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STATE GOVERNMENT EXPENDITURES

THE COUNTY FINANCE ACT

A companion act to the county fiscal control act is the County Finance Act. This measure is designed to prevent the accumulation of an unwarranted indebtedness and to otherwise safeguard county credit. Three types of borrowing are permitted, namely, (a) notes in anticipation of taxes, (b) notes in anticipation of long-term loans, and (c) serial bonds.

A county may borrow for ordinary expenses in anticipation of taxes up to eighty percent of the amount of uncollected taxes and other unrealized revenue for the current fiscal year, provided such loan is repaid not later than thirty days after the expiration of such fiscal year. A county may borrow for the purpose of paying the principal or interest of bonds or notes due or to become due within four months, and not otherwise adequately provided for, and such loan shall be payable not later than the end of the next succeeding fiscal year.

A county may borrow money in anticipation of the receipts of the proceeds of the sale of bonds to an amount not exceeding the maximum authorized amount of the bond issue. Such loans shall be paid not later than three years after the time the order authorizing the bonds takes effect. Notes maturing in less than six months may be disposed of by public or private negotiations, after five days of public notice. Notes maturing more than six months from date of issue shall be sold in the same manner as bonds, that is, upon sealed proposals after the sale has been advertised for at least ten days.

All bonds shall mature in annual series; and a tax sufficient to pay the principal and interest of the bonds when due shall be annually levied and collected. Bonds shall mature within the life-time of the improvement for which they are issued. The act establishes what shall be considered the maximum life of each type of building and of each type of roads which may be constructed. The present floating indebtedness of any county may be funded if such funding bonds are issued before July 1, 1927; otherwise such debts must become an item in next year's budget. All funding bonds must mature within fifteen years, and all refunding bonds within twenty years, and the first installment become payable within two years.

Debt Limitations

After the introduction, and at least ten days before the final passage of an order for the issuance of bonds for school purposes, a sworn statement shall be prepared by a person designated for the purpose, showing the existing school debt and what percentage of the assessed valuation it constitutes. The total school debt of the county shall not exceed five percent of the assessed valuation of such county; provided, however, that if the net school debt at the time this act is ratified be in excess of four-fifths of the limitation mentioned above, the net debt may be increased as much as two percent of assessed valuation: Provided further, that if any county shall assume all outstanding indebtedness for school purposes of every subdivision the limit of the net debt of such county for school purposes shall be eight percent. For all other than school purposes there is also established a five percent limitation, with the provision that an existing debt in excess of four percent may be increased as much as two percent. These limitations do not apply when funding or refunding bonds are contemplated, for such bonds do not add to the net debt. They merely substitute one form of obligation for another.

Bonds issued for other than necessary purposes must be submitted to a vote of the people by virtue of a clause to that effect in the constitution. Bonds issued for necessary purposes do not have to be sanctioned by popular vote unless in particular instances the legislature so enacts. Bonds issued for necessary purpose under the provision of this act must be submitted to the voters only when a petition to that effect, signed by fifteen percent of the voters, is filed within thirty days after the first publication of the order. If a majority of the votes cast in the elec-

tion are opposed to the bond issue the order must be repealed. No referendum is necessary in order to issue funding or refunding bonds.

The act also contains a detailed account of the procedure to be followed in floating bond issues, safeguards against the misappropriation of the proceeds, and many other points.—Paul W. Wager.

LAWLESSNESS DISCUSSED

The Trend Toward Lawlessness was the subject under discussion at the last meeting of the North Carolina Club. Mr. J. F. Ashby, a student from Mount Airy, read a paper which he had prepared on the subject.

Whether this generation is any more lawless than earlier generations or whether the country is actually in the throes of a crime wave is uncertain. It may be that the newspaper reporters are more diligent than formerly in recording crime. It may be that crime is being played-up by the newspapers more. Even so, there is too much crime, and America has acquired the unenviable reputation of being first in crime and lawlessness among the nations of the world. The ratio of homicides to population is only one-half as great in Italy; one-eighth in Ireland; one-ninth in England and Wales, one thirty-sixth in Switzerland. Furthermore, the ratio of homicides per 100,000 population in the United States increased from 7.2 for the period 1911-1921 to 10.3 in 1924. This is indicative that there is a trend toward lawlessness. Mr. Ashby quoted Judge J. M. Oglesby to the effect that in North Carolina there was cause for concern in "the lack of respect for constituted authority and the growing tendency toward lawlessness." "The alarming amount of lawlessness" in the country and in the state was recently commented upon by Judge J. B. Finley. There is a steady increase in lawbreaking in Charlotte, the News of that city reports.

The cost of crime, however measured, is stupendous. Some investigators estimate that there is an annual property loss of ten billion dollars through crime. The cost of crime in North Carolina has not been carefully approximated, although studies are being made in regard to the administrative cost thereof.

Causes of Crime

Among the causes for this growth of lawlessness and crime Mr. Ashby mentioned a complacent public sentiment, lax enforcement of laws, improper laws, the failure of home, church and school to do their duties, the World War, loss of faith in religion, the inability of man to adapt himself to his new complicated civilization, and many other causes. Perhaps the first mentioned cause is the most important and far-reaching. Public opinion appears to be against the enforcement of law; the people fail to support the police officers. They break the minor statutes and ordinances when it is convenient to do so, and they resent rigid enforcement if they are affected. Least of all will they accept any responsibility. Those who are not hostile to law enforcement are apathetic. "Democracy cannot continue and be successful," said Mr. Ashby "if citizens fail to shoulder the responsibilities that are required of them."

Sociologists ascribe the cause of crime almost wholly to lack of knowledge in preventing crimes, and in treating criminals. There has been a serious lack of facts and figures relating to crime. Recently numerous crime commissions have been constituted and their findings are enlightening. For instance, the Missouri Crime Commission has found that crime in Missouri is not a hazardous occupation. In St. Louis in one year there were 149 cases of homicide and 23 punishments; 2,701 burglaries and 107 punishments; 2,075 robberies and 85 punishments. The chances of escaping the penalty for crime are far too great.

There is an insufficient amount spent on crime prevention in comparison to the expenditures for punishment. The criminologists and welfare workers are beginning to penetrate the breeding places of crime, and the preventive work should be encouraged.

Foolish sentimentality in respect

DUTIES AND RIGHTS

People who begin by surrendering their duties to a government, end by being compelled to surrender their rights. The American nation has kept its rights by attending to its duties. But fashions change. It is a bad habit to run to Washington for everything, just as it will be a bad condition if ever Washington comes to run everything.—Dearborn Independent.

to the criminals must cease. With more definite knowledge of crime and criminals, a change in public sentiment, stricter enforcement, and the adaptation of mankind to new conditions, it is felt that the present trend of lawlessness will be effectually halted.

OUR NATIONAL WEALTH

The national wealth of the United States, as estimated by the National Industrial Conference Board, in 1925 amounted to 355.3 billion dollars. This is the first estimate of national wealth published since the census estimate of 1922, which was 320.8 billion dollars for that year. For 1912, the census estimate of the national wealth was 186.3 billion dollars.

Stating the amounts for 1912 and 1925 in terms of 1913 dollar purchasing value so as to eliminate the difference in purchasing values of the dollar in the pre-war and post-war periods and to make the two figures comparable, the Conference Board places the national wealth in 1912 at 188 billion dollars, and in 1925 at 223.9 billion dollars of 1913 purchasing value. The nominal increase in wealth of 90.7 percent during the thirteen-year period thus becomes a real increase of 19.1 percent, or nearly one-fifth.

The term "national wealth" as used in this estimate represents tangible, physical objects only, and therefore excludes credits and currency. It specifically includes land and the structures and other improvements thereon, the equipment of industrial enterprises and farms, livestock, railroad and public utility land and equipment, personal property, motor and other vehicles and gold and silver coin and bullion. Of all of these, real property, that is land and improvements, constitutes more than half, or 172.7 billion dollars' worth. Approximately three-fourths of the total wealth of the nation is in the nature of fixed assets, devoted to use as dwellings or to industrial and transportation enterprises.

Of the 172.7 billion dollars in land and improvements, about 22.7 billion dollars' worth is tax-exempt property, including the land, buildings and public works of the federal, state and local governments, municipal enterprises and the land and improvements belonging to religious, charitable, educational organizations and other property exempted by state laws.

Railroads and public utilities, according to the Conference Board's estimate, represent a total investment of 39.2 billion dollars of physical property. Of this total value, land represents only 13.3 percent or 5.2 billion dollars; improvements, 56.4 percent, or 22.2 billions and equipment 30.3 percent or 11.8 billions.

The total value of the equipment of farms, including livestock, and of factories is placed at 26.8 billion dollars, lands and buildings belonging to them being included under the general national asset of land and improvements. All merchandise and industrial products on hand were valued at 40 billion dollars. Personal property, consisting of such objects as furniture, clothing, jewelry and the like amounted to 44.1 billions or more than the physical value of all our railroads and public utilities, and considerably more than the entire equipment of all the farms and factories.

Automobiles are classed with gold and silver coin and bullion as "miscellaneous". But the total value represented by our entire stock of gold and silver bullion and coins plus all the nation's automobiles, numbering nearly 20,000,000, together make up by far the smallest item, a total of 9.8 billions, or less than two and three-fourths percent of our total national wealth.

RURAL AMERICA

Did you know that in Rural America: There are forty-five million people? Thirty million people live on farms? There are more children per thousand of population than in the cities? Only one person in five goes to Church? One seventh of all town and country communities are without non-Roman Churches? Seven out of ten rural churches have only a fraction of a pastor apiece? One-third of all rural pastors have to supplement their income by secular work? Two out of five rural churches are standing still or going backwards?

There are four million boys and girls who never go to Church or Sunday School?

Eighty-three percent of the members of the Episcopal Church live in cities and towns?

County after county in the United States hasn't a single Episcopal Church?

The Episcopal Church is awakening to the challenge at its doors?

The Division for Rural Work at the National Council, 281 Fourth Avenue., New York City, stands ready to help the Churches' Rural Work, anywhere and everywhere.—The Church at Work.

EXPENDITURES OF OUR STATE GOVERNMENT FOR 1925

The following table, based on Financial Statistics of States, Federal Department of Commerce, itemizes the governmental cost payments of North Carolina's state government for the year 1925. Expenditures are classed under nine heads, with sub-heads showing the amounts spent on various items. A study of the table will familiarize the reader with the many activities of our state government, along with the amount spent on each item in 1925.

Interest on state debt, \$4,421,994, is not included below. The bulk of our state debt has been incurred to build highways, and interest on the highway debt is specially provided for.

The total cost of operating the general departments of our state in 1925 was \$16,679,744. The per inhabitant cost was \$6.09, and on this basis North Carolina ranked forty-second among the states.

S. H. Hobbs, Jr.

Department of Rural Social-Economics, University of North Carolina

| Total Expenditure of general departments | \$16,679,744 |
|---|--------------|
| 1. General government | \$1,483,460 |
| a. Legislature | \$203,400 |
| b. Legislative investigations | 10,577 |
| c. Chief executive | 53,417 |
| d. Auditor | 56,954 |
| e. Special auditing state accounts | 29,973 |
| f. Auditing accounts minor civil divisions | 65,262 |
| g. Treasurer | 34,182 |
| h. Collection of revenues | 469,997 |
| i. Other financial | 42,360 |
| j. Law offices and accounts | 28,555 |
| k. Secretary of state | 32,317 |
| l. Supreme court | 62,379 |
| m. Other courts | 209,758 |
| n. Elections | 14,629 |
| o. General government buildings | 149,700 |
| 2. Protection to person and property | 664,146 |
| a. Police | 6,599 |
| b. Militia and armories | 132,868 |
| c. Fish and game warden | 87,410 |
| d. Regulation of financial institutions | 47,441 |
| e. Regulation of insurance companies | 45,994 |
| f. Regulation of public service corporations | 68,340 |
| g. Regulation of professional occupations | 4,067 |
| h. Regulation of sale of feed, seed, fertilizer | 81,365 |
| i. Regulation of sale of oil and gas | 62,223 |
| j. Regulation of weights and measures | 100 |
| k. Regulation of labor | 15,917 |
| l. Fire warden | 23,013 |
| m. Prohibition enforcement | 61,238 |
| 3. Development and Conservation of Natural resources | \$927,221 |
| a. Agriculture: supervising, extension, experiment stations, etc. | 809,727 |
| b. Geological survey | 117,494 |
| 4. Conservation of health and sanitation | \$730,315 |
| a. Supervising department | 114,479 |
| b. Vital statistics | 23,746 |
| c. Prevention and treatment of communicable diseases | 425,879 |
| d. Conservation of child life | 114,716 |
| e. Food inspection and regulation | 6,903 |
| f. Regulation of professional occupations | 13,073 |
| g. Other health and sanitation | 81,519 |
| 5. Highways (construction not included) | \$3,310,684 |
| a. Supervising department | 250,371 |
| b. Roads maintained by the state | 2,821,582 |
| c. Bridges | 236,707 |
| d. Waterways | 1,424 |
| 6. Charities, Hospitals, and Corrections | \$3,051,175 |
| A. Charities | |
| a. Supervising department | 39,592 |
| b. Care of children | 57,290 |
| c. Blind, deaf and mute | 233,735 |
| B. Hospitals | |
| a. Insane | 1,178,217 |
| b. Feeble-minded and other special | 221,650 |
| C. Corrections | |
| a. Institutions for adults | 1,127,157 |
| b. Institutions for minors | 142,002 |
| c. Pardon and parole boards | 1,532 |
| 7. Education | \$5,233,447 |
| A. Schools | |
| a. Supervising department | 160,962 |
| b. State institutions | 3,072,413 |
| c. Apportionments to minor civil divisions | 1,842,788 |
| d. All other | 83,104 |
| B. Libraries | |
| a. State | 69,931 |
| b. Other | 4,249 |
| 8. Recreation | \$11,092 |
| a. Education | 8,245 |
| b. Parks and reservations | 2,847 |
| 9. Miscellaneous | \$1,238,204 |
| a. Pensions, etc. to former state employees | 16,900 |
| b. Pensions, soldiers and sailors | 1,122,826 |
| c. Mothers' aid | 29,503 |
| d. Other special relief | 13,676 |
| e. Administration of public trusts and investments | 21,005 |
| f. Printing and stationery | 32,716 |
| g. Other miscellaneous | 1,573 |