

It was late May of 1923. Lancaster was coming off a winter of heavy snowfall and summer was in the air. The Lancaster baseball team, which had lost its ace pitcher and manager Jimmie Dodge to Prairie Du Sac, was now reconstituted under “star batsman” Slim Lewis of Chicago and was ready to play. J. H. Pugh, the team secretary, and cashier of the Peoples State Bank, reported that the team had raised most of its \$2500.00 goal for player salaries and travel. The money was deposited in the Peoples State Bank. The rest of the funds needed would come from admission charges. The season had started well with a 2-0 win over the Rockford Maroons on May 20th, and The Herald reported that “if plans now in the air are carried out Lancaster will have a team this year strong enough to play big league baseball”. On Friday June 1, 1923 the roof fell in.



Rumors were flying. Bank examiners showed up in town. At 6 p.m. the state’s Chief Bank Examiner Thomas Herried took over, sealing the vault and beginning a full inspection of the banks records. The next morning, June 2nd at 4 a.m. Leslie A. Clark, Vice President of the bank, and J. Harold Pugh left Lancaster in Clark’s Oldsmobile. No one knew where they had gone, but they had been seen talking to each other on the town square at 2 a.m. On Monday the bank examiners reported that there

was good reason to believe that there had been a “misappropriation of bank funds”. They reported about \$45,000.00 was missing. At 10 a.m. on the same day District Attorney George B. Clementson issued warrants for the arrest of Pugh and Clark charging each with embezzlement of the bank’s funds. Clementson himself was a director of the bank.



Peoples State Bank Ad May 1923

C.H. Basford, who had resigned as bank president only a year earlier returned to Lancaster pledging to assist in the investigation. What Basford didn’t know was that the bank examiners had found notes from Pugh and Clark stating that they had asked for Basford’s arrest and prosecution the previous year for the banks troubles. They said they had reported a theft of funds by Basford to Clementson and he had been forced to resign or face the consequences. “We can’t stand the gaff” the notes concluded.

Street gossip was that Pugh and Clark had accused Basford of taking \$11,500.00 in currency when he left the bank in March of 1922, and that they, along with Clementson had forced him to return it. People in town took the flight Pugh and Clark as proof of their guilt. Andrew Zenz, a retired farmer and president of the bank was a figure head and was not actively involved in the operations of the bank.

Pugh and Clark had left town with no money, and they soon called Doctor J. C. Doolittle asking for a loan. Acting as an intermediary, Doolittle arranged for the men to return to Lancaster and surrender themselves. Clementson and Sheriff Edge drove to Chicago where they were hiding bearing letters from the wives of the two men stating that “all was forgiven”. At 2a.m. on Thursday June 7, 1923 the men snuck back into town as they had snuck out. The Sheriff delivered the men to their homes, but soon advised Clementson that groups of men were gathering on the streets threatening trouble. For their safety Clementson ordered them placed in the jail.



Perhaps the anger of the citizens was inflamed by stories such as that of Katie Muench, age 72, a woman widowed since 1887, who had raised 9 children with hard work and had on deposit \$11,000.00. When her husband died she had lost the family farm in a Sheriff’s sale, “but I got it back” she said, paying off the mortgage with all the children working as hard as she had. She explained the effect of her loss; “I wanted to live on the interest from it in my old age when I got so I couldn’t work anymore.”

By Friday, Pugh, Clark and Basford were all charged, jailed, and bailed out. On August 24th John Harold Pugh made a plea of guilty and asked the court to consider his aged parents, wife, and little children. Judge Sherman Smalley, to the surprise of most following the proceedings gave him a harsh sentence of 17 years. By contrast Basford was tried and found not guilty on November 2, 1923. He convinced a jury that though he had taken \$11,500.00 in March 1922, he had done so only to scare Pugh and Clark, who had gone to dinner and left the bank door unlocked. He also said he had returned the money in April 1922 and was told no further action would be taken. Clark got a change of venue and was tried in Milwaukee. He received a ten year sentence on January 21, 1924.

The baseball team beat the Rockford Maroons, and then lost to Jimmie Dodge’s new team, Prairie Du Sac 12 - 7. They beat Platteville, and then lost an away game to the same Prairie Du Sac team that had beaten them earlier by a score of 7 - 0. After losing the Dyersville, Iowa team 7 - 3, they beat the Dubuque White Sox 21 - 4, and the Dubuque All-Stars 13-4. Then they played the Game of the year. The House of David Baseball Team was nationally famous for their clowning, talent, and unusual appearance. They were members of a religious sect that did not eat meat and believed it was improper for a man to cut his hair or beard. (See below for information on the House of David Team and the important role they played in desegregating professional baseball) Lancaster beat this professional team 5 - 3, but it was all over. On June 13, 1923 the Grant County Herald carried an article headed; “Short of Funds, Local Ball Club Mustered Out”. The money was gone, and the players moved on to find other teams.

It was a tight year financially for many in the area. The State sued the bank and 10 of the town’s most prominent citizens who had signed

as bondsmen for the bank to hold State funds. With the passage of time most of the stories of the hardships caused by the acts of these three

BASEBALL
House of David
VS.
Lancaster
AT LANCASTER
Friday, June 15
2:30 P. M.

This is the famous bearded, long haired team of Benton Harbor, Michigan.

Admission PLUS TAX 50c

men have faded from memory. None of the people of that time remain to enlighten us further, but there are lessons to be learned about the wonders and dangers of life in small town America in those days. It was a time of far less security, no Federal Deposit Insurance, no Social Security, no welfare, no Unemployment Compensation. Strong community bonds caused one to help another as best as one could, but the ability of charity never met the need.

In November 1926 Governor John Blaine commuted the sentence of J. H. Pugh to ten years. How many years he actually served is unknown, but both he and Clark applied for pardons in 1928. In March 1934 Pugh died of pneumonia in his parents' home in Chicago. In February 1931 a "Liquidation Check" was paid to the depositors of the Peoples state Bank. They received 18 percent of their loss after years of waiting.



House of David team members 1928

