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NEWS LETTER

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NORTH CAROLINA CLUB STUDIES

COUNTY TAX INJUSTICES

Dr. C. L. Raper, Professor of Economics in the University of North Carolina addressed the N. C. Club at its recent meeting, on The County Tax List and Tax Inequalities.

Dr. Raper has long been a diligent student of tax theories in general and of tax problems in North Carolina in particular. Various pamphlets and newspaper articles have given to the public his analysis of the situation in North Carolina, along with his constructive suggestions. They are widely known and need not be rehearsed here.

He spoke to the Club off-hand, and we are here giving only a brief running summary of his remarks. Our readers will fairly set them against the body of tax doctrines for which he is well known to stand.

The Important Units

In most states, said Dr. Raper, the county tax machinery and methods are fully prescribed by the legislature, and it is so in North Carolina. Here the county is the administrative unit, but the township is the assessing unit. The township assessing of land and the township listing of taxables of all sorts make the all important beginning; and here originate the inequalities that vitiate our system from bottom to top. And here it is that the inequalities of the tax burden begin. Our system breaks down first in township assessment, next in the failure of the county boards to equalize assessment values among townships within county lines, and last in the inequalities that exist among the counties of the state, which only the State Tax Commission can remove.

State Authority Supreme

The State Corporation Commission, which acts as the State Tax Commission and also as the State Bank Commission, has general authority over tax assessments, but rarely has it exercised its full power—only once indeed in a decided manner. Under this Commission, there is a county assessor who is appointed for one year out of every four. He must complete his work in about 75 working days, and he cannot receive more than four dollars per work day. He is usually appointed tax assessor because he has no better job, and in a majority of cases he is inefficient. Under the county assessor is the township assessor, who does the actual placing of values on the tax books. He cannot receive more than three dollars per work day and usually he completes his work in about 50 work days. During three years out of every four, the township assessor is under no direct supervision.

County Equalization.

There is a county board of equalization which passes on all complaints made by the taxpayers and has the authority to equalize the township assessments. It completes this enormous job, as a rule, in a short session of three or four hours, once a year. Few individuals complain, and the Board usually accepts without question the work of the township assessors. Thus the township assessor does the real work of assessment. His valuations are accepted by the county commissioners, which is the county board of equalization, and then by the State Tax Commission. The State Commission instructs the county and township assessors to put all property on the tax books at its true value. It is actually put on the books at from 5 to 95 per cent of its actual worth. Examples of inequalities in assessed valuations are countless.

We must work toward a uniform listing of all properties at their actual worth, and this can be done only by competent township assessors who have time enough, pay enough, and untrammelled freedom and courage enough for the task.

Remedies

- In conclusion, Dr. Raper offered the following suggestions as a partial cure for our existing evils:
1. A county assessor on the job all the time.
 2. Provision for a salary sufficient to insure the employment of really competent assessors.
 3. The unit of assessment should be

larger, probably extended from the township to the county.

4. All properties should be listed on the tax books at their true values as required by law.
5. A whole-time county assessor might well supplant the county treasurer, whose work could be turned over to some reputable bank in the county.

OUR COUNTY FEE SYSTEM

Prof. E. C. Branson, Head of Rural Economy and Sociology in the University, spoke before the North Carolina Club on November 26 on The County Fee System in North Carolina. His address was based mainly on an extensive correspondence carried on with leading men of affairs in 96 counties of the State. This is the first time anybody has ever assembled in a reliable, wholesale manner the data about county fees and commissions in this State; the counties on a salary basis; those on a fee basis, the counties that have abolished the office of treasurer, those with auditors or auditing arrangements, and so on. Only the brief summary and conclusions in Mr. Branson's address can be given here.

1. The fee system of compensating county officers was in vogue in fifty counties of the State in 1915, and fifty counties were on a salary basis.
2. The line of division between fee and salary counties seems to be \$75,000 of aggregate taxes of all sorts collected and handled for State and county purposes. All but two of the salary counties are above this level. Thirty-six of the fee counties are below; 14 are above it, and probably ought to change to the salary plan.
3. The fee plan of compensation is best under primitive conditions—that is, where populations are sparse, wealth small, and courthouse business meagre and occasional.
4. The salary plan is best in counties where fees and commissions rise into totals that make excessive compensations for service rendered—say, in counties collecting \$75,000 or more in taxes.

Salary Plan Failures

5. The salary plan with its guaranteed salaries removes a certain incentive to diligence and faithfulness. The officers are tempted to neglect the collection of legal fees that go into the county treasuries and not into their own pockets.
6. If customary fees and commissions are faithfully collected and honestly turned over to the fee funds of the county treasuries, the total is large enough to pay all salaries in at least 58 counties of the State, and to leave balances for schools, roads, jail expenses, interest, and sinking funds. These surpluses are being wasted in most of the salary counties. Court and county fees in North Carolina amount to some two and a quarter million dollars annually.
7. Fee funds in the salary counties steadily tend to grow smaller; and the salary plan as it operates at present in most counties adds to the burden of the general taxpayer. It succeeds best in Guilford, Wake, New Hanover, and Forsyth, in the order named—or apparently so.
8. Forty-three salary counties have inadequate auditing arrangements, or none at all, and the fee funds are utterly neglected or are ridiculously small. Manifestly salaries must come either out of the county fee funds or out of the pockets of the taxpayers; wherefore the interest that taxpayers have or ought to have in the auditing of county accounts and in fee and salary funds.

Remedies

9. Competent county auditors permanently employed, or certified public accountants employed at stated intervals, are necessary to instruct, advise, and counsel court-house officers in the business details of their offices. County officers are usually honest, but also they are usually untrained in business matters.
 10. In addition there is needed (1) a state-wide plan of uniform county accounting, and (2) a state auditing officer with a staff of competent field agents busy the year round advising, counseling and checking county officers in the handling of public funds.
- The experience of other states demon-

WE'RE COMING!

Judge Stephen C. Bragaw.

We are coming, Mother England, we are coming millions strong,
Hand across the sea are reaching,
gripped to rid the world of wrong;
We are coming, stricken Belgium, =
there with you to face the foe,
Pledged to make the haughty, Prussian pay in full for all your woe.

We are coming, France, our sister,
the glorious and fair,
By your side we'll soon be fighting in the trenches, in the air;
And the Hun shall feel the power of the men from o'er the sea,
We are coming and are swearing that this whole world shall be free.

We are coming, fair Italia, land from which Columbus came,
We, Columbia's sons are coming, coming in Columbia's name,
Now to raise our starry banner where a Caesar wore a crown,
Knowing that when once we raise it, naught on earth shall tear it down.

We are coming, German Kaiser, call your hosts from hill and plain,
Mass your men and mass your cannon, but your work will be in vain.
We are coming, German Kaiser, and our coming sounds the knell,
Of your boasted German Kultur that has made on earth a hell.

We are coming, men of Europe, we are coming millions strong,
There to stay and ne'er to falter, tho' the fight be hard and long.
"To the end" shall be our slogan—for the world it SHALL be free,
And the evil power of despots crushed at last on land and sea.

Hohenzollerns, Hapsburgs, hearken to the fast approaching beat,
Of the footsteps of a nation that has never known defeat,
Clad in armor of the righteous, caring naught for German might,
We are coming, we are coming, there to win or die for right.

strate that state-wide auditing of county accounts saves instead of wastes money. The system could be modeled on our state bank examiner plan. In ten years such a plan restored \$830,000 to the county treasuries of Ohio.

AMAZING PROSPERITY

The higher cost of living is pinching the city folks who work for salaries, unless their wages have been largely increased to meet the heavier price scales for everything which they must buy. But a prosperity beyond the wildest dreams has reached the agricultural districts. The farmers are in the midst of an era of good times unparalleled in history. Everything that can be produced from the soil is selling at fancy prices which so far overcome the difference in the increased prices for the things the farmer has to buy, that he is left with a surplus on hand which enables him to clean up his debts, buy more land or deposit in the bank. The truth of this statement is best shown in the deposits of banks in the agricultural districts, which have increased more than 100 per cent over last year. Many farmers are lifting deeds of trust which have stood against their land for a generation. Banks, merchants, supply houses, fertilizer and stock dealers report collections the easiest ever known.—Danbury Reporter.

VICTORY OR RUIN

A word as to the duty of those who will not be sent to face the cannon and rifles of the battle field. Every person should produce what he can. A starving world appeals to us for food. Hunger stalks abroad their land for many countries of Europe. It may come here. He who feeds a soldier helps to win the war. Extravagance should be avoided and economy practised. No waste should be permitted.

We must-win or ruin awaits us. Every man whose avarice commands him to

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**CHINA WILL HELP US WIN
A Geography Lesson**

I. By sending men as laborers into France and England to release Englishmen and Frenchmen for the army. She has already sent 100,000. She is constantly sending more.

Questions:—1. Has China such a very large population from which to draw any great number of men? How large? 2. Is China thickly settled? 3. How can she afford to send so large a number away for any length of time? 4. How many men is the United States planning to send as soldiers? 5. How can a laborer release a man for the army? 6. Who are now taking the places of the men who were workmen but now are soldiers?

II. By furnishing iron ore. She has vast deposits in Hupeh province, near the Yangste River; she sends great quantities to Japan who supplies it to the Russians even now; she exports much iron ore and would export more if she had a good system of mining and marketing it.

Questions:—1. Locate the Hupeh Province. 2. By what means would Japan send this iron ore on to Russia? 3. Why are good markets necessary for extensive exportation of a product? 4. How can China be induced to mine more iron ore? 5. Find other regions than the one mentioned where iron deposits are found in China. 6. How will it help win the war to have China supplying a

great deal of iron ore to England and France? 7. Where does the United States get the iron ore it is using in this war?

III. By supplying coal. She now produces over 10,000,000 tons a year; she has great areas of coal. Some of the coal companies are partly financed by British business men; she already exports 2,000,000 tons yearly.

Questions:—1. Where are these vast deposits of coal in China? Find them on the map. 2. What difference would it make if many of the coal companies had a great amount of German money invested in their business? 3. Who gets the coal exported from China? 4. Why is coal so necessary in order to win the war? 5. How much coal does the United States export every year? 6. How are our torpedo boats at sea kept supplied with coal?

IV. By supplying foodstuffs. China has many uncultivated acres; her famines have taught her the necessity for raising more foodstuffs; every year she exports \$3,000,000 worth.

Questions:—1. What different kinds of food can China furnish? 2. Which of these is most important to the Allies? 3. How could famines teach the lesson of greater food production and saving? 4. How is the United States helping to feed the Allies? 5. Who supplies the food for the United States army now in Europe? How?

make commercial warfare on those who are to go to the front, or on the families and dependents they may have, should have the eyes of censure riveted upon him. We should live or die together. Cries of greed should be silenced. The tongue of the agitator should be still.—Judge W. M. Bond.

GOOD NEWS

There has just come to hand No. 1, Vol. 2 of The Oak, the school paper of the Dallas Farm Life School. Its motto of democracy, Equal opportunity for all the children of all the people, still adorns the front page. By the way, this motto was taken from a sentence used by the United States Commissioner of Education, Dr. P. P. Claxton, a North Carolina product.

One of the items states that the present senior class is the largest in the history of the school and adds the interesting fact that the entire last year's faculty has returned.

This is good news indeed. Given a good faculty year after year with a good school spirit proud of its classes and its work, there is bound to be a broadening and deepening of life for every pupil in attendance. How many other schools have been fortunate enough to retain all their last year's faculty?

LENOIR MOVING AHEAD

A news note the other day tells us that Lenoir county is seriously considering the plan of consolidating all her 40 or more little rural schools and establishing 8 well organized, well equipped, conveniently located schools. In order to provide for those pupils living some distance from a school a system of transportation will be worked out.

This would be a wonderful piece of school administration and county re-organization if it can be put through. Just consider what a splendid opportunity would then be offered to every child in the county. Better schools, longer terms better attendance, better teaching because there would be less shifting of the teaching force, better health for the children and a general toning up of the whole educational system.

This is a big movement along the right lines and we hope it can be put through. If we did not know that Dr. James M. Parrott has the plan at heart and is doing all in his power to make it a success we should be skeptical. As it is we believe Lenoir can set the pace for the state in having a real county system of schools. We shall watch with interest and high hopes.

SHREWD DISCRETION

The community that shows the greatest patriotism now is the community that

provides good public schools. Neglect in providing proper facilities for the education of American youth is a neglect of America's greatest asset. The nation's call for increased food production is crowned with the appeal to increase the production of manhood and womanhood.

Right now is the time to begin the part of shrewd discretion by taking stock of what your community is doing for its boys and girls. "There is no jesting with edged tools," and there is no jesting with a community or a nation that sharpens the wits of its children.

While the young manhood of the nation is healing humanity's wounds with blood, the folks at home also have their responsibilities—for humanity's sake. The community with a ramshackle, dilapidated, antiquated, dingy, insanitary, poorly heated, poorly lighted, poorly ventilated and poorly taught school is squandering the time of its children and is a blight on patriotism.

Make the School Better

In this age when brains, training and well-directed efforts are the great prerequisites for human success it is the part of criminal neglect to let boys emerge from ragged schools with ragged minds to face a world that exacts action and training. It is just as hard to stand an empty bag on end as it is to make an empty-headed boy a success. Institutions alone can create a nation, and the public school is America's greatest institution. Make America greater by making its public schools better.

Certainly it requires money to do it, but it will be economy for the community tightwads to loosen their purse strings. Money spent to train the minds and character of children not only places a blessed heritage upon your own flesh and blood, but it is a display of patriotism that will make your nation and your flag greater.—The Country Gentleman.

POU'S PLEDGES

I propose that we take upon ourselves five simple but solemn pledges. I have personally taken each and all, and God being my helper I will keep them all. Here they are:

1. We pledge ourselves not to say or do anything during this war which will weaken the hands of our government, or which could give aid, comfort, or encouragement to the enemy.
2. We pledge ourselves during this war to do promptly and cheerfully all that our government shall ask us to do, the same being our power.
3. We pledge ourselves not to support any candidate for office who does not whole-heartedly support our country's cause in this war.
4. We pledge ourselves to not let the family of a soldier suffer for want of anything we can supply.
5. We pledge ourselves to give preference in all things, where practicable, to the soldier who went and did his duty over the man of military age and fitness who did not go.—James H. Pou.