THE RECALL IN NORTH DAKOTA

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As usually occurs, the measures which the progressives fight for and secure over the agonized protest of the conservatives, are first used by the conservatives as weapons of offence against those who fashioned them.

The recall of officials was a measure initiated by the progressive element in North Dakota after a long and vigorous campaign for that and other measures. It was first used to recall Governor Lynn J. Frazier, Commissioner of Agriculture John Hagden, and Attorney General William Lempke. These men were elected by the Non-partisan League and constitute the state industrial commission which has charge of the state-owned enterprises.

DIFFICULTIES OF STATE-OWNED ENTERPRISES

These enterprises consist of the state flour mills, state terminal elevators and a state home builders' association. The commission also has charge of the Bank of North Dakota. This last named enterprise has been in operation for nearly two years, and has paper profits of \$153,000, on a capital of \$2,000,000 paid in in the shape of a deposit of state industrial bonds. The other enterprises are not in operation to any great extent. The home builders' association has sold some bonds and has made some loans to builders of homes, but the vigorous fight against the operation of the enterprise has made financing of its bonds and mortgages quite difficult, and progress has been slow. One of the state mills was operated at Drake and made some

money in the production of flour, but the mill extended a considerable line of credit to the Consumers' Stores Company, a concern operated something on the Rochdale system of co-operative stores. This concern was not a success, and its failure resulted in the suspension of any large operation by this mill for the present.

The vigorous fight against the state-owned industries by the press opposed to the Non-partisan League measures, the continued summer drouths and the general financial stringency combined to make the inauguration of new business extremely difficult, even though it may be fundamentally sound. In addition to these conditions, some very serious mistakes were made. Some of the money of the bank was used, by legal means, it appears, to finance the fortunes of those friendly to the people in power. Some of the loans made were criticized as not good business. There were also a number of appointments which were patently political instead of business appointments.

The most serious error in the operation of the bank was the nature of the business which it undertook. The reason for the initiation of the state enterprises was to relieve the North Dakota farmer of his dependence upon capital and business outside the state for financing his various enterprises. Farming and stock raising do not tend to create great business and financial centers and the state of North Dakota has no large city within its borders. Fargo, the metropolis, has a population of only 25,000 and Grand Forks and Minot, the two next in size, have but 25,000

together. Thus the farmer desires a state institution of finance which will be available to assist him in his legitimate business needs. His crops are annual and he has no monthly pay check. So he needs long time credits.

The management of the Bank of North Dakota made the error of legislating all the state moneys, county moneys and municipal funds into the bank, and then loaning these funds (many of which were in the nature of quick liabilities) to home builders, long-time farm loans and to the enterprises of terminal elevator and flour mill construction.

An initiated law passed by the people of the state at the last general election transferred the power of placing the state, municipal and county funds from the state industrial commission to the state, municipal and county officers who originally had that power.

These officers were in a large measure influenced by their local personal friends to remove the funds from the Bank of North Dakota, with the natural result that when the bank was liquidated as far as ready money was concerned, there was no money to continue payment of the demands of the local officers for the transfer of funds to other banks. In addition to this, the general conditions and vigorous propaganda above referred to, participated in by the St. Paul and Minneapolis papers, made it impossible for the bank of North Dakota to realize upon its slow assets. The general business of the state is transacted in St. Paul and Minneapolis and was threatened by the proposed changes in the affairs of the state. In ordinary times and under ordinary conditions these assets are much sought after as good and stable investments.

TACTICS OF THE OPPOSITION

There were two elements in the forces opposed to the Non-partisan League. One element was for pressing

its present advantage and bringing on a recall election at once, relying on the discouraged condition of the farmers who constitute the great majority of the state electorate. The farmers need financial assistance which they do not appear to be able to obtain now through the sources offered by the present state administration, but which is promised to them in the event that a change of administration is had.

The other element was for waiting until the primaries in June of 1922 for further action. This last element was controlled by the friends of Senator McComber, who has been accused by some of the members of the Independent Voters' Association, the anti-League organization, of being in an offensive and defensive alliance with the leaders of the League. The reason for their position was the fact that the logical candidate for the governorship was R. A. Nestos, of Minot, who came close to beating the Senator in 1916, and who represents the progressive Republicans of that time. Apparently the Senator is not desirous of letting the power of the governor's office go to one whom he appears to consider as a political enemy in his own party. In the event that the action was delayed the Senator's friends appeared to consider that a better opportunity might be had for a candidate of a more friendly character. Supporting this position were many who thought the best interests of the state were not served by so many elections, and who, though opposed to the League, were of the opinion that the various elements which compose it were in the process of disintegration. A victory at the June primaries, therefore, was considered a foregone conclusion.

SUCCESS OF THE RECALL

The element for immediate action prevailed. Nestos, who is of Scandi-

naviand escent, and who has, as state's attorney of Ward county, made a great reputation as a vigorous officer for law enforcement, was nominated at a convention called to discuss men and means for the overthrow of the present administration. On November 8 he was elected to succeed Governor Frazier, who was recalled. The initiated measures directed at certain of the state's new enterprises failed.

Two things are worthy of note. The character of Governor Lynn J. Frazier is conceded by all fair opponents of his economic ideas, to be above reproach. And R. A. Nestos, his opponent, also a man of high character, has always been very progressive and promised the voters of the state that if elected he would give the state enterprises a fair trial under the operation of competent men who understand such businesses.

HOME RULE FOR TWO NEW YORK COUNTIES

BY ROBERT MOSES

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Westchester and Nassau counties have been granted a measure of home rule by means of a constitutional amendment adopted last election ::

At the election on November 8, the voters of New York adopted a constitutional amendment looking towards improvement in county government in that state. Under the present constitution county boards of supervisors are established with administrative and legislative powers delegated by the state legislature and also with power to appoint all county officers not elected by the people or otherwise appointed. Town officers must be elected in the towns or appointed by local authorities. It will be seen that there are just enough limitations to prevent setting up a modern consolidated government.

The new amendment passed the legislature of 1920 and passed a second time at the last session. It simply empowers the legislature to provide new forms of government for Westchester and Nassau counties subject to the approval of voters in each county by a referendum vote at a general election in an odd numbered year. Thus no new form of government may be approved

in either county until the fall of 1923. The plan adopted may include the transfer to the county of town functions; must prescribe the manner in which the county may revert to its old type of government; and shall not take from the legislature the power of amendment or modification.

PLANS PROPOSED FOR THE TWO COUNTIES

As a part of a campaign for the adoption of the Nassau-Westchester amendment, the New York State Association, a state-wide civic organization, which absorbed the old County Government Association and its program, published at the request of citizens and organizations in the two counties, bulletins, presenting types of kinds of government which might be set up under the Westchester-Nassau amendment.

In the case of Nassau, the State Association has suggested a form of government under a supervisor-at-large