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PORT TERMINALS FOR N. C.

QUESTIONS AND ANSWERS

1. What is the act the voters will ratify or reject on November 4?

It is an Act to authorize a state system of Port Terminals and Water Transportation, adequately equipped, attractive to water commerce, and open on equal terms to all boat lines whatsoever; to utilize and develop our river, sound, and ocean opportunities as every other water-front state in the Union has already done. Just as North Carolina has moved into a state system of public education and public highways, so it is now asked to move forward into a state system of public waterways, and for exactly the same reasons of public necessity.

2. What does the act provide? The basis of the act?

It creates (1) a Port Terminals and Water Transportation Commission of seven experienced business men fully empowered to carry out the purposes and provisions of the Act, (2) to issue bonds to acquire sites for such public port terminals as may be deemed necessary, to locate, build, and equip these adequately by and with the advice of an experienced, skillful, and competent engineer, (3) to issue bonds to buy or lease ships, "when in its opinion adequate shipping is not provided by private enterprise to carry the commerce tendered at the state ports," (4) to employ a competent engineer, a bonded treasurer, port managers and helpers, to fix port charges, and in general to direct the business of our waterways as the business of our highways is directed.

The Legislative Bill was based on the Report of the State Ship and Water Transportation Commission, which stated as the result of fourteen months' investigation, made with the help and advice of a skilled Army engineer, (1) that it is imperative to create a maritime industry on the navigable waters of the state and (2) that the said industry will tend to reduce rail rates throughout the state and place such rates on a parity with those of other states.

3. Who are the Commissioners? Their duties? Their compensation? What funds will they have to expend?

The Commissioners are J. A. Brown, Chadburn; C. S. Wallace, Morehead City; E. H. Bellamy, Wilmington; George H. Butler, Clinton; A. M. Scales, Greensboro; A. J. Draper, Charlotte; and Wallace B. Davis, Asheville. These are the seven experienced business men named by the Governor and confirmed by the Senate at the special session last August. They represent both parties and all sections of the state—the tidewater, the mid-state, and the mountains.

Their compensation is \$10 a day for each day in attendance upon regular and special meetings, actual traveling expenses to and from such meetings and while in attendance thereat. They are required to meet quarterly and oftener if necessary.

The funds they will have to spend are (1) the proceeds of not exceeding \$7,000,000 of serial bonds issued gradually as construction needs arise, say during the next four or five years, as in thirty-one other states with public port terminals. And (2) state bonds not exceeding \$1,500,000 to buy or lease ships, vessels, and boats when and only when these become necessary to defend the state's investment in port terminals. "The Commission does not believe it will become necessary to operate ships, unquestionably it should do so if others will not." So far not one of the 31 states with public port terminals has found it necessary to operate freight ships. The Act plainly lays the emphasis on Port Terminals, not on Boats.

4. Where will the money come from?

The money with which to build public port terminals and, if compelled, to operate ships to protect the state's investment in terminals, will be derived from the sale of 30-year, gold-bearing, tax-free, five-percent bonds, guaranteed by the full faith and credit of the state. All of the 68 public port terminals in the 31 states have been financed by public bonds, municipal or state.

"Without exception state-owned terminals have not only been self support-

ing but have paid off their bonded indebtedness and have effected a reduction of the freight rates to the interior of the state."—Report of the State Ship and Water Transportation Commission, page 20. The original investment money does not come out of the pocket of the taxpayers, and if successful the operating expenses, interest, and sinking fund charges are paid by the port terminal fees. Public port terminals are self-financing in other states and they can be so in North Carolina unless our people have less business sense than the people of 31 other states. But even if our public port terminals earned nothing, the four hundred and sixty-odd thousand dollars of interest and sinking fund charges would lay not one cent of tax on real and personal property. That would come out of the General Fund of the state, and the general taxpayer does not now pay one cent into this fund.

5. What is a first-class ocean port? Essential requirements?

"A first-class port is a port that will accommodate ocean freighters drawing 30 feet of water." So defined by the London Conference to check the increasing draft of vessels and the enormous cost of channel dredging and port improvements that vessels of deeper draft impose.

The essential requirements are (1) adequate harborage for vessels of call, at berths or for anchorage, (2) adequate turning space, (3) adequate buildings and equipment for receiving and discharging cargoes at minimum expense to railroads, ship owners, and shippers, (4) adequate ship supply and repair businesses. Briefed from House Document No. 109, 1st session, 67th Congress.

6. The maximum draft of overseas and coastwise freighters? Can North Carolina develop such ports?

The Bismarck and Leviathan draw 41.3 feet of water, but four-fifths of the overseas freighters in Lloyd's Register in 1918-19 drew less than 25 feet and more than nine-tenths of them less than 30 feet. The average draft of the coastwise boats is distinctly less. The maximum draft of the Great Lakes boats is only 20 feet. The bulk of the water traffic in Europe is done in boats and barges drawing from 5 to 10 feet.

Yes, North Carolina can develop first-class ocean ports, gradually of course as their rail and water commerce increases. Houston, Texas, started in 1912 to develop such a port forty miles inland, and is already docking boats of 30-foot draft. And she is doing it with fewer natural advantages than the lower Cape Fear offers. The Federal Government is spending sixteen million dollars to widen and deepen the channel, public bonds are backing the effort, and Houston is concentrating on digging public port sites out of the mud and equipping them with modern devices. Ports of this rank are mainly man-made in recent years the world over. Los Angeles, Houston, and Esbjerg in Denmark are conspicuous instances—all of them public ports open on equal terms to the shippers of the world. Beaufort and Morehead City enjoy natural advantages far beyond those of Esbjerg which dug a public port site out of the shifting sands. Every water-front state in the Union, with one single exception, has been forced in self-defense to develop and equip its own public ports with adequate facilities. The exception is North Carolina. A rate-basing port is necessary; the Inland Waterway with barge connections is necessary if our sound and river cities are ever to secure advantageous rail and water rates. So it has been in other states and so it will be in North Carolina.—Port Terminals and Water Transportation Leaflet.

WATER TRANSPORTATION

North Carolina is recognized as second to no other state in the Union in progressiveness. Our state is at the top in every respect except in fair and equitable freight rates. The railroads are not to be blamed for failure to give relief. The people have the necessary remedy in their own hands by a majority vote on Port Terminals and Water Transportation on November 4. If carried, the Port Terminals

THE ONLY WAY

There are 68 public port terminals in 31 states of the Union, many or most of them created in the last 25 years. There is no way to control rail rates except by water competition; and there is no way to have freedom in water rate competition except by public port facilities open and equal to the commerce of all the world.

Act will authorize the development of water transportation in North Carolina, and the installation of proper terminal facilities to care for the vast business the state now generates. This enormous volume of business passes through ports of other states, to their material advancement and to North Carolina's detriment.

Handicaps Encountered

Our state has developed thus far not through aid furnished by favorable freight rates, but in spite of the discriminatory rates that have served as a great hindrance to a more rapid advancement. Development of water transportation and port terminals by the voters in November will mean that the greatest handicap imposed through the years has been removed and the state in the future will be permitted to expand in a manner that will surpass the expectations of the most optimistic.

Facts of Interest

A report recently issued by the Census Bureau indicates that the total wealth of North Carolina increased from \$1,647,781,000 in 1912 to \$4,643,110,000 in 1922. That this growth is continuing is shown by the statement that the authorized capital of North Carolina charters issued in 1921 amounted to \$125,000,000; in 1922 to \$126,000,000; and in 1923 to \$213,000,000. North Carolina ranked fifteenth among all the states of the Union in the value of manufactured products in 1919, and in the South was second only to Texas. North Carolina stood fourth in the United States in 1923 in the value of twenty-two principal crops and fifth in the value of all crops. It was first in the value of tobacco raised, and its cotton crop of 1,010,000 bales was second only to that of Texas. The value of crops increased from \$131,072,000 in 1909 to \$431,500,000 in 1923.

A Point to Be Corrected

A fact not so pleasant is given to the public in the statement of a New York statistical bureau, namely, that Virginia has approximately 60 percent more wholesale and jobbing houses than North Carolina and North Carolina approximately 60 percent more retail establishments than Virginia. This simply means that the favorable freight rates enjoyed by Virginia, based on the Erie Canal (waterway transportation, by the way), enables that state to grow rich at the expense of North Carolina retailers, who sell to our individual consumers. The latter "pay the freight" making Virginia cities richer and themselves poorer.

State Pride

Every North Carolinian is proud of his state. He should consider it a privilege to be permitted to take part in a movement which will relieve his state and himself of paying further tribute to Virginia. A favorable vote in November for the state development proposals will break the chains of economic servitude to another state.

The Remedy

Rates based on developed water transportation, if good for Virginia, will be better for North Carolina, since we largely support that state. Rate basing points in North Carolina which will follow state-owned terminals and developed water transportation will bring relief.—Port Terminals and Water Transportation Leaflet No. 4.

STUDYING CAROLINA TOWNS

A more comprehensive study of towns and villages in North Carolina is being inaugurated at the University of North Carolina through its Institute for Research in Social Science. The purpose of such study will be to supple-

ment the material already gathered by the Department of Rural Social Economics and to assemble facts about urban and semi-urban North Carolina. The general statistical study will include: location and position, public improvements, financial organization and methods, town planning, sanitation and housing, public health, public safety, public works and utilities, public recreation, services to rural communities, business and industry, public education, churches, fraternal orders, civic and social service organizations.

Why Such Studies

Such a search after social values will underlie North Carolina's continued efforts to realize attainable standards in municipal programs. It is the business of the state and its public institutions not to concern themselves primarily with the size and wealth of the towns and villages but to direct their growth while they are small into centers of health and beauty and social comfort and industrial prosperity. The growth and development of North Carolina communities cannot be properly directed without giving due regard to the accomplishments of other states. While it is always dangerous to borrow programs or plans which developed under circumstances totally different, and expect them to work satisfactorily under other conditions, we may be encouraged by their successes as well as profit by their experiences and mistakes. As Woodrow Wilson said, "Every nation must constantly keep in touch with its past; it cannot run towards its ends around sharp corners." The same applies to municipal programs. We study progress in other states and cities because their experiences "furnish us with light, but not with conditions of action." If attainable standards are to be reached in North Carolina, there must be a basis for comparison with municipal standards in other states and provision for continuous research into the conditions in municipalities throughout this State.

The American City Magazine for September, 1923, contained a list of salaries paid to the mayors of 700 municipalities throughout the United States with populations of less than 5,000. These samples were taken from more than 40 different states. Out of the 700 mayors there were 141 who received no salary at all. Eighteen out of the number received annual salaries of \$1,000 or more each; six out of the 18 received \$1,500 or more each; two out of the six received as much as \$2,000 annually, and one of these received \$2,500.

The Trend of the Study

What kind of salaries do North Carolina town and village officials receive? How do they compare with the salaries of town and village officials in other states? How do we rank with other states? What are the general financial conditions in North Carolina municipalities? What types of municipal government do we have? What is the best form of municipal government for small towns and villages? What is the status of public welfare, education, recreation, community organizations, and general public improvements in North Carolina municipalities? What is the negro's status? What is the attitude of the people toward local government and public affairs? What percent of the people in each community vote? Are the municipal laws of North Carolina such as to encourage better conditions? These are only a few of the questions that might be asked, but enough to serve to indicate the trend of the present study.

To be of permanent value any kind of research must follow scientific methods, which means that truth and truth alone must be the final goal. It might be said too that the truth is not always complimentary. Too often it hurts our civic pride to face the cold facts, but it is only by this method that solid foundations for progress in municipal affairs can be laid.

These studies will be closely correlated with the University Schools of Engineering, Commerce, Public Welfare, Education, the Departments of History and Government, Rural Social Economics, Sociology, and the University Extension Division.

The studies this year are being prosecuted by Roy E. Brown and the material gathered will be of value in

the organization of a Bureau of Municipal Information and Research, plans for which the University has been working on for a number of years.

WHAT HURTS THE TIDE-WATER

That markets of the West are closed to Carolina oyster shippers and those of the East are closed to Carolina truck shippers by reason of the appalling freight rate discriminations, is an interesting discovery made by Josiah William Bailey, who now is devoting his time to the interests of the Port Terminals and Water Transportation measure upon which the voters are to pass in the coming election.

A Chesapeake Bay oyster shipper, Mr. Bailey points out, can ship oysters to Kansas City for 17 cents a gallon less than his competitor in North Carolina can ship them to the same point—and this 17 cents is a handicap the Carolinian cannot overcome.

A California truck grower, for another example, he declares, can ship vegetables more than 3,000 miles to the great consuming markets of the East for \$119.00 a car less than his competitor in Eastern Carolina can ship to the same markets.

"Woodland and Co., Morehead City, shipped a carload of oysters to Kansas City," Mr. Bailey said; "they found that the rate from Baltimore was 17 cents a gallon less than from Morehead City. This discrimination against North Carolina oysters accounts for the fact that, notwithstanding we have abundant oyster beds on our coast and extensive waters in which to develop the industry, we can make no progress as compared with Virginia and Maryland oyster shippers."

If North Carolina were on equal footing with its competitors, it could control the oyster market, Mr. Bailey contends, citing the fact that the Carolina canned oyster, put up at Morehead City, determines the price on the Pacific Coast. This is because water transportation, through the Panama Canal, permits Morehead City to compete on equal footing with its rivals. Adequate port facilities and water transportation, he is convinced, will solve the State's rate problems.—Byron Ford News Service.

LOCATION NOT CHOSEN

To the assertion that Wilmington and the Cape Fear basin are too frequently mentioned as probable sites for the proposed port terminal development by the State, General Albert Cox, chairman of the committee in charge of the port terminals and water transportation campaign, replies that no port of entry, nor any state port, will or can be chosen until a survey of trade routes and port possibilities is made by competent engineers. In this survey, he states, no potential port will be overlooked; all will be given equal consideration.

Development of the State of North Carolina, the broadening of its markets, the lowering of its freight rates, the creation of agencies through which a larger service may be given to its farmers, manufacturers, and merchants in order that they may be placed on equal footing with their competitors in other states—the attainment of these is the sole object of the North Carolina port terminals and water transportation project, General Cox declares.

"This committee," he says, "is not concerned with the probable location of terminals. That is a problem for the Commission and its engineers. At present we are bending our whole energy to the dissemination of information concerning port and water development in order that our people may vote intelligently in the coming election. Should the bond issue fail to carry, then the commission would cease to function. There would be nothing for it to do. If the issue is carried, the commission then will take up the matter of terminal sites with an open mind, guided solely by the advice of the engineers.

"For any one to say that Wilmington, or any other town, will be chosen as the port of entry would be foolish; for at this time no one can tell what the engineers will advise. There are many factors that will govern the engineers in their choice—and few of these have been investigated to the extent that any intelligent guess can be made at this time.—Byron Ford News Service.