

The Cherokee Scout

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OFFSET LAW LOSES OUT IN FIRST SKIRMISH

Action Destroys Hopes Of People
In This County For Trading
Closed Banks Paper

The Sullivan offset law, which would allow depositors and creditors of closed banks in Buncombe and 43 other counties, including Cherokee and Clay, lost out in its first skirmish in superior court this week when it was held unconstitutional by Judge Felix Alley, before whom the hearing was held. The next step will be a ruling by the Supreme Court, and the most optimistic have admitted that the ruling of the lower court will likely be upheld.

The action destroyed the hopes of the people in the counties affected for trading their certificates of deposits and open accounts among one another and applying them on notes held by the bank. The action also came as a blow to officials and others of the Bank of Murphy who were traded among themselves and offset some thirty or forty thousand dollars of the banks paper.

The statement of the condition of the Bank of Murphy, filed with the court clerk after the bank closed last February, shows that when the bank first closed on November 21, 1930, there were \$273,945.16 loans outstanding, as against \$144,483.83 in loans outstanding when it closed Feb. 14, 1933, a reduction of \$129,459.33 in the two years period it operated following a reorganization and re-opening in March, 1931.

A large amount of this \$129,000.00 reduction was paid off, while a large amount of it was offset by trading accounts and certificates of deposit against notes held by the bank, some \$30,000.00 of which is listed in the report.

The audit report, following the close of the bank the second time, was made by W. Bowen Henderson, certified public accountant, of Asheville. In his letter of transmittal to the banking commissioner, Mr. Henderson lists \$31,000.00 of these loans and the offsets and calls attention to the fact that such trading had received some criticism from interested people.

Auditor's Comment
In his letter of transmittal, Mr. Henderson, in part, says:

"Pursuant to engagement, I have made an audit of the books and records of the Bank of Murphy, Murphy, N. C., at its office in Murphy, for the period from November 21, 1930, through February 14, 1933, and submit report.

"The bank was organized in 1898, and began operations in January, 1899. The bank closed in November, 1930, and asked the Corporation Commission to send its representative to take charge of the bank's affairs, passing a resolution to that effect which was recorded on the minutes of the meetings. The bank re-opened March 2, 1931, under an agreement with over 90% of the depositors to allow their deposits to remain intact for a period of two years. The two year period ended February 14, 1933 and the bank was again closed.

Loans and Discounts

"When the bank closed, November 21, 1930, there were \$273,945.16 loans outstanding as against \$144,483.83 at the date of this examination, a reduction of \$129,459.33 in the two year period. Much offsetting was done in the second year of the operation under the re-opening agreement, which received much criticism, and which was called to the attention of the Commissioner of Banks by interested persons. The Commissioner of Banks wrote the Bank of Murphy in October, 1932, asking that this practice be stopped, since which time there have been no offsets made.

"The items which were criticised most are enumerated here for your information:

"Cherokee County Note, No. 47105 dated October 7, due Dec. 7, 1930, \$10,000.00

"The County paid cash in the amount of \$3,763.81. Leaving a balance due on the note of \$6,236.19.

"This amount was off-set by certificates of deposit of J. W. and Noah Lovingsood, to whom the county note was delivered. At the date of this examination, the records of the county disclose the fact that only \$138.86 has since been paid on the note, and that amount was credited by the payment of taxes to the county.

"Town of Murphy Note No. 47158
(Continued on page 8)

LIONS NAME DELEGATES TO ASHEVILLE MEET

H. G. Elkins and Dr. E. E. Adams were named delegates to the state convention of Lions clubs which meet in Asheville about the middle of June. They were elected at the regular meeting of the Murphy Lions club Tuesday night.

W. M. Fain, president of the local club is a member of the convention directors, and will also attend. This will give the local Lions club three votes in the state convention.

Plans were made for attending the charter night meeting at Blairsville, which has been postponed until the night of June 3rd. The Murphy club sponsored the club at Blairsville which was organized recently by J. Barnett Naiper, commissioner of Lions International.

President Fain read a letter from Chairman Jeffries, of the State Highway Commission, relative to the building of the road between Murphy and Blue Ridge, by way of Culbertson, in which he stated that this road would be built in the future, but no definite time was given as to when work would be started.

DISTRICT BAR ENDORSES HILL FOR JUDGE

Meeting Held At Murphy Last
Friday Night—Robbinsville
Gets Next Meet

The 20th Judicial District Bar Association endorsed Judge Frank S. Hill of Murphy, for re-appointment as a special judge, minutes of the meeting held at the Dickey Hotel here last Friday night May 19th reveal.

The minutes of the meeting follow: Present, M. W. Bell, President, and the following members: S. W. Black, McKinley Edwards, Irvin D. Crawford, Baxter Jones, Edwin D. Whitaker of Bryson City; R. L. Phillips of Robbinsville, D. Witherspoon, Ralph Moody, J. B. Gray, F. O. Christopher, J. D. Mallonee, Harry P. Cooper, and Hattie Axley, Acting Secretary in the absence of George Patton, Secretary, S. G. Owens, W. Bowen Henderson and others.

After an elegant dinner, the following proceedings are had: The Executive Committee composed of Mr. Johnson of Waynesville, Mr. Norvell of Murphy and Mr. Sherrill of Sylva are not present.

Mr. Ralph Moody, chairman of the Membership Committee states he has no report.

The Grievance Committee made no report.

Mr. R. L. Phillips of Robbinsville makes an interesting talk upon the relationship of the members of the Bar, followed by Mr. D. Witherspoon who made an excellent talk upon the same subject.

Mr. J. D. Mallonee, Mr. H. P. Cooper, Mr. F. O. Christopher, Mr. Black, Mr. Jones, Mr. Owens and Mr. Bell all addressed the Association most pleasantly and contributed to the happy frame of mind which characterized this meeting.

It was ordered on motion and by vote of the members that the next Quarterly meeting of the Twentieth Judicial District Bar Association of North Carolina will be held at Robbinsville, N. C., at 7:30 P. M. (E. S. T.) on August 18th, 1933, and the members of the Local Bar of Robbinsville are expected to designate one or two speakers for that occasion.

It was announced that a new president would have to be elected at the Robbinsville meeting, the president not being eligible for re-election.

A rising vote of thanks is extended to Mrs. Nettie Dickey for the most splendid dinner served to the Association, which they enjoyed to the fullest extent, and which she graced with her sweet presence.

Mr. Whitaker submitted the following resolution endorsing Judge Frank S. Hill for re-appointment as Special Judge:

"Be it resolved by the Twentieth Judicial District Bar Association in regular quarterly session in Murphy, N. C. on the evening of May 19th, 1933;

1. That this Association does unqualifiedly endorse the Hon. Frank S. Hill, of Murphy, N. C. for re-appointment as one of the Special Judges of the Superior Court of North Carolina.

2. That this Association does re-

REGIONAL FARM MEETING HELD

Interesting Program is Given At
Campbell Folk School
Friday Night

About 80 persons attended the meeting of the garden section of the Regional Council of the 5-10 year farm program which was held at the John C. Campbell Folk School at Brasstown last Friday night.

The guests began to arrive about 4 o'clock in the afternoon, and went over the farm and were shown the farm house and Keith House.

They then assembled in the community room and Mrs. John C. Campbell spoke of general conditions and how the folk school is attempting to meet them.

All then remained to the school dining room, where supper was served, cafeteria style, by the folk school, the Women's club, and the Men's club.

Osborne Presides

After supper, they again assembled in the community room for the program of the evening. J. Arthur Osborne, of Canton, general chairman of the 5-10 year farm program in Western North Carolina, presided, and called upon representatives from represented by R. W. Gray, county short talks, Cherokee county was each county, who responded with farm agent and chairman of relief, and R. A. Dewar, of Andrews, assistant director of relief; Clay county by County agent Allison, and Mrs. R. H. Foard, home demonstration agent; Macon county by county agent Fred Sloan and Miss Davis, superintendent of public welfare; Graham county by County Agent W. B. Wiggins, and Mrs. C. A. Bayles, of Tapoco chairman of relief; Jackson county, by Mrs. John C. Jones, chairman of the 5-10 year program, and County Agent E. V. Vestal; and Haywood county by C. D. Smith, vocational agriculture teacher.

A. M. Adams, of Cherokee farm agent for the Cherokee Indian Reservation, spoke of the work of the Indians and said they were receiving no Federal aid, but were making their own way by co-operation.

Miss Maguerite Butler read a telegram from Bruce Webb, of Asheville who is in a hospital in Kentucky, which contained a message of good will and regrets that he was not able to be present. A return message was sent Mr. Webb, wishing him a speedy recovery and return to his work.

Join In Singing Games

The meeting came to a close with singing games and folk dances without which no meeting at the folk school is complete. The entire group joined in these games.

Those from Murphy attending the meeting were Mr. and Mrs. R. W. Gray, Mr. and Mrs. W. M. Fain, Mrs. Pleasant, home demonstration agent, William P. Payne, Homer Ricks, and other members of the relief council in the county.

From Swain county were Mrs. Nora Lee Calhoun, in charge of the women's work in Swain county; I. A. McLain, chairman of Swain county farm relief; V. A. Browning, chairman of the 5-10 year group in Swain county, H. P. Browning and Frank DeHart, field workers for the R. F. C. work in Swain county.

W. B. Wiggins, Graham county farm agent, Mrs. Clarence Bales, Clifford George, W. C. Collins, Jesse W. Crisp, and Jesse N. Hyde attending from Robbinsville.

spectfully request and urge His Excellency, J. C. B. Ehringhaus, Governor of the State of North Carolina, upon expiration of the present commission of said Frank S. Hill as a Special Judge of the Superior Courts of the State, to reappoint him as such Special Judge.

3. That a copy of this resolution be spread upon the minutes of the Association and that copies of same under the hands of the President and Secretary be furnished Governor Ehringhaus and Judge Hill.

Done in regular meeting assembled in Murphy, N. C., this the 19th day of May, 1933."

Several members made remarks to the motion commendatory of Judge Hill.

It is ordered upon motion and vote that the foregoing resolutions be signed by the President and Secretary and forwarded to the Governor of North Carolina.

Mr. R. L. Phillips made a brief talk commending the court reporters of this district.

The meeting adjourned to meet at Robbinsville, N. C. on August 18th, 1933.

YOUNGEST PAGE IN LEGISLATURE RETURNS HOME

Nick Posey has returned to his home here after serving as page in the General Assembly for the past four and one half months.

Nick is the son of Mr. and Mrs. John Posey, and the grandson of the late Ben Posey, noted criminal lawyer of Murphy. He was the youngest page in the General Assembly, having reached his 11th birthday anniversary about a month ago. He has \$280 in postal savings, which he said he is going to use for his college education. While in Raleigh, he made his home with his grandmother, Mrs. T. B. Lawrence, and his uncles, Dr. Ben Lawrence and Will Lawrence.

Nick said he liked Raleigh fine and would like to go back next year, but there is no place quite like Murphy, although his mother put him to work in the garden as soon as he got home.

While playing baseball a few days ago, his left thumb was rather painfully injured when the ball struck it on the end.

FUNERAL HELD TUESDAY FOR MRS. RUSSELL

Funeral services for Mrs. D. S. Russell 75, of Andrews, N. C. were held from the residence Tuesday afternoon, May 23, at 3 o'clock with the Rev. W. G. McFarland, the Rev. R. S. Eskridge, Rev. E. F. Troutman and Rev. R. W. Prevost participating. Music was rendered by members of the choirs of all the churches of the town.

The pallbearers were: W. S. Calhoun, L. M. Ellis, G. W. Cover, Jr., W. D. Whitaker, C. H. Jarrett, L. B. Nichols, G. B. Hoblitzell, Lee Watkins, A. B. Chandler, Sr. and D. H. Tillitt. Honorary pallbearers were: Dr. F. L. Herbert, Dr. B. G. Webb, D. C. V. Orr, Dr. J. E. Tidwell, J. W. Walker, B. P. Grant, R. T. Heaton, J. A. Tatham, J. W. Porter, C. W. Woodward, J. R. Leach, W. C. Sandlin and John Fisher.

Mrs. Russell had been ill for several months an her death Monday was not unexpected. Before her marriage to Mr. Russell she was Miss Hattie Blackwelder of Old Fort and was a member of one of the pioneer families of Western North Carolina. She and Mr. Russell celebrated their fifty-first wedding anniversary last September. They had lived in Andrews forty-eight years, coming here before the railroad was built and before the beginning of the town.

Surviving Mrs. Russell are her husband, five daughters, Mrs. Mary Barnes of Eugene, Oregon, Mrs. L. M. Nicholson, Mrs. J. W. Brown, Mrs. Edna Tatham, all of Andrews, Mrs. C. S. Johnson of Asheville, and one son, J. Dillard Russell of Lynchburg, Va. She has one sister and two brothers living in Idaho.

The floral tribute was unusually large and impressive.

Decoration at Peachtree

Decoration Day will be observed at Peachtree, Sunday May 28, 1933. A joint program will be given by the Methodist and Baptist Sunday schools. Rev. Johnny Carper, pastor of the Methodist church, will deliver the opening address, followed by the special musical selections and appropriate readings. Immediately after pastor of the Baptist church, Rev. the decorating of the graves, the W. T. Sinclair, will deliver a sermon. Everyone is cordially invited.

Mayor Norvell Returns

Mayor E. B. Norvell returned this week from Raleigh, where he has been since last January serving as enrolling clerk of the General Assembly.

While away, Mr. Norvell was elected mayor by his fellow townsmen, which is perhaps the first time in his history a mayor of Murphy has been elected when absent. Another distinction, Mr. Norvell holds is the honor of being sworn in as mayor of Murphy by the Chief Justice of the Supreme Court. When informed of his election as Mayor, Mr. Norvell went before Chief Justice Stacey and took the oath of office. He was elected May 2nd.

Sculptural Term

A cycloglyph is a comprehensive composition in sculpture comparable to a cyclorama or panorama in painting.

MURPHY PEOPLE ARE OPTIMISTIC OVER OUTLOOK

Rich Mineral Deposits in Cherokee
County Await
Development

MURPHY, May 20. (Special)—Increased land prices, employment of local labor, influx of Federal employes, fat payrolls, and development of the long neglected iron ore and other mineral deposits of Western North Carolina are expected to follow on the heels of the vast power projects of the Federal government which are to start from the Tennessee Valley development, and to radiate throughout this entire section.

Four huge power dams have been tentatively decided on for Cherokee and Clay counties. Three will be in the former county; one in the latter. Sites for these structures already have been chosen by the U. S. Government, one of the Cherokee dams to be located barely outside the town limits, to the northwest, at Morgan Hill; a second at the mouth of Beaverdam Creek; and a third at Appalachia. The Clay county site has been chosen about two miles below Hayesville. Construction not only is expected to require years, but also the employment of many hundreds of men, and the expenditure of millions of dollars. Both the payrolls of the workers and the enormous purchase of supplies, much of which probably will be bought in this immediate section, should help restore conditions, not perhaps to the affluence of the boom days, but nearer to normalcy than they have been in Western North Carolina for a number of years.

Will Flood Lands

Still another stream of prosperity will flow into this section from the dams; and this, strangely enough, through destruction! Government engineers already have decided that construction of the dams inevitably will flood both the entire Peachtree and Brasstown districts, putting the scores of farms situated therein under many feet of water. This means that all this land will have to be purchased by the government and since Uncle Sam has never been niggardly in such bargaining, the farm owners are not one whit discomfited. Quite the reverse indeed.

And, as a direct off-shoot of the Federal power plans, is the expected revival of long quiescent mining industry in the mountains and river valleys.

Cherokee probably will be the chief beneficiary in this regard, for this county, from its very beginning, has been noted for its veins of finest marble, blue, gray, and white; its talc, its iron, and its manganese. Gold also, is panned from the beds of its streams; especially on the outskirts of Andrews, and occasional pockets have been mined in the nearby mountains, although these thus far, have soon played out.

Deposits of Iron Ore
Ridges of iron ore, for instance, protrude from the earth, at not too great distances apart, and extend almost entirely across the length of Cherokee county, from the line of Graham to that of Clay. The greatest deposits are indicated just outside Andrews, and just outside Murphy. Indeed, successful iron ore mining has been done in both places, yielding considerable profits which reached their peak during the World war times. Then many carloads were shipped daily. But there was no smelter here. The shippers had to load the unrefined ore; the haul was long, and the waste in loading great. When deflation came, the price dropped so low that the cost of shipping the unrefined product ate up the profits; so the mines were abandoned.

But with the promised cheap power from the proposed government developments, it is believed here that all this will be changed. The U. S. Steel corporation, it was learned from Col. Don Witherspoon, prominent Murphy attorney, already has sent an expert to this immediate section, looking over the land for the proposed erection of a huge electric smelter. In addition to employing many men on construction, and later in operations, this would allow the ore to be refined here, and the produce shipped without waste. According to Raymond Harris, mining expert of Atlanta, Ga., who has taken leases on several properties, a price of only \$3 per ton will allow operation of iron mines in Cherokee at a fair profit.

Manganese, that superfine quality
(Continued on page 8)