

## Chapter P23

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# Ransom at the Border

When The Marfa National Bank helped rescue  
U.S. airmen held for ransom

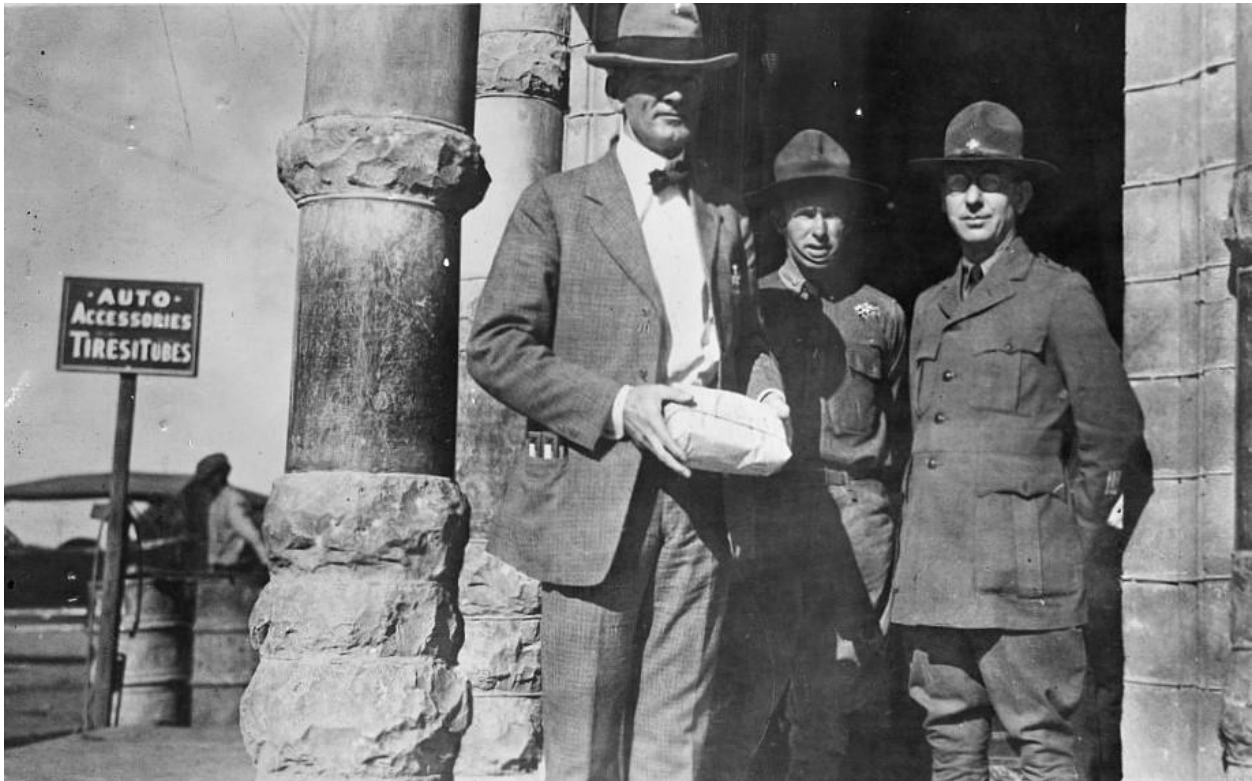


Figure 1. Vice President H. M. Fennell of The Marfa National Bank, Marfa, Texas, aided authorities on Monday, August 18, 1919, when Mexican “Villista” bandits demanded a ransom for two captured American airmen. Fennell holds a package containing \$15,000 in cash. At center is Major C. C. Smith, Commanding 2nd Air Squadron, 8th Cavalry, with Elmer Donnell of the American Red Cross at right. Library of Congress photograph LCN 2017669979.

Headlines were booming with controversies over Southwest Border security, human trafficking, illegal aliens, drug smuggling, kidnappings, and gun running. If this sounds like today’s paper, it was over 100 years ago.

### U.S./Mexico Hostilities 1913-1920

Strife on the U.S./Mexico border was widespread from 1913 to 1920. The Mexican revolution had sowed internal upheaval and violence that spilled across the border into the United States, especially after Mexican general Pancho Villa was ousted by his former revolutionary comrades. Hunted by his old brothers-in-arms and abandoned by U.S. President Woodrow Wilson, Villa became a guerrilla, at one point crossing into the U.S. and attacking the 13<sup>th</sup> Cavalry on the way to seize horses and supplies at the town of Columbus, New Mexico.

The town was burned, 18 Americans died, and reports said between 65 to 80 “Villista’s” died. In March 1916, the U.S. Army sent General John J. “Black Jack” Pershing into Mexico to find the bandit and pressure the Mexican government to subdue Villa. The presence of the U.S. forces on Mexican soil understandably fueled Mexican anger, and when the expedition failed to corner Villa after months of chase, the U.S. forces withdrew in February 1917.

The violence continued, with illegal drug smuggling, alien smuggling, kidnappings, and general violence as gangs of Mexican bandits roved the border areas. Bandits would cross into the U.S. when supplies were needed, raiding ranches and rustling cattle. Violent armed conflict was not unusual, with a particularly large battle occurring between roughly 600 bandits and 800 U.S. soldiers near Nogales, Arizona, in August 1918.



**Figure 2. The 12th Aero Squadron, one of several squadrons, flew surveillance missions and conducted liaison operations with the U.S. Cavalry on the United States/Mexico border. Army Border Air patrol operations continued from 1919 to 1921. United States Army - Air Service, U.S. Army photograph January 1, 1920.**

### **The U.S. Army Border Air Patrol**

In June 1919, a large force of Villistas was on the move towards Ciudad Juarez, Mexico, near El Paso, Texas. The U.S. government placed military units nearby on the American side of the border. Over 1,600 of Villa’s guerrilla’s attacked Juarez on the night of June 14, 1919, with stray fire coming into the U.S, killing two and wounding several others. The Army sent 3,600 troops into Mexico to disperse the Villista force and then returned to base.

As a result of this incident, the Army moved Air Service units to the border for surveillance and patrol duty, eventually numbering over five dozen airplanes and 600 officers and men. In July 1919, three squadrons were organized and stationed at Kelly Field outside San Antonio. Flights soon began from several air fields – literally, hastily prepared fields and pastures – including Marfa field.

### The Marfa Ransom Incident

On August 10, 1919, two Americans got lost while on a routine patrol flight along the Rio Grande in the Big Bend area of Texas. During their flight, Lts. Harold G. Peterson, pilot, and Paul H. Davis, observer-gunner from Marfa Field, Texas, mistook the Conches River for the Rio Grande and flew several miles into Mexico before having engine trouble. They picked what they believed was a safe spot on the “American” side of the river and crash landed. They buried the machine guns and ammunition to keep them out of the hands of bandits, and began the trek back to what they thought would be the U.S. Cavalry post at Candelaria, Texas.

When the two men did not return to base, a search was begun. Planes were unsuccessful in their search, although at one point the flyers saw a plane overhead but could not attract its attention. The search continued for a week, when Capt. Leonard F. Matlack, commanding Troop K, 8th Cavalry, at Candelaria, received word Peterson and Davis were being held for ransom. From here the story is told verbatim from the “The United States Army Border Air Patrol:”

The flyers had been taken prisoner on Wednesday, 13 August by a Villista desperado named Jesus Renteria. The bandit sent the ransom note to a rancher at Candelaria, along with telegrams which he forced the airmen to write to their fathers and the Secretary of War, the Commanding General of the Southern Department, and the commanding officer of U.S. forces in the Big Bend District. Renteria demanded \$15,000 not later than Monday, 18 August, or the two Americans would be killed.

The War Department authorized payment of the ransom, but there remained the matter of getting \$15,000 in cash for delivery before the deadline. Ranchers in the area quickly subscribed the full amount, which came from the Marfa National Bank. Negotiation through intermediaries resulted in a plan for Captain Matlack to cross the border Monday night with half of the ransom money for the release of one of the Americans. The meeting took place on schedule, and within forty-five minutes Matlack came back with Lieutenant Peterson.

Matlack then took the remaining \$7,500 to get Lieutenant Davis. On the way to the rendezvous, he overheard two of Renteria’s men talking about killing him and Davis as soon as the rest of the ransom money was paid. At the rendezvous, Matlack pulled a gun, told the Mexicans to tell Renteria to “go to hell,” and rode off with Davis and the money. Avoiding the ambush, Matlack and Davis safely crossed into the United States.



The bandit Renteria and some of his men were spotted two days later by Air Patrol planes flying in Mexican territory, and he was reported killed as one of the planes strafed the bandits. The search for other bandits from his gang was suspended on August 23 after the Mexican government protested the invasion of its territory.

**Figure 3: The U.S. Army 8th Machine Gun Cavalry in action on the Mexican border, Villa campaign, 1916. LCN 96509207.**



**Figure 4. Marfa, Texas, 1918. The Marfa National Bank is at left. Note the entryway where bank vice president H. M. Fennell was standing in Figure 1 as he left with the \$15,000 ransom package. Postcard by Arnold's Art Studio, image courtesy Marfa Public Library.**

### **The Marfa National Bank**

The rescue of the two Army Air Border Patrol flyers was an Army operation, but the funds came from local ranchers around Marfa and Presidio County. This was remote west Texas hill country, only 60 miles from the border with Mexico. The Marfa National Bank was the sole national bank in a town of roughly 3,500 people, and it was also the only national bank in the entire county. It was ready to help its neighbors and the military.

Longtime cashier Harold M. Fennell had been recently promoted to vice president of the bank, and Fennell was on hand when the ransom plan came into action. Fennell had been cashier of the bank from 1908 to 1918, and lived in Marfa with his wife and two daughters. Fennell helped get the \$15,000 cash together and provided it to the Army officers. As seen in Figure 1, Fennell, at 43 years old, was a tall lean Texan who looked as much the part of a lawman as banker.

We don't know the cash composition of the notes involved with the ransom, but The Marfa National Bank did issue national bank notes, and Fennell's cashier signature did appear on notes for many years given his decade-plus as cashier. See Figure 5.

The Marfa National Bank was open from 1907 through the close of the national bank note era in 1935. The bank maintained a fairly consistent circulation of \$70,000 or thereabouts for most of its existence. The Marfa National Bank issued Series 1902 Red Seals, Date Backs, and Plain Backs in the \$10 and \$20 denominations, and Series 1929 small size notes in the same denominations.



**Figure 5. 1902 \$10 Date Back note showing the signature of cashier H. M. Fennell. Many surviving Marfa NB large size notes have no signatures left on them, so this Date Back is a nice exception. Image courtesy Lyn Knight Auction Archives.**

### Postscript

The Marfa ransom incident was not the only occasion Army Air Border Patrol personnel got lost and/or captured in Mexico, to the repeated irritation of both governments. In one awful episode, two pilots were murdered by bandits after being downed in Mexico near Baja California. But concerns over the Mexican diplomatic protests, coupled with a diminishment of bandit problems affecting the U.S. side of the border, eventually allowed the patrol flights to taper off. The flights ended in June 1921 when the prescient Brig. General Billy Mitchell had other priorities for the Army Air Service and assigned the personnel and planes back east to train on how to attack naval vessels at sea.

The Army Air Service returned to Marfa prior to World War II, with an expanded Marfa Field serving as a training ground for thousands of U.S. pilots during the war.

Numismatically, a Marfa national bank note with Fennell's signature is a tie back to a time when small town national banks and their bankers served the everyday routines of life, but also met some extraordinary circumstances.

### Sources

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