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TAX BURDENS ON FARM LANDS

PRESERVING PUBLIC CREDIT

The question of safeguarding public credit in North Carolina is becoming a problem of tremendous importance, whereas just a few years ago it was a question of little concern to the people of the state, according to Myron Green, of the Institute for Research in Social Science, speaking before the North Carolina Club Monday night.

There has been a very great increase in the use of public credit in North Carolina since 1920, said the speaker. In 1910 the bonded indebtedness of the State of North Carolina was only \$7,293,550, and by 1920 this had increased only just a little more than \$300,000. The bonded indebtedness of the state in 1920 was just \$7,594,400, or almost two million dollars less than the present bonded indebtedness of the city of Charlotte alone. Between 1920 and 1926 the state's bonded indebtedness increased from \$7,594,400 to \$123,788,000, a fact traceable to the growing complexity of government, to the increasing demand made upon governments to furnish improvements and to perform services which until a few years ago were unthought of as governmental functions. The somewhat alarming increase in the state's bonded indebtedness results from the era of progress, the era of construction and betterment that the state has gone through since 1920. It is not an unsound progress that the state has undertaken; but the extensive use of the state's credit for any purpose, sound or unsound, calls for careful and intelligent preservation of that credit, said the speaker.

County and Municipal Debt

In addition to the bonded indebtedness of the state the use of credit by the political subdivisions of the state must be considered. Since 1919 the bonded indebtedness of the counties of the state has grown from \$23,198,226, to \$112,734,485, the figure for June 30, 1926. The bonded indebtedness of cities and towns of the state on June 30, 1926, amounted to \$138,781,318. The total bonded indebtedness of the state and its political subdivisions at the end of the last fiscal year was \$375,303,803.

The greater part of the money derived from issuance of bonds by the state, counties, cities and towns has gone for public improvements such as roads, schools, etc., but no little of it has gone to funds operating deficits incurred through lack of proper business management of the fiscal affairs of government in North Carolina, the speaker asserted. This is true in regard to the state government to the extent of approximately nine and a half million dollars, and particularly is it true of local governments. It is a common practice of counties especially to incur deficits and later fund them with bond issues. The habit of levying insufficient taxes to meet the county's needs, the proneness of public officials to grant the demands of begging constituents without considering the county's ability to pay, materially affects the credit of not only the county itself, but of the state as well. The tax rate or counties, according to the speaker, is too often determined as a matter of political expediency, and too infrequently is it based upon accurate and dependable information as to the county's needs. Political expediency is the rule and good management of the fiscal affairs is the exception so far as local governments are concerned.

The System to Blame

Mr. Green referred to the laxity on the part of public officials in the management of the affairs with which they are charged. He places blame not so much on the officials as on the system under which they must operate, a system which reflects not so much on the officials themselves as upon the people of the state who have permitted such a system to continue.

There is, with the exception of some half-dozen counties in the state,

practically a complete absence of accounting for public funds. It is impossible for the official or for the citizen and taxpayer to know the financial condition of the county. The same applies to the majority of cities and towns in the state as well. There is no constitutional limitation upon the amount of bonds that may be issued, and not infrequently bonds are issued for purposes which might be more economically financed in other ways. Sinking funds are seldom sufficient, are too often not invested, and more often are not kept inviolate. Money is spent indiscriminately with little attention to economy, which might be effected through proper control of purchasing.

Proper Management

The one immediate hope we have of getting relief from the ever-increasing tax burden, and of keeping intact the credit of our state and its political subdivisions, is the relief that will come through application of proper business management to the fiscal affairs of government. Taxes have about reached a limit. Every source of taxation, except possibly a sales tax, has been about exhausted. The great bulk of taxes go to the support of local governments, and relief can come in but one way,—by making these local governments more effective by proper application of business principles in the conduct of their fiscal affairs. It is the one way to get immediate relief, and public credit will be rendered safer thereby.

Mr. Green summed up what has already been done to place the state government upon a proper business basis, referring to the operation of the budget plan as established by the General Assembly of 1925, and to the constitutional amendments ratified in 1924 protecting the sinking funds of the state, and limiting the bonded indebtedness to seven and one-half percent of the assessed valuation of property within the state. He referred likewise to the three county government measures enacted by the General Assembly just ended, and expressed belief that these measures may afford some relief within the next two years. Relief may come through constitution amendment, or through the enactment of new statutes. It must come as a result of increasing interest in governmental affairs on the part of the people of the state.

FAVORABLE TO SOUTH

The practicability of reclamation of arid, swamp, and cut-over timber lands in six southern states was upheld in a report to congress today by a special board of advisors.

The first report dealt specifically with the states of North and South Carolina, Georgia, Alabama, Mississippi, and Tennessee, and was drafted by Howard Elliott, chairman of the Northern Pacific Railway company; Daniel C. Roper, former commissioner of internal revenue; and George Soule, a director of the national economic research bureau, who were appointed to carry out the survey which congress authorized several years ago.

The Yazoo report was made by C. A. Bissell, a reclamation service engineer, and also was in compliance with an act of congress.

The six states' report held that "every sign indicates that the South is ready to welcome" and take advantage of the right kind of reclamation colonization, and recommended that experimental or demonstration colonies should be established as an initial step in the reclamation undertaking. The report made no suggestion as to an appropriation by congress for the work but gave a comprehensive review of the soil, climate, and other conditions that would enter into the proposed work.

Reclamation and successful land settlement in Australia, Denmark, Germany, California, and Wisconsin, and work already started in North Carolina, were discussed in the light of what might be expected in the South. The report covered nearly 100 typewritten pages.

It entered into a thorough discussion of settlement areas at Pembroke, N. C.; Mount Holly, South Carolina; Albany,

THE RURAL CHURCH

If the American farmer slowly sinks into peasantry, through national unconcern; if the rural church sinks and goes down with him; it will be due, in my estimation, to the sickness of the American Church; it will be a case of national decline due to the temporary eclipse of religion. It will not be at base a case of bad economics or bad politics. The aristocratic superiorities of a dozen righteous cults—all so near alike that God himself is not supposed to tell them apart—will have brought on the doom.

I shall not live to see the new day for the rural church; but that new day will come. I do not believe the American farmer will sink into peasantry. I believe a prophet will arise who, warming all hearts and bringing to the point of ignition the dormant love of men for men, for just plain men, will build upon the facts of this generation and upon the insight of this intellectual era—and the rural church will rise to distinction. I do not expect to see with my own eyes your sects and mine—all very baughty cults indeed—joining their resources under a single battle cry against the devil; but I do not doubt for a single instant that it will one day come.—C. J. Galpin.

Ga.; Selma, Ala.; Hattiesburg, Miss.; and in Maryland and Tennessee.

"The South is facing agricultural difficulties," it said, "which represented one phase of the nation's agricultural problem. This problem includes low prices of agricultural products, increase of mortgage debt and tenancy, drift of population to the cities—especially for the young and vigorous—and depletion of soil fertility.

"Conditions of the southeast favorable to agriculture include long growing season, adequate rainfall, fertile soils, or soils highly productive if adequately fertilized, nearly flat or gently rolling land, nearness to markets, good transportation facilities and low land values.

"The values have not been adequately utilized on account of the one-crop system, large acreage per farm, absentee ownership, prevalence of tenancy, drift of population from the land, abandonment of farms, impoverishment of the soil, shortage of local food crops, lack of self-sustaining farms, inadequate marketing facilities and diversified agriculture, and unattractive rural environment." The three advisors reported that areas inspected were chosen by state authorities as typical of the opportunities in the South for reclamation work.—Associated Press.

COLLEGE LEGISLATORS

A. B. Andrews, of the Raleigh bar, has compiled some figures about the legislature that shows the youngsters with better educational advantages than their elders are making use of them.

Out of 64 members of the House born prior to 1881, there are 14 college graduates, 16 with college training, 14 with high-school training and 20 with less than high-school training.

Out of 54 members of the House born since 1881, there are 21 college graduates, 16 with college training, five with high-school training and nine with less than high-school training.

Out of 22 members of the Senate born prior to 1881, there are six college graduates, eight with college training, two with high-school training and six with less than high-school training.

Of the 25 members of the Senate born since 1881, there are 13 college graduates, 12 with college training, which takes up the entire number.—News and Observer.

CLOSING UP PRISONS

At a time when America's prisons are overflowing, Great Britain's prisons are becoming empty. The reduction in Great Britain's prison population which has come about in recent years is startling and almost unbelievable. Fifty

years ago in Great Britain 20,000 persons were in local prisons; today there are only 8,000. Fifty years ago 10,000 persons were in prisons at penal servitude (the equivalent of our state prisons) Today there are only 1,600. Contrast this with the 6,500 in New York State, alone. Fifty years ago there were 113 local prisons and 13 penal servitude prisons (state prisons for convicts); today there are 31 local prisons and 4 penal servitude institutions. Nearly half the prisons in the country have closed down during the last twelve years. Since 1914 no fewer than twenty-five prisons have been wholly shut down.—World's Work, March 1927.

SOUTH DEVELOPING TRUCKS

Year after year the Southern States have been making progress in the growing of vegetables and fruits for shipment to Eastern and Northern markets. Southern-grown winter vegetables are to be found throughout the winter months in the larger cities of the country, and the South's fruits and berries and early spring vegetables are to be had in the North and East before the frost is out of the ground in those regions. The value to the nation's health of these trucking crops, in supplying the urban population of the country

with fresh green vegetables and fresh fruits, is immeasurable in dollars and cents.

Recent estimates furnished by the Department of Agriculture show that Southern growers received more than \$156,000,000 in 1926 for their commercial trucking crops of vegetables, fruits and berries. This is 48 percent of the aggregate value of the commercial truck crops of the country in 1926, amounting to \$326,617,000. Since 1923 truck crop values have steadily increased in the South. While the value of these crops in 1926 compared with 1925 made a gain of over \$6,000,000 in the South, there was a decline of more than \$20,000,000 in the rest of the country outside of the South.

California with a value of \$59,089,000 led all the states in commercial truck crops, followed by Florida with \$35,470,000; New York, \$22,637,000; New Jersey, \$20,738,000; Virginia, \$19,215,000; Texas, \$18,690,000 and Louisiana, \$14,570,000. North Carolina, South Carolina, and Maryland, each reported commercial truck crops valued at more than \$10,000,000. In addition to these trucking crops, the South furnishes a vast quantity of peaches, citrus fruits, apples, and other fruits.

The following table of the estimated value of the fruit and vegetable crops raised for shipment has been compiled by the Manufacturers Record by states for the South for the years 1924, 1925, and 1926:

VALUE OF SOUTHERN COMMERCIAL TRUCK CROPS

States	1923	1924	1925	1926
Alabama	\$3,669,000	\$3,524,000	\$3,247,000	\$3,714,000
Arkansas	3,236,000	4,779,000	3,832,000	5,553,000
Florida	40,389,000	39,081,000	35,320,000	35,470,000
Georgia	3,619,000	3,262,000	4,918,000	3,943,000
Kentucky	3,619,000	3,094,000	3,308,000	2,295,000
Louisiana	7,341,000	8,944,000	8,643,000	14,570,000
Maryland	15,600,000	12,262,000	14,551,000	12,592,000
Mississippi	4,330,000	5,913,000	6,027,000	7,006,000
Missouri	3,675,000	5,575,000	9,938,000	5,414,000
North Carolina	8,055,000	8,313,000	8,070,000	10,271,000
Oklahoma	918,000	835,000	2,046,000	2,420,000
South Carolina	11,443,000	7,628,000	8,125,000	10,357,000
Tennessee	4,439,000	5,538,000	5,609,000	5,247,000
Texas	12,548,000	14,237,000	14,030,000	18,690,000
Virginia	21,169,000	22,376,000	22,827,000	19,215,000

Total	\$144,041,000	\$145,359,000	\$150,491,000	\$156,757,000
Canning crops*	735,000	1,082,000	1,969,000	1,217,000
Rest of U. S. outside of South	\$177,700,000	\$162,800,000	\$190,000,000	\$169,300,000
Total U. S.	\$322,188,000	\$308,625,000	\$341,243,000	\$326,617,000

*Not included by states.

—Manufacturers Record.

TAX BURDENS ON FARM LANDS IN 1919

Based on the Press Service of the U. S. Department of Agriculture

The table elsewhere covers tax studies in twenty-six counties, of twenty-six states, to ascertain the ratio of state and local taxes to cash rents.

Only cash-rented farms were considered.

The states listed in the table appear in the order of these ratios.

Halifax was the county studied in North Carolina, in which county 6.3 cents of every dollar of cash-rent went to pay state and local taxes—mainly local taxes.

The ratio was lower only in Southampton county, Va., another cotton-producing county, just across the North Carolina line.

The ratios range from 5.6 cents per dollar of cash rent in Southampton county in Virginia to 65.6 cents per dollar of cash rent in Pennsylvania.

The cotton-belt counties all ranked low in 1919 except in Oklahoma.

In 1924, corporation tax burdens in North Carolina were 31.44 cents of every net income dollar.

Meantime the tax burdens on farm properties have increased. Other studies of farm tax burdens will follow in our columns.

Department of Rural Social-Economics, University of North Carolina.

Rank	State	Counties studied	Percent total taxes were of cash rents
1	Virginia	Southampton county	5.6
2	North Carolina	Halifax county	6.3
3	Alabama	Montgomery county	7.1
4	Georgia	Bleckley county	7.5
5	Tennessee	Rutherford county	7.6
6	Arizona	Maricopa county	9.8
7	Arkansas	St. Francis county	10.4
8	Mississippi	Tunica county	11.3
9	Nebraska	Wayne county	11.7
10	California	Sacramento county	13.9
11	Indiana	Tipton county	15.0
12	South Dakota	Moody county	16.2
13	Illinois	Macoupin county	18.2
14	Iowa	Story county	18.8
15	Ohio	Franklin county	22.4
16	Kansas	Butler county	23.7
17	Colorado	Delta county	24.0
18	Minnesota	McLeod county	24.4
19	Idaho	Ada county	24.4
20	Utah	Salt Lake county	28.7
21	Oklahoma	Payne county	29.2
22	New York	Delaware county	30.9
23	Oregon	Washington county	37.8
24	Michigan	Lenawee county	38.0
25	Wisconsin	Dane county	39.6
26	Pennsylvania	Chester county	65.6