THE UNIVERSITY OF NORTH CAROLINA

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Start 35 new pure-bred flocks of

5. Place 25 registered heifers and

Improvement of 15 home orchards in pruning, spraying, fertilization, and control of peach borer.

Terrace 200 acres to prevent soil

11. Conduct 40 hog feeding demon-

12. Twelve organized clubs with a

13. Conduct more corn, cotton, to-

bacco, and small grain demonstrations.

15. Hold tobacco seed cleaning and

Build 10 hog houses.

10. Build 10 self-feeders.

14. Build 5 silos in county.

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COUNTY AND SCHOOL DEBT

COUNTY INDEBTEDNESS

The North Carolina Educational Commission has just completed the most exhaustive study of indebtedness of North Carolina counties and subdivisions thereof that has yet been made. The last issue of the News Letter gave a summary of the findings of this commission. This week we are presenting a table showing the indebtedness of each county and its subdivisions, exclusive of cities and towns. That is, the figures shown in the table cover county-wide indebtedness and the debts of townships and special districts. While the debts of subdivisions do not rest equally on all the taxpayers of a county they are quite widely distributed and cannot be ignored in a consideration of county indebtedness. Municipal debt, on the other hand, is an obligation of a distinct municipal corporation, is incurred for distinctively urban purposes, and is thus in quite a different category. A county may assume the indebtedness of townships and special districts, but it is not likely to assume a city's in-debtedness. All school indebtedness is included in the figures given in the ta-ble. The commission reports that it was impossible to obtain from all counties and subdivisions of counties reports as of the same date. The range is from June 30, 1926, to December 1, 1926

The indeptedness shown in the table includes both bonded and current debt. Of course, much of that which was in the form of current debt a few months ago has now been funded. Sinking funds have not been deducted. At the time the study was made county-wide sinking funds amounted to \$3,309,213 and sinking funds for districts and town-Hence ships amounted to \$1,160,499. the total net debt of the counties and their subdivisions amounts to \$184,254, 041, instead of \$188,723,753.

Analysis of Debt

The total county-wide bonded indebtedness as of 1926 was \$97,704,928. Of this total \$5,883,250 or 6 percent was incurred for schools and \$76,113,760 or 78 percent for roads and bridges. Road indebtedness includes, however, \$15,141,741 loaned to the state, which will be repaid. Of the county-wide current liabilities \$19,564,025 is for schools and \$21,333,286 for purposes other than schools. Nearly 15 million dollars of the current school debt is in the form, of long-time loans from the State Special Building Fund, and is equivalent to a bonded debt.

The total bonded indebtedness of districts and townships amounts to \$49,-027,729, of which \$39,576,729 is for school buildings and \$8,265,500 is for roads and bridges. The other small items are for drainage districts, for sewerage, for railroads, and for hospi-The current liabilities of districts and townships amount to \$1,093,-785, and practically all of these shortterm obligations are school debts.

Of the total county, township, and district indebtedness shown in the table \$66,062,150 represents indebtedness contracted for schools and \$122,661,603 represents debts contracted for pur-poses other than schools.

Ranking the Counties

The average county in the state has a county-wide debt of \$1,386,022 and a township and district debt of \$601,215. Excluding the debt of towns and cities the average county then has a debt of \$1,887,237. A study of the table reveals that thirty-three counties have a debt in excess of this amount and sixty-seven less than this amount. Only twonty-nine counties } than a million dollars of indebtedness. Guilford county has the largest debt, \$7,453,043, and Currituck has the small est. \$164.665.

If we rank the counties on the basis of per capita indebtedness, using esti-mated population for 1927, we find the median county has a per capita debt of Carteret has the heaviest per capita debt, \$197.20. This is equivalent to a mortgage of \$1000 on every family in the county. Henderson, Jackson, Iredell, Montgomery, Pamlico, and Brunswick follow in the order named, each having в per capita debt in excess of \$100.

The citizens of Northampton county

\$14.20. Incidentally, Northampton ranks near the top in school efficiency. Other counties might find it advantageous to inquire into Northampton's methods of county administration. Currituck, county administration. Currently and Hoke, Gates, Camden, Alleghany, and Dare have each less aggregate debt than Northampton, but not so small a per capita debt.

The annual interest charge on the bonded indebtedness of the average county and its special districts is \$78, 635.05. If we assume an interest rate of $5\frac{1}{2}$ percent on the floating indebtedness, the total annual interest charge is \$101,730.15. This helps explain why county taxes are high.-Paul W. Wager

EQUALIZE, TAXES

Sore spots in our present system of local taxation, as indicated by localities where property levies are unbearably high but where the taxpayer receives very little in return for his money, was the subject of a talk given by Dr. Clarence Heer of the Economics Department at the regular meeting of the North Carolina Club on Monday evening, December 11.

According to the speaker, there are According to the speaker, there are many reasons why certain counties have intolerably high tax burdens coupled with a low return in the shape of governmental services. Waste, extravagance, inefficiency and faulty organization, all play a very important role. But even if all these factors were eliminated, there would still re-main wide differences in reletine tay main wide differences in relative tax burdens as between different local areas. These inequalities, according to the speaker, are due to the fact that the state legislature requires the counties to perform certain functions, such as maintaining schools and highways, without making sufficient allowance for unavoidable variations in the cost of performing these functions as between one locality and another. Moreover, not enough consideration is given to the variations in the economic ability of the counties to support the functions which the state legislature imposes upon them.

Unequal Burdens

As indicative of the fact that it costs more to perform certain governmental functions in some counties than it does in others, the speaker pointed out that the cost of financing the minimum sixmonths school term, on a per inhabitant basis, varies all the way from \$3.99 per inhabitant in Caswell to \$6.94 per inhabitant in Polk. Topographical conditions, population density, and the way in which population is distributed are, according to the speaker, mainly responsible for these discrepancies.

Not only does the cost of producing governmental services of like kind and goulity differ as between various coun-ties, said Mr. Heer, but far more serious is the fact that the amount of in neighboring counties. taxable wealth available to meet these taxable wealth available to meet these costs varies widely from county to county. The poorest county in the state is Clay. Its total taxable wealth amounts to less than \$469 per in-habitant. At the top of the scale is Forsyth with taxable wealth averaging for synthesis and the scale is to small state is Clay. Its total taxable wealth amounts to less than \$469 per in-habitant. At the top of the scale is for synthesis and the scale is to small taxable locally but which, according to taxable locally but which according to taxable locally but which according to taxable locally but which, according to taxable locally but which according to taxabl

The speaker indicated two possible in turning it over to the state. avenues of relief for the overtaxed h it no quires the counties to perform. In the second place the legislature, while allowing the counties to retain all of present functions, may advance their a larger share of the funds necessary finance these activities. North Carolina is making progress in both of By extending its systhese directions. tem of state highways it is directly relieving the counties of certain duties which formerly devolved upon them. Through the school equalization fund it is furnishing the counties with funds with which to equalize the educational burden In spite of the progress which has

are the least burdened by public debt, already been made, however, the in-the per capita in that county being only equalities in tax burdens as between see the affairs of the state and nation

A FREE UNIVERSITY We cannot have a great system of education in North Carolina unless we continue to head that system with a great University. We cannot meet the problems of the present or conduct the research necessary to solve problems of the rising generations unless we have a great free University. We cannot have a citizenship whose minds are fresh and pure, inspired by a desire to do real civic service for the state unless we, here in this great central power plant, charge their minds with a spirit of unselfish service. We cannot have a state developing along proper economic lines if our University is to become a football of politics. It must be free to view our economic conditions and attempt to solve our economic problems along natural lines, rather than being compelled to be subservient to any political views. It must not be forced to trim its sails to meet any popular whim, because truth is eternal and enduring. - E. B. Jeffress.

different localities within the state are still enormous. The county tax rate for schools is only 44 cents per hundred dollars of assessed valuation in Meck-lenburg. It is \$1.16 per \$100 in Clay. Although Clay's tax rate is almost three times as great as Mecklenburg's it receives much less for what it spends. This is indicated by the fact that the State Department of Public Instruction gives the schools of Clay an efficiency rating of only 48.6 whereas the rating for Mecklenburg is 66.9.

Shift Revenues

The speaker declared that the state should go still further in its program of equalization, but to do this will require increased state revenues. What revfor this purpose? Two general sources were suggested. First, taxable values such as railroads and interlocal utilities, which at present are taxed locally, are not properly speaking local forms of wealth. To allow this form of taxable wealth to be monopolized by the localities in which it happens to be situated gives some couplies or unfoil situated gives some counties an unfair advantage over others. In illustration of this condition the speaker pointed out that one county of the state col-lects nearly 40 percent of its revenues from railroad, telegraph, express, and other public utility property. Other counties have no public service property to tax. Taxes paid by public service cor-

porations are added to the rates charged for services rendered. A county which happens to have much railroad property within its borders may thus levý trib-ute on users of the railroad who live Another source of wealth at present

around \$1,831 per inhabitant. High unit costs for producing governmental services coupled with a low average of taxable wealth per inhabitant neces-sarily produces an excessively high rate of property taxation. The ments. The county is too small a unit to successfully reach this exceed-ingly mobile and elusive form of wealth, said the speaker. Since the local governments are getting practi-cally no revenue from intangible per-sonalty they would have little to lose

In conclusion the speaker said that county. In the first place the state may lighten the burden by taking over rearrangement were put into effect would be the counties which now benefit from the existing illogical allocation of taxable resources and where the present tax burden is consequently The poorer, high-cost counties would benefit, since the new state revenues would be available for equalization purposes.

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LONG-TERM INVESTMENTS

I want the state and the nation to levy such tax as necessary to provide for the needy and unfortunate in no penurious and niggardly way; I want a system of education that will teach

it on a business basis (oh, wish divine!), and run not on an economical poultry. basis, but on a basis looking forward 4. Replace 20 scrub bulls with 20 to bigger dividends in the future. pure-breds.

I should like to see the state make ome long-term investments and de- cows in county. velop some of its undeveloped resources. 6. A legume on every plowed acre I should like to see higher standards of every four years. human values take the place of, or take a place at least alongside of, the dollar mark. I should like to see an investment made in public health on a much larger scale than we are now making it. I should like to see another investment made in public welfare in proportions that would make our pres-ent efforts look little and mean. I should like to see unfortunate motherhood uplifted instead of degraded. I should like to see child welfare put at least upon an equal plane with the welfare and improvement of other animals. I should like to see the idea take root and finally dominate us as a people that the wealth of nations is not measured by bank balances, stocks, bonds, and factories, but by how well a nation conserves and develops its potential resources, and that the worth of all resources must be measured in terms of human values. The state's greatest undeveloped resource is its children. I should like to see us 'put out'' on the country child for a while and see the state's wealth grow.-M. L. Wright. in The North Carolina Teacher.

DAVIDSON'S PROGRAM

son County Board of Agriculture:

county

seed treating demonstrations. 16. Blood test at least 6 flocks of poultry. 17. Hold "rooster exchange" day in

membership of 200 boys.

erosion

strations.

January. 18. Put on pure-bred hog sale in coun-

19. Cooperate with North Carolina

Guernsey Association in putting on state Guernsey sale in Davidson county.

The following objects were adopted 20. Cooperate with State College in as definite goals for 1928 by the David- the organization of state-wide farmers' 20. Cooperate with State College in organization.

). One farm home improvement demonstration in each township in the The slogan adopted was "Richer Soils, Convenient Homes, and Educated Peo-2. Build 25 standard poultry houses. ple."-Lexington Dispatch.

COUNTY AND SCHOOL INDEBTEDNESS, 1926

Total and Per Capita Debt of Counties and Subdivisions

The following table is based on a recent report of the State Educational Commission entitled Financial Condition of Counties. It gives the total indebtedness of each county and its subdivisions, exclusive of cities and towns. In each instance the total includes both bonded and floating debt and does not deduct sinking funds. The total amount in sinking funds amounts to only \$4,469,712.

The total debt of the counties and their subdivisions, exclusive of cities and towns, is \$183,723,753, or \$68.15 per capita. Guilford has the greatest aggregate debt, \$7,453,043, and Currituck the least, \$164,665. Carteret has the largest per capita debt, \$197.20, and Northampton the smallest, \$14.20. Paul W. Wager Department of Rural Social-Economics, University of North Carolina

- opartment of Rara Social-Economics, University of North Carolina	
Total Deb	t l
Rank County indebted per	Reply Constant Debt
ness capit	Por por
1 Carteret\$3,284,549\$197.20	
2 Henderson2, 962, 685149.60	
3 Jackson	
4 Iredell	01.30
5 Montgomery1, 690, 500115, 76	
6 Pamlico1,031,655113.85	
7 Brunswick1,531,180100.70	
8 Rutherford 3, 361, 470 99,50	
9 Swain	59 Lee 825,585 54.75
10 Rockingham4,433,050 93.65	
11 McDowell1,831,185 93.60	61 Chatham 1 914 910 ro po
12 Lenoir	62 Wayne 2 665 155 59 00
13 Clay 477,745 90.80	63 Richmond 1 578 020 59 70
14 Transylvania1,006,635! 90.10	64 Davidson 2 105 970 59 55
15 Mitchell1,034,922 87.45	65 Caldwell 1 072 571 51 15
16 Beaufort2,682,110 86.20	700950 51 10
17 Pasquotank1, 573, 800 85.55	67 Rowan. 2 508 885 50 75
18 Cumberland3,324,821 85.20	68 Martin
18 Perquimans 954,451 85.60	59 Watauga
20 Craven2,628,375 82.50	70 Pender
21 Jones 866,700 79.85	71 Moore
22 Tyrrell 385,140 79.40	72 Forsyth
23 Guilford7,453,043 77.35	73 Franklin
24 Lincoln	74 Burke 1, 132, 719 45 75
25 Graham 378,747 76.30	75 Nash
26 Macon 1,011,475 75.50	76 Orange 910,840* 44 95
27 Wilson	77 Person 902,540 44 65
28 Ashe	78 Robeson2,644,810 43.40
29 Polk 721,297 73.60 30 Duplin 2,499,900 73.10	79 Sampson1,732,914 42.20
	79 Wilkes
31 Madison1,465,810 73.00 32 Cherokee,1,163,200 72.30	81 Vance1,110,759 42.10
33 Gaston	82 Chowan 440,805 41.40
34 Alamance2,488,276 69.20	83 Bertie 1,017,932 41.25
35 Bladen	84 Cleveland
36 Buncombe5,320,455 68.70	85 Cabarrus
37 Washington 801,863 68.60	86 Caswell
88 Scotland1,073,273 68.05	87 Union1,503,595 38.45 88 Hertford 636,824 37.60
9 Haywood1,712,750 67.95	89 Alexander 473,695 37.60
0 Wake	89 Alexander 473,'695 37.40 89 New Hanover1,805,100 37.40
1 Edgecombe2,873,450 66.90	91 Anson
2 Durham	92 Yadkin 554 200 00
3 Pitt	93 Dare 168,065 31.60
4 Stanly	94 Alleghany 231,455 31.30
5 Randolph2,030,225 63.80	95 Camden 165,000 30.65
6 Mecklenburg5,839,390 63.30	96 Gates
7 Greene	07 Warran
8 Hyde 528,174 63.00	97 Warren 525,640 23.30
9 Catawba2,440,340 62.75	98 Hoke 303,710 23.25
0 Columbus 1,941,115 61.25	99 Currituck 164,665 22.65
*Corrected to July 1, 1927	100 Northampton 387,625 14.20