

CHATHAM RECORD

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Editorials

Surely the condition of the tobacco farmers and the pressing need of a co-operative marketing association will now prevent Judge Meekins from awarding a single dollar more to the lawyers who want \$25,000 each for their services in throwing the old association into the hands of receivers. They have had \$5,000 each, and that should be taken from them, and instead of getting more they should be made to pay for damages wrought by them. The association had already passed through its experimental and most disastrous stages. The effects of former errors could not have been compensated, but the association, if it had been allowed to survive could have saved the tobacco farmers in general millions of dollars. Extravagances had been largely cut out and the business was being operated upon a more sensible basis.

Old-age, widows', disability pensions, and unemployment insurance by the state or national government will have to come to keep consumption, and therefore mass production, up to the maximum. The dogs in the mangers must be made to suffer the poor oxen to eat. Governor Roosevelt of New York has recently come out for unemployment insurance. Half the present Confederate pension fund in North Carolina should be immediately turned to the payment of general old-age pensions and widows' pensions. The 75 to 80-year old man or woman who lost his or her father in the war is far more deserving of a pension than the youngster who served three months in the army and did not get a scratch, and lost no father or brother in the war. Yet the real sufferer is getting not a cent, while the three-months soldier is getting his dollar a day.

Sentimentality with respect to the old soldiers ran to seed; while the children who suffered as much as any unwounded soldier, or more, and who are now old, have never had nay consideration. All the soldiers wounded or diseased through war experiences are dead long ago.

The law has stopped nearly every kind of a lottery and game of chance except marriage.

Anybody can spend a vacation if he has anything to spend it with.

Since writing the editorial captioned "Doctors Differ" we have talked with a Wilson county farmer who pays \$500 tax on his holdings. He has five tenants, we believe, to whom he has furnished \$3500 to make the crops. Yet he says that when everything made on the place is sold at present prices it will lack \$1500 paying the \$3500. The tenants will feel no responsibility for the shortage. Accordingly, he will be out \$1500 on supplies, \$500 on taxes, and the interest on his investments, besides deterioration of houses, barns, stock, etc. And he is one in ten thousand in similar condition. And the cotton he is making is in the same plight as the tobacco. The corn crop is only sufficient to take care of the stock next year. But still there are those who think that this man should pay his five hundred dollars and see his property values evaporate (for a \$35,000 farm of four years ago would now sell for hardly \$10,000) while thus helping to pay magnificent salaries to all state and county employees, including teachers, all of whom have not a cent of capital involved and pay only a modicum of taxes. The above situation is that of a farmer whose principal crop is tobacco, but the cotton grower who has to sell his crop at ten cents is in the same kind of fix.

HOW DOCTORS DIFFER.

Allen Maxwell says that North Carolina cannot bear the tax load that it is now attempting to carry. Louis Graves, in his Chapel Hill Weekly, says that "the present appropriations of the state of North Carolina are not a dollar too high". Manifestly, the doctors differ. However, a measure of that difference is due to the inclusion by Mr. Maxwell of all the town, city, and tax loads.

Yet, if the combined load is too heavy, and yet the state appropriations are not a dollar too great, the fault must lie in the county, town, city, and district taxes, which Mr. Graves must consider before he can justify his decision that the appropriations, therefore the taxes, are not too great. It would be up to him to satisfy his readers that there is a waste, or unnecessary expenditures, in the minor divisions, which saved would lessen the load and make it bearable. But as the school taxes of the counties are virtually dictated by the state and those make up considerably more than half of the county taxes, exclusive of levies for interest and sinking funds on bonds, it is clear that the margin for economies in the counties and cities is rather small, and that the load cannot be eased to any great extent by economies there, except in respect to cutting of salaries and wages, and as the state has fixed the major expenses of the superior courts, and as the legislature has set the salaries of the executive officers of the county, the margin becomes still narrower, in fact, so narrow that the relief urged by Mr. Maxwell as absolutely necessary must begin, and practically end, with the state.

Now, it is certain that Mr. Graves does not wish to see less work done for the welfare of the people of the state, counties, or cities, nor does Mr. Maxwell. Yet Mr. Graves thinks the present salaries necessary to secure and retain capable men in big college and other institutions. However, present salaries have not been sufficient to enable the state to compete with the institutions of the richer states when they want one of our men, and Mr. Graves cannot hope that this state will attempt to match salaries with those of the richer states and institutions including Duke University. For if the University paid its president \$25,000 a year instead of \$10,000 the University of Illinois could have paid \$40,000 to get Dr. Chase if it wanted him. North Carolina has already put itself in the attitude of a poor man who has attempted to keep up with his rich neighbor, yet has only broke himself up in the attempt without succeeding in matching his neighbor. In that case, the only possible thing to do is to get down on the poor man's basis. However, there is an injustice in the state's recent practice that can only be compared to the poor man who robs some of his children of the essentials of life to put others upon a parity with his rich neighbor's sons and daughters.

That North Carolina is poor should be recognized. One of the chief causes of all the trouble is that those who have directed expenditures have failed to see nine-tenths of the people. Even Louis Graves when he "observes the manner of living of the more prosperous citizen" fails to realize that the element that he conceives as able to furnish the money for the state are exceedingly few, though in his community an excessive proportion of citizens are sucking from the public pap, directly or indirectly. For instance, every person who owned a foot of land in the community of Chapel Hill has been, in a measure, enriched by the pouring out of the state's millions. Then, 200 members of the faculty are drawing salaries that put them upon easy street. Even the merchants fortunate enough to secure the few favorable stands find their clientele made to hand for them. And at the same time, every salary paid by the state or county is safe from a national income levy, if not from the state levy, the favoritism of the public not merely reaching to the payment of salaries in excess of the incomes of 95 per cent of the people of the state, many of whom have their capital at hazard, but also to freeing the favored from any income tax exactions.

Now, you may bet your bottom dollar that the other states haven't jobs for all our teachers, professors, and job holders of a hundred kinds, and that North Carolina would hold nine-tenths of its college men if the salaries were reduced 35 per cent. If they went elsewhere, others would be released to come here, or men just as good in the state who have never had the luck to

get such jobs would be called into service. Accordingly, there is nothing to hinder North Carolina's making another declaration of independence. Let it declare itself free from the example of those states which have not discovered their poor folk and gauge state salaries by the incomes of the prosperous, setting them above any that North Carolina may justly maintain. Let's have no favored class by the state's own making, seeing nine-tenths of the people barely living, already having spent much of their capital the past few years as well as every cent they could make. Let such men as Louis Graves realize that many who appear to be prosperous are mortgaged up to the hilt of their possessions, and that the time is at hand when the poverty of such people is almost bound to manifest itself. The splurgers have come nigh to the end of their ropes, and with them the state too. Only a course of retrenchment can redeem the situation, and there seems to be no adequate relief for the state with its billions of debts, including that of subdivisions, but only the partial relief of putting all state employees on a basis more in conformity with that of the average citizen, who struggles from year's to year's end to make ends meet.

Our congratulations are extended to our friend Captain S. A. Ashe, who has passed his ninetieth birthday. May he reach a hundred!

As we write it seems that the Guilford county pension fraud, for it is unquestionably a fraud on somebody's part, is running a close parallel to the Sampson case which we described last week. After the wide-spread discussion of that case there is little excuse for such frauds to have again risen. If the state auditor had published in each county a list of the pensions paid in that county, the fraudulent payments would assuredly have been discovered immediately. Honesty is not a political matter. The Sampson clerk was a Republican; the Guilford one a Democrat. The main lesson to be drawn is that both of them had held the jobs till they concluded that they were their private property.

It is useless to attempt to salve local economic sores that are due to constitutional derangements in the economic body. Every such sore, if healed for the time being, will return, so long as the economic practices permit such a thing as profit above a fair interest rate on investments after all costs are provided for, including deterioration and insurance. The blood-suckers must have their bills clipped before they can be stopped from sucking the life-blood of the general economic body. When the government shall begin to limit profits, then it will be on the way to an automatic of both raw and finished material will start on an automatic process of righting themselves. However, when that is done, the problem of labor, the adjustment of wages in the various activities of life, will be a practical problem. At present, the gain of one group of laborers usually means the greater impoverishment of other groups. Henry Ford's seven-dollar a day labor draws its pay largely from \$1 to \$4 labor in this and other countries. But so long as Mr. Ford can make what profit he pleases anyway, it is well for him to pay his employees a big wage. But when Mr. Ford's profits shall be limited, then that seven-dollar wage will be a matter of concern to the \$2 or \$3 labor buying the output of the Ford factories, and not till then. Limit profits and even up wages. Do that and the ills cure themselves.

Seeing Mr. J. W. Johnson, superintendent of the county home, unloading a carload of coal the other day, we were made to think what a pity it is that the home was built to use coal when wood is so abundant in the community and when so many people would be glad to have a market for it. But that is not the worse of it—the county has to give away the labor of its convicts, or practically so. The men who are hired to other counties for a song might prepare wood for every county institution, and produce food for the jail if affairs were arranged properly. Again, we have a coal mine within twelve miles. What a pity that coal cannot be brought from that mine for use in the county home, jail, and courthouse, if coal is to be used. The freight on the coal from the mine costs more than the coal at the mine, and mighty few big truck loads would bring a carload from Coal Glen.

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TOBACCO FARM, PITT COUNTY

ONE FOURTH of the tobacco crop of America is raised in North Carolina and the State ranks first among the states of the union in tobacco production. In 1929 508,060,000 pounds were produced, almost as much as the next three states in rank of production combined. The 1929 crop was valued at \$93,991,000.

North Carolina tobacco factories manufacture more tobacco products than any other section in the world. The major products are cigarettes, but smoking and chewing tobacco, snuff and cigars are also manufactured here. The principal manufacturing centers are Winston-Salem, Durham and Reidsville. Tobacco products are valued at about \$415,000,000 annually. The first explorers of North Carolina, Amadas and Barlowe, found tobacco growing here and took some of it back to England. In the early days it was used as money for payment of taxes and commodities and it has maintained its importance to the State.

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LUMBER CAMP, NEAR WILMINGTON

THE South produces 45 per cent of the nation's lumber and the forests of North Carolina are among the richest in the eastern half of the United States.

In the State are 24 varieties of oak, 8 of the 9 known varieties of hickory, all of the maple, linden and magnolia varieties known in the eastern states and eight varieties of pine. Fifty-seven of the 166 kinds of trees in the State have great economic value.

The production of lumber in 1928 amounted to 1,055,000,000 board feet with a value of over \$7,000,000, the State occupying tenth place in the United States in the amount cut.

The Record sees no benefit to accrue from mass meetings to discuss reforms in taxes. It will require the best heads in long and serious counsel to discover a remedy for a situation planning based upon the false premise that the state is rich. Cutting expenses is the only recourse, but such cutting should not mean less work for the welfare of the state. Cut salaries and let the present personnel continue to function, or if they want to quit, it will be easy to replace them with others who, with capital hazarded, have not been making nearly so much as the public employees. A mass meeting could make a demand for the cutting of wages, but such a meeting is no place to work out plans of tax reform.

It would have been interesting at the big tobacco meeting at Raleigh last week to have all the owners of stock in the tobacco factories stand up. A man who buys stock and receives the benefit of its doubling in price should realize that it takes a big profit to reward him thus. So long as certain industries can fix prices of both raw and finished material and make profits such as to keep the prices of their stocks climbing and profits still climbing on the exchange stocks, it means only that the wealth of the world will be sooner or later sopped up by them. The tariff helps some do that; but the greatest menaces are the industries that have become so large as to be a law to themselves and to the industries.

Are the patents of all cigarette machines so tied up as to prevent the erection of other tobacco factories? Cotton mills have multiplied, likewise furniture, rayon, etc., yet it seems out of the question to expect any one to build an independent tobacco factory. But that would seem the only way to make competition active. So long as four tobacco companies can fix the prices at which they buy and those at which they sell, it is certain that the buying price will be low and the selling price high.

FAIR TAXATION
The principle behind all democratic systems of taxation is the cost of government should be equitably distributed over all property in accordance with its value. Theoretically, this principle is still in effect in our states. Actually, however, we have strayed far from it. Certain types of property have been taxed out of all proportion to their value. Hardly a single year passes without agitation of some sort to levy more of the tax burden against the "corporation"—as if they had some magical way of creating wealth and didn't have to take it from the pockets of those to whom they services or commodities. Inequitable taxation benefits no one in the long run. It discourages industry and is a detriment to steady employment, good wages and high living standards, amounts, in effort, to class legislation. No business is entitled to prosper at the expense of another business. It is safe to say that a great many of our economic problems would be at last partially solved if we returned, in fact as well as theory, to the principle that taxes shall be fairly distributed among all property.—Ex.

EXPENSES OF THE NAVY

(From The Hamlet News-Messenger)
It takes a million dollars a day to run the United States Navy. The \$365,000,000 voted in lump sums by Congress is not noticed so much by the taxpayers. Suppose, however, that Congress remained in session every business day of the year, and suppose that each morning some Congressman presented an appropriation bill to spend \$1,000,000 on the navy for each respective day of the year. We suspect there would be some of us begin to inquire into the reasons.

Wonder what has become of the plans for preventing floods in the Mississippi? Because that river is about to dry up is no reason that floods will not come. This would seem to be a good time to push that work and give employment to the victims of the drought in that valley.

