

CHATHAM RECORD

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Editor and Publisher

SUBSCRIPTION PRICE:
One Year \$1.50
Six Months75

THURSDAY, AUGUST 14, 1930

Bible Thought and Prayer

WAIT PATIENTLY—Wait on the Lord: be of good courage, and He shall strengthen thine heart: wait, I say, on the Lord.—Ps. 27:14.

PRAYER—O Thou Who art never weary, we wait on Thee. Do Thou renew our strength that we may fly like the eagle, and even walk and not faint.

A thoughtful Pittsboro gentleman says that The Record editorials last week were the best sermon on the injunction of Jesus to take no thought for tomorrow for what you shall eat or drink etc that he has ever read or heard, and that the editorials go to demonstrate the fact that the injunction of the Lord was good political economy, as the most of his "impractical" injunctions would prove if demonstrated in practice. Of course, one must give a broader meaning to the word tomorrow than that in which we speak today of the following day. It is an indefinite expression for the future, for even the home-keeper with a full supply of provisions in the home and with clothes for the whole family must look forward to the next day's menu and to having the washing done. Now, give the meaning of future to tomorrow and let the address be to the race, instead of to specific individuals, and you have an injunction in accord with the economical principle pointed out in this paper, namely that the world lives from hand to mouth, and that it is as impossible for the race to lay up a competency for a future day as it is for "a man to add a cubic to his stature" by taking thought.

SIR OLIVER CALLS FOR A STUDY OF THE ECONOMIC PROBLEM.

It is of interest to note that we have read since writing the editorial captioned "Reiteration" an article of greater length by Sir Oliver Lodge, reviewing the world plight due to the fact that part of the people are equipped with modern machinery for production while the other part have to compete with practically the age-old means of production, and ending with a recommendation of a study of the economic problem. That has been our frequent plea, and Sir Oliver himself could do the world more good, probably, by giving his own master mind to a solution of the problems of economics than he has ever done by his study of physics and his later attention to spiritualism. But since every satisfied person and interest in the world, all the prosperous, are against any change in the status-quo, there is no other problem that will so subject a thinker to criticism, or even persecution, as that now confronting the world in the economic field.

An Einstein may controvert the Newtonian laws; the long-accepted atomic theory may be overthrown, and matter and force be proved, or declared, identical; the most sacred doctrines of religion may be attacked—in short thinkers are free to controvert any doctrine or dogma of age-long standing except the orthodoxy of the capitalistic system. Touch that and every dog in the manger not only growls but is ready to bite to the bone.

It will require courage as well as mentality to establish a new political economy. But that is the world's chief need today, apart from real religion, which itself would be asolution, and it is gratifying to see one great thinker like Sir Oliver Lodge recognize the fact. To him that has the courage, the standing, and the mentality to find the solution and dignify it before the world, we would commend the two theses in our article as premises, or starting points.

BEASLEY APPEALS TO HENRY GEORGE

Attaching a recent Record editorial to his letter, Editor R. F. Beasley, of the Monroe Journal, the apostle of Henry George's ideas in North Carolina, attacks our utterance by appealing to the George theory of rents. To give the reader a clear idea of the business, we here reproduce the Record editorial attacked:

"Let all big salaries in state and industry be cut to conform with the possible income of the people in general and let taxes on land be reduced. Then rents should come down in proportion to cut in taxes and decreased ability of high-salaried men to pay them. High land values and rental values at present clog all the wheels of prosperity. Here we are speaking of town homes and business places. Unearned increments appropriated by property owners the past twenty years are proving one of the severest handicaps to continuing prosperity. An interest rate and provision for taxes and insurance on town and city buildings upon the artificial values foisted on city property compel rental rates that compel high salaries or large incomes, and large salaries and high incomes of city and town dwellers mean the sapping of the financial strength of the country. To get the water out of city real estate values is one of the greatest needs of the times. Rent of homes in Pittsboro is low, simply because no one is able to pay high rentals. Similarly, reduction of incomes in the cities will necessitate rental rates within the reach of the occupants. Instead of rental rates governing incomes and making them necessarily high, let's see the thing reversed and cut incomes reducing rentals to a lower level. Thus everybody would be benefited except the appropriators of the unearned increments in land values, and they would be compelled to disgorge some of their unearned wealth. Nothing will do more immediately to bring about a greater equality in living conditions than an era of low salaries.

Follows the letter of Mr. Beasley:

"Dear Pete:
Of all people in the world I thought you would be the last to put the cart before the horse in your thinking. (Thank you for the compliment.—Pete.)

Your editorial shows very clearly that you either missed the fundamental point in George's argument about what governs rents or you disagree with it. In either case it lets you into a tangle that can only confuse.
Suppose you would cut not only salaries to the quick, but all earnings of every class for the purpose of bringing down rents. What would be the final effect? It is true that rents would come down some because nobody could bid them up, most being too poor. BUT THE SAME RELATIVE INEQUALITIES WOULD EXIST. And it is not poverty you want for all the people, but a fair share for all of the bounties at hand.

Economic rent is determined by the difference in production or desirability between the best and the poorest land available. In the cities this is nothing but location. The desirable locations will always be bid up to the very highest point that rival bidders think they can make out of that location. This determines rent and not what the owners do charge or would like to charge. In every town now every day you see this. It is as plain as a pikestaff.

What we need in tax reform in North Carolina is not a lifting of taxes off land indiscriminately, but a reassessment upon present values. This would give adequate relief to the real farmers because their values are very low and it would not LET OUT THE SPECULATORS AND HOLDERS OF THE DESIRABLE LAND, ESPECIALLY RAPIDLY INCREASING CITY LAND. The pig in the poke behind this demand for "relief" is the land speculator and the vampires who call themselves 'REALTORS.'

R. F. BEASLEY."

Now, Roland, we are not conscious of having thought of Henry George during the few moments given to writing the editorial in question, nor is there occasion now to refer to the George theory of rents, further than to admit that the evils that George emphasized as consequences of the consent of the state to allow possessors of land to appropriate values added to it by the activities of the public are rampant at this time.

As a consequence, the incomes of city dwellers in general must be sufficiently large to finance rent, which we contend has steadily risen with the incomes of the renters. True, it is the old question of which came first, the chicken or the egg. Does rent rise with the ability of the renters

to pay or does the price of rent lead to greater incomes? That is the question. But, as in the case of the chicken and the egg, we know the order now, and we know that we can stop the egg production by failing to feed on an egg-production basis, though the hens themselves may remain in fair physical condition. Likewise, it is easy, we believe, to show that, whichever was the cause or the effect in the matter of incomes and rent, a reduction of incomes assuredly cuts down rent as does the reduction of feed cut down egg production.

Now, what we wrote in the editorial in question is to be taken in connection with our larger contention, that the appropriation of more than an equitable share of wealth, or its representative money, by any class or even by individuals, necessarily deprives others to an equal extent. What the city employe puts in rent can not go to the farmer in the price of food or to the furniture manufacturer for comfortable beds and chairs. It goes to the holders of the land, who if wealthy, uses a part of it to purchase the products of industry for personal consumption, while the rest goes into a further extension of the squeeze game.

Now for specific, or concrete, illustrations. We noted the other day that a survey of a hundred typical families of the employes of Henry Ford in Dearborn was made. They occupied four-room houses and paid each \$388 a year for rent. Those houses were built upon land that prior to the establishment of the Ford enterprises at Dearborn was probably of no more value than the land in the vicinity of Pittsboro, and the conditions would have been the same if Ford's establishment had been located on the sand hills of Bladen county. Those men are getting seven dollars a day. They are paying \$1 1/3 per working day for rent. And every purchaser of a Ford car in the United States is contributing to that rent fund. And if Ford himself owns the homes, a la the cotton mill owners of North Carolina, that contribution is direct to him, since he has already estimated the cost of his cars on the basis of the \$7.00 wages.

Now for a contrast. Neat new homes at the silk mill here in Pittsboro, four or five rooms, rent for \$10 a month, which is a dollar a day less than the four-room rent in Dearborn, and means that \$6.00 a day wages of Pittsboro employes would be of identical value with the \$7 wages of Ford.

Take the rent in the cotton mill villages of North Carolina and you will readily grant that no one can rent the employes four-room houses for \$388 a year, not even if the floors were paved with platinum. Consequently, the employes have an additional dollar in wage as compared with the renters of the Dearborn houses.

We grant there are sites, even for residence, that are more desirable, but even their rental prices would be lowered as the level of incomes should be lowered. The same folk who occupy them now would probably occupy them then as now. For it would be the comparative incomes that would determine in that matter. Moreover, if a certain business site has exceptional value, its rent would be proportionately valuable. But a lowering of incomes in a whole city would affect the rental values of every business house in the city. The only reason that a store room in Durham will rent for more than one in Pittsboro is the greater amount of business that the occupant expects to do, and the amount of business is proportionate, with a given number of stores, to the income of the trade area. Cut off the income of the trade area and you necessarily cut off a portion of rent values, so soon as the adaptation can be made, or the merchant will be satisfied with a smaller profit when his residence rent is cut.

CAROLINIANS--Know Your State!

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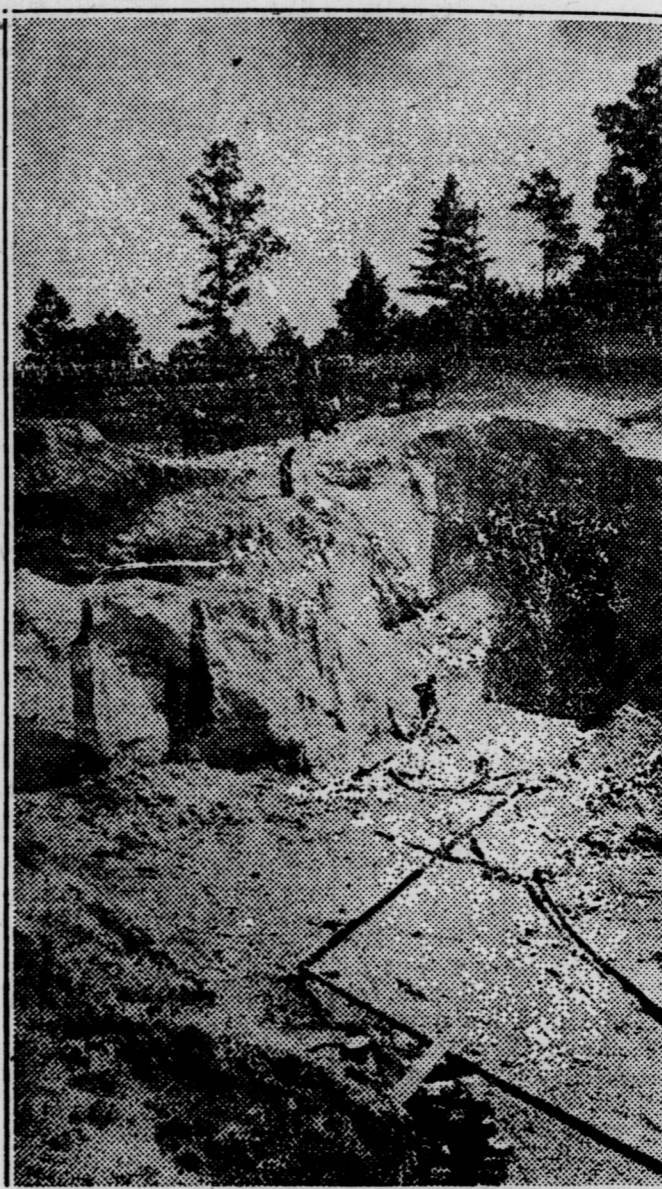


MICA MINE NEAR SPRUCE PINE

NORTH CAROLINA ranks first in the United States in the number (284) of native minerals and is the leading mica producing state in the Union. The best mica town is found in Jackson, Macon and Haywood counties. The mica industry, which has long been one of the leading mineral industries of the State, is greatly hampered at present due to an unfavorable tariff and foreign competition.

Mica can be imported from South Africa, France and India cheaper than it can be produced at local mines and as a result of this many mica finishing plants use imported mica even though it is not as good as that produced locally.

The total production in 1928 was 777,395 pounds of sheet mica valued at \$129,706 and 4,419 tons of scrap valued at \$69,638.
Use week beginning 8-10-30



Our contention, then, is briefly this: The reduction of income which would force a cessation of the absorption of a large part of that income in rents on property which has its enhanced value simply because of the excessive income of the community, would ultimately reduce rental values without taxing the wage or income earners in the actual comforts of life. They seriously would buy practically as much merchandise, and yet at a cheaper rate, since the cost of field and factory products would not be longer burdened with the excessive rent charges.

To come right close home—the writer lives in a house that with ground would readily rent for \$100 to \$150 a month in Chapel Hill or Raleigh, but he is not paying the rent of the occupier of one of the four-room Dearborn houses. True, a house half the size and grounds of one acre instead of, say, four or twenty-five, according as you desire to consider the situation as it actually exists, would be of equal value to his family. Nevertheless, if there had been a man in Pittsboro making \$5,000 clear a year who wanted that house, he would not have got it at the price the writer pays. He can not pay its worth for the man

who needs such a place, nor can any one else in Pittsboro who doesn't own his home, and necessarily he gets it at what a six- or seven-room home would cost him, though it has its own water system, and only the cost of current to operate the pump produces an abundance of water, and when you care to drink does so right from the well at a temperature of 55 degrees. This is a bad investment, of course, for the owner, but the house wasn't built for rent, and he has to lose on the investment made because of his peculiar needs or desires. But even if our needs and desires were identical—with the builder's, he could get no more, and simply because our income does not justify paying more for rent. And that is the case, Henry George to the contrary or otherwise, as the case may be.

Of course there would be no desire for the reduction of rents below the point where a fair return is given for the cost of construction and a reasonable valuation of the land; nor could rentals be forced below that point without stopping construction. And, yet, owners of buildings erected at a cost greater than the price of construction when and where needed, must, like all others be prepared to take

the chances of business. A man who erected a house at the apex of high prices should not expect to collect rent upon that basis for a generation. The owners of houses must adjust rentals to present values, and swallow his losses like other investors.

With all the talk of tax reduction we fail to hear a chorus on the theme of cutting salaries of all public officials, college and school men and women, and state employes in whatever department. Let salaries conform more nearly to the incomes of the employes, who are the people. If that be a hardship, let it be. Nine out of ten have difficulties making ends meet; why not the tenth man?

(More Editorial on Page Three)

Paste This on Your Diploma.
The reason why it is so hard for college graduates to find jobs is because most firms already have president and general managers!

Rastus was all dressed up to go to church when his spouse, in tears, informed him:
"We kain't go to de Mefodist chuch no mo."
"How come?" asked Rastus, who had been a Methodist all his life.
"Well, de census man come to de house de udder day and ask what chuch we goes to. Ah tol' him 'Mefodist.' Now we-all got to find ourselves de Protestant chuch."
—The Pathfinder.

"TIME OUT"

