LETTER THROWS NEW LIGHT ON BANKING HEARING AT RALEIGH

Lawyers Base Appeal Claims on Letter Written by Chief **Examiner Latham**

fried before Superior Court Judge E. H. Cranmer, of Southport, in Raleigh, John H. Hightower, president of the defunct Central Bank and Trust company, was found guilty of receiving deposits for his bank, when he knew the institution to be insolvent, and sentenced to serve not less than two and one-half years and not more than four sonnel of the local organization are years in the state prison. H. H. Mas-delighted that the national body has sey, cashier of the bank and co-defendant, was acquitted.

An appeal was taken to the Supreme court and the appearance bond was reduced from \$25,000 to \$15.000. This was signed by prominent business men of Raleigh, who, it was said, did so to express their confidence in the inno-

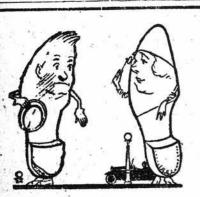
banking business he had acted in good faith and that he thought he had pulled the bank through, that he frequently laid the whole situation before the bank examiner, offering to turn the institution over to him at any time.

The lawyers for the defendant based their arguments as to the real condi-tion of the bank on a latter written attorneys for Allen by Examiner Latham. been a strong supporter of the move

The letter in part follows: "The accumulated overdrafts of \$33. 807.33 by R. G. Allen, \$17,436.31 in his own name and \$16,371.02 by R. G. Allen and loans made by the bank to or on burg, S. C., council. account of R. G. Allen to the amount of \$69,244.57 which were held by the bank in December, 1921, and which have never been actually paid. These amounts are in addition to the \$26,000 of R. G. Allen notes now held by the bank. Elaborating more fully the specfitcations of this paragraph now disclosed by the books of the bank, that the condition were as now in November and December the Central Bank and Trust company was practically a complete wreck, stripped not only of its capital stock, but of the larger part of its assets by R. G. Allen while he held forty-five-fiftieths of its capital stock and controlled its an unconvened equity in an encum- casion there having been arranged an bered piece of real property on which extra program of music. a \$40,000 loss has been sustained. In addition to this he had withdrawn praccurity, and more than 10 times New York Times.

as much as the law permits a The foolish and unfounded rumor theatre property by R. G. Allen as they section.

Offers to rent or buy locations which contend in an effort to save it from whose money we wrongfully and ille- ment of the place and its control hav-gally took and used, by the exchange ing been left in the hands of the of worthless stock in the bank which he had wrecked for uncollectible notes for \$49,000 that are now in the assets of the bank in lieu of the money which Mr. Allen fllegally and



their money, Mr. Allen got it and has

The depositors want

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TRAVELING MEN PLAN BIG CROWDS WITNESS TO ERECT SANATORIUM

lumbus Favors Proposition, Local Council Learns

The supreme council of the United Commercial Travelers which has just concluded its regular yearly session at Columbus, Ohio, went on record' as favoring the establishment of a tubercular sanatorium, according to a letter received in Wilmington yesterday by A. H. Smith, secretary and treasurer of the Cape Fear council.

The local council has long been agi tating the establishment of an institution of this character and the perdelighted that the national body has seen fit to approve of the idea and appoint committees to attend to the details of securing a location and erect

ing the institution. Just when the sanatorium will be built is not known at present and while it may be started in the next few months it may be a full year before

the buildings are erected.

The institution will be located sometheir case Judge Cranmer called upon where in North Carolina and if it the defendant, who stated that in the proves to be a success it is thought banking business he had acted in good that the national constitution will be located something the care in the province of the care in the located something the care in the approve of the erection of two similar sanatoriums to be erected in Arizona and in the Adirondack mountains.

J. E. McCall, of the Asheville coun-

cil of the United Commercial Travelers, was one of those who was in a great measure responsible for the grand councils favoring the idea as he has Other delegates from this section

who supported the movement included L. H. Burnett, of the local council C. C. Taylor of the Greensboro cognoil; in the name of the Superba theatre, L. H. Craig, of the Greenville, S. C. which have never been actually paid

SHELL ISLAND BEACH GETS BIG PUBLICITY

Netgro Resort is Growing More Popular Each Day-Special Program Monday

Shell Island beach, the negro sea management. He had illegally and side resort near Wrightsville is each wrongfully withdrawn from it more day growing in its popularity. The than its capital stock by setting up on island is an especially popular place its books an asset of \$70,000 covering on Monday of each week, for this oc-

News of Shell Island has traveled through the country and most favortically the entire deposits of the bank in cash for loans and overdrafts to himself and his enterprises, considerably more than \$100,000 without seably wi

bank of its capital stock to loan to the which is now abroad to the effect that one man even with security, and no part of this loss and overdrafts have actually been paid. Whatever the purpose and liabilities assumed by those pose and liabilities assumed by those took over the bank stock and for the negroes of the south and this who took over the bank stock and for the negroes of the south and this

the wreck which Allen had produced, have been made by white people have been steadily declined, regardless of has discharged his moral or legal obligation to the depositors of that bank ligation to the depositors of that bank and the managenegroes themselves.

SERVICES AT WRIGHTSVILLE

Divine services will be held at took from its vaults, and which he o'clock at 8 o'clock. The preacher will owed every moral and legal obligation be Rev. W. W. Morton, of the First might have cash to buy a plow, a cow Presbyterian church.

> not returned it, and now imposes as a condition precedent to securing pay-ment of any of his liabilities, either that we arrange to convey to him title to property that he joined the bank in conveying away, or that we require an impossible bond from other parties to secure liability for money which they did not take from the bank and which R. G. Allen did.

> "Whatever responsibilities rest upon the other parties mentioned in you letter, Messrs. Hightower and Massey were placed upon them by R. G. Aller wehn he held nine-tenths of the stock of the bank and whatever their sinning may be, were themselves victims of R. G. Allen's raid upon the vaults of the bank. They have already made good to the bank all of the ascertained liabilities for money actually obtained by them from the bank and if it shall e ascertained that they obtained any other sums that have not been return ed, every legal remedy will be exhaus: ed to have it made good. This letter is written by direction

of the Corporation Commission. Wolves are on the increase in Russia. We thought the Boisheviks had abol-

ished competition.—Philadelphia Even ing Public Ladger. The rarest postage stamp in the world is the one-cent British Guiana 1856, which was recently sold to a

American collector for \$38,000

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Grand Council in Session at Co- American Legion Defeats Bankers-Light Infantry Wins From Coast Line

> the City Leaguers at Robert Strange nually. playgrounds yesterday afternoon the "Sinc American Legion team defeated the to 4, while the Wilmington Light Infantry captured the other game from the Atlantic Coast, Line to the tune

The first contest, between Bankers and the Legion men, was a pitching duel between Corbett, for the Bankers, and Watts, for the Legion. Superior playing by the Legion men was responsible for their victorq. The second contest was a combina tion of bad playing, good playing, hitting, squeaky fielding and a mixture of pitching. Gordon was on the mound for the winners, while the twirling honors for the Railroaders was divided between Bouschee and Gieschen.

W. WHITEHEAD

Paralytic Stroke Suffered Thursday Night Immediate Cause

Whitehead, of this city. Funeral arrangements have not been completed, but will probably be held The deceased was a member of the First Presbyterian church.

The Credit Union of State

(Continued from page 6) farming and more satisfactory living

"This credit union was organized in January, 1916, and was the first cooperative short-time credit society to be established in the south under legisative sanction.

"The union began business with 30 nembers, \$212 paid in on shares, and \$101.75 on deposits. Today it has 61 members, \$1,325 in shares and \$1,474 in deposits. It is located in the open country, six miles from the nearest On adjoining property is the agricultural high school, the community church, and the community fair building. The members of the Credit union own a quarter-acre plot of land and a two-room building, where its meetings are held and where the farm supplies, which are bought co-opera-

tively, are stored for distribution.
"Any man, woman or child, who is thrifty and of good character, may become a member by subscribing for one or more shares which are marketed at \$10 each. The officers serve without The union is open for business any time during the day or night. The writer served as secretary-treasurer for two years and frequently negotiated loans at night or at 5 or 6 o'clock or supplies.

"Loans are made only for productive purposes and not for luxuries. For example, a farmer can secure a loan to buy a mule to cultivate a crop, but a request for a loan to buy an automobile would be refused. The loans vary in amount from' \$5 to \$500 and most of them are negotiated on a 12 months' basis. All notes are secured by two endorsers, or by collateral such as livestock, or both. A loan of \$30 to buy a plow, a hundred dollar loan to purchase feed and commercial fertilizers,

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may borrow, anybory may make deposits. Four per cent interest, composits. Also an annual dividend of six per cent is paid on all shares. Sixty

This story would not be complete purple of the Agricultural with the condition of pupils of the Agricultural high school are regular deposito s, having accumulate dsums ranging from \$200 to \$300 In the two games of ball played by has averaged a trifle over \$26 an-

> "Since the Credit inion began busicost that much more if they had been bought individually and on time, as had

> The members have erected a ware-house on a railroad ilding one-quarter of a mile from the Gredit union building, thus making it carload shipments. The records show that the union has bought approxiyears at an estimate saving of \$36,000 to the members."

So much for tang ble results. The intangible results are equally impor-

A library of a hungred agricultural books and three thousand bulletins has been placed in the reading room of the credit union. Fuilding. On an average half of the books and two cotton counties of North Carolina. hundred of the bulle ins are in circulation all the time.

"Better business, butter farming and better living is the condition that is Is Explained by Miss Berry gradually being developed in the community. The union has met the needs for a reason ble short time credit for farmers; it has organized the financial and butiness life of the community; it has enabled many farm-ers to put their farming operations

a loan of \$40 to secure seed, cotton and on a cash basis—thereby guaranteeing corn—these indicates the character and themselves escape from ruionius time diversity of the credit extended. Six prices. It has effected a considerable per cent interest is charged on all saving of dollars and cents to the community and it has enabled many farm-"While only members of the union ers to operate their farming activities

without a recital of the condition of these people before the credit union began its operations.

Mr. Thomas says in regard to this: "The union was born of necessity Practically all the farms were small and were run on a one-crop "Since the Credit inion began business it has made a total of \$43,000 in loans without the loss of a single cent.

"A co-operative bying and selling association has been part of the union since its formation. The purchase of \$8,000 worth of commercial fertilizers in the hpring of 1912 was the first effort at co-operative buying. On this order the farmers figure they haved \$2,000, as the fertilitiers would have cost that much more if they had been done the cost that much more is the cost that much more is the cost of duce the crops. Under this system they were doomed to failure from the bebeen the practice. Joday all supplies and equipment for the farm are bought indicidually and not on time, as had been the practice. what they should buy, and when they should sell their crops. According to reports of bankers in

fifty-four cotton producing counties of North Carolina, farmers are reported to have received an advance of mately \$200,000 worth of supplies in six approximately \$30,000,000 from merchants in the form of supplies for average of fifty-eight per cent of its total value. Supplies bought on time are reported to have cost on an average 19.2 per cent more than those Soon after the establishment of the purchased for cash. If these acmonths or 38.4 per cent per year for the credit with which they obtain supplies. The total cost of this supply citizens of Wilmington and publisher of the Southern Truckers' Journal and Southern Lumber Journal, died at his bore and what they should feed their five and a half million dollars. At the Southern Lumber Journal, died at his home, 212 Orange street, at 1:55 this morning. He suffered a paralytic stroke Thursday night, from the effects of which he never recovered. He suffered a similar stroke two years ago. Mr. Whitehead was 61 years old. Surviving are his wife, Mrs. Warren Smith Whitehead, and two sons, Wiley Whitewhitehead, and two sons. Wiley White-head of Cleveland, and Thomas Ruffin perts of the state agricultural college If this amount, in round numbers If this amount, in round numbers

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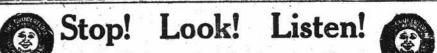
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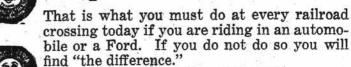
-for anybody from a visiting card to a history of the world, provided, of course, it is all right to write it, and it needs to be done well.

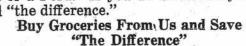
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