to operate the bank by this devious means of finance.\(^3\) Compulsory deposit made it possible for the bank to function. The bank lent one million dollars to the Mill and Elevator Association to start construction of the mill and elevator and three million dollars to farmers on real estate security. Approximately eight million dollars was redeposited in banks throughout the state.

In spite of the fact that state bonds had not been sold, the League program appeared to be going ahead. The Bank of North Dakota was functioning; the mill and elevator was being constructed at Grand Forks; a small mill at Drake had been purchased by the Mill and Elevator Association.

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\(^1\)Independent, November 6, 1919, p. 4.


\(^3\)House Bill 18, Sec. 7, Session Laws of 1919, Chap. 147, p. 199.
tion; The Homebuilding Association was actively engaged in business, and the
Hail Insurance Department was organized and functioning. Apparently the
League program enacted by the legislative assembly of 1919 was going to
operate in spite of the obstructionist tactics of its enemies.

Primary Campaign of 1920

While the League program was being put into effect, events were occurring
that were to have an important bearing on the elections of 1920. Dur­ing
the summer of 1919, three League endorsed state officers (Thomas Hall,
Wm. Langer, and Karl Kosmitzky) broke with the League and thereafter because
of their possession of League secrets were numbered among its most effec­tive
enemies. Wm. Langer went on a speaking tour denouncing the leader­ship of the League.

In the special session of the legislature that Governor Frazier called
to memorialize the Supreme Court, an event occurred that sounded the key­note for much of the 1920 campaign against the League. O. B. Burtness, a
member of the house of representatives, discovered a number of books in the
State Library that attacked the Supreme Court and advocated Socialism, free­thinking, and free love.¹ On the floor of the house, he made the sensational
charge that an attempt was being made to undermine the moral fibre of the
citizenry by placing books of this calibre in the Library. The charges
made a deep impression on Leaguers as well as Independents. An investigat­
ing committee composed of three Non-Partisans and two Independents was
appointed. They held hearings and emphasized the fact in their report that
such books had been in the library prior to the advent of the League and that
such books had not been sent out through the state in the traveling libra-

Nevertheless, public indignation was so great that the administration thought best to remove the head of the library commission.

Disloyalty had been the issue of League opposition in the campaign of 1918. A new issue in harmony with the national pastime of the year became the theme of League opponents in the campaign of 1920. League doctrines were declared to be radical socialism. League leaders were accused of trying to undermine the church and home. Such statements as the following became not unusual:

"The fight in North Dakota is not a political fight. It is a fight between civilization and Christianity on one hand and Socialism and atheism in the guise of a farmer's program on the other."

While one branch of the Lutheran Church was holding a convention, the following communication was received from the Independent Voters Association:

"We consider every farmer who belongs to this Non-Partisan League as a victim of fraud and deception because men and women who own land, believe in church, and believe in the sacred institution of the home as well as free and unprejudiced schools for our youth cannot consistently be members of a radical Socialist organization. Because the Independent Voters Association knows that the Townley gang with its national and international radical affiliation is not a political party but a social-moral cult, and that on the lowest materialistic basis ever advocated by any organization, the I. V. A. feels free to invite every man preaching the gospel of Jesus Christ to join hands with it in the coming campaign."

That this campaign had some effect cannot be better illustrated than by the fact that the Fargo Courier-News, official daily of the League, devoted

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1 House Journal, Special Session, December 10, 1919, pp. 252-247
its entire editorial space on October 31, 1920, \(^1\) to proving that all of the League candidates were members of churches and led religious lives.

Another event that played a part in the campaigns of 1920 was the closing of the Scandinavian-American Bank in Fargo in October, 1919. The bank was known to be owned and controlled by men friendly to the League. It had large redeposits from the Bank of North Dakota. If the bank were insolvent, it would be a blow to League prestige and a good reason for loss of confidence in all of the banks known as League banks. Mr. Hall and Mr. Langer, members of the banking board, were apparently suspicious as to the condition of the Scandinavian-American Bank. At a meeting of the board, it was arranged to send O. E. Lofthus, League appointed bank examiner, to Florida on a governmental mission. At the same time the Attorney General asked permission to send a special deputy examiner to investigate a Fargo trust company. Governor Frazier, the third member of the banking board, apparently did not suspect any designs on the Scandinavian-American Bank when the Attorney General drew the resolution so as to permit the examiners to visit other Fargo institutions if they so wished.\(^2\) However, the examiners went directly to the Scandinavian-American Bank. After an investigation, the special deputy examiners closed the bank stating that it was insolvent because of bad and excessive loans. The bank officers held that it was not insolvent but that confidence in the institution had been viciously destroyed by the conservative members of the banking board. Attorneys of the bank appealed to the Supreme Court (a majority of the members of the Supreme Court were elected by the Non-Parti-

\(^1\) *Fargo Courier-News*, October 31, 1920, p. 4.

\(^2\) *Herbert E. Gaston, Non-Partisan League*, p. 309.
san League). The Supreme Court did not have the right to assume original jurisdiction in the case. However, it did so and appointed Mr. Lofthus receiver. Lofthus re-examined the bank interpreting its condition as satisfactory and solvent. The result was that within a month the bank was re-opened and the threatened loss of confidence in League banks averted. However, conservative leaders were undeceived. They had become certain that League finances were in bad condition and for that reason in the fall election of 1920 initiated a law providing for an audit of the Bank of North Dakota and related enterprises. Mr. Kositsky, State Auditor, demanded immediate access to the files of the Bank of North Dakota to determine the relationship between the Scandinavian-American Bank and the Bank of North Dakota. This demand was not granted.

While all of these things were transpiring, the Independents were having difficulty selecting a candidate for governor. The Independent newspaper under the guiding hand of Theodore Nelson stressed issues and purposely ignored personalities. However, a large element felt that Mr. Langer deserved the nomination for his courageous defiance of League leaders. Others felt that he had been too closely associated with the League to gain the confidence of all. At a pre-convention called to discuss issues of the 1920 campaign, Mr. Langer’s supporters made moves to have him nominated. The leaders of the group opposing Mr. Langer’s nomination were startled. One of them, R. A. Nestos, gave a short speech calling the attention of the group to the fact that the convention had assembled to consider issues only and that any other course would be breaking faith with the people. As a result nominations were postponed to a convention to be held at Minot. At this conven-

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1Andrew Bruce, Non-Partisan League, p. 187
tion Mr. Langer was nominated. He made an effective campaign losing by five thousand votes. Independents felt that he had been a poor candidate because he ran behind some members of his ticket. Mr. Langer himself felt that he had not had the whole-hearted support of the Independents and left the organization soon after his defeat. League opponents had been more successful at these primaries than at those of 1918. Then their only victory had been for the office of Superintendent of Public Instruction. In 1920 they successfully initiated an anti-Red Flag law and referred three measures that had been passed by the League in the special legislative session. In addition Independents nominated a congressman in the first district, a Secretary of State, a State Treasurer, and a Railroad Commissioner.

The primaries of 1920 were discouraging to the Leaguers and encouraging to the Independents as an indication of which way the wind was blowing. One lesson that the Independents learned was that they could do better initiating laws than fighting famous League personalities. This lesson was not lost as will develop in the story of the events leading up to the recall of 1921.

In February, 1920, the Independent Voters Association had started to build an organization precinct by precinct. The voters in each precinct were listed as true-blue, white, or red. True-blue voters were those known to be Independents. Red voters were those known to be Leaguers. White voters were those who might be swung to the Independent side. Every voter listed as white was besieged with propaganda by headquarters in an effort to convince him of the evils of the League program. This accounts for a large part of the reaction against the League in 1920 and 1921.1

The strategy of the Independents had been to advocate a continuance of

1Independent, February 19, 1920, p. 1
the mill and elevator and rural credits program, but attack the League leadership and conduct of that program. The complete platform of the Independents is printed in the February 13, 1920, edition of the Independent.¹

It is hard to realize the bitterness with which the campaign had been fought. If the Non-Partisans proposed that the state publish its own textbooks, their opponents roared that "the red fingers of Socialism are closing on the entire school system". Leaguers commonly addressed their critics as "relics of the stone age, kept press, liars, assassins, journalistic harlots, and black-hearted skunks".²

As the excitement died down and the June primary votes were counted, sincere leaguers realized that the "white hope of liberals" was going to have to fight for existence in the state of its birth. At the same time conservative leaders felt certain that if the League were allowed to succeed in the fall election that there would be no stopping its sweep of the entire western part of the United States.

Chapter II

Initiative, Audit, and Recall

An Initiative Law That Wrecked The League Program

Some periods of history have a key event which control their development and the absence of which would have changed them beyond recognition. Such a period is that preceding the collapse of the industrial program of the Non-Partisan League. Without the passage of an initiated law withdrawing public funds from the Bank of North Dakota in the fall of 1920, the history of the Non-Partisan League might well be different. Since this initiated law was so disastrous to the League, one can but wonder why the League permitted its passage at the same time that it was able to elect its candidate for governor.

It is important to understand that from its beginning the League program cut across party lines. The issue raised by the Non-Partisan League was so much more fundamental than any issue that distinguished Republicans from Democrats that practically all Leaguers that had been Democrats showed no hesitation about voting in the Republican column in order to support League candidates. Likewise the issue raised by the League repelled its natural opponents, both Republican and Democratic, so much that it was not long before many conservative Democrats were voting in the Republican primaries where the controversy lay. After the Republican primaries had been captured by the League, conservative Republicans voted Democratic in the fall in preference to voting for the League candidates who had captured places on the Republican ticket.

In the primary contest of 1920, the League had lost four important contests and had come the closest it ever had (within five thousand votes) of
losing the Republican nomination for the governorship. The party was shaken and turned with not a little trepidation to the fall election. Its leaders recalled that in 1918 after Frazier defeated Mr. Steen, Independent candidate, 26,000 primary Steen voters in the fall election supported S. J. Doyle, Democratic candidate. There were important differences between the 1918 and 1920 post-primary situations. Mr. Doyle was an average campaigner who had never actively identified himself with the Independents while Mr. O'Connor, the Democratic nominee for the fall election, was a campaigner of unusual ability who had been an active member of the Independent minority in the house of representatives. If the primary Independent vote crossed their ballots to join the 8,000 Democratic ballots for Mr. O'Connor, it meant the defeat of Governor Frazier and probably the whole League ticket. That the whole group of Independent voters would vote Democratic in the fall was unlikely, but the situation was dangerous and the primaries indicated that the trend of public opinion was away from the League. The Non-Partisans marshaled every resource to protect the three men that were running for the offices on the industrial commission. To save the industrial program, it was absolutely necessary it was absolutely necessary to control the industrial commission. To strengthen their lines, Non-Partisan leaders nominated men for all of the offices the Republican nominations for which had been won by Independents in the primaries.

While the Non-Partisan League was preparing to save the industrial commission, the opposition made a flank attack in the form of five initiated laws. These laws in substance would accomplish the following things:

1. Requiring and providing for an immediate independent audit of the Bank of North Dakota.
2. Permitting political subdivisions to withdraw funds from the Bank of North Dakota and to deposit them in private banks.
3. Limiting the right of the Bank of North Dakota to make
real estate loans to those farmers living in North Dakota only.

4. Giving municipalities some freedom of choice as to what papers published their legal notices.

5. A bill describing the powers of the Superintendent of Public Instruction and in general enlarging the powers of that office.

The first two measures are the ones that wrecked the League program. The law establishing the Bank of North Dakota provided that it should be examined by the bank examiner and be subject to the supervision of the State Banking Board. Independents called attention to the fact that everyone examining the bank was a Leaguer or League appointee making impossible an impartial examination. The State Auditor (Mr. Kotsky—Independent) had demanded the right to audit the Bank of North Dakota. This demand was refused. It was unwise to draw the law providing the Bank of North Dakota without providing for an impartial audit by an outside firm. Such a provision would have built confidence in the institution and would have encouraged sound banking practices. However, Leaguers could not be justly condemned for refusing a political enemy access to the records. However, it was the suspicion aroused by the failure to provide for an impartial audit that caused such a measure to be successfully initiated.

The law establishing the Bank of North Dakota provided that moneys of all governmental units must be deposited with the Bank of North Dakota instead of with local banks. This had resulted in giving the Bank of North Dakota a deposit of more than fifteen millions of dollars. The bank lent one million dollars to the Mill and Elevator Association to begin construction, three million dollars to farmers, and eight million dollars which was re-deposited in private banks. As the capital of the Bank of North Dakota

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1Session Laws of 1919, House Bill 18, Sec. 6.

was fictionary, these loans and re-deposits were made possible by the compulsory deposits. This initiated law permitting the withdrawal from the bank of all public funds would stop all further lending and likely make the Bank of North Dakota insolvent.

That this was the intention of the conservative group and that the Non-Partisan leadership was well aware of it is clear from the following quotation of a League campaign speech of 1920:

"This initiated law, like the other four, is loaded with dynamite. It is not intended to strengthen the Bank of North Dakota but to destroy it absolutely. Mr. O'Connor, the shrewd lawyer that he is, knew all the time that if he could destroy the Bank of North Dakota, it mattered little about the other industries, for the ruin or the defeat of the Bank meant the destruction of the entire industrial program. If you prize this program, my advice to you is to vote "no" on every initiated law. Big headlines in the Minneapolis Tribune of today say, "Non-Partisan League to be defeated by initiated laws". The Tribune has placed the right interpretation on them."

It was no exaggeration to say that the bill withdrawing funds from the Bank of North Dakota would wreck the League program. The League industrial and farm loan program depended entirely on the taxpayer's money that had been deposited in the Bank of North Dakota. It must be remembered that the capital of the Bank of North Dakota was fictionary. Take away the taxpayer's money from the Bank of North Dakota and the League program would collapse as a "house of cards".

Election day came and the returns of the contest were anxiously awaited. Attention was centered on the race for governor and it was with gratification that League leaders saw their candidate for governor gradually overcome his opponent's lead, carrying all of the candidates that the League had

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nominated in the primary with him. As final returns came in, it became apparent that every candidate nominated by the Republicans in the primary had been elected. The Republican landslide had prevented any change from the verdict of the primaries. The Non-Partisans had elected E. F. Ladd to the Senate, Lynn J. Frazier to the governorship, Howard R. Wood to the Lieutenant Governorship, D. C. Poindexter to the office of State Auditor, Wm. Lemke to the office of Attorney General, S. A. Olsness to the office of Commissioner of Insurance, and John Hagan to the office of Commissioner of Agriculture and Labor. The Independents had elected C. B. Burtness to Congress in the First District, Thomas Hall to the office of Secretary of State and John Steen to the State Treasurer's office. In a byline below the main headlines, the Grand Forks Herald noted that some of the initiated measures had apparently carried.

As a matter of fact all of the initiated measures had carried. League voters had for the most part voted for League candidates but had failed to follow the advice of their leaders in voting for the initiated laws. Several reasons may be advanced for this. The one that seems most valid is that the League organization had to concentrate their efforts on electing its candidates and did not have time to educate the voters sufficiently well as to the real purpose and effect of the initiated laws. Oliver S. Morris, editor of the National Non-Partisan Leader, felt that the mistake in not providing for an impartial audit of the bank had created enough sentiment to carry not only the measure providing for the audit but the measure withdrawing public funds from the bank as well. Leaguers said that if the rank and


file had really believed that the laws would wreck the League program, they
would have never voted for them. They argue that otherwise the voters would
never have, at the same time, elected a League Industrial Commission. We
must remember, however, that the initiated measures were not on a party
ballot and could not benefit from the Republican landslide. This undoubt-
edly accounts for part of the discrepancy.

Whatever the reason for the passage of the measure was, it did not
alter the result. That conservatives realized the danger of an immediate
run is evidenced by an editorial in the Grand Forks Herald advising county
treasurers to be fair and to withdraw funds slowly. The realization of the
large amount ($8,000,000) that the Bank of North Dakota had re-deposited in
smaller banks awoke everyone to the fact that if the county treasurers
demanded the public moneys the Bank of North Dakota would have to call in
its re-deposits. The assets of the banks throughout the state were not
liquid due to the fact that many farmers had held their grain for a higher
price thus postponing payment of their obligations. On November 2, the price
of wheat No. 1 grade was $2.10; by November 27, the price had fallen to about
$1.40 per bushel on the Chicago market. With the fall in the price of wheat
disappeared the value of much of the paper held by all banks in the state
including the banks that had received re-deposits from the Bank of North
Dakota.

Thirty-nine of the fifty-three county treasurers demanded the public
moneys that were deposited in the Bank of North Dakota.\(^1\) The bank in turn
began to call in money from the small state banks. The small banks unable
to get their money from the farmer were forced to declare themselves insol-

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\(^1\)C. R. Johnson, "Struggles in North Dakota", New Republic, March 9, 1921, p. 42-44.
vent. In an ordinary year the run on the Bank of North Dakota that had been created by the initiated measure might have been withstood fairly well by the Bank of North Dakota and the banking system of the state. But the run coinciding with the drop in wheat prices was more than the financial system could stand. By November 27, fifteen North Dakota banks had closed.

A general state of alarm approaching panic proportions developed. League leaders talked of a special session to repeal the initiated measures.1 C. B. Burtness, successful Independent candidate for congress, and Mr. O'Connor declared themselves against any repeal of the initiated measures.2 This showed the I. V. A. attitude. Since the Independents controlled the house of representatives in the new legislature, this precluded any possibility of repealing the initiated measures.

A group of bankers conferred with F. Cathro, manager of the Bank of North Dakota, promising to use every effort to have county funds withdrawn slowly if only the Bank of North Dakota would use like consideration towards them.3 Mr. Cathro assured them that he would do everything in his power but that he could not promise slow withdrawals because of the demands of the on the Bank of North Dakota. There is no doubt that Leaguers were hoping that the danger of wholesale withdrawals would cause bankers to bring pressure to bear on the Independent Voters Association to repeal the initiated law.

By December first eighteen banks had closed their doors and the situation had become serious enough to cause the State Bankers Association to pledge its cooperation to the Bank of North Dakota.4

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2Ibid., November 30, 1920, p. 5.
League leaders immediately responded by saying that if the bankers really were sincere they could purchase state bonds instead of preventing their sale.¹

On December 20 the Homebuilding Association ceased to function; on December 22 construction work on the mill and elevator ceased. This was due to the passage of the initiated law together with the great fall in the price of wheat.² For a time it seemed as though the deflation had fright­ened conservatives and Leaguers into cooperating for the welfare of the state. On December 8 a committee consisting of W. Lemke, F. Cathro, C. J. Lord of Cando, I. P. Bohn of Bismarck, and E. G. Larson of Aneta (the first two representing the administration and the others prominent private bankers) reported a plan by which bankers would buy state bonds enough to remove the necessity for the Bank of North Dakota withdrawing its re­de­posits from the smaller state banks.³ By December 22 the North Dakota Bankers Association had completed plans for the forming of a million dollar corporation to relieve the situation. This corporation was to be owned by the banks of the state. Its capital would be a revolving fund for the purchase of frozen assets of small banks against which debentures would be issued to be sold in the East.⁴ However, the bankers made their coopera­tion conditional on a promise to be made by the League administration to cease further industrial experiments and to assure the bankers of a safe and sane management of the present industries. On January 9 the industrial

¹Grand Forks Herald, December 2, 1920, p. 2
²Fargo Courier-News, December 21, 1920, p. 1; December 22, 1920, p. 1
³Grand Forks Herald, December 8, 1920, p. 1
commission refused to comply with this stipulation sending a message explain-
ing their refusal. An excerpt from this message is quoted below:

"The proposition cannot honorably be considered by the com-
misson for the reason that it is a plain attempt on the part of financial interests, presumably Wall Street financiers, to dic-
tate the political, financial, and industrial policies of the State of North Dakota."¹

Throughout the debacle the Independent Voters Association showed less concern about the bank closings and the collapse of the League program than did the Bankers Association. On December 23 headlines in the Independent announced that collapse to the world with the words, "League Program Now On The Rocks"² On January 20 an editorial in The Independent demanded that the League program be curtailed as the price of capital from the East.³ Gradually the conservatives came to feel that the finances of the League were not in order. With that feeling there came the conviction that the surest way to kill the League would be to let the situation remain unchanged without any help from bond sales.⁴

The shortage of funds at the Bank of North Dakota forced that institu-
tion to register checks instead of cashing them. As checks came in, they were given a number which governed the order in which checks would be cashed as funds became available. The amounts of the various checks were deducted from the accounts of the various depositors. This brought the Bank of North Dakota into a dispute with the state treasurer. He held that if the checks were to be registered the account of the state treasurer should not be deducted until the checks were actually cashed and cancelled.⁵ The Bank of

¹Fargo Courier-News, January 9, 1921, p. 1.
³Independent, January 20, 1921, p. 1.
⁴Andrew A. Bruce, Non-Partisan League, p. 239.
⁵Interview with John Steen
North Dakota officials yielded the point as far as the checks of the state treasurer were concerned, but the practice remained unaltered as far as the checks of other depositors were concerned.

The Bank of North Dakota was not functioning as a bank; the mill construction had ceased; and the Homebuilding Association had ceased operation. Six months before the League program had been in full swing and, to the casual observer at least, there had been no reason to suspect that the whole thing was not proceeding successfully; in the short period of six months the whole thing had collapsed and the financial condition of the state had become desperate. How much of this was due to the violent deflation of agricultural prices and how much to the initiated law is a matter of speculation. That the deflation would have been less sudden and less evident and that the complete collapse of the League program would have been averted if the initiated act withdrawing governmental funds had failed of passage is certain. Failing the sale of bonds, the whole industrial program had been based on the compulsory deposit of governmental funds in the Bank of North Dakota. Removing the compulsory deposit feature from the law took away the cornerstone of the League industrial edifice. Conservatives were at first inclined to compromise with the League to weather the resultant financial storm but the growing belief that Non-Partisan finances were in bad condition convinced conservatives that the League could be killed. Independents first and later the bankers themselves became more and more willing to face the deflation than the results of a continued League industrial program. Politicians to whom League collapse meant return to power were less disposed to compromise with the League than were the conservative financial elements within the state. The counsel of the politicians prevailed because of the exposures of
League finances by the audit. The Bank of North Dakota was permitted to continue operation in a manner that would destroy public confidence; the mill was allowed to stand unfinished; and other enterprises were left where they were when shortage of funds due to the initiated amendment stopped work upon them. The politically wise among the League opponents saw that these things would be needed as issues if the League program of public ownership was to be defeated. They guessed rightly that a half-finished program standing before the voter's eyes would be a better campaign argument than any verbal presentation that could be made and to great a handicap for the League to overcome by explanations. The half-finished program would put the League on the defensive.

In order to make liquidation less sudden, the industrial commission passed a ruling to the effect that only checks and drafts for running expenses of governmental units would be honored and that drafts for wholesale withdrawals should not be honored. Officials of Sargent County started garnishment proceedings on the Bank of North Dakota. On February 12 District Judge McKenna held that the garnishment proceedings were legal. He was upheld on March 12 by the Supreme Court\(^1\) to which the case had been appealed. This made certain a complete liquidation of the Non-Partisan League program unless a market could be found for state bonds. Throughout the summer strenuous efforts were made to sell state bonds to individuals and to labor organizations in the East. A full double-page advertisement of North Dakota bonds was carried in the Nation Magazine.\(^2\) These efforts brought forth bond sales of thousands of dollars when bond sales of millions

\(^1\)182 N. W. 270, Sargent County vs State, Doing business as Bank of North Dakota

\(^2\)Nation Magazine, April 12, 1921, pp. 536-537.
of dollars were needed.

On February 1 A. C. Townley returned to North Dakota. A demand for more democracy and internal dissatisfaction had brought about a temporary retirement of Townley from North Dakota affairs. He was still president of the national organization, but Mr. Lemke had been directing the League in North Dakota since the fall election of 1920. When League leaders again were ready to accept his counsel, he advised that it had been an error not to advance a counter-proposal when the proposal of the bankers association had been rejected on January 9. He advised a resumption of negotiations and the granting of some concessions to the conservatives to obtain the needed sale of state bonds. His advice was followed but by February the audit had convinced conservatives that a financial deflation was not as bad as continued League administration of state industries. Their counter offer was in the nature of a threat. To obtain their cooperation in selling state bonds, the bankers association stipulated that a complete surrender of the League would be necessary. Included in this surrender must be resignation of Mr. Lemke from the office of attorney general and Independent control of the state industries. Accompanying this ultimatum was the thinly veiled threat of a recall election.1 As Independents had anticipated, it was impossible for the League to accept such terms. Independents threatened the bankers association with a recall election if they dealt with the League and assumed the responsibility for the sale of the bonds.2 It was the audit now in the hands of the house audit committee that gave Independents the self-

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2 Ibid., p. 367.
assurance necessary for such a bold stand.

An Audit That Leads To A Recall

The second initiated measure provided for an audit of the Bank of North Dakota and related industrial enterprises. Shortly after the election, opponents of the League in office hired an independent auditing firm, Bishop-Brissman & Company, to begin the audit of state institutions authorized by the initiated law. The League administration attempted to stall off the audit until the new industrial commission should be inaugurated. However, no provision was made to pay the auditing firm by the League elected state treasurer. The Fargo Courier-News charged that conservatives led by Mr. Twitchell guaranteed the payment of the cost of the audit and that after the audit was made that Mr. Twitchell had access to it before it was presented to the state government.¹

The audit was practically completed by the time the 1921 legislature assembled in early January. The conservatives controlled the house of representatives for the first time since 1915. The Non-Partisans still controlled the senate by one vote. Mr. Twitchell was elected speaker of the house. Almost immediately (January 7) the house of representatives demanded that the state auditor turn a copy of the Bishop-Brissman audit over to the house. The audit was not supplied and the house stalled waiting for the auditor to produce it. In the meantime (January 9) the administration had rejected the proposition of the bankers association. This brought forth a resolution from the house demanding that the administration give reasons for rejecting the offer of the bankers association. It was apparent that the house lead-

ership was going to allow little business to be done until they were furnished a copy of the Bishop-Brissman audit. On January 19 they again demanded by resolution a copy of the audit and formed a committee to analyze and further investigate it when it arrived. This committee consisted of six Independents and three Non-Partisans.

Back of the resolution establishing a house audit committee, there was already planned an audit and investigation of the bank that would delve deeper than had the Bishop-Brissman audit. The majority of one in the house of representatives was to prove a precious aid. Without that slim advantage, it is doubtful if the Independents could later have successfully recalled the League members of the industrial commission. The house audit committee proved to be extremely effective. The suspense and excitement preceding and accompanying the arrival of the audit was immense. In all probability there has never been a more exciting time in the state's political history. Rumors were rife. Wild charges of crookedness were circulated.

Some opponents of the League waited impatient but hopeful. It would be a catastrophe from their point of view if the audit produced no political thunder. Non-Partisans bitterly denied that there was anything inefficient or questionable about the conduct of the League industrial program. Rather than give their opponents facts that would prove to be political thunder, they would rather conceal the true state of affairs.

The house audit committee was organized on January 20, 1921, and immediately took steps to employ counsel. The counsel selected were Mr. John F. Sullivan of Mandan and Mr. Francis Murphy of Minot who drew rules of procedure by which examination of witnesses and records would be governed.

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These attorneys had been selected by the six Independents who were a majority of the committee. Minority members asked permission to employ counsel and stenographers. Their request was denied and the work of the committee proceeded. Witnesses including most of the men responsible for the policies of the Bank of North Dakota were called and many of the bank records were read into the records. It soon became evident that the committee was succeeding in bringing out facts that would discredit the management of the Bank of North Dakota. On February 7 the minority members of the committee withdrew. At different times witnesses refused to bring evidence before the committee, but quickly changed their minds when cited to the house of representatives for contempt.

At the same time the League controlled senate selected committee of their own to investigate the audit with the purpose of refuting the impressions made by the testimony before the house audit committee. They succeeded in correcting the effects of testimony before the house that had been so emphasized as to leave the wrong impression. For the most part, however, the mismanagement and favoritism of the Bank of North Dakota as brought out by the house committee seemed undeniable.

The audit committee's report was classified under two heads: The fallacies of Organization of the Bank of North Dakota and Criticisms of the Actual Management of the Bank of North Dakota.

The fallacies of organization that it listed are stated below:

1. Distribution of moneys deposited in the bank was left to the sound discretion of the Industrial Commission with abs-
ly no legislative check.

2. The Industrial Commission made up of men that have to face
election every two years ties the Bank too closely to politics.

3. No check on number of employees in Bank of North Dakota.

4. Power to fire any employee in industrial program vested
in Industrial Commission rather than in managers of the differ-
ent industrial enterprises.

5. One branch of the state government did the bonding for
the other branches. Thus, in case of embezzlement, the state
paid itself for the loss.

6. No limit on re-deposits.

7. Statements list paper profits which depend on 100 percent
repayment of loans.

8. Real estate mortgages cannot be foreclosed if there is a
crop failure. When these mortgages are assigned this stipulation
prevents the new holder of the note from foreclosing in case of
crop failure. This made it impossible for the Bank of North
Dakota to sell any of its paper.

9. Deposits of state banks in Bank of North Dakota are
classed as available funds and calculated as part of the legal
reserves of those state banks. This is unfortunate because the
legal protections governing the administration of the Bank of
North Dakota are not such as to make money deposited therein a
dependable part of a reserve fund.

10. No adequate provision for examination of Bank of North
Dakota.

Actual criticisms of the management of the Bank of North Dakota are
listed below:

1. Its capitalization was paper and not money.

2. Lemke and Townley were the dominating influences in the
following organizations.


b. League Exchange.

c. Consumers United Stores Company.

d. Courier-News.

e. Publishers National Service Bureau.


g. North Dakota Leader.

h. Northwest Service Bureau.

i. United States Sisal Trust.


This last organization, the Scandinavian-American Bank, had
the majority of its voting stock fall into the hands of the League
exchange. From that time on it was used as a financial reser
for the League Exchange, Consumers United Stores Company, United

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1House Journal, 17th Legislative Assembly of North Dakota, 59th and
60th day after recess, Vol. I, p. 125-139.
States Sisal Trust, and as a conduit for the passage of poor paper to the Bank of North Dakota.

3. Deposits were made in banks friendly to Non-Partisan League leaders and these banks later closed.
4. Too much accommodation paper rather than real notes for value received.
5. Appropriation of tax moneys to League industrial enterprises.
6. Failure to provide sinking and interest funds to meet bond issues.
7. Irregular ways of attempting to sell state bonds.
8. Giving one million two hundred thousand dollars worth of state bonds as collateral for a loan of one million dollars from the Merchants Loan & Trust Company of Chicago.
9. Too high running expenses.
10. Registering checks instead of cashing them.
11. Accepting poor types of collateral.

It is not fair to list these charges of the house audit committee without discussing them and giving what mitigating factors enter into the situation. As to the fallacies of organization, there seems little doubt that the legislation establishing the League program assumed that honest men friendly to the program would always be in charge. There seems to be no answer to the statement that few safeguards or checks were thrown about those in charge of those institutions. Probably because the framers of the laws were idealists who felt that the program was so good that it could not help but succeed, the laws were not drawn as carefully as they should have been in order to safeguard these public institutions in case inefficient men did come into control of them.

The answer of League leaders to the first charge, paper capitalization, would probably be that they had a mandate from the people to establish a state bank and that it was not the fault of League leaders that the capitalization was paper but rather the fault of the men that encouraged and instituted the suit in Federal court attacking the validity of the bond issue and thus preventing the sale of the bonds to provide capital in the regular
way for the Bank of North Dakota.

To the charge of favoritism they would probably answer that if it had not been for the deflation and the initiated amendment, all of those deals would have worked out and that those banking practices were no looser than the average in banks of North Dakota at that time. Their contentions here are doubtful. It is hard to see how some of their paper would have worked out under the best of conditions and bankers are supposed to imagine the worst conditions possible. The statement that average banking management was as loose as that exposed by the audit committee is doubtful. There were no doubt many banks in which loose practices were current, but to say that this condition was the average condition is an exaggeration and to use the excuse that the other fellow does it is inexcusable. The charge of favoritism in re-deposits and loans seems irrefutable.

To the charge of careless re-deposits, the answer would be that no one could foresee what the future held and that some of the state's keenest financial leaders had no idea that the Federal Reserve was going to precipitate such a violent agricultural deflation. League leaders cannot be condemned for being caught by this violent deflation which few foresaw.

To abuse of accommodation paper the answer would probably be that it was not an uncommon banking practice. This was true but it was not a wise practice especially in connection with the bank entrusted with the public moneys. Such an institution as the Bank of North Dakota should have been a model of good banking practices especially as it was in the hands of its founders who were trying to sell the idea to the nation. The use of the excuse that other banks did it is inexcusable.

The appropriation of tax moneys to League industrial enterprises would
probably be justified by the public mandate and conservative obstruction argument used to justify the paper capitalization. The contention would be that if the bond sale had not been obstructed by legal suits until the bond market was destroyed that it would not have been necessary to appropriate tax moneys to carry out the public mandate to start a mill and elevator and a rural credits program.

It is difficult to see why no sinking funds were established to meet bond issues. They would have been a material aid in marketing the bonds.

In regard to giving bonds as collateral in violation of state law, the answer of the Leaguers was that the law forbade the state from doing so but said nothing about the Bank of North Dakota. In this case the bonds were first sold to the Bank of North Dakota which organization then pledged one million two hundred thousand dollars worth of them as collateral for the million dollar loan.

League leaders denied that running expenses were too high and said that registering checks was made necessary by the initiated measures and the deflation and in any case was better than closing the bank.

To the charge of accepting poor types of collateral, there seems no doubt that some of the poorest practices used in the small state banks were adopted here. Instead of being a model for other banks, the Bank of North Dakota was managed as carelessly or more so than the average small state banks and was in no condition to meet any but the best of financial conditions.

Finally Mr. Cathro, the Director General of the Bank of North Dakota, stressed the point that the investigation of the house audit committee accentuated the loss of confidence and caused more banks to fail and resulted
in a run on the Bank of North Dakota. His remark was "no bank could stand such pitiless publicity," and it is true too that the fact that public knowledge of the results of the investigation increased the chances of League defeat and Independent victory caused the Independents to be less careful in the publicity given the banking probe than they otherwise would have been.

America's First Statewide Recall

As the League program came to a standstill in the early part of 1921, whispers were heard that there would be a recall of state officers. During February talk of recall came more into the open as the audit revelations came before the public eye. At a meeting of I. V. A.'s in Bismarck on February 11, plans for a recall were openly discussed. At a meeting held on February 27, it was decided to recall the industrial commission, three members of the Supreme Court, and the lieutenant governor. In addition Independents laid plans for the initiation of five laws at the recall election. The Independent of March 3 definitely announced that recall petitions would be circulated for all of the above state officers.

The state Independent convention was to be held at Devils Lake on March 31. In the meantime opposition to the Recall had developed. One faction of the Independents thought that the best way to defeat the Non-Partisans was to allow them to face the financial stringency with their wrecked program. They argued that it would be easier to defeat the Non-Partisan League two years hence; that the recall was so new that people would resent its use; that because the Independents had opposed the recall reform when it was adopted, it would not appear proper for Independents to be the first to use it; that the evidence against the League produced by the house audit commit-

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tee had not had time to "soak in" to people's minds; and that it would be
difficult to raise campaign money for a special election. The main argu-
ment advanced by the proponents of the recall as reported by the press was that the League would fatten on "hands off" treatment. However, there
were other reasons that were no doubt advanced in the inner party councils
that were not published. One reason was that in a recall election the bal-
lots would be no-party ballots which would give conservative Democrats an
opportunity to vote for the Independent candidate without abandoning their
Democratic party. In the regular election in 1922, Democrats would have to
register as Republicans to vote for the Independent candidate, and there were
always a few thousand Democrats who refused to do this. Another event of the
1922 election would be Senator McCumber's candidacy for re-election. Sen-
ator McCumber had never sided with the Independents and it was felt he had
lent his support to the Non-Partisans in return for their support in 1916.
Many felt that it was former Governor Frank White's senatorial candidacy
that had prevented the re-election of Senator Gronna and caused the election
of the League candidate, E. F. Ladd, in 1920. Independents felt that
there may have been a deal by which McCumber would support Mr. White in
order to bring about the election of Ladd in return for Non-Partisan sup-
port in 1922 when he himself should come up for re-election. Mr. McCumber's
endorsement of Mr. White for the office of United States Treasurer to suc-
cceed John Burke confirmed a belief that there had been such a deal and that
Mr. McCumber would aid the League if the contest was delayed until 1922.
A third reason for a recall was the possibility that agricultural prosperity


might return and state bonds eventually sold. If this should happen, the League leaders would be able to go ahead and finish the program thus removing one of the most usable and effective issues that the Independents possessed. The fact that a recall election was pending would probably prevent any bonding house from buying the bonds until the election had been held.

For these reasons it seemed to the political strategists of the Independents that success would be much more certain in a special recall election than in the regular election of 1922. Their counsel prevailed and it was decided to have a recall but to limit it to the industrial commission which included Lynn J. Frazier, Mr. Lemke, and Mr. Hagan. It was held that the chances of success would be impaired by an attempt to recall members of the Supreme Court. Many Leaguers expressed the opinion that recent decisions favorable to the Independents (particularly the Sargent County garnishment case) had influenced the Independents in their decision not to recall members of the Court.¹

R. A. Nestos of Minot was selected as the candidate to run against Mr. Frazier. Mr. Nestos was politically available in many ways. He was not a reactionary but one of the more liberal of the Independents and as a result one likely to appeal to the border-line vote. He had been actively identified with the La Follette presidential candidacy which in itself was a recommendation to a majority of North Dakota voters. He was Norwegian by descent and birth, speaking with a decided Scandinavian accent (a political asset in North Dakota where a large proportion of the population is of Scandinavian descent). He had been actively identified with church work and with the Sons of Norway Lodge both of which activities had given him an opportunity to build a wide acquaintanceship throughout the state as he had always been

¹Statement made to writer by prominent Leaguer.
Svenbjorn Johnson was chosen as the candidate for attorney general to run against Mr. Lemke. He was an effective speaker, well known in the eastern part of the state, a man thoroughly acquainted with the campaign issues and tactics as he had had a large part in directing the policies of the Independent Voters Association. The candidate to run against Mr. Hagan for the office of Commissioner of Agriculture and Labor was not selected at the convention but left to a committee. The man selected was Joseph A. Kitchen, a member of the legislative assembly of 1921. Politically he was a good selection for three reasons. He was an active member of the Veterans Associations; he was a new comer to the political scene who had opportunity to make few political enemies; and he was from the western part of the state. It was in the western part of the state that the League strongholds lay and the Independents showed clever generalship in selecting two of their candidates from that section. The date of the recall was set as October 25, months after the convention. The reasons for the long delay were twofold. It would give the Independents more time to campaign and as long as the recall was pending it would prevent the League from going ahead with the industrial program. Even if the Independents lost in the recall election, the sale of bonds and, hence, the League program would have been delayed seven months.

The seven initiated measures to be initiated by the Independents at the same time as the recall were:

1. A bill to remove the party ballots and party labels in primary elections. The two highest candidates in the primaries, according to the provisions of this bill, would enter the general election in the fall.
2. This bill provided that nominees for senator and for congressmen be voted on at the primaries in March in presidential years and at a special election to be held in March in mid-presidential term years. It also provided that in the fall there
would be a one column ballot for national officials separate from a one-column ballot for state officials.

3. Provided funds by sale of bonds for completing mill and elevator and winding up Homebuilders Association.
4. Provided for discontinuance and dissolution of the Bank of North Dakota. Created a system of rural credits providing for a bond sale to finance it.
5. Played safeguards about the investment of public funds.
6. Reduced the possible bonded indebtedness of the state from $12,000,000 to $7,500,000.
7. Restored by the sale of new bonds, the funds belonging to political subdivisions that were at that time tied up in the Bank of North Dakota.¹

The arguments for these three measures advocated by the Independents are under three heads. The argument for the election laws were that they would prevent confusion of state and national issues. The argument for the laws governing use of state funds was that it would prevent a repetition of the draining of the Bank of North Dakota funds that had occurred during the League administration. The argument for the rural credits law was that it would take the place of the Bank of North Dakota.²

The Non-Partisans responded that the initiated laws were a program of deceit.³ They held that the election laws were an attempt to hold the elections that controlled party machinery in March when farmers were likely to be kept from voting by blizzards; that the law to safeguard public funds was really a disguised attempt to kill the Bank of North Dakota; that the rural credits law actually was drawn so that it could not function; and that the Non-Partisan election act should be called the Federal Job Act because it was so drawn as to permit Republicans to support Democrats and still be in line for Federal patronage. The Non-Partisans had the advantage under the present election laws. They had been more successful in getting radical

¹Publicity Pamphlet, Recall Election of 1921.
²Ibid.
³Ibid.
Democrats to cross their ballots to vote the Republican ballot than had the Independents with the conservative Democrats.

The Independents campaigned in May, June, and July then ceased until September. The issues that they stressed were the inefficiency and financial bankruptcy brought about by the League leadership. Independents had come to realize that the public demanded a mill and elevator and they promised to finish that institution and to continue the rural credits department of the Bank of North Dakota. The audit of the Homebuilders Association had proved that organization to be in a hopeless condition. The law creating the institution had limited the cost of each home for which money was to be loaned to five thousand dollars. One of the original borrowers from this association was Mr. Lemke, attorney general. The cost of his house had come to $20,000 and although he had not borrowed the entire amount, he had borrowed from the Homebuilders far in excess of five thousand dollars. He later repaid the entire amount to the state, but nevertheless the law had clearly been violated and a League leader had built and planned on living in a $20,000 house with a two car garage annex. Pictures of the house were in practically every opposition newspaper in North Dakota.\(^1\) One example of the use of the Lemke house in Independent propaganda is illustrated by the following item from The Independent describing the I. V. A. booth at the Fargo state fair. "In addition to the other features at the I. V. A. booth, they had a Ford car at their tent and a large sign informed visitors that half-hourly excursions were made free of charge to Lemke’s state-owned house.\(^2\)

Another event of the summer which had an influence on the campaign was

\(^1\)Grand Forks Herald, September 11, 1921, p. 5

\(^2\)Independent, July 28, 1921, p. 3.
the trial of J. W. Brinton. He had testified before the house audit com-
mittee that "every dollar of money deposited in the Scandinavian-American Bank
at Fargo had been loaned to 'dummy' corporations organized by Mr. Townley
and Mr. Lemke. The deposit of funds in the Scandinavian-American Bank by
the Bank of North Dakota and the loaning of this state money to Mr. Lemke
and Mr. Townley was in accordance with the arrangement personally entered
into between Mr. Cathro of the Bank of North Dakota, Mr. Lemke, as attorney
for the bank and attorney for Mr. Townley, and Mr. Townley, president of the
Non-Partisan League, and the officers of the Scandinavian-American Bank.
These dummy corporations organized by Mr. Townley and Mr. Lemke were organ-
ized for the promotion of certain projects to further the personal and
political interests of Mssrs. Townley and Lemke. Brinton was arrested
and charged with perjury. The trial was watched with interest. One state-
ment of the prosecuting attorney, "If you find Brinton 'not guilty', you
convict Cathro, Lemke, Hagan, and the governor of having testified falsely"
was played up strongly by the opposition press after Brinton had been ac-
quitted on July 11.  

On August 30 and 31, the I. W. W.'s arrived 'en masse' at Langdon, North
Dakota. Their talk was probably more threatening than their actual inten-
tions, their indignation having been aroused by what they felt was an unjust
incarceration of some of their members in the jail of that city. However,
Langdon was thoroughly frightened and took active steps to form a posse to
protect the city. No one was seriously injured and scarcely a blow was

1House Journal, March 4, 1921, Vol. 4, p. 249.
2Grand Forks Herald, July 9, 1921, p. 2.
3Ibid., August 30-31, 1921, p. 1.
struck, but the incident gave an opportunity for the press to go into hysterical against the I. W. W.'s. People all over the state were indignant.

From then on the friendly policy that the Non-Partisan League leadership had held towards labor leaders was construed by the Independent press as an alliance with the I. W. W.'s. The Grand Forks Herald pointed out that Mr. Lemke spoke in Devils Lake at the same time that the I. W. W. convention met there, insinuating that the coincidence was prearranged. In a speech delivered at Carrington on September 28 as quoted in the press, Mr. Nestos linked the League with the I. W. W. Farmers as employers of labor had no love for the I. W. W., and this was no doubt an effective issue.

Another type of campaign technique was to stress the point that outside confidence in North Dakota was weakened by the League administration and that unless the League officers were recalled it might be difficult to get much of the farmer-paper renewed. It is well illustrated by the following excerpt from the Grand Forks Herald. "Here is the situation, said one banker Wednesday, 'I have $30,000 worth of farmer's paper which I have floated in Wisconsin and Indiana. Now this paper is due this fall and if the present situation continues in North Dakota, it will be called by the holders. This will mean that I will have to force payment by the farmers many of whom are in no condition to pay. On the other hand, if the recall goes through, I know that I can get an extension of time and give the farmer an extension." League leaders that the writer talked to said that this type of campaign argument was effective and impossible to combat.

1Grand Forks Herald, September 8, 1921, p. 4.
3Ibid., October 4, 1921, p. 2.
The League leaders were on the defensive in the campaign of 1921. They were busy showing it was not the fault of League leadership that the League program was not completed but the result of obstructionist tactics against the sale of bonds on the part of Independents. Their excuse for the financial errors of the Bank of North Dakota was that practically every bank in North Dakota had been caught with paper that turned bad in the deflation of 1921. The fact that they were on the defensive made their campaigning less effective than that of prior years. Their own counter-charges sounded weaker until they had cleared themselves in the public mind of the many charges brought against them. It had often been insinuated that League leaders were on the road to the penitentiary. On October 6, Svenborn Johnson was quoted as mentioning "penitentiary possibilities for some who are now free...........six million dollars misused". A substantial portion of the people felt that before League leaders could with any right hurl charges against others, they would have to clear themselves of charges such as this.

Just before the election on October 18 a court order was issued stopping the deposit of public funds in the Bank of North Dakota. However, this was lifted prior to the election and probably had little effect on the results.

On the eve of the election, there was no certainty in either camp and results showed that there was no reason for either side being over-confident. The Independents were successful in recalling all three of the League leaders by very small majorities. Mr. Nestos defeated Mr. Frazier by a majority of 4,102 votes of a total number of votes cast of 218,766; Mr. Johnson defeated Mr. Lemke by a majority of 6,786 out of a total number of votes cast.

\[\text{North Dakota Leader, February 12, 1921, p. 4.}\]

\[\text{Grand Forks Herald, October 16, 1921, p. 3.}\]
of 217,936; Mr. Kitchen defeated Mr. Hagan by a majority of 5,335 out of a total number of votes cast of 217,163. The election was close as to administrative officers, but at the same time that voters indicated that they wanted a change of leadership they also indicated by defeating the initiated measures which were to curtail the League program that they wanted the program continued. As L. F. Crawford stated it, "Nestos was given the difficult task of administering the program he sought to curtail."

Reasons for the defeat of the League in the recall election as given by the Courier-News were the Lemke House, a loan to Mr. Hagan made by the Home-building Association, registration of checks by the Bank of North Dakota, and the fact that the Drake Mill had lost money. These the Courier-News held were details apart from the main issues and should not have entered into the campaign. Mr. Morris, editor of the National Non-Partisan Leader, felt that the fact that Townley was not called on to enter the campaign until the eve of election was the controlling factor that permitted the Independents to win. Townley had been replaced as League leader in an active sense after the fall election of 1920. Whatever the reasons were, the fact that the Independents were to take possession of the state house on the day before Thanksgiving was apparent. Two events that transpired in the meantime should be mentioned. A suit brought by members of the Non-Partisan League contended that there were more than 5,000 fraudulent signatures on the recall petitions. The suit was brought to the Supreme Court which held that the people had spoken and that the question could not be opened up after the election.

1L. F. Crawford, History of North Dakota, p. 447.
2Fargo Courier-News, November 20, 1921, p. 4.
3Nation Magazine, November 9, 1921, p. 535.
had been held. On October 4 a block of state bonds were sold to Spitzer O'Rourke at a discount that was not advantageous to the state. The ethics of this sale were to become the issue of another campaign.

We can summarize by saying that an initiated measure that encouraged the liquidation of the Bank of North Dakota together with a violent agricultural deflation financially crippled and incapacitated the League program. An audit provided for at the same election exposed practices which in the words of the Nation, a magazine friendly to the League, were described as "looseness of accounting, an absence of real responsibility to the rank and file, and a readiness to embark upon new ventures without the necessary experience and personnel" and which were described in much stronger terms by the house audit committee in its report to the house of representatives. As a result, opposition to the League chose to take advantage of a recently enacted legislative reform, the recall, instead of waiting for the 1922 election when chances of access might be impaired by a party ballot, a senatorial contest, and possible recovery of the League program. The campaign was fought on bitter terms and many foul blows were struck. The eventual result was a narrow victory for the Independents although the people showed that they still desired the League program by turning down the initiated measures that had been designed to curtail that program.

Non-Partisans held that a small vote due to the credit scarce created by the Independents was responsible for their defeat. This is not borne out by the facts. The accompanying table showing the total vote for governor, League vote for governor, Independent vote for governor, and votes cast for

1State ex rel Laird vs Hall, 186 NW 284.

2Nation Magazine, August 1, 1923, p. 102.
other candidates for governor between 1920 and 1928 shows that there were
eleven thousand fewer votes cast in the 1921 recall than in the 1920 general
election. Ten thousand of these votes had voted for the League candidate in
the fall of 1920. However, it must be remembered that 1920 was a presidential
year and that the League candidate was in the Republican column and benefited
by the Republican landslide. The important thing to note is that there were
more votes cast in the recall election in North Dakota than in any subsequent
election until 1928, an exciting presidential year.

Maps depicting the geographical alignment of the two factions in the
elections of November, 1918, and October, 1921, follow.

In 1918, when the Non-Partisan League was at its peak, Mr. Frazier lost
three western counties and six eastern counties. In the recall election of
1921, he lost six western counties and fifteen east-central counties.

One conclusion to be drawn is that the greatest Non-Partisan League
strength was in the western part of the state.

It is of interest to note that the counties in which control shifted
between 1918 and 1921 are almost all counties that were on the eastern fringe
of League controlled territory in 1918. This would indicate that League
power gradually was comparatively weaker in the central part of the state and
weakest in the eastern section.

On the day before Thanksgiving, November 23, 1921, Mr. Nestos delivered
a short inaugural address and assumed the stewardship of state affairs vacated
that day by Mr. Frazier.
<table>
<thead>
<tr>
<th>Year</th>
<th>Election</th>
<th>Total Gubernatorial Vote</th>
<th>N.P.L.</th>
<th>I.V.A.</th>
<th>Other Votes</th>
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<tr>
<td>1920</td>
<td>General</td>
<td>229,606</td>
<td>117,118</td>
<td>112,488</td>
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<td>1921</td>
<td>Recall</td>
<td>218,766</td>
<td>107,332</td>
<td>111,434</td>
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<tr>
<td>1922</td>
<td>Primary</td>
<td>190,703</td>
<td>82,481</td>
<td>93,551</td>
<td>14,671</td>
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<td>General</td>
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<td>110,321</td>
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<tr>
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<td>Primary</td>
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<td>73,000</td>
<td>70,783</td>
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<td>General</td>
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<td>101,170</td>
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<td>Primary</td>
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<td>90,563</td>
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<td>160,264</td>
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<td>Primary</td>
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<tr>
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<td>General</td>
<td>232,222</td>
<td>100,205</td>
<td>131,193</td>
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</table>
Gubernatorial Vote in General Election of 1913

N. P. L. [filled in] Conservative [unfilled]
Chapter III

The Nestos Administration

Some presidents and some governors allow the legislature and party councils to determine policies and make many decisions. Mr. Nestos was not one of these. An individualist not a machine man, he felt the business of a party machine was to get its candidates elected and then allow those candidates to run the government.

He and most of the members of his faction were aware that the public desired that the mill and elevator be given a fair trial. He carried out his campaign pledges making special effort towards getting the mill and elevator finished and towards forwarding the rural credits system of the Bank of North Dakota. Many of his appointees in connection with these enterprises held office for a number of years after Mr. Nestos left office. C. L. Greene, manager of the Bank of North Dakota, W. E. DeNault, head of the credit department of that institution, made commendable records that were an asset to Mr. Nestos in coming campaigns. Some of the very reactionary elements in the Independent group felt that the mill and elevator should be abandoned. Due to general recognition of the fact that the public would not tolerate such action, that feeling did not affect the policies of the administration.

Notice to the rest of the United States that the radical program in North Dakota had been defeated was given by Mr. Nestos in speeches delivered in different parts of the United States in an effort to restore confidence in North Dakota's credit.

The 1922 Campaign and McCumber's Candidacy

In 1898 the legislature of North Dakota had elected Porter J. McCumber United States senator. He was re-elected in 1905, in 1911, and again in 1917.
His first three elections were by the legislature. By 1917 the seventeenth amendment had passed and he was elected by the people. Throughout his political career he was regarded as a partner of Alexander McKenzie and their names were often linked in politics of that period.\(^1\) In 1922 he was facing re-election for his fifth term in the United States Senate. When the Non-Partisan League had entered the first campaign, there was apparently an understanding between the McCumber-McKenzie forces by which the latter promised not to actively oppose the League if the League omitted nomination of any candidate for United States senator.\(^2\) The other conservative candidate, L. B. Hanna, lost as a result of this combination of Leaguers with the McCumber-McKenzie machine. In 1920 the senatorial candidacy of Frank White gained 5,000 votes. As Mr. Ladd’s victory over incumbent Senator Gronna was a matter of 3,815 votes, many felt that the candidacy of Mr. White had defeated Gronna and that that had been the purpose of White’s backers. When McCumber later recommended Mr. White for appointment as United States Treasurer,\(^3\) conservatives generally blamed McCumber for the success of the League candidate, Mr. Ladd. They believed that the League would not oppose Mr. McCumber in 1922.

In the spring of 1922 Mr. Townley, who had turned over the active direction of the North Dakota branch of the Non-Partisan League to the state executive committee, returned to North Dakota advocating that the League cease to put a ticket in the field. His contention was that the League program had failed and that the best way for the farmers to protect their interests was to allow the two major parties to nominate candidates and then endorse the individual

\(^1\)Andrew A. Bruce, Non-Partisan League, p. 240.

\(^2\)J. W. Brinton, Non-Partisan League and Society of Equity, 1916, p. 3;
on file at State Library.

candidates most satisfactory to the farmer. He called his plan the "Balance of Power" plan and went on a speaking tour through the state in its advocacy. In connection with his balance of power plan, he mentioned that he felt that it would be foolish to attempt to endorse a candidate for the senate. There was a feeling among many that this was Townley's end of a bargain made with Mr. McCumber in 1920 when it was thought that Senator McCumber had helped elect Senator Ladd, League nominee, by backing the candidacy of Mr. White. The response to his tour was not encouraging. When the state convention assembled at Fargo, there was little or no sentiment for Mr. Townley's new idea. In the meantime there had been a split in the executive committee of the Non-Partisan League between the moderates and those termed radicals. After the recall election there had been a feeling on the part of many League leaders that perhaps the League had gone too far and that their leaders had been too radical and not efficient enough. This feeling was evidenced by the executive committee of the League who then took charge of League affairs and the League daily newspaper, the Courier-News. The five members of the executive committee were Walter Maddock, R. H. Walker, Ole Kaldor, Christ Levang, and A. A. Liederbach. The majority of the committee composed of the last three named represented the new moderate group. However, within the convention much dissatisfaction was expressed with the leadership of the new group. In order to force the old committee to resign, Mr. Townley resigned as president of the League, and a new executive committee was elected. The members of the new committee were Walter Welford, W. J. Church, Stephen Ter Horst, A. A. Noltringly, and Mrs. A. Fisher. The power of the old guard group as represented by Maddock, Walker, Lemke, and Frazier was apparent in the convention, as a policy of "no promise" was adopted. Townley's desire to have no senator-
ial endorsement was turned down. There was a question as to who the League would nominate for the senate. There was some support for Gronna. However, he had helped the Independents during the recall campaign being himself ineligible. In a speech before the convention Mr. Lemke casually suggested the name of Mr. Frazier. The suggestion aroused favorable comment. Later on the committee on nominations recommended his name and he was overwhelmingly endorsed by the convention. When Mr. Frazier told a group of assembled delegates that he did not have money to make the campaign, one delegate pitched a silver dollar on to the table remarking that "there is my contribution to help nominate Mr. Frazier for the senate". All of the delegates present followed the example of the first one. This incident was described in the campaign speeches of the Leaguers and used to raise campaign subscriptions.

The convention endorsed one of the members of the more radical wing, Bert Baker, as their candidate for governor. Other Leaguers to be nominated were Eric Bowman for Lieutenant governor, H. H. Aaker for Secretary of State, D. C. Poindexter for State Auditor, Obert Olson for State Treasurer, Peter Garberg for Attorney General, S. A. Olsness for Commissioner of Insurance, and W. J. Church for Commissioner of Agriculture and Labor. The convention closed having turned down Mr. Townley's "Balance of Power" plan and having put up a strong candidate to oppose Mr. McCumber in the United States senate.

In April I. V. A.'s held their convention at Jamestown. Supporters of Mr. McCumber were anxious to secure the endorsement of the convention for their leader. However, many of the Independents felt very bitter because Mr. McCumber, whom they knew to be opposed to the industrial program principle of the League, had never fought the League and apparently had dealt with
it. The Grand Forks Herald claimed that Mr. McCumber was responsible for the defeat of the no-party laws initiated by the Independents in 1921. This was probably unjust as there was a feeling among many Independents that this Non-Partisan League would blow over after another election or two and the struggle would go back to the old time feud between Republicans and Democrats. Time has shown how erroneous this conclusion was but nevertheless it was this feeling that kept many Independents from supporting the no-party laws initiated by their own faction. Unfair as it was, it was another in the list of grievances held against Mr. McCumber by the leaders of the Independent faction.

Too, the strategy of the Independents was to get the conservative Democrats to register Republican in the primaries by stressing the point that the issue was state not national. To endorse Mr. McCumber, one of the leading Republican statesmen of the nation, would make it more difficult to get Democratic votes. One other factor entered into the final decision. One of the leading Independents, Mr. O'Connor, had been nominated by the Democrats to run for senator. He had many friends in the convention who felt that if Mr. McCumber could not defeat Mr. Frazier in the primaries that Mr. O'Connor could in the fall.

Mr. McCumber's supporters were asked when they approached the Independents if they would support whoever the convention nominated in case that Mr. McCumber was not chosen. Their negative reply was to be expected but was used against Mr. McCumber in the convention. Seeing that it would be impossible to gain the endorsement of the Independent convention, Richland County delegates and other friends of Mr. McCumber sought to prevent the convention

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1 Grand Forks Herald, April 13, 1922, p. 4.

2 Richland County was Senator McCumber's home county.
from endorsing anyone else. Former Senator Gronna and Justice of the State Supreme Court, A. M. Christianson, were mentioned. Not strong enough to gain the nomination for their leader, Mr. McCumber supporters did succeed in staving off these other candidacies and the convention adjourned without endorsing anyone for the senate.

Apart from the struggle about a senatorial endorsement, the convention was harmonious. It was on a record of efficient administration of the mill and elevator and farm credit program that the Independents planned to gain re-election in 1922. The plan to carry out part of the League program and to use the efficiency with which the program was conducted as the main campaign issue was overwhelmingly endorsed.

In May the candidacy of Harvey L. Stegner for the governorship was announced. Apparently its purpose was to attract votes that would otherwise go to Mr. Nestos. Both Mr. McCumber and the League were credited with the sponsorship of Mr. Stegner. As the campaign progressed, it became apparent that Independents were afraid of Mr. Stegner¹ and that they were not going to vote for Mr. McCumber if he was responsible for Mr. Stegner's candidacy. This feeling prompted Mr. McCumber to deny any connection with Mr. Stegner.²

Mr. McCumber's friends were anxious to have Mr. Burtness, Independent congressman from the first district, support Mr. McCumber in the primaries. Calling him to Fargo the night before he was to give the first speech of his campaign at Mayville, they presented their request. Mr. Burtness replied that he would be glad to support Mr. McCumber but that he felt that Mr. McCumber in return should support Mr. Nestos for governor and give Mr. Nestos

¹Grand Forks Herald, May 17, 1922, p. 4.
²Ibid., June 4, 1922, p. 1.
public endorsement. Mr. McCumber's friends hesitated but Mr. Burtness refused to alter the conditions of his support. After a long session lasting to the early hours of the morning, they agreed to make an attempt to get Mr. McCumber's consent for a statement supporting Mr. Nestos. On the following day Mr. McCumber's unqualified endorsement of Mr. Nestos appeared in the evening papers and Mr. Burtness devoted part of his keynote speech to reasons why Mr. Frazier must be defeated in the primaries if possible at the same time dwelling upon the splendid senate record of Mr. McCumber. However, the group of Independents who had opposed Mr. McCumber because of their friendliness to Mr. O'Connor protested to Independent headquarters that Mr. Burtness's support of Mr. McCumber was contrary to the agreement reached at the Jamestown convention. Mr. Burtness replied that the endorsement was personal and not made in behalf of the Independent organization and continued to make that endorsement throughout the primary campaign. The Courier-News said that Mr. McCumber's endorsement hurt Mr. Nestos's chances with border-line voters.

The no-party laws initiated at the time of the recall campaign had failed. The no-party laws provided that the two high candidates in the primaries should run in the fall and that there should be no party designation for state offices on the primary ballot. This forced Independents to depend on the willingness of conservative Democrats to register as Republicans in the primaries. Every effort was made to bring about that co-operation. Prior to the conventions, a committee composed of fifteen Democrats, fifteen Republicans who were not active in Independent ranks, and fifteen Independents (regularly known as the committee of forty-five) had recommended that both the conservative Democrats and conservative Republicans hold conventions at Jamestown at the same time as the Independent convention. This had been done, and the two other
conventions endorsed the nominees of the Independents. The delegates of the two conventions were generally delegates at the Independent convention as well. The precinct committeemen and machinery of the Republican party was controlled by the Non-Partisan League. The convention of Republicans at Jamestown consisted of that part of the machinery of the Republican party that was under control of the Independents together with voluntary delegates from counties where the party machinery was controlled by the League. The Jamestown convention adopted the title "Real Republicans" contending that the people in control of the party machinery, the Non-Partisan League, did not believe in the principles of the Republican party. The Democratic convention claimed to be the bona-fide convention of the Democratic party nominating a slate of candidates for the primaries which included Mr. O'Connor for United States senator. However, the Democratic convention also endorsed the Independents that were running on the Republican ticket advising support of that ticket in the primaries. In reply to this Democrats who were Leaguers put a slate of their own in the field, purposing to force conservative Democrats to stay at home in the primaries. League Democrats nominated Frank Hellstrom to oppose Mr. O'Connor and L. S. Platou to oppose Charles Simon, the endorsee of the conservative Democrats for governor.

On the 19th of April, a Grand Jury, called for the purpose of investigating the failure of the Scandinavian-American Bank, returned indictments against Mr. Lemke, G. Totten, Lars Christianson, Mr. Lofthus, Mr. Townley, and eight others. These indictments were used by the Independents in the campaign. In a speech delivered at Wilton, North Dakota, entitled "What We Promised and What We Have Done", Mr. Nestos said, "If we consider the situation in Fargo where there were nine banks of which one was a League bank, we find that in
the League bank there was loaned and re-deposited six dollars for every dollar of capital stock and surplus, whereas in the other eight banks which were neutral or Independent, there was an average deposit of five cents for each dollar of capital stock and surplus. In the three League banks in Cass County, the Scandinavian-American Bank at Fargo, the Bank at Prosper, and the Peoples State Bank of Casselton, the Bank of North Dakota had in losses, re-deposits, and overdrafts, $496,519.93, and it is now a well established fact that these moneys belonging to the people of the state were used to supply the needs of the League leaders and their various lines of business till thirteen of those connected with the banks have now been indicted for embezzlement, falsification of records, and other crimes in thirty-six different indictments.1

The result of this contest showed that the Independent plan of campaign was well suited to appeal to the middle ground voters who held the balance of power between the factions. Eight of the Independent candidates were successful by majorities ranging from approximately 4,000 in the case of Frank Hyland, Independent candidate for lieutenant governor, to approximately fifteen thousand and for Mr. Steen, Independent candidate for state treasurer. Mr. Nestos had a majority of eleven thousand for governor, an increase of seven thousand over the recall, in spite of four thousand votes cast for Mr. Stegner and eleven thousand votes that registered as Democrats. Other Independent candidates to win were Mr. Burtness and George Young for congress, Mr. Hall, candidate for secretary of state, George Shafer, candidate for attorney general, and Mr. Kitchen, candidate for commissioner of agriculture and labor. The only successful League candidates for major offices were Mr. Frazier, whose majority

1F. A. Nestos "What We Promised and What We Have Done, delivered at Wilton, North Dakota, September 27, 1922, p. 6.
was something more than ten thousand votes, D. C. Poindexter who captured the state auditor post by a majority of 4,000 votes, and Mr. Olsness, candidate for re-election as commissioner of insurance and the only League candidate originally elected in 1916 to survive in the same office through the 1922 elections.

On the no-party ballot the incumbent I. V. A. attorney general, Mr. Johnson, was a successful candidate for nomination to the supreme court. Prior to 1916 political parties had not openly endorsed candidates for the Supreme Court and other offices that were on the no-party ballot on the theory that the courts were supposed to be non-political. The Non-Partisan League openly and successfully endorsed candidates for the Supreme Court on the theory that although incumbents were not endorsed by political parties, they were of a conservative mold and would always do as the more conservative group wished. From that time until 1922 the Non-Partisans controlled the Supreme Court. During that period there was a definite clash of philosophy between the majority and minority members of the court. Often times court procedure was unusual to say the least and several times the lie was passed between lawyers appearing before the court and a judge sitting on the bench.1 2 Other successful candidates for the Supreme Court in 1922 were Luther Birdzell and District Judge Nuessle.

The philosophy of the two groups on the Supreme Court bench is best described by two of the chief participants in the struggle in the Central Law Review.


Independent administration would carry out the League program had been successful due to the fact that the Independent administration was making a sincere attempt to do what they said they would do. Partly because they wished to make their intention more apparent and partly because they were making a sincere effort to carry out the rural credits program of the Bank of North Dakota, the Independents initiated a law providing for the issuance of bonds up to ten million dollars to finance that rural credits program. This measure was overwhelmingly endorsed by the people.

The reasons for the election of Mr. Frazier as the Republican nominee was that no organization was behind his opponent. Mr. McCumber found all of the League votes, which he had depended on, solid for Mr. Frazier and he had too long delayed opposition to the League to command organized conservative support. Too, Mr. Frazier had been turned out of office in 1921 disgraced by the title "the only recalled governor in the United States". Since then not one trace of political corruption had been found that with which Mr. Frazier had been connected. No indictments had been returned against him and as a result there was a tendency to make a martyr of him. Mr. McCumber’s national prestige seemed to carry little weight with North Dakota farmers to whom Frazier’s name was a symbol of their organization. In the opinion of the writer, Mr. Frazier could not have been re-elected governor against Mr. Nestos in 1922. It is not likely that he could have been elected to any office in the primaries where he had to face a strong candidate sponsored by the Independents. Independents had relied on Mr. O’Connor, the Democratic candidate, as a second line of defense. They had refused to endorse Mr. McCumber because he had not helped them in the campaigns of 1918, 1920, and 1921. They could hardly have successfully endorsed anyone else because of Mr. McCumber’s friends and the
split conservative vote that would result.

After the primaries were over, League leaders decided to place a new ticket in the field for the fall campaign. Mr. Lemke was endorsed for governor showing that the radical wing of the League was still in power. Part of the strategy of the League leaders was to initiate a new grain grading act. The original grain grading act passed by the 1919 legislative assembly was declared unconstitutional in a decision given by the United States Supreme Court in February, 1922.¹

It was held unconstitutional on the ground that "a state cannot lay burdens on interstate commerce in the guise of police regulations to protect the welfare of her people."

Justice Brandeis wrote a dissenting opinion in which he said, "To strike down this inspection law, instead of limiting the sphere of its operation, seems to me a serious curtailment of the functions of the state and leaves the farmers defenseless against what are asserted to be persistent palpable frauds. As long as congress has not legislated in this respect, the state should be allowed to exercise its police power in order to protect sellers."

Justices Clark and Holmes concurred with the minority opinion.

It had never been in operation because when its constitutionality was attacked in what was known as the Embden case, an injunction had been granted restraining the state from enforcing the law until its constitutionality had been established. One of the big reasons why a new grain grading act was initiated in 1922 was that Mr. O'Connor, Mr. Frazier's opponent, had been one of the attorneys who had originally brought the suit questioning the constitutionality of the first grain grading act. Initiating a new law created an

¹Lemke vs Farmers Grain Company, 258 U. S. 50.
opportunity to speak of Mr. O'Connor's connection with the Embden case and made a campaign issue of it. The conservative Democrats had been victorious in the Democratic primaries. Soon after the new League ticket headed by Mr. Lemke was announced, these Democrats withdrew from the fall campaign (except the three opposing the League Republicans that were victorious in the primaries) to make the issue clean cut and prevent any splitting of the conservative vote.

Mr. Lemke's house built by the Homebuilder's Association and the fact that his name was in neither of the major party columns definitely weakened his candidacy and he, together with the rest of the new candidates, was severely defeated. His candidacy together with the other fall endorsees of the League strengthened the candidacy of Mr. Frazier. It is doubtful if Mr. Frazier could have defeated Mr. O'Connor who had the backing of both Democrats and Independents if it had not been for the fact that the League had a full ticket in the field. All of the primary nominees of the Republican party (both Independent and Non-Partisan) won in the general election.

Several incidents of the campaign are worthy of mention. To prove that they were successfully operating the mill, the Nestos administration made every effort to have it operating before the fall election. On October 30 (just eight days before the election) the mill was formally opened. A Canadian by the name of Austin was selected as manager; C. L. Spencer was selected as miller, and B. L. Simmons was selected as elevator man. On the opening day some flour was ground. Non-Partisans charged that the flour was milled elsewhere and poured into the hoppers of the mill. Then, they alleged, the machinery was started to make the flour run out. This was vigorously denied by Independents and was likely untrue. There is no question, however, that the mill was not ready for operation and that the opening had been held when it was for its
political effect.

Senator McCumber supported Mr. Frazier in the fall. His Republicanism was of too long standing to permit him to support a Democrat and he no doubt felt that Mr. O'Connor had played a part in preventing the Independents from endorsing him in their Jamestown convention. Senator LaFollette, senior, gave one speech for Mr. Frazier.

The Independents revived the I. W. W. issue by printing a facsimile of a letter from one I. W. W. to another stating that "Lemke and Frazier were with us". The influence of the Ku Klux Klan was beginning to be felt and a slight amount of prejudice entered into the campaign. Theodore Nelson, secretary of the I. V. A., attributed the defeat of Mr. O'Connor to religious prejudice. This is probably an exaggeration. Other factors entered into the campaign. The fact that the initiated grain grading act carried by almost a hundred thousand vote majority illustrates the popularity of this type of legislation. It is likely that resentment due to Mr. O'Connor's part in having it declared unconstitutional played a large part in defeating him. Then, too, it must never be forgotten that Mr. O'Connor was on the Democratic ticket in a Republican state. If five percent of the Independent Republicans voted a straight Republican ticket, it would be enough to defeat Mr. O'Connor.

By virtue of having cast more than five percent of the total votes cast in the general election, it would be possible for the Non-Partisans to enter as a third party in the 1924 primaries if they so chose. This privilege was never taken advantage of by the League.

As a result of the fall election, the Independents gained control of both houses of the legislative assembly for the first complete conservative control.
of that body since 1915 when the original terminal elevator plan had been de­feated by stubborn conservatives resistance.

The 1923 Legislative Assembly

As the legislative assembly gathered, speculation was rife as to what
the program of the Independents would be now that they had control of the
executive, legislative, and judicial branches of the state government. The
governor's message was awaited.

Governor Nestos asked for a measure to give all state officers four year
terms and state senators eight year terms. Included in this bill he wanted
provisions which would reduce the number of senate members to thirty and the
number of house members to seventy-five. He asked that non-political boards
be created to govern the bank and mill stating that the distance from Bismarck
to Grand Forks made management of the mill difficult. He asked for a revolv­ing fund for the farm loan department and abolition of the private deposits
department for the Bank of North Dakota. Another part of the League indus­trial program, the Homebuilding Association, he wanted permission to liqui­date. In regard to taxes, he requested legislation shifting the burden of
taxes from land which he felt was taxed too high to improvements. He asked
that a law making possible the private construction of college dormitories be
passed. Other parts of his speech included requests for a grain grading law
that would be constitutional, separation of the Board of Administration into
two boards (one for educational institutions and the other for other state
institutions), amendment of the Workman’s Compensation Act and Modification
of the Mine Inspection Act.

His request for four year terms was embodied into a bill and sent to com­mittee. The committee decided that because elections were necessary every two
years to elect congressmen and senators that no economy would result and re­ported the measure adversely. A board of directors for the mill and elevator was created. Most of the other major requests of Mr. Nestos were embodied into law although the board of administration, the Workmen's Compensation Act, and the Mine Inspection Act were not altered. Three legislative events were destined to definitely hurt the popularity of Mr. Nestos. The shifting of taxes from land to improvements lowered farm taxes and raised city taxes. Farmers regarded this as no more than their due and expressed little appre­ciation. City people who bore the blunt of the increased taxes thought it thankless of Mr. Nestos to repay them for their support by increasing their taxes. Mr. Nestos's veto of the appropriation for the Bottineau Forestry School on the ground that it was not serving the purpose for which it was created and his veto of the appropriation for a bridge across the Missouri at Williston, North Dakota, created local antagonism that was to cost him many votes in the coming election.

Three measures passed by the 1923 legislative assembly, a non-party bal­lot law(similar to the defeated initiated law of 1921), a law providing for the election of committeemen in March, and a law relating to taxes on bank stock were successfully referred by the League in the presidential primary of 1924. The struggle for and against the no-party laws was a struggle for political advantage. The Courier-News said that the laws would kill the Republican party. Actually they meant that the laws would permit conserva­tive Democrats to vote for conservative Republicans and visa versa without sacrifice of party regularity thus making it more difficult for the League to win elections.

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1 Fargo Courier-News, March 21, 1923, p. 4.
League Changes

The heart of the Non-Partisan League was the Fargo Courier-News. The Courier-News was being edited by a moderate Leaguer named John Andrews. Technically, title was held by Mr. Lemke, Mr. Townley, and Mr. Wood. The Courier-News had been hard pressed financially as business did not care to advertise liberally in a League publication. Twice sale of the Courier-News by those holding its deed had been prevented only by intervention of Mr. Lemke. At a meeting of the Non-Partisan League held during the legislative session of 1923, there had been a demand on the part of many Leaguers that the ownership of the Courier-News be turned over to the executive committee of the state Non-Partisan League. This demand was quieted when in a speech before the assembled group Mr. Lemke promised that the paper would not be sold without an opportunity being given the state organization to assume the control and the obligations of the paper. On April 17, 1923, the paper appeared as usual there being no indication that it would not be published the following day. No issue of the Courier-News was ever mailed to subscribers again. The paper was suddenly sold. Just before it went to press on April 18, the new owner took possession and destroyed the current issue. He consolidated the paper with his own, a small conservative daily.

Great indignation was felt by many Leaguers. The resentment turned on Mr. Lemke who had promised the League there would be no sale. It developed, however, that Mr. Townley and Mr. Wood assumed the responsibility for the sale stating that Mr. Lemke, a minority stockholder, had not been consulted. Their reason for speed and secrecy, they said, was that the paper was so badly in debt that if news of the sale got abroad the sale would be queered by the actions of the creditors.
John Andrews started a new League weekly entitled "The Progressive". This was short-lived, but while it lived, Mr. Andrews devoted most of the space to condemning what he termed the "rule or ruin" policies of those that made the sale. He asserted that at the time of sale, the Courier-News was making money and that it was because the old leaders of the League were jealous of the new leaders that the publication had been killed.

By the time of the 1924 elections, the Non-Partisan League had ceased to be an active year round organization. The National organization had dissolved and the state organization was leaderless, wandering, and broke. However, the sentiment and point of view created by the League still existed throughout the state and what organization there was was planning for the coming primaries. There was a strong feeling by many of the moderates that only a business man could win enough of the middle-ground votes for the League to bring about election to office. In the meantime a former supporter of Mr. Nestos, Lars Siljan, had broken with Mr. Nestos and was looking around for someone who had the necessary qualifications to both receive the nomination and win the election. It could not be a man who had ever actively opposed the League, yet it must be one who could call himself a businessman and by the magic of the name dispel the lack of confidence that existed in regard to the leadership of the League. Mr. Siljan found such a man in A. G. Sorlie of Grand Forks. He immediately began to groom him for the Non-Partisan League gubernatorial endorsement. It was discovered that Mr. Sorlie had taken a friendly attitude towards the mill and elevator and that he had in many ways shown his sympathy with the League although not actually a member. However, the League left-wing did not give in easily to an abandonment of further expansion of the industrial program. Both Walter Maddock and Bert Baker were mentioned as candidates, and
it was only after the old-timers came to believe that Mr. Sorlie could solve the financial problem of the League if he were nominated that the League left-wing permitted Mr. Sorlie's nomination. Later during the campaign it developed that there had been a misunderstanding. Mr. Sorlie financed only his own campaign and the financial problems of the League were left for the Leaguers to solve. This one factor created bitterness that justly or unjustly hounded Mr. Sorlie until his death in 1928. It was felt that Mr. Sorlie had wrested the nomination from Mr. Maddock by unfair means and Mr. Sorlie was never forgiven.

The overwhelming victory received by Mr. Nestos in the fall of 1922 had seemed to remove forever any danger of a return to the industrial program. It was the industrial program of the League that had occasioned the development of the machine known as the Independent Voters Association. The Non-Partisan League had been active the year around. In order to combat it, the I. V. A.'s had to develop a machine just as active. As the League disintegrated and the threat of the industrial program died, the need for an active Independent organization disappeared. The Independent headquarters found it hard to raise money and keep interest alive when there was no enemy to shoot at. As a result during the year 1923 there was a gradual disintegration of the Independent organization. The secretary, Theodore Nelson, who had engineered the organization and been its tactician resigned. Up until July, 1924, a small monthly magazine known as the Rural Independent was issued by Matt Johnson. However, it must be remembered that in the 1924 campaign, there was not a battle of two complete political machines like those that had occurred in previous campaigns. The general feeling among Independents was evidenced by a statement in the Grand Forks Herald that the "Non-Partisan League is hardly
more than a memory". Few thought that the Non-Partisans could revive to the extent necessary to win an election.

Mr. Sorlie conducted his campaign on the mill and elevator issue. He contended that although Mr. Nestos was doing his best, it was impossible for him to do well with the mill and elevator because Mr. Nestos was not in sympathy with the idea and was convinced that it would fail. The mill had earned money and if depreciation and interest were not figured had made an operating profit. However, when interest and depreciation were figured, the mill had shown a substantial loss under the management of Mr. Nestos. Mr. Sorlie declared that this loss could be removed if the management of the mill was placed in the hands of a businessman who believed in the theory of a state-owned mill and elevator.

The campaign was not exciting and there was no great enthusiasm on either side. A third candidate for governor, I. J. Moe, entered the race. He was said to have a personal grievance against Mr. Nestos.¹ His subsequent appointment as highway commissioner by Governor Sorlie was interpreted by many as evidence of a deal between Mr. Moe and Mr. Sorlie. Be that as it may, the five thousand votes garnered by Mr. Moe were just enough to defeat Mr. Nestos. Most of Mr. Moe's five thousand votes were town votes in and around Valley City (an Independent section of the state), and most politicians conceded that his votes were mainly votes that otherwise would have been cast for Mr. Nestos.

Mr. Sorlie defeated Mr. Nestos by 2200 votes. The result was a surprise to everyone. Lack of interest and over-confidence by Independents, local disaffection in the city of Bottineau and in Williams County because of legislative vetoes by Governor Nestos, local popularity of Mr. Sorlie in Grand Forks.

¹L. F. Crawford, History of North Dakota, p. 455.
County, the influence of the Ku Klux Klan which thrown towards Mr. Sorlie, the national insurgent movement of Senator LaFollette, the discontent of labor, the national demand for farm relief, Ingh Moe's candidacy, higher taxes in cities due to acts of Mr. Nestos administration, the disintegration of the Independent Voters Association, the fact that Governor Sorlie was a business man of whom the business interests of the state were unafraid, and disaffection among Independent ranks due to disappointed office-seekers and to the "middle of the road" policy of Governor Nestos all contributed to the political upset. It is difficult to weigh these factors as to relative importance. However, it is safe to say that the absence of any two of those factors would probably have assured the election of Mr. Nestos. The last mentioned point, disaffection among Independent ranks, was due to the element in the faction who wished to destroy the industrial program more completely. Too, Mr. Nestos had shown political courage in refusing to re-deposit state funds in North Dakota banks during the time he was in office. This had saved the state from huge losses because of bank closings during the nation wide agricultural deflation. However, it had not increased the popularity of Mr. Nestos with some of his backers. When Governor Sorlie definitely promised not to expand the industrial program further, these groups became very indifferent as to who won the election. Many Independent votes were cast for Democratic candidates in the fall election, but all of the nominees of the Republican primaries were elected in November.

The successful candidates who were endorsed by the Non-Partisan League included Mr. Sorlie, governor-elect, Mr. Maddock, lieutenant governor-elect, Robert Byrne, secretary of state-elect, C. A. Fisher, state treasurer-elect, Mr. Olsness, incumbent commissioner of insurance, and J. Sinclair, congress-
man-elect of third district.

Successful Independent candidates were Mr. Burtness who defeated Mr. Welford, congressman of the first district, Mr. Hall who defeated Gerald P. Nye in a close race for the position of congressman from the second district, John Steen, state auditor-elect, Mr. Shafer, attorney general, and Mr. Kitchen, commissioner of agriculture and labor.

One phase of the North Dakota campaign was the distrust of Mr. Sorlie created by his hesitation in endorsing Mr. LaFollette. The rank and file of the Non-Partisan League were for Mr. LaFollette, insurgent candidate for president of the United States. They expected Mr. Sorlie to openly support Mr. LaFollette. Mr. Sorlie's position as head of the Republican party in North Dakota and his own private convictions caused him to hesitate in giving such endorsement. It was only after the LaFollette men of the state had put a great deal of pressure upon him that he declared against Mr. Collidge and for Mr. LaFollette. Sorlie's support of Mr. LaFollette was used by Independents as justification for voting for Halvor Halvorson, Democratic candidate for governor.

The Non-Partisan League gained control of the lower house of the legislature but failed by one to capture the senate.

In January, 1925, a new Non-Partisan League took office. It was no longer the militant sponsor of an industrial program but from this time until 1932 was an expression of a class consciousness that had been developed during the years the League had existed and which was expressed by voting for the candidates indorsed by the farmers organization. The votes cast for the Non-Partisan League were not an expression of continued confidence in the industrial program but an expression of a general confidence on the part of the farmers
that the candidates of their own organization would generally be more friendly to the farmer's interests than the candidates of the opposition.
Chapter IV

The Sorlie Administration

Besides having forsaken an expansion of the industrial program, there were several differences between the Sorlie administration and previous Non-Partisan administrations. The Sorlie administration was not in control of either the senate or the industrial commission. The Independents had a majority of one in the senate and Mr. Shafer, attorney general, and Mr. Kitchen, commissioner of agriculture and labor (both Independents) constituted a majority of the industrial commission. Governor Sorlie was by temperament and calling more conservative than the original leaders of the Non-Partisan League. There was a factional dispute within the Non-Partisan League so bitter that at times the minority faction cooperated with the Independents. In spite of the fact that Mr. Maddock, a representative of the minority faction, had been endorsed and elected to the post of lieutenant governor.

Governor Sorlie had conducted his campaign on the issue that he could make the mill and elevator pay. In order to give him a free hand, the Independent board of managers and the manager, Mr. Austin, resigned upon Sorlie's inauguration. Under the law the mill was still under the control of the industrial commission. Governor Sorlie requested the Independent members of the industrial commission for complete control of the mill. To his surprise they willingly acceded to his request cooperating in getting enabling legislation through the Independent controlled senate. The strategy of the Independents in this case was to give him every opportunity to make the mill succeed. They felt that economic conditions made impossible profitable operation of the mill and saw that giving Mr. Sorlie an opportunity to make good his promise would later give them an opportunity to discredit Mr. Sorlie. However, the Independent
majority of the industrial commission refused to give up control of the Bank of North Dakota or to permit the mill to borrow from the bank.

Sorlie’s recommendations to the legislature were of a mild non-controversial nature. This was characteristic of his subsequent administration which was so calculated as to offend as few elements as possible and the course of which was changed often to avoid controversy within his own party and with the opposition. His recommendations were: First, for four year terms for state officers and one legislative session every four years; second, for zoning of hail rates (a conservative step which would please the eastern part of the state and displease areas in the western part of the state where hail losses were frequent); third, establishment of a state radio station to advertise North Dakota; fourth, turn assets of closed banks over to Bank of North Dakota which would issue certificates of proof of claim to depositors; and fifth, make negotiable grain receipts of Grand Forks terminal elevator.

Many bills to recompense depositors in closed banks were introduced. Some of the banking legislation was so extreme as to provide by a gigantic bond issue for state reimbursement of all depositors in closed banks. The Independent majority of one in the senate is all that prevented much of this legislation from passing. Conservatives so desperately needed this slim majority that one legislator stayed at Bismarck when his son was ill and not expected to live. Part of the radical legislation introduced by Leaguers was an attempt to lay a program of revolt to be used against Governor Sorlie in the 1926 election. The radical program in the legislature was a direct result of Governor Sorlie’s failure to be radical enough to satisfy the old-time Leaguers in the senate. The house members who were affiliated with the League for the most part repre-
sented the moderate Leaguers. It was in the senate where most of the discontent with Governor Sorlie lay. In order to force Independents to cooperate in passing some of the radical banking legislation, Leaguers threatened the state fair and educational institution appropriations. Independents retaliated by threatening the appropriations for bridges across the Missouri in the western part of the state. One move blocked the other and the League legislation was defeated. No important bills were vetoed and the legislative session closed with two chief results. The radical banking legislation had given Independent politicians a talking point for maintenance of an active opposition to the League and old-time Leaguers had their hatred, disgust, and lack of confidence in Governor Sorlie increased instead of minimized. The one important change in the League industrial program was House Bill 94 which abolished the mill board of managers and placed the new mill manager, C. L. Spencer, under the personal direction of Governor Sorlie.

The second North Dakota Grain Grading Act to be declared unconstitutional was so declared on May 4, 1925. The grounds were similar to those in the Lemke vs Farmer's Grain Company Case.

The Senate Vacancy

In 1920 the Non-Partisan League had been successful in electing its candidate, Mr. Ladd, to the United States Senate. In 1922 they were successful in sending Mr. Frazier to take the place of Mr. McCumber giving the Non-Partisan League the honor of choosing both senatorial representatives from North Dakota. From the viewpoint of conservatives it was not only unfortunate but very distasteful to dwell upon. Both Senators Ladd and Frazier had supported

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1 Shafer vs Farmer's Grain Company, 268 U. S. 186.
LaFollette in 1924. To the regular conservative Republicans, this was too much. The administration stripped them of their patronage giving it to Mr. Burtness, Mr. Hall, and Mr. L. B. Hanna. Consequently it was with no little relief that the failure of the legislative statutes to give the governor appointing power in case of a senate vacancy was discovered shortly after the death of Mr. Ladd in May, 1925.

Before the passage of the 17th amendment, practically all state legislatures had enacted legislation permitting governors to fill senatorial vacancies by appointment. Most attorneys agreed that the passage of the 17th amendment providing for popular election of senators nullified any right of the governor to appoint until legislatures should expressly grant that power again. On the basis of this contention, one man had been refused admittance to the senate until the governor appointing him called a special session of the legislature to grant him the appointive power.

Independents were gleeful over the prospect of a special election. Candidates were mentioned. Independents that were considered were Mr. Hanna, Mr. Nestos, Mr. Burtness, and Mr. Jud La Moure. Non-Partisans mentioned included Mr. Bronson, Mr. Sinclair, Frank Vogel, Mr. Hagen, Ralph Ingerson, Mr. Olsness, Seth Richardson, Mr. Lemke, and Judge Graham.

The Non-Partisan League demanded the right to dictate the name of the nominee. At a convention held in Bismarck on July 7, the League agreed that the right to select the senator belonged to the League. However at another meeting held on July 22, friends of Mr. Sorlie persuaded the convention to leave the choice of senator to him. The League in their resolution granting him this power stipulated only that he appoint a real progressive. Mr. Sorlie was in no hurry to make the appointment. The very thing(fear of dissension within the
League) that had caused the July 22 convention to delegate the power to Mr. Sorlie made appointment difficult. The months of August, September, and October slipped past. It is possible that the immunity from political attacks by his own group that automatically resulted from his power to appoint was a factor in the delay.

In the meantime Senator Moses of New Hampshire communicated with the governor informing him that he had polled a large number of the senators and had come to the conclusion that no man who was appointed would be seated, because it was felt that the governor did not have the legal right to appoint. This seemed to make a special session of the legislature or a special election necessary. Mr. Sorlie's response that such steps would be too expensive and that North Dakota could better afford to get along with one senator than pay the cost of an election. On November 7 he called for a special election to be held on the date of the following primary election, June 30. This was taken by most people to indicate that no appointment would be made and that North Dakota would have but one senator through the coming session of congress.

A great deal of criticism within League circles resulted. Perhaps the most blistering criticism was an editorial in the Griggs County Sentinel Courier, a weekly edited by Mr. Nye. On November 13 a group of Leaguers including Judge Graham, F. A. Vogel, Nye, Elmer Cart, S. A. Olness, and Alfred Dale who were in session at the Patterson Hotel to discuss the financial problems of a League weekly, The North Dakota Non-Partisan, invited Governor Sorlie to attend. He was presented with reasons why the assembled group felt that a senator should be appointed. By not having a senator through the winter term,

1Literary Digest, December 5, 1925, p. 13.
2Griggs County Sentinel Courier, November 12, 1925, p. 2.
the Non-Partisan League was insuring the selection of an Independent senator in the June primaries they argued. Even if the appointee was not seated, the League case for the special election would be strengthened was another contention. After considering the arguments, Governor Sorlie finally consented to make the appointment. He asked the group present to write on unsigned slips of paper their first and second choices for the appointment. Retiring to an adjoining room to consider the ballots, his only statement to the group then present was that he wanted to sleep on it and that he would make the appointment at nine o'clock the following morning.¹

On November 14 the appointment of Mr. Nye was announced. The selection was a surprise to most people. He had been an active member of the League and one of the strong LaFollette men in 1924. However, he had not been prominent in a state wide sense although he had been defeated by a narrow margin in a race for congress in the second district. His comparative newness to the political scene is probably one reason that Governor Sorlie selected him. The fact that he had not been of state-wide prominence made for freedom from political enemies. His appointment did not cause as much dissension in the League as an appointment of a more prominent Leaguer would have. Prominent men have told the writer that Mr. Sorlie told them that he did not think that an appointee would be seated. If the governor felt the appointment worthless, it is entirely possible that the appointment was an answer to Nye's editorial that so strongly criticized the governor. That the governor was himself ambitious to be senator was commonly known. The appointment of a comparative unknown precluded much possibility of the subsequent election of that appointee clearing the way for the election of some other Leaguer. In justice to Gov-

¹From interviews with a prominent Leaguer.
error Sorlie it should be stated that he contributed heavily to the fund that kept Mr. Nye in Washington while waiting to be seated.

An active supporter of LaFollette, Mr. Nye in 1924 had little chance of gaining the support of administrative forces in the senate. A committee of North Dakotans representing the Real Republicans who had supported Coolidge in 1924 sent a telegram to Washington stating that Mr. Nye was not a Republican but a left-wing supporter of LaFollette. They demanded that administration Republicans refuse to seat him and refuse to accord him party privileges if seated. This action precluded any possibility of Coolidge support. At that time in the senate the Republican majority in the senate was ineffective because of insurgent Republicans who consistently voted with the Democrats. It was largely by means of a combination of these two groups that Mr. Nye was seated by a vote of 41 to 39. The fight over the seating of Mr. Nye had given him a great deal of publicity and had caused his name to be a household work in North Dakota. It gave him such prominence that in 1926 he was endorsed by the League and returned to the senate.

The Nye appointment and the "middle of the road policy" of Governor Sorlie had so aroused the radical group of the League that prior to the February convention of that party they openly threatened a third faction if Mr. Nye and Mr. Sorlie were re-nominated.

Elections of 1926

At the Non-Partisan League Convention in February the discontent proved to be chiefly among the leaders. The grass roots (precinct meetings and county conventions) proved to be well satisfied with the status quo. It is important to note that Mr. Sorlie's attitude to the industrial program was almost identical with that of Mr. Nestos's. Mr. Nestos favored continuation of the mill
and elevator and Bank of North Dakota. So did Mr. Sorlie. Mr. Nestos favored no expansion of the industrial program. Neither did Mr. Sorlie unless the people expressed a demand for such expansion. This policy when used by Mr. Nestos offended the right wing of his group. When it was used by Mr. Sorlie, it offended an equally small part of his group. The great majority of Leaguers were satisfied with Sorlie's administration. They were in favor of Mr. Nye for senator because of the enemies he had made at Washington. The choice of Mr. Sorlie and Mr. Nye by the convention caused a schism in the League. State Senator Ingerson and Mr. Lemke led the new movement which they termed "The Farmer-Labor party.

This split in the League seemingly augured well for the chances of Independents. Actually it meant little as the schism proved to be a schism of leaders only. The rank and file of the League remained undisturbed. Independent leaders aware of sentiment for Mr. Sorlie were not anxious for the Independent nomination for governor. The nomination was given to Major Hanley, a man who had not been recently politically active and who was unaware of the state of public opinion. The platform of the Independents in 1926 included a plank advocating liquidation and sale of all state-owned industries. The Independents nominated Mr. Hanna for senator to oppose Mr. Nye. Former Governor Hanna was so closely associated in the people's minds with the conservative defeat of the terminal elevator plan in the legislative assembly of 1915. His nomination together with the mill and elevator plank offended thousands of voters who had always supported the Independent ticket when convinced that it would be moderately progressive but who would not support the Independents when they gave any evidence of reaction or hide-bound conservatism. These voters, the border-line group, held the balance of power in North Dakota. In 1926 they
completely swung to support of Mr. Sorlie who promised what they wanted, a moderately progressive government.

Mr. Nye received a majority of all votes cast in the Republican column in the primary election administering an overwhelming defeat to Mr. Hanna and C. P. Stone, a third party candidate put up by the anti-prohibition forces. Governor Sorlie just as decisively defeated his opponent Mr. Hanley. This Non-Partisan victory was in spite of the fact that to secure the Democratic vote, the Independents had endorsed such Democrats as T. J. Kelsh, Nick Nelson, Dr. E. T. Hegge, Wm. O'Leary, and J. L. Harvey for state offices. This attempt to get the primary Democratic vote into the Republican column by fusion was not so successful as had been less strenuous attempts of former campaigns. The Independent candidate polled 5,000 votes less for the office of governor than had the Independent candidate in 1924. All incumbent officers (both Independent and Non-Partisan) were returned to office. Nothing shows more clearly than this that the voters were satisfied with the present regime and that they were not particularly excited over campaign issues. The outcome of the fall campaign was conceded in advance and aroused little interest. Four opposing candidates to Mr. Nye garnered less than 50,000 votes to Mr. Nye's 107,000 and Governor Sorlie received a hundred thousand majority over his single Democratic opponent.

One significant event was the withdrawal of Minnie J. Nielson, colorful anti-Leaguer of past campaigns, from the race for state superintendent. Her key position on the Board of University and School Lands and on the Board of Administration had enabled her to effectively oppose Governor Sorlie and prevent him from controlling those boards. Two candidates, John Bjorlie and Bertha Palmer, actively opposed one another for the office that Miss Nielson
had vacated. Governor Sorlie actively supported Miss Palmer and felt that the credit for her election by a majority of little more than 5,000 votes was due him.

One result of the campaign was the capture of both houses of the legislature by the Independents. Never during Governor Sorlie's years as governor did he have a friendly legislature.

Following the 1924 election in which moderate Leaguers had grasped control of the state machinery, an editorial appeared in their official publication pleading for harmony within the League and admitting that the League extremists were "the spark plug of the organization." Following the 1926 election, the victorious moderates again made a plea for harmony by inviting the progressives to their victory banquet. That this assuaged the burning bitterness in the hearts of Dave Hamilton, Dell Patterson, and other old-time Leaguers seems unlikely in the light of subsequent events. One national result of the by-elections of 1926 was to so reduce the Republican majority in the senate that the votes of Mr. Nye and Frazier were needed to help organize that body. As a consequence their patronage was restored to them.

A Regular and A Special Legislative Session

John Carr of Jamestown was named speaker of the house and Walter Bond, president of the senate. In an attempt to retain some of the power customarily granted the lieutenant governor, Mr. Maddock offered to give the committee chairmanships to Independents. This proposal was refused and the committees were selected by a committee of Independents.

1North Dakota Non-Partisan, December 2, 1924, p. 4.
The legislative session for the most part was quiet with few controversial measures. The fact that the legislature was Independent and the governor Non-Partisan made unlikely the passage of any controversial legislation if it were introduced removing one incentive for introducing factional legislation.

Evidence of the schism within the League first became apparent when Dave Hamilton and Dell Patterson, League extremists, requested in the senate that an investigation of Governor Sorlie’s administration of the mill be made. Immediately upon passage of the amendment which passed by a coalition of radical Leaguers with the Independents, the investigating committee of three members was appointed. Outsiders were surprised when the Independent controlled senate selected two prominent Leaguers and only one Independent to serve on the committee. Independents reasoned rightly that any criticism of mill administration from Leaguers would have a much more damning effect than the same criticism if made by Independents. The three members of the committee were Mr. Hamilton, Non-Partisan of McHenry County, Lars Frederickson, Non-Partisan of Nelson County, and Walter Schlossler, Independent of Grand Forks. At the close of the session, this committee brought in a report stating that the mill ought to be taken out of the hands of the governor because of inefficient administration. How complete at the hands of his own party a repudiation this was may be seen when it is remembered that in 1924 Governor Sorlie had captured the election by condemning the Independent administration of the mill and promising to make it pay. It was this report that was to result in a special session of the legislature which will be discussed later.

Two radical measures introduced by the League would have established branch banks of the Bank of North Dakota and township credit associations.
Both of these were defeated by the Independent majorities. One Independent measure to remove the clause in the law making hail insurance automatic unless the farmer requested release was vetoed by Governor Sorlie. Another Independent measure vetoed would do away with party registration of voters. This would have made party switching in primaries easier. Significant, in that it pointed out the waning influence of Governor Sorlie in party councils, was a meeting of Leaguers held in the latter part of January, 1927, which Governor Sorlie did not attend. The legislative session closed with the elements bent on discrediting Governor Sorlie apparently succeeding.

Through the summer months Governor Sorlie was surprised to find another defection. At a meeting of the board of University and school lands, there was a controversy as to who was to be the commissioner of school lands. Miss Palmer voted for W. E. Byerly of Velva, the choice of the Independents. Governor Sorlie felt this to be politically ungrateful. A verbal tiff resulted which permanently destroyed any possibility of cooperation between Governor Sorlie and Miss Palmer. This made it impossible for Governor Sorlie ever to achieve his hope of gaining control of the board of administration as the ex-officio members (commissioner of agriculture and labor and superintendent of public instruction) were now definitely aligned with the Independents.

Throughout the summer politicians were using the results of the mill investigation to discredit Governor Sorlie. He was still politically ambitious and, in order to counteract the adverse propaganda, decided in November, 1927, to issue a call for a special session of the state legislature to be held in January, 1928. Mr. Sorlie had done a good deal for the League at different times in the way of financial aid. He had successfully carried it through two campaigns. He felt that in gratitude the bulk of the League legislators, when
called into special session, would defend his administration of the mill.

His call for the special session did not specify the purpose. In his message to the assembled legislators he vaguely spoke of a terminal elevator at Fargo and stated that the mill should not be expected to meet interest and depreciation charges. He also presented a check from the mill and elevator association to the state for the amount of $160,207. This amount represented the operating profits of the mill during one of the years it had been under Governor Sorlie's administration.

Among the legislators (both Non-Partisan and Independent), there was a general feeling that the session was unnecessary and criticism of Governor Sorlie went practically unanswered by the men that he had expected to defend him. Mr. Sorlie himself was not an experienced politician. Such political ingratitude was beyond his understanding. A joint committee was appointed to consider the report of the mill investigating committee. The three charges that had been presented by the investigating committee were:

1. Cost of wheat milled as compared to wheat purchased is too high to permit mill to compete with other mills on a cost milled basis.
2. Policy of selling flour at cost of materials and transportation indefensible.
3. Utter lack of cooperation between the buying and selling officials of the mill. Purchases and sales not co-ordinated.

Mr. Spencer, the mill manager, was called before the committee and presented with the three charges. To the first one he answered, "Yes". To the second one he responded, "I won't defend it". To the third one, he admitted the "substance" of it. Not a legislator arose to defend the Governor. Scarcely a mitigating circumstance was presented to the committee. In desperation Mr. Sorlie appeared before the committee, admitted that the purpose of the session was to clear up the insinuations about the mill management, said that the facts
he had recited to the legislature were a vindication of himself, and indicated that adjournment of the legislature would be advisable. Adjournment was taken but not before the joint committee consisting of twenty Independents and fourteen Non-Partisans had held the special session unjustified by an unanimous vote. The senate approved the action of the committee by a vote of forty-three to six. The forty-three senators that voted to approve included eighteen Non-Partisans and twenty-five Independents. The house voted eighty to thirty to accept the report of the committee. The eighty house members that voted to approve the committee’s report included twenty Non-Partisans and sixty Independents.¹ The senate had always been the center of League opposition to Mr. Sorlie and it was in the senate that he received the most complete repudiation. The repudiation was justifiable perhaps because Mr. Sorlie’s campaign pledge to the League and to the state was that he would make the State Mill a paying business proposition. After he had been in office for two years, the mill showed its first operating loss. It had always shown a loss when interest and depreciation were figured, but its first operating loss occurred in the second fiscal year of Mr. Sorlie’s administration.²

²Ibid., February 2, 1929, p. 4.
with cups. On the contrary more human labor is required to transport flour. As a result the cost of transporting flour is greater than the cost of transporting wheat. Mills near the centers of consumption can sell to jobbers at a price lower than mills farther away. To the person unfamiliar with the milling industry, this seems strange as the wheat that is milled at the two mills comes from the same region. Unaware of these economic factors, Governor Sorlie made promises that were hard and perhaps impossible to keep. In an effort to personally direct the mill and keep his promises, he interfered with the manager. As a result the operations of the mill could not be co-ordinated by the manager and the loss occurred. Independents, well aware of the economic forces at work in the milling industry, gave Governor Sorlie a free hand feeling certain that he could not keep his pledge. Factional strife in the Non-Partisan League did the rest and Governor Sorlie stood repudiated by a large number of the legislators of his own faction of the Republican party.

Campaign of 1928

The mill investigating committee and the special session of the legislature had effectively injured the political future of Governor Sorlie. There was a possibility that he might receive a Federal appointment upon his retirement from the position of governor, but there was little chance that he could again win an election in North Dakota. He recognized this and on February 8 announced that he was not a candidate for re-election.

The extremists had removed Governor Sorlie from the world of political possibilities but they had not healed the grudge between the two factions of the League. The grudge went back to the days when Mr. Leiderbach, Mr. Andrews, Mr. Levang, and Mr. Kaldor tried to oust Mr. Townley and Mr. Lemke from the League. Mr. R. H. Walker and Mr. Maddock had resisted the move. In
the Leaguers had split into two groups, those following the Leiderbach faction
whom we have termed moderates and those following the Walker-Maddock faction
who clung more tenaciously to the old doctrines of the League and who were
variously termed as the League radicals, League extremists and the like. From
1924 to 1928, Governor Sorlie had served as leader of the moderates.

In the 1928 League convention, the League extremists were more powerful
than in conventions of recent years and succeeded in placing a plank in the
platform declaring for an extension of public ownership and another plank
demanding branch banks of the Bank of North Dakota in the respective counties.
However, the extremists were not numerous enough to dictate the nominee.

T. T. H. Thoreson was selected for governor by the element formerly behind
Mr. Sorlie. Mr. Vogel, another moderate, was selected as candidate for lieu-
tenant-governor. A nucleus for a third League faction existed in the loyalty
of a few Leaguers for Mr. Langer. Based more on personality than on issues,
it was yet strong enough to gain for Mr. Langer re-admission to the League
after his 1920 break and in 1928 was strong enough to gain for him the nomina-
tion for attorney general. The Independent Convention met at Jamestown. Prior
to the convention both Mr. Shafer and Mr. Nestos announced their candidacy
for the Independent senatorial endorsement and John Carr, speaker of the house,
announced his candidacy for governor. Mr. Shafer had become the spokesman
of the Independent faction at the capitol after the defeat of Mr. Nestos in
1924. Independent leaders might have permitted him to run for the senate if
the radical platform of the League had not frightened them. Mr. Shafer was
regarded as a better vote-getter than Mr. Carr for that reason must be run for
governor to prevent an expansion of the industrial program was the reasoning.
As a result Mr. Nestos received the senatorial endorsement; Mr. Shafer re-
ceived the gubernatorial endorsement; Mr. Carr was endorsed for the position of lieutenant-governor; and James Morris was endorsed for the position of attorney general. Again the majority of the Democratic State Central Committee issued an urgent request to Democrats to register as Republicans in the primaries because of the importance of the state industrial issue. However, there was no attempt at fusion as there had been in 1926.

At the presidential preferential primaries in March, North Dakota had gone overwhelmingly in favor of Mr. Lowden, the only candidate whose name was printed on the ballot and who had the additional distinction of having been endorsed by both Independents and Non-Partisans. An auto caravan to Kansas City, the site of the 1928 Republican convention, starting in North Dakota and picking up the delegates from South Dakota and Nebraska on the way was suggested. Governor Sorlie picked up the idea and consented to lead the caravan. He did lead it and the caravan made the trip to Kansas City. However, it there lost its leader. Governor Sorlie turned up at Hoover headquarters the morning after arrival with a statement for Hoover.

In the meantime the primary campaign was being waged at home. The radical planks in the League platform had given the Independents an issue. That it was effectively used is evidenced by the following excerpt from a speech delivered by Mr. Shafer at Valley City in 1928:

"Right here in Barnes County, for instance, you may not vote to establish a bank. But suppose that out in McKenzie County, where I come from, they want one established. Then your funds which are deposited in the Bank of North Dakota will be used to make loans out in McKenzie County by politically appointed bank managers and you must pay a share in whatever losses those McKenzie County loans may result in."

One of Mr. Shafer's campaign planks was for a mill commission or a board

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of managers. In his speeches he said that he wasn’t a miller, that he didn’t have time to learn while governor and that the logical answer to the whole problem of non-political administration was a mill commission.

The main campaign strategy of the Leaguers was to dwell upon Mr. Shafer’s declaration in the 1926 publicity pamphlet, calling for withdrawal of the state from the operation of industrial enterprises. This would have been more effective if it had not been for the fact that Mr. Thoreson was put on the defensive by the I. V. A. attacks on the League platform. Both Mr. Thoreson and Mr. Shafer realized that the people wanted neither abandonment or expansion of the industrial program but a middle course maintaining the status quo. Mr. Shafer could and did repudiate his previous stand for abandonment. Mr. Thoreson could not repudiate the industrial program expansion plank in the League platform without offending the League extremists. He was forced to try to allay the fears of the border-line voters without offending the League extremists. This proved to be an impossible task and the Independents won all major Republican nomination for posts except those of secretary of state, state treasurer, and commissioner of insurance. Mr. Nestos was defeated for Republican nomination for the senate by Mr. Frazier.

After the primaries were over, it was noticed that Mr. Langer had made a surprisingly strong race. Many felt that he would be able to command few votes from either Independents or Non-Partisans. Upsetting these calculations, he came within very close distance of his opponent, Mr. Morris. At a party caucus held after the primaries, Mr. Langer gave a speech stating that the League could get nowhere until it again had a daily newspaper. He was granted a good hearing because of the splendid race he had made and the League accepted his

1A statement of Leaguer to writer.
offer to try to establish a daily newspaper. According to the agreement that was drawn up, Mr. Langer was to sell stock and subscriptions in the new enterprise until $30,000 had been accumulated. Then Mr. Langer, according to the agreement, was to start the newspaper. The agreement stipulated that if it became impossible to get $30,000 that the money should be returned to the investors. This is what happened and the money was returned. The event is significant and mentioned here because it shows Mr. Langer's early realization of the necessity of a newspaper to ensure the success of the League political organization.

Plans were being made by Leaguers to enter the fall campaign when the sudden death from heart disease of Governor Sorlie and the resultant accession of Mr. Maddock to the governor's chair changed the picture. Mr. Sorlie (the man whose program had been to advertise North Dakota and to forget factional disputes) was replaced by a representative of the left-wing group of the League. There was an immediate demand by Leaguers that Mr. Maddock be a candidate for governor in the general election. Independents were frightened fearing the strong vote for Al Smith would carry Mr. Maddock whose name was entered in the Democratic column.

Independent strategy was threefold. First, the difference between state and national issues was emphasized in order to keep conservative Democrats in line for Mr. Shafer; second, Mr. Maddock was painted with the stick of radicalism by pointing out that he was a representative of the group that had inserted the radical plank in the League platform; third, Independents tried to make the schism in the League wider by claiming that Mr. Thoreson's primary defeat was due to lukewarm support by Mr. Maddock. A good example of this kind of

1An interview with a prominent League member.
strategy is a statement by Mr. Carr. "If Thoreson got a raw deal in the primaries, he got it from Maddock and supporters."\(^1\)

One phase of the campaign was the hesitancy of candidates to declare themselves on the bitter national campaign that was being waged between Mr. Hoover and Mr. Smith. Mr. Frazier, Mr. Nye, and Judge Graham came out openly in support of Mr. Hoover. The Non-Partisan League executive committee refused to endorse Mr. Hoover. Mr. Maddock, the Democratic candidate for governor, hesitated to support Mr. Smith and did not publicly unequivocally declare himself. In response to the Independent charge of radicalism, Mr. Maddock said that "It would be foolish to expand industrial program until industries we have succeed." The result of the election was a victory for Mr. Shafer of much larger proportions than his primary victory. Maddock's after-election comment was to congratulate Mr. Twitchell on his "wonderful working political machine."\(^2\)

After four years of government by a League governor of the moderate faction, the adoption of a radical program by the League made possible the capture of the Republican nomination by an Independent, Mr. Shafer. Governor Sorlie's subsequent death made possible the candidacy of a representative of the radical faction of the League who was decisively defeated. Throughout the Sorlie administration, radical Leaguers were very bitter. The elections of 1928 proved conclusively that the League had been kept in power by the policies of the moderates. It was the radical program of the League in 1928 that made possible a comeback by the Independents. Although Governor Sorlie deserved criticism of his mill administration, subsequent events have shown that the Non-Partisan League owed him a great deal more than they realized. It is just as appropriate or more so to say that Governor Sorlie's moderate policies kept the League

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\(^1\)Grand Forks Herald, November 5, 1928, p. 1.

\(^2\)Ibid.
in power from 1924 to 1928 as to say that the League kept Governor Sorlie in power. To the writer it seems certain that the League would have died of political starvation if it had not been in power during the four years from 1924 to 1928.
Chapter V

The Shafer Administration

Since the advent of the League administration, no governor had entered office so familiar with the problems he was to face as was Mr. Shafer. Since 1922 he had been a member of the industrial commission and thus understood the mistakes of previous administrations in the conduct of the mill and elevator. Since 1922 he had been attorney general and had thus become familiar with the administrative machinery of the state.

During his first administration he did not have control of the legislative machinery. Only one of his two chief recommendations to the legislature were granted. He had requested that a law be passed permitting the lending of money on grain stored on farms and that another law be passed establishing a mill commission. In the meantime the mill fact-finding committee reported and in its recommendations stated that whether there was a mill commission or not was immaterial. The important thing was that the manager of the mill might not be interfered with. This report perhaps justified the League controlled senate in their action. However, in reality, both the Independent and Non-Partisan attitudes had political aspects. The Independents, realizing how difficult a problem the conduct of the mill was, were anxious to evade direct responsibility. The Leaguers were equally anxious that the Independents not escape responsibility for mill deficits. A measure sponsored by the Independents to provide four year terms for state officers was defeated. The legislative session was not an eventful one.

Early in 1929 Mr. Townley announced that he would run for congress on "a wet" ticket in the third congressional district. A Non-Partisan, James Sinclair, was the incumbent and would naturally seek re-election. Such a split
of the Non-Partisan votes might elect the Independent candidate. The possi-

bility caused Leaguers a great deal of worry.

When the League convention met on February 7, it found few issues upon
which to contest the re-election of Mr. Shafer. During the previous fiscal
year the mill had shown the greatest operating profit in its history. The na-
tionwide depression had not hit North Dakota with its full fury and there was
an attitude of general satisfaction with the present state of affairs.

In the League convention there was little demand for nominations as few
felt that there was any possibility of defeating the Shafer administration.

Roy Frazier represented the Langer group demanding the nomination for Mr.
Langer. The candidate of the moderates which had come to be known as the Nye
faction was A. T. Lynner of Fargo. The candidate who received the nomination,
E. H. Brandt, was a candidate of the extremists group which in this convention
was led by Mr. Lemke. The victory of the extremists was due largely to an at-
titude of indifference on the part of the others. The spirit of the convention
was expressed by Mr. Hamilton, veteran League senator from McHenry County in
the following words, "We thought we were handing Mr. Shafer a lemon when we
handed him the state mill and elevator but he has made a success of it. He has
done better than any three men would have done."¹ The Shafer administration
was scarcely mentioned in the platform. About the only charge brought against
Mr. Shafer was that he had spoken pessimistically about the future of small
towns in a radio address delivered at Devils Lake. The candidacy of Mr. Town-
ley for congress was a problem. Every effort was made to get Mr. Townley to
withdraw before the convention finally nominated Mr. Sinclair. Mr. Townley felt
that he was Leaguer Number One and saw no reason why he should withdraw. Pleas

¹Grand Forks Herald, February 8, 1930, p. 2
were made to him to make the race in the second congressional district where the incumbent was Mr. Hall, an Independent. Mr. Frazier served notice on Mr. Townley that he (Frazier) would campaign for Mr. Sinclair. Mr. Townley's reply was reported to be, "All right, come on, and I'll give you a good run."

The Independent convention at Grand Forks was a quiet meeting. The incumbent candidates were re-endorsed. A mill commission was requested and a plank to that effect inserted in the platform. One problem of the convention was whether or not the Independents should nominate a candidate for congress in the third district. There was considerable sentiment for letting the Leaguers fight it out among themselves. Mr. Townley in 1930 was no longer the colorful figure and center of the Non-Partisan League as of yore. Yet a memory of Townley's past success in arousing and organizing people once he got the ball rolling made the Independents certain that they did not want Mr. Townley as member of congress from North Dakota. Mr. Sinclair, from the standpoint of the Independents, was decidedly less dangerous. For that reason an Independent, Staale Hendrickson, known to be against prohibition was nominated for congressman in the third district to prevent any wet Independents from voting for Mr. Townley.

After the resignation of Mr. Nelson as secretary of the Independents, their legislative leader, Mr. Twitchell, became recognized as the leader of the entire organization. His experience and ability were such as to cause other Independents to look to him for advice. Gradually he became such a powerful influence in the organization that to the Non-Partisan League, became a symbol of conservatism. He was a Cass County farmer and for a long time had been a member of the house of representatives from his legislative district. An inci-

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dent of the campaign was an unsuccessful attempt to defeat Mr. Twitchell for
re-election to the legislature. As had been expected Mr. Shafer was overwhelm-
ingly successful in the primary campaign. The only Non-Partisans to be elected
were the incumbents (Mr. Byrne, Mr. Baker, and Mr. Olanes). The fall campaign
was the quietest campaign since the advent of the League. There was no con-
test. A measure initiated by the Independents providing for four years terms
for state officers was defeated by active League opposition. The Independents
captured both houses of the legislature.

During the 1930 holiday season the state Capitol burned. The 1930 cen-
sus had shown that North Dakota's population growth had not kept up with that
of the rest of the nation. As a consequence we were in 1932 to be limited to
two congressmen in place of the customary three. This would necessitate re-
districting the state. The two chief problems of the legislature were to pro-
vide for the building of a new capitol and to redistrict the state's congressional
districts.

The first problem was disposed of by appropriation of money to be raised by
sale of bonds to meet the cost of the new capitol and the creation of a capitol
commission to plan for and direct the building of the structure. The members
of the capitol commission were appointed by Governor Shafer.

Personal and political interests complicated the problem of redistricting
the state's congressional districts. It was obvious that the Independents
should be able to district the state as they wished as they were in control of
all branches of the state government. Independents had usually been able to
elect congressmen in the first and second congressional districts. Non-Partis-
ans had always been successful in choosing the third district congressman.
Non-Partisans for that reason favored a division of the state into an Eastern

district and a Western district which we will hereafter term an East-West division. Some Independents felt that by dividing the state into a North district and a South district which we will hereafter term a North-South division they would be able to elect both congressmen. It seemed very likely that the Independent majority would divide the state into one North district and one South district by drawing a line from the Western boundary to the Eastern boundary of the state. The home of Mr. Hall, Independent congressman in the second district, was at Bismarck. If the state was divided in an East-West division, his supporters pointed out, that he would be automatically legislated out of office. There would be no possibility of his defeating Mr. Sinclair in the Western part of the state. On the other hand, Mr. Hall's supporters pointed out, if the state were divided in a North-South division, Mr. Burtness of Grand Forks could defeat Mr. Sinclair of Kenmare because of the effect of the Red River Valley vote. Then Mr. Hall would be able to defeat any candidate put up by the League in the South district.

Some of Mr. Burtness's friends were against a North-South division and for an East-West division contending that a North-South division would probably legislate both Mr. Burtness and Mr. Hall out of office. The Richland County delegation probably remembering Burtness's support of their favorite son, Mr. McCumber, in 1922 at the request of Mr. Burtness they voted with the League to kill a North-South division of the state. These Richland County Independent members of the house then voted with the League to pass the East-West division bill through the house of representatives. The Independent senators from Richland County voted for the East-West division in the senate but were unable to carry it over Independent opposition. The East-West division was defeated by

1An interview with C. E. Burtness.
a vote of twenty-five to twenty-four in the senate. The vote was on strict
party lines except for the fact that the Independent senators from Richland
County voted with the League minority.

Near the close of the session, the situation was that a North-South divi-
sion had been defeated in the house by the League minority in cooperation with
Independents from Richland County. The East-West division was defeated in the
senate by the Independents in spite of the fact that Richland County senators
voted with the League minority. For a time the argument that it was necessary
for the Independents to have one congressman if they were to receive any Fed-
eral patronage seemed about to bring about a revival of the measure for an
East-West division. However, general over-confidence on the part of the Inde-
pendents prevented the revival of the measure. It seemed to them likely that
they could elect two congressmen and impossible that both of the Independent
congressmen would be eliminated in 1932. In supreme self-assurance they openly
voiced the opinion that if the people chose between Mr. Burtness and Mr. Hall
in 1932, the Independents would re-district the state accordingly in the leg-
islative session of 1933. The session closed with no re-districting bill passed
and the election of congressmen left at large. At the session a mill commission
bill was passed and a four cent gas tax levied. In the interim between the
legislative session of 1931 and the election of 1932, few political events oc-
curred within the state. However, political discontent due to the depression
was stronger than anyone realized before the 1932 primaries rolled around.
Senator Nye made himself famous as an investigator by exposing the campaign
tactics of Mrs. Ruth Hanna McCormick, senatorial candidate from Illinois. Her
promise to "get" Nye really made him very popular in North Dakota. Jamestown
made a bid for the state capitol. This was to be voted on at the preferential
presidential primaries. It caused very little excitement as sentiment was almost united in favor of leaving the capitol at Bismarck.

The 1932 Campaign

As the Non-Partisans and Independents held their respective conventions, few dreamed that the year 1932 was going to prove as revolutionary politically as it turned out to be. The Non-Partisans met at Bismarck. It was known before the convention that the chief contender for the nomination for governor would be Mr. Thoreson, representative of the moderates. As the convention assembled, it became apparent that a large number of delegates were pledged to support Mr. Langer for governor. Both the Thoreson and Langer factions appealed for the support of Senator Nye. The first contest was for election of the permanent chairman of the convention. The candidate of the Thoreson faction was Mr. Olsen. The candidate of the Langer faction was Oscar E. Erickson. The latter was elected chairman by ten votes. The Thoreson faction did not give up. There were eight ballots taken before the endorsee for the office of governor was chosen. On the seventh ballot Langer and Thoreson tied at forty each with A. T. Lynner of Fargo getting one vote and one delegate not voting. A recess was taken. The tie was broken on the eighth ballot by a vote of forty-two to thirty-eight for Mr. Langer. Mr. Lemke and Mr. Sinclair were nominated for congressmen-at-large. The consolation prize of the lieutenant-governorship was given to Mr. Olsen. What had happened in the Non-Partisan League was a break-up of the extremist group. It appeared that the Langer group had benefited most by the shift. However, Mr. Langer was not considered an asset to the ticket at that time. Few realized the potency of his campaign methods and many Leaguers anticipated his defeat.

The Independents nominated Mr. Shafer to run for the position of United
States senator held by Mr. Nye. Frank Hyland was nominated for governor. Mr. Burtness and Mr. Hall were nominated to run for re-election to congress. The platform of the Independents stressed an economy program. The whole Independent program indicated a large degree of over-confidence. Governor Shafer conducted his campaign as a defense of Mr. Hoover's policies. Politically courageous it was also politically suicidal in the year 1932. It is doubtful if Mr. Shafer could have won in 1932 regardless of the campaign he conducted. However, it is likely that if national issues had not been mentioned, some members of the state ticket might have been able to pull through if they had not tried to carry Mr. Shafer against Mr. Nye. Mr. Nye's popularity was an asset to the whole Non-Partisan League ticket. Mr. Langer conducted his entire campaign on the issue of nepotism.¹ In his speeches he listed the relatives of state officers that were on the state payroll. A sensational promise to sweep the state-house clean when he got into the office of governor was the keynote of his campaign. Nepotism, a perennial evil, proved to be an especially effective issue in the depression year, 1932. Some statements of Governor Shafer were circulated in Non-Partisan literature. These statements are quoted below from a Non-Partisan political pamphlet circulated in 1932. The first quotation is reputed to be a statement issued by Mr. Shafer to the press in St. Paul.

"The farmers especially have come to the realization that economic problems must be settled by hard work and a will to conquer, not squawking about hard times."²

This sounded the wrong keynote for the campaign of 1932. In 1930 and 1928 it would have had little adverse effect on public opinion.


²"What Shafer Says About Farmers and Small Towns", A Non-Partisan League campaign pamphlet issued in 1932 by the executive committee of the Non-Partisan League.
The second quotation is an excerpt from a report of a speech delivered by Mr. Shafer at St. Paul.

"Governor Shafer called political fallacy any program of measures which propose to benefit the whole people at the expense of the wealthy few. He attacked the pretense by politicians that enacted laws can overcome the workings of economic laws of supply and demand."  

In 1920 this statement would have aroused little resentment. In 1932 it rubbed many North Dakota farmers the wrong way.

The third quotation was from a radio speech delivered in Devils Lake the context of which offended business men in the small towns. It had been used in 1930 with little effect. In 1932, however, the writer heard many business-men in small towns quote this speech as a reason for voting for Mr. Nye. Part of the speech is quoted below.

"The increasing use of automobiles and the expansion of the state's highway system are bringing about a complete revolution in the social and economic structure of the state which eventually will result in the elimination of hundreds of small towns as trading centers.......in time the state's business will be conducted by fourteen or fifteen towns........which will absorb the smaller communities."  

The result of the campaign was an overwhelming victory for Mr. Nye and a victory for the entire League ticket. Not one Independent on the party ballot was returned to office. A third faction that had entered the primaries had little effect on the outcome. The League majorities were large enough to overcome the combined votes of both the other factions.

Mr. Depuy was the Democratic nominee for governor. In the fall he ran very well as a large number of Independents and moderate Leaguers voted against Mr.

1"What Shafer Says About Farmers and Small Towns", A Non-Partisan League campaign pamphlet issued in 1932 by the executive committee of the Non-Partisan League.

2Ibid.
Langer. However, Mr. Langer and the complete Republican ticket won. For the first time since 1919 the Non-Partisan League controlled both the executive and legislative branches of the state government. However it was a different Non-Partisan League in 1932 than it had been in 1919. Then it had been the active champion of a socialistic experiment. Now it was only an organized expression of class consciousness and discontent. Farmers voted for the League because they felt that representatives of their own organization would in general be more friendly to the farmers's interests.

On January, 1933, state officers elected by the I. V. A. conducted for the last time the state government. The Non-Partisan League with Mr. Langer at the helm took over the reins of government to inaugurate a term which was to be full of strife and turmoil. However, that is not part of this study. Our story ends here.

SUMMARY

We have seen a militant class-conscious farmer political movement sweep North Dakota and establish a state-industrial program. We have seen conservatives of that state, antagonized by the class appeal and program of the farmer movement, form a counter organization and through their Eastern contacts, control the press and Federal appointments. They waged a virulent type of campaign about which the least that can be said is that it was in extremely bad taste.

The farmer movement was apparently strengthened by the attacks of opponents. The appeal of the League seemed irresistible. This was the source of its errors. League leaders, embittered by opposition tactics and too certain of continued success, allowed their movement to expand too rapidly. Carried on by the "boom"
psychology of wartime they allowed their own organization, its subsidiaries, and the League sponsored industrial institutions to become involved in financial undertakings that could succeed only in the best of times. Too, they were not vigilant enough in discovering and eliminating the band wagon jumpers and unscrupulous politicians in their midst.

The passage of an initiated law repealing the provision that had furnished the money to carry out the League program happened to coincide with a severe agricultural deflation. These two events effectively stalled the League program. The passage of a second initiated law provided for an audit of the League sponsored industrial institutions. This audit exposed losses, favoritism, and loose accounting that appeared all the worse in the light of the then current deflation.

Conservatives took advantage of the situation and successfully recalled the governor, attorney general, and commissioner of agriculture and labor.

The succeeding administration led by Mr. Nestos liquidated the Homebuilding Association the administration of which had been thoroughly discredited in the people's mind. However, two important parts of the League industrial program were adopted by the Independent administration. The Nestos administration continued and enlarged the operation of the Rural Credits Department of the Bank of North Dakota. Under its direction the Mill and Elevator was completed and placed in operation. These two units of the League industrial program have become a permanent part of the North Dakota governmental structure. No politician in North Dakota would dare to advocate the sale or liquidation of these state institutions.

In 1924 the League chose a candidate for governor whose views were more moderate than those of the original League leaders. This appealed to border-
line voters and to disaffected Independents. The ensuing campaign was apathetic and the Non-Partisan League candidate for governor was successful. His administration was moderate and he was re-elected in 1926. The League did not control the industrial commission, the legislature, or the Board of University and School Lands during the Sorlie administration.

Within the League there was an element which was dissatisfied with the mild tone of the Sorlie administration. The radical planks which this group inserted in the League platform in 1928 permitted the Independents to capture the state government again.

This second Independent administration was in 1932 swept out of power by the discontent that resulted from the nationwide depression.

One national result of the Non-Partisan League was a strengthening of the "insurgent Republican" group in the United States Senate. In 1920 the League elected Mr. Ladd to succeed Senator Gronna. In 1922 they elected the recalled governor, Frazier, to the senate seat formerly held by McCumber. Upon Senator Ladd's death in 1925, Nye was appointed to fill his seat. Both Frazier and Nye were subsequently re-elected. From the time of their entrance to the senate until the Democratic administration took control in 1933, both Frazier and Nye allied themselves with the insurgent group that refused to cooperate with the Collidge and Hoover administration.

The Non-Partisan League established industrial enterprises which have become a permanent part of the state's economy. It created interest in government, made farmers aware of their political strength when organized, and made the government of North Dakota more responsive to the interests and needs of North Dakotans. That the achievements of the Non-Partisan League were all good should not have been expected and is not the case. The state debt was substan-
tially increased; many people grew into the habit of voting for the candidate who filled them with self-pity without stopping to consider whether or not the candidate who sympathized the loudest was really the farmer's best friend.

Inexperienced personnel often resulted in inefficiency in League enterprises. Farmers often failed to distinguish between sincere public servants and men using their organization as a vehicle in which to ride to power.

The advent of the Non-Partisan League inaugurated a period of factional strife without parallel in the history of the State of North Dakota. It created a sentiment and a point of view. The factional strife, the sentiment, and the point of view continue to be the controlling elements in the party politics of North Dakota. Part of the League's industrial program remains firmly established as a fundamental part of the state government.

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