NEWS LETTER

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BANK CAPITAL IN NORTH CAROLINA

III—IN SOUTH GERMANY

Stuttgart gives us a look into the life of a South German City, and what we see is perhaps the town life of all Germany outside of Berlin, the Rhineland, Munich, and such like centers of manufacture, trade, and tourist travel.

The Marquardt hotel where we are staying corners on the Schlossplatz, a four-acre public square, the street-car center of the city. The Schlossplatz is a beautiful open space, rimmed by full-leafed limes, lindens, and horsechestnuts, and parked with grass plots flower-beds, monuments, a band pavilion, walkways, and benches-a charming spot in which to sit and study the crowds surging through it and alongside it on their way to and from their daily tasks in a busy city of 400,000 people.

Vanished Pomps

palace of 365 rooms, all empty now save a small portion of the north end which the city uses as a school of inhomes in Stuttgart. On the south is the mighty Altes Schloss; once the headquarters of the 13th Army Corps, but empty now save the half dozen rooms occupied by the caretakers. Next to the Altes Schloss is the palace of the the pedagogues of ancient Athens. Al- It is so even in the market place, where Crown Prince, the second floor of which most without exception, their clothes the truck and fagots of the farmers, is now an apothecary shop. On the west is the impressive Koenigsbau or Kings-building, now an arcade of shops. A little way north along the Koenig-strasse is the immense quadrangular two-story building that once housed the royal race horses and the stable boys. The street side of it is being re-modeled for petty shop keepers. Palace buildings and military garrisons are ing in purchasing power, wars and deserted. The pomp of kings and army taxes will be one in the mind of Euofficers has vanished. No soldiers are seen, except an occasional member of the reichwehr-what we call at home the national guard. Doubtless we shall see more soldiers in a garrison city, say in Tubingen which we visit tomorrow to have a look at an ancient German university.

An Existence Struggle

When I think back to the strut and glittler of the German soldiery as I saw it in the Rhine towns in 1908, I realize that war has ceased to be an uppermost thing in the mind of Germany; or such is the unmistakable look of things in Stuttgart. The people I see day by day are grimly struggling for sheer existence. If there is any thought of war, there are no signs of it perceptible here.

The masses in every country of Europe realize now, perhaps for the first time in history, that wars must hereafter be paid for in taxes and never a-gain in loot. Not impossibly there may be other wars in Europe, but war-mad leaders in every country must now reckon with the tax-bearers. The va-cant thrones of Europe are a tragic re-

cant thrones of Europe are a tragic reminder of this arresting fact.

The thing I hear discussed daily in every group is taxes. Doubtless it is true that reckoned in dollars, the Germans are paying no such taxes as the Americans, the English, or even the French. But what they are paying is paid in an almost worthless currency. For instance Baron von Der Lippe threw up his hands in amazement when I told him I paid 3,000 marks, or ten cents in our paid 3,000 marks, or ten tents in our money, for a haircut in the Marquardt barber shop. My barber in Schorndorf charges me only 600 marks, said he. Which is only two cents in our money. These figures fairly represent the minimum value of goods and services, in the cities, and country towns of Wurtemberg and perhaps of all Germany. Think of a farm laborer worka whole month of fourteen-hour days for money enough to buy a single pair of Sunday shoes.

Taxes and Wage-Earners

Far more than war, taxes are the agonizing concern of these people; for taxes must be paid by everybody, and paid in money, and money of value is what they do not have. The thirty billion gold marks offered to France the other day represent a tax burden that Germany would stagger under for a full century; and the fifty buy not tobacco but mixtures, trievable bankruptcy. So I hear it mixture, shag and the like.

said on every hand, not by the millionaire factory owners, or the politicians, but by the wage earners with whom talk on Sunday mornings on the park benches and by the farmers among whom I am now living.

The Hard Hit

And mind you, the farmers and the factory wage earners in Germany have suffered far less than any other classes. The only really undernourished people I have so far seen in Germany are the people who lived aforetime on rents and interests, the owners of annuities purchased by pinching self-denial in the days before the war, the pensionnaires, and salaried social servants in general -in particular the teachers of every grade and rank.

For instance the salary of a librarian and author of distinction, whom I visit East of the Schlossplatz is the King's ed just outside Stuttgart the other day, is now around \$10 a month in our money, and on this pitiful sum he must keep alive a wife and three children. see the public school teachers of Stuttgart, largely men, shepherd their borses are few, and delivery trucks still fewer. Wagons of all sizes are streets and into the school buildings these mornings after the fashion of are pulled and pushed by hand power. are frayed, their shoes ragged, their sometimes in heavy loads, come in from faces and frames pinched and gaunt. long distances pushed by the women On yesterday I saw the same Cassius-like figure in a village schoolroom twenty miles out in the country. Oh yes, there is suffering in Germany, which no man can miss who looks about with alert eye. With existence commodities high and marks nearly nothrope for long centuries to come.

A Neat People

The crowds in the streets in every quarter of the city are neatly dressed—usually in black, grays, and browns, with rarely ever a touch of bright color. When I look closely I see that the uniform neatness is due to endless patching, darning, and pressing. There are not many brand new clothes to be seen even on Sundays. Shoes are in good condition, and always they are freshly polished every day. It seems to be the habit of Germany.

Frugal Fare

The men, women, and children on the streets look healthy, well set up and strong, but the overly fed are a bare baker's dozen. No poultry of milk appears on any table bill of fare No poultry or We have a little jug of milk, or what is called milk, for our breakfast coffee, but it is milk that the cow had little to do with. By law all milk must be reserved for the babies and the old people 70 years of age and over. I have seen dairy milk cows only once—out at Degerloch, a little town on the edge of Stuttgart, the other afternoon. Real butter can be had at high prices in the first-class restaurants, but the butter of the masses is margarine made from cocoanut oil and other substitutes. is frankly so labeled in the city market and stores. Pork and cheese, veal and sausage are more abundant, but the prices make them rare luxuries for city wage-earners. The native fruits on display are apples, very small, unap-petizing in look, and costly. Vegeta-bles are abundant but higb. Oranges and lemons from Spain and Sicily sell for distinctly less than in the United States, but the prices are prohibitive for all but the well-to-do in Stuttgart. As for coffee and tea, they are the luxuries of the very rich or the occasional dissipation of the middle classes;

Honest Tobacco

Smokers' wares are poor and cheap, but at least they are honest tobacco not substitutes. Heaven alone knows what tobacco is in some other countries -in England for instance, where you billions demanded by France mean irre- mixture, Cavendish mixture, Craven does the state so consistently rank low. 49

A MATTER OF HABIT

I have for many years been pretty well convinced that saving money is largely a matter of habit, and people who make a good beginning at it presently discover that it is by no means impossible, and it is altogether a good thing to do. Just at this juncture in the world's and our country's affairs it is certainly one of the most useful contributions that people could possibly make to putting the world right. I do not believe there is any other way to straighten out the tangle of finanand economic concerns which the world has been precipitated by the war, except to produce a good deal more than we consume, which means to save, and by our savings to reestablish the world's stores of working capital. — President

Human Motor Power

Labor is abundant and unbelievably cheap. There are nowhere any signs of idleness. Store deliveries are commonly by hand, frequently by girls and old men. Delivery wagons drawn by folks and guided by their man in front -guided not pulled.

I have seen fewer automobiles and motor trucks in Stuttgart in a week than can be seen any day on Franklin street in Chapel Hill. Think of living in a land where a Ford car would put the owner in the millionaire class

Low Rail Fares General

But almost the most impressive thing in Germany is the volume of railway travel. Every train is crowded, and it is so because work people in multiplied millions must live in the country villages and go into and out of the city centers by trams and trains. No resicenters by trams and trains. dences for rent have been built in Germany for nearly ten years because rents no longer pay dividends. And the cheapest thing in Germany is railroad fares; so because stores and factories must depend largely on outside workers, and outside workers must travel cheaply or not at all. My second-class ticket to Winterbach and back to Stuttgart the other day, thirty-two miles all told, was less than ten cents. The fares are even cheaper for wage-earners who go and come on third and fourth class tickets good for a week or a month.

What is Missing

Some of the things I miss in Germany are silk stockings, paint and powder, dance halls and cabarets, and the gay abandon of night life in American cities. The German masses are evidently living on Ben Franklin's sawdust pudding. -E. C. Branson, Schlossgut Engelberg, April 30.

BANK CAPITAL

19

The total bank capital and surplus in all national, state, and private banks 21 in North Carolina on December 31, 22 1921, was \$56,650,983, or \$20.90 for each 23 inhabitant of the state. The bank 24 capital of the state ranges from \$90.85 25 per inhabitant in Mecklenburg county 26 to none in Camden which has no bank of any kind. In Caswell it was 63

On the hasis of bank capital per inhabitant this state ranks forty-fifth in the entire Union, with only Arkansas, Alabama, and Mississippi below us.

The bank capital per person is sixty and percent below the average for usually the coffee is exactly of a states of the Union. The four states sort with that our grandmothers used bordering us all rank ahead of us in in the South during the War Between bank capital per inhabitant, notwiththe States-parched peas, barley grains standing the fact that we are ahead of and the like. agriculture. It matters not in what particular of banking the states are ranked, whether in capital, resources, deposits, loans and discounts, North Carolina makes a very poor showing on 45 a per inhabitant basis. Always there are less than a half dozen states below Wills us. In no major field other than banking Why is this true? Is it because we

savings? Is it because we engage in activities that do not call for banking facilities? Is it because we are poor on a per inhabitant basis? The reason does not lie in any one answer. There is a combination of factors that explains our low rank in the banking world.

Some Reasons

In population we are a rural state, one of the most rural in the Union. Only four states have a larger farm population ratio. Eighty percent of population ratio. Eighty percent our people live on farms, and in small towns with fewer than 2,500 people. Sixty counties have no town of as many as 2,500 people. There is no large city in the entire state. The counties that have large towns rank well

are not thrifty and do not accumulate are more of a clearing house nature. balancing accounts, and the capital required to carry on such a banking business does not need to be large. Much of the banking business of our big industries is handled by banks in northern cities, the local bankers acting as

We Must Develop

But whatever the reasons for meagre banking facilities, the fault lies not with the banks or bankers, but with the people themselves. Banks grow in response to banking needs. The size of a bank depends upon how much business the bank can do in the community, upon demands for loans and discounts, the volume of time and savings deposits, habits of thrift, industry, frugality, upon accumulated capital. The size of

large city in the entire state. The counties that have large towns rank well in banking resources but the purely agricultural counties make very little use of banks. There is not a fair-sized town in the forty counties with less than ten dollars of bank capital per inhabitant. These are all purely agricultural counties, and mainly counties with small values to market. They are mainly Mountain and Tidewater counties.

The farms of the state are very small, the smallest in the Union except in Massachusetts. Except in the cotton and tobacco belts the farmers have little to sell, and consequently buy little, and it does not require much of a bank to supply the banking needs of these farmer communities. Even cotton and tobacco call for a seasonal banking and the money required to market these crops is largely imported during the marketing season. The average farmer who grows neither cotton nor tobacco has very few contacts with any bank. Again some of the major industries of the state do not make large demands on the banks. The demands

BANK CAPITAL PER INHABITANT In North Carolina in December 1921

Based on Comptroller of the Currency Report of December 5, 1921, and Report of State Banks of December 31, 1921, and covers the capital and surplus in all national, state, and private banks in each county, divided by the population.

State average \$20.90. United States average on June 30, 1922, was \$50.91 per inhabitant; North Carolina's rank was 45th. Mecklenburg leads the state with \$90.85 banking capital per inhabitant. Camden has no bank. Only six counties in the state rank above the average for the United States.

Department of Rural Social Economics, University of North Carolina

ank	County	Bank Capital Per Inhab.	Rank	County	Bank Capital Per Inhab.
	Mecklenburg	\$90.85	51	Franklin	\$12.66
	New Hanover		52 .	Craven	
	Durham	62.94	53	Lee	
	Vance	57.03	54	Northampton	
	Edgecombe		55	Cumberland	
	Guilford		56	Caldwell	
	Pasquotank		57	Watauga	
	Gaston		58	Carteret	
	Scotland		59	Duplin	
	Wilson		60	Haywood	
	Forsyth		61	Davie	
	Wayne		62	Harnett	9.74
	Wake		63	Washington	
	Beaufort		64	Stanly	
	Lenoir		65	Orange	
	Chowan		66	Tyrrell	8.66
	Graham		67	Burke	8,60
	Alamance		68	Chatham	8.53
	Hertford		69	Alexander	
	Catawba		70	Polk	
	Cabarrus		71	Wilkes	
	Greene.		72	Macon	
	Anson		73	Nash	
	Granville		74	Perquimans	
	Pitt		75	Warren	
	Martin		76	Yancey	
	Montgomery		77	Hoke	
	Lincoln		78	Brunswick	
	Richmond		79	Madison	
	Union		80	Columbus	
	Person	18.37	81	Stokes	
	Moore		82	Bladen	
	Robeson	17.29	83	Onslow	6.12
	Clay	17.21	84	Cherokee	6.06
	Rowan	17.02	85	Avery	
	Halifax	16.63	86	Sampson	5.46
	Rockingham	15.80	87	Alleghany	5.20
	Surry	15.34	88	Ashe	
	Johnston	15.24	89	Swain	4.30
	McDowell	14.65	90	Hyde	4.29
	Davidson	14.20	91	Mitchell	4.20
	Bertie	14.13	92	Jackson	4.15
	Transylvania	13.86	93	Pender	3.82
	Cleveland	13.81	94	Jones	3.53
	Iredell	13.54	95	Pamlico	3.31
	Rutherford	13.48	96	Currituck	2.75
	Gates	13.36	97	Yadkin	2.74
	Randolph	13.33	98	Dare	1.95
	Buncombe	12.98	99	Caswell	0,63
	Henderson	12.87	100	Camden	0.00