

Local Bankers Think Court's Decision Fair To Small Banks

Norfolk Bankers And Business Interests, Resenting The Charge Of Exchange On North Carolina Banks, Have Adopted Wrong Attitude; Means Life Of Many Smaller Banks, Says Cashier Of Local Institution, Who Answers Recent Article Appearing in Newspapers

Norfolk, Virginia, continues to kick against alleged discriminations in favor of North Carolina. First, it was freight rates, and now it is the collection of exchange by North Carolina State banks, legalized by a recent decision of the United States Supreme Court. This city has for years enjoyed a heavy patronage from this territory, both in the banking business and in its distribution of wholesale and retail merchandise. This State has given it much of its business and to this day continues to spend much money with concerns of Norfolk.

Now, since this State has begun to enjoy a freight rate equally favorable to Virginia, and since the highest tribunal of justice in this country has said North Carolina banks have a right to make a reasonable exchange charge against foreign banks, these business interests and bankers are vigorously assailing the conditions that work for North Carolina.

An article appearing in the Virginian-Pilot of last week date line gives some idea of the attitude being taken by Norfolk bankers and business men. Local bank officers do not believe this article fairly represents the situation, and have mildly resented the suggestion of unfairness alleged by the Norfolk men. The belief is prevalent here that the life and success of the state banks is dependent upon a small exchange charge.

Norfolk's Position

The following is an item that appeared in the Norfolk papers: Norfolk business, which has large connections in North Carolina, South Carolina and other Southern States, will be compelled to assume a considerable burden as result of the Supreme Court ruling which upholds the country banks of North Carolina and Georgia in their stand against clearance of checks at their par value, according to A. B. Schwarzkopf, manager of the Norfolk-Portsmouth Clearing House Association. The effect of this ruling, he said, has a very direct and important bearing on Norfolk business.

Several years ago the banks in North Carolina not affiliated with the Federal Reserve system began the practice of charging exchange for clearance of checks. A Norfolk business concern selling goods to a North Carolina customer, in the great majority of cases, was forced to have deducted from his remittance the exchange charge. The practice became so irksome that some firms in this city refused to accept payment by checks on banks which required this service charge.

The decision of the Supreme Court perpetuates this practice, and bankers here feel that the outlook is for continuance of the exchange charge unless remedial legislation can be obtained from Congress by the Federal Reserve System.

The charge for clearing checks allowed by the North Carolina Legislature is a maximum of 15 cents per \$100. The minimum charge is ten cents, according to Norfolk bankers.

Under the system enforced by the Supreme Court decision from three to five days is added to the time required for a bank in Norfolk to realize on checks from North Carolina drawn on the banks affected by this ruling. In addition to this delay, the exchange fee must be deducted, placing the additional loss on business here.

On checks cleared directly through the Federal Reserve Bank at Richmond from three to four days must elapse before the bank in Norfolk gets its money. On North Carolina checks, this time is almost doubled, because checks must be sent to the respective North Carolina banks after passing through the Clearing House here. The bank here runs the additional risk of loss of these checks in the mail.

Mr. Schwarzkopf said yesterday that the average man in business does not realize fully the extent to which this practice operates in impeding progressive business operation. He admitted that there appears to be nothing which the banks can do to remedy the situation now.

What Ahoskie Bankers Say

V. D. Strickland, cashier of the Farmers-Atlantic Bank, has issued the following statement, showing the attitude taken by the local bankers:

Only a few brief years ago, exchange charges upon checks drawn upon one bank and presented to another bank for payment were practically universal throughout the country with banks not a member of Federal Reserve System. These charges which individually were nominal, were not a burden upon any individual class of business. They did however, mean a great deal to the small bank in a community which is the very heart of progress of any community, and by this little service charge which is only just and right these banks serving the financial needs of the community were enabled to live.

Such a just and reasonable charge of exchange was quite customary up to comparatively recent years. The centralization of our country's banking resources through the agency of the Federal Reserve System brought about a demand from the larger city banks for clearing of checks at par, a procedure which discriminated against small banks but worthy ones. It took away so much of the revenue they had a right to expect, that in some instances the income of such banks located in the smaller communities was reduced to a figure below an equitable return upon their investment of capital and managerial ability.

Two years ago, in the fall of 1920, the Federal Reserve Bank of Richmond, Va., gave notice to the state banks of North Carolina not affiliated with them, that on November 15th, 1920 they were going to require them to remit at par to them, and give them the kind of exchange they wanted, whether it was convenient to them or not.

The state banks of North Carolina believing it was justice and right for them to be compensated for this service fought their actions and their way of making demands and I believe by actual experience if the legislature of North Carolina had not passed some law to protect these banks, that they would have closed the majority banks at that time, under the strain they were already operating.

I also know by experience that they held up checks on banks for several days and sent agents to present them at the windows of the banks, and demand currency for the checks and the average bank did not keep sufficient money to pay a large bunch of checks like that, and that meant if they did not have the state law to protect them, that the checks would have been protested for non-payment which would cause the bank unlimited damage to them and their customers.

North Carolina fought for what was right and won. There is no reason why Norfolk business or any other business should be subsidized by the country bankers paying the freight. That such a demand was both unjust and uneconomic is shown clearly by the coercion and force necessary to put the system in operation. No wonder the small community banks of North Carolina stood united as one against such an encroachment upon their rights, a position under the circumstances which the recent decision of the Supreme Court proves indisputably to be both just and fair, and the legislature of North Carolina also saw that it was just and fair.

As a bank serving the broader financial interests of our community, the institution of which I am cashier has always been glad to see such business go to Norfolk as could best be handled there. I feel confident that the leading merchants of Norfolk appreciate the shopping habits of our North Carolina people in this request and do not as a group object to the exchange charges upon North Carolina checks representing money spent in their city for their merchandise and goods.

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WINTON NEWS

Mrs. P. H. Taylor and two sons, Pat and Phillip, visited relatives in Elizabeth City and Norfolk from Saturday until Tuesday.

Messrs. John Roger Griffin and Jim Bolton were visitors in town Saturday evening.

Mr. and Mrs. H. C. Holloman and daughter, Lillian, were the guests of their mother, Mrs. Lucy Holloman in Harrellsville, Sunday.

Attorney E. R. Tyler from Roxobel and Mr. Grady Harrington from Lewiston were business visitors in town Monday.

Miss Minta Banks, Messrs. Thad A. Eure and Ernest Banks attended a social at the home of Misses May and Gertrude Snipes in Menola on Friday evening given in honor of their house guest, Miss Council from Chapel Hill.

Mr. J. R. Vann from Suffolk spent the week-end at home with his father, Mr. H. B. Vann.

Mrs. John R. Jordan and son, John Richard, who have been at Protestant Hospital in Norfolk for the past two weeks, returned home Friday afternoon.

Mr. J. Fred Stimson spent from Friday until Monday in Union.

Mrs. Dallas L. Dilday from Portsmouth is visiting her mother, Mrs. J. E. Brady.

Mrs. Mollie Shaw, who has been spending some time with her daughter, Mrs. D. R. Britton at Colerain, returned to her home Sunday.

Messrs. David Day and Robert Britton from Murfreesboro were visitors in town Sunday afternoon.

Miss Willie Boone, who has been making her home with her sister, Mrs. B. E. Copeland in Ahoskie, has returned to make her home with Mrs. Bettie Majette.

Mr. W. H. Howell and son, Mr. Herman Howell and Mr. Cotton from Franklin, Va., visited their uncle, Mr. Frank Hines Sunday afternoon.

Misses Mary Brady and Sue Brett, who attended the B. Y. P. U. convention at High Point last week, returned to their homes here Friday morning.

Mr. Glenn Griffin spent the week end in Woodland with his parents, Mr. and Mrs. J. P. Griffith.

Mr. J. A. Eley and family visited with them, that on November 15th, 1920 they were going to require them to remit at par to them, and give them the kind of exchange they wanted, whether it was convenient to them or not.

Miss Myrtle Swindell attended the Betterment meeting at Murfreesboro Monday afternoon.

Mr. and Mrs. Arnold Hines from near Gates visited relatives in town Friday.

Mr. E. L. Banks left Tuesday afternoon for Wrightsville Beach to attend the Ford dealers' convention which is in session there this week.

Mr. and Mrs. D. R. Britton from Colerain were the guests of Mr. and Mrs. J. A. Shaw Sunday afternoon.

Little Miss Virginia Bridger from near Mapelton visited her friend, Miss Elizabeth Banks Monday afternoon.

Messrs. Jesse Brown and Harvey Vinson were visitors in town Monday.

Mrs. Maude Newsome and son, James, left Saturday for Hamlet, N. C., to visit the former's mother.

Mr. Jim Eure was a caller in Eure Sunday evening.

Mr. and Mrs. W. A. McGlohon from Murfreesboro, were the guests of Mr. and Mrs. D. R. McGlohon Tuesday afternoon.

Mr. and Mrs. H. C. Britt attended the burial of the former's sister, Mrs. Julia Weston at Reynoldson, Saturday afternoon.

Messrs. T. M. Condon and J. W. Faison were callers in Menola Sunday evening.

Mrs. Lindsey M. Silvester from Norfolk is visiting her niece, Mrs. H. C. Faison.

Miss Joyce Hines from near Gates visited Misses Pearl and Gladys Jenkins last Friday and Saturday.

Mr. and Mrs. M. L. Spiney from Sunbury visited Mr. and Mrs. H. C. Holloman last Saturday.

Mr. Ben Williams from near Ahoskie is visiting Mr. Richard McGlohon.

Mrs. W. H. Lassiter and children returned home Saturday from Norfolk where they have been visiting relatives.

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LEGAL NOTICE

State of North Carolina,
Department of State.

CERTIFICATE OF DISSOLUTION
To All Whom These Presents May Come—Greeting:

Whereas, It appears to my satisfaction, by duly authenticated record of the proceedings for the voluntary dissolution thereof by the unanimous consent of all the stockholders, deposited in my office, that the J. A. ELEY ELECTRIC, PLUMBING & HEATING COMPANY, a corporation of this State, whose principal office is situated in the town of AHOSKIE, County of HERTFORD, State of North Carolina (J. A. Eley being the agent therein and in charge thereof, has complied with the requirements upon whom process may be served), of Chapter 22, Consolidated Statutes, entitled "Corporations," preliminary to the issuing of this Certificate of Dissolution:

Now, Therefore, I, W. N. Everett, Secretary of the State of North Carolina, do hereby certify that the said corporation did, on the 8th day of June, 1923, file in my office a duly executed and attested consent in writing to the dissolution of said corporation, executed by all the stockholders thereof, which said consent and the record of the proceedings aforesaid are now on file in my office as provided by law.

In testimony whereof, I have here-to set my hand and affixed my official seal at Raleigh, this 8th day of June, A. D., 1923.

W. N. EVERETT,
Secretary of State.
ROSWELL C. BRIDGER, Attorney
for J. A. Eley Electric, Plumbing
and Heating Co. 6-15-23-4t.

ADMINISTRATOR'S NOTICE

Having qualified as administrator of the estate of Robert Holloman, deceased, late of Hertford County, North Carolina, this is to notify all persons holding claims against the said estate to exhibit them to the undersigned at Ahoskie, N. C., for payment, on or before the 24th day of May, 1924, or this notice will be pleaded in bar of their recovery. All persons indebted to said estate will please make immediate payment.

This 24th day of May, 1924.
A. W. HOLLOMAN, Administrator.
Ahoskie, N. C. 5-25-23-6t.

Many big features have been added to the program of the Farmers Convention at the State College, July 31, August 2. Mark these dates on your calendar and prepare to attend. FILLERS

Don't forget that your copy of extension circular 137 telling how to dust cotton for control of the boll weevil is waiting for you to write to the Editor, Extension Service, Raleigh and ask for it.

For the purpose of compiling a folder of an "Historic and Industrial Tour of the Carolinas," C. C. Armstrong, of Gastonia, president of the Carolina Motor Club, has appointed a committee from the two states. Mrs. Edith Vanderbilt is chairman of the committee.



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