

# POPULAR GOVERNMENT



PUBLISHED MONTHLY BY THE



INSTITUTE OF GOVERNMENT  
UNIVERSITY OF NORTH CAROLINA



# POPULAR GOVERNMENT

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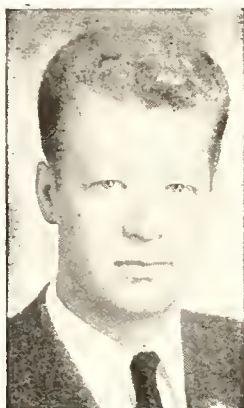
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### COVER PICTURE

Continuing a pictorial sketch of North Carolina, this month's cover of POPULAR GOVERNMENT carries the seventh in a series of reproductions of murals from the walls of the Institute of Government Building in Chapel Hill. The variety of the State has been emphasized by the different types of scenes, and the contrast between the east and the west has been the dominant theme in the series.

A recent issue of the magazine depicted a field of tobacco, a major factor in North Carolina's economy, both because it provides a principal occupation for the people of the State and because it is a source of wealth to her farmers, warehousemen and industrialists.

This issue of POPULAR GOVERNMENT presents another cash crop, cotton, which is also of great importance to North Carolina agriculture and industry. Perhaps, however, North Carolina's population, shown working in both these scenes, remains her greatest and most dependable asset.

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# 1944 Schools For Tax Supervisors

To Be Conducted by the Institute of Government in Chapel Hill

Beginning With Registration at 2:00 P.M. Tuesday, October 17, and Continuing Through Friday Noon, October 20

*Change in Date of Annual Tax Supervisors' School.* For the past ten years the Institute of Government has been conducting short annual schools for tax supervisors between the time of their going into office or beginning new terms and the date when tax listing begins. This year, in view of the approaching quadrennial year and after consultation with a number of supervisors throughout the State, the annual school is being moved forward to October and is being expanded to provide three full days of instruction and discussion.

*Institute Guidebook: Rewritten and Expanded.* The Institute's guidebook, setting out the powers, duties and practices of tax supervisors, list takers and assessors and county commissioners with respect to tax listing and assessing is being rewritten to incorporate developments since the last revision and expanded to give adequate treatment to improved methods for the assessment of real estate. The material and information being gathered for this guidebook will be presented at the forthcoming Supervisors' School, and it is planned to have the guidebook ready for distribution and use as a textbook at the local meeting of the supervisor and his list takers and assessors, required by law to be held in December.

*Institute Services to Tax Supervisors.* The Institute of Government has through the years contributed substantially to the science of tax listing and assessing in North Carolina by (1) making detailed studies and analyses of the methods and practices in selected and representative tax supervisors' offices in the State; (2) making comparative studies of particular methods and practices; (3) making studies and analyses of the laws, rulings and decisions affecting tax listing and assessing; (4) setting forth the results of these studies in guidebooks, periodically revised, for tax supervisors, list takers and governing boards; and (5) maintaining a clearing house of information accessible to all officials whose duties are connected with any phase of tax listing and assessing.

## COST OF ATTENDANCE

The only cost to each person attending will be fifty cents a day for room and not over a dollar and a half a day for meals.

## APPLICATIONS FOR ADMISSION

Tax Supervisors should send their applications for admission without delay to Albert Coates, Director of the Institute of Government, Chapel Hill, N. C.

## The Program

- I. Matters Preliminary to Tax Listing Period
  - A. Preparation of forms—abstracts, taxpayers' cards, etc.
  - B. Search for improvements
  - C. Preparation of manual for list takers and assessors—standards of valuation
  - D. Meetings and instructions of list takers and assessors
  - E. Mailing abstract form to taxpayers
  - F. Advertising tax listing period
- II. Mechanics of Listing and Assessing
  - A. Urban taxpayers
    1. Individuals
    2. Firms and corporations
  - B. Rural taxpayers
  - C. Who may list by mail; by agents
  - D. In whose name property should be listed
  - E. Carrying forward
  - F. "Pre-listing" and "permanent listing"
  - G. Oath of taxpayer
- III. Discoveries
  - A. Real estate
    1. Methods used in discoveries
    2. Valuing discovered property
    3. Notice to taxpayer
  - B. Personal property
    1. Methods used in discoveries

2. Valuing discovered property
3. Notice to taxpayers
- C. Function of Board of Equalization and Review
- D. Function of Board of County Commissioners
- IV. Exemptions
  - A. Real estate
  - B. Personal property
  - C. Duty of supervision with respect to exempt property
- V. The Work of the State Board of Assessment as it Relates to Tax Listing and Assessing
- VI. The Work of the Tax Research Division as it Relates to Tax Listing and Assessing
- VII. The Assessment of Real Estate
  - A. Equipment
    1. Tax maps
    2. Record cards
    3. Field and office manuals
  - B. Real estate valuations

1. Valuation for tax purposes
2. Land
  - a. Urban
    - (1) Residential
    - (2) Commercial
    - (3) Industrial
  - b. Rural land classification
3. Improvements
  - a. Buildings
    - (1) Classification of types
    - (2) Establishment of unit values
    - (3) Additions and subtractions from base values
  - b. Machinery, fixtures and equipment
    - (1) Real estate or personal property?
    - (2) Problem of uniformity of taxation

## VIII. Round Table Discussion

Devoted to particular problems and matters of especial interest to the individual Supervisors, who are requested to write out in advance and bring with them any problems or questions upon which they would like to hear a discussion.

All Supervisors are urged to bring with them a full set of their abstracts and other forms, including written instructions to their list takers which have been used in the past, schedules of values, etc., for comparison with others and as an aid in illustrating discussions.





# FAITH, WORK AND PLAY IN WARTIME

Continuing a Series of Articles by the Dean of Administration  
of the University of North Carolina

R. B. HOUSE

In July of this year I made a trip with the members of our Department of Education to Gastonia, to visit a remarkable summer school being conducted there. In the first place, the expenses are being paid by the Board of Education of the city of Gastonia.

In the second place, some thirty or forty teachers in the Gastonia schools are studying education, but in a particular way. They are, at the same time that they study the theory of education, planning and adapting theory to special conditions in the Gastonia schools.

In the next place, they are being directed by the principal of the junior high school in Gastonia, a young teacher who says that administration has about gone as far as it can in education, and that he believes the next step is in the improvement of instruction. One of the best city school men in the United States is doing the work of instruction, and finally, the University of North Carolina is giving full credit for this work. Moreover, the present instructor is basing his work on preliminary work done through two quarters by instructors of the University of North Carolina.

If summer schools of this sort could get going in the school communities of North Carolina, there would be a wholly constructive revolution in the quality of our living and thinking. I rejoice to say that the teachers of Alamance County are doing for the county as a whole the same sort of thing which the teachers of Gastonia are doing for a city.

All people, not merely professional school people, are thinking about the shape of education now and in the world after the war. It seems to me that we have libraries full of documents setting forth multifold theories and many excellent practices, but here in Gastonia and in Alamance County we are, for the first time in the history of education in North Carolina, making this available to people on the job, who study definitely for the improvement of the job itself. Once more in the person of Mr. McCartha, the young teacher directing the work at Gastonia, we have emerging a type of what not only North Carolina, but every community in America needs, namely, a young teacher, whether it be a man or a woman, who goes to work in his community with the same sort of long range planning that would characterize the settling down of a young doctor or a young lawyer in a community. I am quite certain that we cannot expect all teachers to settle down for the rest of their lives on their first jobs. There must be a good deal of moving about; but I do think, with all



my heart, that the tendency to consider it good policy for teachers not to feel too secure in their tenure, so that the school board may have a perfectly free, if not a whimsical, attitude towards their retention, has done irreparable injury to stability, continuity, and development of education as it takes form in particular schools, in particular communities, and does its work with individual boys and girls. A teacher just must know more than the generation he teaches in a community, if he is going to teach at all.

I am not trying to make any complete statement whatsoever in this brief essay, but I believe that until the business people, men and women, in fact the whole com-

munity, get vitally interested in making teaching a profession on which a young man or a young woman could settle down with a reasonable prospect of tenure and development, not only professionally, but as a person of importance in his own community, we are not going to enter in any sense the "promised land of fresh educational procedure" which we all long for.

In order to give credit where credit is due for the Gastonia summer school, I want to mention the leadership of the Superintendent of Schools, Mr. K. G. Phillips, in addition to that of Principal McCartha of the Gastonia Junior High School. Also Miss Elizabeth Salters, of the Parker District, Greenville, South Carolina, is assisting Principal McCartha and Principal Harold V. Baker of Daniel Webster School, New Rochelle, New York, in conducting the project. I thought it was significant to see the Democratic nominee for Governor, the Honorable Gregg Cherry, visiting this project and so much interested in it. I saw Mrs. Kay Dixon among the numerous people of the town who are assisting, not only from their position in the city itself, but because they seemed to be genuinely interested in what is going on there.

I have spoken in several hundred schools in North Carolina and it always interests me to see how, on relatively the same economic resources, the artistry and genius of teachers can build such differing structures of living and well being. Some schools do not even have a shrub around them, it seems. Others are not only well planted on their grounds, but full of flowers and artistic touches on the walls, here and there. The Gastonia Junior High School, where we met, is in the first place the cleanest school building I have ever seen. This is a needed example in North Carolina. It is one of the most artistically arranged and decorated schools

*(Continued on page 12)*



# Concerning Local Taxes and Practices

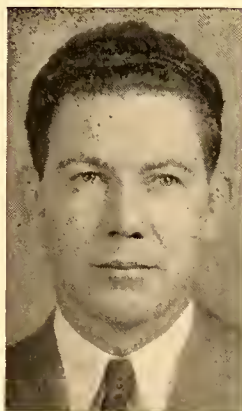
## An Informal Report Upon an Informal Survey of the Tax Picture

*The author of this article recently completed a tour of the State in connection with a series of district meetings of city and county tax collectors, attorneys, finance officers, members of governing boards and other officials interested in tax problems. He talked both formally and informally with scores of county and city officials about their tax problems and what they were doing about them. He presents herewith a brief discussion of those topics which recurred most frequently in those talks, together with some observations about tax administration in general, picked up here and there about the State.*

### Delinquencies Being Cleaned Up

A hopeful sign in the local tax picture is that generally, all over the State, tax collectors, finance officers and attorneys are putting forth extra efforts to clean up their delinquent taxes now, while collections are relatively easy, and while better than normal collections can be realized with little or no effort. There appears to be a growing realization that unless delinquencies are cleared up now, they may never be, or at least that they will not be without a great deal more of expense and trouble than is now required to do the job. Still in the memory of many officials are those lush days of 1927, 1928, and 1929 when revenues were so ample that it was not felt necessary to go after the relatively few delinquents and to enforce collection "while the getting was good." Unimportant, for the time being, were those small percentages (which, however, totalled up to important amounts) which were left uncollected from year to year. "Normal" and better collections were being made with very little difficulty, so why worry? Why stir up unnecessarily people who might take it into their heads to show their resentment at the polls?

*History Teaches Lessons.* Came the "slump," "recession," "depression." Collections fell sharply. It was now necessary to push somebody,



By

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ABBOTT**

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Director  
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and the logical ones to push were those who were most delinquent. But by then, those who might have paid year after year if they had felt any pressure, had lost their jobs or their businesses or were barely subsisting, and could not possibly pay an accumulation of back taxes. So foreclosure proceedings were instituted; but the Supreme Court, in passing upon "hard cases," threw so much doubt and confusion into the foreclosure process that many units came to regard foreclosures as futile. The legislature also stepped into the picture and, among other things, barred the collection of liens for taxes for 1926 and prior years (Ch. 181, Sec. 7, P.L. 1933). Suppose the 1945 Legislature should pass an act barring the collection of taxes for 1938 and prior years. How many thousands of dollars would such an act wipe off the books of counties and towns of the State? It isn't remotely probable that the 1945 Legislature will take such a step. But then, it didn't seem probable in 1928 or 1929 that the Legislature of 1933 would consider such a step. It not only considered it, but took it, with the result that those who had paid their taxes were penalized and had to pay again to make up for taxes which were released.

Even today, there are thousands of dollars of unpaid taxes for the years 1927, 1928 and 1929 still on the books. In many instances, taxes for intervening years have been paid, leaving those "boom day" taxes,

which could have been collected currently with relative ease, to plague successive collectors, attorneys, accountants and governing boards.

*Lessons Are Being Learned.* Yes, collections are easy today, as they were last year. New records for percentages of collection of the current levy are being set. Prepayments are far out ahead of previous years in many units—so far ahead that it is even a little embarrassing to some units which have figured their budgets very closely and are afraid that the large amount of discounts allowed for prepayments may result in a deficit. But local tax officials are not, for the most part, taking these easy days as an opportunity to relax, but rather as an opportunity and an incentive to get to work on their delinquents, and on those who will become delinquent unless some attention beyond a printed notice is given them. The job is being tackled through the use of different methods in different parts of the State and with varying degrees of effectiveness, but that it is being tackled is significant of a growing attitude of thoughtfulness with respect to local taxation. There is a general realization that now is a good time to put local taxation upon a more equitable, uniform and efficient basis, and many officials are seeking to seize the opportunity. Not only is attention being paid to the matter of collections, but also to the manner of conducting the collector's office. Below are suggested some of the aspects of their jobs now receiving the attention of collection officials in various parts of the State, and some of the means being employed to encourage or enforce payment of current as well as delinquent taxes.

### Forms and Records

Forms and records are inherited by an incoming collector from his predecessor. Usually, when a new collector takes office he does not know enough about his duties to be able to judge whether the forms and records in use in the office make for efficient management or whether they



are suited to the needs of the particular office. They may have been devised years ago, to fit a body of tax laws many of which have been long since repealed, or they may have been copied from some other county or town which may or may not have been comparable in size and need. They may require a great amount of unnecessary work and lost motion, and may be a source of a great many errors. But by the time the collector finds his way about the office and catches on to the use of the forms and records he finds there, he usually has become settled in his office and somewhat "settled" in his predecessor's ways. Governing boards also are often inclined to discourage making innovations "for the present"—to defer spending the money which changes would require, to suggest that a system which has been in use "since the memory of man runneth not to the contrary" will serve a while longer. Other officials are taking the more realistic view that if the collector's entire time must be taken up in handling the mere mechanics of accepting and reporting payments of those who voluntarily come in to pay their taxes, he has no time to keep after those taxpayers who are inclined to let their taxes go just as long as possible. When delinquents do not receive the attention of the collector, many of them will permit their taxes to accumulate to the point where the taxing unit will find that it has acquired some real estate, or a headache, or both, in lieu of taxes.

*Tax Ledger Systems Finding Favor.* One improvement that is being made in many offices is the installation of ledger accounts for all of the taxpayers of the county or city. These ledger systems take various forms: some provide a separate sheet for each taxpayer, while others provide a separate sheet for each parcel of real estate. Some are maintained only for taxpayers who list real estate, while others show all taxes, both real estate and personal property as well as poll and dog taxes. Some show only delinquent taxes, while others show current taxes also, each new tax assessment being posted to the ledger accounts at the time the new books are made up. Whatever the local variation, the basic idea is to have all the taxes against any given taxpayer or any given par-

cel of real estate shown in one place, rather than having them scattered through some eighteen different books (back to 1926) or double that number where delinquent tax receipts as well as tax sale certificates are kept in separate yearly volumes. The many advantages in maintaining a ledger system suited to the size of the taxing unit are readily apparent. It greatly facilitates the matter of looking up back taxes and at the same time minimizes the danger of overlooking some unpaid tax. Many collectors who carry on without the assistance of a ledger system have had the experience of spending up to half an hour in getting up a statement of taxes due upon a single parcel of real estate. Others have had the experience of overlooking back taxes in the rush of business. When this happens and the collector must subsequently go back to the taxpayer and ask for more money after the taxes have been "paid in full," mutterings of suspicion may be heard against "that gang" in the courthouse or city hall, especially if the second call is upon a new owner who had been told that all back taxes had been cleared. The fact that taxpayers and interested parties must sometimes stand around for fifteen or twenty minutes while the collector successively thumbs through a great many different books in and of itself tends to weaken public confidence in the conduct of the fiscal affairs of the county or city. Collectors who can turn to a cabinet or to one book, select one sheet and find at a glance the total of the taxes due, not only save a great deal of time which can be put to productive use, but what is probably even more important in the long run, generate public confidence in local government through a demonstration of efficiency and accuracy.

### The Poll Tax

Not as a political issue, because the payment of a poll tax is not a prerequisite to the privilege of voting in North Carolina, but as a matter of economics, the poll tax is receiving some discussion and thought. It is pointed out, to begin with, that only males between the ages of 21 and 50 are so taxed, and that there is no logical basis for putting a special tax upon men in that particular age group, while exempting

men above 50 years of age, and all women. Some collectors state that the majority of poll taxes are collected in connection with real estate taxes, that an increase of 1c or 2c in the tax rate would yield the same amount, and that the collection of poll taxes from those who list no property costs about as much to collect, counting time that might be better spent on more substantial items, as is collected. It is further suggested that when persons who have been liable for nothing except the poll tax, and who have been "getting by" without paying, thus coming to believe that tax laws have no teeth, finally acquire taxable property it is sometimes difficult to "educate" them into the habit of paying. On the other hand, it is contended that many persons would pay no tax at all if it were not for the poll tax, and that such persons, who receive many of the benefits, ought to bear some of the burdens of government, and that they can be made to pay the tax through the use of levy or garnishment proceedings, unless they are truly indigent and entitled to exemption. There are good arguments on both sides. The situation in the particular county or municipality probably determines whether the poll tax would be continued if it were an optional matter. Some have expressed the thought that some future legislature may continue the present servicemen's exemption from the poll tax indefinitely. If that should be done, the poll tax would indeed be a very spotty levy for many years to come, and administrative difficulties would probably make the tax more troublesome than productive.

### Prepayments

As suggested above, the volume of prepayments on the 1944 tax levy is setting a new record, prepayments ranging between 25% and 70% of the total levy. While no statistics are available, the State-wide average will probably be between 40% and 50%. The receipt of this large volume of taxes before the due date and before the regular tax books are made up involves an enormous amount of extra, and therefore unnecessary, work—so much that the matter should be the subject of a special study with a view to submitting some

(Continued on page 8)



# Postwar Planning in North Carolina

## *The South Must Cooperate in Planning its Future*

At present nearly every institution, community, and state of these United States is filled with talk of "postwar planning." Some of this preoccupation with the postwar period is, undoubtedly, a much desired escape from the worries and strains of the present great and complex global war. Such escape is tempting but always dangerous. Accordingly, every now and then a voice is raised in protest against such present discussion of postwar plans. However, there is another foundation for all this discussion of postwar planning, namely, our more or less unconscious realization that we stand today in another one of those rare and crucial periods in history when the cards of destiny are reshuffled and redealt. Such great periods of change occasion the rapid fall of some institutions or states and the rapid rise of others. Empires, regions, business institutions, churches and cultures throughout history have at such times experienced radical alterations in their future significance. The pages of history are littered with the tombstones of those which failed to make the necessary readjustments.

Undoubtedly, some of the causes which erect and destroy great civilizations are beyond human foresight or control. Sometimes even after they occur, the careful student of history is unable to discover "why Rome fell." Yet man has never been entirely willing to take a strictly fatalistic attitude and accept without a struggle whatever future might befall him.

### History Made by Planners

In America we look back with great pride upon the years of our early Revolution, when a band of patriots seized the tide of opportunity and laid the foundations of a great new nation. In the South, we have never been able to escape profound and conflicting emotions as we review the history of our section. Some of its features make us proud that our fathers developed before the



DR. FRANCIS F. BRADSHAW  
Dean of Students, Dean of the College for War Training, and Professor of Philosophy

Civil War so many communities and institutions of great charm and beauty. These feelings have mingled with those of humiliation as we realize that the Southeast, after Britain had already outlawed slavery throughout the Empire and after Russia had already freed her serfs, chose to fight in order to maintain, perpetuate, and expand an economic order based upon chattel slavery. Then again as we contemplate that bitter war, we feel the great upsurge of pride in the heroic struggle which welded these southeastern states together in eternal bonds and produced a unity, discipline and loyalty among the masses of southern men and women, utterly unequalled elsewhere in the United States.

### South Needs Better Planning

However, the charm of the South's early history and the heroisms of its ill-fated struggle cannot blind us to the fact that it has been, even up to this good day, a region whose achievements in the production of wealth and the development of political effectiveness fall far short of its resources, its stock, its opportunities and its early history. It is difficult to compare great sections of the country; yet one would hazard to guess that even during the upsurge of the first third of this century, the

South's progress in wealth, production and retention, in education, highway construction, public health and general modernization did not make up much of the time that she had lost. When the progress is compared with achievements for a similar period in the Northeast, Middle West, and Far West, it is seen to be too little and too late to bring the South "up to standard."

Those who love the South and feel hopeful of her potentialities should certainly seize at the present the opportunities presented once more by the great tides of world change. If we could choose our direction wisely now and quickly strike out for adequate programs of development which are soundly based on the currents of today, we or our children might live to see the day when the South once more shall be not the nation's economic problem number one but an equal partner in the power and glory of a great America. This will demand not merely talk about postwar planning but actual planning, and not merely planning but good, sound, intelligent planning. Planning is itself a difficult and complicated enterprise which must be planned. Planning as an activity of individuals or groups has its own laws. Unless we are to become merely weary with words, we must be clear about what we set out to do when we plan to plan.

### First We Must Choose Our Goals

Reduced to its simplest terms, a plan consists of a description of a series of actions which, if successfully and successfully carried out, will lead to a definite goal. Obviously then, planning for a community requires some agreement on what are the goals of that community or business. What are the goals of North Carolina or the Southeast?

Before attacking this question of goals and plans to reach those goals, let us admit at once that many goals are reached without plans. The discovery of oil in the state of Pennsylvania in the early days illustrates



such an epoch-making event. The discovery of America itself was an unplanned event of the first importance. However, after the early discovery of oil, the great and adequate development of the industry has, in the main, been the result of careful planning. Also the expedition which discovered America was itself a very carefully planned program, designed to find an easy passage by water to the wealth of the Orient.

A careful observer of the South once remarked upon his explanation of relative lack of wealth in this great region. He was a textile engineer, associated with much of the development of Southern industry during the twentieth century. However, he was convinced that we had fallen far short of our potentialities. He explained what he regarded as our relative ineffectiveness in the following way. "The Southerner," he said, "does not believe that problems are solved by the use of intelligence but rather by military or political means." This belief is rooted in the fact that the South's greatest problem is its race problem. About this problem, the Southerner is unwilling to be rational. Therefore he must unconsciously develop the view that problems are not solved by use of reason but by some other means. It was the contention of this friendly critic and is the contention of this writer that, in general, great enterprises and great achievements rest upon conscious planning and careful and critical use of the intelligence in selecting goals and adapting means to realize those goals.

What are the aims or goals of this state and region and its constituent communities, institutions, and enterprises? If we can answer these questions correctly, the future may be ours. The hundreds of thousands of young Southerners now scattered around the world in the armed services, and throughout the nation in Detroit, California and Connecticut in the war industries may with eagerness turn their faces back to the South at the war's end. If we do our planning inadequately, they may stay where they are or settle elsewhere, and the South may have to wait another generation for any further forward surge in her life. It is not the function of this article to indicate

which goals should be selected, but rather the process of selection, which can best be described through illustration. Let us examine some of the goals which might contend for our interest. Let's face these goals in terms of choices.

### **Farms or Factories?**

Shall we press forward towards greater industrialization or shall we "take our stand" with those who believe the South shall be primarily an agricultural region? We chose agriculture in the early part of the last century. We somewhat half-heartedly chose industrialization in the early part of the present century. Then when the present war came on and American industry faced a terrific expansion to supply the means of war, most Southern states chose to regard the war as a short and temporary interruption in life as usual; and the greatest majority of industrial expansion went to the already industrialized Northeast and to the newly industrialized sections of the Middle West and the West Coast. The South, hardly conscious of its choice, chose to become less significant as a region of horsepower and machine power and rested her future mainly on the raw materials of farm and forest, shipped elsewhere for final manufacture. Is this choice to stand? Is it a good choice?

### **Fascism or Democracy?**

Shall the Southeast be in the future, like East Prussia, for example, a political system founded in the main on racial distinction wherein a superior race controls political and economic power of the regions and maintains a somewhat feudal and military civilization, whose laws are designed primarily to keep the inferior race in subjection? On the other hand, shall the South strike out into what would be for it a new type of organization wherein the members of all races would be equal partners in a democratic commonwealth? In the 1830's the South chose the former alternative. Again in the reconstruction years after the Civil War, the South chose the former alternative. At the turn of the present century, some Southern states tentatively, yet surely, moved out into the pattern of the latter choice. Whenever there are arguments about Jim Crow laws, poll

taxes, equal franchise, and equal pay for equal work, the implications of this latter step become too clear. There is a sudden upsurge of emotion, a violent attack on the leaders of the democratic movement and a split within the ranks of Southern politics. Such splits are easily exploited by those who would keep the South economically and politically prostrate in the nation. We cannot strive effectively at the same time for both of these goals. The Southerner must make his choice.

### **Welfare for Homefolks or Profits for "Foreigners"?**

Shall the South progress primarily as a region where the conditions of life such as public health, education, homemaking, job security, and public utilities make it appealing to residents as a good place in which to live in the modern standard of living, or shall it maintain its attractiveness to investors and its competitive position in trade as a retarded region with a high birth rate and a low wage scale in which a few industries, capitalized mainly from without, may find a relatively high rate of return on investment, not through the skill of the worker so much as by the low cost of production? In the early nineteenth century, the South chose the latter line of development. During the present century, it has vacillated between the two alternatives. Sometimes a state led by an Aycock has bet on a healthy and educated citizenship. Then has come a reaction sometimes promoted by absentee stockholders but shared by many honest and patriotic people who feel that an eight months school will take the boy out of the cotton field and hamper competition for world trade by high cost of production. The South must choose its road. At one time there were fewer patents registered at the United States Patent Office in proportion to inhabitants in the state of North Carolina than in any other state in the Union. During the last few years great new industries have arisen in radio and aviation, but not in the South. Great new developments have scattered the stores of national chains in all communities of the nation, but, in the main, from outside the South. At one peak point in the development of textile manufacturing in the Carolinas, more than



51 percent of the stock was owned by people who resided outside the South.

### **A Gamble on One Crop or a Balance of Many Products?**

Shall the South continue to specialize in two or three main industries and two or three main crops, gambling on their future from year to year and bending every industry in that direction while it imports billions of dollars worth of food and feed and countless other products of trade from other sections, or shall the South develop a balanced economy? This alternative so stated seems almost to answer itself; and yet, in spite of a hundred years of debate, most of the legislation and taxation programs in Southern states are designed to, and do most effectively, perpetuate share-crops of two main cash crops and the protection of the local labor market against competition from new industries. At one time when the South was most conscious of its achievements in moving spindles from New England to its own Piedmont, the New England economic council was boasting of the fact that the textile business was only 17% of New England's business. And the low-income South was shipping out its arduously-produced wealth to support the shoe factories, the candy kitchens, the book publishers, and the metal works of an ingenious New England, which built great trade currents with our forests, hides, ore deposits, or cane fields. And much of Southern capital, carefully saved by a few, was sent to New York to be borrowed back at high rates of interest by occasional Southern inventors.

### **Profits in Person or on Paper?**

Before the Civil War, the board of directors of a railroad in the South conducted and reported in their minutes a careful discussion of whether to invest in a new labor-saving machine for track maintenance or continue to perform the same tasks by the use of slave labor. An analysis of cost indicated that the cost of maintaining the slave labor and the cost of purchasing the machine for the operation were comparatively the same. However, one important difference existed. The railroad could sell the progeny pro-

duced by the slaves. Unfortunately, the machines did not beget new machines. The difference which resulted determined the railroad board of directors not to install the machines but to continue to perform the operation by slave labor. This decision might fairly be taken as representative of a fundamental issue. Shall our bookkeeping be set up in such a way as to take account only of paper profits or shall we take account also of the fundamental profits of human dignity and well-being? There has developed a notion that the South is sentimental, idealistic, religious and spiritual in its outlook, while the Northeast, preoccupied with manufacture and trade, is supposed to be relatively materialistic and grasping. However, comparative history would raise very sharp questions as to whether or not this is one of those illusions with which a people comforts itself for its low estate. At least once in our history we have very clearly bet on the paper profits against the human welfare. The testimony in history would seem to be that those states are most powerful which develop and use the highest capacities of their citizenship, providing for education, justice and health first and then finding that the material values of wealth and power have been added unto them. This may be the fundamental alternative which we must choose as the crux of our postwar planning.

### **All Together for Progress or Divided for Exploitation?**

If a part of the Southerners plan one kind of postwar future and another important and influential section plan for one just the reverse, the region will lose the opportunity presented by this great historic age. We are definitely behind in the peaceful competition between the regions in this great country of ours. Unless the proud South is to accept forever its present impoverished and relatively uninfluential role in American life, it must not only keep up but catch up. This will require agreement on goals and cooperation on ways and means of reaching those goals.

According to Vance, "Unless there is a definite change in the regional economy, there will be retrogression in agriculture, in industry, and in

general culture. In some ways, the prospects are alarming, indicating that the South can ill afford to make many more mistakes."

### **It Is Not Yet Too Late**

It would not be appropriate to the role of this writer to say which alternative goals the South should choose. At least, the philosopher should not be dogmatic about that. However, it might not be inappropriate to point out the major facts of the modern world, namely, the airplane and accompanying methods of quick communication. It is a fundamental character of modern civilization to apply science in such a way as to shrink the globe, bringing the continents of the races and the nations into closer relation. That relation will be either conflict or cooperation, depending upon division and leadership of those in charge. The conclusion seems inescapable that increasingly economic and political power and cultural leadership will be in the hands of those who apply science to production and trade and base their political relations on unity and equality. The South, strangely enough, has always been clearly opposed to political and military isolationism. However, when one of its great bishops appeals for a Chinese wall of thought around it to keep out scientific evolutionism and religious modernism and when some of its contemporary leaders appeal for a great political wall around it to keep it solid and exclusively white, they are again, as in 1830, fighting to maintain a way of life which is clearly doomed by every airplane that flies from Africa to Brazil and every broadcast that wings its way around the globe in seconds. We have chosen to stop Hitler in his efforts to establish a racial state, supreme over all the world. Is it not clear that we must, when Hitler is stopped, take up our own responsibility for the new world order based on the principle of the democratic and interracial states? Can the South unite in choosing its goal? Unless it can, discussion of ways and means to go forward will be idle.

### **Let's Not Be Too Little!**

If we choose the wrong alternative, our region must remain a colonial dependency upon the industrial North-

*(Continued on page 12)*



## Local Taxes

(Continued from page 4)

better procedure for the consideration of the legislature. Whether computed in money or man-hours, a considerable saving could be effected. Lost motion and duplication of effort are no more profitable in government than in private business.

*Prepayments Mean Double-Plus Trouble.* Figures for the prepayment of taxes are based upon tentative tax rates which are estimated before the rate is finally set and which are applied to the tax valuation in arriving at the amount for prepayment. The work of getting the tax listings from the supervisor's office as taxpayers come in to make payment, then of figuring and making out special prepayment receipts, then of comparing, refiguring and pulling out original receipts when the books are finally made up, and of crediting the tax collector with the prepayments, is at least double the amount necessary in making collections after the books are turned over to the collector. The work is multiplied when the tax rate is finally set at a figure different from the tentative rate. If the rate is lowered, refund checks must go to all who have prepaid. It is even worse when the final rate is raised. In such cases, statements for the balance of the tax must be sent to all who have prepaid, many explanations must be made, much grumbling must be endured. Many taxpayers regard the statements for balance due not as the unpaid part of their year's tax, but as an extra assessment, an unjustifiable demand after settlement has been made. Suppose the tax rate is raised 5c. That will make a difference of only 25c on a \$500 valuation, or \$2.50 on a \$5,000 valuation. How many notices, letters, telephone calls and personal interviews can be profitably employed in order to collect a quarter, or even \$2.50? Indeed, where is the profit in a procedure which is costly, cumbersome, a source of petty errors and of misunderstandings?

*Why Have Prepayments?* The real reason for permitting prepayments and for offering discounts as an inducement is to avoid the necessity of having to issue tax anticipation notes to raise necessary funds

to carry on operations between June 30, the close of the fiscal year, and the first Monday in October, when the new taxes fall due. If the laws would permit it, now would be a good time either to make allowance in the budget for that three-month interim (succeeding budgets would still have to cover only a twelve-month period) or make taxes due and payable on July 1, thus coinciding with the fiscal year, and let the collector have the new books by that date. It is difficult to see any logical reason for setting the first Monday in October as the due date for taxes. That date coincides with nothing. Where the sheriff acts as tax collector, he takes office on the first Monday in December. He doesn't receive the tax books, however, until the following October. When he goes out of office as sheriff, he nevertheless lingers on for ten months longer as tax collector. City collectors are supposed to be appointed annually as of the first Monday in July, and appointive collectors are generally upon a fiscal year basis.

*Present Law Prevents Maximum Efficiency.* Little can be done, however, to avoid the annual prepayment frenzy under the present laws. A taxpayer has the right to pay on or before July 1 and take a 2% discount, even though the tax rate has not been set nor the tax books prepared. Even if the rate has been set and the original receipts have been prepared, the collector cannot legally receive the new books before the first Monday in July at the earliest (and the bulk of prepayments are in before then, unless the first Monday is also July 1), nor until he has settled for the previous year's taxes. He cannot settle for those taxes until he has held and reported on the tax certificate sale. That sale may be held in any of the five months of May through September, but the date of sale is controlled by governing boards which are usually reluctant to order the sales held any earlier than necessary.

It might be argued that it is very difficult to prepare a budget and set the tax rate in time to have the books ready by July 1. Perhaps it is too difficult. Perhaps in some cases it is impossible. But however long it takes to prepare the budget, set the rate and make up the tax books, it would avoid a lot of trouble and

wasted effort if the collection of taxes were deferred until the regular collection machinery is properly set up. And it might be suggested that if collection were so deferred, means of solving the difficulties in the way of timely preparation would usually be found. It might also be noted that under the present system the official whose duty it is to prepare the budget for submission to the governing board and to prepare the tax books is often the same person upon whom the duty of receiving prepayments is placed, thus further delaying the preparation of the regular collection machinery.

*Are Amendments to Law Needed?* It is urged by some that the practice of receiving prepayments should be continued, as it is good collection psychology to offer discounts as an inducement to early payment. As a budgetary matter, it makes no difference whether discounts are offered for early payment, or penalties are added to late payments, or both, as estimates of discounts and penalties are considered in making up the budget. As a psychological matter, a discount for prepayment is no greater inducement than a gradually reducing scale of discounts for payments made within a certain number of days after the tax is due. At any rate, as now handled and as now governed by statute, prepayments are the source of a great deal of trouble in many offices, and many collectors are firmly of the opinion that "there ought to be a law."

### Penalties and Interest

Among tax officials, there is very little difference of opinion or of practice in the amount of penalties to be added up to the date of the certificate sale: 1% on February 2, an additional 1% on March 2, plus an additional ½% per month or fraction of a month until the tax is included in a tax sale certificate. Although there are a few who have been interpreting the law to mean that no further penalties are to be added to personal property and poll taxes, where no real estate is listed, after the date of the certificate sale, the great majority of collectors correctly understand that such taxes continue to be subject to the addition of ½% per month penalty until finally paid.

*Variations in Practice.* When it



comes to figuring interest on tax sale certificates, or "sold" taxes, however, there is a considerable variation both in the interpretation of the law and in the practice. There is a tendency to continue to add  $\frac{1}{2}\%$  per month to the penalty which had accrued prior to the sale, and then, when payment is finally made, to add the cost of sale to the original tax plus accumulated penalties or interest. A few counties have local laws authorizing such rate of interest, but more of them have without authority adopted that rate in the face of a mandatory requirement that 8% interest be charged upon the "certificate amount" of these "sold" taxes. Many offices do not have their records set up in such a way as to show the "certificate amount"—the figure upon which the interest is to be computed according to the law. Some officials take the view that it is inequitable to charge only 6% simple interest on personal property and poll taxes where no real estate is listed, and to compound the interest and charge 8% where real estate is involved. The point seems well taken. It is difficult to see how the constitutional requirement of uniformity is met by a law which permits one man to pay only 6% interest on the delinquent tax upon his automobile, while compelling another automobile owner to pay 8% interest on his delinquent tax, merely because he happens also to list a parcel of real estate.

*Reason for Higher Rate upon Realty Tax.* Probably the reason for setting different rates of interest upon delinquent taxes was to induce private parties to purchase tax certificates at the annual sale so the taxing unit could get its money and be done with it. At one time the rate was as high as 20%. This rate did bring in private purchasers, but it was certainly burdensome and it also brought in some oppressive practices. The interest rate was reduced by successive legislatures to 12%, to 10%, and finally to 8%, where it has been for a number of years. And for a number of years, under the 8% rate, the appearance of a private purchaser at a tax certificate sale has been a rarity. The sale has become a mere formality in most taxing units, and in many of them it is not even very formal. It adds nothing to

the rights of the county or town except the right and the duty of there-after charging 8% interest. As a practical matter, the most that can be said for the certificate sale is that it furnishes an excuse for advertising in the newspaper the names of delinquent taxpayers, the threat of which results in some collections. There is doubt in the minds of some whether this threat of adverse publicity is worth the time and expense required to follow this annual, meaningless procedure. Since the sale itself accomplishes nothing, the threat of publicity might be retained by changing the law to make mandatory the publication of all delinquent taxpayers during a certain month of each year—just a list of names and amounts for the neighbors to look at. And there seems little reason why delinquent personal property and poll taxpayers shouldn't see their names in print along with those who owe taxes upon real estate.

*Should Uniformity Be Restored?* Since the present 8% rate on tax sale certificates is attracting so few private purchasers, and since the legislature will probably be unwilling to saddle again upon the citizens an exorbitant interest rate, many believe it would be proper to provide a single rate of interest for all delinquent ad valorem taxes. Some governing boards think so strongly that the interest rates should be equal that they have taken it upon themselves to make them so by lowering the rate on certificates to 6% in spite of the fact that C.S. 7976 (G.S. 105-403) and C.S. 7975 (G.S. 105-401) make them personally liable for any part of the penalties or interest remitted except in certain instances with which we are not here concerned. It seems unfortunate that public officials are placed in the position of having to violate the law in order to deal equitably with the citizens.

#### Foreclose or Levy?

Many taxing units are turning more and more to the levy upon personal property to enforce the payment of delinquent taxes, both real and personal, rather than relying entirely upon the tax lien against the real estate. Some collectors adopted the policy of making fuller use of their power to levy upon personal property as an obviously cheaper,

simpler, more expeditious and therefore more sensible method of effecting collection than the long, hard, costly and often futile method of utilizing an equitable foreclosure proceeding. Other collectors have been forced into the use of levies, for real estate as well as for personal property taxes, because of the extreme difficulty in their particular county or city of accomplishing anything through a foreclosure. The foreclosure procedure is in such low repute in some localities that some officials report that they have been unable for the past several years to induce any attorney even to attempt it. In such cases, recourse to some simpler procedure must necessarily be taken, or "diminishing returns" will soon set in with a vengeance. It does not take long for those taxpayers who are prone to defer payment until something happens to them to understand that nothing will happen if such is the fact. However brought to the point of making wider use of levies on personal property, practically all who have tried it report good results. Its use is especially indicated in those cases involving small real estate valuations, where the small annual tax would have to be permitted to accumulate over a period of years before a sufficient amount would be due to justify the expense of a foreclosure. Why rely upon the real estate lien and sit back and allow delinquencies to accumulate, along with obstacles to ultimate collection, when it is a relatively simple matter to enforce payment annually by making a levy?

*Levies Prove Practical.* There are few taxpayers who do not have sufficient personal property, tangible or intangible (such as wages due), out of which the tax could be collected. If one is a large taxpayer, he will almost certainly have such property. If one is a small taxpayer, not much property will be required. As a matter of fact, it is extremely rare that any property must actually be sold. The experience of one collector has been repeated many times. He was making extensive use of levies. When asked to describe the way he went about making levies, he readily complied and related a number of interesting experiences. When he was asked to outline his sale procedure,



however, he said: "Now, that's something I don't know anything about. I've made lots of levies, but I haven't carried a one to a sale yet. When they see I mean business, they get up the money."

It is pointed out that under the present law, any personal property belonging to the taxpayer is subject to levy, even that property included in the \$300 personal property exemption. The taxpayer is entitled to no exemption as against the tax collector. Levies may be made at any time after the first Monday in October and until a foreclosure complaint is filed or a judgment is docketed on the tax. There is no statute of limitations to hinder the collector, except possibly Ch. 181, Sec. 7, P.L. 1933 with reference to taxes for 1926 and prior years. Thus, the collector may in this year of 1944 levy upon personal property acquired by the taxpayer this year in order to collect a 1927 tax bill.

*Bulk Sales Often Defeat Levy.* There is general agreement that the law relative to levies on personal property should be amended in at least one respect. Section 1713, subsection (a) of the Machinery Act prohibits the collector from making a levy before the tax is due, which is the first Monday in October, "unless there is reasonable ground for believing that the taxpayer is about to remove his property from the State." Subsection (c) prohibits a levy upon personal property which has been transferred by a bona fide sale for value. It often happens that the entire assets of a business, lock, stock and barrel, will be sold after having been listed for taxes but before the first Monday in October. In such cases, the county and city lose their taxes unless they can find other property of the seller. Many officials have expressed the opinion that in the case of the bulk sale of a stock of goods, furniture and fixtures, etc., not in the usual course of business, some provision should be made whereby such property would remain liable for the satisfaction of the tax assessed against it. It would not seem to be unreasonable to require a prospective purchaser of all of the assets of a business to take notice of the fact that the property should have been listed and that taxes must be

paid, and to withhold enough of the purchase price to pay any taxes which have been assessed against the property and which are unpaid. Under the present law, some counties and cities suffer fairly important losses from time to time.

In the meantime, some collectors are getting along the best they can under the law as it is now written. One suggested that when he learned that a sale in bulk was being negotiated, it took very little to cause him to believe that the property was about to be removed from the State.

#### Summary Foreclosure Procedure Being Used

Four or more counties have been using for several years the summary method of tax foreclosure provided by section 1720 of the Machinery Act, and the reports as to the results of its use range from good to enthusiastic. Although that procedure has been on the statute books for over five years and has been used on taxes as far back as those for 1936, no case involving that section has as yet reached the Supreme Court. So far as the writer has been able to discover, no case has even been taken before a Superior Court judge. However much lawyers may differ in their opinions as to the legality of the procedure, the fact that no cases have gone up certainly speaks loudly for its practicality. For, where used, it is not used occasionally, in isolated or selected instances or as a mere bluff. It is used annually and systematically, and it is applied impartially to all taxes which reach a certain period of delinquency. There is apparently greater fear in the taxpayer's mind that the procedure may divest him of his title than there is in the lawyer's mind that the requirements of "due process" are not being met; so the taxpayer pays rather than take the very serious risk unless he decides to abandon the property. Furthermore, since the judgments are filed annually, only one year's taxes are involved, and nearly all taxpayers will pay one year's taxes rather than risk losing their property. On the other hand, if taxes are allowed to accumulate over a period of years before suit is filed, the taxpayer may have enough involved to justify his sending his lawyer to

Raleigh to see how much relief he can get from the Supreme Court. Or, he may consider that the total of the taxes has reached such a figure that payment would be tantamount to buying his property over again, and he may decide to make some other investment. Nearly all property is worth a single year's tax. A lot of it is not worth the accumulation of ten or fifteen years, especially where the certificates are heavily loaded with personal property taxes.

*Increasing Interest in Alternative Procedure.* Due largely to the difficulties in the way of carrying through equitable foreclosure proceedings properly, the many doubts as to how some requirements in that procedure can be satisfied, and the costs, time and effort involved, considerable interest is being shown throughout the State in the summary procedure. Several additional counties and cities are apparently preparing to use it—some tentatively and on a partial basis, while others are thinking of going the whole way. Many officials have expressed a strong desire to see the Supreme Court pass upon the procedure, and there is no doubt that if it should rule favorably a large number of counties and cities would switch to the summary procedure. And it is very apparent that the citizens of the State would thereby be saved many thousands of dollars a year. The attitude of those officials who are contemplating the use of the procedure in spite of the fact that it has not been passed upon by the court was somewhat expressed by an attorney who remarked, "Well, it certainly can't be any worse than what we've been using. We don't know how we stand there, either."

#### Politics and Taxes

When we say "politics," we do not necessarily mean partisan politics, although it is at once noted by an observer how much more difficult it is to raise any question concerning any phase of local taxation without the raising of political issues in a county where the two parties are fairly equal in strength than in counties where either political party has a safe margin. Nor do we necessarily mean that political expediency consciously controls tax policy. We do mean to



suggest, however, that too often the various steps in the process of taxation are handled upon a personal basis which by its very nature invites the intrusion of political considerations. The personal element causes inequities and inefficiency to permeate the entire tax process: in the process of listing and assessing it causes large amounts of property, both real and personal, to be left off the books, and unequal valuations to be turned in from different townships and even within the same township; in the collector's office it causes one taxpayer to feel the teeth of the law, while another taxpayer is treated too leniently for his own good; and in the attorney's office it causes one delinquent taxpayer to be served promptly with summons, while another taxpayer receives letter after letter, more in the nature of entreaties than demands.

*Removing the Personal Element.* Many of the inequalities in taxation can be charged to nothing more sinister than the "human equation"—the differences in people, and consequently in their opinions and judgments. Handling taxes upon a personal basis gives a wide latitude for discrepancies, discriminations and vagaries which are some of the components of the human equation. The only way to avoid inequalities is to develop and apply a tax system which reduces the personal element to a minimum. In listing and assessing, for example, detailed instructions and itemized, fixed standards of values should be given the list takers and assessors. The various steps in the process of collection should be scheduled, and the schedule should be adhered to in all cases, regardless of whether the "victim" of the procedure may be a rich man of a contrary political faith or a poor widow whose husband died fighting for the cause. If she is actually a poor widow, she won't owe but a small amount of taxes, and it is fairer even to her to effect collection while the amount is small rather than permit her to get in too deep a hole. Everyone should not only be "fed out of the same spoon," but should be fed at the same time as nearly as possible. In pushing collections, it is of course impossible to get to everyone at the same time. But the "A's" through "E's" can be reached this week; the "F's" through "K's" the

next, etc. Or certain sections of the city or county can be scheduled for a working over on a definite timetable.

*The Political "Bogey."* Wherever the inauguration of a definite schedule of action that will apply impartially to all taxpayers is contemplated, some officials always hesitate to "go along" through fear of incurring public resentment. Wherever impersonal systems have been put into operation, however, the reaction of the public has been good. It is true that there is often a certain amount of grumbling and grouching when the program is first launched. It is only natural for a fellow to put in a kick when he is required to list his household furniture at somewhere near its actual value when for years he has been covering all of that, as well as a couple of mules, a cow, a disc harrow and other farm implements with his \$300 exemption. And the man who has been paying when he pleases may be inclined to "get his back up" a bit when he is called upon to pay while the tax is reasonably new. These rumblings die down, however, after the program has been in operation a year or two, and when the taxpayers get to understand that taxation isn't a personal matter between them and the officials, but merely an impartial means of raising revenue, the experience has been that there are fewer kicks and complaints than there had been under the old system when action was taken sporadically and at random, with no definite pattern or program.

*Impartiality No Cause for Complaint.* Even those citizens who at first put in the loudest complaints are inclined to fall in line and approve the program when they see that they are not being singled out for "persecution," but that everyone in the same situation is being treated alike. The story is told of the newly-elected sheriff who assumed that among his duties was that of collecting taxes, not merely being custodian of the tax books. He also went on the theory that the best time to collect delinquent taxes is while they are current. So he took the tax books by townships and called upon every taxpayer who hadn't paid. He was there, he would state, either to collect the tax or to pick up enough property to bring the necessary amount. He

always got the money, although he sometimes had to allow the taxpayer a few days in which to raise it. Finally and in due course, the sheriff called upon the surety upon his bond and stated the purpose of the visit—to collect the tax owing by the surety. "You don't mean that you would actually levy upon my property for this tax after I have signed your bond, do you?" "That's just what I mean," replied the sheriff. "I have seen everyone on this list down to your name, and I've collected from them all. I can't treat you any differently just because you are a friend of mine and signed my bond. It is my duty to collect taxes, and if I fail to do my duty, my bond may be liable." The surety paid, but registered high indignation. Upon the sheriff being re-elected, however, the same man came forward and volunteered to sign the bond. He had no complaint against the man who had demonstrated that he intended to do his duty.

On the other hand, a man came to North Carolina from a state where people were accustomed to give in their household furniture at its true value. He settled in a county where practically no one has over \$300 worth of such property. When listing time came, he duly listed his furniture, putting down what he considered a very modest estimate of its value—\$2,000. He rather wondered why the list taker hadn't questioned him more closely and felt that he had been let off easy, since it had cost him around \$1,000 to furnish the living room alone. He still felt good about it when he received his tax bill and mentioned to some friends that he was going up and pay his taxes before the penalty was added. "Tax? What tax? You haven't bought any real estate here, have you?" "No," he replied, "but I had to list my furniture." "Oh, for Pete's sake," his friends said, "you are a sucker. Nobody pays anything on furniture here. All of that comes under the exemption." North Carolina has a new citizen who is dissatisfied at the start. He would have been perfectly satisfied if he had found that his friends had been required to list their property according to law. Practically no one resents uniformity. Practically everyone resents discrimination, whether it is intentional or the product of laxness.



## Work, Faith and Play in Wartime

(Continued from page 2)

I have ever seen, and above all, in the policy of this school and in its art of teaching, there has been developed a practice of taking each student exactly where he is, carrying him on from that point, and yet somehow before the journey is done, bringing him fairly well abreast of the other members of his class so that he is not full of any sense of inferiority on the one hand, if he is not so far advanced when he starts, and on the other hand, that he does not think too highly of himself if he was pretty good when he started.

We are thinking and dreaming about the world after the war. Our future is very largely in the hands of boys and girls who were school children yesterday. The richness and color and life of that future is in the making of such schools as this in Gastonia, where the babies of today are growing into the men and women of tomorrow.

## Postwar Planning

(Continued from page 7)

east, a pleasant place in which to live in relative poverty and struggle. If we can choose the right goal, the South will once again, as in the early Revolutionary era, take its place as an equal region in this country and in the world as a whole, blessed by climate, location and resources, disciplined and united by its suffering for its previous errors, actively thinking out its problems and originating its forms from within its own life. In that happy event once more the history of the South might be a fundamental and positive part of the history of the world, if youth could be challenged to remain within its borders, working creatively there in the field of arts and sciences and social reorganization. In such a day, to be a Southerner would be a proud title, rather than a description of a half-defiant, half ridiculous, complaining, but futile devotee of a lost cause. Once more history redeals the hands. Can we not rouse ourselves to take the initiative and raise in valiant intelligence the flag of Dixie on the battlefields of thought and effective action around the globe?

## 1944 Schools of Law Enforcing Officers

### THE 1944 TRAINING SCHOOL PROGRAM

This program started with a series of specialized statewide schools teaching specific and practical techniques and skills needed in modern law enforcing agencies, and culminates in a general law enforcement school and police executives conference on the over-all problems of law enforcement.

*A twelve-day Fingerprint School beginning May 23* brought to the Institute fifty-four officers specializing in fingerprint work.

*A seven-day School on Scientific Aids in Crime Detection beginning September 17* brought together police detectives, crime laboratory techniques, coroners and other officers specializing in investigative techniques.

*A three-day School on Police Records Systems beginning September 24* brought together officers, clerks and employees specializing in keeping badly needed records, making out reports and assembling information essential to effective law enforcement.

*A twelve-day School on Traffic Law Enforcement beginning October 1* will bring together police officers specializing in traffic work and related problems and members of the State Highway Patrol.

*A twelve-day school on General Law Enforcement problems and techniques beginning October 22* will bring together police officers, sheriffs and deputies, representatives of the State Bureau of Investigation and the State Highway Patrol and related agencies engaged in general law enforcing activities.

*A three-day Police Executives Conference beginning November 3* will bring together police chiefs, sheriffs, chief officials of the State Bureau of Investigation, supervising officers of the State Highway Patrol, and representatives of the Federal Bureau of Investigation.

### APPLICATIONS FOR ADMISSION

Applications for admission should be sent without delay to Albert Coates, Director of the Institute of Government, Chapel Hill, N. C.

### COST OF ATTENDANCE

The only cost to each person attending will be fifty cents a day for room and not over a dollar and a half a day for meals.



# The Attorney General Rules

Recent opinions and rulings of the Attorney General of  
special interest to local officials



Again in the forefront of this month's group of opinions are those on questions arising because of the number of men in the armed services. It is gratifying to find that cities and counties may be able, through their welfare departments, to provide service officers for the assistance of returning veterans. A number of cities and counties have desired to appoint such officers, but the authority to do so has been shadowy. Perhaps now a method has been found which is legal, logical and just. Perhaps also, as the Attorney General suggests, the next General Assembly will clarify the situation so that an authority which is now probable will be placed beyond doubt, and it may also ratify the reasonable acts of counties and cities in aid of returning veterans now being initiated.

Dr. Clyde Erwin has raised some very interesting questions about the ownership of school property which the Attorney General has attempted very ably to resolve. However, as suggested by the Attorney General, it appears to be a situation where some clarification by the next General Assembly would be desirable.

Cities and towns will be particularly interested in the ruling that advertisement for competitive bids for the paving of streets is not necessary when the contract is made with the State Highway and Public Works Commission.

Although the Attorney General has ruled a number of times that the construction and maintenance of a municipal airport is not a necessary expense, so that a tax levy or a bond issue for such purpose would require a vote of the people, he further rules that a municipality may apply the proceeds of sale of a municipal building to such purpose without a popular vote.

As usual, the Attorney General received and replied to a host of inquiries which reflect the eagerness of local public officials to ascertain the law concerning their particular fields

of operation and to discharge their duties in accordance therewith.

Is a person who has been convicted of an assault with a deadly weapon with intent to kill entitled to receive an "on premises" beer license?

May a register of deeds accept a health certificate from an osteopath as a certificate of a "regularly licensed physician" required to be presented by marriage license applicants?

May a deputy clerk of the superior court sign summonses or transcripts of judgments in his own name as deputy clerk?

Must an acknowledgment taken before a justice of the peace bear the certificate of the clerk of court of the county of the justice of the peace when the instrument is to be recorded in another county?



Prepared  
by

**JOHN F.  
BLAIR**

Assistant  
Director  
Institute of  
Government

## I. AD VALOREM TAXES

### B. Matters Affecting Tax Collection 75. To what property lien attaches

To Henry B. Edwards.

(A.G.) Where land is leased, and the owner lists the land for taxes and the lessee, who has the right to remove or sell improvements placed thereon, lists the improvements and also personal property, the tax assessed against the improvements is a lien against the land, under G.S. 105-301 (8). I am of the opinion, however, that the tax assessed against the personal property of the lessee would not be a lien against the land, but is a lien upon the leasehold rights of the owner of the im-

**HARRY  
McMULLAN**

Attorney  
General  
of  
North  
Carolina



### "ON PREMISES" BEER APPLICANT WHO HAS BEEN CONVICTED OF ASSAULT WITH A DEADLY WEAPON WITH INTENT TO KILL

To Henry L. Kiser.

Inquiry: Has a person convicted of assault with a deadly weapon with intent to kill been convicted of a felony so that he is not entitled to an "on premises" license to sell beer?

(A.G.) G.S. 14-33 provides, in part, as follows: "In all cases of an assault, with or without intent to kill or injure, the person convicted shall be punished by fine or imprisonment, or both, at the discretion of the court: Provided, that where no deadly weapon has been used and no serious damage done, the punishment in assaults, assaults and batteries and affrays shall not exceed a fine of \$50.00 or imprisonment for 30 days; . . ."

In State v. Smith, 174 N. C. 804, Hoke, J., observes, at pages 806, 807, quoting from State v. McNeil, 75 N. C. 15: "Misdemeanors made punishable as at common law, or punishable by fine or imprisonment, or both, can be punished by fine or imprisonment in the county jail, or both. Hence, a general verdict of 'guilty' upon an indictment containing three counts, to-wit, one for an assault with a deadly weapon with intent to kill, another for a similar assault with intent to injure, and a third for a common assault and battery, will not, since the act of 1870-71, Chap. 43, justify imprisonment in the penitentiary. Fine and imprisonment at the discretion of the court does not confer the power to imprison in the penitentiary."

The same result is reached by Stacy, C. J., in his concurring opinion in State v. Bentley, 223 N. C. 563, 569.

Therefore, from the authorities, it appears that the defendant about whom you inquire has been convicted only of a misdemeanor.



provements, and that the improvements might be sold to satisfy the personal property tax.

### III. COUNTY AND CITY LICENSE AND PRIVILEGE TAXES

#### A. Levy of Such Taxes

##### 27. Taxicabs

To C. P. Hinshaw.

(A.G.) Where a town ordinance levies a license tax upon taxicabs operating within a city and further provides that taxicabs for which licenses are required shall include those vehicles which carry passengers from some point within the city to a destination therein and also to vehicles which carry paid passengers from within the city to some point outside thereof, I am of the opinion that if a taxicab with its place of business outside of town is made available to people living inside the town, and it uses the streets of the town in transporting passengers as much as 4 or 5 times a day, there would be such continuous activity as to bring the taxicab within the provisions of G. S. 20-97 which authorizes cities and towns to levy such tax, and within the provisions of the ordinance. If the out-of-town taxicab, in passing through the town, should pick up a passenger for transportation outside of town, I am of the opinion that such act would not render the taxicab liable for the tax, but that if the taxicab followed the practice of cruising through the town and soliciting passengers, it would be taxable. See State v. Andrews, 191 N. C. 545 which held that "operating" as used in a statute similar to G.S. 20-97 implies such continuous activity as the nature of the business requires, not simple acts done at long or uncertain intervals.

##### 40. License tax on peddlers—meat vendors

To Tillett and Campbell.

(A.G.) A person who buys fresh meats from farmers and other sources and peddles the meat out in trucks to small grocery stores and meat markets cannot be subjected to a city's peddler's license, as Section 121 of the Revenue Act expressly prohibits a city from taxing peddlers of beef, mutton or pork. However, if the city taxing ordinance brings such persons within the definition of wholesale meat dealers, such persons might be required to secure such a license before engaging in such business.

##### 47. License tax on slot and vending machines—cigarettes

To E. L. Shields.

(A.G.) Under Section 130 (6) of the Revenue Act of 1939 as amended, counties, cities and towns are not authorized to impose a license tax for each individual cigarette vending machine located within their borders, but are restricted to an annual operators' occupational tax on cigarette vendors, not to exceed \$10.00.

##### 52. License tax on radio dealers

To W. P. Kelly.

Inquiry: Are radio dealers who cannot now procure radios for sale but who service and repair them liable for the privilege tax imposed in Section 147 of the Revenue Act?

(A.G.) If an operator of a radio repair and service shop sells radio accessories in connection with his business, it is my opinion that he would be liable for the tax imposed in this Section.

### IV. PUBLIC SCHOOLS

#### F. School Officials

##### 1. County board of education—vacancies

To Adam Moses.

(A.G.) G.S. 115-42 provides that all vacancies in the membership of a county board of education shall be filled by appointment by the county executive committee of the political party of the member causing such vacancy, the appointee to serve until the meeting of the next regular session of the General Assembly, which may then appoint a member to serve for the residue of the unexpired term. If the county executive committee fails to fill the vacancy within 30 days, G.S. 115-42 grants the State Board of Education authority to fill the vacancy by appointment.

##### I. School Property

##### 2, 3. Title to property and coverage by fire insurance

To Dr. Clyde A. Erwin.

(A.G.) It is my opinion that under the provisions of the School Machinery Act of 1939, as now written, the ownership of fuel and instructional and janitorial supplies is vested in the county or city administrative unit at the time of their delivery to such unit.

It is further my opinion that the county or city administrative unit in which ownership is vested should insure this property against loss by fire.

When we come to consideration of the question of ownership of supplies purchased and used in connection with the

#### RETURNING SERVICEMEN — POWER OF COUNTY TO PROVIDE SERVICE OFFICER

To Harley B. Gaston.

(A.G.) In an opinion expressed on March 9 to Hon. Zeb. Turlington, and in one on May 4 to Hon. L. H. Wall, I stated that there was no statutory authority for counties to appropriate funds for the compensation of a service officer to aid and advise returning service men in protecting their rights under the "G. I." bill, or of otherwise. At the time these opinions were expressed there was no suggestion of increasing appropriations to the Welfare Department so that it could increase its facilities for assisting and advising returning veterans. I have since received an inquiry from Mr. Kerr Craige Ramsay who stated that Rowan County and the City of Salisbury were contemplating jointly providing a service officer as an adjunct of the Welfare Department upon the theory that many returning service men might become public charges unless they are assisted in protecting their rights under the "G. I." bill. I advised Mr. Ramsay that I was confident that no one would challenge a reasonable appropriation for this purpose, and that it was possible that the courts might sustain the validity of such an appropriation to the Welfare Department. I further expressed the opinion that any question as to the validity of such an expenditure might be removed by a validating act of the next General Assembly.

transportation system of a particular county or city administrative unit, a different picture is presented. Under the provisions of Section 24 of the School Machinery Act, the control and management of all facilities for the transportation of public school children is vested in the State of North Carolina, under the direction and supervision of the State Board of Education, which has authority to promulgate rules and regulations governing the organization, maintenance and operation of these facilities. Although county and city administrative units, under certain circumstances, are required to furnish the funds with which to purchase additional busses, title to all the busses is taken and maintained in the name of the State of North Carolina and the State is required to purchase all school busses used as replacements of old busses which were operated by the State during the school year 1940-41.

The School Machinery Act, as now written, is not entirely clear on these matters and it might be advisable to have the next General Assembly clarify the matter to such an extent as to eliminate any question as to ownership.

### VII. MISCELLANEOUS MATTERS AFFECTING CITIES

#### F. Contractual Powers

##### 15. Requirement for competitive bids

To Tillett and Campbell.

Inquiry: Has a city authority to enter into a contract with the State Highway and Public Works Commission whereby the latter undertakes to make certain repairs to the city's streets at an expenditure of city funds of approximately \$21,000 without advertising as provided for in G.S. 143-129?

(A.G.) It will be observed that G.S. 143-129, which requires advertising for bids for construction or repair work, etc., requiring an expenditure of public money in an amount equal to or in excess of \$1,000 is included in Article 8 of Chapter 143 of the North Carolina General Statutes, entitled "Public Building Contracts."

In G. S. 143-134 under Article 8 of said Chapter 143 it is provided: "This article shall not apply to the State Highway and Prison Department of the State of North Carolina."

I am inclined to the opinion that G.S. 143-134 exempts from the provisions of G.S. 143-129 contracts entered into between the governing bodies of municipalities and the State Highway and Prison Department of the State. It is my understanding that this is the general construction placed on this section by various municipalities of the State.

#### J. What Constitutes Necessary Expenses

##### 10. Airports

To Thomas D. Cooper.

(A.G.) Sing v. Charlotte, 213 N. C. 60 held that the operation, maintenance and improvement of a municipally owned airport is not a necessary expense within the meaning of Article VII, Section 7 of the Constitution. I am therefore of the opinion that a city does not have authority to include in its annual budget an appropriation of funds with which to acquire additional lands for the extension of a municipal airport without an affirmative vote of the majority of the qualified voters of the city. However, under the holding in Adams v. Durham, 189 N. C. 232, I am of the opinion that funds on hand which were de-



rived from the sale of a municipal building may be used for a public purpose, even though not a necessary expense.

#### K. Grant by Cities and Towns

##### 7. Advertising

To R. S. Jones.

(A.G.) A municipal corporation has no authority to make donations or contributions to a chamber of commerce. *Ketchie v. Hedrick*, 186 N. C. 392. In this case our Court held that such contributions were not for a necessary expense and, therefore, could not be made even though authorized by a specific act of the Legislature.

G.S. Chapter 158 contains machinery for advertising a municipal corporation. This chapter, however, requires a vote of the people.

#### N. Police Powers

##### 9. Outside city limit

To L. E. Colburn.

(A.G.) I know of no general statute which empowers municipalities to regulate or prevent places of amusement outside of the corporate limits of a municipality. I am, therefore, of the opinion that you may not regulate or prevent amusements outside of your corporate limits unless you have a public-local act specifically authorizing such action.

##### 21. Sale of wine and beer

To J. W. Jennette.

Inquiry: May a municipality pass an ordinance preventing beer parlors from obstructing their windows and closing their doors with drawn shades so that passers-by may not see within?

(A.G.) There is no statute expressly authorizing such an ordinance. Therefore such an ordinance, if sustained, would have to be sustained as an exercise of the general police power of a city.

One cannot predict with any degree of certainty just what our court would say as to the constitutionality of any particular ordinance. It is my opinion, however, that under the case of *Paul v. Washington*, 134 N. C. 363, such an ordinance would be held valid, as a reasonable exercise of the police power.

##### 21. Sale of wine and beer

To J. W. Jennette.

(A.G.) You inquire whether a board of aldermen is required to issue a beer license upon application by the wife of a man who has been convicted of bootlegging within the past 12 months.

I am of the opinion that if the wife is the bona fide owner of the establishment and in good faith seeks a license to operate the business, and the municipal board finds such facts, she would be entitled to receive the license. If, however, the board finds that the wife's application is merely the action of the husband through an agent, the board would be justified in refusing the license. See *McCotter v. Reel*, 223 N. C. 486, which held that it is the duty of the governing board, as a fact finding agency to determine the facts upon which the issuance of the license depends.

#### VIII. MATTERS AFFECTING PARTICULAR LOCAL OFFICIALS

##### A. County Commissioners

##### 31. Appointive powers—health officer

To R. B. Slaughter.

Inquiry: May the Board of County Commissioners appoint a county physician or

county health officer without the action of the County Board of Health?

(A.G.) G.S. 130-21 provides that the Board of Health shall submit on the second Monday of January in the odd years of the calendar and elect either a county physician or county health officer, whose tenure or service shall be terminable at the pleasure of the County Board of Health, and who shall serve thereafter until the second Monday in January of the odd years of the calendar.

In the event of the failure of the County Board of Health to select such officer within two calendar months of the time set in the Section, the statute provides that the Secretary of the State Board of Health shall appoint a registered physician to such office. 411

##### 36. Assessing damages for destruction by unknown dogs

To Tom Hood.

Inquiry: How should the bill from a person who has suffered damage to his sheep by unknown dogs be paid?

(A.G.) When a person having a legal right to recover under this section makes satisfactory proof to the County Commissioners of injury inflicted by a dog, it is the legal duty of the Commissioner to appoint freeholders to ascertain the amount of damage done and mandamus will lie to compel them to perform this duty. *White v. Holding*, 217 N. C. 329.

It is my opinion that claims should be paid by the County Commissioners from funds realized from the taxes levied pursuant to Article 2 of Chapter 67 of the General Statutes. The remainder of said taxes, after the payment of claims, should be turned over to the school fund. I do not believe that the Board of Education should write the check for the damages.

##### B. Clerks of the Superior Court

##### 1. Salary and fees

To J. E. Mewborn.

Inquiry: What items are to be taken into account in fixing the fee to be charged by the Clerk of the Superior Court for auditing the final account of an executor or administrator?

(A.G.) This office has expressed the view several times that under the provisions of G.S. 2-34, which is applicable to your County, that the words "total receipts and disbursements," as used in the Section, mean the entire receipts and disbursements from the time of the qualification of the executor or administrator to the termination of his duties and would not be confined to that portion of the personal estate not paid to legatees or distributees. This view seems to be supported by the fact that the Section provides for the inclusion of stock, bonds or any other personal property delivered to an heir or distributee without converting same into cash.

##### 36. Deputy clerk—powers

To Arthur D. Gore.

(A.G.) I am of the opinion that a deputy Clerk of the Superior Court does not have the power to sign summonses or transcripts of judgments in his own name as deputy clerk. While I know of no case specifically passing upon the point, I am of the opinion that deputy clerks do not have authority to perform in their own names any of the duties of the clerk, whether such duties are judicial or ministerial, and that it is only in the cases of ministerial duties that a deputy can sign the name of

the clerk by himself as deputy clerk. The case of *Miller v. Miller*, 89 N. C. 405 seems to indicate rather clearly that the authority of a deputy clerk, even when acting in a ministerial capacity, is limited to signing documents in the name of the clerk by him as deputy, and not in his own name as deputy clerk.

##### 45. Certification of justices of the peace

To Arthur Talmage Abernathy.

(A.G.) G.S. 47-4 requires that an acknowledgment of a deed or other instrument taken before a justice of the peace, in order to be recorded in another county, must bear the certificate of the Clerk of the Superior Court of the county of the justice of the peace before whom the acknowledgment was taken, certifying that the justice of the peace was at the time his certificate was dated an active justice of the peace of the county that the justice's genuine signature is set to his certificate.

##### D. Registers of Deeds

##### 8. Marriage license—physical examination

To Mr. G. Boyette.

(A.G.) You ask whether an osteopath is a regularly licensed physician within the meaning of G.S. 59-1 which requires the presentation of a health certificate to the Register of Deeds by an applicant for a marriage license. Under the definition of osteopathy as set out in G.S. 90-129 and under the law governing osteopathic physicians as set out in G.S. 90-134, I am of the opinion that a duly licensed osteopathic physician would come within the meaning of the words "licensed physician" as used in G.S. 59-1 and would be authorized to issue the health certificate in connection with applications for marriage licenses.

##### G. Registrar of Vital Statistics

##### 2. Fees

To Dr. R. T. Stimpson.

(A.G.) I am of the opinion that the registration fee provided for in G.S. 130-101 for a burial permit provided for in G.S. 130-77, and the birth certificate provided for in G.S. 130-86, when the death or birth for which said permit or certificate is issued takes place within an incorporated city or town, should be paid for by such incorporated city or town to the local registrar of vital statistics, regardless of the residence of the deceased or of the person to whom a birth certificate is issued.

##### K. Coroners

##### 20. Appointment

To P. W. Glidewell, Jr.

(A.G.) Article IV, Section 24 of the Constitution provides that in each county a sheriff and a coroner shall be elected for a term of 4 years. The Section further provides that in case of a vacancy existing for any cause the commissioners may appoint to such office for the unexpired term. This provision was construed in *Freeman v. Board of Elections*, 217 N. C. 63, where the Court held that the county commissioners had the power to fill a vacancy caused by the death of the sheriff for the unexpired term of 4 years. The case applies equally to the office of coroner, and where a vacancy in that office has been filled by the appointment of the board of commissioners, and the term does not expire until 1946, a person would not be entitled to have his name printed on ballots as a candidate for that office in the November 1944 election.



# **VAGRANCY—PROCEDURE UNDER GOVERNOR'S WAR POWERS PROCLAMATION NO. IV**

To John B. Lewis.

(A.G.) I have your letter of July 31, in which you write me as Town Attorney and advise that the Chief of Police has inquired of you as to the duties and powers under the vagrancy law as found in our statutes and supplemented by the Governor's proclamation under the Emergency War Powers Act.

The proclamation, known as "North Carolina Emergency War Powers Proclamation No. IV," provides that there shall be set up in each county a Labor Mobilization Board. This board is required to make plans to ascertain the names and addresses of all male persons between the ages of eighteen and fifty-five who are not gainfully employed or in the armed service and who are physically able to work. If it is ascertained that a person is able to work and is not gainfully employed, it is the duty of the County Committee to report the fact to the local office or local representative of the United States Employment Service, notice of which is to be given to the person to be employed. If such person fails to accept and continue in employment offered him by the Employment Service, he may be indicted and prosecuted.

The Chief of Police and the members of the police force may be of great help in keeping the local committee informed as to unemployed persons. I am informed that it has been found generally that when an unemployed person is notified under the terms of the proclamation, it has generally been sufficient to cause him to get a job.

I would suggest that the Chief of Police confer with the local Chairman of the Labor Mobilization Board of your County and together I feel sure that plans can be worked out which may be of help to the situation.

## **L. Local Law Enforcing Officers**

### **1. Appointment and removal**

To W. R. Longest.

Inquiry: When the Chief of Police of a town is by charter elected by a vote of the people, has he authority to remove from office a policeman appointed by the Town Commissioners for non-performance of his duties?

(A.G.) It is a recognized principle of law that the appointing power has the sole authority of removing an appointee in the absence of a statute to the contrary. G.S. 160-9 and 160-21 give to the Board of Commissioners of a town the authority to appoint policemen and other officers and agents necessary for the proper conduct of the city's affairs. Since the sole authority to appoint a police officer is given to the Board of Commissioners, I am of the opinion that such Board has the sole authority to remove such policeman or other officer or agent mentioned in said sections.

### **69. Concealed weapons**

To J. F. Brooks.

(A.G.) I am of the opinion that it is illegal for a person to carry a concealed

weapon in a hallway in an apartment in which he lives, as a person in a hallway which is used by other tenants and by visitors generally would not be "on his own premises." See *State v. Perry*, 120 N. C. 582, and *State v. Terry*, 93 N. C. 585.

### **90. Warrants**

To E. R. Richardson.

Inquiry: May a chief of police issue warrants and administer oaths to affidavits in search warrants?

(A.G.) The authority to issue warrants is contained in G.S. 15-18 and such authority is limited to "the chief justice and the associate justices of the Supreme Court, the judges of the Superior Court, judges of criminal courts, presiding officers of inferior courts, justices of the peace, mayors of cities, or other chief officers of incorporated towns." I am therefore of the opinion that a chief of police does not have authority to issue warrants.

Those officials who may administer oaths to persons making affidavits in search warrants are contained in G.S. 15-25 and 18-13. While I am of the opinion that a chief of police may sign the affidavit in the search warrants provided for in either of said sections, I do not think that he has authority to administer oaths to those making such affidavits and thus it will be necessary for him to make the affidavit before some person authorized by said Sections to administer oaths.

## **M. Health and Welfare Officers**

### **25. Placement and adoption of infants**

To Miss Lily E. Mitchell.

Inquiry: What is the meaning of the phrase "for the purpose of placing him out" in G.S. 110-50, the first sentence of which reads as follows: "No person, agency, association, institution or corporation shall bring or send into the state any child for the purpose of placing him out or procuring his adoption without first obtaining the consent of the State Board of Charities and Public Welfare?"

(A.G.) It is my opinion that this sentence was intended to prohibit a child from being sent or brought into this State for the purpose of making his home here without complying with the statute. It covers, in my opinion, every case in which a child is brought or sent into this State to remain here with relations or strangers except when the child is merely visiting in this State and is not to make his home here.

## **S. Mayors and Aldermen**

### **5. Mayor's processes—mayor pro tem**

To W. R. Longest.

Inquiry: If the mayor pro tem of a town continues to function after the resignation of the mayor, should the chief of police serve warrants and other process issued by him?

(A.G.) G.S. 160-12 provides for the naming of a mayor pro tem to serve in the event of the absence or sickness of the mayor to exercise his duties. I am assuming that the mayor was duly named mayor pro tem under the authority of the pertinent section.

It is my opinion that the mayor pro tem has authority to issue warrants and other processes, as he is at least serving as a de facto mayor, and it is the duty of the chief of police to serve such warrants until any question as to his appointment is determined by the courts.

## **IX. DOUBLE OFFICE HOLDING**

### **9. School committeemen—hospital trustee**

To G. T. Chandler.

(A.G.) This office has previously expressed the opinion that a school committeeman is an office holder within the meaning of Article XIV, Section 7, of the State Constitution, prohibiting double office holding.

I am of the opinion that membership on a board of trustees of a hospital created under the provisions of G.S. 131-14 is an office within the meaning of the pertinent section of the State Constitution, so that a person may not hold the office of school committeeman and membership on such board of trustees at the same time.

### **14. Town commissioner—member county board of health**

To John B. Lewis.

(A.G.) A town commissioner and a member of the county board of health are both officers within the meaning of Article XIV, Section 7 of the Constitution.

### **45. Member County ABC Board—School Board**

To F. E. Wallace.

(A.G.) A chairman of a local school board and member of a county ABC Board are both officers within Article XIV, Section 7 of the Constitution.

## **X. PRIMARIES**

### **C. Matters Affecting Candidates**

#### **1. Qualifications**

To Fred E. Freeman.

(A.G.) Where nominees for county offices are named in the primary, and no candidate of one party files for an office, the executive committee of such party may not nominate a candidate for such official and have his name printed on the election ballots. See *McLean v. Board of Elections*, 222 N. C. 7, holding that a candidate is not a nominee unless and until he has been put in nomination as required by statute.

## **ELECTIONS—ABSENTEE REGISTRATION AND VOTING EXPENSE**

To Thomas P. Pruitt.

Inquiry: Who should pay the expenses incident to the absentee registration and voting of the members of the United States armed forces in the coming general election under the provision of the 1943 Act?

(A.G.) I have discussed this question with Honorable Raymond Maxwell, Secretary of the State Board of Elections, and he advises me that there are no Federal, State or other funds available to meet expenses incurred by local boards of elections because of the additional duties imposed upon such boards by reason of the Absentee Registration and Voting Act.

I am of the opinion that the expenses necessary to carry out the requirements of the 1943 Act on the part of the county boards of elections must be provided for by the counties in the same manner as any other expense of conducting any other phase of the election. In other words, the State must bear the expense of the State Board of Elections, and the County the expense of the County Board of Elections.



# **Regular Services TO CITIES AND COUNTIES**

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bringing together the laws, cases, rulings, and actual practices relating to the chief offices.

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for the interpretation of new laws, imparting of information, and discussion of common problems.

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Every day during the session of the General Assembly sending to the city halls and county courthouses a brief digest of every bill introduced in the Senate and House to keep officials in touch with the progress of legislation, and within ten days after adjournment of the General Assembly preparing for officials summaries of all local and statewide laws passed affecting their respective City or County.

SEND IN YOUR CITY OR COUNTY MEMBERSHIP TO

# **Institute of Government**

CHAPEL HILL, N. C.



# ★ JEFFERSON STANDARD FINANCIAL STATEMENT ★

## 37TH ANNUAL REPORT FINANCIAL STATEMENT, DECEMBER 31, 1943

ASSETS		LIABILITIES	
Cash	\$ 7,953,056	Policy Reserves	\$102,568,427
United States Government Bonds	15,596,911	This reserve is required by law to assure payment of policy obligations.	
State, County and Municipal Bonds	4,292,145	Reserve for Policy Claims	605,495
All Other Bonds	10,555,473	Claims in course of settlement on which proofs have not been received.	
Stocks	7,255,908	Reserve for Taxes	672,119
Listed securities carried at market, cost or call value, whichever is lower.		Premiums and Interest Paid in Advance	1,104,637
First Mortgage Loans	57,342,910	Policy Proceeds Left with Company	9,126,364
On farm property \$6,749,875.		Dividends for Policyholders	1,172,251
On city property \$50,593,035.		Reserve for All Other Liabilities	997,032
Real Estate	6,351,889		
This includes our seventeen story Home Office Building.		Liabilities	\$116,246,325
Loans to Our Policyholders	11,957,245	Contingency Reserve	\$2,000,000
Secured by the cash values of policies.		A fund for contingencies, depreciation on real estate and investment fluctuations.	
Premium Loans and Liens	2,816,123	Capital	4,000,000
Secured by the cash values of policies.		Surplus Unassigned	6,000,000
Investment Income in Course of Collection	999,902	Total Surplus Funds for Additional Protection of Policyholders	12,000,000
Premiums in Course of Collection	8,034,321		
All Other Assets	190,442	Total	\$128,246,325
Total Admitted Assets	\$128,246,325		

**TO THE PUBLIC:** The Jefferson Standard presents to policyholders and friends its annual report, which reflects outstandingly successful achievement along all lines. President Julian Price, in his annual message to those insured in the Company, points out several important facts relating to its service, growth and strong financial position. Facts in brief are given here. The detailed annual report booklet is available upon request.

### INTEREST EARNING MAINTAINED

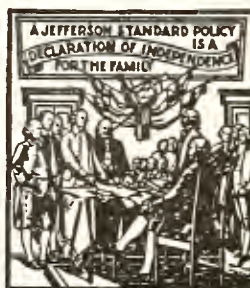
★ The gross rate of interest earned on invested assets for 1943 was 5.23%. Jefferson Standard maintains its national leadership in this field.

### INTEREST PAYMENT MAINTAINED

★ In 1943, as in every year since organization, 5% interest was paid on funds held in trust for policyholders and beneficiaries.

### ASSETS SHOW INCREASE

★ Assets now total \$128,246,325 — an increase of \$13,230,309. For each \$100 of liabilities there are \$110.32 of assets indicating an unusually strong financial position.



### BENEFITS PAID

★ The Company paid policyholders and beneficiaries \$4,305,910 in policy benefits during 1943. Total benefits paid since 1907 — \$137,771,778.

### SURPLUS FUNDS INCREASED

★ Surplus, capital and contingency reserves total \$12,000,000. This is \$23.88 surplus for each \$1000 insurance in force — an exceedingly high surplus ratio.

### SPLENDID INVESTMENT RECORD

★ Less than \$25,000 interest is past due on Mortgage Loan Investments of \$57,342,910. Only one-half million dollars is owned in foreclosed real estate.

### INSURANCE IN FORCE

★ Jefferson Standard's 200,000 policyholders now own \$502,533,041 life insurance. The Company has very proudly announced having over a half-billion dollars life insurance in force. This was a gain of \$32,202,404 for the year.

**JOHN W. UMSTEAD, Jr., Manager**

136 East Franklin Street, Chapel Hill

# JEFFERSON STANDARD

## LIFE INSURANCE COMPANY

*Julian Price*

PRESIDENT • GREENSBORO, NORTH CAROLINA

