

Supplement.

A SCHOOL FUND SWINDLE!

The Republican Candidate for Governor Obtains Money from the School Fund and Fails to Pay the Debt.

The Taxpayers Settle the Interest Annually.

WHAT THE RECORDS SAY.

(From the LaPorte ARGUS.)

The following history of a common school fund loan made by Major Wm. H. Calkins, the Republican candidate for Governor of Indiana, is presented to the voters of the State for their personal consideration, believing it to be a matter of great importance to them at this time. The accuracy of the statements made will not be seriously questioned, and they cannot be set aside by special pleading or by the common remark that "the story is a campaign lie." To prevent all cavil, the dates and pages of the records are given so that the complete official history of this transaction may be easily verified. Those who doubt may investigate for themselves, and they will find that we "set down naught in malice" but that the official records are stronger than we make them appear:

In the fall of 1874 Wm. H. Calkins made application to the Auditor of LaPorte county for a loan of \$300 from the common school fund of the State, offering as security a mortgage on a piece of land located in Johnson township, some eighteen miles from the city of LaPorte. The record shows that H. C. Brown, D. L. Brown and I. D. Phelps, all residents of the city of LaPorte and close personal and political friends of Calkins, were appointed appraisers. It also shows that these appraisers reported under oath that the land was "worth \$700, in specie, at the common selling rate in the county." On this report the money was loaned to Calkins, he giving the following note which still stands unpaid:

I, W. H. Calkins, promise to pay the State of Indiana, on or before the twenty-eighth (28th) day of October, 1879 the sum of Three Hundred Dollars, with interest thereon, at the rate of eight per cent per annum in advance, commencing on the 28th day of October, 1874, and do agree that, in case of failure to pay an installment of said interest when the same shall become due, the principal sum shall become due and payable, together with all arrears of interest, and on failure to pay the same, the same, together with two per cent damages shall be collected, with costs, and the premises mortgaged may be forthwith sold by the County Auditor for the payment of such principal sum, interest, damages and costs, for the use of the common school fund. \$300.

W. H. CALKINS.

As security he executed a mortgage on the land.

The full record of this transaction will be found on page 480, Vol. 2, School Fund Mortgage Record in the Recorder's office of LaPorte county. The interest that was due for the next year was paid, but on the following year it was defaulted, and Calkins was notified that he was in default to the school fund and a speedy settlement was requested. No settlement was made, although it was repeatedly urged by the authorities. Under the terms of the mortgage, the entire amount became due on failure to pay the interest on the 28th day of October. The interest not being paid according to the contract, and no satisfaction being given to the officials, on the following March the Auditor offered the land for sale.

The following is a copy of an official advertisement that appeared in THE ARGUS three weeks in succession:

PUBLIC SALE OF LANDS IN LAPORTE COUNTY, INDIANA, Mortgaged to the State of Indiana.

ON MONDAY, the 29th day of March, 1877, between the hours of 10 o'clock a. m. and 4 o'clock p. m., in the Court House of said county, the following land will be sold, or offered for sale, to the highest bidder for cash, default having been made in the payment of the principal or interest due thereon, viz:

L. O. NO. 2,289.—The southeast quarter of section thirty-one (31) township forty-five (45) north of range one (1) west, containing 100 acres, more or less, in LaPorte county, Indiana, mortgaged by W. H. Calkins and Hattie Calkins, his wife, October 23, 1874. Amount of principal, interest and penalty due, \$305.98 and the same thereon.

EDWARD J. CHURCH,
Auditor LaPorte County.

Notices of the sale were posted in the township, but there were no buyers, and the Auditor took the property for the State, as the law directs. See Revised Statute Section 4393. Under the statute the Auditor then had the land re-appraised to enable him to reimburse the loss to the school fund by a private sale of the property. Three well-known and disinterested free-holders of the township where the land is situated, Messrs. B. F. Place, George Henry and Patrick Flaherty, were appointed to appraise the property. Their report made under oath says: "Having made personal examination of the premises, do upon our oath say that the same is of the value of two hundred dollars, at the common selling rate in this county." The complete record of this re-appraisal and offer of sale may be found on Commissioners' Record "I," pages 41 and 96. The report of the second appraisers

opened the eyes of the authorities to the fact that the Common School Fund, instead of having a piece of land worth, as they supposed, seven hundred dollars, in reality, had some comparatively worthless Kankakee swamp. On the 18th day of June, 1877, the land was offered for sale for \$200, the appraised value, on five years' time for the whole amount; but there were no takers. It has since remained continuously in the market but no purchaser can be found at that price, and the land still remains the property of the State. It represents all that the State has for the original \$300 school fund loan and the interest accumulated thereon for nearly eight years. Time and again during the proceedings noted above the county officials urged upon Calkins the necessity for the settlement of this matter, but they were always put off with various excuses and liberal promises, and it still stands unsettled. Under the law, the Commissioners have been obliged from year to year to appropriate money collected from the people by taxation to make good to the school fund the interest due on Wm. H. Calkins' note and mortgage. See Commissioners' Record "J," page 544, in the County Auditor's office; also, see Article 8, Section 187 State Constitution, and Sections 4326, 4392, 4398 and 4399 Revised Statutes. The defaulted interest, as will be seen by the reader, amounts to nearly two hundred dollars, and the cost of the proceedings up to this time makes the total amount due over \$500.

To summarize the above facts, so they may be easily understood by the people of Indiana, we will say:

Ten years ago this fall Wm. H. Calkins secured a loan from the Common School Fund on land that is practically a worthless swamp. With the assistance of intimate personal and party friends, who probably never saw the land, he obtained money from the school fund to full twice the amount of the value of the swamp. He has failed to pay the interest on the debt, and for eight years the taxpayers have been obliged by law to pay it for him. He has failed to pay either the interest or the principal of this honest debt to the school fund, although repeatedly urged to do so. He is a lawyer and knows that the money cannot be collected on his note by suit until the land is sold, and he has the best of reasons for believing that the land cannot be sold at the appraised value, which is only two-thirds of the amount he received from the school fund. He knows that the people who pay the taxes have for nearly eight years been paying the interest that was due from him to the school fund. Is this an honest transaction, or is it a swindle on the school fund, that should be sacred to every citizen of Indiana? Is such a man worthy to be made Chief Executive of the State? Is he the right kind of a man to guard the interests of the children of the State, and to look after the welfare of the taxpayers? We leave the voters to answer these timely questions at the ballot box in November.

NO BOTTOM TO THE MUD.

Jap Turpen, the Correspondent, Investigates the School Fund Charge.

"Humiliation to Calkins."

Special Correspondence Indianapolis Sentinel, August 30, 1884.

LA PORTE, Ind., Aug. 28.—A letter lately written by me with some feeling refuted the idea of a fraudulent connection between Major Calkins and the school fund of LaPorte county. The charge was made by the Argus of this city, a paper that is edited by a gentleman who, while he may never shrink from severity, I know usually to be conservative. I treated it as the vaporizing of a campaign, heavily charged with malice, that could even find expression in personalities and perversions. * * * * *

The next post after the appearance of Major Calkins' version, over my signature, brought me a hat full of matter bearing on the subject, declaring the Argus faithful to the record in statement and implication—that even a decent respect for outside facts and circumstances touching the transaction would show Major Calkins wholly unfit for any position of executive responsibility; that by an act originally dishonest the Republican nominee for Governor, to-day not only holds \$500 due the school fund, but that he has frequently recognized his individual obligation, and that his more recent statement is a shameless prevarication. Several letters from gentlemen whose names I had mentioned were hot with indignation, one demanding, "Inasmuch as you have been so unanimous on the side of Major Calkins, you must come down and make an investigation. Reasonable inquiry on the outside, as well as an examination of the records, will reveal that you have been altogether too previous. Major Calkins mortgaged to the school fund a tract of Kankakee marsh, for which he never would have paid during his wildest delirium of anti-panic speculation one-half of \$300, the money advanced.—Except for growing ducks and creeping things, and to pad out a trade for stocks and stuff equally fanciful, the land never

had a tangible value since the world began. But even in other particulars your article in the News wants accuracy."

This is the state of facts disclosed by the record that I am called to examine, and though it may not convict of swindling to the full satisfaction of Major Calkins' partisans, a negligence is shown that must prove embarrassing to a candidate for the office of Governor. Major Calkins has certainly taken liberties with the school fund of LaPorte county that he would have declined in any private or individual interest. A bank or corporation would long since have instituted suit to recover. Even in a horse race he could have not availed himself of the same advantage and escaped the imputation of cheating.

In his first conversation with me, Major Calkins said that Mortimer Nye, now Mayor of LaPorte and a Democratic candidate for Elector, was one of the appraisers whose affidavit secured the loan. He has since informed me that he was mistaken, that he and Mortimer Nye having held the property together, led him to mix the two facts. Mortimer Nye has answered me: "It was ten years ago. Many of the facts have faded from my memory. I never saw the land, and doubt if Major Calkins ever saw it. It is in the centre of an absolutely valueless district, except for hunting and fishing. I have heard that there is not a hay press within five miles of the property. So its worth for haying purposes, considering its distance from the nearest railroad, is fictitious. I have forgotten how we came by the land and its cost, but we never could have paid more than \$100 for it. Major Calkins and I were trading together. In closing up, this particular piece of land fell to his share. Some of the Kankakee property falling to me, is still on my hands, and in all human probability, will belong to me and my heirs forever. I once attempted to discover it, but the route, even when the season was dry, was not practical. To the mud there was no bottom, and the swimming for a horse was hazardous. No, sir; I was not one of the appraisers. I was ignorant of the loan having been made for years afterward. Had I known it at the time I should have felt compelled to caution the Auditor." So, from the language of Mortimer Nye, it is reasonable to infer that the original transaction was of questionable honesty. For the reason that this gentleman was erroneously connected with the appraiser it is only fair that he should be heard. * * * *

"At that time," a gentleman observed to me, "such transactions were by no means uncommon, and that character of excess is what resulted in the defeat of the local Republican party. The Germans of LaPorte county came over to the Democrats in a body because they had good reason to suspicion the exact honesty of the court house racing." If not wholly on the beat, it was altogether too liberal with the people's money."

"Why have not the officers of LaPorte county recovered the money?" I asked.

"The officers of LaPorte county have done everything possible under the law. By legal provision the land must first be sold at its appraised value, \$200."

"Has Major Calkins ever recognized his individual obligation, or has it seemed to give him any trouble?"

"Yes, he has promised the officers time and again to fix it up. He is loose in his business habits and a chronic procrastinator. While a great big boy, whom to meet socially is something like a tonic, there are really many elements in his composition that totally disqualify him for the office to which he aspires. Though in his explanation he avoids the truth and flounders, like all who attempt to deceive, he does not, perhaps, realize the full force of the moral question involved. Fearing that Dudley would get hold of the facts and use them to his detriment at the Republican State convention, he asked to have it fixed up, offering to give his check for \$300, which if the land could have been sold at its appraised value, \$200, would have made the amount required. The matter hung; he has a haphazard way of doing such things, and it floated unobserved until he became the Republican nominee for Governor. He may think such things of small consequence to a Republican candidate. Anyhow, LaPorte county continues to pay taxes to the school fund on money at first, it is no more than reasonable to suppose, dishonestly secured, and to day unlawfully held, by Major Calkins. It won't do for his partisans to say that he is too big for such a thing, for there it is a matter of record. Suppose he has sold it subject to the mortgage, no purchaser ever became liable to the school fund. Suppose he values it at \$500, \$1,000 or \$5,000. As against the stuffs for which it has been exchanged, car shop stock and mining stock, it was, perhaps, worth \$10,000. * * * To

command the logic that could explain this, to the complete satisfaction of any reasonable man, does not lay within the possibilities of Major Calkins, and if a suitable man for the office of Governor, he would have satisfied the mortgage and fixed the matter on business principles long ago." The fact that the land has been of

fered for sale at \$200 since 1877 would imply that it is not worth the money. So the present appraisement is too high. The land was delinquent for taxes at the time the mortgage was executed. The fact that the patent was not issued until 1857, when LaPorte was one of the first counties on this footstool, would certainly go far toward showing that it never had a real value.

The transaction is going to prove a great humiliation to Major Calkins and even if disposed, I could not help it.

JAP TURPIN.

(From the South Bend Times.)

OFFICIALLY ANSWERED.

What the County Auditor says about the School Fund Loan.

SOUTH BEND, Ind., Sept. 23, 1884.

AMOS C. HALL, Esq., Auditor of LaPorte County:

Dear Sir:—I have read several newspaper charges in which the allegations were made that the Hon. Wm. H. Calkins, at present Republican candidate for governor of the state of Indiana, is a defaulter to the public school fund of our state in the sum of three hundred dollars and the accumulated interest on the same for the last eight years. I would request you (a request which I believe any citizen can with propriety make, as the same refers to a matter of public interest in which all taxpayers are interested) to answer the following questions, so that I may obtain authoritative knowledge as to the truth or falsity of the charges:

1. Did Wm. H. Calkins borrow three hundred dollars from the school fund of LaPorte county about ten years ago, or at what time?

2. For what length of time, and at what rate of interest did he borrow it?

3. Has he paid either principal or interest of the loan?

4. What was the land valued at when he received the loan?

5. What was the appraised value of the land after the auditor bid it in for the protection of the school fund?

6. Has the auditor made any effort to sell it at its present appraised value?

7. Is it a fact that the county commissioners have had to appropriate money out of the county funds to meet the delinquent interest on the loan for the last eight years?

8. Why is it that the auditor has not sued Calkins' note, or made effort to collect the same?

9. Is there any other person in any way responsible legally, for the payment of this debt excepting Wm. H. Calkins?

Awaiting your answer, I am respectfully yours, JACOB KLINGEL.

THE REPLY.

LA PORTE, Ind., Sept. 24, 1884.

JACOB KLINGEL, Esq., South Bend, Indiana:

Dear Sir:—I herewith answer your interrogatories propounded to me in your letter of yesterday:

1. Wm. H. Calkins did on the 23d day of October, 1874, borrow from the school fund of this county three hundred dollars.

2. On five years time, at eight per cent interest.

3. The interest for the first year was paid at the time of making the loan, and again the interest was paid for the second year, and there has not been anything paid since.

4. The land was appraised at seven hundred dollars when the loan was obtained.

5. The appraised value of the land after the auditor bid it in, was two hundred dollars.

6. My predecessor and myself have endeavored to sell the land at its present appraised value, but have been unable to do so.

7. The county commissioners have made appropriations from the county fund to make good the interest that has accrued by the forfeiture.

8. The reason that the auditor has not sued Calkins on the note is, an action cannot be maintained until the land is sold. Effort has been made to induce Mr. Calkins to pay, but has not been attended with success.

9. There is not any other person in any way legally responsible for the payment of the debt except W. H. Calkins, and this I think fully answers your interrogatories.

Very respectfully yours,

AMOS C. HALL,

Auditor LaPorte Co., Ind.

The Legal Status of the Case.

A Republican paper speaking of Calkins' school fund loan says: "He did borrow money from the school fund and gave a mortgage on some land for security, but he transferred the land, subject to the mortgage, and it has passed through the hands of several owners who are abundantly able to pay the debt. Calkins says if he owes anything and the Auditor will present the bill he will pay it." This seems to be in substance what Calkins has said at vari-

ous times and places about the matter, and in some quarters it seems to be regarded as a sufficient answer to the charge that Calkins has practically defrauded the school fund of its just dues. It will be seen that the debt is admitted, but the claim is tacitly made that other parties should pay it, because the transfer was made "subject to the mortgage." Major Calkins knows, and every lawyer in Indiana knows, that no man but Calkins is responsible for the payment of this debt. Where can the law be found that makes any other man liable? It is not in the statutes of Indiana, and it is a deliberate deception to even intimate that such a law exists.

The Auditor "presented the bill" to Mr. Calkins in the legal advertisement for the sale of the land, and in repeated personal conversations urging him to pay the debt. For the satisfaction of those who desire to make a legal investigation of the status of the case, we cite the following authorities:

Hull vs. Alexander, 26 Iowa, 569. Belmont vs. Cornall, 22 N. Y. 438. Trotter vs. Hughes, 12 N. Y. 74. Comstock vs. Hilt, 37 Ill. 542. Strong vs. Converse, 8 Allen, 587.

If the grantee of the mortgagor agrees to pay the debt he then becomes the principal debtor, and the mortgagor a surety, but not otherwise. Buying land "subject to a certain mortgage" is not an agreement to pay the debt, as these cases will abundantly prove.

—LaPorte Argus.

The South Bend Tribune holds Mr. Calkins up as a poor man. The Tribune, however, should remember that he has been getting five thousand dollars per annum, which income should certainly have enabled him to pay the three hundred dollars school fund.—Many a man whose income is not one-tenth of five thousand dollars a year is compelled to pay his debts, and the fact that he mortgaged a piece of land that cannot be sold to make good the debt, by no means exonerates Mr. Calkins for his neglect and refusal to return the money with interest into the LaPorte county school fund.

The plain facts are, Calkins borrowed three hundred dollars out of the LaPorte county school fund, secured it by a worthless piece of land for which he had no use except to mortgage for school money, and now evidently means to force the land upon the State and thus square off inasmuch as the land cannot be sold for the appraised value, which is two hundred dollars.—Warsaw Union.

The Republican orators all over Indiana are talking glibly about the great friendship their party has for the Irish, but they forget to tell the Irishmen that in the whole history of the Republican party in Indiana they have never elected an Irishman to an office on the State ticket. Since 1860 the Republicans have held the Governorship 16 years, and the Democrats have had it eight years. The other State officers have been divided about equally between the two parties; the Republicans controlling them twelve years and the Democrats twelve. The Democrats elected in that time four gentlemen born in Ireland to responsible positions, three of them to the State Treasurer's office, but the Republicans have not elected a single Irishman, nor have they ever had one on their ticket in all these years. Governor Porter is now proclaiming himself as especially fond of the Irish, but the record shows that he has made 81 appointments to office and there is not one Irishman among them.