

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.

JULY 18, 1928

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

VOL. XIV, No. 36

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

Entered as second-class matter November 14, 1914, at the Postoffice at Chapel Hill, N. C., under the act of August 24, 1913.

HOW N. C. STANDS TODAY

A HANDSOME BALANCE

The general assembly of 1927 authorized maximum expenditures under the appropriation act aggregating \$15,716,590. Under the terms of the executive budget act, these appropriations are in effect maximum authorizations, subject to supervision and control by the director of the budget, who is directed to supervise the expenditures and permit to be spent out of the appropriations only such amounts as are actually needed for the proper conduct of the various departments, institutions and other agencies of the state government.

Instead of spending the total amount of \$15,716,590 authorized by the legislature, the various departments, institutions and agencies actually expended only \$14,842,831, thus saving out of the aggregate of the appropriations the sum of \$873,759 for the fiscal year just ended.

The cash surplus or credit balance for the year ending June 30, 1928, is \$2,237,988 as compared with a cash surplus or credit balance on hand June 30, 1927, of \$1,403,583. Of the total amounts expended out of appropriations for the year, interest on that part of the state debt allocated to the general fund was \$1,934,245, the amount paid on account of the principal including sinking fund and serial payments chargeable to the general fund was \$1,314,250, making the total expenditures for debt service for the year \$3,248,495.

Income taxes actually collected amounted to \$8,176,000, as compared with \$7,000,000 estimated by the 1927 legislature. Franchise taxes actually collected amounted to \$3,640,510, as against \$3,891,000 estimated by the general assembly. License taxes actually collected amounted to \$1,420,140, as compared with \$1,579,900 estimated by the general assembly. Inheritance taxes actually collected amounted to \$700,636, as compared with the estimate of \$1,000,000 made by general assembly.—Governor's statement as it appeared in the News and Observer.

A FEDERAL SURPLUS

The federal government enters the new fiscal year with a treasury surplus of \$398,000,000.

Summarizing the nation's financial condition at the close of the old year, which came at midnight of June 30, Secretary Mellon declared late yesterday that the period "witnessed a further improvement" in the country's position.

"There was a substantial surplus of receipts over expenditures," he said. "The national debt was reduced by over \$900,000,000, accompanied by a material cut in interest charges. The vast refunding operations begun in 1927 were continued and have been well nigh brought to a successful conclusion. Taxes were again cut by over \$220,000,000."

The total of ordinary receipts for the fiscal year was \$4,042,000,000, Mr. Mellon announced, with expenditures of \$3,644,000,000 chargeable against this amount. The two figures for the previous fiscal year were respectively \$4,129,000,000 and \$3,364,000,000.

Tax receipts totalled \$3,364,000,000 or \$111,000,000 less than in the fiscal year of 1927. Receipts from income taxes aggregated \$2,174,000,000 as compared with \$2,225,000,000 in 1927. In this connection, Secretary Mellon called attention to the fact that the treasury's estimate of this total differed from the actual figures "by the narrow margin of \$9,000,000."

Including disbursements under the war claims act, the total expenditures amounted to \$3,671,000,000 as compared with \$3,494,000,000 for the fiscal year 1927. The increase Mr. Mellon attributed to the failure of the second deficiency bill of 1927 and changes in the revenue law by reason of which "a substantial amount of expenditures properly chargeable to the fiscal year 1927 was carried over to 1928."

THE USE OF BUDGETS

June 30th marked the end of North Carolina's fiscal year, for the general departments of the state government, for the public schools, and for the

counties. All are now operating on a budget basis so that it is possible to know how the expenditures of each compared with income.

It must be gratifying to the citizens of the state to learn that the state closed the year with a surplus of about two and a quarter millions of dollars in the general fund. This is due in part to an excess of revenue over that anticipated and in part to keeping expenditures below the maximum authorizations. Of course not all this surplus was built up in one year. It represents the savings of the three years since the state began operating on a cash basis.

For several years the schools—county and district—have been operating on a budget basis, or at least were presumed to be. Unfortunately current deficits have been all too common and are not yet entirely unknown. The county fiscal control act, if rigidly enforced, will prevent further abuses of this kind, at least so far as the expenses of the six months' term are concerned.

Last year was the first year in which all departments of county government were required to operate according to a budget—that is, live within their income. The county fiscal control act promises to put county administration on as sound a financial basis as that which has characterized the state for the last three years. If budgetary control can produce a surplus for the state it is not unlikely that it will do so for the counties—amazing as that may now appear. Of course, the fact that a county's tax sources are less subject to fluctuation than the state's makes it possible to gauge more exactly what they will yield.

Counties Conform

It is not likely that every one of the one hundred counties came through the year without a deficit. It is probable that some counties, inexperienced in budget-making, erred in overestimating revenues or in underestimating expenses. It is probably true, too, that a few counties have not made an absolutely sincere effort to carry out the law in every detail. On the whole, however, it appears that most counties have made an earnest attempt to balance their budgets, and after a year's experience will be able to do even better next year. Most of the skepticism, even antagonism, which greeted the passage of the law has been dissipated and there is now only praise for the new system.

The citizens of North Carolina can generally be trusted to react sensibly when they understand the proposition before them, and there can be no reasonable opposition to a system that demands (1) that current expenditures shall not exceed current income, (2) that county accounts be kept in an intelligible manner, and (3) that the taxpayers be kept informed about the county finances and be given an opportunity to share in budget making.

For the first time in the history of the state it is possible to report to the taxpayers within a few days after the close of a fiscal year the exact condition of every state and county fund. The financial record of the state and its subdivisions is now an open book. This tremendous gain cannot be minimized.

THE COST OF DYING

We see an ascending scale in life from the cradle to the grave—the cost of being born, the cost of living after we are born, and the cost of dying when we are through life.

An honest farmer recently complained that under the new medical dispensation the cost of being born was beyond the purse of the ordinary farmer; that in old times it was a household transaction, but that now it required a stay in a hospital for a couple of weeks, with medical and nurse charges, together with board, that made being born prohibitory.

According to the statistics prepared by the Metropolitan Life Insurance Company, recently published, the cost of coming into this world is a cheap affair, compared with the cost of going out. The company found the average cost of burial of 7,871 adult industrial

POPULAR CONTROL

From the day of our independence the soul of the American people has been growing more and more democratic, and where the spirit of democracy is, whatever the institutional maladjustment, even a kleptarchy can not go far wrong. The spirit of rightness in a democratic people must in the end prevail, however maddening may be the conditions which stand between the spirit and its goal. The spirit of the nation cannot be reconciled with "invisible government" in any of its forms.

For the first time in our history the people are beginning to think in terms of the underlying principles of the mechanism of popular control. The people are beginning to demand that the acts of the government be made "visible"; that obstructions to the effective use and maladjustments of the mechanism of popular control be removed; that an effective use be made of the instrument of visibility set up by them in their constitutions.—From The Budget and Responsible Government by Cleveland and Buck.

policy-holders, by states, ran from \$194.00 for North Carolina, to \$484.00 for New Jersey.

This statement is not very encouraging, in view of the fact that death will come to all of us; yet we of this state can comfort ourselves that our families can bury us cheaper than the people of any other state.

This is another instance where North Carolina is first, as it is claimed she was at Bethel.

This increased cost of funerals is a serious question worthy of careful consideration.

Much of this increased expense is due to the love of display, the besetting sin of our day.

The profits on caskets and funeral accessories are unreasonably high, we are informed.

A dealer who had retired from business assured us once that the profits on coffins were beyond all other articles in woodwork, and the charge is possible and collectible, we believe, because we hesitate to dispute a bill under such solemn circumstances.

Whether this be true or not, we cannot say, but we know that in our wanderings during a long life, we have never known a dealer in coffins who died poor.

For the benefit of the living, Congress ought to regulate the cost of our departure from this world.—Presbyterian Standard.

THINK AHEAD

The two most important problems for this Nation to solve, perhaps, are: How to grow forests sufficient for the National needs; and how to prevent pollution of all inland and coastal waters.

A sure sign of the decadence of a people is the decadence of their forests. Look at your maps of Europe, Asia, and Africa. Where forests fall people fail.

It is scarcely worth repeating that, as a race, we have been generous to the point of extravagance and waste. Generous to ourselves, to the stranger; careless to posterity.

It takes God a hundred years to grow a white pine. It takes a jackass ten minutes to fell it.

It requires centuries to clothe a mountain with noble foliage. A fool and his cigarette can set it afire and destroy it in a day.

The truth is that we live for ourselves and for the pleasure of being indulgent and self-sacrificing. Stupidly so.

Not one in ten thousand among us has thought to build for the remote future and for the good of our children, their children—for the general good.

That prudence, that good citizenship, that human obligation few of us ever have considered or practiced. After us the deluge. That's what it amounts to, though we don't admit it.

Today fish and game are one of the important items of the people's food supply in Great Britain and on the Continent. Today the sale of game is prohibited in the United States. Forests gone, waters poisoned or dried up—these are the shameful reasons why the New World forbids traffic in its wretched remnants of wild game.—Robert W. Chambers in The American Legion.

TWO NEW RECORDS

By collecting nearly \$14,000,000 during the fiscal year just ended the state revenue department is able to announce that previous high records for North Carolina tax collections have been broken.

Exceeding collections last year by more than two and one quarter million dollars the department said collections for the year just closed totalled \$13,937,286.

A comparison of 1926-27 and 1927-28 collections shows:

	1926-27	1927-28
Income taxes	\$6,339,752	\$8,176,000
Inheritance taxes	824,441	700,636
Licenses (Schedule B)	1,170,870	1,420,140
Franchises (Schedule C)	3,312,795	3,640,510
Total	11,647,858	13,937,286

Gilliam Grissom, federal revenue collector, has also reported that all records for collection by his department have been broken.

Total collections for the year were \$225,320,122, as compared with \$205,651,675 for 1927, and \$192,403,633 for 1926, Mr. Grissom said.

June was a "million-dollar-a-day month," said Mr. Grissom in explaining that tobacco stamp sales and collection of other federal taxes were more than one million dollars each June business day.

HIGHWAY FUND

Collection of gasoline taxes, automobile license taxes and automobile title registration fees in North Carolina during the fiscal year ending June 30 totalled \$18,900,126.02, it has been announced. This is almost five million dollars above the amount collected during the previous fiscal year but about four and one-half million dollars was collected incidental to the change of the state automobile license year from a July-to-July to a January-to-January basis.

June collections totalled \$932,210.56, subdivided as follows: License \$128,474; gasoline taxes \$793,199; title registration fees \$10,536.

Collections for the year are subdivided as follows: Licenses \$9,353,816; gasoline taxes \$9,376,987; title registration fees \$169,522.

These funds go for the retirement of bonds issued for highway construction purposes and for the maintenance of roads already constructed by the state.

BUS REVENUE

The number of people who are using motor bus transportation has increased greatly during the last year, judging from the increased revenue of the bus operating companies, which is a direct indication of the growing popularity of bus transportation, according to R. O. Self, in charge of the motor transportation division of the State Corporation Commission.

There has been an increase of almost 35 percent in the amount of revenue collected by the State in the motor bus tax, the records of the Department of Revenue show. For while a total of \$167,410.88 was collected for the fiscal year ending June 30, 1927, from the bus tax, up to June 20, 1928, the State had collected \$200,394.22—an increase of more than 33 percent over last year's collection.—Anson News.

NORTH CAROLINA

A compilation of facts about North Carolina reproduced from the Blue Book of Southern Progress—1928 Edition, published by the Manufacturers Record.

Department of Rural Social-Economics, University of North Carolina

	1900	1910	1927
Population	1,893,810	2,206,287	2,897,000
Property, true value	\$681,982,000	\$1,685,408,000	\$5,284,000,000
Assessed value property	\$306,579,715	\$613,000,000	\$2,920,000,000
Manufactures:			
Capital	\$68,283,005	\$217,185,588	
Products, value	\$85,274,083	\$216,656,055	\$1,050,434,000
Mines and Quarries:			
Capital		\$5,985,112	\$2,250,434
Products, value	\$924,000	\$1,358,617	\$2,726,543
Cotton Manufacturing:			
Capital	\$33,012,009	\$96,993,000	\$268,323,000
Products, value	\$28,973,000	\$72,680,000	\$316,324,008
Spindles, number active	1,134,809	3,163,199	6,094,136
Looms, number active	25,469	55,600	85,818
Cotton consumed, bales	404,635	754,483	1,654,773
Cottonseed Oil Mills:			
Capital		\$4,432,010	\$14,526,466
Products, value	\$2,676,871	\$8,504,477	\$17,707,000
Furniture Manufacturing:			
Products, value	\$1,023,000	\$1,547,000	\$51,208,238
Lumber, feet cut	1,278,389,000	1,824,722,000	\$970,965,000
Minerals products, value	\$1,458,848	\$2,616,131	\$14,993,000
Coal mined, tons	17,734		
All land in farms, acres	22,749,356	22,439,129	18,593,670
Improved land, acres	8,327,106	8,813,056	7,728,826
Number of farms	224,637	253,725	283,482
Value all farm property	\$233,834,693	\$537,716,210	\$1,050,015,835
Value of farm land	\$141,955,840	\$343,164,945	\$686,424,921
Farm products, value	\$39,310,000	\$176,282,000	\$453,605,000
Farm crops, value	\$68,625,000	\$131,072,000	\$361,605,000
Farm crops, acres	5,609,000	5,736,000	7,305,000
Cotton crop:			
Acreage	1,007,000	1,478,000	1,727,000
Bales, number	433,000	706,000	857,000
Value lint	\$15,697,000	\$49,710,000	\$83,558,000
Value seed	\$2,291,000	\$9,666,000	\$14,697,000
Tobacco crop, pounds	127,543,400	138,813,163	468,000,000
Value	\$8,038,691	\$13,847,559	\$120,744,600
Acreage	203,023	221,890	650,600
Grain crops:			
Corn, bushels	29,790,000	49,250,000	53,626,000
Wheat, bushels	5,961,000	6,817,000	6,168,000
Oats, bushels	5,046,000	4,022,000	5,733,000
Livestock:			
Cattle, number	625,000	701,000	527,000
Sheep, number	302,000	214,000	85,000
Swine, number	1,300,000	1,228,000	951,000
Horses, number	159,000	166,000	105,000
Mules, number	136,000	176,000	282,000
Banking:			
Aggregate resources		\$112,213,762	\$508,958,000
Paid in capital		\$16,376,506	\$38,240,000
Individual deposits	\$16,768,000	\$67,225,654	\$356,767,000
Railroad mileage	3,831	4,932	5,337
Motor vehicles, no.		6,178	430,499
Highway expenditures	\$624,281	\$5,215,491	\$28,250,000
Public school expenditures	\$350,000	\$3,037,000	\$34,691,669
*Census 1920	†1912	**1926	††1925
			**1904
			†††1914