

DIRECTORS SUED FOR 1/4 MILLION

Receiver of Alamance Insurance and Real Estate Company Charges Directors with Paying out Money Illegally as Dividends

The following article from Saturday's Greensboro News gives an account of proceedings taken by the receiver of the Alamance Insurance and Real Estate Company to recoup for the creditors of the company money which the receiver declares to have been illegally paid out in dividends to the stockholders, when the company was already practically insolvent. The company was headed by Mr. W. E. Sharpe, who is well known in this county. Also it is assumed that quite a number of Chatham citizens are creditors of the company through the purchase of its bonds. Says The News:

"An action against the directors of the Alamance Insurance and Real Estate Company and its subsidiary, alleging mismanagement and fraud on the part of the operators of these corporations and involving more than a quarter of a million dollars was brought by John M. Coble, receiver of the company, on behalf of all the creditors yesterday in middle district federal court.

The defendants are: W. E. Sharpe, John M. Fix, C. V. Sharpe, J. C. Staley, John B. Cheek, S. G. Moore, James N. Williamson, Jr., and Mrs. Maude Holt, administrator of the estate of W. K. Holt.

The directors of the corporation permitted dividends to be paid during years when they knew or ought to have known that the company was insolvent, the receiver claims. A recent audit of the books of the corporation show that a total of \$118,573 was paid in dividends during the years 1923-28 none of which, the receiver says, should have been paid which materially damaged the claims of other creditors to whom the Alamance Insurance and Real Estate Company owed far in excess of \$118,573.

This dividend item paid out should be an obligation resting on the directors, the plaintiff says.

The records of the corporation from 1923 to 1928 are grossly inaccurate and defective in that they do not show the true state of affairs of the corporation. The plaintiff lists a large number of alleged inaccuracies and says that there are far more than he had listed. Included among them are the following: that miscellaneous accounts of \$175,955 shown by an audit to be due were not listed in the report of the secretary at all; that the secretary failed to report at one time \$552,781 in bonds outstanding. An actual deficit in December 1926 of \$110,795 existed when the report of the secretary showed the company to be solvent; the total liabilities of the company, shown by the audit amount to \$2,275,852 instead of \$406,656 as shown in the report made public.

The directors either had knowledge of this or could have known it. They failed to have an audit made of their books as should have been done, it is charged. They permitted W. E. Sharpe to practically run the affairs of the corporation, it is claimed, much to the detriment of the claims of the creditors.

Mr. Sharpe, acting by the authority of his board of directors issued second mortgages as first mortgages, issued duplicate bonds on the same property; encumbered land far in excess of the value thereof. As an example of the kind of thing that was practised, the plaintiff sets forth the Cameron park incident. He charges that on February 1, 1928, the National Real Estate Company issued bonds in the amount of \$12,500,000 on Cameron park in Raleigh and that in October of the same year issued an additional \$11,000,000 in bonds alleging that both were first mortgage bonds. The sum of these two was far in excess of even a speculative value of the property, it is charged.

The plaintiff further charges that the officers of the company, with the silent consent of the board of directors, given either wilfully or negligently, misappropriated \$99,013 paid into the company to be applied on bonds and which were never applied that way.

This item of nearly \$100,000 is the second thing that the receiver asks the directors to make good in full. In addition the plaintiff asks for an accounting.

The complaint voluminous to the extent of 37 pages has been in course of preparation for some time under the direction of King, Sapp and King, of Greensboro, John S. Thomas, and E. S. W. Dameron, the latter two from Burlington, all of whom represent the receiver."

Singular.

"We have the safest railway in the world where I come from. A collision on our line is impossible."
"Impossible? How do you make that out?"
"Why, we've only got one train."
—Bradford, Pioneer.

Hoover States Take Official Note of Tea

Legislatures in Texas and Florida, two of the southern states that last year deserted the democratic party and cast their electoral votes for a republican president, have adopted resolutions condemning Mrs. Hoover's action in entertaining a negro woman at a White House tea. An anti-Smith democratic rally planned for Roanoke, Va., has "blown-up" because of that tea, and because of the further fact that DePriest, negro congressman and husband of the woman entertained, came to Roanoke and made a speech praising the anti-Smith's and all others who bolted the party last fall.

CULBERSON CITED FOR GALLANTRY

Chatham Man Maintained
Liaison Between Elements of
Command Through Showers
of Shot and Shell

John L. Culberson, of Bynum, who served overseas in the World War as a corporal in Company "H", 322nd Infantry, has just been notified that he will be cited in War Department General Orders, for gallantry in action, with the following citation: "John L. Culberson (Army serial No. 1865255), formerly corporal, Company H, 322nd Infantry, 81st Division, American Expeditionary Forces. For gallantry in action east of Verdun, France, November 10, 1918. Acting as runner between his Company Post of Command and the two front line platoons, Cpl. Culberson passed through areas swept by enemy machine-gun and artillery fire, and by his disregard for his own personal safety was able to keep up liaison between elements of the command."

To receive a citation from the War Department for gallantry in action is no small honor, and this citation entitles Corporal Culberson to wear one silver citation star on the ribbon of his Victory medal, and the War Department has directed that such a star be issued to him.

Mr. Culberson is a member of the Pittsboro Post of the American Legion, Chatham Post No. 57 and this Post, together with the assistance of Congressman E. W. Pou, helped Mr. Culberson to get this citation at this time.

Poe Reunion to Be Gum Springs, July 4

The following letter has been sent out over the signature of Dr. Clarence Poe to descendants of the original Jesse Poe who settled in this county:

"You are cordially and urgently invited to attend the 1929 annual Poe family reunion, at Gum Springs Baptist church, 5 miles south of Pittsboro, and on the highway between Moncure and Pittsboro, at 10 a. m., July 4, and bring dinner.

This is a reunion of all the descendants of the original Jesse Poe who came to Chatham county from Culpepper county, Virginia, about 1780, and of his sons—Gilbert, Beverly, James, Jesse, Joseph, Hasten, and Willis; and of his daughter, Lucy, first wife of Jordan Tysor. All relatives of the family by marriage are also invited.

1. Reminiscences of Hasten Poe and his descendants and the early history of the Poes, Pattersons and Hackneys in Chatham as shown by old court records will be the subject of the main address by Rev. Dr. Elias Dodson Poe, of Roanoke, Va., and of introductory remarks by C. C. Poe, presiding.

2. Following is the program in detail:

10:00—Introductory, Horton Poe.
10:30-11:00—Songs and invocation, led by Rev. W. D. Poe, Oxford, N. C.
11:00—Address, Rev. E. D. Poe, Th.D., Roanoke, Va.
12:00—Election of committees and other plans for 1930 reunion, selection of place, etc.
12:30—Dinner.
2:00 p. m.—Footrace, sackrace, horse shoe pitching, checkers, marbles, etc.

3. A \$5 gold piece will go as prize to the person who brings and exhibits the most interesting collection of old relics, papers, or documents that were once owned by old members of the Poe family or families into which they have intermarried, or the most interesting written story, item, or reminiscence of old times in which Poes participated.

Please come. Please bring dinner. Please bring all interesting stories or items or reminiscences of family history you can collect. Please bring any old relics or documents you know of. (These of course can be carried back home after you exhibit them.) Please bring a nomination for next year's reunion program."

Twin propellers for airplanes are expected to add power and make steadier flying.

SEES LITTLE HOPE OF FARM RELIEF

Editor Bion Butler of Aberdeen Pilot Takes Gloomy View of Future of Farming

The following article from The Aberdeen Pilot, presumably from the hand of Bion Butler, indicates that the farmer's plight is too serious to be relieved by any legislative enactment. With the farmer's income only a third that of the average of other people, full relief is truly hopeless, but a little help often means the difference between sinking and swimming. But Congress has refused to throw the farmers even the debiture straw. Yet the farmers are not on starvation row. The injustice is that others get too much. It is not a fair division. The Pilot article follows:

"Possibly Congress may legislate something that will bring farm relief, but this is suggested merely on the claim of some folks that the day of miracles has not passed. At the last census the Government reported the value of all farm property in the United States as of seventy-eight billion dollars. The total value of crops reported for a recent year was twelve billion dollars. In other words a property of seventy-eight billion dollars produces a return of twelve dollars. This must include interest, taxes, costs of production, depreciation and everything else. As the farm may expect to pay interest and taxes of about seven or eight per cent that takes nearly half of the income, and the balance goes to the farmer for his costs of operation and living and wages.

There are in the United States over six million farms. These farms produce twelve billions of farm stuff of all sorts, or \$2,000 on the average to the farm. With interest, taxes and depreciation taken out of this, it is apparent how much the average farmer has to maintain himself. These figures are from the Federal census reports and are the highest authority on the subject. Allow six per cent for the investment, and two dollars on the hundred for taxes and depreciation, but nothing for repairs or extensions, the farmer has on the average throughout the United States about \$1,120 a year, and from this he must pay his hands, his cost of operation, including fertilizers, seed, machinery bought and all that sort of stuff. He must pay the gasoline bill for his tractor, his oil, his blacksmith bills, feed and supplies, and everything that calls for money.

And this situation is what the farm relief schemes propose to relieve. If anybody believes legislation can accomplish much in this direction he is a hopeful man. The five hundred million dollars proposed to be provided by congress to relieve the farmers would mean about eight dollars for each farmer if divided outright directly and in cash, or less than one more boll of cotton.

The annual value of manufactured products in the United States total about sixty billion dollars, and the products of mines five billion more, or together five and a half times as much as the products of the farms. Forests, fisheries and other agencies add to this total. The thirty million people on the farms get twelve millions, while three times as many not on farms get practically six times as much. To equalize the farm income with the income of those not on farms would require about twelve billion dollars a year for the farms, and probably the only way for the farmer to get much relief is to go out to the factory and work there where incomes are twice the income of the farms, to say nothing of the expenses the farmer has to pay to carry on. That is the only farm relief scheme that will work."

Kimbolton News

Mr. and Mrs. Charlie Webster of Rocky River community spent Sunday with Mr. and Mrs. A. V. Ferguson.

Henry Hackney and Dorothy Hackney of Charlotte and Mrs. Sara Jane Hackney of Rameur were Sunday visitors here.

Mrs. Mittie Russell and Sara Brewer are spending awhile in Greensboro.

Mrs. Sam Hancock and children of Swepsonville are spending the week with Mrs. Brooks McNath.

Mr. and Mrs. Jeter Jenks of Pittsboro spent the week-end with Mrs. Claude Pickard.

Ossie and Mozelle Brown of Sanford spent last week with Joyce Perry.

Mr. and Mrs. Lawrence McManess of Bear Creek spent Sunday with Mr. and Mrs. A. V. Ferguson.

Miss Ina Gilmore of Greensboro spent Sunday with Mrs. C. M. Pickard.

FOUNDATION WORK FOR BIG BUILDING

Block of Buildings to be Erected Next to Farrell Building; To Provide Store Rooms, Offices, Movie Theatre

The outline of the Geddie Fields block of brick buildings to be erected next to Farrell Building here in Pittsboro has been made, and preliminary work to the foundation laying has started. The building is to be even greater than formerly described if the purchase of the small lot adjoining can be purchased, as the prospects are at this writing that it can be. With this sixteen-foot lot the front will be 54 feet, while the rear will be the same. Without the purchase of the small shallow lot, the front will be 54 feet, while the rear.

The movie theatre will be in the rear of the stores and approached through a hallway between the store rooms. The whole depth of the building will be 154 feet, which carries it much beyond the rear of any other building on that side of Main street.

The building will be erected under the supervision of the owner, Mr. Geddie Fields of Chapel Hill. It is the expectation to complete the building in ninety days.

DUKE FUNDS FOR SANFORD HOSPITAL

\$62,500 Offered to Lee County on Condition of Matching With Similar Sum for Erection of Hospital at Sanford.

The following clipping from the Sanford Express should be of considerable interest to Chatham county. Lee and Chatham have co-operated in various enterprises, bridges particularly, and in trials. If there is no chance of getting a hospital for Pittsboro this county should co-operate with Lee and get whatever advantages the Duke funds give to indigent patients. If Chatham folks expect equal favors they should share expenses. Money could scarcely be better spent. The article follows:

"J. U. Gunter, chairman of the Board of County Commissioners, informs The Express that the commissioners at their recent meeting discussed and endorsed the proposition made by the Duke Endowment Fund to the effect that the sum of \$62,500 will be appropriated to the construction and equipment of a hospital in Lee county by this Fund provided that like amount is appropriated by the county. The commissioners recently received a communication from the Duke Endowment fund making this offer. It was suggested also that they get the endorsement of the civic and other clubs in the county and the people generally who are interested in this proposition. They are given six months to decide the matter. At the end of that time should there be no favorable action in the matter the sum offered will go to some other county. If the people of Lee county want a county hospital now is the time to get busy."

Congress Adjourns Till the Early Fall

Congress has adjourned. The senate closed shop last night until August 19 and the house of representatives followed today and may not come back until the middle of September. During the recess committees will work on tariff and other matters. The main reason for which the session was called—adoption of farm relief—was accomplished, although the bill was passed was far from satisfactory to farmer representatives.

Corner Stone Laid at Orphan's Home

High officers of the Junior Order and thousands of members and friends assembled at Lexington Sunday for the laying of the corner stone of the North Carolina dormitory at the orphan's home there. Nine Pullman cars were required to bring the national board to Lexington. The corner stone was laid by E. A. Llewellyn of Ohio, national councillor. Addresses were made by other high ranking officers of the order.

Ray Keach Killed on Altoona Track

Ray Keach, holder of America's speed record as an automobile driver, met death in a crash on the Altoona, Pa., track last Friday. He was leading the field when his car collided with three other racers. Cliff Woodbury of California was seriously injured. Other drivers in the mix-up came out without hurt to themselves.

First Bale of Cotton Auctions for \$3 Pound

The first bale of 1929 cotton, shipped from Texas by airplane and sold at auction on the floor of the New York cotton exchange Monday, brought the very satisfactory price of \$3.00 a pound. The bale brought \$1211.00, half of which goes to the United Hospital fund in New York and half to the Salvation Army in Corpus Cristi, Texas. The sale was attended by many notables in the business and political world. The first bid was \$2.00 a pound and the price advanced by 5c and 10c bids.

C. C. HALL DISTRICT MANAGER OF CHAIN

Ben Franklin Chain Stores to Have Headquarters at Pittsboro—Store Here to Open Soon.

It is gratifying to announce that the Ben Franklin Chain Stores here for Central Carolina. Mr. C. C. Hall is district manager, and while the Ben Franklin has just entered this territory it will be a part of Mr. Hall's business as manager to develop the district. When other stores are located and put into operation, Mr. Hall will have the appointment of managers for the individual stores and will be in general charge of all of them under the general manager.

In the meantime, Mr. Hall's association with the system, he informs us, enables him to use the buying advantages of the Ben Franklin system for his own store here in Pittsboro, giving him and the town additional advantages from the location of a unit of the Ben Franklin here.

It is probable that the Record will carry next week an advertisement of the opening of the Pittsboro store. Good progress has been made in rearranging the interior of the store to the specified requirements, and goods will be arriving almost immediately to stock the store.

As before stated, Mr. Roy Riggsbee, a native of the county, will be local manager.

"Yellow Bird" Makes It Across Atlantic

The French airplane "Yellow Bird" was forced down in Spain last Friday 150 miles from its destination, which was Paris, by shortage of fuel. The plane took off from Old Orchard, Maine, early Thursday. Jean Assolant, Chief pilot, Rene LeFevre, navigator, and Armento Lotti, radio operator comprised the crew. Arthur Schreiber, 17 year old Maine lad, went as a stowaway. He is said to have been the proudest member of the party. Will Rogers expresses what is pretty apt to be the general opinion of the lad when he says that he can't get enthusiastic about a boy big enough to have good sense stowing away on a ship like that where every pound of weight counted so greatly, thus imperiling the safety of the whole party just for a little personal glory to himself.

Houser Succeeds Ben C. Sharpe

Ben C. Sharpe, prohibition enforcement officer for the western district of North Carolina, died last Thursday at his home in Statesville. The post which he had held was immediately tendered to Mrs. Mary Settle Sharpe, his widow, but she declined it. Announcement was made Saturday afternoon of the appointment of Evans L. Houser of Dallas. Mr. Houser has had long experience as a deputy enforcement officer under Mr. Sharpe and is said to be thoroughly familiar with the duties of the office, as well as the territory to be served.

Shotguns Banned in Border Patrol

Following reports of indiscriminate shooting upon automobiles and motor boats by enforcement agents, prohibition enforcement officials have ordered patrolmen along the Canadian border to lay down their shotguns and rifles, and confine their arms to service pistols. Reports of careless firing were aired in the congress Monday.

3 Children Drowned; Foul Play Is Feared

The bodies of Nellie and Frank Powell, 14 and 7, and Oscar Ames, 8, were found lying in the shallow waters of a creek just outside Elizabeth City last week. It is believed by officers that the girl had been ravished and murdered, and that the little boys were probably killed to prevent them talking. No clue has been discovered as to the guilty party or parties.

BERTIE COUNTY HAS ECONOMICAL PLAN

Jail Built on County Farm—One Keeper for Both Institutions—Prisoners' Work on Farm Greatly Reduce Costs

The cost of the county home, the county gang, and the chain gang in many counties of the state has reached alarming proportions. It is true that the sums expended on these institutions in rural counties rarely reaches the annual total of \$30,000, but the per capita cost is excessive. In one county current expenditures amount to as much as fifty dollars per inmate per month in each of these institutions. In this county the inmates of the county home could have been boarded at the best hotel or boarding house in the county for less than thirty-five dollars per month. In another county there are only three inmates in the home, yet the superintendent is provided a home for himself and family, is allowed the use of the county farm, is paid \$25 per month for each inmate, and the county pays in addition for clothing, medical attention, and any other unusual cost.

Jail and Chain Gang
The county home is only one of the institutions which are costly; the jail is another one. Ordinarily the jailer is given from seventy-five cents to a dollar a day to board the prisoners in the jail. Medicine, tobacco, clothes, fuel and bedding are all furnished by the county. The jailer is also furnished with a home. In some counties the cost, when only current expenditures are considered, is from fifty to sixty dollars per month for each prisoner.

The county chain gang is another expensive proposition. In only a few counties has the use of convict labor on the roads proved economical. Many counties do not know what the daily cost of prison labor is, for no cost accounting has been done. Greene and Sampson counties have worked their convicts on the roads successfully and have kept the per capita costs at a minimum. At the same time they have clothed, fed, and housed the prisoners adequately. On the other hand, many counties have not had satisfactory results with their chain gangs.

The Bertie Plan
When Bertie county saw the costs of these institutions rising it undertook an interesting experiment. The county home farm contained nearly two hundred acres of good land. Road work for the convicts was not necessary. The jail facilities at the county seat were not adequate. Therefore the county commissioners combined the three institutions. Since the county home was already established no changes in respect to it were necessary. A modern jail was built on the county home farm, near enough to the superintendent's cottage to permit him to look after it. That is, the superintendent of the county home was also made jailer and convict supervisor. The jail was built large enough so that it could house all prisoners, whether serving sentence or awaiting trial. Those awaiting trial are placed in a separate compartment. The jail fully meets the specifications of the State Department of Public Welfare. Since the county home is only a few miles from the county seat the jail is within easy reach of the sheriff. Those prisoners who are serving sentence work on the county farm.

Low per Inmate Cost
It is the plan of the county commissioners that the farm produce the greater portion of the food supply of the jail and the home. The remainder of the crop land is planted in cash crops, mainly peanuts and cotton. In 1928 the surplus from the farm produced a revenue of \$5,857.59. The cost of the home, other than depreciation and interest on the investment, was \$7,046.66, or a net cost of \$1,189.07. During the year there was an average of thirty inmates in the county home, ten working prisoners, and seven prisoners awaiting trial. If the total cost of the combined operations is charged to the thirty residents of the home, it amounts to only \$39.63 per capita per year. This is a monthly cost of only \$3.31. If the seven prisoners awaiting trial are included in the count the per capital cost is reduced to \$2.68 per month. If the interest on the investment and depreciation of the buildings were added the cost would not exceed five dollars a month. This is a lower cost than has been found in any of the other fifty-eight counties in which county government studies have been made. Bertie's arrangement might not work well in all counties, but it has proved an economical one for that county.

—Edward A. Terry.

Just as Well.
They laughed when I spoke to the waiter in French. You see, it was a dumb waiter.—Judge.

War ended?
Daughter—"Did you have many love affairs, daddy?"
Soldier Father—"No child; I fell in the first engagement."—Answers.