

THE UNIVERSITY OF NORTH CAROLINA
NEWS LETTER

Published Weekly by the
University of North Carolina
for the University Extension
Division.

The news in this publication is released for the press on receipt.

JANUARY 26, 1927

CHAPEL HILL, N. C.
THE UNIVERSITY OF NORTH CAROLINA PRESS

VOL. XIII, No. 11

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Entered as second-class matter November 14, 1914, at the Postoffice at Chapel Hill, N. C., under the act of August 24, 1912.

OUR COUNTY BONDED DEBT

COUNTY BONDED DEBT

The bonded debt of the one hundred counties of the state on June 30, 1926, was nearly one hundred and thirteen million dollars, according to a recent official bulletin released from the office of the state auditor. The table which appears elsewhere ranks the counties according to the percent the county government bonded debt is of all wealth listed for taxation in the county, column three. Column one shows the total county bonded debt as reported by the State Auditor; column two shows the county bonded debt on a per inhabitant basis. The county debt averages \$40.85 per inhabitant, using 1926 estimates of population, and amounts to 4.16 percent of the aggregate of wealth listed for taxation in the state.

Outstanding Facts

Clay county leads in the percent the county bonded debt is of all wealth listed for taxation, with 18.08 percent, which is more than twice the limit as now fixed by law, for a county of Clay's wealth.

Buncombe county has the largest aggregate county debt, the amount being nearly seven million dollars, followed by Wake with more than four and a half million, and Guilford with more than four and a quarter million.

Henderson county has the largest county debt on a per inhabitant basis with nearly one hundred and twenty-four dollars, followed by Carteret with one hundred and one dollars.

Northampton has the smallest debt per inhabitant, and also the lowest debt-wealth ratio. The debt as reported for Cabarrus is probably greatly in error.

The bonded debt is a high percent of taxable wealth in the poor counties as a rule. The first twenty-nine counties in the table are all mountain or tide-water counties except three, all exclusively rural, and practically all below the state average in wealth. Only two of the state's city counties appear in the upper half of the table. The county debt is only a small percent of the taxed wealth in the city counties, as a rule. Guilford ranks seventy-seven, Gaston eighty-two, Durham eighty-seven, New Hanover ninety, Mecklenburg ninety-one, and Forsyth ninety-seven. The county debt per inhabitant is below the state average in all the above-named counties except one.

Purposes of Debt

The county bonded debt has been incurred for the following purposes: roads and bridges nearly seventy-five million dollars; schoolhouses nearly twenty million dollars; court-houses, jails, county homes, etc. nearly ten million dollars; funding debt nearly seven and three-quarter millions; and for railroads over six hundred thousand dollars. The table does not include short-term debt obligations for current expenses.

Debt Limitations

The legislature has fixed the limits beyond which a county is forbidden to go in incurring bonded debt. The present limits are as follows: for counties with less than ten millions of taxed wealth, eight percent; ten millions to twenty millions, seven percent; above twenty millions, five percent. See Chapter 93, Public Laws, Extra Session 1924.

The table shows that there are a good many counties whose debt is beyond the present legal limits. The presumption is that the debt was incurred before the limits were fixed by law. Manifestly there was grave need for such limitation in several counties. Unless there have been material increases in wealth listed for taxation during the last two years there are twenty-eight counties whose county debt is beyond the legal limits as now fixed by law. But as we have said, the debt was probably incurred before the limits were fixed. There appear to be seventy-two counties which are privileged to further increase their bonded debt, but the limit has been almost reached in many of these. However, there are many counties which have abundant room for expanding their debt before reaching the legal limits.

If property were listed at its true value the debt ratio to the wealth would be materially reduced in every county,

and much more in some than in others. For the details concerning county bonded debt see the table which appears elsewhere.—S.H.H., Jr.

CONCERNING TAXES

Fifteen percent of the national income for taxes! An outrage and a calamity according to some, an evidence of civilization according to others. Which is right?

The answer is found by examining the sources from which the taxes are derived and the purposes for which they are spent. If fifteen percent is extracted each year from the family budget, from the channels of production, from the savings of the thrifty, and is dissipated through war or the maintenance of an elaborate military machine, through political patronage, through governmental inefficiency, through the support of the criminal and the improvident, or by paying interest on the debts of extravagance, it is a calamity and an outrage.

If, on the other hand, the taxes are equitably assessed and are expended for the common good by wise and honest administrators, taxes are a true measure of civilization. They represent the collective expenditures of society, the cost of those services which have been mutualized. Government is a gigantic cooperative enterprise, to which the individual should contribute according to his ability and from which he should benefit according to his need. When government is characterized by honesty and efficiency and is supported with universal loyalty, then public expenditures will yield a greater return than private expenditures, and high taxes will reflect a high degree of cooperation and a high plane of civilization.

It may be that the sphere of governmental activity has expanded too fast,—faster than the machinery of government could be adjusted. It may be that it has expanded too far, though it would be difficult to name a governmental service that even ten percent of the people would be willing to see discontinued.

Most of the people who are complaining about high taxes are not in favor of less governmental activity. They want more roads, more schools, more hospitals, more public support of everything that affects them personally. What they really desire is to have the tax shifted onto the other fellow—no particular other fellow, just somebody else. Nearly everyone has gotten the idea that he or his class is being discriminated against. In some cases he is correct. Our tax system is far from being scientific. But not all of the tax complaining is to be taken seriously. When a man with five children in the public schools complains about a four-dollar school tax, his complaint doesn't deserve much attention. Neither does the complaint of a man with a chest full of tax-exempt securities deserve much sympathy when he complains that his house and lot are assessed too high.

There is one class of people, however, whose complaint should be heeded. They are those who desire no special favors, but who see injustice, discrimination and subterfuge all about them and who cry for reform. We must not permit a system to continue that penalizes the conscientious, pauperizes the homeowner, and encourages a wholesale competition in perjury. Neither must we permit a system that chokes expanding sources of revenue.

There is another group of critics who also deserve a hearing. It consists of those who demand efficiency in government. People justly complain about high taxes if they see a considerable portion of the taxpayer's dollar lost in the processes of collection, another portion absorbed by the custodian of the public funds, some more wasted in careless expenditure, and even some diverted into the form of patronage. In federal, state, and local government there is great and unpardonable waste. Perhaps an individual or a small group of individuals cannot influence federal or state government, but a handful of earnest men and women may revolutionize the government of a city or county. There is a good starting point in seeking tax relief.

There is no more pressing need in the state at the present time than a

FULL OF WEALTH

England is full of wealth, of multifarious produce, supply for human want in every kind; yet England is dying of inanition. With unabated bounty the land of England blooms and grows; waving with yellow harvests; thick-studded with workshops, industrial implements, with fifteen millions of workers, understood to be the strongest, the cunningest, and the willingest our Earth ever had; these men are here, the work they have done, the fruit they have realized is here, abundant, exuberant, on every hand of us: and behold, some baleful fiat as of Enchantment has gone forth, saying, 'Touch it not ye workers, ye master workers, ye master idlers; none of you can touch it, no man of you shall be the better for it; this is enchanted fruit.'—Thomas Carlyle, in Past and Present.

thorough-going tax reform. The future progress of the state demands it. But it must be tax reform and not merely tax revision. The task must be approached with the sincere desire to devise a tax measure that is economically sound and that is fair to all classes and interests. It must be approached with a higher aim than to shift burdens. It must be more than a scramble for favors.—Paul W. Wager.

OUR CORN CROP

The average annual production of corn for North Carolina for the five-year period 1921-25 was 48,616,000 bushels. North Carolina ranks eighteenth among the states in the production of corn in average years. Some corn is grown on almost every farm in the state, but due to our small quantity of livestock per farm, the production of corn per farm is very small in North Carolina. We rank second in farms but eighteenth in the total corn crop.

The production of corn and the swine and cattle population are closely interrelated. The thirteen states which in average years produce over three-fourths of the corn crop have in their boundaries three-fourths of the swine population, and more than fifty-five percent of the cattle population in average years.

MECKLENBURG BULLETIN

The Department of Rural Social Economics still has on hand a considerable supply of the Mecklenburg county bulletin, "Agricultural Mecklenburg and Industrial Charlotte." One of these large instructive books of 317 pages may be had by anyone who will send eight cents to cover postage.

HOME RULE FOR STATES

No method of procedure has ever been devised by which liberty could be divorced from self-government. No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline. Of all forms of government those administered by bureaus are about the least satisfactory to an enlightened and progressive people. Being irresponsible they become autocratic, and being autocratic they resist all development. Unless bureaucracy is constantly resisted it breaks down representative government and overwhelms democracy. It is the one element in our institutions that sets up the pretense of having authority over everybody and being responsible to nobody.

While we ought to glory in the Union and remember that it is the source from which the states derive their chief title to fame, we must also recognize that the national Administration is not and cannot be adjusted to the needs of local government. It is too far away to be informed of local needs, too inaccessible to be responsive to local conditions. The states should not be induced by coercion or by favor to surrender the management of their own affairs. The Federal Government ought to resist the tendency to be loaded up with duties which the states should perform. It does not follow that because something ought to be done the national government ought to do it.—Calvin Coolidge.

BONDED DEBT BY COUNTIES In North Carolina June 30, 1926

In the following table the counties are ranked according to the percent the county bonded debt is of all wealth listed for taxation in column 3. Column 1 shows the total county bonded debt for county government purposes as reported in the 1926 Report of the State Auditor. Column 2 shows the bonded debt per inhabitant, using estimates of population for 1926. The third column is based on the 1926 bonded debt as reported by the State Auditor, and taxable wealth as given in the 1925 report of the State Commissioner of Revenue. In most cases there has been very little change in taxable wealth.

State total of county bonded debt \$112,734,486. The county debt averages \$40.35 per inhabitant, and amounts to 4.16 percent of the state total of wealth listed for taxation.

S. H. Hobbs, Jr.

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Rank	County	(1) County bonded debt	(2) Bonded debt per inhab.	(3) Percent debt is of wealth listed for taxation
1	Clay	\$ 431,500	\$ 84.00	18.08
2	Cherokee	1,178,000	73.64	13.53
3	Carteret	1,666,900	101.20	13.50
4	Henderson	2,421,500	123.60	13.11
5	Ashe	1,445,000	64.90	11.80
6	Swain	1,403,500	92.95	11.26
7	Macon	646,500	48.65	10.50
8	Perquimans	822,000	73.40	10.18
9	Montgomery	1,306,500	89.50	8.97
10	Mitchell	851,667	72.80	8.76
11	Avery	485,000	44.90	8.72
12	Pamlico	541,000	59.78	8.64
13	Transylvania	976,600	91.20	8.62
14	Washington	698,500	60.20	8.03
15	Madison	846,000	42.30	8.02
16	Graham	214,500	43.35	7.96
17	Stokes	1,000,500	48.08	7.93
18	Rockingham	3,342,000	67.82	7.77
19	Lenoir	2,235,000	65.58	7.68
20	Beaufort	2,262,220	72.70	7.47
21	Wilkes	1,145,000	33.50	7.37
22	Brunswick	636,000	41.90	7.22
23	Craven	2,096,500	66.94	7.13
24	Jackson	780,750	57.10	7.08
25	Watauga	606,000	43.20	7.03
26	Haywood	1,281,500	51.00	6.94
27	Bladen	965,500	46.10	6.83
28	Greene	931,000	50.82	6.82
29	Jones	488,000	45.58	6.75
30	Rutherford	2,104,000	63.00	6.60
31	Johnston	2,772,000	61.27	6.39
32	Wilson	2,918,500	68.75	6.21
33	Duplin	1,581,000	67.80	6.12
34	Yancey	496,000	29.00	5.99
35	Buncombe	6,946,000	94.25	5.85
36	Lincoln	909,500	49.50	5.79
37	Pitt	2,861,000	55.35	5.71
38	Cumberland	1,729,300	45.10	5.61
39	Polk	368,500	37.28	5.50
40	Caswell	481,100	26.75	5.47
41	Pasquotank	1,018,200	55.63	5.36
42	Martin	856,000	37.50	5.16
43	Surry	1,401,000	40.85	5.15
44	Wake	4,547,000	54.70	5.09
45	Alamance	1,727,000	48.80	4.97
46	Hertford	569,000	33.85	4.96
47	Iredell	2,251,500	55.80	4.95
48	Union	1,241,000	32.82	4.90
49	Yadkin	447,500	26.30	4.86
50	Randolph	970,000	30.10	4.71
51	Stanly	1,376,000	42.45	4.56
52	Columbus	917,355	29.06	4.43
53	Hyde	264,341	31.55	4.41
54	Sampson	1,018,000	25.45	4.40
55	Alexander	354,000	28.04	4.35
56	Onslow	473,000	31.50	4.32
57	Burke	724,500	29.50	4.30
58	Granville	922,500	32.90	4.29
59	Lee	546,000	37.00	4.17
60	Caldwell	779,000	37.28	4.14
61	Pender	438,000	28.05	3.97
62	Scotland	660,700	42.10	3.70
63	McDowell	769,500	40.67	3.67
64	Davie	454,500	33.18	3.57
65	Tyrrell	143,150	31.87	3.56
66	Person	590,000	28.05	3.54
67	Orange	601,000	30.36	3.38
68	Davidson	1,141,000	29.20	3.34
69	Chowan	346,000	32.50	3.33
70	Harnett	789,500	24.37	3.25
71	Richmond	1,054,500	35.60	3.22
72	Vance	861,000	34.25	3.20
73	Alleghany	201,000	27.12	3.15
74	Halifax	1,310,000	27.40	3.14
75	Wayne	1,366,000	27.94	2.86
76	Robeson	1,194,500	19.97	2.74
77	Guilford	4,270,167	46.50	2.71
78	Catawba	1,039,000	27.42	2.66
79	Dare	65,269	12.30	2.65
80	Camden	96,000	17.83	2.59
81	Edgecombe	880,000	20.94	2.56
82	Gaston	2,253,500	37.13	2.53
83	Cleveland	989,000	25.10	2.46
84	Moore	572,000	23.50	2.34
85	Hoke	253,000	19.60	2.33
86	Currituck	113,700	15.65	2.14
87	Durham	1,708,000	36.50	2.06
88	Warren	291,500	12.97	2.04
89	Nash	635,800	13.84	1.94
90	New Hanover	1,061,400	22.90	1.90
91	Mecklenburg	2,761,000	30.73	1.89
92	Bertie	298,000	12.10	1.88
93	Chatham*	302,500	12.28	1.69
94	Franklin	240,000	8.58	1.63
95	Gates	122,500	11.66	1.62
96	Rowan	836,000	17.25	1.50
97	Forsyth	2,285,000	23.49	1.36
98	Anson	235,500	7.80	1.06
99	Northampton	114,000	4.81	0.74
100	Cabarrus*	181,375	4.68	0.46

*Probably wrong. The 1925 report of the State Commissioner of Revenue reports outstanding bonds for Chatham \$1,007,000, and for Cabarrus \$936,707.96