

The Danbury Reporter
N. E. and E. P. PEPPER, Pubs.
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Bank of Stokes County, Causes Of Its Failure — Depositors Must Share In the Respon- sibility For Its Sus- pension — Public Re- acts and Looks The Situation Coldly In the Face, With a Grain of Charity.

When the Bank of Stokes County went down, every depositor who had been paid six per cent. by the Bank for his or her money, was to that extent a co-sharer in the responsibility for its disaster.

It has been now more than a month and a third since Stokes county's main financial institution closed its doors. Much water has passed under the bridge since that black Wednesday in Stokes county. The snow has fallen and melted, and Christmas has come and gone. The shock has spent itself, and the public has had time to look the situation dispassionately in the face, and to feel a small tingling of charity for those who have been charged with the responsibility of the bank's failure.

The Bank of Stokes County was a six-per cent. bank. This was the fundamental reason why it could not go on. There were other contributing causes. The great immediate cause was the unparalleled disaster which has folded its sinister wings on the thousands of farmer-doorsteps in Stokes county. The five thousand farmer-patrons, victims of drought and continued bad crop years, were left in a position where they could neither deposit nor pay.

The Bank of Stokes County was an agricultural bank wholly—a farmer's bank. Those who have been studying the calamity which is the portion of agriculture and farming throughout the world today can understand why a farmer's bank should fail. The Bank of Stokes County was caught in the undertow. It sank. It could not do anything else.

As this farmer's bank was paying its farmer-patrons six per cent. for their money, necessarily it had to loan this money at six per cent. plus to meet dividends and expenses. Money-market paper, stocks and bonds etc., these things do not pay over 4, 5 or 5 1-2 per cent. So the Bank of Stokes County let the farmers have the money back again, and when the squalls came it had no securities in its vaults on which it could quickly realize to meet a serious and continuing decline in deposits. Only in the fall when the farmer realized, could the bank realize. When the farmer failed to realize, the bank failed with him. Both went down together.

The Bank of Stokes County had a yearly interest pay-roll of around \$100,000. This money went into the pockets of its farmer-depositors. For many years the bank made

money, and paid good dividends to its stockholders. From 8 to 12 per cent. was paid for years. A year or two ago when tobacco conditions got so bad, and everything slumped, the dividends were passed.

The steady decline of farm products since 1920 meant accumulating ruin to farmers everywhere. Many farmers found themselves at the end of the year unable to pay out, and had to be carried over, and they would need help again the year following. Lands declined following. Lands declined seriously. If the Federal land banks had to take in \$40,000,000 of farms, with their ultra-conservative appraisals, a country bank with its loans almost entirely to farmers, might reasonably be expected to have suffered.

The adamant decision of the State Banking department in forcing a liquidation of the assets of the Bank of Stokes County when its depositors were willing to pay any losses up to \$250,000, cannot be understood by the people of Stokes county, who consider it a tragedy.

It is well known that the management of the bank was alive to the danger of the six-per cent. policy, and was doing all in its power to cope with the evil and eradicate it, when conditions of the last two years owing to crop failures among its patrons made it necessary to use every recourse to conserve the assets of the bank until a crop could be made, and its cash reserves built up from its collections. The six per cent. evil had grown slowly, and it could not be eliminated all at once. The change must be gradual. If the bank had carried large reserves of liquid assets, the change could have been radical, and would have been. The management was fully alive to the interests of its patrons and stockholders, and was awake to the dangers. But it needed time.

The depositors of the Bank of Stokes County having profited from the conditions which caused its downfall, it now stands them in hand to lend a meed of charity, and to cooperate for the best advantage of all concerned, and in this way they will best serve their own interests. There is much talk of various kinds in the air, and a great deal of it comes from ignorant, vicious people who do not understand. Then there is the incendiary element, who want trouble, and who fan the fears and goad the ignorance of the unlearned. There is still another type who are waiting like vultures to feed on the carcass and who mean to profit from the wrecks of good men.

But there is a very large following who view the situation with judgment, patience and charity, realizing that the bank's management are not crooks, but are honest men, who are ready to sacrifice themselves and all they have or ever hope to have in bringing out the situation with the least possible hurt to everybody concerned.

Lessons of the Ages.

There was never a crisis in history but that it bore an underlying meaning mapped out by the Creator, and from which humanity, though bereft, and not understanding, was left a degree further in the scale toward a higher and happier destiny.

War, famine, pestilence, drouth, are sometimes crucibles through which the soul passes that its latter state may be made better. Gold is finer when it negotiates the furnace. Character grows from suffering.

The children of the year Nineteen Hundred Thirty will relate to their grandchildren beside the home firesides in the days to come the experiences of the evil days, the most trying, the most ill-fated in the country's history. Yet the lessons learned from our suffering will strengthen their understanding, impressing indelibly on their consciousness the virtues of truth, faith, thrift, economy, and will warn them to swerve always away from the pitfalls of destiny. Then in the total, we shall have profited from our regrets and our tears.

Now the old year has gone, and God speed it. The new year stands debonair and smiling on the threshold, radiant with the future's bright promises. Welcome in the new comer, and ring out the old. Ring out the false, and ring in the true.

Let us turn our faces from the ashes of the past, and look to the sunrise skipping across the hills. Happier days and better times are coming back to the world, and the castle of our dreams may yet rear into the air its pointed spires, and may our abiding faith wait patiently and prayerfully!

Rewarding the Faithful

"To the victors belong the spoils" is not only an old-fashioned Democratic doctrine. It is also an old fashioned Republican doctrine, with a big D. From time immemorial both of the great political parties, as well as all other parties, associations, leagues, cliques, cults and sects have observed the principle of taking care of their friends, and showing scant shrift to enemies. When this policy falls into desuetude, political parties will crumble at the core, and exist no more. The civil service rules of the federal government are only a beautiful tissue of fiction. They are always made to function to the advantage of the party in power. It is easier for a camel to go through the eye of a needle than for a Democrat to get an R. F. D. line. The Republican party has too much sense for this monkey wrench to lodge in its machinery. A party that rewards its enemies while its faithful friends stand out in the cold and eat the crumbs that fall from the table, will find when it sends out S. O. S. calls that its integrity has disintegrated.

Help For Farmers.

The news that help is now available for farmers will be heard with a sigh of genuine relief in Stokes county, where farming has been smitten under the fifth rib. Stand on the warehouse floors and see the Stokes crop go, if you want to know how it feels to be real sick. Averages, less than five cents. Good tobacco that it took man, woman and child long months to make, slipping away and simmering away to nothing under the song of the auctioneer. Many of the best farmers in the county finishing with less than \$100 for the whole crop. Loads of good leaf going at \$2.00, some for less, some for less than the price of the gas it took to haul it to market. We heard of one poor farmer who owed the warehouse 10 cents, after the sale. Fertilizer bills to pay, clothing and shoes to buy for the children, who are naked and barefooted. No corn or feedstuffs at home to feed the stock and cattle. Nearly every merchant broke or crippled, every guano dealer staggering, or down and out, individuals with their savings in the hands of a receiver, and now a rigorous, long winter before us.

If anything but federal aid can handle this pitiable situation, please name it.

"Would Have Adorned the High Station."

The friends of the lamented Humphreys will read with interest and appreciation this tribute to him from Senator Josiah W. Bailey:

Raleigh, N. C., Dec. 29, 1930.
The Messrs. Pepper,
Danbury Reporter,
Danbury, N. C.
Gentlemen:

I have read your editorial entitled "Adieu," and I wish to thank you for it. It is excellently well written, is true and just. It is a great thing to have deserved such a tribute. After reading it I feel all the more keenly the loss we all suffered in the death of Mr. Humphreys. Surely he would have adorned the high station to which the people had called him.

Yours very truly,
J. W. BAILEY.

Dance and Bridge Party Last Night

Two of the nice events of the Christmas season were the dance given by Miss Miriam Hall and the bridge party by Edith Fagg, given at their respective homes here last night. Both events were attended by large numbers of the young people and were thoroughly enjoyed.

Edwin Couples set an air mail record by flying 127 miles in 48 minutes on the Cleveland-Pittsburgh line.

The next international Boy Scout conference will be held in Salzburg, Austria, in 1931.

OTTO WOOD MEETS HIS FATE

Shot To Death By Salisbury
Policeman When He At-
tempted To Escape—Ordered
Policemen To Escort Him
Out of Town.

Dying like he had lived, Otto Wood, North Carolina's most written about criminal, was killed in a gun battle with Chief of Police R. L. Rankin in Salisbury Wednesday.

In death as in life, Otto proved "good copy," a matter of prime importance to the publicity hungry, one-armed bandit-murderer who four times escaped from State prison, in addition to escapes from four other State penitentiaries, says the News and Observer.

If Otto Wood had accomplished his escape from the Salisbury officers Wednesday—and he would have but for the daring of Chief Rankin, whom he had covered with his pistol—it would have been his most sensational getaway. Recognized by the Chief and assistant Chief J. J. Kesler and another officer, who had been "tipped off" to Otto's presence in the town, Wood had his pistol out, was climbing into the officer's own car and had ordered them to drive him out of town. Then Chief Rankin took a chance, ducked, pulled his own gun and began the battle which ended with the eleventh shot—this being the one that killed Otto Wood.

Hunted throughout the country since he made his fourth escape from the State prison on July 10, Wood drove into Salisbury with a companion, Ray B. Barker, of Saint Paul, Va., about noon. An unidentified man told the officers he was in town and though the report was one that had been made in many North Carolina towns during the last months—usually without foundation—the Chief and his assistant went to investigate. They found Wood and Barker on East Innes St., a block and a half from the police station.

The Chief, driving the car, pulled up to the curb.

"Come here, buddy," he called.

"What do you want," said Wood, cursing.

"Let's see your other hand," answered the chief, knowing that Otto had lost a hand.

"I'm Otto Wood, here's my hand," shouted Wood, whipping out a .45 caliber pistol. "Move and I'll kill both of you."

Wood ordered Barker into the rear seat of the car and with the pistol pointing at the officers, climbed into the seat beside him, ordering the Chief to drive him away.

Reaching for the gear lever, as if to obey the command, Chief Rankin made his bid for fame. He opened the door, ducked and slipped from the car, drawing his own pistol as he left. Using the car as a protection, he fired through the windshield. The bandit returned the fire.

The Chief fired four shots while Wood fired three and

Kesler, who left the car immediately after the Chief, fired two shots. Then came the flash which Chief Rankin described as follows:

"I raised up from behind the windshield. I wanted to end it. As I raised up I fired. Wood fired. We both shot at the same time. Otto missed. My bullet went home."

Wood's leg had been shattered during the fight, but the shot which killed him hit him near the mouth and ploughed a great shattering wound in the side of his head. He was dead almost immediately.

Barker, who had an unloaded pistol in his pocket, took no part in the fight.

Only one or two people witnessed the fight, which ended in far less time than it takes to tell it. But the word soon spread through town that Otto Wood was dead.

The body of the outlaw, for which a reward of \$275 had been offered, was taken to an undertaker's establishment.

Public Construction Work Starts Soon

Washington (INS).—Within the next few months public and semi-public construction work representing an expenditure of more than \$800,000,000 will be started in the United States with a definite relief to unemployment, Colonel Arthur Woods, chairman of the President's emergency employment committee announced today.

"All of this work has advanced beyond the stage of producing funds, authorization, selection of sites, litigation and other preliminary steps which frequently delay public construction programs," said Franklin T. Miller, head of the committee's public works section.

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