

# THE STATE'S VOICE

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Good morning, Miss June. This is the first of your "rare days" I have seen in eleven months.

Some who expect to get jobs under the relief-work program as bosses may miss them if that NRA crowd of tax-eaters lose their jobs.

Fortunately, the American people need not be slaves to a constitution that is outmoded in any respect. The supreme court was unquestionably right in its decision as to what is constitutional, but the constitution can be changed.

It is such facts, or reports, as that Judge Biggs is getting two ten-thousand-dollar salaries that make people who are working for the state or in private employment and barely getting enough to exist upon feel that the new deal lacks a whole lot of being a righteous one.

Well, we shall soon be seeing what we shall see with respect to the county liquor laws. Plans are being made to secure injunctions against the elections. In the meantime, as time is so short, Mr. Burgess states, preparations are being made by the drys to make as telling fights as possible in the 17 counties, most of which are accededly

The President's dissatisfaction with the supreme court decision, or with constitutional provisions which necessitate that decision, and his apparent disposition to fight the question out before the people is really encouraging. H. G. Wells gives the present kind of democracy ten years of survival before replacement by something else than democracy in England and 20 years in America unless the economic mechanisms are revolutionized. In that case, the sooner the matter is brought before the people as a vital issue, the better.

## The Contributed Articles.

I do not believe there is an article in this issue of the *Voice* that will not justify your reading it. But I wish to call particular attention to our contributed articles.

Mr. McKay's article is both interesting and instructive. Claude Moore's carries surprising and interesting information. "A Puer Sitesen's" article on money is enlightening with respect to the essentials of a just distribution of wealth. The article borrowed from the *Monroe Journal* gives you a picture of pioneer equipments for living. They are hard to beat.

## One More Example.

For several years the editor of *The State's Voice* tried to disgust the users of "if and when." Here is one more example of the grammatical sloughs into which the use of the abomination may lead one. Under a Washington date line there appears a series of questions and answers as to what the supreme court decision does with respect to the NRA. Here is one of the questions with its answer: "Can business men now ignore codes?" Answer: "Yes, until and if congress enacts new legislation."

If you don't see the abominable result of the use of that "until and if," there is no use in talking more about it.

## A Common-Sense View Of Foreign Trade.

A common-sense view of foreign trade would help at this stage. As said in the first-page article of this paper, foreign trade is essential only so far as it serves to exchange goods that one day has an excess of for those it needs of other nations. Justly conducted, it can enrich neither nation, since value for value, as measured in terms of labor and capital necessary to produce the goods, must be given and that at considerable cost of the exchange. There should be no danger that this country can find buyers enough for goods that it can spare to pay for what we need from other nations. And that is all the foreign trade that can pay the people as a whole, though individuals may profit by their part in effecting the exchanges. However, the excess furnished for foreign commerce must be sufficient to pay for the cost of the exchange, in addition to that of the goods imported.

## About the Bankhead Bill and the Real Values of Land

As we see it, the plan to finance the purchase of farms by tenants is one of the most sensible ways suggested for spending Federal funds in rehabilitation work. If I mistake not, even Senator Bailey has been among the bewailers of increasing tenancy, and of the plight of farm tenants in general. Yet he is scheduled to vote against the appropriation for the purchase of lands for them, which seems the only feasible plan ever suggested for minimizing the tenancy evil.—Still great caution should be observed in buying lands. We are back to pioneer conditions so far as the over-supply of land is concerned. With world markets for grain and meats greatly diminished, with the number of mules and horses, former consumers of the product of much of the farm lands, cut down by millions and millions because of the use of gasoline and electricity, and with every arable acre possessing, under modern farm methods, a three-fold productivity as compared with that of fifty years ago, the value of raw or unimproved lands is necessarily at a low ebb. If there is any other commission needed, it is one to determine the value of raw land.

My opinion is that the average acre of farm land is not worth more than the cost of putting it in condition for profitable agricultural utilization, particularly if the labor involved in such preparatory work be estimated upon a living wage basis, such as is figured out for the industries. If that is true, the commercial value of land consists of only three elements—first, that inherent in the superior quality of the soil and enhanced by climatic and natural topographical conditions; second, the amount of labor and capital employed in developing its productivity; and third, the value of increments due to social and industrial developments, for which the owner is little, if at all, responsible.

The first of these values pertain to the owner only through inclusion in his purchase price or by the good judgment of the original settler or mere luck on such settler's part. The second item is controlled by the original difficulty in clearing the land and its comparative natural state of fertility, and its adaptability for maintaining that fertility or increasing it. Yet that element does not add relative material value to the land in question. It would have to be listed at the average cost of preparing for profitable utilization all lands necessary to produce the needed agricultural commodities. For example, two acres of land now of the same value from the present and future productive standpoint are of equal value even if it cost five times as much to develop the one from the raw state as it did the other.

The third element of value should properly belong to the State or the community to the activities of which the additional value is due. For instance, not a lot in Dunn owes its full present value to the labor or capital of any owner during the last fifty years. Even the building of a highway through or by a plat of land increases its comparative value, or desirability; so does the location of a school near the tract.

A just taxation system would make this increment the real taxable element in land. Yet the fact that present owners have very often paid former owners for this increment complicates the situation to such extent that much injustice would be wrought by such a scheme of taxation.

A study of land values on the lines suggested—the actual profit yield when development costs and labor and capital costs of production and upkeep of productive-capacity are estimated on a basis comparable with similar costs in other industries—would, we surmise, indicate that the commercial value of average raw land is nothing, or less, just as it was here two hundred years ago.

If that be true, then the chief values of land depend upon natural location, peculiar soil values, and those elements due to social or industrial activities.

That being the case, even if the State's basic claim to the latter values be abandoned, it is clear that the most of the lands which might be purchased for tenants or purchased by them is of comparatively little value. An absentee landlord may make profits from his plantations while a scheme of things exists which enables him to exploit the labor of tenants or hirelings, but under a new deal which purports to seek social justice such profit should not be adjudged to indicate the value of such holdings, since a production cost comparable to that in other industries would eliminate all profits.

Land should be cheap, and will be, as soon as agricultural labor is compensated as is that of mechanics, salesmen, professional men, and

## The Money Question Not So Simple As Our Contributor Thinks.

Our contributor, "A. Puer Sitesen," hits the nail squarely upon the head with respect to the matter of the importance of the ratio of distribution of goods, or their representative, Money. But the matter of money is not the simple one that he supposes. His idea seems to be that a "sound" money will take care of itself. Our idea is that no money will do that. His idea is that a gold content or backing gives money an invariable standard of value; ours is that the value of any kind of money varies with the amount in circulation and the speed of the circulation, and that those two factors are independent of the intrinsic value of the money itself and can be controlled only by the regulation of the supply of money to the demands of the time. The less the speed of circulation, the more money is needed to maintain the equilibrium, and to serve as an efficient medium of exchange. To illustrate: The more infrequent each bus on highway 10 runs, the more buses the company must have in order to furnish the same accommodation to the public.

### The H. G. Wells Article.

Before me lies Collier's Magazine of date of June 8. In it is one of the most important articles, as I see it, that have been published in several moons. It is the last of a series of articles written by Mr. Wells on "New America." The subtitle is, "Readjusting the Mechanism." We commend the reading of this article, not only to "A. Puer Sitesen" but to every intelligent man and woman. There is no question that H. G. Wells is one of the world's leading thinkers, a man of possibly the broadest horizon of world conditions that lives. He sees, as you will note in the article referred to, that the money question is the most difficult of all economic questions. I should like to quote, but it is better for every one to read the Wells article and ponder it deeply.

With the reference to the sketch of Colonel David Dodd of Revolutionary war fame and the suggestion of the probable descent of Ambassador Wm. E. Dodd from David Dodd, Mr. Wm. A. Parker of Raleigh, who had occasion to search the Dodd records of Johnston county some time ago, sends information that, in connection with the data furnished in the sketch by Mr. Claude H. Moore, indicates the improbability of any immediate family connection of the Ambassador with the Sampson county Patriot. The Dodd family seems to have been well established in Johnston county too early to have been derived from Col. David Dodd.—By the way, that youngster Claude Moore seems to be a born historian. His Kenan sketch in this issue is of interest. The Kenanas have cut a big swath in North Carolina affairs.

those employed in the public utility fields. Therefore, if the Bankhead bill to finance the purchase of lands for the tenants should become law, it behooves the government to see that land owners do not charge for values that exist only because of the exploitation of the lives of tenants and hirelings.

Few land owners have found farming profitable these latter years even when the real producers have been able barely to exist. The new deal is changing that with respect to a part of the acreage. But the fact that the new scheme leaves vast acreages which cannot be made profitable to an owner of even moderate acreage, should increase the availability of both developed and undeveloped acreage for purchase by tenants. And an acreage which cannot produce a profit for either present owners or their tenants can readily produce a living for the latter as possessors at true valuations. In the larger land owner's case, the whole product of such acreages must go on the market, or at least his part if a tenant cultivates the land. That means, under conditions now existing and likely to continue to exist, that the excess product of the landowner's part finds no profitable market. The tenant, too, with only a part of the product, cannot make a decent living. On the other hand, the same land under the ownership of that tenant, if he is not one of the quota of absolutely worthless ones, should produce him and his family a good living. In that case, the larger part of the product finds a market at home. He can produce an abundance of food for himself and family. When that is done, only a moderate amount of money crops need be produced to carry the family through exultantly.

The Bankhead bill seems to me to be one of the best suggestions offered by the new deal. Yet Senator Bailey opposes it. We do not feel that he is justified in doing so. But what can be done about it?