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Editorial Board: S. C. Branson, S. H. Hobbs, Jr., L. R. Wilson, E. W. Knight, D. D. Carroll, J. E. Bullitt, H. W. Odum.

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OUR FREIGHT PROBLEM

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North Carolina at last knows what its transportation problem is. For years the people of the state have complained and protested, have won temporary concessions only to have them withdrawn and heavier rate burdens imposed. The development of agriculture and manufacturing has been so rapid in those fields where our natural advantage has been greatest, that there has developed a sort of subconscious optimism that we can continue to go forward, despite heavy rate discriminations. There has slowly developed a more thoughtful, forward-looking group, however, who realize that sooner or later the margin of natural advantage which we have in many fields will be equalized as our richest resources are exploited; for example, only recently an increase in the rates for hydro-electric power was granted by our Corporation Commission on the specific ground that poorer water-power sites had to be called into use to meet the increasing demand, and higher charges must necessarily follow. This means, of course, that our manufacturing enterprises will find it more costly to turn out their products and consequently will be less able to compete in the world markets. Such a condition will grow more serious as the years go by. Freight rate discriminations, then, which were not fatal at one time, bid fair to become serious obstacles to further progress in manufacturing, just as they have always been in the wholesale and jobbing business. No great distributing centers can develop in this state and, sooner or later, no new manufacturing enterprise can afford to locate here if it can go where freight rates are lower.

The Problem Stated

The flow of traffic in the South-Atlantic section arises mainly out of an exchange of products with the Central West (Upper Mississippi and Ohio River Valleys and around the Great Lakes) on the one hand, and with New England and the Middle Atlantic Seaboard states on the other. Water transportation is much cheaper than rail transportation, and wherever it can be utilized as a competitive factor it compels a reduction of freight rates. Virginia had the good luck, or the good sense, to have continuous rail lines under one ownership developed from the Central West to her port at Norfolk. These trunk lines, in order to get traffic to flow over their lines in competition with the great systems further north, reduced their rates to Norfolk. To avoid violation of the provision that a lower rate cannot be charged for a longer distance over the same line, these roads were compelled to reduce their rates to interior points in Virginia to the level of the Norfolk rates. As a result, the low Norfolk rates apply for 450 miles back westward into Virginia and even into West Virginia. One other factor in this rate reduction, was the fact that Virginia utilized the James River and constructed canals westward beyond the point where it was navigable, thus establishing water competition paralleling the railroads.

North Carolina has no east and west trunk lines under a common ownership connecting with an ocean port. She has made no use of her potential water competition. This is partly due to her own negligence and partly to the obstructionist policies of the North and South trunk lines which dominate transportation in this state. These same roads, true to human instincts, have discouraged the utilization of our ports as agencies for the development of coastwise traffic which would have forced a reduction of rates on traffic, north and south. The failure to avail ourselves of this cheap transportation has operated as a handicap to the great tide-water section—potentially the most productive area of the commonwealth.

The problem is clear cut. The duty of the state is obvious: either arise and unshackle itself, or accept its condition and cease to whine about it.

RATE DISCRIMINATIONS

North Carolina has made such remarkable strides in agriculture and in

manufacture that it is hard for us to realize the great injury done to the state by the rate discriminations against her. We have prospered notwithstanding our handicaps, but let us not hug the delusion that this will always be the case. We have progressed largely because of our natural resources and endowments and the indomitable will and courage of our people. The day will come when we will face the law of diminishing returns. The margin of advantage in natural endowments in manufacture and agriculture is rapidly being reduced as we exhaust our richest resources or, through growth in industry, are forced to utilize less productive elements. For example, we have already probably used our best water-power sites and from now on will be forced to make use of inferior sites and naturally will be forced to pay higher rates.

As we approach this condition in agriculture and manufacture a very small margin of unfairness in freight rates may become the determining factor in settling the fate of our industries. When our natural advantage is thus reduced to a parity with that of the manufacturers and farmers in other states, their advantage in freight rates and service will then appear even deadlier than it is now. These discriminations against us will then be a veritable mill stone about our necks. These discriminations have built up the Virginia cities at the expense of the North Carolina cities. Yet, notwithstanding this, in the last few years we have begun to build some cities in North Carolina. This is partly due to our natural resources and to our grim determination to succeed in spite of the discriminations. But we have for over a half-century been paying a tremendous tribute to other states, and the time will certainly come in the history of the state when we will carry these burdens less jauntily.

Our Weakest Spot

The real test of a state's position is seen in her commerce and trade in which natural endowments play little part and right here is our weakest point. We have progressed marvelously in agriculture, in manufactures, in insurance, but our trade and commerce have languished. We have built up no great wholesale distributing centers, and this is due not to the lack of ability on the part of our people, but to the deadly incubus of freight rate discriminations.

What could be more iniquitous than that a shipment from an outside state should be carried entirely through our State to Virginia and reshipped to a North Carolina city at a cheaper rate than if it had been stopped in North Carolina? Yet we have endured that humiliation for many years.

North Carolina is a long state running east and west, and our trunk line railroads run north and south. Because of this radical defect in our transportation system, North Carolina is in a tragic condition of being itself dismembered and of having most of the communications of its people north and south instead of east and west, and it has been made as difficult as possible for the people of the east and the people of the west to trade with each other. And thus it is that we have "lost provinces" in the west and "lost provinces" in the east. The great state highway system has already been of much service in mitigating these conditions, but North Carolina will never really come into its own, in the opinion of this Commission, until we have a trunk-line railroad running from the Cape Fear basin to the coal fields of the west and the transportation gateways of the Middle West coupled with up-to-date and adequate water competition.—From Report of the State Ship and Water Transportation Commission.

ELECTRICITY FOR THE FARM

The average productive labor hour on the farm is worth about 40 cents.

To make every one of these 40-cent hours productive of its share of profit, it is necessary to reduce non-productive labor to the minimum, and, in farming

OUR FARM POPULATION

One of the outstanding facts about the population of North Carolina is the aggregate of actual farm dwellers. In 1920 our actual farm population numbered 1,501,227 and only two states in the Union, Texas and Georgia, had more people living on farms. Her area considered, North Carolina ranks far ahead of both Texas and Georgia in this respect.

The rural population of North Carolina is 72.5 percent of our total population. The actual farm dwellers are 58.7 percent of our population, leaving 12.8 percent of the total population living outside of incorporated towns, but not living on farms.

In only four states in the Union is the percent of the total population living on farms larger than in North Carolina. These states are Mississippi, Arkansas, South Carolina, and North Dakota.

For the entire United States only 29.9 percent of all people live on farms, while the average for this state is 58.7 percent, or twice the average for all the states.

At the present time probably only two states in the Union, Texas and Georgia, have more farms than North Carolina, which goes far to explain our high rank in the production of crop wealth.

North Carolina has 2.4 percent of the total population of the United States, but she has 5 percent of the total farm population.

This is all very significant in view of the fact that North Carolina ranks fifteenth in the United States, and first in the South, in the value of factory products. Factories are located for the most part in urban areas, and considering the relatively small percent of our urban population it is very significant that we should rank so high as an industrial state. Also we get a clearer idea as to why we rank fifth in the total production of crop wealth and fourteenth in the production of agricultural wealth.

as in manufacturing, it has been found that the best way to do this is to use labor-saving machinery. The small electric light and power plants now in use on so many farms accomplish a lot of this labor saving. Grindstones, fanning mills, and many other light power appliances in the barn which used to require the aid of two men are now turned by electricity. In the house the pumping, churning, separating, sweeping, washing, and ironing are all done by electricity, relieving the farmer's wife of a great part of the burdens which have made her life a hard one. And of course electric light itself makes the farm home a bright and cheerful place to live.

Where electricity serves the farm family we find the best of living conditions, and we find, too, that every member of the family makes each hour of labor pay a profit.—Goldsboro News.

REDEMPTION FROM POVERTY

Fifty years ago there wasn't a solvent bank in North Carolina. Fifty years ago there were less than six cotton mills in the Carolinas, and these were small.

On the ashes of Civil War conflagration, sturdy sons of the two states began with crude tools and little money but with a faith—a vision and a determination unequalled—to erect a foundation for a great industrial structure. They dammed up small streams and erected thereon crude mills and shops. They toiled by day and walked long miles to market their products.

In those days North Carolina was pointed out as the most illiterate state in the Union, save New Mexico.

Today North Carolina holds the proud distinction of having a wider diversity of manufacture than any other state in the Union. It pays more revenue to the Government than 44 out of the 48 states. Its 6,000 factories turn out products each year worth \$1,000,000,000. It ranks ahead of all textile manufacturing states, save Massachusetts, and stands next to Michigan in furniture, while leading the world in its output of mica, towels, tobacco products, denims, tamask and many other things.

Today one million white citizens of North Carolina alone are directly dependent upon its factories for a livelihood, while Carolina products are carried over the Seven Seas to all lands and all climes.

Out of the wilderness of poverty—away from the shadow of despair, into the bright light of an almost unequalled prosperity!—From the Prospectus of "Made-in-Carolinas" Exposition.

OUR CROWDED SCHOOLS

From all over North Carolina come stories of crowded schools. Within a few days colleges will open to the accompaniment of the same complaint.

Back yonder, when North Carolina prescribed compulsory school attendance, the State started an ever-widening circle, dipping annually more deeply into the public treasury. More children in the elementary schools mean a larger output from the high school. Larger high-school graduation classes mean an increased number of college freshmen. And so it goes to more college graduates, a larger percentage of educated and trained citizens, and a state potentially more enlightened, more prosperous and more prodigal for forward purposes.

It requires increasingly larger expenditures to provide buildings and equipment and teachers for the children in the public schools. The circle moves on to the colleges. Money spent on education in the good year 1924 would have staggered the guardians of the public treasury in the good year 1900. By the same token, though, the money spent on moving pictures, soft drinks, automobiles and gasoline in 1924 would have given these same worthy men a stroke of apoplexy.

The biggest single interest of the state is its schools. They supply the

dynamo for progress that is real, lasting and enlightened. In the nature of the case they will cost more and more money. But expenditure for schools is one sort of expense that the people are disposed to be generous about. More and more will have to be expended as children increase in numbers and the state more nearly approximates its full duty—to the children in the rural sections as well as those in the towns. The public will require that their money be economically used, but they fully realize that even with economy, enlarged outlay for education will be necessary and that it will be a wise investment.—News and Observer.

HIGH-SCHOOL EDUCATION

The United States Bureau of Education of the Department of the Interior has made available for the first time reliable facts as to the extent to which farmers' children are being educated in high schools. Complete returns from the states of Maine, New Hampshire, North Dakota, Montana, and Oregon, show that 3.15 percent of the total farm population are enrolled in high schools as compared with 3.55 percent for the non-farm population. In three of the five states—Maine, New Hampshire, and Oregon—however, higher percentages of the farm population are enrolled in high school than of the non-farm population. In these states it is significant that through centralization of high schools more than 80 percent of all high schools serving farm children are comprehensive four-year high schools while in the two states where lower percentages of the farm population are enrolled more than 50 percent of all high schools serving farm children are small one, two, or three-year high schools. Decidedly higher percentages of girls are enrolled from both farm and non-farm groups. On an average the percentages of girls enrolled are more than one-third higher than for boys. If education is worth anything for productive work, either we must depend more and more upon our women to do the productive work of the world or we must find some solution for the problem of getting our boys in school.—Gastonia Gazette.

BANK RESOURCES PER INHABITANT In the United States, June 1923

Based on Report of the Comptroller of the Currency, December 3, 1923, and covers the total bank resources of all reporting banks—national, state and private, divided by the population. The North Carolina average in this table is around eleven dollars less per inhabitant than the correct amount as reported in News Letter Vol. X, No. 42, due to a few banks not reporting. The same would be true for other states.

United States average bank resources per inhabitant \$528.84; North Carolina average, in this table, \$164.84, or less than one-third the average for all the states.

Aggregate bank resources in North Carolina in 1914 amounted to \$153,114,436, or \$64.90 per inhabitant. Aggregate bank resources in 1923, including the state banks which failed to report to Washington, \$474,117,609 or \$176.49 per inhabitant, a remarkable gain.

The low rank of North Carolina is due to many factors, among which are: (1) the large rural ratio in our population, our small farms, and farm tenancy; (2) our negro population; and (3) the lack of large wholesale and distributing centers due to freight-rate discriminations against North Carolina, which is a most important factor. The wholesale business for North Carolina's retail towns and small cities is done in nearby states which enjoy lower freight rates. Big wholesale centers are also centers of large bank resources.

Department of Rural Social Economics, University of North Carolina

Rank	State	Per Inhabitant	Rank	State	Per Inhabitant
1	New York	\$1,235.22	25	Indiana	\$337.78
2	Massachusetts	869.02	26	Wisconsin	336.30
3	California	791.85	27	North Dakota	331.02
4	Rhode Island	737.23	28	Utah	317.13
5	Connecticut	656.17	29	Washington	315.48
6	Vermont	611.25	30	Montana	307.01
7	Pennsylvania	576.14	31	Kansas	298.07
8	New Hampshire	568.66	32	West Virginia	284.39
9	Illinois	559.85	33	Florida	278.93
10	New Jersey	520.28	34	Virginia	252.76
11	Nevada	511.05	35	Louisiana	247.43
12	Maine	507.59	36	Oklahoma	222.83
13	Maryland	500.61	37	Texas	216.04
14	Delaware	478.89	38	Kentucky	214.42
15	Iowa	477.61	39	Arizona	212.97
16	Minnesota	456.12	40	Idaho	205.87
17	South Dakota	445.65	41	Tennessee	201.52
18	Missouri	433.83	42	New Mexico	166.88
19	Ohio	424.81	43	North Carolina	164.84
20	Wyoming	422.61	44	South Carolina	157.07
21	Nebraska	416.38	45	Georgia	153.30
22	Michigan	396.69	46	Arkansas	138.34
23	Oregon	370.94	47	Mississippi	127.20
24	Colorado	360.94	48	Alabama	118.06