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Editorial Board: E. C. Branson, S. H. Hobbs, Jr., L. R. Wilson, E. W. Knight, D. D. Carroll, J. B. Bullitt, H. W. Odum.

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PROGRAM FOR TAX STUDY CLUBS

V. TAX COLLECTING

(It is suggested that one person be charged with this section)

A. Outline

1. The Taxlist:
   - Prepared by Register of Deeds or Tax Supervisor. (74) *
   - When endorsed has force of a judgment. (74) C. S. 7991. †
2. The Tax Collector:
   - In most counties taxes are collected by sheriff. (79)
   - He sits for a day or more in each township. (79)
3. Payment of taxes:
   - When due. (78)
   - Discounts and penalties. (78) C. S. 7994.
   - Form of receipt. (74, 78) C. S. 7994.
4. Delinquent taxpayers:
   - Levy on personalty. C. S. 8006-8008.
   - Garnishee wages. (65) C. S. 8004.
   - Sell real estate. (98, 99) C. S. 8010-8027.
   - Date of sale. (98) C. S. 8012.
   - Published notice. C. S. 8014.
   - Personal notice. C. S. 8013.
   - Manner of sale. C. S. 8015.
   - Sheriff's record of tax sales. C. S. 8017.
   - Certificate of sale to purchaser, or assignee. C. S. 8024, 8026.
5. Redemption of land sold for taxes: C. S. 8038.
   - Must be within one year.
   - Must pay 20 percent interest to purchaser.
   - Must pay costs to county.
6. Failure to redeem:
   - If certificate of sale held by private party, he must serve personal notice on taxpayer, occupant, and mortgagee, if they can be reached. C. S. 8028.
   - Otherwise at the end of nine months he advertises for three consecutive weeks. C. S. 8028.
   - At the end of year may demand deed from sheriff, C. S. 8030; or he may foreclose within two years. C. S. 8037.
   - If certificate of sale held by county, may institute foreclosure proceedings after one year and within five years after date of sale. C. S. 8037.
   - Original owner may start suit for recovery within three years. C. S. 8034.
7. Sheriff's Settlement: (86-95) C. S. 7998; C. S. 8048-8052.
   - Time of settlement. (78, 86, 88)
   - Compensation. (87) C. S. 8044.
   - Commissioners to determine what taxes are insolvent. (79, 89) C. S. 8041.
8. Taxes a Prior Claim: (89)

* Numbers in parentheses refer to sections in the 1925 Machinery Act.

† Numbers preceded by C. S. refer to sections in Consolidated Statutes.

B. Explanation

No taxing unit ever collects all of the taxes which it levies, and naturally the proportion will be less in a time of depression than when times are good. In agricultural counties the ratio of insolvents will reflect the condition of the crops. Yet sometimes two similar counties under almost identical conditions will present striking differences in tax collections. One county may collect 99 percent of its taxes and the other hardly more than 90 percent.

Such variations suggest unequal diligence on the part of the tax collectors. In most counties the sheriff acts as tax collector, and in most counties he receives an ample salary or commission for performing this service. Too frequently he is dilatory and over-indulgent; rarely is the full letter of the law enforced. More than likely his indulgence is prompted by the most generous impulses. The sheriff is usually a kindly man, and he does not like to be severe with his fellow citizens. But it is doubtful if leniency in tax collecting is any kindness after all. Postponement of payment this year only makes it more difficult to meet it next year. Delay in collection often permits the migratory taxpayer to escape. Furthermore, it deprives the county of the use of its funds, and necessitates borrowing. But worst of all, it establishes a bad precedent. If one is granted an extension, others have a right to demand the same privilege. The result is that delay in paying taxes has become chronic in North Carolina.

But that is not all. Some do not pay at all and "get by" with it. When there is no real estate there is no other way to collect from a delinquent except through execution. The sheriff dislikes to seize a man's personal property; it is physically easier and politically wiser to declare the taxpayer "insolvent"; and this is too often done. In case there is real estate it can be advertised and sold for taxes, but here again the performance is only a gesture. Few people care to purchase land at a tax sale because of the inconvenience and uncertainty involved in getting a deed. Consequently the county bids in the property and, if the owner redeems it within a year, collects the tax plus a 20 percent penalty. If the owner fails to redeem it the county rarely proceeds to foreclose as provided by law. The taxes stand against the land and may be collected later, but often there is a change of administration, the record of tax sales is lost or unintelligible and so the slate is wiped clean. Thus the county not only loses the tax, but the respect and fear of the taxpayer. It has become a habit with many taxpayers to wait to be coerced. There seems to be little stigma attached so long as other reputable citizens are also being advertised. A vigorous enforcement of the tax laws throughout the state would inculcate a wholesome respect for law and incidentally effect a considerable saving to those who now pay their taxes promptly and honorably.

C. Questions

What percentage of the 1924 taxes have been collected in your county? 1923 taxes? 1922 taxes?

Does the sheriff make an annual settlement?

What was the amount of insolvents last year? Examine the list.

What was the amount of tax sales for 1924 taxes?

Are there still sales to be held for 1924 taxes?

How much real estate has the county bid in for each of the last three years?

How much was redeemed within a year?

What was done in those cases in which it was not redeemed?

Does the sheriff exhaust a man's personalty before selling his real estate for taxes?

What compensation does the sheriff receive for collecting taxes?

Are the tax laws rigorously and impartially enforced?

Are discounts allowed if taxes are paid early, and a penalty imposed if paid late?

Is the penalty heavy enough?

What portion of the marriage license fee is retained by the county?

What privilege and license taxes does the sheriff collect for the county? for the state?

D. Sources of Information

Consolidated Statutes, sections 7972-8052.

North Carolina Machinery Act, 1925, sections 74 to 99.

County Tax Books, and county tax officials.—Paul W. Wager.

OUR UNLUCKY NUMBER

Thirteen was North Carolina's unlucky figure in the census of 1920. The government figures of that year showed that in North Carolina out of every hundred persons of ten years or over there were thirteen who could not read and write. It was not a less lucky number for North Carolina because in Alabama there were sixteen, fifteen in Arizona, New Mexico and Georgia, twenty-one in Louisiana, seventeen in Mississippi, and eighteen in South Carolina out of every hundred who were illiterates.

As long as one person in North Carolina of ten years or more is without sufficient education to read and write the English language, it will be a problem to demand attention. In 1920 eight out of every hundred white people and twenty-four out of every hundred negroes, making an average of thirteen, were unable to read and write. That percentage was entirely too high, especially when it is remembered that the figures disclosed that practically one-fourth of our negro population were illiterates.

Happily rapid progress is being made in removing this unlucky figure from the annals of our history. Last week an important conference of school superintendents was held in Asheville to consider the important problem of educating a quarter of a million illiterates in North Carolina. Think of it! A quarter of a million adults in progressive North Carolina without the means of securing even rudimentary knowledge except by oral instruction and then totally untrained in ways of assimilating it.

Buncombe county has demonstrated that adults can be taught to read and write. Three thousand and five hundred of them have been taught in that county. It is a wonderful revelation of progress when that many adults take enough interest in bettering their condition to learn to read and write after having gone through childhood and youth without having done so. It is an omen of progress that is more substantial than mere buildings or material achievement. It reveals men and women of heroic stuff.—News and Observer.

MODEL RURAL COMMUNITY

A model rural community
Will have good roads
Will be patriotic
Will be prosperous
Will be sanitary
Will be ambitious
Will be cooperative
Will have good schools
Will be law-abiding
Will be God-fearing.

A community with these characteristics does not merely happen. It becomes so only as a direct result of well-planned thinking and doing of men and women who have vision, personality, a tactful judgment, and the ability to do common things in an uncommon way. It is safe to say that a community will be just as strong and progressive as its citizenship.—The Banker-Farmer.

RURAL ELECTRIC POWER

IV. SELECTION OF PROPER WATER WHEEL

In the last two articles there were described the three types of water power prime movers, namely the steel overshot, turbine, and impulse wheels. A broad generalization was made describing the conditions of stream flow, fall, and power for which each of these types was adapted. In selecting the best type of water wheel it is necessary not only to bear in mind these general considerations, but a careful study of additional factors should be made to enable the most economical unit to be purchased. The cheapest installation in first cost, or even the wheel having greatest efficiency at some special power output, is not necessarily the most economical in the long run. Other factors to consider are described in this and succeeding articles.

Machinery to be Driven

The water wheel may be used to drive an electric generator. In this event it may be either directly connected to the generator, or connected with it by belt or rope. The water wheel may be used to drive machinery in a mill, or a pump, neither of which is electrically operated. In these cases the water wheel may be connected through gearing or by rope or belt drive. A future article will treat in more detail of these various methods of connecting the water wheel.

Character of Load

Does the demand for power fluctuate greatly, or is it fairly constant? Is there simply a demand for power to operate household appliances such as electric irons, washing machines, etc., together with farm or rural lighting at night, or is there a big demand for power in the day time to operate a mill and is the demand constant every day, or only occasional? For instance, it would not do in many cases to put in, say a 200 h. p. wheel to operate a mill in the day time, and expect it to work efficiently to supply a 75 h. p. lighting load at night. Two wheels would be more economical in such a case, especially if the water supply was at all limited.

Get Proper Size Wheel

Moreover, we should be very certain that the wheel which is installed is designed for the load to be applied to it. All water wheels, especially of the turbine type, operate at maximum efficiency within rather narrow limits of horsepower. Thus a given wheel designed for a fall of 34 feet will produce 265 h. p. at 80 percent efficiency, and use 110 cubic feet of water per second. With the same fall, if the flow is reduced to only 95 cubic feet per second the power produced is 150 h. p., and the efficiency only 65 percent. Manifestly this wheel ought not to be used if the ordinary load was 150 h. p. because of the low efficiency which means waste of water. A smaller wheel designed for maximum efficiency at 150 h. p. and 34 feet fall should have been installed.

There are many very uneconomic power plants in this state that are operating poorly because of the installation of a wheel too big for the actual load on it. There is a tendency among manufacturers of water wheels to sell a wheel too big, because it means more money to the selling agent. The agent will say that while your plant only needs 150 h. p. now, you may expand and the load increase, so he will recommend a 265 h. p. wheel and you will be able to take on an additional load. This is all right if there is plenty of water, but in the majority of cases the purchaser should be very cautious about buying a water wheel having much greater capacity than his present load demands. Usually it is better to install an additional wheel if there is ample water and the power demands grow. The purchaser should insist on being supplied by the manufacturer with "characteristic curves" for the wheel it is proposed to sell him. These curves show the relation between h. p., quantity of water used, fall, and efficiency. The wheel purchased should base its maximum efficiency at about the h. p. required by the present load and using the amount of water available. In the case of plants designed for more than 200 h. p. it will usually pay to get a competent disinterested engineer to advise on the size of wheel to install, and not to rely on the advice of the manufacturer's agent alone.—Thorndike Saville.

THE BONDED DEBT OF NORTH CAROLINA
As of August 1, 1924

The following summary of the bonded debt of North Carolina is taken from a recent volume issued by the Bank of America, and the information for this state was supplied by State Treasurer B. R. Lacy.

Purpose of State Debt

Highways	$66,552,600
Welfare Institutions	18,922,500
Public Buildings	10,250,000
Miscellaneous	6,142,500
Funding Operations	3,980,000

North Carolina ranks fourth in total debt, $105,847,600.
North Carolina ranks third in per capita state debt, $38.87.
North Carolina ranks third in Highway debt, $66,552,600.

The Bonded Debt Analyzed

Date of Issue	Form	Amount	Purpose	Int. Rate %	Maturity
July, 1909	Bonds	$500,000	State Hospitals	4	July 1, 1949
July, 1910	Bonds	3,430,000	Refunding	4	July 1, 1950
July, 1911	Bonds	250,000	State Building	4	July 1, 1951
July, 1911	Bonds	60,000	School for Feeble-Minded	4	July 1, 1951
Jan., 1913	Bonds	550,000	Refunding	4	Jan., 1953
July, 1913	Bonds	1,142,500	Improvement	4	July, 1953
July, 1917-20	Bonds	1,368,500	Educational and Charitable Institutions	4	July, 1924-1938
July, 1917	Bonds	75,000	Caswell Training School	4	July, 1927
July, 1917	Bonds	25,000	Training School for Girls and Women	4	July, 1927
July, 1921	Bonds	25,000,000	Highway Construction	4½	Jan., July, 1932-1962
Jan., 1922 23	Bonds				
July, 1921	Bonds	4,552,600	Highway Construction	5	July, 1931, 1941, 1951 and 1961
Jan. 1, 1923	Bonds	1,250,000	Highway Construction	4½	Jan., 1933-1937
Jan. 1, 1923	Bonds	3,750,000	Highway Construction	4 3-4	Jan , 1938-1952
July 24, 1924	Bonds	10,000,000	Highway Construction	4½	Jan. 1, 1934-1963
Sept. 20, 1923	*Notes	5,000,000	Highway Construction	5½	Sept. 20, 1925
May 20, 1924	*Notes	15,000,000	Highway Construction	3⅞	Feb. 20, 1925
June 22, 1924	*Notes	2,000,000	Highway Construction	2½	Aug. 22, 1924
July, 1921	Bonds	3,372,000	Educational and Charitable Institutions	5	July, 1961
Jan. 1, 1922	Bonds	3,373,000	Educational and Charitable Institutions	4½	Jan., 1962
Oct. 1, 1923	Bonds	3,049,000	Educational and Charitable Institutions	4½	Oct. 1, 1963
Oct. 1, 1923	Bonds	7,100,000	Educational and Charitable Institutions	4 3-4	Oct. 1, 1963
Oct. 1, 1923	Bonds	500,000	Public Improvement	4 3-4	Oct. 1, 1963
Jan., 1922	Bonds	5,000,000	Special School Building Serial	4½	Jan., 1927-1947
Feb. 15, 1922	Bonds	4,500,000	State Serial	5	Feb., 1937, 1942, 1947 and 1952
Mar. 10, 1924	*Notes	3,700,000	Public School Buildings	4½	Sept. 10, 1924
Mar. 25, 1924	*Notes	1,300,000	Public School Buildings	4¼	Sept. 10, 1924

Total $105,847,600

*These notes were given in anticipation of sale of bonds and will be retired when bonds are sold.