

## LEAS AND DAVIS FOUND GUILTY

Luke Lea Gets 6 to 10 Years—  
Davis 4 to 6 Years—Lea, Jr. Fined  
\$25,000—Charlet Is Acquitted.

Asheville, Aug. 25.—Luke Lea, Tennessee newspaper publisher and former United States senator, today was sentenced to serve from six to 10 years in North Carolina state prison for defrauding the Central Bank and Trust company here of \$1,136,000.

Luke Lea, Jr., convicted along with his father in the conspiracy trial which has been under way here for more than four weeks, was fined \$25,000 after Solicitor Zeb V. Nettles had made a plea for him on the grounds of his age—23—and the fact that he was merely doing as instructed by his father.

Wallace B. Davis, president of the bank, who already faces a five to seven-year sentence in connection with its failure, was given four to six years in prison.

E. P. Charlet, business associate of the Leas, was acquitted by the jury and discharged by the court.

### Tried On Six Counts.

They were tried on six counts of conspiracy to defraud the bank and one count of misapplication of its funds pursuant to the conspiracy.

The Leas were convicted on four counts, and Davis on three, but Judge M. V. Barnhill, who presided over the special term of Superior court called by Governor Gardner to try them, set aside the verdict on the count in which the Leas alone were convicted, as it charged conspiracy, of which they could not have been guilty except in conjunction with an officer of the bank.

They were sentenced as follows: First count, charging conspiracy to misapply \$300,000 worth of the bank's certificates of deposit—Davis, two to three years; Luke Lea three to five years; Luke Lea, Jr., fined \$10,000.

Fourth count, charging conspiracy to misapply \$100,000 more of certificates of deposit—Davis two to three years, to be served at the expiration of the first term; Luke Lea, three to five years, to be served likewise; Luke Lea, Jr., to pay Buncombe county \$5,000 toward the costs of the case.

Seventh count, charging actual misapplication—Davis four to six years, to be served concurrently with first two sentences; Luke Lea, 6 to 10 years to be served likewise; Luke Lea, Jr., fined \$5,000 and ordered to pay \$5,000 toward court costs.

### Fifth Count Set Aside.

It was the fifth count, charging misapplication of \$100,000 worth of cashier's checks, on which the Leas were convicted alone, on which the verdict was set aside. Returns of "not guilty" were made upon the other counts.

Included in the bill of particulars on the seventh count were loans by the bank to Lea totalling \$572,000; city of Asheville notes worth \$45,000 delivered to Lea for which bank never received payments; \$241,000 worth of the bank's bonds delivered to him for which the bank never received payment, and a portion of the cashier's checks and certificates of deposit mentioned in the first six counts. Loans totalling \$253,000 which had originally been listed in the bill were deleted by the judge when evidence failed to show their proceeds went to Lea.

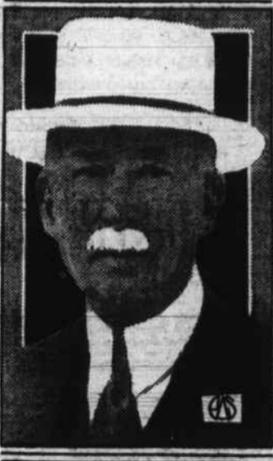
The story of the trial was wrapped around last fall's financial collapse in the south when Caldwell and company, Nashville banking firm with which Lea was closely identified, failed and carried down with it banking institutions in several states. It was a story of how two men—Lea and Davis—fighting desperately against being wiped out, combined forces to catch each other, only to be caught by the crash in the midst of what state's attorneys described as an orgy of "frenzied finance." Evidence of gigantic "kiting" operations was introduced, along with word of plans formed by the two to organize a great banking combine from which they would be able to withdraw enough to stem the tide.

## Dr. Baynes To Locate in Louisburg

Dr. W. R. Baynes, a Veterinary Surgeon, who has been located at Enfield the past seven years, has moved to Louisburg and will locate here to practice his profession in Franklin County. Dr. Baynes is a graduate of State College and of Ohio State University, and may be remembered by many of our people while doing tuberculosis test work in Franklin County for the State about eight years ago. Mrs. Baynes is a daughter of Mr. and Mrs. A. S. Sherrod of near town.

Dr. Baynes enjoys a very enviable reputation, among his fraternity and the people around Enfield. He will be welcomed to Louisburg, where, no doubt, he will meet with success.

## An American Warwick



Colonel Edward M. House, at 73, is back at his old trick of President-making. He is now busy promoting Governor Roosevelt as a Presidential candidate.

## His 57th Birthday



President Hoover yielded to the cameraman and stood for this photograph the day before he celebrated his birthday on August 10.

## CHECKING UP ON THE BISHOP

Nye Says Evidence Shows Cannon Diverted Funds To Own Account.

Washington, Aug. 26.—The Senate campaign funds committee today searched through bank accounts maintained by Bishop James Cannon, when he headed the anti-Smith committee of Virginia in 1928, and after tracing the scores of checks, Chairman Nye charges the Bishop with transferring political funds to his personal account.

"When you see this all put together," commented Senator Nye, a Republican, of North Dakota, after the long day's examination, "it reveals not alone the shifting of money from account to account, but it reveals actual diversion of campaign money to his personal account."

Four Virginia bankers related how Bishop Cannon had paid off personal notes during the 1928 campaign and just after it. They identified checks going into his personal account and Chairman Nye said the bank records showed that some of these were drawn on the "political fund" maintained by Bishop Cannon in the Continental Trust Company of Washington.

### Changed Account.

Senator Dill, Democrat, of Washington, complained that Bishop Cannon had drawn \$5,300 from his account in the Continental Trust Company, "Bishop James Cannon, Jr., chairman," in November, 1928, and deposited the check to set up an account "Bishop James Cannon, Jr., executor," in Crewe, Virginia. The Bishop was executor of the estate of Mrs. Mary C. Moore, who died in 1924. He later changed the "executor" account to a checking account.

"Why should an account carried as executor," asked Senator Dill, "be made up from a political fund? We have seen here the strange business of starting new accounts on defunct affairs."

Six checks deposited by Bishop Cannon between October 13, 1928, and January 30, 1929, in his personal account in the American National Bank, of Richmond, Virginia, were identified by Perry C. Seay, vice-president, of the now American Bank and Trust Company, as being checks drawn on the Continental Trust Company, of Washington.

Senator Nye said these checks, totaling \$9,500, were drawn from the "political account" of Bishop Cannon in the Washington bank.

## Buys Stock In Creamery

President R. G. Bailey, of the Franklin Creamery, Inc., announced this week that he has sold an interest in the creamery to Messrs. E. A. Englar and George Selby, proprietors of the Quality Ice Co., and that beginning September 1st, they will become actively connected with the creamery. He also stated that both of these gentlemen were reared on a farm in Maryland and gained a lot of experience in the Dairy business under their fathers who were successful dairy men. This is considered quite an acquisition to the Creamery and with the present prospects it is expected that the Creamery will meet with greater success as it grows older. At present it cannot supply the demand for butter and is urging the farmers to bring it butter fat in any quantity.

Tim—I borrowed my roommate's patent leather slippers.  
Slim—Why?  
Tim—Because the patent expired on mine.

## Stock Brings Good Price

Tepper Bros., of Appalachia, Va., Purchaser For F. W. Wheelock Stock.

The F. W. Wheelock stock of men's and ladies' furnishings being closed out under bankruptcy proceedings by Mr. John C. Matthews, of Spring Hope, as Receiver, was sold at auction on Thursday afternoon of last week to Tepper Bros., of Appalachia, Va., for \$7,500.00. The stock inventoried, including fixtures—\$19,933.50. The sale was promptly approved by the referee and Monday the purchasers were busy moving the stock and fixtures to Virginia.

This is considered an exceptionally good sale by those who examined or knew the stock remaining.

## Jones Talks Feeding Prisoners

Mr. W. A. Jones, member of the Board of Commissioners of Franklin County, and about as well informed man on general and practical matters as the County can boast of, in talking about feeding the jail prisoners at the County home expressed himself strongly in favor of it. He says they can be fed at the County home for \$4.37 a month or 14 cents a day, and a great deal better than any individual can feed them. To prove his position he gives an example which he says there is not a person in Franklin County that can consume it in twelve months and it will be seen he allows pretty fair prices for his different articles of food. His example is as follows, which is based of course on the supplies for one person:

2 barrels of flour	\$10.00
5 bushels of meal	5.00
200 pounds of meat	20.00
50 pounds of lard	5.00
24 pounds of coffee	2.40
100 pounds of sugar	5.00
Miscellaneous items	5.00
Total	\$52.00

Divide this amount by twelve and it will give \$4.37 per month and then divide that by 30 and it will give you 14 cents a day. He says further that the entire cost of the meat items can be saved, because the inmates of the County home cannot eat the meat with which the vegetables are seasoned therefore it could be utilized in the diet for the prisoners. He also takes the position that the County has to raise vegetables, chickens and meat and maintain the cooking force and utensils for the inmates of the home and can utilize the surplus at the jail making a saving by using what would otherwise be wasted.

Mr. Jones wants it understood he has nothing personal towards any one in this question, and is only viewing the matter from a standpoint of saving money to the County. He also thinks the County can save \$300 a year additional by doing away with the \$25 per month salary of the jailor. He thinks the turn key fees are enough for this when the jailor is furnished a janitor and is not required to live at the jail.

Mr. Jones thinks the Commissioners can save the County around \$1800 to \$1800 a year in this one department, by adopting his plan.

Doremita—Was it successful—engaging that ex-burglar as your chauffeur?  
Solavido—Rather! I've never found a finger mark on the car yet!

## ONE-THIRD BOYS TO ATTEND

Louisburg College To Open September 9th—Students Enrolling Satisfactorily.

Dr. A. D. Wilcox, President speaking to the TIMES reporter about the College the past week said, "Louisburg College opens September 9." Just two more weeks until the big event at Louisburg College begins. In these days of hard times and short money the people of Louisburg and Franklin County have an exceptional opportunity to educate their young men and young women for almost nothing. The number of day students already enrolled is twice the number enrolled last year, but there are twice as many yet who ought to be coming to Louisburg College from Franklin County.

The introduction of a new course for students in mechanics, civil and electrical engineering, the organization of athletics for men—football, baseball, basketball—have made Louisburg College attractive to all boys and young men of college age.

"One third of the entire enrollment to date is composed of young men. This shows that the boys will not be 'lonesome' at Louisburg College. They will have one of the best dormitories. They will be associated with skilled basketball, baseball, and football players. There will be plenty of pep and plenty of fun in addition to plenty of hard work."

"Louisburg College has already recovered from the fear of a shut down. The present enrollment guarantees its continued operation. There is no longer any sound reason why the citizens of Franklin County should send their sons and daughters of college age to any other school in the State."

"Louisburg College can take care of all students for two years of standard college work and do it well. In Music it can take care of them all for four years of standard music work. We are discovering that there is no Junior School and no Music School in North Carolina that surpasses Louisburg College and the Southern Conservatory of Music. So, why pay five times as much money—in these times—to send your young people to schools which can not give them five times the benefit nor any greater benefit than they may secure at home. "We have more than thirty Franklin County students. We want 75. Come and see us. Find out how reasonable are the rates."

## Recorder's Court

Capt. E. F. Griffin, Prosecuting Attorney, was back on his job Monday and assisted Judge Malone in the disposition of the following docket:

Joe Mann Wheelock was ordered discharged upon payment of \$25 fine and costs.

Presley Kearney was given 60 days on roads and ordered not to drive a car for 90 days upon pleading nolo contendere to a charge of operating automobile intoxicated. The jail sentence was suspended upon payment of costs good behavior.

Matilda Hayes was found guilty of violating prohibition law, prayer for judgment was continued.

Louise Bullock was found not guilty for assault.

## To Move To New Location

The Seaboard Store Co., will move its stock of goods to the store room on Main Street formerly occupied by the Spot Cash Co., the coming week. This is by far the most conveniently arranged building in this section for the general merchandise business, especially in the heavy lines. It was designed and built by the Messrs. McKinnis, who are also in charge of the Seaboard Store Co.

## First Open Cotton

Glenwood Hill, of near Hickory-Rock, brought in the first boll of open cotton from the 1931 crop on Friday morning. The boll appeared to be full of a rather good staple.

## At The Louisburg Theatre Next Week

The following is the program at the Louisburg Theatre, beginning Saturday, Aug. 29th:

Sat. Aug. 29—Richard Arlen in "Gun Smoke" with Mary Brian, William Boyd and Eugene Pallette. Also Chap. No. 2 "Finger Prints" and a M-G-M Comedy.  
Monday and Tuesday, Aug. 30 and Sept. 1st—Constance Bennett in "Born to Love."  
Wednesday, Sept. 2nd—"A Good Feature" Plus Mickey McGuire (Himself) in "Mickey's Rebellion."  
Thursday and Friday, Sept. 3rd and 4th—Marie Dressler and Polly Moran in "Politics."

## On Way Around World



"Slim" and Anne, who started for Tokyo, found traveling so good they changed their plans and intend to fly around the world, crossing the Atlantic East to West.

## WOMEN'S CLUBS HOLD MEETING

Mrs. C. C. Pippin Presides, Mrs. Oliver Perry Made Report—Elects Officers—Others Take Part In Exercises.

The Franklin County Federation of Women's Clubs held a meeting at the Mills High School in Louisburg on Saturday August 23, opening at 10:30 a. m. President Mrs. C. C. Pippin, of Bunn, presided over the meeting.

A report of the Curb Market conducted by the Federation was one of the main reports and topic of discussion of the morning session. Mrs. Oliver Perry gave the report giving the report covering June and July. All the women who have produce to sell at the market were urged to get in touch with Miss Anne Benson Priest, County Home Demonstration Agent under whose supervision the Market is operated. It was thought and discussed that if the Clubs would pool their produce, it could be sold to the College upon its opening in the near future and during its session.

A nominating committee with Mrs. Mac Mullen as spokesman submitted the following names for the offices for the Federation for the ensuing year who were unanimously elected by the members: Mrs. T. C. Gill, Epsom, President; Mrs. John Mitchiner, Mitchiners, Vice-President; Mrs. J. W. Denton, Harris, Secretary and Treasurer. The new president, Mrs. T. C. Gill, appointed Mrs. M. M. Person as Food Chairman for the next year, and Mrs. John Mitchiner, Chairman of the Program Committee with Mrs. J. W. Strange and Mrs. J. A. "White."

A group of Club Women who attended the Short Course in Raleigh recently, gave an interesting demonstration; Mrs. M. M. Person demonstrated the preparation of a Fruit Charlotte, Mrs. Oliver, the preparation of Cheese Biscuits, and Mrs. Jim Mitchiner, the making of Fifty-Dollar Cookies.

Mrs. Cornelia Morris, District Agent, gave an interesting talk on North Carolina Crafts displaying lovely rugs, baskets and pottery. Also Miss Rose Elwood Bryan, Home Agent in Durham County, gave an exceedingly interesting demonstration on the making of silhouettes. Dr. D. T. Smithwick spoke briefly on the importance of observing the Bi-Centennial celebration of Washington's birthday to be held during next year. A noon delicious picnic dinner was served.

## Rebel Chief Caught



Former President Mario G. Machado of Cuba, who has played a big part in the rebellion now under way, has been captured by President Machado's forces.

## SCHOOL TUITION RULINGS

SPECIAL CHARTER SCHOOLS CHARGE TUITION

Attorney General Gives Pretty Clear View as to Tuition Charges—Does Not Rule on Tuition to Cover Debt Service or Capital Out Lay

The State Board of Equalization, struggling over the problem of making \$15,700,000 do the work of \$20,600,000 last year in providing six months school terms, breathed a sigh of relief yesterday when it received from Attorney General Dennis Brummitt rulings on contested portions of the 1931 school law which will insure saving to the State of approximately \$550,000.

The Attorney General interpreted the law on teachers' increment accruals as applying to the present year, thus saving the State \$400,000 that would have under the old system gone into increases of salaries for teachers with one or more years' experience. Between three and four thousand teachers who will also suffer 10 per cent pay cuts, will be affected by this section of the law.

Through the Attorney General's ruling on the law affecting disbursements to teachers, requiring that teacher's vouchers be handled through the county board instead of the money being turned over to special charter districts as formerly, a saving to the State of approximately \$150,000 is looked for, but complications will be added for the special charter districts, most of which have different systems of payment.

The Attorney General also ruled that no district participating in State aid funds may collect additional tuition from children attending six months schools.

The board yesterday continued its work on the budgets, giving much attention to transportation costs. The budgets are expected to be completed before late Saturday.

The Attorney General's ruling follows in full:

"You submit to me certain inquiries which I undertake to answer as follows:

"1. Does the law require that the voucher in payment of the monthly salary of the teacher employed in a special charter district shall be signed by the chairman and the secretary of the county board of education?"

"Yes.

"2. Where children are transferred by the county board of education from rural territory into a special charter district.

"(a) Can the Board of trustees of such special charter district charge tuition or demand additional compensation for these children, either from the State, the county, or the parents of the children

"Not for the six months term.

"(b) Where such special charter districts participate in the tax reduction fund, can they charge tuition or demand additional compensation for the two months extended term?

"No, except as modified by the answer to 2 (c).

"(c) When such children come from local tax territory, can the board of trustees of the special charter district make a demand upon the local tax district for tuition or any addition compensation?

"Where the children are so transferred under section 29 of the school machinery act, moneys theretofore allotted from the tax reduction fund to the particular district may be withdrawn and allotted to the district to which the children are transferred. This principle in the general law as expressed in sections 73-2 (5), 78 and 150 is naturally and equitably brought forward into the present act with respect to the tax reduction fund. The present act does not disturb the right to make these readjustments and transfer of funds from one local tax district to another as authorized under section 150 of the school code, where children are so transferred from such district to another.

"(d) Can the special charter district authorities demand tuition from any source for the ninth month of school in the event it is operated for that period?

"I am of the opinion that special and other local tax districts have the right to demand tuition for the ninth month where children from without the taxing district attend that school for this additional month. As the State does not contribute to the support of the school for this ninth month, it cannot be supposed that the General Assembly intended that children from non-special tax territory may attend such school without payment from some source for this service.

"3. Is it the duty of the State Board of Equalization to approve the object of general control in the budget of the special charter districts?  
"No. Heretofore nothing has been