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NEWBERN BANK FAILURE.

Bank Examiner Ellington Tells the Story of the Discovery of Dewey's Shortage.

The story of the failure of The Farmers and Merchants Bank at Newbern is thus told in Sunday's News and Observer in an interview with Mr. John O. Ellington, State Bank Examiner:

"The first intimation," says Mr. Ellington, "that I had that anything was wrong with the Merchants' and Farmers' Bank was when I examined the Bank of Wayne at Goldsboro.

"In checking up their bills receivable I found the following note: (For lack of space we omit this note which was for \$5,000 and signed by Southern Hosiery Mills Co., P. H. Pelletier, Treasurer, and endorsed by T. W. Dewey, Cashier of Farmers' and Merchants' Bank.)

"Knowing that this note was irregular I made a note of it.

"Upon examining the Farmers' and Merchants' Bank July 28th, I found that the above note had not been entered on their books at all. I asked Mr. Dewey in the presence of President Cutler what re-discounts he had. He replied \$9,750 in the National Bank of Commerce, Norfolk. I asked him if that was all. He replied that it was. I then asked him if he had any paper out that was guaranteed by him as cashier. He said he did not.

"I then asked President Cutler if he had guaranteed any paper. He replied emphatically: 'No, sir.' I then said that when examining the Bank of Wayne—Mr. Dewey then interrupted me saying: 'I intended explaining that paper later.' I then asked him if he had any other such paper out. He replied he did not.

"I proceeded with the examination and found his books in perfect balance. His general ledger showed right many thousand interest, from one to fifteen thousand dollars charged to other banks. For instance, where he would send a deposit to one of his correspondents for \$100, he would place a 5 in front of it when posted in his general ledger, and it would appear \$5,100.

"I asked him if this was not a little irregular. He replied that his books were in perfect balance, and that his bank was all right. I replied that I could not tell until I heard from my inquiry.

"I then left the bank and took a drive with President Cutler. I remarked to him that the books of the bank were in good shape, and if the balances were true, his only trouble was the \$5,000 note of the Bank of Wayne, unless there were other notes of like character outstanding. I told him that I could not let him know about the correctness of the balances until I heard from my inquiries, which I would mail that night. I also told him that I thought it would be wise for him to get some currency, as I feared that I would find a shortage in the bank accounts. He said he would and did go to Norfolk on Friday thereafter and upon personal endorsement of himself and others of his directors secured \$25,000 in currency.

"Upon my arrival in Raleigh the Monday following I received a letter from the Bank of Wayne in reply to my inquiry stating that Cashier Dewey's account was overdrawn \$8,984. Cashier Dewey had reported to me when I was examining his bank that he had a credit in the Bank of Wayne \$169. This showed a shortage of \$10,000. I immediately took the evening train for Goldsboro, and fearing that there was some mistake I went to the Bank of Wayne and found that the shortage was true. Next morning I took the train for Newbern, and upon arriving at the Chataqua Hotel sent for President Cutler and Vice-President Blades. They came to my room and I informed them of the shortage.

"They immediately sent after W. W. Clark, their attorney. I then looked as if the shortage would be small. We decided that the best thing to do would

be to get currency and continue to run the bank. They wired for what we deemed a sufficient amount. We then sent telegrams to all of the correspondents, as follows:

"What is our balance? Don't cash any papers signed by T. W. Dewey, Cashier the Farmers' and Merchants' Bank, dated after August 3rd." This was signed 'L. H. Cutler, President Farmers' and Merchants' Bank.'

"Upon receiving replies we discovered that Mr. Dewey was considerably short in his other bank accounts, amounting to \$70,000. Mr. Cutler then called the Board of Directors and the stockholders together, and they decided to liquidate, requesting me to take charge.

"Upon taking charge I proceeded with the investigation and



JOHN O. ELLINGTON.

found that the Merchants' National Bank of Baltimore and the Girard National Bank of Philadelphia each held a note for \$10,000 like the one discovered in the Bank of Wayne. I found a shortage of \$5,000 in the stocks and bonds, a shortage in cashier's drafts outstanding of \$9,000, a shortage in bills receivable and cash of \$8,000, and various other shortages, bringing the total up to \$125,000.

"Upon investigating the worth of the Southern Hosiery Mills Company and P. H. Pelletier, its treasurer, I found them bankrupt. Mr. Pelletier was the attorney and a director of the bank. There being some suspicion of his actions I examined him under oath.

"Mr. Pelletier said that when these notes were made, Dewey and himself expected to pay them with an issue of bonds by the Southern Hosiery Mills Company, which they were then negotiating with a New York broker. The bonds were to be secured by the mills property and endowment insurance to be taken upon the lives of parties whose consent was to be secured by the broker, the broker paying them for the privilege, also the premium out of the proceeds of the bonds, the balance to go to the Southern Hosiery Mills Company.

"Upon a further examination he stated that he considered the notes uncollectible. He also stated that he was one of the examining committee who examined the bank on the 30th day of April and reported it in excellent condition. Although knowing that these notes were then outstanding and were worthless, he drew the report and signed it. Being asked why he did not tell of these notes, he replied that he was afraid that if he did it would cause the bank to have to liquidate.

"It is a fact that P. H. Pelletier wired Cashier Dewey Saturday asking him to meet him Sunday night in Raleigh, but he did not receive any reply to his message.

"It is not known whether there are more notes outstanding like the Southern Hosiery Mills notes, signed by them or others. It is feared that there are. If so, they will increase the shortage.

"There was a savings department connected with the bank, in which many children had their small savings. I was asked upon the street on several occasions by these small children, whether or not their money was safe, for they were very much disturbed.

"Under the present conditions it looks as if the depositors will receive about 75 percent."

Dr. Dickinson Weds Miss Watson.

Henderson, N. C., August 11.—This morning at half-past eleven o'clock there was a quiet home wedding here, when Miss Willie Louise Watson was married to Dr. E. T. Dickinson, of Wilson. The ceremony was performed by Dr. J. D. Hutham.

The bride was attended by her brother, Mr. R. P. Watson, of Wilson, and the groom by Dr. Albert Anderson, of Wilson.

The bride was robed in white acolian and lace over white silk, and carried bride's roses. The veil was caught with a pearl and diamond brooch, the gift of the groom.

As the bridal party entered the room Mr. Will A. Parker, of Raleigh, played Lohengrin's wedding march.

Dr. and Mrs. Dickinson left at one o'clock on the Northbound train for Norfolk. From there they will go via the Old Dominion to New York, and thence to Albany, Chicago and California. They will be gone about six weeks.

Among those present from a distance were Dr. Albert Anderson and Mr. R. P. Watson, of Wilson; Dr. J. B. Person, of Selma; Mr. and Mrs. L. N. Watson and Miss Lucy Watson, of Axtell; Rev. A. L. Ormond and Mrs. Ormond, of Kittrell; Miss Mary Purefoy, Deaver, Col.; Mr. Walter Allen and Mr. W. A. Watson, Axtell, and Mr. W. A. Parker, of Raleigh.

The gifts to the bride were beautiful and tasty, an elegant collection representing the useful and ornamental.

Among the gifts was a case of half-dozen gold and silver oyster forks from Governor Aycock.

CLAYTON CHIPS.

Dr. H. A. Royster was here on professional business Sunday.

Mr. C. I. Johnson is in town this week the guest of Mr. Jno. W. Talton.

Messrs. J. M. Turley and A. Sam White spent Sunday in Smithfield.

The Anti-Saloon League meets Friday evening August 14. Everybody attend.

Miss Annie Taylor, of Raleigh, is visiting Mr. and Mrs. D. H. McCullers this week.

Miss Lona Williams returned Monday from a month's visit to parents near Wakefield.

Mr. and Mrs. Riley Guley and Miss Ione left Monday p. m. for a visit of several days in Durham.

Rev. J. M. White a former resident of this place, will preach at the Baptist church next Sunday.

Messrs. A. J. Barbour, E. T. Hinton, Chas Carroll, W. I. Whitely and J. I. Boone went to Asheville Tuesday.

Mr. J. W. Willard and family returned Wednesday from Jackson Springs where they have been for the last week.

Mr. J. A. Vinson with Miss Pearl Robertson and Mr. Lewis with Miss Cleve Barnes spent Sunday in Smithfield.

Mr. D. J. Thurston requests the young men who wish to join the Baracca Class to meet him at the Baptist church directly after Sunday School next Sunday.

On Friday evening August 28th the Ladies Aid Society will give a lawn party at the Academy ground—refreshments will be served. You will enjoy it if you go. Benefit Baptist church.

Mr. C. M. Thomas is visiting relatives and friends in Virginia. Messrs. J. M. Turley and C. W. Horne are filling his place in bank during his stay.

"YELIR."

Puts an End to It All.

A grievous wail oft times comes as a result of unbearable pain from over taxed organs. Dizziness, Backache, Liver complaint and constipation. But thanks to Dr. King's New Life Pills they put an end to it all. They are gentle but thorough. Try them. Only 25c. Guaranteed by Hood Bros. Drug Store.

OLD SOLDIERS' RE-UNION.

Major Stedman's Fine Address—More Than 3,000 People Here From All Parts of the County.

Yesterday was Confederate Veteran's day in Smithfield. The battle-seared and gray-bearded veterans of a hundred bloody battlefields were here 300 strong. These old heroes formed in line at the court house and under the command of Col. Ashley Horne marched to the Turlington Graded School grounds. It was expected that Maj. Stedman's address would be delivered in the Institute Hall, but as the crowd was so large, it was found that the Hall could not seat them. So the address was delivered from the school porch.

The crowd, estimated at 3,000 or more, was an orderly one. Every section of the county was represented by those who came out to do honor to the old soldiers who fought for a cause they believed to be right, and the fame achieved and glories won are no less theirs because the cause they loved was lost.

The speaker was introduced by Mr. W. M. Sanders in the following words:

Mr. Chairman, Old Soldiers, and Ladies and Gentlemen:

This occasion is an epoch in the history of the county, an occasion of profound interest to all our citizens, for this is the Old Soldiers day.

In the behalf of the people of the county, whose honored guests you are, I bid you welcome. In behalf of the Mayor and his official board, I extend to you the privilege of the town.

This is indeed an occasion of interest to all of us, and especially to the young. For we have with us all that is left of that body of brave men, whose martial tread once shook the earth, and whose deeds of valor electrified and challenged the admiration of all mankind.

What a great country is ours! What a grand people! What a body of splendid soldiers we sent to the army!

Our fathers desired to remain in the Union and under the old flag, the stars and stripes, which their ancestors made glorious at King's Mountain, Guilford court house and at York town.

In January, 1861, our people assembled here and passed resolutions requesting our delegates to vote against secession.

In joining your fortunes with those of your brothers, to resist invading armies you pursued the only honorable course. After exhausting all your strength and resources you returned vanquished to your homes, but still the idols of your country.

The young people delight to honor you. They glory in your achievements. And as time rolls on each succeeding generation will require of its predecessor what they know of your sacrifices and deeds of valor which defy even time itself.

We delight to linger around the magic names of Lee and Jackson, but time forbids.

Old comrades, I address you thus, for my kindred were your friends and companions on the march, in the camp and on the field of battle. I take this opportunity to thank you for honoring the memory of one of our heroes with the name of your camp. Old Soldiers, in behalf of the young people of the whole county I extend to you our gratitude. We trust that each one of you may carry with you to your homes some pleasant remembrance of this occasion.

I now have the great pleasure and honor to present to you as orator of this occasion, one of your old comrades, who has lived a useful life in peace as well as in war. A profound lawyer and statesman, a gifted orator and I predict the next governor of this great Commonwealth, the Hon. Chas. Manley Stedman of the County of Guilford.

Maj. Stedman said in part: "It was the dauntless moral resolution of the soldiers of the South which made their great deeds possible. What grander

spectacle does the world's history furnish than the unconquerable resolution with which they maintained the fight? They were neither elated by success nor disheartened by disaster, but ever the same unchanged and unchanging men of iron. Without that moral power to sustain them, the incomparable legions of Lee would have in vain struggled for so long a time to roll back the tide of invasion across the banks of the Potomac, and the marvellous campaigns of Stonewall Jackson would have found no place in history to gild forever with a romantic lustre the beautiful valley of Virginia. Neither famine nor pestilence nor mighty armies carrying in their track destruction of all that was near and dear to them could



MAJ. C. M. STEDMAN.

subdue their invincible will. In the splendid future which awaits the Southern portion of this Republic there is no character, the study of which will more elevate its citizens and fit them for its blessings than that of the Confederate soldier. The capstone of the arch of his glory was the moral power which sustained him upon the battlefield and which forever perpetuate his fame.

An incident which illustrates the supreme sense of duty which can only be imparted by moral firmness, as exhibited by a North Carolina soldier deserves to be recorded amidst the feats of heroes. The conduct of a private by the name of Tillman in the 44th North Carolina Regiment had attracted the favorable notice of his brigade commander and he was at his request attached to the color guard. Tillman's name was also honorably mentioned in the orders of the day from brigade headquarters. Soon thereafter, in front of Petersburg the regiment became severely engaged with the enemy and suffered heavy loss. The flag several times fell, as its bearers were shot down in quick succession. Tillman seized it and again carried it to the front. It was but an instant and betoo, fell. As one of his comrades stooped to raise the flag again, the dying soldier touched him and in tones made weak by the approach of death, said, "Tell the general I died with the flag." The tender memories and associations connected with his boyhood's home faded from his vision as he rejoiced in the consciousness that he had proved himself worthy of the trust which had been confided to him.

"Wolfe died upon the heights of Abraham the death of a hero, and as his spirit took its flight to another world, left a legacy to his countrymen words which will forever live. Nelson at Trafalgar, illustrated by his conduct and speech his supreme sense of duty to England and her glory. The Scotchman who died at Waterloo with his pagpipe in his hand, by the sabre of the Cuirassier of the Guard, whilst thinking of Ben Lothian and playing an air of his native land, has been immortalized by Victor Hugo. But which of these three; aye, who of all those who live in song and story is more worthy of the crown of immortality than the humble country lad whose grave today is unnoticed and unknown?"

"Have we learned naught from the silent endurance, the patient agony, the deathless valor of the Confederate soldier? His life and

conduct have taught us the lesson over again which history is ever repeating. It is neither on the greatest fields of battle, nor places where the most calamitous bloodshed has taken place that the recollection of future ages is chiefly riveted. It is moral grandeur which produces a durable impression. It is patriotic heroism which permanently attracts the admiration of mankind.

"The day may come when the memory of the fields of Gettysburg and Fredericksburg, of Sharpsburg and Chancellorsville, shall be dimmed by the obscurity of revolving years, and recollected only as a shadow of ancient days, but even then the enduring fortitude and patriotic valor of the Confederate soldier who followed the banner of Robert E. Lee will stand forth in undecaying lustre amid the wreck of ages and survive the floods of time."

Maj. Stedman closed his eloquent address as follows:

"Death, which destroys the pomp and power of this world has only placed the seal of immortality upon their lives. The sacred charge of their fame is entrusted to you, my countrymen and countrywomen. Guard it devoutly, bravely, justly and truly, that it may remain untarnished in its pristine glory and not alone with this generation, but with all those who may come after us until time shall be no more. Let the glorious example left by them be preserved for untold ages and for every people from the rising to the setting sun. If history be false, let tradition preserve it, and on every anniversary of our memorial days let eloquence proclaim it as a heritage for all humanity which it has elevated and adorned with a pathos and glory which belongs to the civilized world.

"My comrades, as your footsteps approach the shores of that river broad and deep which flows between time and eternity, may the pathway of each and every one of you be lighted by the sunshine of peace and happiness, and in the horizon far beyond may you see the rainbow of eternal promise which shall tell you that your last battle has been won and that a crown awaits you more splendid than was ever worn by earth's most favored hero."

After Maj. Stedman's address the table was spread and an elegant dinner served to the old soldiers.

One of the pleasant features of the reunion was the excellent music of the Dunn Concert Band whose kindness and generosity prompted them to play free of charge. The old soldiers and the committee in charge greatly appreciate the kindness of this band.

End of Bitter Fight.

"Two physicians had a long and stubborn fight with an abscess on my right lung" writes J. F. Hughes of DuPont, Ga. "and gave me up. Everybody thought my time had come. As a last resort I tried Dr. King's New Discovery for Consumption. The benefit I received was striking and I was on my feet in a few days. Now I've entirely regained my health. It conquers all Coughs, Colds and Throat and Lung troubles. Guaranteed by Hood Bros., Druggists. Price 50c. and \$1.00. Trial bottles free.

The state superintendent of public instruction says there are now about 5,500 public school districts in the State and that there ought to be only about 3,000.

The Death Penalty.

A little thing sometimes results in death. Thus a mere scratch, insignificant cuts or puny boils have paid the death penalty. It is wise to have Bucklen's Arnica Salve ever handy. It's the best Salve on earth and will prevent fatality, when Burns, Sores, Ulcers and Piles threaten. Only 25c. at Hood Bros. Drug Store.