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THE BONDED DEBT OF CAROLINA

OUR BONDED DEBT

The state bonds issued by North Carolina up to January 1 are sixty-nine million dollars all told, or nearly twenty-seven dollars per inhabitant.

The state bonded debt is right around half of what we have invested privately in automobiles alone. And the per capita burden of bonded debt is just a little more than half the cost of a set of Ford tires.

The interest on the bonded debt of the state is \$2,800,000 a year, which is about a dollar per inhabitant, and a dollar is just about the cost of five gallons of gasoline.

We buy cars and tires and gasoline and never think about bankruptcy, but when we talk about state bonds we think about nothing else but bankruptcy.

The state is far likelier to be bankrupted by private automobiles than by public bonds.

Investment Bonds

Public bonds issued for proper productive purposes in commonwealth progress and prosperity are one thing, provided of course the proceeds be honestly and efficiently administered.

Public bonds issued to cover indebtedness are another. Bonds of this sort are a sign of inefficiency, impropriety, or reckless use of public funds, and they ought to be anathema. When a state, a county, or a municipality, a state department or a state institution, wantonly fails to live within its income or budget allowance, the officials responsible therefor ought to be haled into court.

But bonds to promote public progress and prosperity are investment bonds and a state is well within reason if it issues these to the full limit of safety, the taxable wealth of the state considered.

The sixty-nine millions already issued by North Carolina have been invested in state-owned railroads, in public highways, in public education, and in state institutions of charities and corrections. They represent the will of the people to base the future of the state on the intelligence, the skill, the health, and the character of her people. And all told they represent an investment less than half the amount we have tied-up in automobiles alone.

The bonded debt of North Carolina is \$27 per inhabitant, it is \$50 in the little city of Los Angeles, and \$177 in New Zealand where the white inhabitants are fewer than 1,800,000. But in all these instances, the bonded debt represents a productive investment in public progress and prosperity. Nobody in Los Angeles or New Zealand is in doubt about the wisdom of such bond issues—literally nobody. And nobody in North Carolina need be in doubt about the wisdom and the necessity of investment bonds—or at least not yet.

Sinking Funds

Nevertheless there ought to be (1) a limit to the issuance of public bonds—a limit fixed by a definite percent of the taxable wealth of the state as it appears on the county tax lists, (2) a sinking fund created ten years ahead of bond maturity dates and annually increased at compound interest rates to amortize the bonds as they fall due, without oppressing the taxpayers, and (3) a sinking fund so safeguarded by organic and statute laws as to put it entirely beyond the power of state officials to divert it to other purposes. There is no greater state problem for our budget commission and our legislature to solve, and not to solve it satisfactorily is to fail in a matter that fundamentally concerns the safety of the state in the years at hand and ahead.

TREASURE TREMENDOUS

North Carolinians are still applauding the wonders that were laid before them at the State Fair and the Made-In-The-Carolinas Exposition. The two annual exhibits of what Tarheelia owns and what she produces, have impressed the public mind as never before. That duplex display of marvels is a living thing in the people's consciousness, an inspiration to even greater things in the coming year.

Consider what tremendous treasure, what variety of riches, was thus advertised to the world as Tarheelia's possessions!

There were over 8,000 kinds of manufactured articles, fashioned from the state's 118 species of trees, from over 184 varieties of mineral wealth, from her cotton, wool, and tobacco. There were chairs lovelier than Sheraton's and Chipendale's; violin parts sweetened as the old woods treated with the mysterious varnish Stradivarius made; cabinets costlier than those of the Florentines, inlaid with ivory and gold; bedsteads, of iron and wood, to equal the 418 royal couches made for Louis the Fourteenth of France.

There were textiles, cottons, silks, woolsens; stockings spun thin as the stuff of dreams; linens like the fine linens in the palace of Ahasuerus; damask whiter than the sacred napkins on which the priests of the Sun painted all the fruits of the earth; curtains gorgeous as the hangings on which King Chilperic's 300 golden bees winged their jeweled flight; heavy stuffs strong as the purple, painted sails of Tyrian warships; gauzes light and delicate as the fabrics made in the Far East and called "woven air."

There were, too, agates like those the Assyrian warriors wore as talismans against death; garnets bigger than the garnets in the earrings of the Merovingian women; lapislazuli; the stones green by day and red by the light of lamps; and fine veneers and unfading dyes; baskets lighter than the handwork of the Arizona Indians, baskets stronger than the osier shields the Greeks of old carried into battle; medicines, 700 kinds; needles to be threaded only under a magnifying glass; buggies; boats; cradles for the living, caskets for the dead—an astounding collection, an amazing variety, fruits and products on which North Carolina could live without paying for a single import.

Tarheelia, the fifth state in the Union in production of crop wealth; Tarheelia, with manufactures worth a billion dollars a year! These annual displays of what she is and what she does tell a story that draws new people and new money to her all the time.—Asheville Citizen.

FARMERS PAYING OUT

It is very much to the credit of the Southern farmers that despite the low prices and the handicaps they have worked under, they had, on December 15, liquidated 84.88 percent of the debts incurred in the production of the 1922 crops. This indicates that the farmers had succeeded in almost paying out. Unquestionably, if they had secured the advantages of better prices for their products, they would have made a 100 percent cancellation of their debts. But we doubt they have ever left a season behind them with so little unpaid. But they have not yet got through; they will pay out before they quit. The report on payment of farm debts is made in the publication issued by the Federal International Banking Company, at New Orleans, which sets forth that crop debts liquidation is much more nearly complete than usual. Many bankers say it will be paid off entirely when the remnants of the crop are sold. Twenty-five bankers report that part or all of the debts carried over from preceding years have been paid. No doubt there are many more such cases; the questionnaire did not ask for information on this point. Making a warrantable estimate based upon the general conditions reflected it seems safe to say that the crop returns of 1922, when all in, will discharge all operating obligations for 1922 in fully 90 percent of the cotton belt communities, in a clear majority of communities will absorb some or all of the losses of previous years and in at least one-third will leave some surplus for investment or for operation in 1923.—Charlotte Observer.

MORE OF RURAL SOCIOLOGY

An expansion in the teaching of rural sociology in American colleges is needed because of the influence rural ideals have upon urban and national life, declared Paul L. Vogt of Philadelphia,

KNOW NORTH CAROLINA

Kind to Corporations

North Carolina is leading all other states of the Union in the number of new cotton mill spindles she is installing and preparing to install. For some time she has led in the number of cotton mills and is now ahead also in the quantity of cotton consumed.

Of several causes which are contributing to the development of the textile industry in North Carolina and to the failure to expand it likewise in South Carolina, none is more potent than taxation. North Carolina has a tax system much more attractive to the investment of capital in cotton mills than most other cotton manufacturing states.

In a recent statement, Hunter Marshall, Jr., Secretary and Treasurer of the Cotton Manufacturers' Association of North Carolina, declared that a resident of that state has two mills of about the same size, equipment and value, one located in North Carolina, the other in South Carolina. His state and county taxes this year upon the North Carolina mill were \$4,100, while his state and county taxes in South Carolina amounted to \$7,900.

Here is one illustration of the difference in taxation in the two states: In North Carolina, the cotton mill pays a state income tax of nine and seven-tenths percent of the amount it pays the Federal Government as income tax, while in South Carolina the cotton mill pays thirty-three percent of the amount it pays the Federal Government as income tax—a difference of twenty-three and three-tenths percent in favor of North Carolina.—The Greenville, S. C., Piedmont.

speaking here today at the annual meeting of the American Sociological Society.

"Rural life today presents a field almost untouched so far as the possibilities of discovery of new truth are concerned," he stated. "The teacher who can settle a problem in his own mind can hope to discover truths in this field that will make a permanent contribution to human welfare.

"In the study of sociology a student will obtain greater ability to see the factors in community organization, to note the tendencies of the forces operating for the strength or weakness of community life. It is an accepted educational principle that true growth in knowledge proceeds from the known to the unknown. This being true we have a very important reason for the study of rural sociology.

"The students in many of our colleges and universities come mainly from rural communities. By utilizing and analyzing their own experiences they present an opportunity for the teacher in rural sociology, who can bring to them a realization of the complexities of the life which he has been leading."—Associated Press Dispatch.

CITY MARKETS NEEDED

The Curb Market, since being inaugurated in New Bern, has proved to be a pronounced success. An increasing number of farmers have been bringing their produce here on Tuesdays and Saturdays and scores of local housewives make purchases on each occasion.

There is only one handicap to the market, and that is inadequate facilities for displaying produce and selling it. Furthermore, whenever the weather is inclement, the market has to be called off.

What New Bern needs now is a city market; a place where produce may be displayed to advantage and where the farmers will be in a position to give better service; a place conveniently

located near the center of the town and so arranged as to avoid the present congestion which exists.

Since New Bern started the Curb Market, Chapel Hill, Gastonia, Lumberton, Kinston, and Tarboro have also established similar markets with equal success. According to newspaper reports, several other towns are figuring on following suit. These markets will do more than anything else toward giving an impetus to the raising of more truck and diversification of crops. For that reason, they should be given every encouragement.

The thing is no longer an experiment; it has proved to be a success. However, it is growing too big for the present method to be continued much longer. A change is needed and needed immediately.—New Bern Sun-Journal.

A PRIZE WINNER

North Carolinians kick like moonshine whisky when they have to pay taxes for the support of their government, but during the last few years they have been stung to the extent of more than twenty-five millions of dollars, according to an estimate made by Insurance Commissioner Wade, and he adds the opinion that that estimate is too low.

If the state were to issue bonds for that sum of money for some public work, or for schools, there would go up a howl that would reach to the highest dome of the heavens, and the chief howlers would be the people who have been victimized by or are fit subjects for fake stock sellers.

We complain at the cost of administering the affairs of the state, when only three cents out of every dollar paid into the treasury goes to the administrative side of the expense account. Yet we pay out millions for fake stock, and send out many more millions for food and feedstuff that we can and should produce right here at home.

As economists we take the prize at the ivory show.—Durham Herald.

A RIGHTEOUS TAX

William Rockefeller's will, disposing of an estate which would take a man 7,700 years to amass on a salary of \$100 a week, carefully abstains from handing any of it back to the public in the form of a bequest to humanity. The whole of his 200-million-dollar estate is left in trust to his descendants.

The incident proves the justice of inheritance taxes. The federal and state governments will collect from the Rockefeller estate sixty millions of dollars to be used for public purposes. A fairer law would take more.

It is a question whether any good comes from wealth handed down to the third generation. For what a millionaire does for the public he is well paid, if not overpaid, during his life time. It is a question how much further the obligation extends.—Capper's Weekly.

FARM IMPLEMENTS AND MACHINERY

Per Farm in North Carolina in 1920

Based on the 1920 Census of Agriculture, covering (1) the total value of farm implements and machinery in each county, (2) divided by the number of farms.

The average for the United States was \$557; in North Carolina it was \$202, and forty-three states made a better showing.

Our low rank is due to (1) the small average size of our farms, (2) the large ratio of tenants, who grow hard-made cash crops mainly, (3) the maximum of hand tools and one-horse implements, and (4) the minimum of labor saving farm machinery.

S. H. Hobbs, Jr.

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| Rank | Counties | Value Per Farm | Rank | Counties | Value Per Farm |
|------|-------------|----------------|------|--------------|----------------|
| 1 | Scotland | \$441 | 51 | Duplin | \$192 |
| 2 | Forsyth | 328 | 51 | Granville | 192 |
| 3 | Rowan | 308 | 53 | Pasquotank | 186 |
| 4 | Lincoln | 297 | 54 | Pender | 181 |
| 5 | Hoke | 293 | 55 | Perquimans | 180 |
| 5 | Guilford | 293 | 56 | Hertford | 179 |
| 7 | Johnston | 291 | 57 | Craven | 178 |
| 8 | Edgecombe | 278 | 58 | Chatham | 176 |
| 9 | Nash | 272 | 59 | Camden | 174 |
| 10 | Pitt | 271 | 60 | Bertie | 173 |
| 10 | Iredell | 271 | 61 | Jones | 169 |
| 12 | Greene | 270 | 62 | Alleghany | 166 |
| 13 | Cabarrus | 267 | 63 | Warren | 165 |
| 14 | Lenoir | 265 | 63 | Henderson | 165 |
| 15 | Beaufort | 257 | 65 | Curruck | 164 |
| 16 | Wilson | 254 | 65 | Montgomery | 164 |
| 17 | Chowan | 253 | 67 | Gates | 163 |
| 18 | Catawba | 252 | 68 | Durham | 159 |
| 19 | Sampson | 248 | 69 | Northampton | 153 |
| 20 | Davidson | 244 | 70 | Bladen | 151 |
| 20 | Wake | 244 | 71 | Alexander | 147 |
| 22 | Mecklenburg | 243 | 72 | Columbus | 145 |
| 22 | Robeson | 243 | 73 | Buncombe | 143 |
| 24 | Martin | 240 | 73 | Hyde | 143 |
| 25 | Wayne | 237 | 75 | Caldwell | 134 |
| 25 | Rockingham | 237 | 76 | Onslow | 130 |
| 27 | Cleveland | 236 | 76 | Pamlico | 130 |
| 28 | Yadkin | 235 | 76 | Washington | 130 |
| 29 | Alamance | 233 | 79 | Rutherford | 129 |
| 30 | New Hanover | 230 | 80 | Polk | 127 |
| 30 | Gaston | 230 | 81 | Haywood | 126 |
| 32 | Vance | 229 | 82 | Tyrrell | 121 |
| 33 | Randolph | 219 | 83 | Transylvania | 107 |
| 34 | Orange | 217 | 84 | Burke | 103 |
| 35 | Richmond | 215 | 85 | Watauga | 93 |
| 35 | Anson | 215 | 86 | Wilkes | 92 |
| 37 | Halifax | 214 | 87 | Brunswick | 87 |
| 38 | Carteret | 212 | 88 | Ashe | 79 |
| 38 | Stanly | 212 | 89 | Macon | 75 |
| 40 | Lee | 211 | 90 | Jackson | 74 |
| 41 | Caswell | 208 | 91 | McDowell | 72 |
| 41 | Person | 208 | 92 | Clay | 70 |
| 43 | Harnett | 207 | 93 | Madison | 64 |
| 43 | Davie | 207 | 94 | Swain | 61 |
| 45 | Union | 206 | 95 | Avery | 52 |
| 46 | Franklin | 204 | 96 | Yancey | 51 |
| 46 | Stokes | 204 | 97 | Cherokee | 47 |
| 48 | Surry | 202 | 98 | Mitchell | 45 |
| 48 | Cumberland | 202 | 99 | Dare | 44 |
| 50 | Moore | 199 | 100 | Graham | 38 |