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NORTH CAROLINA IS RICH

NC LEADS IN WEALTH

The evidence that North Carolina is rich accumulates. There is no room for doubt or debate. The last word on it comes in a recent report of the Internal Revenue Service, covering the year that ended June 30, 1920.

The taxes we paid into the federal treasury during the fiscal year just closed were in round numbers 162 million dollars.

Which is to say, in a single year we paid into the federal treasury more money than we have paid into our state treasury under our general property tax law since the Revolutionary War! Six millions into our state treasury in 1917, and one hundred and sixty-two millions into the federal treasury in 1919-20. Which means that our federal taxes are just about 25 times heavier than our state taxes.

Forty years ago the whole state could have been bought, lock, stock, and barrel, for 159 million dollars; or, presumably so, since that is all we said the state was worth on the tax books. And here we are emptying more millions than that into the federal treasury in a single year.

The Richest in the South

The federal taxes of North Carolina for the year just closed were more than the combined taxes of all the other South Atlantic and Gulf states from Virginia to Louisiana inclusive.

Only six states of the Union were rich enough to pay more federal taxes than North Carolina—New York, Pennsylvania, Illinois, Massachusetts, Ohio, and Kentucky.

It is highly significant that the bulk of our federal taxes were paid directly about 4,000 corporations and some 10,000 individuals—by a bare corporal's guard of our two and a half million people.

And the federal taxes they paid last year were six times all the taxes paid by the people of the entire state of North Carolina for town, county, and state purposes combined.

The details of our federal taxes were as follows:

Tobacco stamp taxes	\$108,518,866
Income and excess profits taxes	44,956,292
Estate or inheritance taxes	3,174,019
Railroad freight and passenger traffic	2,612,267
Documentary and proprietary stamps	529,589
Miscellaneous taxes	2,042,486

All but five and a half millions of this enormous total was paid directly by our tobacco manufacturers and indirectly by tobacco users all over the world; by some 4,000 corporations in taxes on incomes and excess profits, all of which was passed on to the ultimate consumers of their products; by some 10,000 rich people who had net taxable incomes beyond \$2,000 each; and by the heirs of large estates.

The federal taxes paid by this bare handful of rich people amounted to 157 million dollars! It is money enough to replace all the automobiles and all the church and school property of the state, if these were suddenly swept out of existence by earthquake, fire, or flood.

Painless Taxation

The multitudes who used the railroads for freight or travel, who borrowed money, or sold real estate, or bought patent medicines, or proprietary nostrums, or attended picture shows, street fairs, theatres, and ball games, paid nearly as much into the federal treasury last year as our state government cost—paid it without a whimper, carelessly, eagerly.

So much for painless methods of taxation—the taxation indirectly laid on the backs of final consumers.

Our federal taxes averaged \$65 per inhabitant in North Carolina, counting men, women, and children of both races. Our state taxes average less than \$3.00 per inhabitant; but the state collects it directly, in a lump all at one time; and talk about increasing it almost throws the people of North Carolina into convulsions. It's the old story of straining at a gnat and swallowing a camel.

Only three states of the Union outrank us in the annual production of crop wealth.

And only six are rich enough to pay more federal taxes.

But when it comes to paying taxes to support the state and its purposes, 46 states outrank us, and only South Carolina saves us from hitting bottom.

In 1918 the per capita cost of state government in North Carolina was only \$2.22. And \$2.22 would buy a handsaw or an axe head and handle, or a single bushel of wheat!

In 1860 our per capita taxables were \$361; in 1917 they were only \$391—an increase of less than 10 percent in 60 years! Of course these figures are ridiculous, and worse—they are shameful.

A NEW IDEA IN CAROLINA

With wage increases to employes in industries so frequent these days, an item telling of a raise in wages to a group of employes in a North Carolina mill would under ordinary circumstances be of little public interest.

But the report of the wage increase to 3,000 employes of the Durham hosiery mills arrests attention because the employes granted the increase themselves and what is of more importance because they were in a position to grant the increase themselves.

This was because there is a system of industrial democracy in the Durham mills, and the employes have a voice in the management. They are represented by a congress, which acts for them much after the manner in which a legislative body acts for a state, and it was this congress of representatives that ordered the increase in wages.

The introduction of industrial democracy into a factory is undoubtedly something new, and it is an experiment well worth watching. The insistent demand from employes of large concerns for a larger voice in the management especially in those matters that pertain to their own connection with the enterprise, is stimulating much thought on the part of many progressive employes, for they recognize that as a higher standard of intelligence comes to prevail among employes, they are not going to remain content with the old plan of accepting dictation in all matters from above.

Various plans have been formulated for meeting the changing conditions, but we believe the industrial democracy plan in the Durham mills is the most far-reaching scheme to allow employes to participate in the management of the industry that has yet been tried out.

The plan is all the more significant because it is in force in an industry owned by General Julian S. Carr, perhaps the foremost industrial leader of North Carolina. General Carr is the controlling factor in many hosiery mills in his state. When such a successful and far-seeing captain of industry as General Carr recognizes the principle of industrial democracy to the extent of trying it out in one of his great factories, it marks a departure from old methods that is epochal.—Houston Post.

INDICTING THE COLLEGES

It is an amazing fact that so large a proportion of the colleges and universities of the South do not give their students, either in teaching or in the literature furnished through their libraries, the opportunity to thoroughly understand their own section.

As a whole, the students in a very large proportion of Southern colleges are not well informed about the natural resources or the development of the material interests of their section. Except in rare cases, they are not taught these things by the professors, and they have no way to gain the information which is absolutely essential to the making of intelligent citizens.

They may be stuffed with Greek and Latin, with philosophy and political economy, so-called, but as to the living, breathing facts about their own section and their own country, they are as a

MEN TO MAKE A STATE

George Washington Doane

The men, to make a state, must be religious men.

To leave God out of states, is to be atheists. I do not mean that men must cant. I do not mean that men must wear long faces. I do not mean that men must talk of conscience, while they take your spoons. I speak of men who have it in their heart as well as on their brow.

The men that own no future, the men that trample on the Bible, the men that never pray, are not the men to make a state.

whole densely ignorant. This is a sad reflection upon the methods pursued in Southern institutions of learning.

The wonderful development of the Old South prior to 1860 is almost wholly unknown to the college student of the South of today, and therefore they think of the Old South largely in an apologetic spirit, wholly ignorant of the fact that its business development prior to 1860 was one of the wonders of the world.

As to the material resources and the progress of the South at the present time, there is almost as dense ignorance in these institutions of learning as there is in the far North, or in the West, and yet college life is supposed to be for the purpose of broadening young men and women and giving them an acquaintanceship with their own country, as well as with the history of other lands and the literature of the past.—Manufacturers Record, May 20, 1920.

CAROLINA PRAISED

Both the University of North Carolina and Wake Forest College are subscribers to the Manufacturers Record, and have been on our mailing list for many years. While both of these institutions are doing splendid work we have had occasion repeatedly to call attention to the exceptional character of work which is being done by the University of North Carolina.

In connection with its general work the University of North Carolina has a department of Rural Social Science under the direction of Mr. E. C. Branson, which for six years, through special bulletins and studies in the University News Letter, has been doing for that State what the Manufacturers Record is trying to do for the entire South. It is studying the economic and social problems of the State, and giving widespread information about the resources, advantages and achievements of North Carolina.

The North Carolina Geologic and Economic Survey is also located on the campus of the university, and for many years has been doing conspicuously good work for North Carolina. We wish that every university and college in the South and Southwest was carrying work of this character as aggressively as is the University of North Carolina.—Manufacturers Record, July 1, 1920.

MACAULAY'S PROPHECY

The United States will have to pass through hard seasons during the twentieth century, and I heartily wish you good deliverance, but my reason and my wishes are at war and I cannot help fearing the worst. It is quite plain that your government will never be able to resist a distressed and discontented majority. For with you the majority is the government and has the rich who are always in the minority absolutely at its mercy. The day will come when in New York State a multitude of people, none of whom has had more than half a breakfast or expects to have more than half a dinner, will choose a legislature. Is it possible to doubt that kind of a legislature it will choose? On the one side is a statesman preaching patience, respect for vested rights, strict observance of public faith; on the other is a demagogue ranting about the tyranny of the capitalist and usurer,

COUNTRY HOME CONVENIENCES

LETTER SERIES No. 23

Electric Farm Power from Central Stations—II

The principal difficulty to be overcome in extending electric service from central stations to country communities is the matter of securing the capital necessary to build and equip the lines. In the past central stations have been unable to finance farm line extensions in the ordinary way because the amount of revenue received per mile of line is very small. This difficulty is especially emphasized today when the public utilities of all kinds are finding it well-nigh impossible to obtain the necessary capital with which to bring their systems back to the state of efficiency that they had before the war.

There are two general methods of financing farm line extension which have been found very successful. In each of these the capital is supplied by the farmer interested. In the first, which may be called the assignment method, a small group of farmers builds the transmission line and assigns it to the central station which operates and maintains it. The second may be called the cooperative method. Here the ownership of the extension line is retained by the group of farmers who incorporate themselves into a company for the purpose of distributing electric energy which is bought from the central station at wholesale rates.

The assignment method is best when the group of farmers is too small to carry on successfully the business of a small electric company. Usually the central station will furnish the necessary engineering advice involved in laying out the lines. In some cases they may be built by the construction department of the central station, the farmers paying for the work at regular rates.

After the line is built the central station provides for the proper maintenance and looks out for all necessary repairs. The farmers thereafter buy energy at rates to be agreed upon, usually at so much per kilowatt hour with a guar-

anteed minimum monthly bill. Where the number of consumers averages about two or three per mile central station service may be obtained in this manner at a reasonable cost.

The cooperative method is best adapted to small country communities although it has been used where the consumers are widely scattered. When this method is adopted it is usually best to consult competent engineering and legal advisers before proceeding with the organization of the company or beginning the work of construction. Frequently the central station will lend the cooperative company a competent construction foreman and one or two experienced linemen but a great deal of the work can be done by the farmers themselves.

When electric service is obtained on this plan the individual consumers are instructed how to read their electric meters and the monthly readings are sent to the office of the company on postal cards. The central station renders a monthly bill according to the reading of a meter located at the point where the cooperative company taps the line of the central station.

There are a number of different modifications of these two methods but the principle is the same in each. In every case the central station usually insists on certain standards of construction, sometimes specifying the kind of transformer and switching equipment which shall be used so that the service rendered may be satisfactory to all.

The Division of Country Home Comforts and Conveniences is ready to render free engineering and legal advice, organizing groups of farmers so that they may have the advantages which go with an electrified farm. Typical contract forms and such other assistance as may be necessary may be had for the asking by writing to the Director of Country Home Comforts and Conveniences, Chapel Hill, N. C.—P. H. D.

and asking why anybody should be permitted to drink champagne and to ride in a carriage while thousands of honest folks are in want of necessities. Which of these two candidates is likely to be chosen by a workman who hears his children crying for bread? I seriously apprehend that in some such season of adversity as I have described you will do things that will prevent prosperity from returning.

There will be, I fear, spoliation. The spoliation will increase distress. The distress will provoke further spoliation. There is nothing to stop you. Your constitution is all sail and no anchor. And as I said before, when a society has entered upon its downward course, either civilization or liberty must perish. Either some Caesar or some Napoleon will seize the reins of government with a strong hand or your republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth.—Macaulay in a letter to a friend in America in 1837.

THE HOMES OF THE PEOPLE

I went to visit a friend in the country, a modest man, with a quiet country home. It was just a simple, unpretentious house, set about with big trees, encircled in meadow and field rich with the promise of harvest. The fragrance of the pink and hollyhock in the front yard was mingled with the aroma of the orchard and the gardens, and resonant with the cluck of poultry and the hum of bees.

Inside was quiet, cleanliness, thrift, and comfort. There was the old clock that had welcomed, in steady measure, every newcomer to the family, that had ticked the solemn requiem of the dead, and had kept company with the watcher at the bedside. There were the big, restful beds and the open fireplace, and the old family Bible, thumbed with the fingers of hands long since still, and wet with the tears of eyes long since

closed, beholding the simple annals of the family and the heart and the conscience of the home.

Outside, there stood my friend, the master, a simple, upright man, with no mortgage on his roof, no lien on his growing crops, master of his land and master of himself. There was his old father, an aged, trembling man, but happy in the home and heart of his son. And as they started to their home, the hands of the old man went down on the young man's shoulder, laying there the unspeakable blessing of the honored and grateful father and ennobling it with the knighthood of the fifth commandment.

And as they reached the door the old mother came with the sunset falling fair on her face, and lighting up her deep patient eyes, while her lips, trembling with the rich music of her heart, bade her husband and son welcome home. Beyond was the housewife, busy with her household cares, clean of heart and conscience, the buckler and helpmeet of her husband. Down the lane came the children, trooping home after the cows, seeking, as truant birds do, the quiet of their home nest.

And I saw the night come down on that house, falling gently as the wings of an unseen dove. And the old man—while a startled bird called from the forest, and the trees were shrill with the cricket's cry, and the stars were swarming in the sky—got the family around him, and, taking the old Bible from the table, called them to their knees, the little baby hiding in the folds of its mother's dress, while he closed the record of that simple day by calling God's benediction on that family and on that home.

And while I gazed, the vision of the marble Capitol faded. Forgotten were its treasures and its majesty, and I said, Oh, surely here in the homes of the people are lodged at last the strength and the responsibility of this government, the hope and the promise of this republic.—Henry Woodfin Grady.