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BUILDING AND LOAN IN U. S.

SAVE FOR A HOME

Contractors' signboards tell us that the great American ideal is "Own Your Own Home," and we will agree that if it is not the American ideal it ought to be. Home ownership anchors a family to a community and thus develops a stable, interested, loyal type of citizenship. Any institution, then, that encourages and simplifies saving for a home serves a wonderfully useful purpose. If it is a cooperative institution, based on the principle of mutual aid, it is doubly praiseworthy. Such an institution is the building and loan association, an American plan originating in Philadelphia, the city of homes, and now in use in every part of the country.

The United States League of Building and Loan Associations gives the total number of such institutions in the United States for 1926-27 as 12,626, with aggregate assets of \$6,334,103,807. In 1926-27, it is said, these associations, through mortgage loans, provided the means for the purchase of 550,000 homes in the United States.

In the table which appears in this issue the assets of the building and loan associations in each state are given and the states are ranked according to the assets per capita. It will be noticed that Pennsylvania leads in aggregate assets, the assets of its associations exceeding a billion dollars. The state has 4,460 associations. This is not surprising, since the idea originated in Pennsylvania and thus many of the associations there are older than those of other states.

New Jersey Leads

New Jersey leads all the states when building and loan assets are measured on a per capita basis. Maryland and Ohio also rank ahead of Pennsylvania in this score. Of course, all of these states are contiguous to Pennsylvania and thus early in the field. Ohio has gone further than any other state in developing rural building and loan associations as well as urban associations. It is rather surprising that New York should rank so low in the use of this valuable agency. The explanation must lie in the fact that New York City people live so largely in apartment houses. Another reason may be the extensive use of savings banks by the people of that state. Relatively low interest rates may also contribute to the dearth of building and loan associations there.

The development of the associations in the South is more recent and hence most of the southern states rank low. Louisiana and Missouri are exceptions, due no doubt to the presence of New Orleans and St. Louis. North Carolina cities have witnessed a remarkable development of the building and loan associations in recent years and there are 240 associations in the state with total assets of \$85,715,009. Ranked on a per capita basis North Carolina is twentieth among the states. The movement has been slow in getting started in Georgia, hence the poor showing made by that state.

Meet Southern Needs

The tremendous value of building and loan associations in fostering home ownership, in inculcating the habit of systematic saving, and in developing faith and experience in cooperative effort, justifies their further extension in the South. In no other section is tenancy more of an evil (at least farm tenancy); in no other section are credit facilities less satisfactory and the loan shark more in evidence; and in no other section do the people need more to be disciplined in cooperative effort. The building and loan associations thus meet three essential needs of the South.

In order to build up confidence in the building and loan associations it is very important that every possible safeguard be thrown around them. So rigidly should they be controlled by the state and so carefully examined that a failure would become almost impossible. There have been two or three failures in the state in recent years and this ought not to be the case. It is inexcusable to permit those who thriftyly save for a home to lose through careless bank supervision. It is cruel and unnecessary.—Paul W. Wager.

SCHOOL SAVINGS BANKS

Nearly four million pupils in the schools of the United States are participating in school savings banking and deposited almost twenty-four million dollars during the year ended June 30, 1927. Seven years ago there were 2,736 schools having school savings. As of June 30, 1927, the number is 12,678. The number of pupils participating in school savings has increased from 462,651 to 3,815,785. The deposits, which seven years ago amounted to \$2,800,000, may be contrasted with deposits during the last year of about \$23,700,000. The net savings as of June 30, 1927, were \$9,464,178.93, and the bank balances \$39,137,073.91.

Progress of school savings is generally forward where once it has gained a considerable foothold. It develops most rapidly in towns and cities because in urban centers most persons receive their pay at stated periods and children enter savings with greater assurance of continued participation. In a number of states, California, Connecticut, Illinois, Indiana, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Washington, and Wisconsin, school savings have assumed really large proportions. In seven states gross deposits for the year passed the million mark. In New York they are in excess of three and one-half million dollars, and in Pennsylvania in excess of four million.

School savings in its inception attracted little attention from educators. As it has assumed a larger place in the educational field, more and more educators are coming to appreciate its value in terms of social conduct of the children during school years and later in life.—Report of American Bankers Association.

DECENTRALIZE INDUSTRY

We regard it as self evident that the widest and most uniform industrial progress is being and will in the future be attained, through continued development and decentralization of industry; that the lack of economic balance as between the great areas of rural and semi-rural population in the South largely devoted to agricultural industry on the one hand, and rapidly growing and highly diversified industrial cities on the other, is in large degree responsible for many of our economic ills. Only one phase of the situation need be mentioned to visualize the principle that dominates the whole. The creation of home markets for farm products by the establishment of labor using industries in theretofore rural localities, to a large extent relieves the farming industry of that instability occasioned by sole dependence on distant markets. Likewise, home sources of supply for food products for the industrial population have their large advantages over distant sources. Many other phases, economic, social, educational and hygienic, may readily be visualized.

Industrial locations are fixed upon according to many factors, the most important of which are raw materials, labor, transportation and power. In the South we have the raw materials suitable for a wide diversity of industry. We also have the labor, or can readily procure it in any given instance. Our highways, rails and navigable water courses furnish a ready solution of the transportation problem.

There remains the power, which it lies within us to bring to our doors, merely by the adoption of public policies and rational concepts that will encourage the investment and restrain the possible abuses of private capital. Consequently we believe that the water powers of the South should, in addition to being developed to the utmost, be distributed in the public service in the widest possible measure so that they will ultimately constitute a great reservoir of energy, under sovereign control and regulation, available to the small as well as to the large user, wherever located, and at a regulated price that will afford a return on the invested money merely large enough to justify the ready investment of money in the development of these properties.—Resolution offered at Southern Appalachian Power Conference.

ESSENTIALS

In agriculture we should continue to obtain higher productivity per worker, greater output per unit of cost. But we should not stop at that. We should aim to secure a wider joint effort by farmers to gain that bargaining power which industry and labor have attained by working together through their organizations built along lines of mutual interest.—W. M. Jardine.

ORDERLY MARKETING

Brazil is turning out the heaviest coffee crop in its history, and in the face of a carryover of probably 6,000,000 bags, the price has been steadily advancing. This reversal of the usual economic trend, when a small surplus sets the price for the large volume that is actually needed for consumption, illustrates what can be done in the form of farm relief when a government seriously sets itself to the task of giving that relief, and not talking about it. For Brazil coffee is rising in the face of a shockingly high production because of the efforts of the Defense Committee.

This Defense Committee, organized by the government of Brazil, has been invested with certain powers that give it the authority to regulate the amount of coffee that may move from producing centers to seaport points. As the government of Brazil controls the railroads, it has been an easy matter to do this. The Committee, in advance of such a condition as developed this year, built enormous warehouses in which the coffee is being stored, and from which it is shipped only in volume sufficient to fill the needs of the world. And it borrowed the equivalent of \$90,000,000 to enable the financing of the coffee that is so held. Growers who need money are able to secure substantial advances on the strength of their warehouse receipts.

It is estimated that Brazilian producers will receive at least \$100,000,000 and perhaps as much as \$200,000,000 more for their crop than they would have received, had not the Defense Committee met the situation. In holding the over-production of this year to meet the demands next year when there will be an under-production, the government claims that it has developed the principle of orderly marketing along sane and logical lines.—Adapted from Manufacturers Record.

TO SAVE WOODLANDS

Reforestation in the New England states is commanding much attention from forestry officials and others interested in the perpetuity of the woodlands that have made this section one of the beauty spots of the United States.

A joint committee appointed by the Cape Cod Chamber of Commerce and the Massachusetts Forestry Association has launched a ten-year program in which the state, towns and private owners of woodland are each given a definite part to play in the reclamation of 150,000 acres of fireswept and idle forest land in the interior of Cape Cod.

The committee recommends that ten percent of the idle forest land be acquired and reforested by the state as state forests, also that each town acquire and develop as town forest ten percent of the idle forest lands within its boundaries.

In Connecticut, highway beautification has been accomplished in many sections through reforestation work done by Connecticut water companies on their watershed lands. The result of this work has been the growth of a large number of fair-sized pine forests, and the woodlands surrounding the reservoirs furnish an attractive panorama to the passing motorist.

The state forest service of Vermont has erected attractive signs on the main highways with arrows pointing to the roads leading into state forests. Trails within the forests also have been marked.

The Northern Forestry Experiment station at Amherst, Mass., is conducting throughout the whole of New England experiments in forest improvement and conservation.—Durham Sun.

TO STUDY TAXATION

The North Carolina Club at the State University was favored at its last meeting with an address by Hon.

A. J. Maxwell, Chairman of the State Corporation Commission and also chairman of the recently created tax commission. The North Carolina Club is devoting its attention this year to taxation, and it invited Mr. Maxwell to criticize the program of study which it has formulated. He approved the outline and expressed the opinion that the studies made by the club would be of real value to the commission.

Mr. Maxwell wisely refrained from making any recommendations or expressing any opinion relative to specific tax measures. To the contrary he stated that the investigations of the commission ought to be just as exhaustive as time will permit, and its final recommendations based on the facts revealed by the investigation.

Taxed for Services

The fact that taxes absorb a large and increasing share of the national income indicates, he said, that we have discovered that we can use the machinery of government as a non-profit, cooperative organization, embracing within its scope and jurisdiction all the people, and serving all the people. Only a small part of the taxes collected goes to pay for the administrative expenses of government; the rest goes for services. Nevertheless, we need to inquire how much further we can afford to go in extending these services.

The commission will endeavor to determine whether the tax burden on industry and on agriculture is greater or less in this state than in other states. No doubt there are states where it is considerably less, but perhaps not where the services are commensurate. We cannot expect our taxes to be as low as in the states where very little is being done for the people.

In discussing the administration of the property tax, Mr. Maxwell emphasized the importance of scientific, impartial assessments, and he expressed the fear that the 1927 reassessment was not as thoroughgoing in every county as it ought to have been. He pointed out the need of a method of taxing growing timber that would stimulate the reforestation of our millions of idle acres. He said two-thirds of the area of the state was available for forests and that we had the climate and rainfall to make timber a perennial source of wealth to the state.

He urged the introduction of more efficiency in governmental administration, and the same willingness to scrap

obsolete practices in government as in industry. He pointed out, however, that efficiency in government will not come about unless public opinion is sufficiently enlightened to demand and sustain efficiency. This is fully as important as intelligent leadership.

In conclusion Mr. Maxwell urged the members of the club not to be carried away by any particular phase of the tax question, but to see the whole thing in balance and in perspective.

The Club Program

The tentative program of the club for its remaining meetings is as follows:

1. The Debt Situation in the State
2. The Distribution of Governmental Functions
3. The Tax Burden on Industry
4. The Tax Burden on Agriculture
5. Classification of Property for Taxation
6. Methods and Problems of Assessment
7. The Income Tax in This and Other States
8. Business and Occupational Taxes
9. The Use and Possibilities of the Severance Tax
10. The Use and Possibilities of the Sales Tax
11. The Importance of Developing Federal and Interstate Comity in Taxation
12. Tax Administration and Tax Records.

SAFETY NOT A GESTURE

Since 1913, notwithstanding the material increase in the number of railroad employees and the volume of passenger traffic, the number of persons killed, and also the number injured on the railroads of the country have been reduced by 36 percent. The number of deaths of passengers last year was 155, a reduction of 56 percent; and of these fatalities all but 79 were due to causes largely beyond the railroads' control.

When we reflect that our railroads carried over 860,000,000 passengers last year, and that 23,000 persons were killed by automobile accidents in that period, one-third of whom were passengers in cars, it is apparent that the achievements of the railroads in the interest of safety have been splendid and remarkable.

Figures furnished by the American Museum of Safety relative to industrial accidents are impressive, not to say appalling. Fatalities in industries took more than 85,000 lives last year, or over 7,000 a month. The authority quoted concludes that 75 percent of accidents in industries are preventable. If so, the railroads are incomparably successful in making safety a science.—Southern News Bulletin.

BUILDING AND LOAN ASSOCIATIONS

Total and per Capita Assets in Each State, 1926-27

The following table shows the assets of building and loan associations, by states, in the year 1926-27, and how the states rank when this type of savings is reduced to a per capita basis. The information is based on a recent report of the United States League of Building and Loan Associations reproduced in the Manufacturers Record.

The report states that there are 12,626 building and loan associations in the United States, with total assets of \$6,334,103,807. Pennsylvania leads in number of associations, with 4,460, whose combined assets amount to approximately \$1,130,000,000. Measured on a per capita basis New Jersey leads, with assets of \$202.74 for every person in the state. Georgia has only 21 associations, with estimated assets of \$1,500,000. This means only \$.47 per capita.

North Carolina has 240 associations and their total assets amount to \$85,715,009 or \$29.58 per capita. The estimated population for 1927 is used.

Paul W. Wager
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Rank	State	Assets of building and loan associations	Assets per capita	Rank	State	Assets of building and loan associations	Assets per capita
1926-27							
1	New Jersey	\$760,067,751	\$202.74	25	Michigan	\$112,887,929	\$25.14
2	Maryland	200,000,000	125.20	26	Maine	18,458,473	22.04
3	Ohio	928,381,733	123.80	27	Oregon	17,280,225	20.53
4	Pennsylvania	1,130,000,000	116.15	28	New Hampshire	9,223,974	20.25
5	Nebraska	153,128,475	109.60	29	Montana	13,738,790	19.25
6	Massachusetts	425,511,319	100.31	30	Virginia	44,557,196	17.50
7	Louisiana	154,186,635	79.78	31	West Virginia	28,704,386	16.91
8	Indiana	247,903,736	75.67	32	Iowa	40,771,567	16.80
9	Wisconsin	182,382,373	62.50	33	Arkansas	32,029,000	16.65
10	Utah	30,864,124	59.07	34	Texas	70,804,672	13.14
11	Kansas	107,315,298	58.68	35	South Carolina	22,782,000	12.43
12	Washington	89,001,163	55.40	36	North Dakota	7,788,410	12.15
13	Illinois	365,509,301	48.75	37	Connecticut	18,290,897	11.75
14	Oklahoma	103,343,185	43.65	38	Minnesota	28,643,208	10.67
15	California	190,106,988	42.84	39	New Mexico	3,250,000	8.60
16	Missouri	139,461,899	39.75	40	Mississippi	13,015,838	7.24
17	Delaware	8,844,208	36.40	41	South Dakota	5,000,427	7.18
18	Wyoming	8,000,000	33.40	42	Vermont	2,236,747	6.85
19	Colorado	35,186,058	32.75	43	Nevada	460,370	5.95
20	North Carolina	85,715,009	29.58	44	Alabama	15,000,000	5.89
21	Kentucky	74,704,133	29.43	45	Idaho	2,335,265	4.38
22	Florida	39,367,725	28.86	46	Arizona	1,681,526	3.66
23	Rhode Island	19,638,506	27.72	47	Tennessee	6,716,217	2.70
24	New York	297,707,160	26.04	48	Georgia	1,500,000	.47