






# *Preface*

**J**ames Buchanan Duke knew something about being poor; he knew something about being an orphan, and even about being in a minority. He was shaped in childhood by the Civil War to which his widowed father, Washington Duke, objected and into which he was bitterly drafted away from his four young children. It was a war against which Washington Duke made a statement of final rebellion when he joined the Republican Party in 1867, as soon as that party appeared in North Carolina and the rest of the South.

James B. Duke and his siblings were twice unusual. They were raised on a Durham County tobacco farm, the half-orphan children of a single father, in a time when widows headed many families and farms. Their father was also a political outcast: the majority of those women and the decimated corps of white fathers who survived the war were hostile to Republican “scalawags” well into the 20<sup>th</sup> century.



So James B. Duke knew the barriers and opportunities facing those who grew up in rural North Carolina. He believed that in these rural areas were “the bone and sinew” of society; but he also knew that there was an indigenous, stubborn rural parochialism that could smother progress.

Duke was a business genius. He was also his state’s first, best modernizer at the beginning of a half-century struggle between progressives and traditionalists. He applied that spirit of modernization to the rural Carolinas he revered in both his hydroelectric industry and the highly focused philanthropy fueled by that industry.

Mr. Duke completed the legal indenture that established The Duke Endowment in 1924. The focus of this work is what the Carolinas have accomplished since that time — both through The Endowment’s investments and otherwise — and what remains to be achieved. The first two chapters set the context of this analysis and the

indenture’s time and place: the landscape that was the object of Mr. Duke’s beneficence in Chapter I and his strategy for improving, even transforming, that landscape in Chapter II. Chapter III describes the state of the Carolinas today in contrast to their state 75 years ago and analyzes broad economic and social trends of the past and present with an eye toward what they may tell us about the future.

Chapter IV is a discussion among distinguished Carolinians about these trends and how Mr. Duke might have confronted them if he were with us and about how the panelists themselves would address the trauma and opportunities that the trends suggest.

The panel focuses partly on the role of foundations, which — more than any other institution in society — are positioned to promote and foster innovation in improving the economic, social, and physical health of individuals, families, and communities.

# *The Not-So-Roaring '20s*

America's 1920s economic boom roared right past the rural South. North Carolina and South Carolina, both predominantly rural and still remembering Reconstruction, hardly felt the breeze as the nation drove headlong into modernity.

When he created his philanthropy, Mr. Duke was responding to the condition of the Carolinas' Piedmont as he knew it before and just after World War I. He wanted the Carolinas modernized and their people to have access to high-quality educational and medical facilities as well as spiritual solace and refuge. He wanted to ensure that "those who are most unable to help themselves," the Carolinas' orphaned children, were well cared for.

By the time The Duke Endowment opened its doors, North Carolina and South Carolina had entered a time of turbulence. An embedded culture clashed with the forces of change emerging

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W.J. Cash, born in Gaffney and buried in Shelby, wrote in *The Mind of the South* that the 1920s were "Years the Cuckoo Claimed" — an era defined by hardship, Prohibition, controversy over evolution, and a resurgence of the Ku Klux Klan.

### *Population in black and white*

The Carolinas were the two most Protestant native-born states in the Union in 1920. The great wave of Europe-to-America immigration to the North sent barely a ripple into the South. As Thomas Wolfe noted in his short story "The Men of Old Catawba":

In fact, although America is supposed by many of her cities to be a confusion of races, tongues and peoples, as yet unwelded, there is perhaps nowhere in the world a more homogenous population than that of Old Catawba

[North Carolina].... Until very recent years these people were touched scarcely at all by 'foreign' migration, whether from any of the other States, or from Europe: even today the number of 'foreign-born' citizens is almost negligible....

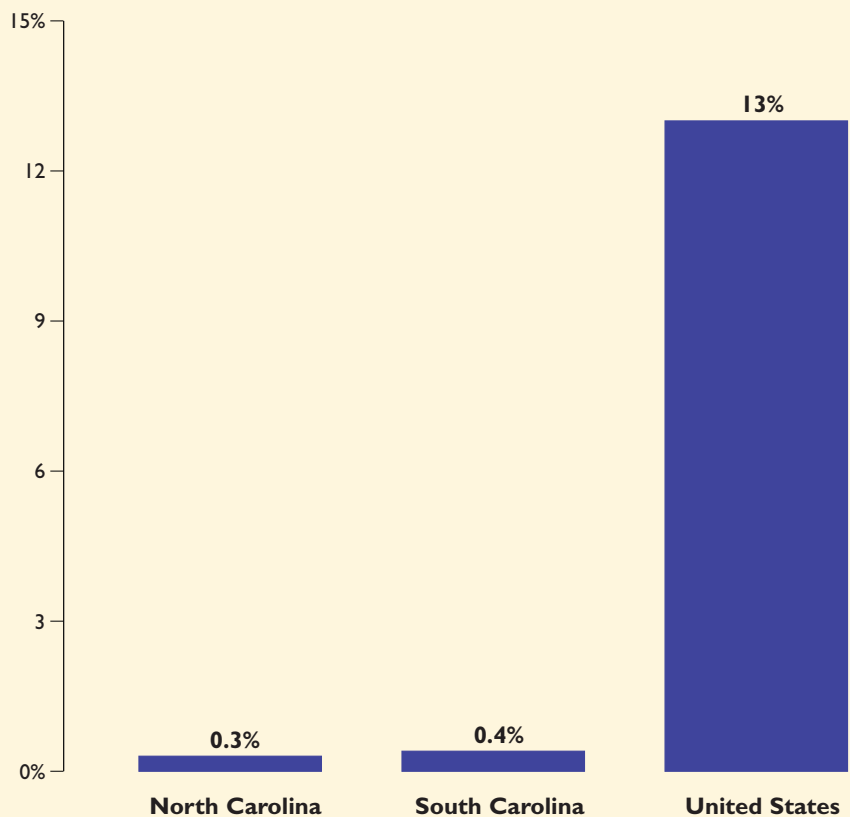
To the extent the Carolinas' population shifted, it was more from people moving to other states than from people moving in. The Carolinas were population exporters, especially of educated young people off to seek their fortunes and poor black people off to seek more opportunity. The Clemson College Extension Service estimated that 50,000 blacks left South Carolina between November 1922 and June 1923.

In the 1920s, whites controlled the political and economic lives of the Carolinas. A surge of segregation — expressed both in Jim Crow laws and in unwritten, yet hardening, day-to-day customs — had hit South Carolina shortly before the turn of the 20<sup>th</sup> century and North Carolina shortly after.

In the 1920 Census, North Carolina had 2.56 million people, compared to South Carolina's 1.68 million. Though smaller in

## Mostly Native

Percent of residents foreign-born, 1920



Source: Decennial Census

overall population, South Carolina had a larger population of blacks — 100,000 more — than did North Carolina. Blacks represented about 30 percent of the North Carolina population and more than 50 percent of the South Carolina population.

The fact that South Carolina had more blacks

than whites in the years from 1820 to 1920 helps explain the greater intensity of its racial rigidity. Looking back over the first half of the century, political scientist V.O. Key, Jr. observed:

South Carolina's preoccupation with the Negro stifles political conflict. Over offices, there is conflict aplenty, but the race issue muffles conflict over issues latent in the economy of South Carolina. Mill worker and plantation owner alike want to keep the Negro in his place.

### *Still a rural place*

Even as an economic revival was sweeping the nation, the South remained largely isolated. And in the Carolinas, an intense dual isolation defined the culture. Not only were most of the people rural, but they lived great distances from one another — isolated from the American mainstream, isolated even from each other. There was, wrote North Carolina sociologist Samuel Huntington Hobbs, an "excessive individualism"

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and an “excessive rural mindedness.”

Individualism and isolation combined to produce a scattering of small churches across the Carolina landscape. Congregations struggled to sustain rickety structures, and ministers were stretched trying to serve these fledgling communities. Hobbs described the North

Carolina countryside as “over-churched,” with churches outnumbering schoolhouses in many places.

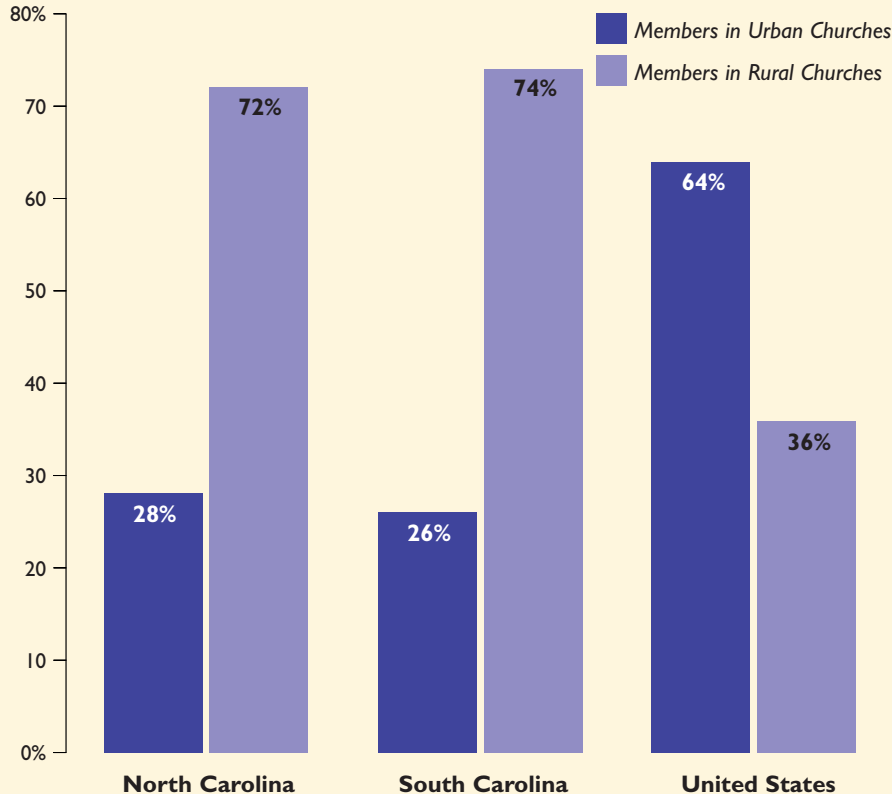
Among the then-48 states, North Carolina and South Carolina ranked in the top five in the percentage of total population living on farms — 60 percent of the two states, compared to the national average of 30 percent.

In both states, small-scale farming was the norm. North Carolina was the state with the fewest cultivated acres per farm dweller — 5.5 acres per person. South Carolina ranked next with 5.7 acres per farm dweller. “We come nearer approaching the European conditions of hand and knee farming than any other state,” Hobbs wrote of North Carolina.

In addition, farm tenancy was pervasive. In North Carolina, more than four out of 10 farms were operated by tenants. In South Carolina, half of the farms operated by whites were tenant farms as were 80 percent of the farms operated by blacks.

South Carolina historian G. Croft Williams observed that widespread tenancy had both economic and civic consequences, “for it impoverishes the land” and prevents a large segment of the population from advancing in education and economic well-being.

### Urban vs. Rural Church Membership, 1926



Source: Religious Bodies

## “Sharecropper’s Homes”

An excerpt from *The Economic and Social Conditions of Negroes as Tenants and Farm Laborers in South Carolina*,  
by Walter M. Buchanan

Near the home of each land owner is a group of houses in which croppers live. In one group is about eight small houses not far from the barnyard. These houses are bleak, bare, uninviting and not favored by shade trees. In each yard there are a few beautiful flowers. They have no cultivated land about the house and hence no cotton growing in the yard. The houses generally have two rooms, a front and a rear one. The front room serves as a living-room, dining-room and kitchen. If the houses are painted at all, it is a cheap red paint and all are the same color. The tendency is to have the houses as uniform as possible in every respect except size. The size varies according to the size of the family. On the whole, the houses for croppers

are smaller than those of the renter. By the time a man becomes a renter he is older, has been married longer and has a larger family and the necessity for a larger house exists.

The construction of these houses are void of beauty in design and in workmanship. The lumber is crude, rough and unplanned and in every respect without skill and workmanship...

An effort is made to keep the wind out of the house by the use of papers. Newspapers, magazines and wrapping papers, which they have gotten from the stores for the purpose are plastered over the walls of the house and ceiling...

Cropper houses situated at the conjunction of the field and forest are better situated than those near



the barnyard. They have more shade and, of course, trees in the yard. The houses are at a distance from each other. This makes the raising of chickens possible without being a likely cause of unfriendly feeling.

...In following a mail route that passes through the center of the plantation ... one is led by the stately dwelling of one of the owners to the end of the mail route which ends some distance

beyond the dwelling. Here you will find a group of cropper houses about six or more in number standing out in the open cotton field. These are without shade and without yard. Literally cotton grows up to the very door and against the house... The stables were further down at the edge of the woodlot. The mules had the choice location.

*Two Red Shacks*  
by Beverly Buchanan  
25" x 38"  
Oil Pastel on Paper  
1996

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To make matters worse, along came the boll weevil. Both states were cotton country: cotton and tobacco in North Carolina; cotton and corn to the south. Historian George Tindall wrote:

The worst year was 1921, when the weevil damaged more than 30 percent of the crop and completely wiped out the long-staple Sea Island cotton of South Carolina. [The insect's] invincibility was celebrated in the interminable stanzas of a folk song. The farmer 'buried him in the hot sand... I'll stand it like a man... lef' him on de ice... mighty cool and nice; fed him on paris green... best I ever seen.' 'It is my home,' was his refrain, 'it's jes my home.'

### *Urbanization and industrialization*

Amid excessive ruralness, there were growing towns in the Carolinas. In the 1920 Census, Winston-Salem led the list of North Carolina cities with a population of 48,400, about 2,000 more than Charlotte. Wilmington was third, with 33,370, about 9,000 people more than Raleigh. In South Carolina, Charleston was the most populous city with 68,000 people, 30,000

more than Columbia. Though the Carolinas' towns didn't match the cities of the North in terms of size, they adapted to technological and cultural change. For instance, Charlotte's WBT, the Carolinas' first radio station, went on the air in 1921, only a year after

KDKA in Pittsburgh inaugurated commercial broadcasting in the United States.

During and after World War I, more and more Carolinians began working by the clock inside rather than by the sun outside. In the '20s, the Carolinas were, simultaneously, predomi-

nantly rural and increasingly industrial. In a poor but rather stable society, change elbowed its way in.

Economically, North Carolina had a broader industrial base while South Carolina developed an economy centered around large textile mills. By the mid-'20s, North Carolina had become the South's leading manufacturing state — with tobacco, textiles, and furniture, the industries that would dominate during the 20<sup>th</sup> century, leading the way.

Several factors contributed to the Carolinas'

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*The Republic Cotton Mills of Great Falls, SC, in 1915.*

attraction as a locale for these types of manufacturing: abundant raw materials, cheap labor, low cost of living, and water power. Indeed, the harnessing of water power by Mr. Duke's utility and others supplied the electricity that turned the spindles and otherwise fueled an enormous shift in the economy. Cash summarized the progression this way:

Under the touch of Buck Duke's millions, hydroelectric power sprang into being, and by 1910 the energy of a million horses was pulsing into the wires of Dixie. And literally a hundred lesser industries made their appearance. By 1914, apart from the cotton mills, there were at least 15,000 manufacturing establishments of one sort or another in the South; and though most of them were exceedingly small, yet in the aggregate the value of their product far exceeded that of the cotton mills themselves.



Photo courtesy of Duke Power Archives

And side by side with this went a tremendous growth and multiplication of towns.

### *Illiteracy and ill health*

Illiteracy ran rampant in the Carolinas of the 1920s. Today's South worries about functional illiteracy: the inability to read, write, and figure well enough to function in a technological society and a modern labor market. When The Duke Endowment was founded, measurements of illiteracy went by the classic definition: the inability to read and write, period.

Among North Carolinians age 10 and above, 24 percent of blacks and 8 percent of whites were counted as illiterates in 1920. In South Carolina, 29 percent of blacks and 6 percent of whites could not read and write. While no figures were available at that time, Hobbs suggested that the people suffering from “near-illiteracy” outnumbered those in sheer illiteracy. Farm tenancy and rural isolation contributed to high levels of both illiteracy and near-illiteracy; tenancy required no education for adults, and to export children off the farm to school was often too expensive in terms of both money and lost labor.

The 20<sup>th</sup> century opened with something of an education reform movement sweeping across the South, and in the 1920s state and

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local governments assumed responsibility for school programs that had been launched by national foundations. South Carolina led eight Southern states that exceeded the national rate of

increase in cost per pupil. “There was reason for pride in the achievement,” wrote Tindall, “but one educational leader warned that the South was

‘in grave danger of ballyhooing itself into further backwardness.’ ”

In the Carolinas, school attendance dropped off markedly at age 15. Nearly 80 percent of 14- to 15-year-olds were in school in 1920, but only 50 percent of 16- to 17-year-olds.

Disease was as common as illiteracy. By the mid-1920s, South Carolina had more than 80 deaths per 100,000 people from tuberculosis and 40 per 100,000 from pellagra. The state had 17,000 cases of malaria in 1927. Not only was infant mortality high, so was maternal mortality — more than eight mothers died for every 1,000 births in North Carolina in 1925.

An early report from The Duke Endowment illustrates the paucity of hospitals available to Carolinians in 1925:

For the country as a whole there is one general hospital bed for every 291 people; ...for North Carolina there is one general hospital bed for every 517 people.... North Carolina is the fortieth State in the Union in the proportion of population to hospital beds; ...[f]or South Carolina there is one general hospital bed for every 797 people.... South Carolina is the forty-eighth State

in the Union in the proportion of population to hospital beds.

Forty-four of North Carolina's 100 counties had no general hospitals at all while 21 of South Carolina's 46 counties were similarly bereft of hospital facilities. Of North Carolina's 102

general hospitals (which had bed space for 3,753 white patients and 949 black patients), 72 were private and 30 were public. South Carolina in 1926 had 46 general hospitals with bed space for 1,598 white patients and 714 black patients; 28 of those 46 hospitals were private.



Photo courtesy of Duke Power Archives

An electric range float in Greenville, SC, in 1927



## Reform — and reaction

The 18th Amendment, approved in 1919, went into effect as 1920 dawned in the United States. Josephus Daniels, the Raleigh newspaper publisher who served as the Wilson Administration’s Secretary of the Navy, welcomed in Prohibition at a church assembly in Washington in January 1920.

From then on, as Tindall wrote, the decade featured two conflicting images of the South: “the benighted South and the progressive New South.” And

in that era, progressivism contained, simultaneously, a good-government strain and a moral-righteousness strain. It was during the 1920s that North Carolina won its reputation as the “Wisconsin of the South,” a reference to the preeminent good-government state of the nation.

But in addition to education and health initiatives, as well as road-building, the Carolinas also indulged in movements to resist the rush into modernity. If it was a time of modest reform, it was also a time, as Cash wrote, of “fears and hates.”

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— Sam J. Ervin, Jr.

Southerners in Congress had voted for Prohibition more heavily than representatives of other states. And more than a few of their constituents promptly made the region infamous for its white lightning’.

The 1920s also featured a rash of “monkey bills” — efforts in Southern legislatures to prevent

the teaching of Darwin’s theory of evolution. South Carolina turned aside one such bill in 1921. Four years later, the North Carolina General Assembly considered a bill to prohibit the teaching of evolution in the public

colleges and schools of the state, a bill that led then-state Representative Sam J. Ervin, Jr., to deliver the sort of vivid down-home speech for which he became famous in Washington a half-century later. Ervin declared:

If my friends had been sitting in the Spanish legislature when Columbus undertook, with Queen Isabella’s financial assistance, to make his first voyage of discovery to America, they would undoubtedly have proposed legislation to prohibit his sailing for fear he might fall



Photo courtesy of Duke Power Archives

*Mule teams at the square on a Saturday morning in Spartanburg, SC, in 1900.*

off one of the four corners of the earth. Although I am adamantly opposed to the Poole bill, candor compels me to confess that its passage would produce one happy result. The monkeys in the jungle would undoubtedly be delighted to know that the North Carolina Legislature has absolved them from all responsibility for the conduct of the human race in general and that of the North Carolina Legislature in particular.

In parallel with the surge of antievolution fever, the Ku Klux Klan had a resurgence during the 1920s. At that time, it was an organization composed of whites who worked on the farm and in the mill, of small businessmen, and of politicians. Many of the more prominent businessmen who did not join nevertheless winked. The Klan, wrote Cash, "summed up within itself, with precise completeness and exactness, the whole body of the fears and hates of the time," and he went on to say:

It was, as is well known, at once anti-Negro, anti-Alien, anti-Red, anti-Catholic, anti-Jew, anti-Darwin, anti-Modern, anti-Liberal, fundamentalist, vastly Moral, militantly Protestant. And, summing up these fears, it brought them into focus with the tradition of the past, and above all with the ancient Southern pattern of high romantic histrionics, violence and mass coercion of the scapegoat and the heretic.





So, as the end of the Great War ushered in the beginnings of modern American society, it also set in motion a time of turbulence in the rural, small-town, white-Protestant Carolinas.

For the rest of the United States, the 1920s were the decade of jazz, of the introduction of radio and the proliferation of automobile ownership, of the first stages of the liberation of women, and of the hero-worship of Babe Ruth and Charles Lindbergh. But for the Carolinas, the 1920s were a decade of persistent poverty and ignorance, of a mixture of moralism and progressivism, of a creeping toward urbanism and

a fear of what technological change would mean to a culture that had long resisted change.

By the time The Duke Endowment went into action, conflicting economic and social currents had come together in the Carolinas. Reform vied with reaction. The city lured people away from the countryside. Economic growth lifted hopes, but persistent poverty left many behind in hopelessness. In the midst of these paradoxes, Mr. Duke's Endowment went to work on the tasks of transforming a hidebound society and helping people lift themselves to a higher quality of life in a region about which he cared deeply.