

The news in this publica-  
 is released for the press on  
 eipt.

SEPTEMBER 22, 1920

CHAPEL HILL, N. C.

VOL VI, NO. 44

Board: E. C. Branson, L. R. Wilson, E. W. Knight, D. D. Carroll, J. B. Bullitt.

Entered as second-class matter November 14, 1914, at the Postoffice at Chapel Hill, N. C., under the act of August 24, 1912.

## THE YEAR BEFORE REVALUATION

### STATE FINANCES IN 1919

The year 1919 was the last year of the old state revenue system. We are before giving in somewhat full details the receipts and expenditures of the year as these appear under classified headings in the Census Bureau bulletin, Annual Statistics of States for 1919. These facts will serve as a base-line in which to measure the varieties of progress we make under the new or revaluated tax system based on our revaluation of properties in 1920.

We venture to say, somewhat timidly, that any legislator who knows less about the finances of the state than he can learn from this brief Census bulletin ought to hesitate about sitting in the legislature. It can be had free of charge by addressing Hon. Sam. L. Rogers, Census Director, Washington, D. C.

### Sources of Revenue

The revenues received for general state purposes in North Carolina in 1919 were \$6,583,993. Additional funds, called non-tax revenue receipts, were as follows: \$591,451 from the sale of state lands, warrants, etc., \$322,793 from the sale of supplies, and \$125,906 from the sale of public trust funds for state purposes.

Which made the total revenues for state purposes \$7,653,468, not counting the cash balance of \$1,372,104 at the beginning of the year and the \$2,706,437 transfer receipts during the year. The year 1919 closed with a cash balance of \$1,381,571. Fifteen states closed the year in debt.

Arranged in the order of importance, these various revenue receipts in 1919 were as follows:

General property taxes..	\$2,653,609
General department earnings.	1,212,349
Business taxes .....	1,040,796
(1) On the business of insurance companies and other corporations .....	\$491,799
(2) On individual incomes, .....	\$120,012
(3) Automobile licenses..	\$427,545
(4) Hunting and fishing..	\$1,440
Special property taxes....	527,449
(1) Inheritance taxes....	\$400,866
(2) Corporation stock taxes.....	\$126,583
(3) Sale of bonds, warrants, etc.....	591,451
(4) Occupation and privilege taxes—B and C schedules .....	456,053
(5) Sale of supplies and investments.....	448,699
(1) Supplies .....	\$322,793
(2) Public trust funds for state uses .....	\$125,906
(3) Interest and rent .....	339,354
(1) On investments and investment funds .....	\$248,012
(2) On deposits.....	34,598
(3) Public trust funds.....	\$51,806
(4) Rents .....	4,938
(5) Federal grants .....	197,236
(1) For education \$86,465	
(2) For Experiment Station, Farm Extension, etc.....	\$110,771
(6) Donations.....	74,175
(7) Other special revenues....	55,358
Incorporation or organization taxes, stock transfers, etc.....	
(8) Poll taxes .....	42,404
(9) Fines, forfeits, and escheats .....	14,535
Grand total .....	\$7,653,468

### The General Property Tax

The tax that catches everybody who has any property on the tax books is the general property tax, and this is the tax that looms so large in the mass mind. But as a matter of fact the total revenues raised by the state from this source in 1919 were only \$2,653,609, which is but a little less than the amount paid into the federal treasury by the Tar Heels who used the railroads for travel and freight. This federal tax was paid carelessly a few cents at a time the year through—\$2,612,267 all told; but the state tax of almost equal amount was paid in a lump sum all at

once. Hence these tears.

People generally are unconcerned about the increase of traffic, passenger, and Pullman car rates; but the thought of increasing the general property tax almost throws us into convulsions. We fear it so, that our captains of state finance, for tactical reasons, levy no general property tax at all for state purposes in 1920. As a result, the state departments and institutions of health, highways, education, and benevolence must this year live on Ben Franklin's saw-dust pudding.

Only one state in the Union paid a smaller per capita general property tax than North Carolina in 1919; but in 1920 we enjoy the doubtful distinction of being absolutely at the foot of the column.

The largest single item in state revenue receipts is the general property tax. But in 1919 it contributed only 35 cents of every dollar that went into the state treasury, or barely more than a third of the full total. Business and special property taxes contributed 22 cents; state department earnings 16 cents; bond sales, interest and rent 12 cents; occupation and privilege taxes 6 cents; the sale of supplies and investments 6 cents; donations and federal grants 4 cents; poll taxes, fines, forfeits, and escheats less than 1 cent of every dollar.

Because of rapidly increasing revenues from these various other sources, the general taxpayers will this year pay no state taxes. If the income tax amendment passes, they are likely never again to pay to the state any general property taxes on lands and buildings, household goods and utensils, crops, merchandise, or solvent credits; if it does not pass, the state will be obliged in 1921 to call on them for three million dollars or so, and still more millions year by year as the state develops its civic life.

Clearly we are headed into the segregation of the general property taxes for county and municipal purposes, leaving the state to be supported by taxes on the business of insurance companies and other corporations, by corporation stock taxes, taxes on individual incomes, inheritance taxes, occupation and privilege taxes, and other similar sources of revenue. We shall doubtless find, as California and other states have done, that a small general property tax must be levied in order to keep legislators keenly sensitive to the humors of their local constituencies.

### Cost Per Inhabitant

The per capita cost of state government in North Carolina in 1919 was \$2.54. It was less in only one other state of the Union. See the table in another column of this issue. The figures for other Southern states are as follows:

South Carolina.....	\$2.40
Georgia .....	2.80
Mississippi .....	2.98
Tennessee .....	3.12
Arkansas .....	3.13
Alabama .....	3.32
Louisiana .....	4.08
Oklahoma .....	4.44
Florida .....	4.45
Virginia .....	4.64
Kentucky .....	4.86
Texas .....	6.24
New Mexico .....	7.44

The average for the whole United States was \$6.05. But in Maine, Vermont, and Wyoming the cost of state government was more than \$10 per inhabitant, in California and Nevada more than \$11, in Utah more than \$12, and in Arizona more than \$19 per inhabitant.

Since 1915 the per capita cost of state government in North Carolina has increased 44 percent, which is certainly a small increase when compared with the increase in the cost of living. In only five states of the Union has the cost of state government kept pace with the increase of living costs—Oklahoma, New Mexico, Delaware, Utah, and Arizona.

### Details of Expenditure

The \$2.54 representing the per capita cost of state government in North Carolina was paid out for the following purposes:

### ABC'S OF DEMOCRACY

James Madison

A popular government without popular information or the means of acquiring it is but a prologue to a farce or a tragedy, or perhaps both.

Knowledge will forever govern ignorance; and a people who mean to be their own governors must arm themselves with the power which knowledge gives.

No man has a right to take part in governing others who has not the intelligence or moral capacity to govern himself.

1. Schools and libraries.....	.75
2. Charities, hospitals, and corrections .....	.51
3. Old soldiers' pensions, printing, etc. ....	.27
4. Outlays for schools, hospitals, etc. ....	.20
5. State administration costs .....	.18
6. Conserving natural resources, mainly agriculture .....	.18
7. Interest on bonded and floating debt .....	.18
8. Health and sanitation..	.10
9. Protection of person and property .....	.09
10. Highways .....	.08
Total .....	\$2.54

### The Taxpayer's Dollar

Or, to put it another way, the taxpayer's dollar in North Carolina was spent by the state for the following purposes:

1. Schools and libraries.....	.30
2. Charities, hospitals, and corrections .....	.20
3. Pensions, printing, etc. ....	.10
4. Outlays for schools and hospitals .....	.08
5. Administration .....	.07
6. Conserving natural resources, mainly agriculture .....	.07
7. Interest .....	.07
8. Health and sanitation..	.04
9. Protection of person and property .....	.04
10. Highways .....	.03
Total .....	\$1.00

A mere glance at these details of state expenditure makes it clear to the stupidest taxpayer that 86 cents of every dollar he pays to support the state comes straight back to him in schools for his children; in measures for disease prevention and health promotion; in improved highways; in protection of life and liberty, person and property; in agricultural education and promotion; in schools for the deaf, the blind, the feeble-minded, and the wayward children of his county or community; in hospitals for the epileptic, tuberculous, and insane; and in pensions for our old soldiers.

The only part of his dollar that does not come back to him directly is the 7 cents that helps to defray the administrative expenses of government at the capital, and the 7 cents of interest on the bonded and floating debt of the state. And by the way, the bill for administrative expenses in North Carolina is next to the smallest in the United States. It is less in Georgia alone.

However, it is not easy for the average taxpayer to get hold of the notion that the taxes he pays are like chickens—they come home to roost, and the more he pays under honest, efficient administration, the larger is the flock of benefits that swarm back into his home community.

We pay state taxes in North Carolina to defray the expenses of our state government. Everybody knows that, even the dullest taxpayer; but what the average citizen does not know in any competent way is what becomes of the state tax money the sheriff wrings from him year by year. He submits with the same sort of feeling that he has when the dentist pulls an eye-tooth; and he dodges as much as he can and as long as he can.

On the other hand, he rarely stops to think of the benefits that come to him in return for the taxes he pays, or how defenseless he would be if he lived in a community that paid no taxes at all, as in Dahomey, for instance. He pays his taxes in a lump sum at some particular time of the year; he sees it go and kisses it goodbye sadly; but he sees little or nothing coming back to him for the tribute he pays to Caesar. It comes

## COUNTRY HOME CONVENIENCES

LETTER SERIES No. 28

### BANISH BLUE MONDAY—II

Washing with a tub and board is such hard work and is dreaded so by the women of this country that by common consent, from the Atlantic to the Pacific, the women have named washday Blue Monday.

"Oh," you say "she doesn't complain about it."

No, of course she doesn't. She doesn't complain about anything. She does all the drudgery without complaining because nine-tenths of the farm wives of this country think they have to do it just that way. They think it's their duty to do it and not complain. And you're so busy running the farm, so balled up in politics, the lodge and other things, you've no time to think of how hard your wife works and that the wrinkles are coming into her face and the crow's feet beneath her eyes.

Say, you Mister Farmer, as you sit by the light of the old coal-oil lamp reading this, you lower the page a minute and take a squint across its top at your wife sitting opposite you, darning a pair of your old socks, or as she moves wearily round clearing up the supper things. My, look at how she has failed since the day you stood up with her before the preacher and promised to love, honor and cherish her through sickness and health and hard times and good. Look at the care lines in her cheeks: those are love scars made for you; and you pass her up and seldom give her a kind word.

Get up, right now, this minute. Go to her, put your arms round her, the way you used to do when you were courting her and feeding her gum drops and candy hearts with I Love You printed on them in red ink. Say to her: "Sweetheart, you are tired. You are working too hard. The washing is too heavy for you. What do you say if we get one of these newfangled washing machines? They say they are great."

Look out, she may faint: it's been so long since you talked to her like that. But you go to it. She'll say:

"Oh, we can't afford that." Just like

a woman, always trying to help.

"Well, we can afford it better than we can afford to have the roses leave your cheeks," you'll say, and that will be the time for you to kiss her.

Then watch her lean her head on your shoulder and begin to cry. Don't get scared at that. If you only knew it, many a woman's heart is so near the breaking point that, when you least suspect it, she's up in the attic on her knees, her face buried in her arms, crying as if her heart would break sure enough, and those scalding tears are the only thing that keeps it from going to smash.

And while you're at it you might just as well tell her that she can have one of those electric-lighting machines and can chuck the old-oil lamp out over the back fence.

And whatever you do, be sure to put running water in the house for her. A man has no right to ask or expect a woman to draw water up hand over hand from a well forty feet deep. Give her water from a faucet in the kitchen sink and a bathroom and lavatory and a lot of other labor-saving devices.

"Let the husband render the wife due benevolence," is the way St. Paul says it, and he's saying it to you.

If she knows how to play a piano get her one. If she has an old rattletrap of a piano, rheumatic in the joints, get her a new one and let her make it vibrate with the tender love songs she used to play before she married you.

Don't jaw about the money it is going to cost. The god of many a man is money, just as truly as if he framed a fifty or one hundred dollar bill on the wall and got down before it and prayed every morning. He doesn't care if the wife wears her fingers to the bone, just so he can save a little more. He begrudges the pennies he pinches out into her hand. He is the master, she the slave. He won't even let her have the chicken money.—Billy Sunday, in the Country Gentleman.

back, but he does not stop to take stock of it, or to realize how helpless and exposed he would be without the protecting mantle of state government and the services and benefits he receives from the taxes he pays.

### HO, FOR CAROLINA

North Carolina has a number of cities and towns that have claims to national fame and distinction. The North Carolina Chamber of Commerce Bulletin, the official organ of the North Carolina Chamber of Commerce, enumerates these cities as follows:

Winston-Salem is the largest tobacco and men's underwear manufacturing city in the world. The internal revenue collections at the Winston-Salem office for the fiscal year ending July 1, 1920, aggregated \$80,344,344, these figures breaking all former records in the history of the office, and nearly doubling the amount collected the year previous. The custom receipts of the Winston-Salem office

the past year were \$3,797,415.

Greensboro has the largest denim mills in the world.

Durham has the largest hosiery mill in the world, and is the second largest tobacco manufacturing city in the world.

Wilson is the largest bright tobacco market in the world.

Pinehurst is one of the South's greatest and most famed winter resorts.

Badin has one of America's largest aluminum plants.

High Point is the world's second greatest furniture city.

Kannapolis is the world's largest towel manufacturing city.

Gaston has the largest number of cotton mills of any county in the United States.

Asheville is one of the most famous summer and winter resorts in the United States, and has the finest hotel in the world.

Wilmington is one of the leading seaports in the United States.—Winston-Salem Journal.

## PER CAPITA COST OF STATE GOVERNMENTS

In the United States, Covering the Year 1919

Based on a Federal Census Bulletin, The Financial Statistics of States, dated May 1920

Rural Social Science Department, University of North Carolina

Per capita cost in the United States at large, \$6.05

Rank	State	1919	1915	Rank	State	1919	1915
1.	Arizona .....	\$19.25	\$7.32	25.	New Hampshire.....	\$ 6.38	\$3.47
2.	Utah .....	12.43	6.01	26.	North Dakota.....	6.33	5.02
3.	Nevada .....	11.47	10.36	27.	Texas .....	6.24	3.69
4.	California .....	11.24	7.32	28.	Iowa .....	5.44	3.42
5.	Wyoming .....	10.63	5.96	29.	Nebraska .....	5.23	3.38
6.	Vermont .....	10.59	6.76	30.	Pennsylvania .....	5.17	3.60
7.	Maine .....	10.24	6.53	31.	Indiana .....	4.99	3.40
8.	Minnesota.....	9.98	6.19	32.	Kentucky.....	4.86	3.56
9.	Montana .....	9.94	6.72	33.	Ohio .....	4.67	3.24
10.	Connecticut .....	9.84	5.38	34.	Virginia .....	4.64	3.54
11.	Michigan .....	9.05	5.50	35.	Florida .....	4.45	3.02
12.	Delaware .....	8.85	3.35	36.	Oklahoma .....	4.44	2.24
13.	Massachusetts. ....	8.57	4.80	37.	Missouri .....	4.43	2.54
14.	New York.....	8.39	4.38	38.	Kansas .....	4.23	3.03
15.	Maryland .....	8.23	4.60	39.	Louisiana .....	4.08	3.08
16.	New Jersey.....	8.22	6.08	40.	Illinois .....	3.75	2.82
17.	Oregon .....	8.07	4.52	41.	Alabama .....	3.32	2.98
18.	Rhode Island .....	7.59	4.60	42.	Arkansas.....	3.13	2.20
19.	Washington.....	7.48	5.70	43.	Tennessee .....	3.12	2.01
20.	Idaho .....	7.44	4.33	44.	West Virginia.....	3.05	2.64
21.	New Mexico.....	7.44	2.87	45.	Mississippi .....	2.98	2.49
22.	South Dakota.....	7.41	4.46	46.	Georgia .....	2.80	2.13
23.	Wisconsin .....	6.91	5.59	47.	North Carolina .....	2.54	1.76
24.	Colorado .....	6.46	4.22	48.	South Carolina.....	2.40	1.64