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NEWS LETTER

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HIGH IN WEALTH PRODUCTION

A GREAT WEALTH PRODUCER

As a producer of wealth North Carolina enjoys high rank among the states of the Union. Only fourteen states rank ahead of ours in the combined value of basic products and industrial output for the year 1923. The table which appears elsewhere shows the rank of the states on the basis of gross values produced by farms, forests, factories, and mines for the year 1923. There are other forms of wealth produced such as wealth created by merchandising, transporting, banking, etc., but the above are the basic sources upon which the others mainly depend. The secondary forms of wealth and professional services are fairly proportionate to the production of basic and industrial wealth.

No claim is made that the table is economically perfect. The figures are gross, and not net, as net figures are impossible to obtain. Some states are slightly forward, as the oil producing states which get credit for the crude oil and also for the finished product, when it is refined in the state where produced. The raw product goes into the finished product and is counted twice. The value of all factory output includes the value of the raw product. Wealth is consumed in the production of all wealth, only more in some kinds than in others. Net values are practically impossible to obtain, nor would a table based on net values be much, if any, preferable to the one below.

The position of North Carolina as a producer of wealth should be a matter of pride to everyone in the state. The states that rank ahead of us owe their rank largely to their superior urban and industrial development, and to their size and total population. Our wealth comes almost entirely from two sources, namely, farms and factories. The annual production of several states is largely attributable to oil and minerals which some day will be exhausted. Our farms and factories will continue to produce long after the mines have become exhausted.

The table which appears elsewhere shows the total wealth produced by farms, factories, forests, and mines. The total for North Carolina was more than a billion and a half dollars for the year 1923, distributed as follows: Produced by industries $951,911,000, by agriculture $513,400,000, by forests $38,051,000, and extracted from mines $10,006,000. Thus nearly 97 percent of the total was produced by farms and factories, both of which are fairly well distributed over the state.

Second in the South

A glance at the table will show that only Texas in the entire South ranks ahead of North Carolina as a producer of wealth. Oklahoma and West Virginia, ranking 19th and 20th, respectively, are the southern states following closest after North Carolina. In each of these states minerals account for about one-third of the wealth produced—oil in Oklahoma and coal and iron in West Virginia. Aside from Texas, North Carolina is nearly four hundred million dollars ahead of her nearest southern competitor in the production of wealth. She is more than a half billion dollars ahead of Tennessee, Kentucky, Alabama, and Georgia, and nearly six hundred million dollars ahead of Virginia. Yet Georgia has considerably more people than North Carolina, while the other states named above are only slightly below us in population.

Our Accumulated Wealth

Wealth production is one thing, wealth accumulation is entirely different. There ought to be a fair agreement among the states in wealth production and wealth accumulation. North Carolina is making rapid strides in the accumulation of wealth. In fact on a percent basis she led the entire United States between 1912 and 1922, but she still ranks too low in wealth accumulated, her high rank in wealth production considered.

We rank fifteenth in the annual production of wealth as noted above, but we rank twenty-first in true wealth of the state as estimated by the federal Bureau of the Census, the total wealth of the state in 1922 being estimated at $4,543,110,000. We ought to rank as high in wealth accumulation as we do in wealth production, and would if we retained a fair part of the wealth we produce. The reasons for the discrepancy are no part of this study, but they are to be found largely in agriculture where production is high but accumulation of farm wealth almost ridiculously low.

However, in the accumulation of wealth on a total basis North Carolina ranks 21st and is surpassed by only two states in the South, Texas and Virginia. Virginia, which ranks 28th in the production of wealth, in the table below, ranks 19th in estimated true wealth. Virginia's farms, factories, forests, and mines produce only two-thirds as much wealth annually as North Carolina's, yet Virginia is estimated to be worth about 350 million dollars more than our state. Virginia, in supplying us with much of our credit needs, and in acting as our wholesaler, skims a great deal of the cream of the wealth we produce. However, we are rapidly gaining on Virginia in estimated true wealth, and with our far superior productive powers, even if we are somewhat less efficient, we will soon be second in the South not only in production of wealth but in net accumulated wealth. We are forging ahead at a rapid pace.—S. H. Hobbs, Jr.

TOWN-COUNTRY PROGRAM

The second meeting of the North Carolina Club for the 1925-26 college year was held on the evening of October 5. Mr. Edgar T. Thompson, of the Department of Rural Social-Economics, read a paper on Leadership and the Reconciliation of Town and Country Interests. The Club elected officers as follows: K. G. Dacy, Jr., of Buncombe county, President; C. G. Grady, of Johnston county, Vice-President; Edgar T. Thompson, of Orange county, Secretary; B. B. Wright, of Cleveland county, Publicity Chairman; and Joe Person, of Mecklenburg county, Membership Chairman. Mr. George Lawrence of the Four-County Demonstration Project is scheduled for a paper two weeks hence on Inter-Community Relationships.

Town-Country Relations

Mr. Thompson in discussing the problem of the reconciliation of town and country interests used the definition of a community proposed by Professor Dwight Sanderson, that "A rural community consists of the people in a local area tributary to the center of their common interests." This definition recognizes the interdependences of town and country, and the town or village with its surrounding trade and social territory is made the natural unit for rural planning and development. The discovery, or rediscovery, of communities as natural, organic units in society is changing our ideas about methods of promoting public welfare. Mitigating the opposition between town and country, which in many communities is very pronounced, is a necessary forerunner of community organization. The right of towns and villages to incorporate and draw town limits around themselves which set them apart from their supporting rural territory operates to promote a sense of social subordination on the part of the countryman. To this is added a growing feeling of economic subordination as evidenced by recurring farmers' organizations with economic and political aims. Farm people suspect, rightly or wrongly, that they are being exploited by interests which they identify with urban connections. Consequently, there has come about a degree of class consciousness among farmers, not so prominent in the United States as in Europe, yet sufficient to show itself in their politics, and in their attitude toward towns and cities.

Countryward Program

The basis of reconciling the opposition between town and country would seem to lie in stressing those points of mutual interest, such as low freight rates, good transportation service, better farming, the erection and maintenance of schools, churches, libraries, and the like. And the spirit of concession in behalf of their common community progress must animate farmer and townsman alike. The small town must cease to imitate and pattern after the city but must set its program countryward. And the countryman must make concessions to the town merchant who cannot meet the prices of the huge and efficient mail order houses.

THE NOMAD IS FATED

It is apparent that the center and fountain head of our national power has always been in the farm homes. Space forbids a roll-call of the leaders in every line of worthy endeavor who have brought sturdy bodies and active brains from the fields to the commercial centers: but a home has stability and permanance as its first idea. People may move from one location to another, but the nomad is fated by an inexorable law of Nature to have a low place in the scale of civilization, and the mighty oak or towering fir cannot join company with the tumble weeds.—H. B. Creel, Washington State Farm Bureau.

Local Leadership

But all of the problems connected with the general problem of better town and country relations must wait for their solution on the rise of local volunteer leadership. The amount of such leadership is a measure of community loyalty—the more of one the more of the other. Until this genuine local leadership is available to help countryman and townsman reach a new and higher level of adjustment, community organization for the development of local welfare will be impossible.

THE DIVORCE RATE GROWS

If the divorce rate in the United States at the present time is not a cause for mild alarm about the family as a social institution, the divorce rate increase ought to be cause for alarm. During the brief period of a half-century the divorce rate for the United States has increased from twenty-eight to one hundred and forty-nine divorces per 100,000 population. Thus the rate is now more than five times as high as it was a brief half-century ago. During the ten-year period preceding 1896 an annual average of about 35,000 divorces were granted in the United States. In 1923 the number had risen to 165,226, exclusive of some six hundred cases for which detailed information is lacking. Counting five to the family it means that the homes of more than eight hundred thousand people are afflicted each year, or more people than all the towns and cities of North Carolina possess.

The real concern is the increased number of divorces from year to year, seventeen thousand more in 1923 than in 1922, and nearly a hundred thousand more divorces granted in 1923 than in 1906.

Sixteen to One

Sixteen marriages to one divorce! That was North Carolina's record for the year 1923. For every sixteen marriages performed in the state during that year one home was wrecked. The ratio was not so bad, compared with the United States average of one divorce for every eight marriages, or when compared with the twenty-eight states whose ratios were above the average for the United States.

But when we note that the divorce rate in North Carolina doubled between 1916 and 1923 we find more room for alarm. Our divorce rate is increasing much faster than the average for all the states. In 1916 we had 668 divorces, or one divorce for every 32 marriages. In 1923 we had 1,504 divorces, or one for every 16 marriages. Our rate increased one hundred percent, against an increase of 36 percent for all the states.

Divorce Laws

Differences in the divorce laws are largely responsible for the rank of the states in divorce rates. South Carolina grants no divorce, while Nevada averages one divorce for every marriage. Nevada grants an absolute divorce for any one of seven causes, and after only six months of residence. South Carolinians go to Nevada or to some other state to obtain a divorce. Southern states, generally alike in occupations, race ratios, and population distribution, vary widely in divorce rates, due in a measure to differences in divorce laws.

Remedy the Causes

However, divorce laws are not wholly responsible for differences in divorce rates, nor do they originate the causes for divorces. The law is uniform in North Carolina, yet the counties vary widely in divorce rates. In 1923 five counties reported that no divorces were granted during the year. The counties rank all the way from these five with no divorces, to Cherokee which reported one divorce for every 3.7 marriages. The urban and industrial counties have high divorce rates as a rule, averaging around one divorce to ten marriages. However, there are notable exceptions. Several highly rural counties, where one would naturally expect to find strong family ties, have excessive divorce rates.

Causes Personal

The causes for divorces are individual and personal, and do not originate in the divorce laws. "Attention must be centered on the causes, and the causes are a puzzling complexity of individual, social, and spiritual differences in an industrial-urban civilization, but the home holds in balance the fate of the nation and it must be preserved or our social order is doomed."

The divorce evil has not yet reached the alarming stage in North Carolina, but it is increasing at an alarming rate—one hundred percent in seven years! In order to check divorces it is necessary to check the causes responsible for divorces. Let's pay more attention to studying the causes, and remedying them where possible, and less attention to divorce laws. The laws are often responsible for the place where the divorce is granted, but the cause is responsible for the divorce. Nevada or some other state may grant the divorce, but the cause is to be found back home.

SONS OF CLERGYMEN

Who's Who in America contains 25,357 biographies. Of those whose importance in the life of the country entitled them to admission to its pages, 25.9 percent were born on farms; 24.5 percent in towns of less than 8,000; 24.8 percent in small cities; 20.6 percent in cities of over 50,000; 4.1 percent in suburbs of large cities. Sons of clergymen made up 11.1 percent of the total, which means that, in proportion to population, they composed 28 times the average number of notables.—Dearborn Independent.

WHY SOME FARMS PAY

When one farm will yield a net profit of $1,000 per year more than the average of the community it is natural to wonder why. Two of our agricultural colleges, Kentucky and Wisconsin, have answered the question through farm management investigations in their respective states.

The Kentucky report showed that the factors of greatest influence in determining profits were: labor efficiency as indicated by the amount of productive work accomplished per man, a good volume of receipts per 100 acres of land, good crop yields, good returns per livestock unit, effective control of expenses as measured by the percentage of total expenses to total receipts, good quality of tobacco as indicated by the price per pound, and good diversity of enterprises.

The above is what the Kentucky college calls seven strong factors making for farm profits. Of the 241 farms studied there were 47 that were not strong in any of these factors. On these farms the net earnings were $109 per farm. On 65 farms with one strong factor the net earniags were $667 per farm. The 66 farms with two strong factors showed net earnings of $1,253 per farm. On 45 farms where there were three strong factors the net earnings increased to $1,740 per farm, and on 18 farms where there were four or more strong factors the net earnings jumped to $2,172 per farm. The average for the entire list of farms was $1,029. These are significant figures.

In Wisconsin a similar study was made on 262 farms. While the farmers of the state rely directly upon the dairy income, yet it was found that the farms that had several sources of income are uniformly more prosperous. Where poultry, hogs, or crops are sold in addition to dairy products the net earnings amounted to over $1,000 per farm more than where dairying alone is practiced. Even the dairy industry must guard itself against production hazards. This can be done by growing the necessary feed crops and diversifying the business so as to utilize all feeds and farm byproducts, and employ labor advantageously throughout the year.

Quality of cows also has much to do with profits in dairy farming. Cows that produced 7,000 pounds of milk each in a year did so at $1.10 per hundred pounds cheaper than those cows producing less than 5,000 pounds each. This emphasizes the need of efficient, high-producing cows.

Why some farms pay and others do not pay is an exceedingly interesting and profitable study. It has tremendous possibilities in any community. Nearly all of our agricultural colleges are manned with one or more farm management demonstrators capable of making a diagnosis of the business management of farms in any given community. Why not ask for this service in your community? Here lies an opportunity for the rural bankers to make a vital contact between the college of agriculture and the farming constituency of their community.—Banker-Farmer.

WEALTH PRODUCTION IN THE UNITED STATES, 1923

By Industry, Agriculture, Mines and Forests

The following table, compiled from official data released by the federal Bureau of the Census, Department of Agriculture, and Geological Survey, shows the rank of the states according to total value of wealth produced by industries, agriculture, mines, and forests for the year 1923. These are the main basic sources of wealth upon which we all live directly or indirectly.

North Carolina ranks fifteenth, standing along with the rich states of the Union as an annual producer of basic and industrial wealth. Our total of $1,513,368,000 is distributed as follows: Industry $951,911,000, agriculture $513,400,000, forests $38,051,000, and mines $10,006,000. Only Texas in the South ranks ahead of North Carolina.

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Rank	States	Total Wealth Produced (000 omitted)	Rank	States	Total Wealth Produced (000 omitted)
1	New York	$9,691,364	25	Kentucky	$975,219
2	Pennsylvania	9,194,620	26	Alabama	974,907
3	Illinois	6,230,416	27	Georgia	971,827
4	Ohio	5,997,455	28	Virginia	923,539
5	Michigan	4,488,447	29	South Carolina	706,353
6	Massachusetts	3,705,825	30	Rhode Island	686,869
7	New Jersey	3,500,495	31	Oregon	680,504
8	California	3,324,810	32	Arkansas	575,507
9	Indiana	2,721,114	33	Colorado	553,114
10	Texas	2,696,479	34	Mississippi	532,678
11	Wisconsin	2,395,618	35	Maine	528,678
12	Missouri	2,349,512	36	Montana	441,511
13	Iowa	1,782,276	37	New Hampshire	392,998
14	Minnesota	1,703,473	38	South Dakota	356,776
15	North Carolina	1,513,368	39	Utah	345,802
16	Connecticut	1,376,559	40	Florida	334,666
17	Kansas	1,302,200	41	Idaho	291,713
18	Washington	1,198,174	42	Arizona	287,729
19	Oklahoma	1,149,192	43	North Dakota	272,118
20	West Virginia	1,079,010	44	Vermont	259,501
21	Maryland	1,041,134	45	Wyoming	259,027
22	Louisiana	1,013,264	46	Delaware	156,051
23	Tennessee	1,003,305	47	New Mexico	109,503
24	Nebraska	979,218	48	Nevada	73,393