POPULAR GOVERNMENT

DECEMBER 1961

Published by the Institute of Government
UNIVERSITY OF NORTH CAROLINA • CHAPEL HILL

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Contents

Our cover shows key figures at the Governor's Conference on Economic Development held at the Institute of Government in Chapel Hill the first three days in November. Left to right, Philip Hammer, economic consultant, who spoke on "Economic Developments and Prospects"; Governor Terry Sanford, who has called for the economic development program in North Carolina; and George M. Stephens, Jr., special assistant to the Governor for economic development and author of the article on page 1.

Vol. 28 December, 1961 No. 4

POPULAR GOVERNMENT is published monthly except January, July and August by the Institute of Government, the University of North Carolina, Chapel Hill. Editorial, business and advertising address: Box 990, Chapel Hill, N. C. Subscription: per year, $3.00; single copy, 35 cents. Advertising rates furnished on request. Entered as second class matter at the Post Office in Chapel Hill, N. C.

LOCAL GOVERNMENT HOLDS THE KEY TO ECONOMIC DEVELOPMENT

NORTH CAROLINA ECONOMIC DEVELOPMENT PROGRAM MOBILIZES LOCAL LEADERSHIP

by George M. Stephens Jr., Special Assistant to the Governor of North Carolina For Economic Development

The Program

On October 19th Governor Sanford publicly instructed his department heads to make special efforts to develop a region of the State on the basis of recommendations by a regional planning commission. On October 23rd leaders from four counties met in Ahoskie at the Governor's invitation to discuss plans for organizing an area development group. And, from November 1 through 3 at the Institute of Government, development officials and interested laymen from all of North Carolina listened and talked on the subject of economic development.

These incidents, though separate, are a part of an effort by the State Administration, working with local leaders, to accelerate the economic development of North Carolina. It is an attempt to identify the basic causes of unemployment and low per capita income and to devise practical solutions to alleviate these problems.

The Problems

Of importance to the program is the understanding that neither the Federal or State Government can do the job of economic development. That requires a concerted effort by local people to seize their opportunities.

One of the reasons that the State Government cannot and should not undertake the complete job of economic development is that the problems of the several areas of the State are different, and therefore the solutions will be different. Again the essential challenge must be met by local effort.

An economic "solution" in an area may be to overcome transportation problems by building certain highways; it may be development of adequate water supplies for industrial and population growth; it may be in improved agricultural marketing; it may be the training of labor for required new skills; it may be the provision of water and sewer facilities; but in most areas it will be a combination, or "mix," of all these things. One of the reasons the problem is difficult is that the "mix" will be different in each area of the State, and it is necessary to determine the proper proportions of the ingredients in order to provide a firm economic base for full employment at well paying jobs.

Perhaps the principal difficulties in development are getting enough people interested and working and promoting sufficient expenditures for right capital improvements. Action programs must be put into effect by appropriate agencies and individuals, both private and public, because plans and studies are of absolutely no use if they are not acted upon.

Western Counties Lead the Way

Added emphasis and some new ideas are being injected into area development programs, but the concept is not a new one to North Carolina.

As early as 1947 the chambers of commerce in eleven counties in Western North Carolina formed an alliance which has been operating as the Western North Carolina Associated Communities. Its purpose was to stimulate projects of interest and value to the region. One of its assumptions was that these projects should be of a type which would stimulate further development. The founding of the now-famous outdoor play at Cherokee, "Unto These Hills," was one of the first undertakings of this organization. Among the others were the initiation of the North Carolina Parks, Parkways and Forest Recreation Commission and the founding of the Western North Carolina Regional Planning Commission, which is a principal topic of this article.

About 1950, also in Western North Carolina, the Asheville Agricultural Development Council was organized. This Council was the result of a professional agricultural survey which indicated that agricultural improvements could be made by forming a regional group for this purpose. The

This panel at the Governor's Conference on Economic Development discussed Agricultural Development. The speaker here is Atwell Alexander of the North Carolina Board of Agriculture. Others are, left to right: C. E. Bishop, head, Department of Agricultural Economics, N. C. State College; panel chairman John A. Forlines, Jr., President, Northwest North Carolina Area Development Association; Morris McGough, Executive Vice-President, Asheville Agricultural Council; and Selz Mayo, Head, Department of Rural Sociology, N. C. State College.

Council began with one county and has grown to include eighteen counties from Burke to Cherokee. Not only is it working on the improvement of agriculture, but it is carrying on a program of rural community development.

In 1957 the Western North Carolina Associated Com-

The Institute of Government played host to the Governor's Economic Development Conference November 1-3. Here panel chairman George M. Stephens, Sr., Secretary, Western North Carolina Regional Planning Commission and father of the author (center), leads a discussion on Organizing for Development. Also shown, are left to right: David Stick, Chairman, Dare County Commissioners; Clement Logsden, School of Business Administration, University of North Carolina; and Robert Stanfield and Mrs. S. R. Prince, Williamsburg Community, Rockingham County.

Institute of Government Assistant Director Phil P. Green, Jr. addresses the group on "Organizing for Development." Governor Sanford told Conference that "Economic development is the greatest challenge facing our people." Panel chairman, in addition to those mentioned in other captions, included Fred Ratchford, "Tourism"; J. V. Whitfield, "Water Resources"; John A. Forlines, Jr., "Industrial Development"; Percy Ferebee, "Organizing for Development"; and W. E. Apple, Jr., "Case Reports." George L. Simpson, Jr., Research Triangle official, made the summary address.

munities felt the region needed an agency which would be responsible for making proper recommendations on the development of Western North Carolina in the light of existing and probable economic development. They also felt it would be beneficial to the county and municipal governments of Western North Carolina to have available technical, professional planning assistance which they could not otherwise afford alone.

To this end WNCAC called together local government officials from eleven counties and invited professional planners and others experienced in planning to meet with them. As a result of this discussion, the local government leaders decided that formation of a regional planning commission would provide the appropriate agency to plan and organize a program to meet their needs.

The Western North Carolina Regional Planning Commission

The next step was to go their legislative delegations and, with the help of the Institute of Government, legislation was drafted which authorized the creation of the Western North Carolina Regional Planning Commission. Only local governments could join, and only on a voluntary basis, because the Commission was to be operated from public revenues.

The legislation creating the Commission set two basic tasks for it:

1. To recommend a program for industrial, agricultural, tourist and resource development, based on study and analysis of the existing economy and its potentials for the future; and to develop a regional land-use plan and such other physical plans as might be necessary.
2. To assist the member governments in such things as comprehensive planning, zoning, subdivision regulations, and so on. Operating at first without a staff, however, the Commission was limited in what it could do. Since that time, it has been able to hire a full-time trained planning director and build up a staff of six persons.

Although the Commission has followed a policy of assisting only where invited by its members, it has proved its usefulness to the point where there are now almost more requests than can be handled, and the program is being reviewed to see how additional services can be rendered.

Regional Planning And Economic Developing

Th Regional Planning Commission has found by experience that it is most successful when Mayors (or city managers) and county commissioners (particularly the chairmen) are the delegates to the Commission from their local government units. This is due to the need to implement plans for, when such men are present at the meetings of the Commission, there is no lost motion between the Commission and the deliberations of the governing boards. It is worth noting that all policy-setting and regulatory authority remain in the hands of the local governments. The Planning Commission only advises.

The basic budget is drawn from dues assessed by the Commission to its members. A statement is sent out each fiscal year, and a local government joins or not according to whether it chooses to pay its dues or not. (There are now seventeen counties and their municipalities which are authorized to belong.) The amounts involved have been nominal. With this money, though, the Commission has been able to provide staff advisory services. However, when larger projects are involved, such as production of a master-plan or a zoning ordinance, the work is done on a contract basis, at cost.

Recently, the Western North Carolina Regional Planning Commission took an important step toward a regional development program: an analysis was made of the economy and its potential. The result is a most useful study which inventories the economy, indicates its strengths, its weaknesses and the potentials for the future. This study shows what industries the region can attract, and what needs to be done to improve the tourist trade and agriculture. The survey points to a bright future—provided certain things are done. This analysis is not yet the "plan", because, based on this study, the Commission must make the program specific and indicate the role which is to be played by private enterprise and by government. It must break the work down into projects which can be handled by

all kinds of people, agencies, local governments, the State Government and in some cases the Federal Government. And it must show where they can invest money profitably in capital improvements.

Governor Sanford met with state officials on October 19th to meet the State's responsibilities in regional economic development. There he stressed the importance of regional planning, and directed the State agencies to study the WNC economic analysis and report to him on what can be done to implement the proposals of the Regional Planning Commission. One of the main points made in the analysis was the need for modern highways providing access to and within the area. The Governor has therefore directed the Highway Department to see what can be done to accelerate the highway programs in that area and to build projects which will help specifically in economic development. Similar instructions were given to the Department of Education, Welfare, Water Resources, Administration, Agriculture, Labor, the Agricultural Extension Service, and others. In addition to helping in the development of Western North Carolina, this effort is intended to serve as a demonstration project in what can be done to develop an area cooperatively.

The Research Triangle Regional Planning Committee

The Western North Carolina Regional Planning Commission is one of two such Commissions in the State. The other is the Research Triangle Regional Planning Commission in the Raleigh-Durham and Chapel Hill area. Here the development efforts are being based on the industrial research potential generated by three universities. It is recognized, however, that serious problems for the local governments often result from urbanization ,and this planning commission is attempting to forstall them. One such problem is in water supply and sewage disposal, and it must be solved if the region is to develop efficiently and economically. Another is in the proper use of scarce land.

The Highway Department has already built some of the projects recommended by this Planning Commission and the State Board of Water Resources is cooperating on the water supply planning.

One point to be made is that by formulating their own plans and policy recommendations well in advance, the people of the Western North Carolina and the Research Triangle regions clearly have the initiative in dealing with the State and Federal Governments, and they can prove their needs when they make requests. This is a benefit in addition to the direction it gives to their own local efforts.

Private Area Development Associations

It has been noted that planning is useless unless directed toward action. We have described some efforts in the public sector. The history of private, voluntary area development associations in North Carolina is notable, too.

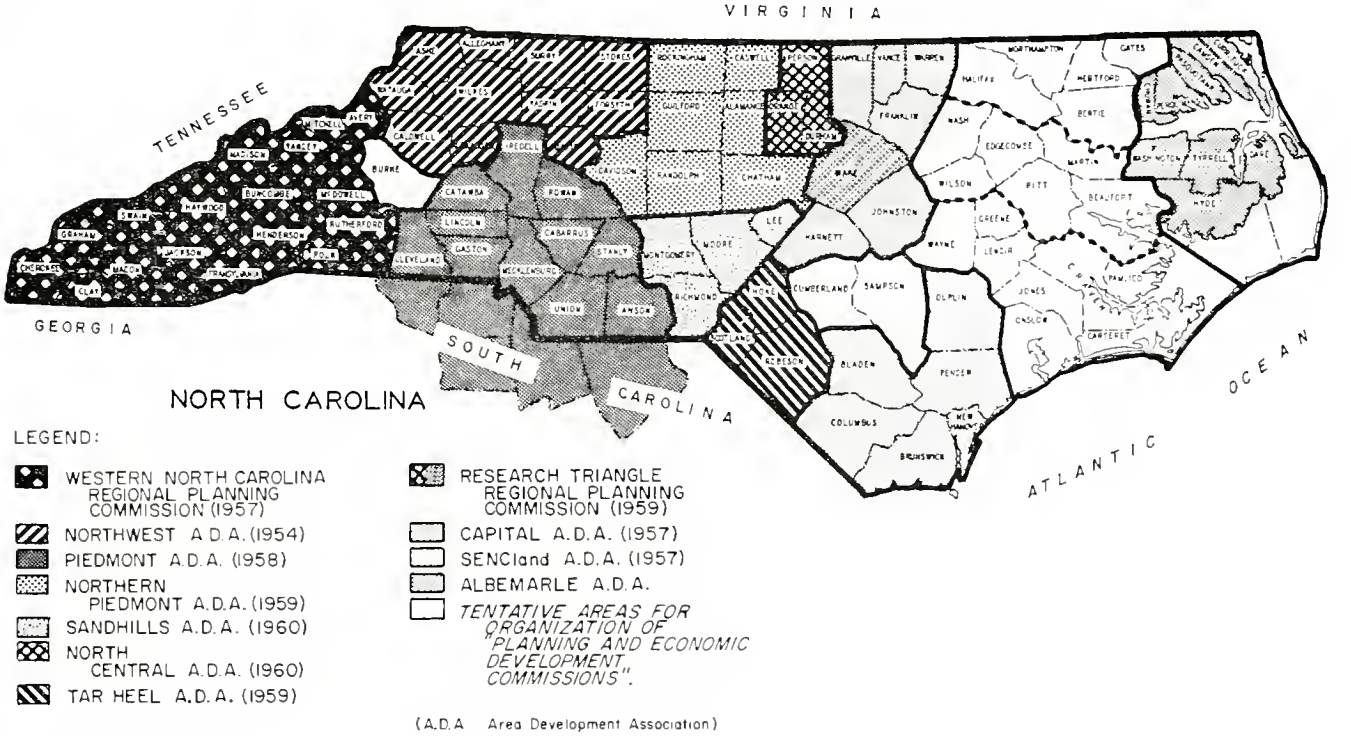
In Northwest North Carolina in 1954 an "area development association" was chartered of a type which was to become the forerunner of many more. Formed on the initiative of the Agricultural Extension Service, but made successful by the hard work of local area leders, this association has carried on an outstanding program.

The concept of the Northwest North Carolina Development Association was that it would plan and execute projects which could be carried out by voluntary leadership through private enterprise. In order to make its efforts more effective and to break the problem down into workable units, the group subdivided itself into four divisions, each of which has a committee: Industry, Agriculture, Travel and Recreation, and Community Development. Since there are several directors from each county, each county is able to have representation on all committees, and, in fact, the support of the organization is drawn from county groups which parallel the area group in composition.

Perhaps the strongest program of the Association is that of the Community Development division, a basic program of the Agricultural Extension Service. Area develop-

(Continued on Page 20)

AREA PLANNING & DEVELOPMENT GROUPS



(A.D.A. Area Development Association)

DOWNTOWN AHOSKIE REVITALIZES

by J. E. Hulse
Town Manager, Ahoskie

Ahoskie, North Carolina, probably is the only town in the world so named and possibly the only one to do some of the things that are done here. Let me illustrate by going over the downtown progress since the fall of 1959 when it all started.

Merchants Move

People and businesses alike become restless after being in one place too long. In Ahoskie, business had the bug, became dissatisfied with its surroundings and started to move: 1) to fringe areas being developed, 2) to other buildings downtown, 3) into retirement and, in general, 4) just out. To my amazement, when the dust settled, fourteen store buildings were vacant on Main Street alone.

My problem as Town Manager was created overnight. I felt that those buildings had to be occupied to keep our Central Business District healthy. As I wondered whether the job should be done with municipal assistance, I ran across some notes that I had made while taking a planning course at the Institute of Government, which helped me to make my decision. I had noted that:

A. Downtown is the center of the community.
B. Downtown constitutes an important segment of the tax base.
C. The city has a substantial investment in public utilities in the central area.
D. It costs more for the city to provide services in a congested and economically inefficient downtown.

These arguments convinced me that the city had a real responsibility to find a way out of the downtown, and we started work to help our town recover the vitality of its Central Business District. During the next few weeks I gathered information about our trading area to present to our business people. While this data gathering was going on, our local newspaper joined battle and with editorials hit where it hurt. The attack brought about comments and most important of all—action!

On November 10, 1959 *The Herald* carried an editorial ominously headlined: This was what it said:

THE TOWN IS SICK AT HEART

"Notwithstanding the movement of some types of business to the outskirts of town and just beyond the town limits, the business heart of Ahoskie is Main Street. And right now it is obvious that Main Street, the business heart is sick. The symptoms have been showing for some time. The movement of business to the suburbs and outside the town limits was one of these. And then there began to show up vacancies in the buildings along the street, then show windows plastered with 'Going Out of Business' advertising signs. Now there is the news that other businesses in the heart of Ahoskie, Main Street, will liquidate and cease their operations.

"A town with a sick heart, although it may still be growing and active, is in a dangerous condition. For it is the heart that pumps life and force into the rest of the life's body. That is certainly true with regard to Ahoskie's growth and development. Main Street has been and still is the heart that

Downtown Ahoskie before improvement.

gives life and being to the business community; without it the remainder of the community would wither and die. Nor can the business progress of Ahoskie remain healthy, forceful and growing normally when its business heart is sick.

"The trouble with Main Street is the same that causes the human heart to act up. It has been overworked in the past and not given the attention it requires. Too late came traffic and parking regulations that were obviously needed. Property owners anxious for high rents were careless about investing in improving and maintaining their buildings. Business along Main Street was burdened with high overhead costs and with the pressures of carrying the burden of practically all community events. Some businesses succumbed or moved to areas where it was less expensive to operate. The result: vacant buildings and permanent damage to the heart of the business area.

"Main Street in Ahoskie is in need of some doctoring and careful nursing. It may be that some major surgery will be required to bring it back to health. The doctoring and nursing should be provided by the property owners and businesses along Main Street. Recovery may be slow and painful, requiring the costly investment of cash in modernization and improvement of buildings. But regardless of cost, if the business life of Ahoskie is to remain strong, its business heart, Main Street, must be doctored back to health."

So ran the *Herald* editorial.

Interest Develops With Mass Meeting

After the "Town Is Sick" editorial appeared, the arguments among progressive minded merchants were raised both for and against the need for improvement, but we pushed forward anyway. We wanted to get the right people fired up, and, to start the ball rolling, we invited an out-of-state speaker widely experienced in organizing for downtown improvement. He was Henry Gonner, Executive Director of the Central Richmond Association, Richmond, Virginia, who graciously consented to help us with our problems.

Our next step was to get the necessary people to attend our meeting. By letter and telephone, we made double contact with eighty-six property owners and tenants calling downtown's problems to their attention and advising them of the meeting. Undoubtedly the added words—"refreshments will be served" did as much to guarantee good attendance at that meeting as did the purpose itself.

Addressing a group of forty-five people on January 13, 1960, Mr. Gonner pinpointed our difficulties:

- Too many vacant stores (there were fourteen at that time).
- Inadequate off-street parking.
- Ugly overhead wires and wodoen utility poles.
- Poor condition of some buildings.
- Selling space not used to best advantage.
- Wednesday afternoon closings.

Mr Gonner pointed out that in spite of many deficiencies business potential in Ahoskie is good. He urged our merchants to abandon the complacent attitudes of the postwar years.

The theme of this meeting, held in January of 1960, was "Revitalize, Modernize and Merchandize." This remains our theme and you can decide for yourself from reading this article how successful our improvement campaign has been.

That winter night in 1960 a merging of minds and pocket books took place. Those in attendance set to work to modernize the properties in which their businesses were located and to formulate long-range plans for continued improvement.

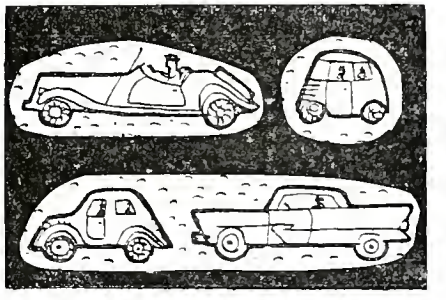
New Construction Begins

A sound procedure in municipal development is to work with property owners and tenants as long as property is occupied. Once it becomes vacant, responsibility falls heavily on the municipality. We had two buildings on Main Street in poor state of repair. Both buildings were owned by members of the same family, and, as it happened, both became vacant about the same time. Through inspection and the threat of condemnation, we were able to encourage the owners to rebuild, thus bringing about the development of two fine store buildings on Main Street. Others made the move on their own initiative and always with encouragement from the planning board and town manager. Following these developments we have seen an influx of new businesses into our Central Business District. Our merchants are talking and building marquees with the idea of developing uniform store fronts along Main Street. To a degree this has already been done and is likely to be used in the future. At present the idea is to use colored aluminum facings. These new fronts have meant much to the merchant and more to the town in general.

Within a year after the initiation of our program, we were able to report that all downtown buildings were occupied. This was a very promising state of affairs in contrast with the despairing time when so many of the buildings were vacant. We could also report that a small office building had been completely renovated. Stores remodeled, both inside and out, had brought color and life back to our Central Business District. Immediate action had stimulated widespread changes and the results are readily evident.

Within the past three months, two stores have added new fronts and another has been leased to an out-of-town firm. This one will be completely renovated with new entrance ways, both rear and front. Such an improvement, plus the power of suggestion by the planning board, spurs other business interests to action. The ultimate goal of the municipality toward which the planning board and my staff have been working is to bring a competitive improvement spirit among property owners and tenants alike.

With revitalization of our Central Business District now well under way, our new concern is with space for expansion. We feel that expansion within the present Central Business District can be provided for by the demolition of some outdated structures. Such demolition, with thoughtful land use planning, will allow us some open space downtown in addition to providing for expanded commercial facilities.



Parking On And Off-Street

When I became manager four years ago, it was apparent that Ahoskie's parking facilities were inadequate, and that the parking problem, if no other, would keep me busy. Ahoskie's Main Street is forty-two feet from curb to curb. When we set about to improve the Central Business District, we were used to parallel parking on one side of the street and diagonal parking on the other. To imagine our difficulties, project the length of a Cadillac to an automobile parked parallel to the curb and subtract this from the street portion reserved for traffic going two ways. You will be left with only about fifteen feet. Just picture two-lane traffic on a busy Saturday on Christmas Eve. Driving an automobile through there was like running an obstacle course.

I first suggested to the town com-

missioners that parallel parking be set up on both sides of Main Street, to eliminate the congestion and hazards. This was unacceptable; for it would have eliminated fifty-two parking spaces. People could not learn to park any other way—especially the women. Defeated at the outset, I tried another approach. On the assumption that most people can be reasoned with, we prepared a sketch showing the space that could be made available by changing the method of parking. The sketch demonstarted convincingly that, with different parking, there was more than enough street width for two-way traffic, plus additional room to pass cars waiting to park. Joining forces with the Chamber of Commerce, we polled the business firms on Main Street about the proposed change. The outcome was forty-four in favor of the change and seven against.

Convinced, the town commissioners granted my request and the change in parking was instigated immediately. But this change created another need—off-street parking facilities. Both public and private off-street parking were needed but neither funds nor space were available. Nevertheless, we were able to encourage the development of two large paved lots and one small unpaved lot. In recent weeks one parking area has been expanded to accommodate more cars and to give the public better facilities. Of course, private facilities should be encouraged whenever possible to eliminate the need for public lots, but, as is true in many towns, there is never enough.

J. W. York, developer of Cameron Village in Raleigh, suggested that we remove the old outmoded Atlantic Coast Line depot and convert this space into parking. After much study we are proceeding along these lines and have initiated action with Atlantic Coast Line officials. The unique land arrangement involved will both allow two hundred or more parking spaces and permit the opening of a much needed street which will greatly improve the flow of downtown traffic.

I am convinced that a many-sided area development effort is needed and will help recapture lost business. Our main purpose now is to make all areas of the Central Business District accessible to all shoppers. Ample parking and nearness to choice business establishments will make for a prosperous business district.

Downtown Lighting Program

We have found further gain in better downtown lighting. With business requiring more and more service over the years, small wires gradually give way to large cables and single circuits become more numerous until a grand mess results. Ahoskie is no exception. We have unsightly wooden poles rising up from our sidewalks like splintery shafts, the ugly brown color interrupting the lane of potential improvement. Although our "white way" is almost modern with good fixtures and sufficient light, the fixtures hang from old wooden poles.

This is a major problem. The cost of having these poles removed and replaced by modern steel or aluminum poles with mercury vapor white light seems almost prohibitive. Immediate replacement is out of the question, but a two-year staged program seems feasible. Since the Virginia Electric and Power Company serves Ahoskie, we have enlisted their help. A replacement schedule has been worked out at no cost to the town over and above the normal rental fees we are now paying. Whenever possible, we are asking each merchant with front power service to change to rear, or in some cases, side cable service. Then the power company will change its feeder circuits on the most rapid and effective basis possible with completion date set for sometime in early 1963. This one bright improvement alone should add the extra boost to make all our people proud to be a part of Ahoskie's Central Business District.

Ahoskie's Potential

The destiny of any town lies with the people. The future of Ahoskie may be suggested in a summary of its growth published as a letter written by one of our senior citizens. The letter reveals the intense pride and satisfaction generated by our reinvigoration and has application with regard to the growth and progress of our Central Business District. Here it is:

"Dear Citizen:

"Being seventy years old is no great accomplishment, for there are many towns and cities much older. It is, however, an accomplishment of acclaim to have grown up with the dignity and grace that we have.

"Proud, yet filled with humility, our town started as most others, just a crossroads, but in the short span of seventy years we are known as the 'trading center of the Roanoke-Chowan basin.'

"Even though Ahoskie is not filled with antiquity, the early history still adds to the prestige of a little spot abundant in growing pains. Today with a population of 5,000 plus, the pains are still there and we hope they will remain for another seventy years.

"The statisticians and economists are still pondering why Ahoskie grew so rapidly. In all their research, not one good solution can be considered without including the people of Ahoskie. Growth can be measured by statistics, but community pride has no yardstick save the amount of effort expended.

"Most of us are getting more fun out of progress than we realize. Looking back, how amusing were those early years, between the twenties and forties! What problems we had; what times we had! The days which seemed far away now enrich our memories.

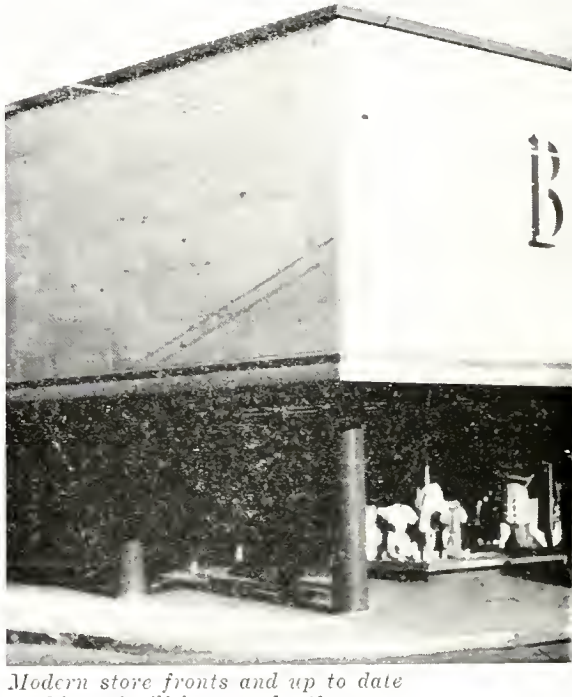
"Today's struggle will seem equally pleasant and eventful when time has healed a few of the scars.

"Without effort to overcome obstacles, without a fight to master our circumstances, we are scarcely moving ahead. The hard and more vividly we work, the more progress we make. The best investment of time is that which shows progress.

"To list the improvements since the beginning of our once crossroads town would require some doing, but to say simply that the town, through the efforts of municipal government, has managed to stay abreast of the times, will cover all of the advancements made in our brief span of seventy years."

As long as people show the spirit and determination of the citizens of Ahoskie, the growth and development of the entire town, sparked by a promising business environment, will be assured.

The apparent futility of seemingly wasted effort vanishes in the light of results which spell progress toward a revitalized community.



Modern store fronts and up to date parking facilities mark the new downtown Ahoskie.

by John L. Sanders*
Assistant Director
Institute of Government

LEGISLATIVE REPRESENTATION: 1961

PART TWO

Introduction

Senatorial redistricting and House reapportionment were prime subjects of legislative attention during the 1961 session. That session was but the latest—and hardly the final—episode in an ancient, sporadic controversy over the proper distribution of legislative seats and hence of legislative power.

The first article of this series was devoted to a short history of the system of legislative representation in North Carolina since 1776, with emphasis on the developments of the last decade.

This article is chiefly a review of the contents and the legislative history of 19 bills on the subject of legislative representation introduced in the 1961 session, which under the state Constitution had the duty of redistricting the Senate and reapportioning the House. To avoid the confusion that would be inherent in a strict chronological treatment, the following scheme has been used:

I. Bills to implement Constitution
   Redistricting Senate
   Reapportioning House
II. Bills to amend Constitution
   Reapportionment procedure
   Size and apportionment of houses
III. Miscellaneous bills
   Rotation of Senators
   Earmarked seats
   Study commission

I. Bills to Implement Constitution

Redistricting Senate

Since 1941, the 50 Senators have been elected from 33 senatorial districts, 17 of which elect two Senators each and 16 of which elect one Senator each. (See Fig. 2.)

Senate Resolution 4. Introduced on the first day of the 1961 session to establish the primacy of the Democratic Party's claim to leadership on the redistricting issue, SR 4 expressed the sense of the General Assembly that the appropriate Senate and House committees should proceed forthwith to study senatorial redistricting, hold public hearings, and draft a redistricting bill. It met no opposition and was ratified as Resolution 17.

Senate Bill 66. Working with individual members of his Committee and of the Senate rather than in formal committee sessions, Senator Claude Currie of Durham, Chairman of the Senate Committee on Election Laws and Legislative Representation, prepared a redistricting bill which was introduced as SB 66 on March 3. (See Fig. 3.)

From the beginning of the session, it was known that any redistricting bill — at least, any bill which allowed a single-county district to elect more than one Senator — would face the strong opposition of many Senators from the smaller counties of the State. Accordingly, several judicious compromises went into the shaping of the Currie bill. For instance, the 20th district (Mecklenburg), although entitled by its population to three Senators, would have been allowed only two. The old 1st district in the northeastern corner of the State and the old 32nd and 33d districts in the far West, while seriously underpopulated, would have been left unchanged in recognition of the practical problems created by the extensive area and the large number of counties (and House members) in those districts.

Nineteen of the existing 33 districts would have been left intact. Nevertheless SB 66, for the first time, would have given three one-county districts two Senators each (17th-Guilford, 20th-Mecklenburg, and 22d-Forsyth). It would have cut the range of population per Senator from 45,031 to 272,111 down to 51,615 to 148,418. It would have brought 16 of the 32 proposed districts within 10,000 of the state-wide average of 91,123 people per Senator, and brought 20 of the proposed districts within 20,000 of that state-wide average.

SB 66 received from the daily press of the State an understanding appraisal of the necessity for its compromise features and an endorsement of its passage.

On March 22, the Senate Committee on Election Laws and Legislative Representation held a hearing on SB 66. Several prominent Democrats, men who have held responsible Party and legislative positions, spoke for the bill. They cited the legal and moral obligation to pass it and the instances of disproportionate representation which inaction would intensify.

But their chief argument was that the interests — indeed, the safety — of the Democratic Party demanded that the Party exercise its legislative power in fulfillment of the duty to redistrict fairly. Special emphasis was put on the need to relieve the Party in the Piedmont of vulnerability to the charge that the Democrats are not in favor of fair representation of the people of the more populous areas.

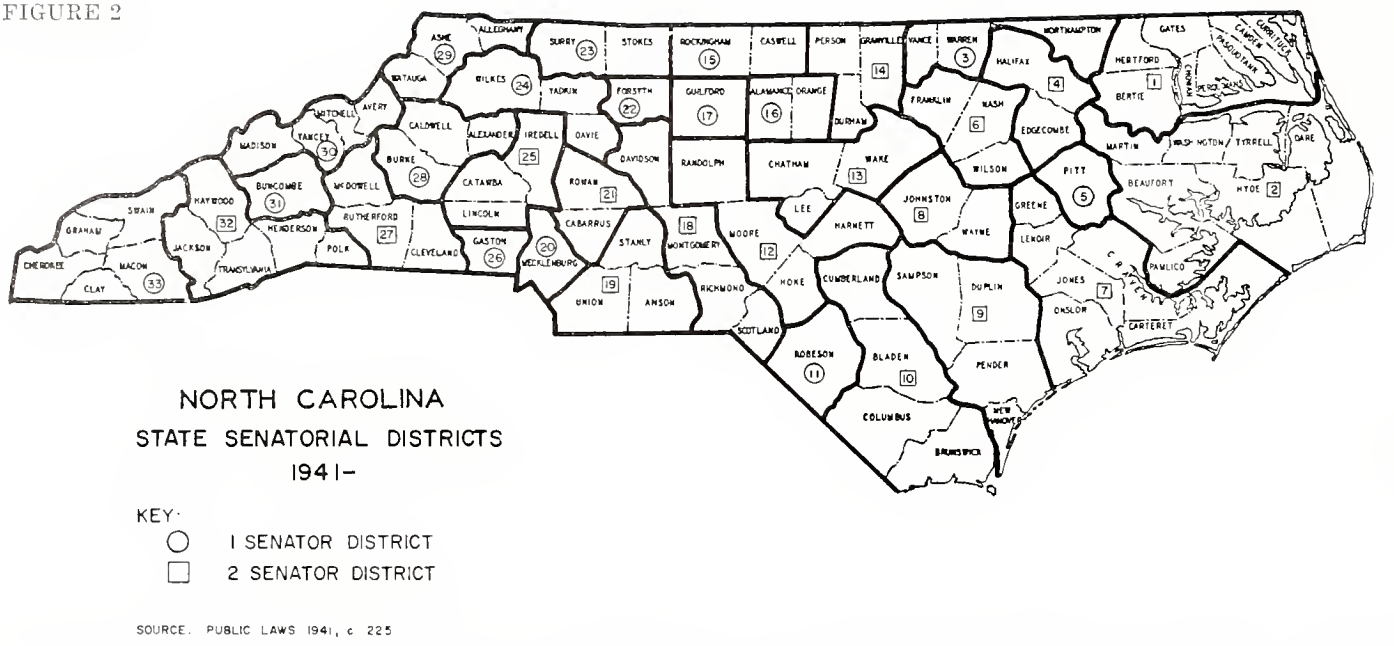
Former Senator Irving E. Carlyle of Forsyth warned:

> If the Democratic Party is unwilling and unable to shoulder this responsibility, then sooner or later, maybe sooner than we think, the people of North Carolina will reject the Democratic Party and look to the Republicans to carry out the mandate.[1]

*On leave for the academic year, 1961-62.

[1] *The News and Observer*, March 23, 1961.

FIGURE 2



Other speakers supported the bill on the general grounds of duty and equity. No one appeared in opposition to the bill.

A surprise attempt by opponents of the bill to send it to the Senate floor and an early death was defeated.

At the March 28 committee meeting, an amendment was adopted shifting Alexander from the proposed 28th to the 24th district and Watauga from the proposed 29th to the 28th district. (See Fig. 4.)

On motion of a leading opponent, SB 66 as amended was then given a favorable report by a unanimous vote of the Senate Committee. The true committee sentiment toward the bill was almost evenly divided, perhaps seven to six. The opponents, however, wanted to hasten the bill to the Senate floor, where they knew they had the votes to kill it or remake it to their liking.

Supporters of the bill still entertained hopes of increasing their claimed 21 votes to a majority, and so deferred floor consideration of SB 66 until April 5. (The opponents were then claiming 35 votes against the measure.)

It had been recognized for some time that the active help of the Governor would be essential to obtaining the additional half dozen or so votes needed for Senate passage of SB 66.

But while Governor Terry Sanford had endorsed redistricting in his campaigns and earlier in the session had stated that the legislature should do its duty on the issue, he gave no specific endorsement of SB 66. Backers of SB 66 saw no evidence that the Chief Executive was resorting to the more effective forms of political persuasion to help the redistricting bill. Concentrating fully on his education program, he apparently did not wish to jeopardize that essential goal by getting entangled in the redistricting fight which, even if won in the Senate, could easily be lost in the House.

By the time SB 66 was brought up for debate on its second reading in the Senate on April 5, two bills proposing constitutional amendments to alter the character of the Senate had been introduced. HB 39 proposed a Senate of 100 members, one to each county, and a House of 130 Representatives. SB 143 retained the Senate at 50 members, but eliminated the requirement that Senators represent approximately equal numbers of people. These bills were offered in part as alternatives to redistricting; consequently, a portion of the debate on SB 66 dealt with the merits of those alternative measures.

As chairman of the committee which had considered the bill, Senator Currie managed SB 66 on the Senate floor. The committee amendment was quickly adopted. After his opening comments, Senator Currie yielded the floor successively to eight other Senators for supporting statements, and then closed with his own speech for the bill.

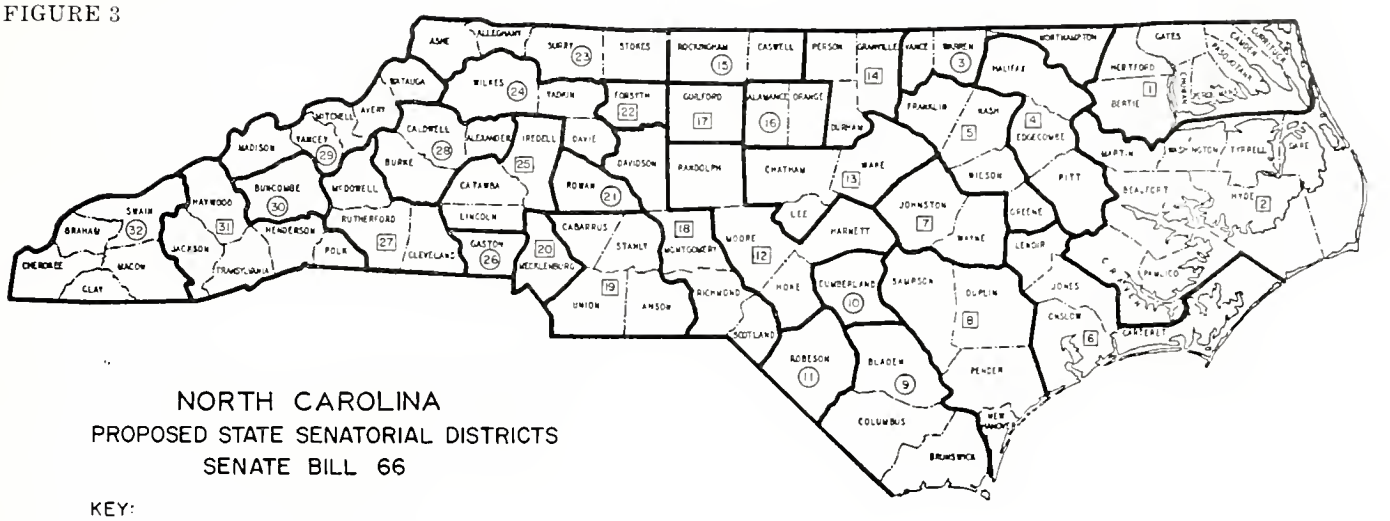
In developing the case for SB 66, the proponents offered all of the arguments available to them: The constitutional duty to redistrict was clear and was made personal to each member by his oath of office. The remote possibility of changing the Constitution did not relieve the legislature of the obligation to comply with that document until changed. Failure to observe a clear constitutional mandate would encourage widespread disrespect for legal obligations, would be an admission that democracy does not work in North Carolina, and would give aid and comfort to the state Republican Party. Existing inequities in representation would grow worse with time. The people would have redistricting eventually, possibly by court action or else through the election of a Governor — and not necessarily a Democrat — with a mandate to obtain redistricting. SB 66 was just, because it was considerate of those districts with small populations and many counties, at the expense of the larger districts.

Senator Clarence Stone of Rockingham County, opening the case for the opposition, predicted big-county domination of the State if the former were given senatorial representation proportionate to their population. He contended that whatever disadvantage the larger counties may now suffer from lack of legislative strength is offset by their influence in the administrative branch of state government. Mecklenburg, Guilford, and Forsyth could not be more effectively represented by two Senators each than by the individual Senators now serving them, he contended.

Next, Senator Lindsay C. Warren of Beaufort took the floor. He opened by questioning the trustworthiness of Senator Currie on constitutional questions, then bore down on the perils of big-city bossism. If Senators were distributed strictly on the basis of population, he anticipated that in another ten to twenty years 16 Piedmont counties would dominate the Senate.

Expressly declining to discuss the contention that failure to give the larger counties more senatorial representation would be a violation of the Constitution, he argued that the existing districts are as fair and just as they could be.

FIGURE 3



In answer to the assertion that the opposition to redistricting was sectional in character, Senator Warren cited the 1959 Senate vote on the one Senator per county limitation, which was supported by an overwhelming majority of the Senators from the less populous counties in all sections of the State.

He then made a vigorous personal attack on the Senators from Guilford and Forsyth, accusing them of having deserted the Democratic Party's banner in the 1960 general election — a charge which drew a prompt refutation from the Senator from Guilford. Mecklenburg's abandonment of the Democratic faith Senator Warren noted with sorrow. The recent Republican gains in the Piedmont he attributed to a lack of loyalty and hard work by local Democratic leaders, rather than to popular discontent over insufficient legislative representation.

He closed with the argument which was the basic theme of the Eastern group in both the senatorial and the later congressional redistricting fights: The Democratic majorities of the East saved the state and national tickets in 1960, and it would be an ungrateful act for a Democratic legislature to deprive the East of representation merely on the ground that the East has not kept pace with the rest of the State in population growth.

Until shortly before the floor debate, it had been assumed that the opponents of SB 66 would simply kill it and have done with the matter. But upon the conclusion of Senator Warren's speech, Senator Frank Banzet of Warren County offered an amendment which would have had the effect of retaining all of the existing senatorial districts intact except for three changes. The existing 10th district was to be divided into the 10th (Bladen, Brunswick, and Columbus) and the 11th (Cumberland), each with one Senator. The existing 13th district was to be divided into the 14th (Chatham and Lee) and 15th (Wake), each with one Senator. The existing 14th district was to be divided into the 16th (Granville and Person) and 17th (Durham), each with one Senator. The effect of the last two changes would have been to give Wake and Durham by law a full-time Senator each which they have long had in fact under party rotation agreements.

Senator Banzet contended that his amendment accorded with the letter and the spirit of the constitutional requirement for redistricting. Critics of his amendment pointed out that it was in fact an entirely new plan which had not been offered in committee, and that the only change it would make in the *status quo* would be to give Cumberland a full-time Senator—which could as well be done by a party rotation agreement within the 10th district.

An adjournment motion by Senator Currie failed, 18 to 31. The Banzet amendment carried, 32 to 17. The bill as amended then passed its second reading, 32 to 16,[2] with the supporters of SB 66 as introduced being, with a single exception, solidly opposed to it in its amended form.

The next day, April 6, SB 66 passed its third reading, 31 to 15, after Senator Currie had denied its paternity and denounced it as political trickery.

Editorial condemnation of the Senate's action in amending the redistricting bill into near meaninglessness was general and vigorous. *The News and Observer* called it "a defeat for all the people of North Carolina and the whole concept of representative government as we know it."[3] "Opponents . . . have flagrantly ignored the mandate of the Constitution . . .", said *The Rocky Mount Telegram*.[4]

In the House, SB 66 was referred to the Committee on Senatorial Districts. There it was strongly opposed by the Representatives from Bladen, Brunswick, and Columbus. For many years those counties, with Cumberland, have constituted the two-Senator 10th district and each county has sent a Senator to alternate sessions by virtue of a party rotation agreement. In order to give Cumberland a full-time Senator, SB 66 would have forced the other three counties to share one Senator among them.

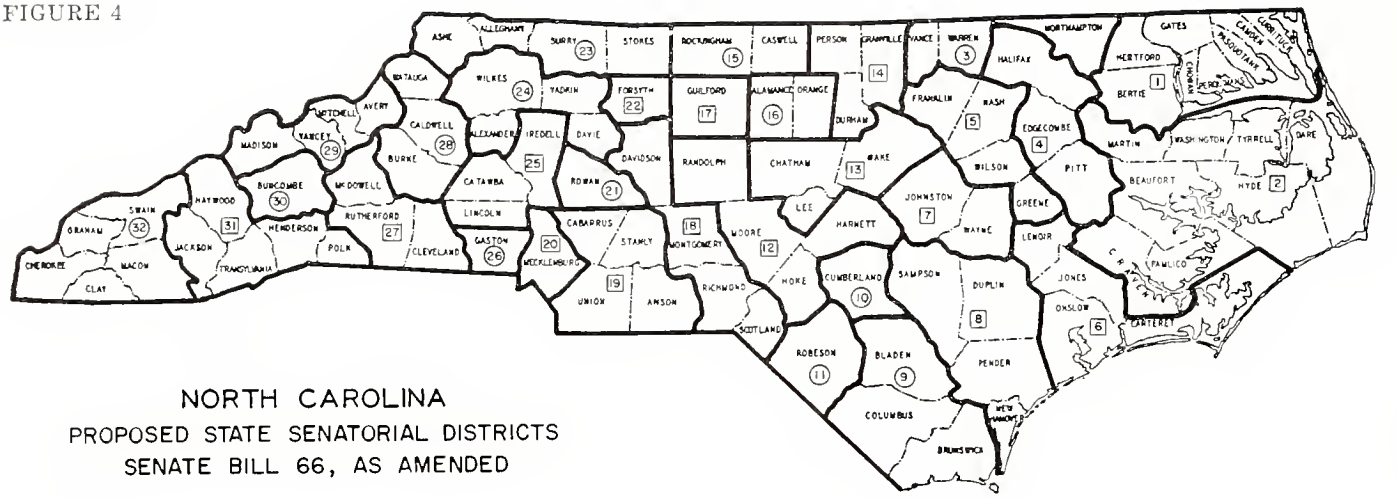
Significant opposition was also registered by large-county Representatives, who felt that to adopt SB 66 as it came from the Senate would be worse than to enact no redistricting bill. Although it was obviously a redistricting in name only, it probably would, under the terms of the Constitution, block any

[2]The 32 Senators voting for the amended bill, while constituting 64 per cent of the Senate membership, represented only 52 per cent of the state population. The 16 Senators voting against the bill had only 32 per cent of the Senate voting strength, but represented 43 per cent of the state population. (Two Senators were paired.)

[3]The News and Observer, April 6, 1961.

[4]The Rocky Mount Telegram, April 6, 1961.

FIGURE 4



NORTH CAROLINA
PROPOSED STATE SENATORIAL DISTRICTS
SENATE BILL 66, AS AMENDED

KEY:

○ ONE-SENATOR DISTRICT

□ TWO-SENATOR DISTRICT

other redistricting measure for ten years. Had the bill reached the floor, it would doubtless have been opposed also by the 15-member Republican contingent.

On May 17, SB 66 was tabled in committee, and so was never reported to the House.

House Bill 462. Republican members of the House of Representatives offered their version of senatorial redistricting (HB 462) on April 13. It established 41 districts; gave Mecklenburg three Senators and Guilford, Forsyth, Wake, and Cumberland two each; and otherwise went a long way towards the distribution of senatorial representation strictly according to population—but at the expense of other considerations. The northeastern-most district, for instance, was given one Senator for eight counties, two of them separated from the rest by the Albemarle Sound. In two cases, contiguity of the territory constituting a district was gained only by way of the point at which the corners of two counties touched. Having no hope of its adoption, the sponsors of HB 462 were free to draw it in the form best suited to their objective.

The House Committee on Senatorial Districts, after hearing the chief sponsor of HB 462, gave it an unfavorable report on May 17. The bill did, however, serve to make a record for the Republican Party on the redisticting issue.

Reapportioning House

Prospects for reapportionment of the House of Representatives were fairly good from the beginning of the 1961 session, despite failure throughout the 1950's to reapportion. (See Fig. 5). Four factors contributed to this favorable outlook.

First, the automatic assignment of one House seat to every county meant that the reapportionment process could only affect 20 of the 120 seats in that chamber.

Second, the apportionment formula set out in the Constitution is purely mathematical in nature and, when applied to a given set of population figures, produces only one result. It allows no room for legislative discretion in how the seats will be distributed.

Third, reapportionment on the basis of the 1960 Census required the shifting of only four seats, and left the East with the same share of the 120 seats as before.

Fourth, the group which opposed redistricting the Senate was either favorable or resigned to House reapportionment.

HB 1 was the House reapportionment bill. It took away Buncombe's third seat and the second seats of Cabarrus, Johnston, and Pitt. It gave a fifth seat to Mecklenburg, a third seat to Cumberland, and second seats to Alamance and Onslow. Thus from the sectional standpoint, the net effect was a shift of one seat from the largest county in the West to a Piedmont county.

After brief committee and floor consideration, HB 1 passed its second House reading on March 8. On March 14, it passed its third House reading unanimously, to the accompaniment of praise for the good spirit in which Representatives from the losing counties took their losses.

On April 21, HB 1 passed its second and third readings in the Senate, 44 to 0. It was ratified as Chapter 265. (See Fig. 6).

II. Bills to Amend Constitution

Reapportionment Procedure

Three weeks before the 1961 session convened, Senator Warren of Beaufort announced his intention to sponsor a constitutional amendment to establish a procedure for the automatic reapportionment of the House of Representatives after each federal census. While a member of Congress, Mr. Warren had joined with Senator Arthur Vandenberg in sponsoring legislation perfecting the present system for the automatic reapportionment of the United States House of Representatives. At his insistance, the North Carolina Constitutional Commission of 1957-59 had included such an automatic reapportionment procedure in its revised Constitution.

On February 15, duplicate bills (SB 20 and HB 29) were introduced by Senator Warren and Representative Ed Kemp of Guilford. Both bills proposed a constitutional amendment requiring the Speaker, at the first regular legislative session convening after the return of each federal census, to apply the constitutional formula for House reapportionment and to enter the result on the House journal by the 60th calendar day of

the session. Elections for House members for the next ten years would be governed by that apportionment.

HB 29 passed its second and third House readings on May 11, without amendment and after only brief discussion, by a vote of 106 to 2. A week later the bill passed both readings in the Senate, 50 to 0, following a short speech by Senator Warren explaining that the amendment will relieve the General Assembly of one of its most vexing problems and yet keep reapportionment in the hands of a legislative officer, the Speaker.

Ratified as Chapter 459, the amendment goes to the voters for their approval or rejection at the general election of November 1962.

Size and Apportionment of Houses

House Bill 39. Introduced on February 16 by Representatives S. Bunn Frink of Brunswick and William Charles Cohoon of Tyrrell, HB 39 was the first of seven bills proposing constitutional amendments to alter the size or apportionment basis of one or both of the houses.

HB 39 proposed (1) to apportion the Senators one to each county (thus increasing the Senate to 100 members); (2) to extend Senators' terms from two to four years, running concurrently with that of the Governor; and (3) to enlarge the House of Representatives to 130 members, with one seat being guaranteed to each county and the excess of 30 being apportioned according to population. This bill would have had only 30 out of 230 legislative seats apportioned on the basis of population, contrasted with 70 of the present 170 seats now apportioned on that basis. The total number of Senators would have been subject to change by the statutory creation or abolition of counties.

HB 39 drew much critical comment from the larger newspapers on the ground that it compounded the faults of the present system by an almost complete abandonment of the concept of representation in proportion to population.

This criticism was supported by the fact that at present, the 26 Senators (a majority) elected from the smallest districts represent 36.9 per cent of the people of the State, while if the Senate were apportioned one seat to the county, the 51 Senators (a majority) elected by the 51 smallest counties would represent only 19.1 per cent of the State's population. Increased population representation in the House would not nearly offset the loss in that respect in the Senate.

Later abandoned by its sponsors in favor of HB 763 (discussed below), HB 39 was never reported out of the House Committee on Elections and Election Laws.

Senate Bill 143. The only bill to alter the constitutional makeup of the legislature that gained the approval of either house was SB 143, introduced on March 27.

Sponsored by Senator Robert Lee Humber of Pitt (a county which would have lost its full-time Senator under SB 66, the redistricting bill) and 20 other Senators, SB 143 proposed to rewrite Article II, Sec. 4, of the Constitution. It would have retained Senate membership at 50 but removed the population basis for senatorial districts. In its place, SB 143 provided that the General Assembly should establish "senatorial districts which shall represent and contain related geographical, population and area interests, consisting at all times of contiguous territory." It would have prohibited any county from electing more than one Senator and authorized the General Assembly to regulate the rotation of senatorial representation (now handled almost entirely by party agreements within each senatorial district).

In place of the present mandate for redistricting at the first session after each federal census, SB 143 contained a permissive provision, allowing the legislature to redistrict the Senate whenever the House was reapportioned. Since another existing constitutional provision states that the House shall be reapportioned at the time prescribed by the Constitution for redistricting the Senate, the effect of SB 143 would have been to make it optional with the legislature whether and when to redistrict and reapportion.

In the Senate Committee on Constitution, an amendment to SB 143 was adopted which restored mandatory redistricting after every federal census. The bill was approved in the Committee by an eight-to-two vote on April 18.

SB 143 came up for debate on second reading on May 2. The committee amendment was adopted. On behalf of the bill, it was asserted by Senator Humber that both houses should not be based on population (as he alleged them both to be at present), but that the lower house should be population-based and the upper house should represent "other interests." The United States Congress and the British Parliament he held up as models of this principle in operation. This bill, he suggested, would afford a permanent solution to the troublesome problem of senatorial representation.

Opponents of SB 143 pointed out that its lack of any specific standards to guide the legislature in drawing senatorial districts would end all hope of worthwhile future redistricting. Virtually any set of districts the legislature might establish could be said to contain "related geographical, population and area interests".

Those opposed to the bill emphasized the obvious but often-ignored fact that the House of Representatives is population-based only to the extent of 20 members or one-sixth of its membership, since 100 of its 120 members are assigned to the 100 counties without reference to population. They also pointed out the fallacy of the often-cited federal analogy, which arises from a failure to acknowledge the difference between the nature of the state-federal and the county-state relationships.

Early in the debate on SB 143, Senator Archie K. Davis of Forsyth submitted a floor amendment which embodied the substance of his bill, SB 178 (discussed below), then in committee. His amending tactic was employed as the only effective means of countering the one Senator per county limitation of SB 143 and of obtaining serious debate on the substance of his proposal.

The effect of the Davis amendment was to add to SB 143 provisions designed to give the voters a choice of:

(1) Senator Humber's one Senator per county restriction, with senatorial districts containing "related geographical, population and area interests";

(2) Senator Davis' proposal for retaining population as the primary basis for drawing senatorial districts, with the qualifications that (a) no county could elect more than two Senators and (b) no senatorial district could contain more than five counties; or

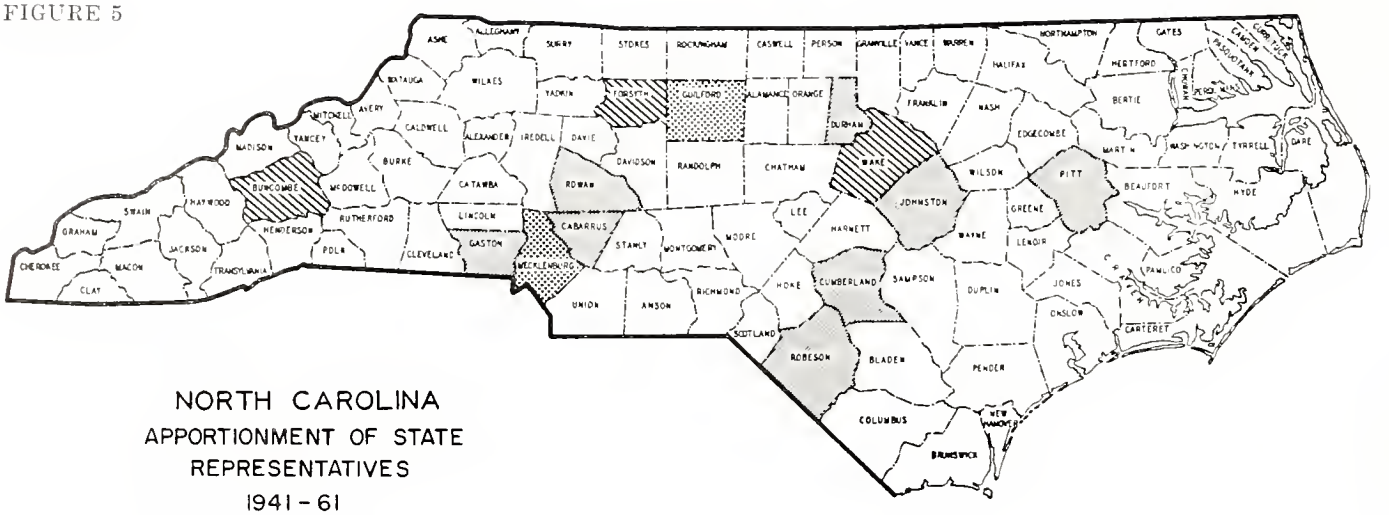
(3) the existing constitutional provisions on the subject.

The Davis amendment was offered as a middle-ground approach to the redistricting problem — a compromise between the system the Constitution now calls for and the system existing by virtue of the failure to redistrict.

Some supporters of the Davis amendment shared with the advocates of the one Senator limitation a fear of too great a concentration of senatorial representation in a few large counties at some future time, but they did not share the view that "one Senator is enough for any county" (the watchword of the small-county spokesmen) or believe that it was right to abandon population as the primary factor in drawing senatorial districts.

The chief argument in support of the Davis amendment was that the people were entitled to make the choice between the Humber and Davis propositions, or to reject both of them in favor of the existing constitutional provision.

FIGURE 5



When the vote was finally taken on the Davis amendment, it met its expected defeat by a count of 18 to 31. Thus the small counties lost their best — possibly their final — opportunity to gain lasting protection for their legislative interests when they rejected the proffered aid of the large counties. Such aid is perhaps not necessary to the legislative adoption of a constitutional amendment perpetuating the legislative power of the smaller counties, but it is essential if such an amendment is to gain approval at the polls.

The Davis amendment dispatched, the Senate soon passed SB 143 on its second and third readings by a vote of 35 to 13. With few exceptions, the line-up was the same as it had been on the amended version of SB 66, the redistricting bill.

In the House, SB 143 was consigned to the Committee on Senatorial Districts. There the stiff opposition of the Representatives from the larger counties, together with the realization of the futility of submitting a proposition very like one which the people had so recently rejected, resulted in an unfavorable committee report on May 24.

Senate Bill 178. Introduced by Senator Davis of Forsyth on April 7, the day after SB 66 (the redistricting bill) had passed the Senate in its amended form, SB 178 proposed to rewrite Article II, Sec. 4, of the State Constitution.

SB 178 would have retained a 50-member Senate, elected from districts. The initial consideration in drawing the districts and apportioning Senators among them would have been that each Senator should represent approximately the same number of people. There were two qualifications: (1) not more than two Senators could be elected from any one county, and (2) no district could consist of more than five counties. To the extent necessary, the five-county restriction was to be given priority over the principle of equality between Senators as to number of constituents. It would have been made clear that the duty of redistricting, while resting primarily on the first session convening after each federal census, endures until performed.

After the rejection of these same propositions during the Senate debate on the Davis amendment to SB 143, the Senate Committee on Election Laws and Legislative Representation did not engage in the futility of reporting out SB 178.

House Bill 231. The House of Representatives would have been enlarged from 120 to 150 members by HB 231, introduced on March 16 by Representative Frank Wooten of Pitt and four other Representatives of counties which are due to lose seats by reapportionment. The substance of HB 29 (SB 20), directing the Speaker to reapportion House seats after each census, was included in HB 231.

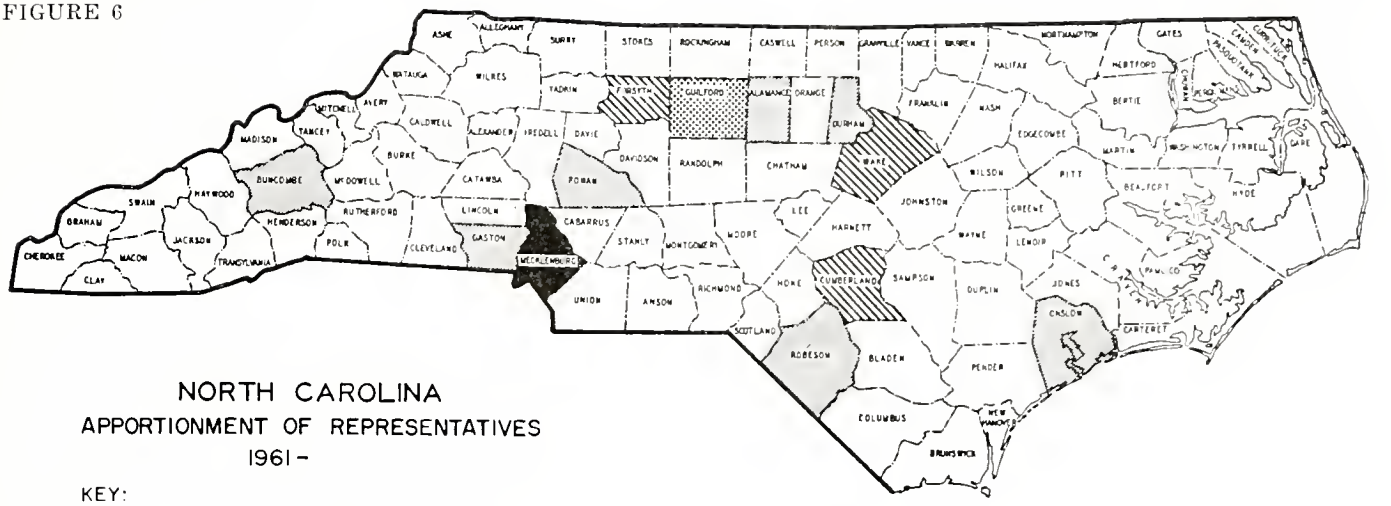
This bill not only proposed to amend the Constitution, but to apply the apportionment formula to the enlarged House and thus to effect a reapportionment in time for the first election for members of the General Assembly following popular ratification of the amendment. Under this apportionment, there would have been two House delegations of seven members each, two of five members each, two of four members each, two of three members each, and twenty of two members each. Seventy-two counties would have elected one Representative each.

The House would have become substantially more representative of population under HB 231. Currently, the 61 Representatives (a majority) of the 61 smallest counties represent 27.1 per cent of the people of the State. Given a House of 150 seats, the 76 members (a majority) elected from the 74 least populous counties would represent 41.2 percent of the State's population.

HB 231 was abandoned by its sponsors in favor of HB 763, and so was not reported by the House Committee on Elections and Election Laws.

House Bill 763. Called by its introducers a compromise between HB 39 and HB 231 (discussed above), HB 763 was actually a combination of the main features of both of those two earlier bills. It proposed (1) to grant one Senator to each county without regard to population, following HB 39; and (2) to increase House membership to 150, apportion those 150 members among the counties, and make future re-

FIGURE 6



NORTH CAROLINA
APPORTIONMENT OF REPRESENTATIVES
1961 -

KEY:

■	COUNTY WITH 5 REPRESENTATIVES	1
▒	COUNTY WITH 4 REPRESENTATIVES	1
▨	COUNTY WITH 3 REPRESENTATIVES	3
▩	COUNTY WITH 2 REPRESENTATIVES	7
	ALL OTHER COUNTIES HAVE 1 REPRESENTATIVE EACH	88
	COUNTIES	100

SOURCE: SESSION LAWS 1961, c 265

apportionment the duty of the Speaker of the House, following HB 231.

One of the introducers of HB 763 declared that it "would allow small-county domination, which many people feel is desirable."

Although there was some sentiment in the House for helping out the counties which would lose representation by reapportionment, there was a fear that a 30-member increase would seriously handicap the efficiency of the House. HB 763 died in the House Committee on Elections and Election Laws.

Senate Bill 390. Introduced on May 31 by Senator W. Lunsford Crew of Halifax, SB 390 would have added three Senators to the present fifty and directed that one of the three new Senators be assigned to each of the three most populous one-county senatorial districts (currently the Mecklenburg, Guilford, and Forsyth districts). The apportionment of these additional three Senators would have been made by the Secretary of State immediately after the return of every subsequent federal census. Apportionment of the other 50 Senators would have continued to be responsibility of the General Assembly. No county would have been allowed to elect more than two Senators.

Coming late in the session, SB 390 got scant attention in the hurry for adjournment and was not reported out by the Senate Committee on Election Laws and Legislative Representation.

House Bill 1127. Introduced on June 8 by 16 Representatives, HB 1127 was the final attempt to amend the Constitution with respect to legislative representation. It included features taken from several prior bills, plus some new ones.

The bill proposed (1) to enlarge the Senate to 60 members; (2) to limit any county to a maximum of two Senators; (3) to eliminate the population basis for drawing senatorial districts and to substitute (from SB 143) a provision that such districts shall "contain related geographical, population and area interests"; (4) to apportion the ten new Senators among the existing senatorial districts; and (5) to establish an *ex officio* committee to propose, after each federal census, a redistricting plan to take effect unless altered by legislative action. No immediate change would have been made in existing senatorial district lines. One Senator would have been added to each of ten districts, five of which are one-county districts and five of which are multi-county districts.

As for the House of Representatives, HB 1127 proposed (1) to enlarge House membership from 120 to 150 (as had HB 231 and HB 763); (2) to make the initial apportionment of the enlarged House membership, which was the same as under HB 231; and (3) to require the Speaker to reapportion the House periodically.

HB 1127 was the only bill to change the constitutional make-up of the Senate or House which reached the House floor with a favorable report. There the combined opposition of the small-county Representatives who wanted no change, the large-county Representatives who disliked the two Senator limitation, and the Republican contingent which favored compliance with the present Constitution, proved sufficient to table the bill on second reading, 64 to 45.

III. Miscellaneous Bills

Rotation of Senators

For at least half a century, it has been the practice in some multi-county senatorial districts (and currently in nearly all of them) to rotate among the counties of the district the privilege of nominating the candidate or candidates for the senatorial seat or seats of that district. These agreements have normally been entered into between the county party executive committees; one is a matter of statute.

Their object is to spread the opportunity to send a Senator to Raleigh. This is especially important to the smaller counties in a district with a county large enough to dominate senatorial selection.

Of the four bills introduced to deal with these rotation agreements, two dealt with such agreements in particular districts and two dealt with them on a state-wide basis. All were defeated.

Senate Bill 294. Introduced by Senator William B. Shu-

ford of Catawba, SB 294 would have replaced the existing agreement by which the right to nominate a candidate for one of the Senate seats of the 25th district is rotated between the counties of Catawba and Lincoln, while Iredell has the other Senator full-time. Unable to obtain more frequent representation by amendment of the party rotation agreement, Catawba, the largest county in the district, sought to gain that end by the establishment of a statutory rotation scheme. The bill failed to pass its second Senate reading on June 7 by a vote of 23 to 24.

Senate Bill 401. Cumberland County, which has three-fifths of the population of the 10th district but nominates a Senator for only one session out of two, tried a similar strategy to obtain greater representation. SB 401, introduced by Senator Hector McGeachy, Jr., attempted to give Cumberland a Senator for three terms out of every four. That bill met defeat by the same vote and on the same day as the 25th district bill, SB 294.

House Bill 1012. Introduced by Representative J. Henry Hill, Jr., of Catawba, HB 1012 specified that in every senatorial district with a rotation agreement governing the nomination of senatorial candidates, the most populous county in the district must be allowed to nominate a candidate as frequently as does any other county in the same district. (Under the present 25th district agreement, Iredell nominates a Senator for every session, while Catawba — which is larger than Iredell — only nominates a Senator for every other session.) The House Committee on Senatorial Districts did not report HB 1012.

Senate Bill 483. After the defeat of the 10th and 25th districts' rotation bills, Governor Sanford suggested that there should be a statewide law dealing with rotation agreements and providing for their review every ten years. SB 483 was introduced the next day, June 13.

In its initial form, SB 483 would have required that all written rotation agreements be renewed or renegotiated by December 1, 1963, the State Board of Elections being directed to prepare a rotation agreement for any district not complying by that time. Such new rotation agreements would have remained in force until 1973. By unanimous action of the county party executive committees within a district, however, an agreement could have been altered or abrogated at any time.

A Senate committee substitute for SB 483 was adopted to restrict the coverage of the bill to those districts (1) with a written rotation agreement, (2) with two Senators, and (3) where the largest county does not nominate a senatorial candidate more often than any other county in the district. If agreements for those districts were not renegotiated or renewed by 1963, a special state committee would have formulated such an agreement. Not more than one senatorial candidate of each political party could have been nominated from any county under any agreement (thus accomplishing the result sought by other types of one Senator per county proposals). These agreements would have remained in force until 1973, unless sooner changed by unanimous action of the county party executive committees concerned.

A Senate floor amendment was adopted which would have permitted a rotation agreement issued by the state committee to be abrogated by unilateral action of a county executive committee of the affected party, causing subsequent senatorial nominations in that district to be at large.

Passed in that form by the Senate on June 20, SB 483 was reported unfavorably by the House Calendar Committee the same day.

Earmarked Seats

House Bill 725. Introduced by Representative W. C. Harris, Jr., of Wake, HB 725 would have provided that in any party primary in which nominations are made to fill two or more Wake County seats in the House of Representatives, each candidate must indicate to which seat he is seeking nomination. Votes cast for a particular candidate would then be effective only as to the seat which that candidate had designated as his objective. (A similar arrangement has long been provided by statute where two or more Associate Justices of the Supreme Court or two United States Senators are to be nominated at the same time.)

The other two members of the Wake House delegation opposed HB 725 and the Wake Senator remained neutral. The bill was not reported by the House Committee on Local Government.

Study Commission

The last move of the 1961 session on legislative representation was SR 496, a proposal to set up The Senatorial Redistricting Study Commission. It would have consisted of three Senators appointed by the President of the Senate, three Representatives appointed by the Speaker of the House, and three persons appointed by the Governor. Its task would have been to study senatorial redistricting, including "the question whether or not the Constitution should be amended with respect to senatorial districts."

This resolution was introduced at the request of the Governor.

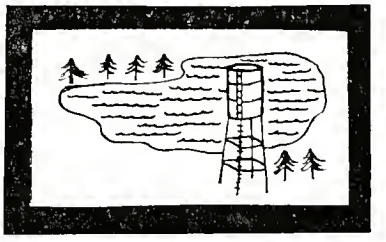
One provision of the original resolution called for the Commission to report its recommendations to the Governor "as soon as possible." To avoid the possibility of a special legislative session on the subject, opponents of redistricting amended the bill to direct the Commission to report instead to the 1963 General Assembly. Another amendment enlarged the Commission to eleven members, one to come from each of the new congressional districts.

For once during the session, the proponents of thorough redistricting and about half of its opponents managed to agree. The former considered the study commission, in the words of one of their number, to be a futile effort to wash from the hands of the Senate the blood of SB 66, the redistricting bill. The lattter realized that the commission was probably futile, but apparently did not want to take the chance that it might not be so. By a vote of 18 to 27, the Commission resolution failed to pass its second Senate reading. Most of the votes for it came from men who earlier had opposed SB 66 (the redistricting bill) as it came from committee.

EDITOR'S NOTE: The third and final part of John Sanders' analysis of "Legislative Representation: 1961" in North Carolina will appear in the February issue of *Popular Government*. Reprints of the entire article may be made available following the printing of the final instalment if demand warrants. Special columns of interest to county and municipal officials are scheduled to begin also with your next issue. Our regular features, "Notes from Cities and Counties" and "Reports from Washington and Raleigh," omitted from this issue due to space demands, also will be resumed.

by Milton S. Heath, Jr.
Assistant Director, Institute of Gov.

WATER RESOURCES



This issue of Popular Government *initiates a column on the subject "Water Resources," with Milton Heath as regular columnist. The first column is devoted to a resume of the Southeastern Water Law Conference held recently at Athens, Georgia. Of course, we will welcome any suggestions for future columns.*

The Continuing Education Center of the University of Georgia played host November 8-10 to a conference on water law in the southeastern states. Lawyers, economists, political scientists, administrators, and water engineers read and discussed papers for an audience of ninety-five conferees hailing from 15 states and the District of Columbia. Jointly sponsoring the conference were the Southeast Land Tenure Research Committee, the Farm Foundation, and the University of Georgia through its Institute of Law and Government, Continuing Education Center and School of Law.

Major conference topics were these:

1st day—A survey of existing water use laws of the region, as found in the case books and statutes; a case study of water use law in action (in the Research Triangle Region); and a review of water pollution control programs.

2nd day—Papers concerning economic aspects of water use, regulation of water use in localized areas, and laws relating to minimum stream flows and impoundments.

3rd day—A summary and evaluation of current water use problems and alternatives for the future.

North Carolina was well represented on the program. Reading main papers were State Pollution Control Chief Wilbur Long, Institute of Government Assistant Directors Roddey Ligon and Milton Heath, and State College economist George Tolley. Former Greensboro City Attorney Jack Elam and General James Townsend (Chairman of the State Board of Water Resources) served as panelists.

The North Carolina papers will be summarized in the next issue of **Popular Government;** thus no effort will be made here to cover the same ground. But while the occasion is fresh in mind, a few overall impressions of the conference may profitably be recorded.

This conference offered a broad-gauged review of a problem of growing dimensions for North Carolina and the Southeast. Its proceedings, when published, should be high priority reading for those who are concerned with these problems.

The conference confirmed a personal conviction that the State of North Carolina in comparison to her neighbors is relatively well prepared to deal with coming water use problems. North Carolina has a pace-setting stream sanitation program, well administered by an able staff under a well-conceived law. We are one of the few states having an independent, unified state department of water resources, with powers sufficiently broad to meet its responsibilities. On the debit side we lag in some respects: we have no co-ordinated, cohesive policy on flood damage problems, though the foundations are now being laid*; our small watershed programs are off to a rather slow start, owing principally to delayed adoption of enabling legislation; several states, notably Mississippi and Florida, have moved significally beyond North Carolina in legislation regulating water use. In the case at least of Mississippi, however, the advance may be more apparent than real, because some doubts have been voiced that its water use permit law, modelled on western prior appropriation doctrine, will ultimately stand up in the courts. My total impression remains as stated: our strengths considerably outweigh our weaknesses, leaving us in good position to move ahead (or to squander our opportunities).

The overall impact of the conference was well summarized by Irving Fox, Vice-President of Resources for the Future, who spoke as a discussant about three-fourths of the way through the proceedings. He noted first his impression that, by and large, water use problems in the southeast have not yet reached serious proportions nor, in some ways, do they promise soon to do so. Thus, the water resources of the region, if fully developed, should meet foreseeable regional demands for decades to come; well-managed stream sanitation programs, such as North Carolina's, have made a large contribution toward controlling water pollution; and the existing structure of water laws and institutions is apparently operating fairly well—as reflected among other things in the failure of the movement for water law reform of the mid-fifties to make major inroads on established doctrines. This optimistic forecast, though, should be tempered by at least two factors: there are some developing areas in the southeast where total water demands soon may exceed available supplies; and inadequate water quality shortly may pose serious problems for the entire region. On this account at least, it is important—and here Mr. Fox echoed a note heard many times during the conference—that we get down to the task of systematically planning for the best use of the region's water resources, while there is still time to do so in an orderly and rational way.

*Under a grant from the Tennessee Valley Authority I am now conducting for the State Department of Water Resources a statewide survey of flood damage problems.

THE VALUES OF A PLANNED REASSESSMENT PROGRAM

By Henry M. Milgrom, Chairman of the Board of Commissioners, Nash County

Editor's Note: This article is adapted from an address by Mr. Milgrom before the National Association of County Officials at the Palmer House in Chicago, Illinois, on Monday, August 14, 1961

At the outset, I think we can predict without fear of contradiction that no county will ever succeed in making ad valorem taxes popular; the best we can hope for is that the tax base can be made equitable. The home-owner, the farmer, the business man, the industrialist—all who pay taxes on tangible property to enable local government to maintain and perform necessary services—are entitled to equitable assessments, expertly and scientifically made, without fear, favor or prejudice.

To insure a continuing equitable assessment of taxes, it is imperative to have periodic reviews or revaluations of all property within the taxing unit for the re-establishment of equality among classes of property affected by economic changes, population shifts, zoning changes, neighborhood trends or other factors. Piecemeal adjustments cannot be made fairly and without getting property values out of line. Horizontal adjustments, more often than not, merely compound inequitable assessments. So, it would appear that planned, comprehensive reassessment programs for the sole purpose of a fair distribution of the tax burden should occur at reasonable intervals of not more than five to ten years if relative values of all properties within the taxing unit are to be kept current and uniform.

Nash County, North Carolina, has just completed a revaluation program, effective January 1, 1961, which we prefer to call a tax equalization program, for its sole purpose was to equalize tax assessments rather than to bring in additional revenue. In entering into this program our Board of Commissioners promised our people that such was our sole aim. How well we have kept faith with our taxpayers will be revealed as the Nash County tax revaluation story is unfolded.

To evaluate the Nash County tax equalization program it is necessary to compare the laws under which our program was promulgated with the laws and conditions existing prior thereto.

Since 1933 in North Carolina there has been no state ad valorem tax. Imposition of a state-wide sales tax permitted the field of ad valorem property tax to be turned over to the counties and municipalities as the chief source of local government tax revenue. The valuation and assessment of property for taxation has been the responsibility of the counties, with the municipalities using the county valuations for municipal tax assessment purposes.

The old law required quadrennial revaluation of real property, but the state legislature early began a practice of permitting any county desiring to postpone its quadrennial revaluation for two years to do so almost at will. As a result many counties in our state haven't had a revaluation of real property in the past 10 or 15 years. Think of the inequities in assessment values that could now exist under assessments made during the 1940's. The provision that all real property must be assessed at 100% of its true market value was almost completely ignored as counties assessed real estate at anywhere from 10% to 75% of value, while personal property was assessed at from 50% to 90% of value. No one could be sure but in Nash County real estate was supposed to have been assessed at from 25% to 30% of value while personalty was assessed at 66 2/3% of value.

The last prior revaluation of real property in Nash County was in 1953. It was performed by local township assessors, all honorable men, who no doubt were conscientious in their efforts and steadfast in their judgment as they proceeded to place an assessment value on each parcel of property in their township, simply by riding by and looking at it, often without even visiting or viewing the property and with no rule or guide except their opinion of what each particular parcel should be worth for tax purposes. Uniformity within the township might have been achieved, but county-wide, there were apt to be different standards of values for every township in the county. This system provided the county no basis for defending its assessments, but fortunately for the county, it likewise provided the aggrieved taxpayer no basis for carrying his complaint into Court, because nobody could determine how the tax valuations were arrived at.

The 1959 N. C. General Assembly rewrote the revaluation statute so as to provide for a comprehensive revaluation of all real property by each county every eight years. The counties were divided into groups and a schedule was set up requiring each group to revalue according to that schedule. Nash County, along with its neighbor, Edgecombe County, and others, was placed in the group of counties required to complete its revaluation program in time to become effective as of January 1, 1961. The law was rewritten to provide for appraisal of property at market value and for assessment for tax purposes at a fixed and uniform percentage of market value to be selected annually, commencing in the revaluation year, by resolution of the Board of Commissioners adopted prior to the first meeting of the Board of Equalization and Review, which, as its name implies, is the body at the County level which reviews the appraisals, hears and passes upon complaints, and determines the assessments. The percentage of value or assessment ratio selected must be applied to all property, real and personal alike. Municipal officials are to be heard before the assessment ratio is set in order to recommend a desirable ratio which will provide the municipalities within the county with an adequate tax base for their operations, since the municipalities must also use the county-determined tax assessment values and apply a tax rate of their choice thereto. In addition to former provisions defining the elements of value to be taken into consideration in valuing land and buildings for property taxation, the new law adds further requirements that the county tax supervisor—the official charged with the duties of tax assessor—in appraising real property, must see that each lot or parcel is visited by a competent appraiser, and that standard, uniform schedules of value for such appraisals be developed and reduced to writing prior to any revaluation.

Anticipating the passage of the more

stringent law relating to the tax revaluation process, and recognizing the urgent need for correcting inequities existing in assessment values of certain real properities and between real and personal property, the Nash County Tax Supervisor, during the Fall of 1958, strongly recommended to the Board of County Commissioners that a tax revaluation program be undertaken with the assistance of a professional appraisal firm, said program to be completed in time for the new assessment values to become effective as of January 1, 1961. The old method of revaluation by local assessors was considered by the Board and rejected for the reason that the Board felt that there was no person or group of persons within the County qualified or equipped to prepare the required schedules of land values and building replacement costs, nor to revalue all real property in the county by actual appraisal thereof upon a scientific and uniform basis. The Board directed the Tax Supervisor and the County Attorney to prepare plans and specifications for the program.

Counties that had had recent revaluations were visited and the results of their experiences were carefully checked. Specifications for revaluation programs in other counties were reviewed. What were considererd to be the best features of all these programs were painstakingly molded together, with the help of the staff of the Institute of Government at the University of North Carolina, all with the idea of devising and developing a program that would best serve the peculiar needs of our county. (I would like here to pay tribute to the Institute of Government for the tremendous assistance it is rendering to the cause of better local government in North Carolina through its training of government officials, through its guide books on special fields and problems of government, through its workshops, seminars and training sessions, and by its status as a clearing house of information on all types of governmental activities. I hope that all of you can some day visit our Institute of Government or at least hear the story of the unique "governmental laboratory.") Because the City of Rocky Mount and three smaller towns are located partly within Nash County and partly within Edgecombe County, we worked closely with the officials of Edgecombe County who were likewise developing a revaluation program. After months of study, planning and conferences, identical specifications were prepared for the two counties and bids were solicited from a number of appraisal firms by each county in the hope that the same appraisal firm could be employed by both counties and thereby assure a more uniform appraisal of property as between the counties. Fortunately, this result was achieved and one firm did both jobs simultaneously.

Without going into details, our program called for the appraisal firm to aid and assist the Tax Supervisor and list takers, and to advise with, aid and assist the Board of Equalization and Review in arriving at the true value in money of all real estate and all machinery, equipment, and furniture and fixtures in the commercial and industrial establishments in the County. The Tax Supervisor had complete supervision over and direction of the program, and all final decisions as to assessed valuations, procedure to be followed and forms to be used were his. As a necessary part of the program the City of Rocky Mount and congested surburban area was mapped through coordination of aerial photography with field investigations and use of information obtained from recorded deeds and plats. A program of public relations was carried on through the press and radio and by talks before civic groups and other gatherings, with every effort being made to keep the public fully informed as to the purpose and progress of the revaluation work. We repeatedly emphasized that our purpose was equalization of the tax load and that the same yardstick of value was being applied throughout the County—on rural and urban property alike. Municipal officials likewise were kept informed at all stages of the program.

Despite the fact that in the beginning all members of the Board of Commissioners approached the idea of a tax revaluation project with fear and trembling, not knowing what the effect would be upon their political futures, and despite many anxious moments all along the way, now that the program has been completed, we are inclined to say in the words of a wise old man, "I have had many troubles in my life, and most of them never happened." The reaction of the taxpayers to their new assessments was not as bad as we had anticipated. Of course, there were complaints, but most of them were ironed out by conferences with members of the appraisal firm's staff. Others were satisfied after talking with the Tax Supervisor. Out of approximately 18,000 real estate appraisals, 1600 commercial personal property appraisals, and some 50 industrial appraisals, only 350 taxpayers appeared before the Board of Equalization and Review to register complaints. I'm happy to say that a satisfactory disposition was made in practically every case of complaint.

In 1960, Nash County had a total assessed valuation of $85,000,000 broken down as follows:

Real Estate	$47 million
Personal Property	$35 million
Corporate Excess	$ 3 million
	$85 million

After revaluation, and after applying a 60% assessment ratio, the total assessed valuation of $85,000,000 brok- roughly $121,000,000 broken down as follows:

Real Estate	$ 87 million
Personal Property	$ 31 million
Corporate Excess	$ 3 million
	$121 million

In appraising the results of the Nash County reassessment program and its value to the County, I am convinced that it was worth all the boot-quaking, anxious moments and restless nights it caused the officials responsible for it. Some of the benefits are:

1. We have been able to reduce our total County tax rate from $1.25 to 90¢ per hundred and still obtain a modest increase in total tax levy.

2. We now have a more modern, scientific assessment system, giving our Tax Supervisor time-tested methods, methods proven proper and adequate, by which he can assess property in the future without resorting to guesses, hunches or sidewalk appraisals, thereby minimizing the effects of human error, bias and pressure.

3. We have modernized our tax record system by installing individual property record cards showing pertinent facts relating to each parcel of real property in the County, with indexes, and with tax maps covering the most heavily populated areas.

4. We have a more equitable tax base, more nearly reflecting present day values.

5. We now have comprehensive means of showing any taxpayer exactly how his assessment values were arrived at, quickly and clearly.

6. We now have an employee in our tax office trained by the appraisal firm in the use of modern methods and qualified to appraise new property on the same basis as property was appraised under the revaluation program.

7. We have taken a step in educating the taxpayer regarding trends in property values, both upward and downward.

8. We are in position to show prospective industries and new citizens that we are on a sound assessment basis and that they will be treated fairly in tax valuations.

We may not have succeeded in making ad valorem taxes popular, but we believe that we have made them more equitable in Nash County.

TAX BILLING BY DATA PROCESSING CENTER

A COUNTY'S ANALYSIS

By CHARLES DONALD McGINNIS, Research Assistant, Gaston County

The Problem

To appreciate the special processing problem facing the Gaston County Tax Department, a brief paragraph is in order.

Gaston County has sixteen school supplemental tax districts which do not coincide with any other taxing districts. These sixteen supplemental tax districts have varying tax rates from .03 to .50 per one hundred dollar property valuation. In addition there is a special library tax, airport and industrial diversification tax (which applies to only one township) and the county-wide tax rate. Each of these tax computations was made separately on a standard desk model calculator and entered on a work sheet. An additional transcription of individual abstract summaries and individual work sheet calculations was entered onto a ledger sheet which makes up a scroll. Tax receipts were typed and tax levies totaled and balanced against the scroll for accuracy. To do this phase of work required approximately five and one-fourth months.

The Tax Department, through a restudy of work programming, attempted to speed up the tax billing. With the number of listings increasing each year and with no additional office space for new employees to work, it was recognized that a more efficient method of preparing the forty-one thousand (41,000) tax bills was needed. Under the prior method of manually calculating each individual listing and typing the tax receipt, it would take from February 15 to some time in November to prepare the tax bills—a faster method was needed.

Investigation and Study for a Desirable Process

Initially, a study was made by the Tax Department staff to determine what would be a desirable billing method. A number of data processing installations, both governmental and industrial, were visited.

In many of the installations that were visited, there seemed to be little preplanning in deciding how to most effectively utilize the computers. There seemed to be a consistent effort to keep the equipment running. Many additional functions were added (i.e. statistical reports and other by-products of data processing) by the installation personnel, we concluded, only for the purpose of justifying the rental cost. We found, generally, that electronic computers are so easily adaptable to so many administrative procedures that they were being used detrimentally more often (i.e. producing unnecessary reports and data) than they were used efficaciously.

The Tax Department staff made a study of the work programming in their office to determine the estimated cost of the tax bill preparation, work flow and personnel administration, and what phases of the work could best be handled by machine accounting. The number of months required to do the tax billing was found to be 10.4 months at a cost of .60 per tax bill. Which, incidentally, was cheaper than the previous year due to a re-programming in 1960 of the work flow.

Method and Procedure Selected

After two months of analyzing the needs and the way other tax departments were handling tax billing a desirable program was formulated. The determinations were as follows:

1. Due to our inexperience in the field of data processing, a service contract was preferred to machine rental.
2. More time would be spent on processing the individual abstract listings for accuracy.
3. The tax abstract would be furnished to the machine accounting firm to prepare the tax bill.
4. Internal accounting controls would be established by the tax department and furnished to the machine accounting firm covering:
   a. Real estate assessments.
   b. Personal property.
   c. Number of tax payers subject to poll tax.
   d. Number of dogs: Male and Female
   e. Totals of each special assessment. (These accounting controls are used for verification as the data processing controls.)
5. The data processing would have to fit confluently into this system without the tax department changing its system to fit into data processing procedures.
6. To perform the preceding outlined processing in one and one-half months.

This program was then submitted to two service contracting machine accounting firms in the area to determine if they could handle our tax billing and at what cost. After the proposals were submitted by the two firms the best proposal from both the standpoint of cost and the desirability of procedures was selected.

The selected machine accounting firm would

1. Punch and verify name and address cards, regular and special assessments.
2. Balance and establish controls.
3. Compute tax and print tax bills.
4. Construct a scroll giving name, tax valuation, and tax levy.
5. Complete all work by July 15.

The machine accounting processing time is 1.5 months. This 1.5 months is 3.9 months less processing time than it was under the previous system. The overall tax department and machine accounting processing time is now six months which is a 4.4 months savings in processing time over 1960.

This 4.4 months saving in processing time amounts to $5,480 in salaries or the equivalent of 2½ people for one year.

The data processing will cost the county approximately $10,965 which will be 26 cents for each finished tax bill. This compares to $24,659 or 60 cents a tax bill. The tentative contract estimate for 1962 is $7,500 which would be 18 cents for each tax bill.

Evaluation of the Service Contract

1. Eliminated the need to hire additional personnel for the increased work load as the result of the re-evaluation program and tax-mapping program which must be completed in Gaston County by January 1, 1965.
2. More efficient.
3. A definite savings will be realized in the second year operation. (More costly the first year due to machine programming and/or the establishment of name, address and code number on the card.)
4. Relieves tax department personnel of some duties and enables them to concentrate their efforts on other tax work (i.e., spot business inventory checks, river

property checks and additions to the tax rolls, etc.)

5. Tax billing completed and mailed to the taxpayers at the beginning of the tax discount period rather than at the end of the discount period.
6. Improved records system.
7. Advanced tax billing to July 15 rather than November 15.
8. More time for tax listers to check abstract listings more thoroughly.

Conclusion

Since this article was written, a fiscal analysis of monthly expenditures and revenues has been made determining the amount of money needed in demand deposits and the excess revenue has been invested in certificates of deposit.

Gaston County has invested $700,000 of current 1961 tax revenues in short-term, six-months certificates of deposit at 3 per cent accruing $10,500 which pays for the data processing costs.

The advancement of the tax billing with a concentration of early tax payments made this excess in current 1961 tax revenues and the investment in certificates of deposit possible.

MANDATORY TAX LEVY FOR REVALUATION

by Henry W. Lewis,
Assistant Director, Institute of Gov.

"To meet the costs of revaluation of real property," G.S. 153-64.1 requires every board of county commissioners to levy a tax *annually*, "the proceeds of which, when added to other available funds, is calculated to produce, by accumulation during the period between required revaluations, sufficient funds to pay for revaluation of real property by actual visitation and appraisal" as required by law. "All funds raised and set aside for this purpose from such special levy or from other sources shall be placed in a sinking fund or otherwise earmarked and shall not be available or expended for any other purpose."

This statute was enacted by the General Assembly of 1959. Thus, the counties have had three budget periods in which to consider and act on its provisions since that time. A survey conducted by the Institute of Government in mid-1961 brought reports from ninety-five counties for fiscal 1960-61 and from eighty-nine counties for fiscal 1961-62. The results can be summarized as follows:

Number of counties levying a tax for revaluation in fiscal 1960-61 (95 counties reporting) ..... 65 [68% of sample]

Number of counties levying a tax for revaluation in fiscal 1961-62 (89 counties reporting) ..... 68 [76% of sample]

Between two-thirds and three-fourths of the counties seem to be following the law; compliance is on the increase.

Twenty-one counties reported that they are not imposing a revaluation levy in 1961-62. Analysis suggests that counties in this group may be classified as follows:

Counties now engaged in revaluation programs ..... 4 of 21 reporting

Counties which have completed revaluation since 1958 ..... 6 of 21 reporting

Counties with no apparent reason for not levying ..... 11 of 21 reporting

Examination of the eleven counties mentioned as having no apparent reason for not levying for revaluation indicates that they are scheduled for revaluations under G.S. 105-278 as follows:

Number of counties scheduled for 1963 . . . . 1 of the 11
Number of counties scheduled for 1964 . . . . 0 of the 11
Number of counties scheduled for 1965 . . . . 2 of the 11
Number of counties scheduled for 1966 . . . . 5 of the 11
Number of counties scheduled for 1967 . . . . 3 of the 11

This breakdown suggests that some counties which have had recent experience with revaluation tend to forget that it will be upon them again in approximately eight years, although they are a small minority. It also suggests that some of the non-levying counties either are not ready to prepare for the future or do not believe the required revaluation will be as costly as well may be the case.

RESULTS FROM IN REM FORECLOSURE

For a number of years Montgomery County has used the *In Rem* Foreclosure procedure (G. S. 105-392) as a means for collecting delinquent taxes which are liens against real property. At the end of September this year Mr. A. P. Guyer, Tax Collector and Supervisor for that county, prepared the statistics set out below.

Officials interested in what *in rem* foreclosure can do when applied systematically will find this record valuable. It will be observed that extremely small amounts of taxes which are liens on realty remain outstanding.

In this tabulation Mr. Guyer points out that procedures to foreclose for 1957 had not all been completed by the end of September and that judgments for 1958 taxes had not been docketed until August of this year. Obviously, taxes for 1959, 1960, and 1961 are not covered.

Tax Year	*Percentage of Total Levy Collected by Sept. 30, 1961*	*Amount Uncollected Which Is Lien on Real Estate*
1951	99.98%	$ 176.90
1952	99.02%	60.99
1953	99.25%	19.11
1954	99.25%	80.77
1955	99.30%	169.49
1956	99.14%	262.10
1957	98.89%	318.28[1]
1958	98.03%	2,577.27[2]
1959	95.13%	-.-
1960	92.50%	-.-

[1]foreclosures incomplete
[2]docketed in August, 1961

LOCAL GOVERNMENT HOLDS THE KEY TO ECONOMIC DEVELOPMENT

(Continued from Page 3)

ment associations are able to strengthen this program through concentration at the area level and sponsorship of community competitions. The idea is to set goals for the improvement of small communities and to undertake them project by project. Usually a simple project will be selected as a starter—for instance the painting of all the mailboxes, in the community, simply to illustrate to people they can work together and make a tangible showing. Following this, progressively more difficult and complicated projects are usually undertaken. Community centers and libraries have been favorites. Accomplishments of various divisions reveal their progress and directions.

The Agricultural Division of the Association has sponsored tours to enable farmers to observe advanced agricultural practices. The agricultural committee is sub-divided into many sub-committees covering specific areas of agriculture, to provide programs of interest to everyone.

The Travel and Recreation Division has sponsored production of a movie on Northwest North Carolina and has assisted in establishing the Trading Post on the Blue Ridge Parkway, which has in turn stimulated the production of native crafts. The Division has promoted the travel and recreation opportunities of the area in many ways.

The Industrial Division has attempted to create a good "climate" for industry; in other words, to change the attitude in some spots so as to be receptive toward this end. It has sponsored a tour for out-of-state businessmen, and, in addition to this, has been of specific assistance in locating some plants in the area.

One of the latest developments has been the establishment of a fifth division, called Youth, which is attempting to work with the youth of the area on projects of interest to them and to assist them in becoming better citizens.

The description of the structure of the Northwest North Carolina Development Association is in reality a description of the concept of all the area development associations in the State. The Northwest was followed by SENCland, six counties around the Wilmington area in 1957, and the Capital Area Development Association, composed of seven counties around the Raleigh area.

In 1958 sixteen counties, including five in South Carolina, formed the Piedmont Area Development Association around Charlotte. 1959 saw the beginning of the Tar Heel group (Scotland, Hoke, Robeson), and the Northern Piedmont, consisting of Rockingham, Caswell, Guilford, Alamance, Davidson, Randolph and Chatham counties. The North Central Area Development Association (Person, Orange, Durham) and the Sandhills group were founded in 1960, and in 1961 beginnings were made on the Albemarle Development Association, which is generally the Elizabeth City trade area extending as far south as Pamlico Sound.

The accompanying map will show the location of these groups. From this it can be seen that, after the founding of the Albemarle group, there was a tier of counties in Eastern North Carolina from Northhampton southward through Onslow and Carteret which had no development organizations. Attempts had been made from time to time to form some sort of area group, but so far these had been unsuccessful.

In July of this year Governor Sanford called together leaders from each of these counties and discussed with them the role of area groups in economic development. The leaders endorsed the concept and agreed to attempt to form three area organizations in the twenty counties, and they made suggestions as to the grouping of counties. This led to the October 23d meeting in Ahoskie, which brought together the leaders in industry, agriculture, and local government of the four counties to talk about the possibilities. A temporary area group was formed and work is proceeding toward formal organization. Similar steps will be followed in the other two proposed areas in Eastern North Carolina. The kind of program undertaken and the area group to which any county belongs is strictly up to the local people.

So much for the history of economic development efforts in North Carolina. Even more important is what is done now and in the future.

What Local Areas Can Do

As part of the State's area development program Governor Sanford proposed that all areas should have legal authority to form planning and development agencies, and under the sponsorship of the Administration the 1961 Legislature passed an area development bill (GS 158-8 through 15 and GS 153-272 through 279) which allows local governments to do three things:

1. To form a *regional planning commission* similar to the two which have been described.
2. To form an *economic development commission*, which would be an action agency of local governments to carry out the plans of the regional planning commissions.
3. Or to form a *regional planning and economic development commission*, which would combine the two functions.

Formation of such commissions is simple, requiring only a joint resolution to be passed which sets up the terms of operation of the Commission—how a budget should be adopted, what the representation from each local government should be, and so forth.

The use of locally budgeted public funds is authorized by the legislation, and the groups are permitted to operate without a staff or with a staff as conditions dictate.

The local governments in every region should form a regional planning commission to provide themselves with a forum, a policy recommending group on mutual problems, and a resource for technical aid on planning and development. All that it requires initially is passage of the joint resolution. Budget, staff and other details can be worked out as needs and conditions dictate. It might be pointed out that officials of the local governments which belong to the Western North Carolina Regional Planning Commission feel unanimously that the Commission has been a great aid to them and a very practical, money-saving device.

Although the area development associations and the regional planning commission are separate organizations, they are closely related. In fact, both types of organizations are needed in any area: the development association to organize and mobilize private leadership and the regional planning commission to assist local governments in their planning and development responsibilities, which are considerable.

In areas where there is already an area development association, it would be well to establish ties between the association and the regional planning commission. Under the legislation this could be accomplished simply by appointing some key members of the area development association to the regional planning commission.

Even where there is an area development association,

it is perhaps also worth setting up a combination planning and economic development commission (rather than a planning commission). In the long run, a vigorous program will very likely require staff to work on the promotion of industry and agriculture, and may include joint action projects requiring funds which the local governments will want to work on together.[1] The combination commission would provide the flexibility to allow this. It should be emphasized that it is not suggested that the development commsions overlap or take the place of the area development associations. If the suggestion of appointing members of area development associations to the commission is followed, this should be easily avoided.

Conclusion

No one seems to know all the answers in the planning and development business. Therefore, North Carolina needs to explore many approaches to this problem. It was in this spirit that the governor convened the Conference on Economic Development at Chapel Hill in early November.

At this Conference methods of organizing development on an area and on local level, industrial development, agricultural development, tourism, water resources, and community development were discussed. Participants worked on case studies in which they analyzed a regional economy and made suggestions on how to develop it. Experts were heard and ideas were swapped, but this meeting may have to be followed by many more before it can be said we know "how to do it." And, even then, each area of the State may take a different approach, and in terms of its own needs each area may be right.

We do know that area development associations and regional planning commissions have been tried in several places and that they have worked. There is a great deal of experience available to draw on both from the area leaders who have carried the responsibilities for these programs and from State Government people who have worked with them.

For any area or local government interested in going into this further, the Governor's Office is a central clearing house of advice and assistance, drawing upon the Institute of Government, the Agricultural Extension Service, the Department of Conservation and Development and many other agencies.

We are a State with low per capita income and one which has lost a great deal of population through migration, but there is absolutely no doubt that a great potential is here. The organizations discussed above are not by themselves the answer to development of this potential. They are only a way of getting at it—a way of organizing people's time and of making the best use of scarce resources so that our money goes the farthest and brings the best return on the investment. Local government officials are always conscious of this need, and this program is worth ever more attention and use throughout the State.

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[1]It should be noted that the legislation does not permit investments of funds or expenditure for capital improvement or plant facilities by the Commission. The Commission could encourage private corporations to do this.

INSTITUTE OF GOVERNMENT CITED IN JOURNAL

Although the Institute of Government and its work are mentioned frequently in various local, state, and national publications, the Institute does not, as a general rule, feel it necessary or desirable to reprint or note these references. However, a recent article by Robert G. Storey of the Dallas, Texas Bar entitled "The Legal Center Movement: Ten Years in Retrospect" and appearing in the October 1961 issue of the American Bar Association Journal, analyzes so succinctly and precisely the functions of the Institute and indicates so clearly one important aspect of the recent spread of its influence that it seems appropriate to reprint excerpts here for our readers. The following, then, is a direct quotation from the article in which Mr. Storey discusses "the beginnings of the legal center movement, the rapid growth of the legal center concept in all parts of the country, and the importance which some legal centers have achieved in the campaign to promote world peace through law."

"The Institute of Government. This outstanding Institute, operated on the campus of the University of North Carolina since 1942, was the dream of Professor Albert Coates. Early in his career he became concerned with the failure of textbooks on criminal law to cover adequately all the law relating to crimes and prosecution. He found that a very small percentage of the criminal cases originally filed ever reached the court of last resort. Thus in his research and investigation he went directly to the roots of criminal law, accompanying local police officers and observing the actual arrest, and followed the case through formal charge, hearing, indictment and the like. As a result of his long investigation he became convinced that there was a real need for adequate training of all law enforcement officers, beginning with the deputy sheriff or local constable and the justice of the peace, and training them in criminal law from the crime to final disposition. He organized training courses for local, administrative, county and state officers in various fields. His method of investigation, research and training was so successful that it grew into a substantial organization known as the Institute of Government. It has been my good fortune to visit the Institute, to meet with the staff and research assistants and observe the effective training and excellent results of the Institute's operation. The research specialists have studied state and local government in the library and in the field; made studies of current problems for government departments and official commissions; assisted in the drafting of legislation; published guidebooks for officials; and conducted numerous schools for officials and employees of the state and local governments. The Institute is worthy of investigation by any local, state or national group that is interested in establishing a similar institute or training center.

"The Georgia Institute of Law and Government. The University of Georgia officials investigated several law centers including the Institute of Government at North Carolina. After visiting that center immediate plans were made by the Georgia officials to begin their public law center. It is apparent that the successful operation of the Institute of Government at North Carolina had a persuasive influence upon the officials of the University of Georgia that resulted in the establishment and successful operation of the public law center."

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In Our Next Issue: Articles on Our Water Resources, The Safe Driver Rating Plan, Legislative Representation 1961 (Conclusion) and Planning. On This Page: Important Rulings of the North Carolina Attorney General.

THE ATTORNEY GENERAL RULES

Counties can Pay Premium on Group Hospitalization Insurance for County Employees.

Editor's Note: *The following opinion withdraws an opinion of the Attorney General published in the November, 1961 issue of Popular Government.*

Can a board of county commissioners provide group hospital insuarnce for the benefit of county employees?

December 8, 1961.

To: Claude V. Jones,

(A.G.) "Under the provisions of G.S. 58-210 (1) — Chapter 1280 of the Session Laws of 1955 — counties and municipalities [can] enter into contracts covering group life insurance for their employees in accordance with the provisions of the chapter on Group Life Insurance . . . The 1955 Act validated prior actions of county and city officials in purchasing group life insuarnce for their employees."

"It is our opinion, therefore, that hospital and medical service corporations operating under Chapter 57 of the General Statutes may issue hospital and/or medical service policies for the coverage of employees of a county and for the employees of any unit of government as defined under the term 'employer' as the same appears in G.S. 57-1.2. Apparently the premiums may be paid by the employer or by the employees or by both in a cooperative manner."

PROPERTY TAXATION

Revaluation of Railroads. Prior to 1959 the State Board of Assessment valued railroads on a quadrennial basis, the last revaluation being effective as of January 1, 1957. Since G. S. 105-278 was changed in 1959 to provide for octennial rather than quadrennial revaluation of real property, what position should be taken with regard to the time for revaluation of railroads?

(A. G. to Allen Paschal, August 25, 1961)

No change has been made in G.S. 105-365 which requires the State Board of Assessment to assess railroads "at such times as real estate is required to be assessed for taxation." Nor was specific mention of railroads made in the 1959 amendment to G.S. 105-278; yet it is obvious that the General Assembly intended to place all revaluations on an octennial basis, and, in my opinion, the first revaluation for railroads would be eight years after the last regular quadrennial revaluation in 1957.

Foreing Payment of City and Town Taxes. May a city or town cut off municipal utility services as a means of collecting delinquent ad valorem taxes owing by the utility user?

(A. G. to Jesse C. Sigmon, Jr., August 23, 1961)

No. In my opinion the city is confined to the remedies provided by the Machinery Act—levy, garnishment, and foreclosure.

Payment of Taxes by Personal Representative of Deceased Person Who Owned Real Property with Wife as Tenant by the Entireties. Husband and wife owned a piece of real property as tenants by the entireties. On the land the husband operated a business as sole proprietor. Taxes had not been paid for several years when the husband died on March 31, 1961. The administrator was faced with the problem of what taxes should be paid from the assets of the estate, bearing in mind that G.S. 28-105 provides for payment of a deceased person's obligations according to a scale of priorities, the first three classes of which are (1) "Debts which by law have a specific lien on property to an amount not exceeding the value of such property," (2) Certain funeral expenses, and (3) "Taxes assessed on the estate of the deceased previous to his death."

(A. G. to Everett G. Beam, July 13, 1961)

The administrator should pay, as a third-class debt under G.S. 28-105, the full amount of unpaid taxes for prior years and for 1961 on both the personal property owned by the husband individually and the real estate which had been held by husband and wife by the entireties. G.S. 105-412 requires fiduciaries (including administrators) to pay taxes out of the assets in their hands. [The Attorney General was not called upon to deal with the issue of whether the real property was subjected to any lien for the taxes the husband owed on his individually owned personal property.]

As to the real property, while it was not owned individually by the husband, he had the right to the exclusive use and profits from it for life and to that extent was a life tenant. G.S. 105-301 (i) requires the life tenant to list the property for taxes, and G.S. 105-410 requires the life tenant to pay the taxes.

As for the 1961 taxes, G.S. 105-340 relates the tax liability back to January 1 of each year although the taxes are actually assessed later on in the year. See *Bemis Hardwood Lumber Co. v. Graham County*, 214 N.C. 167, 198 S.E. 843 (1938).

Exemption of Home for Aged: Is the Methodist Home for the Aged, Inc. located in Mecklenburg County entitled to exemption from taxation?

(A. G. to G. Hunter Warlick, August 10, 1961)

Yes. After studying the charter, I am of the opinion that this institution qualifies as a charitable organization and that its realty devoted to charitable purposes is exempt under G. S. 105-296(6). The requirement of subsection (6) that the property must be used exclusively for 'lodge purposes" must be construed to mean "for the purposes for which the exempt owner was organized" or some such similar interpretation, as many of the organizations which are named in the subsection do not operate under a lodge system.