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

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AN INDUSTRIAL BILLIONAIRE

MANUFACTURE IN CAROLINA

Not counting the value of output of manufacturing establishments whose products amounted to less than five thousand dollars, the factory value of products manufactured in North Carolina in 1923 was nearly 952 million dollars. If the products of our hundreds of small establishments with an annual output of less than \$5,000 were added, it is likely that the value of North Carolina's manufacturing establishments would total more than one billion dollars. The value of factory products for 1923 was 43.1 percent greater than the value for 1921, which was slightly above 665 million dollars. It was even greater than the value for the peak year of 1919. Which means that in volume of products North Carolina has made rapid recovery and progress since the slump of 1920, and following. Both from the point of volume as well as value, 1923 was our banner industrial year.

The table which appears elsewhere gives the main facts about our major industries, as reported by the Federal Department of Commerce, for the year 1923.

Wage Earners

The average number of wage earners employed during 1923, 173,687, exceeded by 27.9 percent the number reported for 1921, 135,833. The total wages paid in 1923 amounted to \$127,544,000 against \$94,235,000 for 1921, or an increase of 35.3 percent. The average wage earner for the year 1923 received \$735.

Leading Industries

The textile industry continues to rank first among the industries of North Carolina. The total factory value of all textile products for 1923 was more than 363 million dollars, which was more than the value of all crops produced by the state in 1924! Only about ten percent of the value of our textile products was contributed by knitting mills. The textile industry employs nearly 54 percent of all industrial wage earners employed in the state, and contributes more than 38 percent of the total value of all factory products. A most remarkable recovery was made in the textile industry over the depression of 1921, the value of products increasing from a little more than 214 million dollars to more than 363 million dollars. North Carolina spindles are now, and for some time have been, averaging more hours per month than the spindles of any other state. The textile industry is firmly established in North Carolina and probably will continue to rank as our leading industry for some years to come.

Tobacco

However, there is another giant looming on the horizon, and making a strong bid for first place among the industries of the State. That industry is tobacco about which a great many things might be said. The tobacco industry has had a remarkable growth in North Carolina during recent years, and, unlike most other industries, it hardly felt the general depression following the war. In fact tobacco seems to thrive on wars and following wars. It was the Civil War that gave birth to our tobacco industry, and it was the recent World War that did so much to popularize the use of tobacco. The use of tobacco does not seem to be affected by periods of depression as the value of output steadily increased during the years of depression following the recent war. Perhaps its soothing and stimulating qualities enable one more readily to endure such a crisis!

Tobacco is largely responsible for North Carolina's high rank in the payment of Federal taxes. Of our total Federal tax of nearly 158 million dollars paid during the fiscal year ending June 30, 1924, nearly 137 million dollars was contributed by tobacco. North Carolina pays 42 percent of the Nation's tobacco tax, and manufactures probably more than two-fifths of all tobacco manufactured in the United States.

An interesting feature of the tobacco industry is the enormous value of output in proportion to the number of wage earners employed. In the

value of output per wage earner it is probable that the tobacco industry leads all major industries. The factory value of manufactured tobacco averaged \$21,150 per wage earner for 1923. The average output per textile worker was less than \$3,900. The manufacture of tobacco, especially of cigarettes and smoking tobacco, is a machine-made industry, which accounts for the small number of wage earners.

Lumber and Furniture

Lumber and timber products and planing mill products in 1923 were reported at more than 54 million dollars. There are hundreds of small saw mills which operate irregularly and whose individual output is not large. If the total output of these mills were added, the value of timber products would be materially increased.

The furniture industry, including show cases, ranks fourth among the industries of the state with a factory value of output amounting to a little more than 40 million dollars. There are 113 furniture manufacturing establishments in the state, employing an aggregate average of 10,624 wage earners. The furniture industry, unlike tobacco, requires a great amount of human labor in proportion to value of products.

North Carolina has four other major industries of almost equal rank in value of products: (1) Oil, cake, and meal, cottonseed with products valued at \$17,980,296; (2) fertilizers valued at \$17,431,084; (3) car and general construction and repair, and steam railroad shops with products valued at \$15,265,811; and (4) leather, tanned, curried and finished valued at \$14,358,670. Facts for other minor industries are carried in the accompanying table.

Miscellaneous industries cover an almost unlimited assortment of industrial activities such as bottling works, quarries, paper, monuments, flour and grist mills and the like. The miscellaneous industries listed in the 1923-24 report of the State Commissioner of Labor and Printing number 1,735. The miscellaneous industries, those not classified in the accompanying table, employ 19,275 wage earners upon an average, and the total value of output in 1923 amounted to more than 120 million dollars, or about as much as the entire cotton crop of the state brought last year.

Among these miscellaneous industries are the world's largest pulp mill and the world's largest aluminum plant, facts for which are not reported in order to avoid disclosing the operations of individual establishments.

Industry vs. Agriculture

In the production of wealth North Carolina is now, and for some time has been, an industrial state. In people engaged in gainful occupations, and in investment in productive enterprises, North Carolina is still an agricultural state. The value of farm property in the state exceeds the investment in industries by a wide margin. Nearly 60 percent of all people in the state live on farms. The agricultural workers of the state number close to a half million, while the industrial workers number less than 174,000. Yet the 174 thousand industrial workers turn out nearly a billion dollars' worth of products, with less capital employed by owners of industries, while the half million farm workers turn out farm products the value of which in 1924 was 429 million dollars. The net or new wealth created annually by industries in North Carolina is far greater than the new wealth created by agriculture.

These basic facts explain a great many things, among them being the rapid urbanization of the state, the remarkable growth in trade, banking and transportation facilities and other evidences of the more rapid accumulation of wealth resulting from our industrial expansion. The ability of industry to produce such large wealth totals, in comparison with agriculture, is the cause of our remarkable industrial growth, and industry is largely responsible for the great progress the state has made within recent years.

HOMEMADE ELECTRICITY

Sometime all the farms of this country will be electrified. Everyone connected with the electrical industry believes that and is working toward its accomplishment. The big central-station companies are taking the initiative, realizing that they should render the same service to agriculture that they render to other industries.

In the meantime thousands of farmers are so situated they do not have to wait for the big power companies' wires. Those with unfailing streams of water can often erect their own power plants.

Some streams are capable of generating a considerable amount of power; others seem so small as to be negligible, yet properly harnessed they would easily light all the farm buildings.

How to determine the capacities of a stream, how to build a dam and utilize the water and what kind of plant to install are all set forth in a new bulletin issued by the United States Department of Agriculture, entitled Power for the Farm from Small Streams. A copy of this booklet, known also as Farmers' Bulletin No. 1430, can be obtained for five cents from the Superintendent of Public Documents, Washington, D. C.

This bulletin gives about all the information a farmer wants concerning the possibilities of his stream, except the price of equipment for a plant.—The Country Gentleman, May 16, 1925.

All of which is good, the state considered, and good for agriculture, since the greatest need in a commercial agriculture is for markets, preferably local markets, which we are bound to have in increasing abundance as the state approaches a better balance of population, activities, and enterprises resulting from her wholesome industrial expansion.—S. H. H., Jr.

TAX PROBLEMS DISCUSSED

The North Carolina Club held its last meeting of the school year on Monday night, May 11. A paper on Tax Problems in North Carolina was read by C. G. Grady. The tax situation as it now stands in North Carolina was clearly presented by the reader. Several vital tax problems were pointed out and discussed, and improvements were suggested.

Mr. Grady began by saying that the problem of taxation in this state is not a new one, that it has been under consideration for many years, and that many people of our state will continue to suffer from unjust tax burdens until all classes realize that they must give in on certain points and be willing to carry their proper share of the cost of government. Unless such an agreement can be reached and a more cooperative spirit can be established among the people of this state it is very probable that our present tax system will remain and gross injustices will continue to be borne, not only by certain classes of our people, but by large numbers within the various classes, due to unequal assessments.

The reader pointed out that taxation is largely a result of the industrial period, that in the early years of man's struggle for domination, collective responsibilities were in an embryonic state and therefore created no fiscal problems. But as time has passed and new institutions have taken root and been fostered by political stability and economic advancement taxation has been introduced. Also the multiplication and elaboration of forms and devices of taxation in the modern industrial state have brought with them new and complicated problems.

Taxes Unevenly Distributed

The fact that our present system of taxation is coming to be burdensome to some is no reason to be pessimistic. The conservative policy of our state

government at present is probably due more to the fact that the cost of state government rests on relatively a few shoulders than to the per inhabitant or the aggregate cost, since government in North Carolina is still relatively cheap.

In many counties and municipalities of the state the taxes on both land and personal property are too high. The chief cause of this is lack of uniformity in the valuation of land for taxation.

Our state income tax was discussed in detail because of the fact that the greatest single source of revenue for state purposes is the income tax. A brief history of our income tax law from 1849 to the present was given. An amendment to the law of 1923 was passed during the last meeting of the State Legislature in which the rate of tax on incomes was increased from a maximum of three percent to a maximum of five percent.

A still greater increase in rate was made in our inheritance tax law, particularly in the rates on large inheritances by individuals belonging to the second and third classes.

The question of the taxation of stocks in North Carolina was also discussed. The taxation of stock in foreign corporations was discussed from both sides. The speaker endeavored to point out the arguments, pro and con, rather than to make definite proposals.

Property Taxes

Mr. Grady stated that the majority of complaints against taxes were due to county and local rates on property rather than to state taxes. Unequal assessments within and among the counties, and widely varying rates between counties and smaller divisions were given as the chief causes of dissatisfaction.

Many results of the Revaluation Act of 1919 were given in which it was shown that the real object of this act was not to increase the burden of taxes but to reach those who were failing to list their property as they should, and who were thus failing to contribute their fair share towards defraying the cost of government.

A few of the tax laws which were passed in the Legislature of 1925 were mentioned, among them being the tax on gasoline service stations, buses, construction companies, and barber shops.

Great emphasis was placed upon the problem of collecting taxes. It was shown that allowing the taxpayer to delay the payment of his taxes was almost invariably a bad practice.

In closing the reader gave five questions to be asked concerning an adequate tax system. The first was: Is the tax general or exclusive? Second: Is there complete freedom of movement of capital? Third: Does the law of monopoly or the law of competition prevail? Fourth: Can the tax be capitalized? And fifth: Is the article produced at a constant, increasing, or diminishing cost?

MANUFACTURING INDUSTRIES IN NORTH CAROLINA

A Summary of Industrial Facts for 1923

The following table, based on data recently released by the Federal Department of Commerce, ranks the important industries of North Carolina according to the value of products for 1923. The table also shows the number of establishments, average number of wage earners, and wages paid.

Industries	No. of Establishments	Wage Earners Av. No.	Wages	Value of Products
Cotton goods	351	81,041	\$54,842,992	\$326,672,014
Knit goods	109	12,351	6,963,743	36,759,413
Tobacco, cigars and cigarettes	17	11,531	9,473,901	264,218,190
Chewing and smoking, and snuff	9	2,428	1,339,000	81,567,820
Lumber and timber products, and planing mill products	712	22,945	15,828,013	54,242,989
Furniture, including show cases	113	10,624	8,598,320	40,072,577
Oil, cake, and meal, cottonseed	52	1,226	757,123	17,980,296
Fertilizers	64	1,721	1,250,473	17,431,084
Car and general construction and repairs, steam-railroad repair shops	15	5,104	6,605,846	15,265,811
Leather, tanned, curried, and finished	10	1,223	907,293	14,858,670
Boxes, wooden packing, except cigar boxes	26	1,162	794,201	4,569,480
Foundry and machine shop products	61	1,164	1,321,112	4,488,627
Clay products, other than pottery and nonclay refractories	67	1,892	1,323,334	3,980,708
Miscellaneous industries	1,064	19,275	17,548,470	120,402,920
Grand total for the year 1923	2,670	173,687	127,543,821	951,910,599
Total for the year 1921	2,602	135,833	94,234,837	665,117,738

Mr. Grady's paper on tax problems will be printed in full in the North Carolina Club Year Book, which goes to the press in a few weeks.

LEADERSHIP REQUIREMENTS

1. Did you ever deliberately decide to break yourself of a habit and succeed in doing it?
2. Do you control your temper and not "fly off the handle" when things go wrong?
3. Are you usually cheerful and free from grouchy spells?
4. Do you think for yourself and not let the opinions of others influence you unduly?
5. Do you keep your head in an emergency?
6. Do you remain calm when your own mistakes are pointed out to you?
7. Do your men respect you and cooperate with you?
8. Can you maintain discipline without resorting to the use of authority?
9. Have you ever been selected to take charge of a group of dissatisfied men because of your ability to handle men?
10. Can you adjust difficulties and retain the friendship of the persons who have differed?
11. Can you get men under you to do things without irritating them and causing them to be resentful of your authority?
12. Are you patient when dealing with people hard to please?
13. Can you meet opposition without becoming confused and saying things you wish afterwards you had not said?
14. Are you sought out by your friends to handle delicate situations because of your ability to do such things?
15. Do you make and retain friends easily?
16. Do you make it a rule not to quarrel about petty things?
17. When thrown with a group of strangers, do you adjust yourself easily?
18. When talking to superiors, do you feel free from embarrassment?
19. When interviewing subordinates, do you put them at ease?
20. Are you able to express your own ideas without causing others to feel that you are overbearing and narrow-minded?—Trained Men.

BANKS SHOW GROWTH

In 1914 the bank deposits of North Carolina totaled \$96,599,000 and in 1924 deposits amounted to \$327,144,000. The ten-year gain in bank deposits was \$230,545,000 or 244 percent.

The total resources of North Carolina banks in 1914 were \$156,498,000, while in 1924 they were listed at \$459,417,000. The ten-year increase in bank resources was \$302,919,000, or a gain of 194 percent.

Our banks have shown a rapid recovery since the slump of 1921. They have climbed beyond the peak reached during the World War, and today in every particular North Carolina's banks present larger resources than ever before in her history.