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PROPOSED INSTITUTE OF GOVERN-
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(Our Cover Picture)

By Albert Coates



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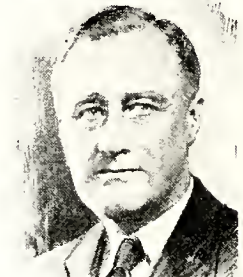
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POPULAR GOVERNMENT

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APRIL
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Co-operation and Co-ordination: The 1935 Words in Government

National Figures Examine and Comment on
The Institute of Government Program

By DEAN ROSCOE POUND
of the Harvard Law School

By J. EDGAR HOOVER
Director, Federal Bureau of Investigation

I DOUBT whether anything which has taken place in connection with American Government in the present century is as significant as the movement for planned, intelligent official and administrative coöperation which began some years ago in North Carolina, and has now taken on enduring form in The Institute of Government.

Socrates believed that wrongdoing was a manifestation of ignorance. He held that men took the wrong course rather than the right one, not from deliberate choice of the wrong, but because they were not well informed as to the right. We need not consider how far this theory is well founded as a general explanation of human behavior. At any rate, it is well taken as to official behavior. The general run of American public officials seek earnestly to pursue the right course. But that course is none too well charted for them, and not infrequently social and economic conditions have so changed from the time when our institutions were formative and our ideas as to the conduct of public office took shape, that the traditional charts are downright wrong with nothing to warn the well-meaning official to be on his

(Continued on page three)

THE history of the dark ages of the social order reflects attempts at justice in its crudest form. Individuals who found their rights, persons and property attacked or injured would take upon themselves the full responsibility of righting wrongs, with the result that an untrained

person would play the part of the investigator, the prosecutor, the judge, the jury, and all too frequently, the executioner.

The progress and evolution of criminal sociology has now brought us to the point where we must recognize that every function of law enforcement must be performed by those who are carefully selected, well adapted, and especially trained to perform the duties imposed upon them. We recognize, of course, that a judge of our courts must be possessed of basic training, inherent personal qualities, and an innate sense of fairness and justice. We freely admit that our prosecutors must be

carefully selected, adequately trained, and possessed of a keen sense of public responsibility in the performance of their duties. The time has now arrived when we must admit that for any program of law enforcement to be complete, effective, and efficient, the investigator or police officer must likewise be carefully select-

Says Dean Pound . . .

"I doubt whether anything which has taken place in connection with American Government in the present century is as significant as the movement for planned, intelligent official and administrative coöperation which began some years ago in North Carolina, and has now taken on enduring form in The Institute of Government.

"If we are to avoid centralization under the conditions of today **WE MUST LEARN CO-OPERATION.**

"One might justly compare our policy in respect of co-operation to Artemus Ward's military company in which every member was an officer and the superior of every other.

"North Carolina has taken the lead in organizing this spirit of coöperation. . . . What seems to me particularly significant in the North Carolina movement is that it is a voluntary movement. . . .

"To rely on the enlightened free action of officials rather than a system of command from above in a centralized administrative system, is in accord with the characteristic polity of English-speaking peoples.

"It is in accord with the spirit in which our political institutions were conceived. It is evolutionary, not revolutionary, and does not involve the institutional waste which too often accompanies significant changes in government.

ed. possessed of necessary personal attributes, and well trained for the duties he is to perform.

Obviously, the first step in a program of law enforcement is the police problem. Unless that problem is solved, regardless of the efficiency of prosecutors, judges and juries, law enforcement will not be successful, and when once the entire personnel of all the various branches of law enforcement activities is equipped and trained on a satisfactory basis, then there remains the problem of coordinating their activities in order that the best results might be obtained.

My personal interest in the whole field of law enforcement prompts me to commend any constructive effort that is made for the purpose of improving the standards and qualifications of those officials charged with law enforcing responsibilities, and the coordination of their various activities in order to effect the greatest amount of smooth running efficiency in their action.

It is obvious that if the investigators and police find a fair degree of success in detecting crimes and apprehending criminals, the entire system fails if those possessed of pardon, parole and probationary powers are to be permitted to so poorly administer the duties entrusted to them that they will set free the desperate criminal as soon as he is apprehended and convicted. There must, of course, be the greatest possible degree of effective cooperation and coordination between all of those who are charged with the responsibility of protecting the citizen's property, rights, and life.

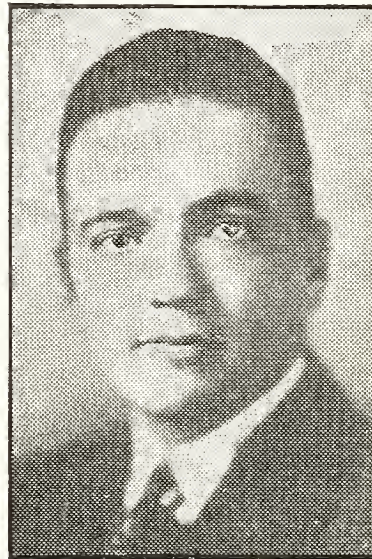
The North Carolina Program

I am particularly pleased to observe the program which has been established by the Institute of Government of the State of North Carolina, which is calculated to effect an improved and better trained personnel and a greater degree of cooperation and coordination between the agencies of law enforcement.

In order to properly reflect the attitude of the Federal Bureau of Investigation, United States Department of Justice, toward these problems, it might be of interest to recite the following information relative to the

work and functions of the Federal Bureau of Investigation:

Appointments are made in the Federal Bureau of Investigation from applicants who are between the ages of twenty-five and thirty-five, and who are possessed of a law degree from a law school of recognized standing, who are expert accountants, or who have had valuable practical experience of a constructive investigative character. Those possessing these qualifications are carefully examined, thoroughly and vigorously investigated, and those possessing the highest qualifications



The work of the Federal Bureau of Investigation furnishes an excellent example of the value of cooperation and co-ordination. The signal results this agency has accomplished under Mr. Hoover's direction speak for themselves.

are appointed as Special Agents of the Bureau. Following their selection, these new appointees report on duty to Washington, D. C., where they undergo a most intensive and extensive course of training in the Training Schools of the Federal Bureau of Investigation. These Training Schools include in their curriculum rules, regulations, administrative methods, investigative methods, law, accountancy, scientific investigations, fingerprint identification, crime statistics, firearms training, practical experience, first aid, and all other subjects which are of material benefit and aid to the Special Agent in performing his duties.

The effectiveness of this selection

and training is demonstrated by the fact that the personnel of the Bureau is free from evidences of corruption, and the results of its work are reflected in the fact that of all of those cases investigated by Special Agents of this Bureau, which were selected for prosecution, convictions were obtained last year in 93.81 per cent of those cases that were called for trial.

A Basic Policy With Federal Bureau

The basic policy upon which every activity of the Federal Bureau of Investigation operates is one of cooperation and coordination. Serving as it does in every state, territory and district in the United States, Special Agents find opportunity to cooperate with, and coordinate the activities of, the municipal, county, and state law enforcement agencies in matters of mutual interest. As a part of its coordinating program, this Bureau maintains a fingerprint identification unit comprised of more than 4,800,000 fingerprint cards, in which identifications are made in 47 per cent of the 2,800 fingerprint cards received from local and state officers every day. It further serves a constructive coordinating purpose in its crime statistics work, wherein there are collected, compiled and published the voluntarily submitted reports of police departments on crime trends and fluctuations in the United States. The technical and scientific facilities of the Bureau likewise are being extended to and utilized by local and state law enforcement officials to a greater extent than ever before. These evidences of the cooperating and coordinating functions of the Federal Bureau of Investigation, and the effective accomplishments resulting therefrom, are valuable witnesses to the fact that cooperation and coordination are essential in every field of Governmental activity.

The careful selection and proper training of personnel likewise speak with authority of the splendid objectives and the practical purposes of the Institute of Government for the State of North Carolina and its splendid program as outlined by Albert Coates, its Director. It has been and will continue to be my personal pleasure to lend full assistance and cooperation in furthering this movement.

DEAN POUND

(Continued from page one)

guard. This is especially marked in the matter of coöperation among the administrative and law enforcing agencies.

In our traditional American polity, a settled habit of non-coöperation begins in the locality at the bottom of the administrative scale. Indeed, in pioneer America there was no need of coöperation. The relatively small tasks of formative American society could be performed by each official with the aid of a few legal precepts by the light of his common sense. No one thought about official and administrative coöperation because there was no occasion to think of it. In consequence, this habit of non-coöperation grew up and has been manifest in lack of coöperation of administrative officials in the same locality in each county; in lack of coöperation among the independent detecting and investigating agencies in the same locality and their tendency to cross each other's tracks and often interfere with each other; in frequent lack of coöperation between local prosecutors and local courts, and friction between local courts and local administrative officials; and in lack of coöperation of court with court, or even of judge with judge in the same court.

Co-operation to Avoid Centralization

There came to be more than a tradition of independence in the case of local administrative officers. They were intentionally made as independent as possible and responsible only to the local electorate. In the beginnings of our institutions we feared centralization, and in consequence de-centralization was carried to an extreme. But if we are to avoid centralization under the conditions of today we must learn coöperation. This will not be an easy lesson in view of our political history. In our standard municipal polity, until bad experience led us recently to experiment in new directions, each important department came to have an independent head elected by the people and conducting his department as a separate entity. In the standard American county organization there were independent elected officials of coördinate authority. In our standard American state polity, the heads of the several administrative departments came to be elected along with the Gov-

ernor, and were usually quite independent of him and of each other. Within his sphere each department head was a petty governor. In the same way the several local administrative officials were independent of any central state control, and independent of each other. They had no duty of working with other independent officials, and had a traditional disinclination to do so. With the rise of the direct primary it became important for each, as an officer responsible immediately to the electorate and hence in attracting and keeping the public eye, not to neglect the opportunities of publicity which his office afforded even in order to avoid clashes with co-ordinate officers. If he was conscientious and devoted to his task, he was nevertheless likely to see it as an isolated one rather than as part of a larger task in which it should be co-ordinated with the work of many other independent administrative agencies. If he was less conscientious or less devoted to his task, he might see opportunities for publicity in a clash with some other official which would outweigh considerations of administrative efficiency. In any event, it was for him individually to determine how far, if at all, he would adjust his views or his convictions to the exigencies of good general administration.

In the typical American state polity, police, sheriff's office, coroner's office, public prosecutor's office, were independent. Each might, each frequently did, conduct its own separate

investigation of the same crime. They might coöperate, they might cross each other's tracks, or they might get in each other's way as they liked. Each was not at all unlikely to be willing to score at the expense of the other, and it happened not infrequently that one or another was unwilling to aid the other as a rival candidate for publicity.

Eighteenth Amendment An Example

As to coöperation between state and locality, and coöperation of state and nation, the tradition was even worse. Indeed, in the attempt to enforce the Eighteenth Amendment we had a signal example of the impossibility of procuring any effective coöperation between the national government and the state governments in a matter expressly committed by the Constitution to the concurrent jurisdiction of both.

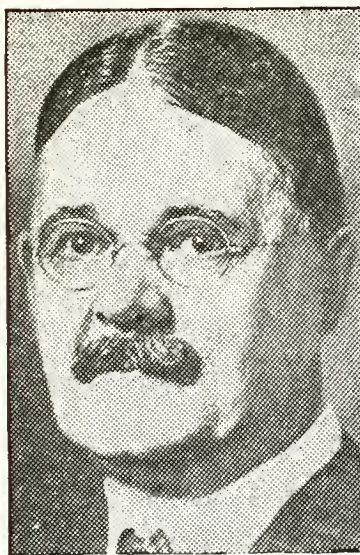
One might justly compare our policy in respect of coöperation to Artemus Ward's military company in which every member was an officer and the superior of every other.

Of late consciousness has been growing that in the unified, economic order and urban industrial civilization of today such things will not do. We have been seeing that the several agencies of government must be brought to work together intelligently toward common purposes. In many states legislation has been seeking to enforce coöperation in the locality. In others, a spirit of coöperation in the enforcement of law has been growing up. In some places state associations of sheriffs or of prosecuting attorneys have done much. In some, much has been done through or at the initiative of state bar associations or organized state bars. In some, much has been achieved by state associations of magistrates and justices. More than this, national associations or conferences of judges, of attorneys-general, of prosecutors, of police chiefs, and of administrative officials have been doing much. There has been a spontaneous growth of a sense of the need of coöperation and of a spirit of promoting it. Indeed one can see the growth of an idea of cosmopolitan justice — of nation assisting nation in a common end of maintaining law and order everywhere.

North Carolina Takes the Lead

North Carolina has taken the lead in organizing this spirit of coöpera-

(Continued on page nineteen)



Dean Pound is recognized as one of the foremost figures in legal thought and education in the nation today.

Which Straw Breaks A Camel's Back?

By T. N. GRICE

Associate Director, The Institute of Government
(See Chart on Opposite Page)

THE question often arises as to what debt load a governmental unit can bear without defaulting in its obligations. To answer this generally is an impossibility, and to answer in particular cases requires considerably study. The size of the unit, the density of population, the character of the principal businesses located in the unit and the property valuation, as well as the debt load of over-lapping units or subdivisions, all go into an analysis of the maximum debt load any local unit can bear.

Our State laws governing the amount of debt that can be incurred by a local unit base their restrictions on property valuation of each unit; and while this basis is probably the only suitable one for general laws it has its defects. The principal defect is that property valuations tend to increase in eras of prosperity, thereby lowering the percentage of debt and leaving the way open to incur indebtedness greater in amount without increasing the ratio to property valuation. During these eras of prosperity local units have little serious trouble in meeting their debt service requirements. On the other hand, during eras of depression, when units have their greatest difficulties, property valuations decline, causing an increased debt ratio without incurring additional indebtedness. In a word, we use a varying basis upon which to base our restrictions and the basis varies inversely with the conditions it seeks to control. A unit originally well within the debt restrictions may find itself, in a few years, well above the legal limitations, even though the total amount of its debt has been reduced.

A Pyramid of Debts—and Taxes

Another defect in using property valuation as a basis is that it disregards the overlapping of debts and the lowly taxpayer finds himself overburdened with taxes to meet the debt service requirements of the units in which he lives even though each of the units may be within the debt limitations set out in our laws. Under our present governmental structure, it is a very common occurrence for a taxpayer to live in more than one taxing unit. He may live in a town, a township, a district and a county all having bonded indebtedness and each having authority to tax property within its boundaries. The taxpayer may own only one piece of property, yet it is valued four times for tax purposes. Assuming that each unit has a bonded indebtedness of only four per cent of its property valuation, which on the surface appears fairly low, the ratio of debt load to the valuation of a particular piece of property is sixteen per cent, for there is only the one piece of property and really only one valuation. And certainly there is only one taxpayer.

This pyramiding of indebtedness has often caused discussion as to whether the basis of debt limitations should be changed to the ratio of total debts of all overlapping units to the property valuation listed in the larger unit—

the county. This, as a practical matter, could be done, and might keep us within the bounds of safety in some future era. The question that next arises is what limitation should be placed on the total debt that may be incurred by all the subdivisions of a county and the county itself.

Chart Shows Debt Ratio

We have on the opposite page a chart showing the ratio of total debt load of the 100 North Carolina counties and their subdivisions to county property valuation. While some of the figures used in the preparation of the chart are estimates and all the figures are not as of the same date, the chart is sufficiently accurate for our purposes. Let us consider these groups as shown by the chart.

We see that there are six counties in which the total debt load is less than six per cent. In this group we have no counties in default, and but one town each in two of the six counties is in default. These two towns are small, and the amounts in default are not serious.

In the group having a debt load of six to eight per cent we find eleven counties of which four are in default; and in the group eight counties of which two are in default. The defaulting counties in these two groups are small agricultural counties whose products have not felt the lift in prices afforded other products by our national policy of agricultural control. However, in six of the thirteen counties not in default there are political subdivisions in default. In these six counties the county debt in each case is less than six per cent, and in one is as low as two per cent, of property valuation. In these cases the clear inference is that the subdivisions probably over-extended their credit.

In the next group those counties falling in the ten to twelve per cent class we find eighteen counties, of which seven are in default. Only two of the eleven counties not in default have a debt load as high as eight per cent, and in these two the county debt represents the greater portion of the total debt. The necessary tax burden is thus distributed over the entire county without a particular hardship on any group, there being no subdivisions having a heavy debt load. On the other hand, each of the defaulting units have subdivisions which are also in default.

In the group having a total debt load of twelve to fourteen per cent we find five counties of which three are in default. The two counties not in default present a contrast—one having a debt ratio of two per cent and the other a ratio of over twelve per cent of valuation. How this latter county has maintained its position the writer does not know. It is a fairly small agricultural county with a very small valuation, and it may be that the county's running expenses are low or that annual maturities are very small.

Amount of Industry a Factor

In the next group we find sixteen counties, thirteen of which are in default. Of the three counties not in default,

two have county debt ratios of less than three per cent and the third has a ratio of nine per cent. All three of these counties are largely industrial and have a high valuation. This factor must be considered when attempting to fix a debt load limitation, for in those counties in which are located large industrial plants which are the bulk of the real property valuation, the rate of tax collection is usually higher, and we all know that tax delinquency has been one of the principal causes for many of our serious default situations.

There are seven counties in the group having a debt load of sixteen to eighteen per cent of which four are in default. Two of the three not in default are industrial counties and the third has gone through with a refinancing plan which has lifted it from the default column.

In the next group (eighteen to twenty per cent) we find nine counties of which only one is not in default. This one seems to be another case of the exception proving the rule. Being a fairly small agricultural county with a debt ratio of nearly thirteen per cent, it has, by some means unknown to the writer, been able to pay its debts as they mature.

The next group (twenty to twenty-two per cent) contains three counties of which only one is in default. This situation, however, is not hard to understand. One of the two counties not in default is a very prosperous agricultural, as well as industrial, county with a debt load of slightly over eleven per cent. The other county's principal debt is one incurred for a bridge on which tolls are charged to meet the debt service requirements.

Of the four counties in the twenty-two to twenty-four

per cent group, two are not in default. One of these has a county debt of less than four per cent of property valuation. The other, although a rather prosperous county, has a debt ratio of over fourteen per cent, which is rather high for a county that has maintained its position in the "Simon pure" class.

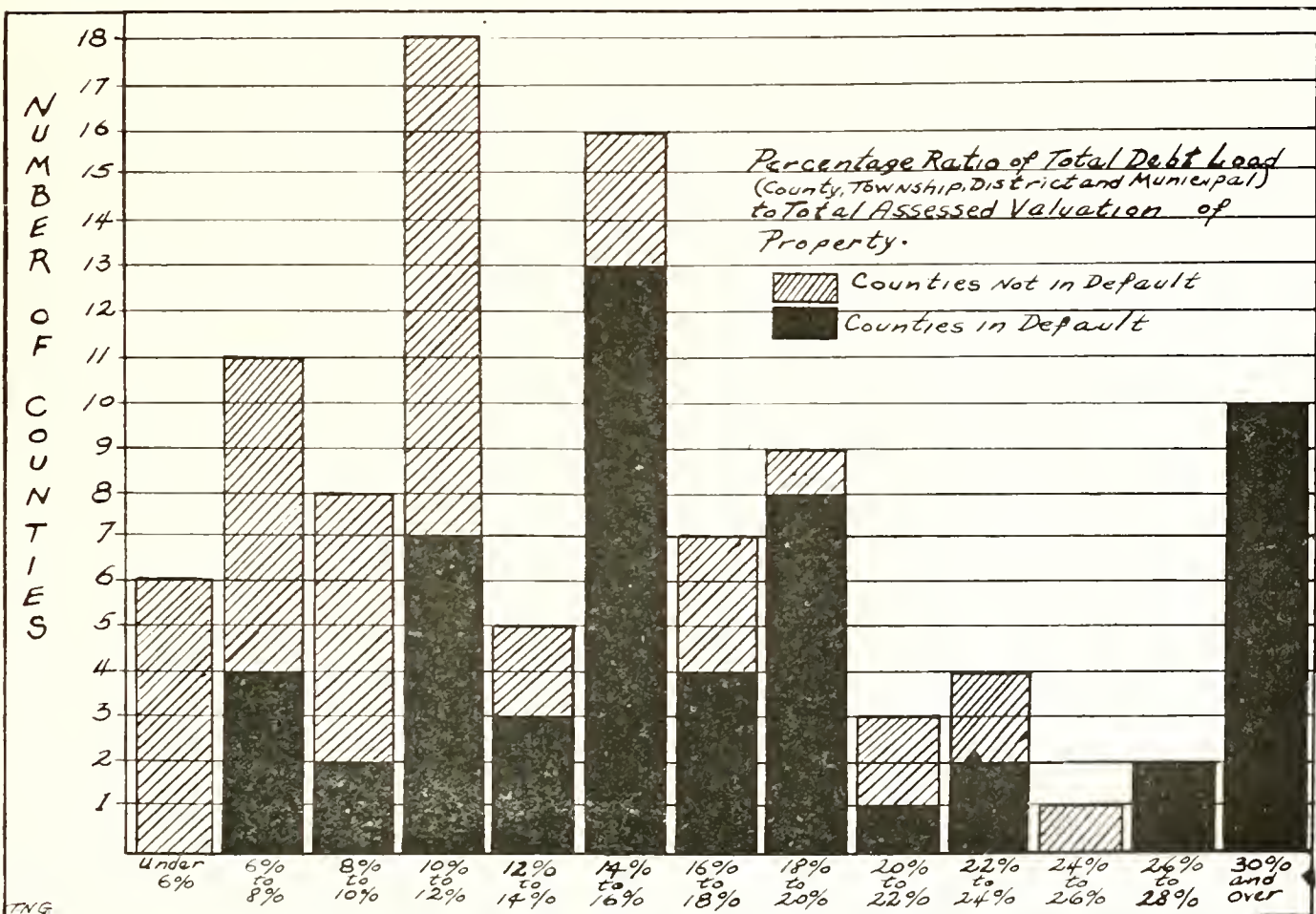
There is only one county in the three remaining groups which is not in default. This one has a county debt of about seven per cent. The others have over-extended their credit until they present our most serious default situations.

What Determines the "Danger Line"?

We have noted the various groups and the conditions surrounding each, yet can we arrive at an absolute percentage or ratio above which it is not safe for a county and its subdivisions to go? From our chart it appears that the danger line is somewhere between ten and fourteen per cent; however, a few counties have been able to carry on without defaulting with higher ratios. With a few exceptions those counties which have not defaulted, despite debt ratios of over ten per cent, are industrial counties having large populations. From this it would appear that the possible debt load ratio varies, to some extent at least, with the density of population and amount of industrial activity. Cases in which our populous cities and towns are in default are chiefly cases in which industries are lacking, or in which the total debt load of the county and its subdivisions or of the particular city or town represents 17 per cent or more of property valuation.

How many of our default situations are due to ill-

(Continued on page twenty)



TNG

North Carolina Schools and the Depression

The Lost Years of Education: 1930-34

By JULE B. WARREN

Secretary, The North Carolina Education Association



JULE B. WARREN

THE effect of the depression on the schools of North Carolina is fairly well reflected in the items of the school budget which State Superintendent of Public Instruction asked the legislature to restore. It should be remembered in connection with this statement that the state superintendent did not ask for a complete restoration, but only a partial replacement of the services that North Carolina's children have been deprived of since 1929. It should be remembered that the total expenditure for schools, including what the state put up as state aid and the contributions of the counties and the districts in 1929, ran the total operating cost of the schools up to \$28,616,638 in 1929, while the total expenditure from all these agencies last year amounted to only \$18,773,948, or nearly ten million dollars reduction.

This reduction of more than one third was accomplished mainly in two ways:

(1) A drastic reduction in the salaries of teachers and other school employees.

(2) A reduction of 2,561 in the number of teachers employed. This despite the fact that the average daily attendance of children in the public schools jumped 83,863 during that same period.



CLYDE ERWIN

Popular new state superintendent leads public schools' fight for increased appropriations.

In addition to these two major cuts that have come to the schools since the peak year of 1929, practically every other item in the budget has been drastically reduced, such as instructional supplies, heating and lighting, janitors' services and supplies, and enforcement of attendance laws.

This applies merely to the state budget. The curtailment pro-

gram began on a large scale in 1931, and was brought to its full fruition of limited opportunities for children in the dark

days of 1933 when the legislature passed its school appropriations and other social legislation at a time no one knew what was going to happen in the nation as a whole. During the school year following the 1933 session of the legislature a guaranteed term of eight months was provided out of revenue levied by the state on other than property. Not only was the state budget drastically cut, for the state provided a little less money for the operation of the eight months term than it had put into the six months term the previous biennium, but local budgets were wiped out of existence.

This meant that 119,000 children who previously had had a nine months school were deprived of the ninth month and their terms were reduced to the state provided minimum of eight months. This included such cities as Charlotte, Winston-Salem, Asheville, Wilmington, Greensboro, High Point, Hickory, Burlington, and Raleigh, to mention only a few of the places where the children of the state were deprived of the additional training that could be provided by one more month of school. Most of the cities and counties had no local budget for operating expense. Schools were operated on the state-provided minimum number of teachers, for there were no local funds out of which additional teachers could be employed. This also meant that in many of the larger cities and counties, as well as in some of the more advanced rural high schools, many of the cultural subjects had to be dropped unless they were provided for out of private funds as was the case with the music department in Charlotte.

Such were the conditions facing the schools as a result of the depression when the legislature of 1935 convened. North Carolina, of course, was not the only state in the nation which had made drastic cuts in its school appropriations. North Carolina was one of the few states in the nation that had taken as heroic steps to keep the doors of the school houses open to every child. This, of course, was done by lowering salaries of teachers, and requiring them to do eight months work for the pay that had been previously given for six

months. Other states had cut in spots. North Carolina cut as a whole. The average decreases in the nation were not so heavy as those in North Carolina. An examination of the facts given in the table on the opposite page, taken from official reports of the State Department of Education and the United States Office of Education in Washington, tell the story of the comparative cuts in the state and nation from 1929-1930 to 1933-1934.

The State Superintendent did not ask for a complete restoration of the school program when he requested the Appropriations committee of the 1935 legislature to provide \$22,000,000 a year for the next two years. In fact the state probably cannot make complete restitution to the school children of North Carolina at this time. When the 1933 legislature abolished all local taxes for schools it deprived local communities, including counties, cities, and rural districts of the revenue with which to carry on many of the activities that had been considered necessary by both parents and teachers for the complete training of children. That legislature, of course, left with the cities and counties the right to vote this tax back on themselves, but carrying a special tax election for any cause, whether for roads, schools or other public services, during the past two years has been practically impossible. The fact that only seven cities carried such elections during the first year is an indication of the severe handicap placed on the schools by the abolition of these local taxes. The only way the ninth month and the enriched curriculum can be provided is through carrying these local elections as they were carried in Durham, Rocky Mount, Southern Pines, Lenoir, North Wilkesboro, Chapel Hill and Roanoke Rapids the first year, and by Charlotte on Saturday, March 23, 1935.

Here are the things the State Superintendent asked the Legislature to put back into the school budget:

(1) To make a 25 per cent increase in the salaries of teachers and other school workers in order to stop the large exodus of well trained teachers, women and especially men from the class rooms. Mr. Erwin estimates that the schools have lost 2,000 teachers during the present school year. This 25 per cent increase amounts to only about 50 per cent restoration of the pay cuts of the base schedule set up by the state.

It does not include the additional pay that some of the cities paid for superior teachers.

(2) To add \$180,000 to the school

budget for the employment of about 300 additional teachers to relieve the worst congestions in the class rooms and

(Continued on page eighteen)

SCHOOL FACTS OF STATE AND NATION 1929-1930 AND 1933-1934

	1929-1930		1933-1934	
	N. CAROLINA	NATION	N. CAROLINA	NATION
Increase in the Amount of Work				
Enrollment	866,939	25,778,015	895,525	26,772,000
Average Daily Enrollment	**	**	831,563	**
Average Daily Attendance.....	672,895	**	756,758	**

EXPLANATION: Total enrollment is different from average daily membership. In the latter duplicates, due to children being enrolled in two different districts in the same year, are accounted for. Gross enrollments are used here in first item in order to make national comparisons. Average daily enrollment for the first period not available. While gross enrollment increased only 28,528 during the four years, average daily attendance jumped \$3,863.

Decrease In Number of Teachers				
White Teachers.....	18,025		15,585	
Negro Teachers	5,866		5,745	
Total Teachers	23,891	880,365	21,330	850,000

EXPLANATION: While the number of children in average daily attendance increased 83,863 for the four-year period, the number of class-room teachers decreased 2,561. North Carolina decreased the number of teachers 11.13 per cent as compared with a reduction of only 3.12 per cent in the nation as a whole.

The Number of Pupils Per Teacher				
Based on Enrollment	31.1	29.16	39.0	31.43
Based on Average Daily Membership			36.2	
Based on Average Daily Attendance	28.16		33.0	

EXPLANATION: Neither gross enrollment nor average daily attendance is the best method of arriving at the number of children per teacher. The average daily membership is the best basis. Gross enrollment is used in order to make comparison with nation averages. Under either of these methods of computing the teacher load North Carolina is considerably higher than the nation as a whole and this load has increased during the past four years.

Average Cost Per Year Per Child				
Teaching Cost	\$33.08		\$20.04	
Total Cost	45.71	\$90.22	21.89	\$67.33

EXPLANATION: Per capita cost may be figured either on the cost of running the schools for the year, which gives a smaller figure, or on the cost of running the schools plus the amount spent on building, called Capital Outlay. The per capita for national expenditures includes the buildings. In either case North Carolina has never spent more than half the national average per child for a year's schooling. Although we had never reached half the national average, this state reduced the per capita cost 32 per cent as compared with 23 per cent in the nation. In teaching cost we cut over 39 per cent over the four-year period.

Total School Expenditures				
Salaries	\$21,443,965		\$14,198,466	
Other operating	7,173,638		4,575,482	
Totals	\$28,616,603	\$2,316,790,384	\$18,773,948	\$1,799,306,000

EXPLANATION: North Carolina cut its school expenditures during these four years 34.8 per cent, while the nation as a whole cut only 22.3 per cent.

Average Annual Salaries				
White Teachers	\$ 954		\$ 604	
Negro Teachers	539		384	
All Teachers	850		566	
White Principals	2,405		1,147	
Negro Principals	1,344		949	
All Principals	2,177		1,093	
Principals and Teachers	902	\$1,420	618	\$1,222

EXPLANATION: In the nation as a whole the salaries of teachers were cut 13.9 per cent during the period of the depression. In North Carolina the cuts amounted to 31.4 per cent. Much of this cut in North Carolina, of course, came because the local units side-stepped increasing salaries over and above the minimum provided by the state. Average salaries for both state and nation in this comparison of percentage reductions based on payments made to both teachers and principals.

SOURCE OF DATA: Reports of the State Department of Education, National Education Association and U. S. Bureau of Education.

*Not available.

North Carolina Profits by PWA

By H. G. BAITY, State Engineer

Federal Emergency Administration of Public Works, North Carolina

THE first two years' operation of the Public Works Administration has had a greater stimulating effect in North Carolina than most people realize. Indirectly, or perhaps directly, the general increase in value in North Carolina municipal and county bonds may be due to the money spent for public works. When the President offered his \$3,700,000,000 to Congress, it was impossible for us in North Carolina to determine whether we would get a reasonable share of the allotment. Figures would seem to indicate that we have done fairly well.

The original division of the \$3,700,000,000 included \$1,527,030,000 for Federal projects; \$1,167,725,000 for statutory and executive appropriations, in which was included the money allotted to CCC camps, the TVA Authority, and the CWA; and for non-Federal projects \$975,615,000. It should be noted here that the CCC and the CWA money was not taken from the allotment to non-Federal projects.

Briefly, these sums were subdivided for the various projects over the states and territories approximately in the following manner: for 1,170 street and highway projects, \$539,722,000; for waterworks, sewer systems, and utilities, 2,000 projects, totalling \$301,624,000; for 3,580 buildings \$362,208,000; for reclamation and flood control \$254,454,000; for vessels of many descriptions \$261,924,000; for miscellaneous structures, bridges, docks, tunnels, \$172,526,000; for forty-three railroad projects, \$199,608,000; aircrafts and airports had their share in \$27,963,000; recreation facilities \$3,579,000; for pest control, mapping, and other miscellaneous features, \$104,091,000; and a reserve for the Housing Corporation of \$127,564,000.

Out of the above funds there was allotted for Federal projects to North Carolina \$12,400,000; for highways about \$14,500,000; for non-Federal projects approximately \$10,753,000; housing \$200,000; and railroads \$70,000; or a total approximate amount of \$37,923,000, again excluding the CCC camps and the money spent through the CWA, Subsistence Homesteads, etc.

Late in July, 1933, a State Advisory Board was appointed, including Mr. Frank Page, Mr. John DeVane, and Mr. George W. Coan, Jr. A State Engineer, appointed at the same time, was designated as the executive officer of the State organization. A small office staff, at that time consisting of only five additional people, was organized to advise with the representatives of State, city and county officials to prepare the way for receiving applications for funds to construct all of the eligible types of projects. The rules and regulations laid down by the Administration, as applied to North Carolina, required that funds should be allotted only to those political units which were able to issue general obligation bonds or were able to supply funds upon which

a grant could be based. It was a stipulation that the Government would furnish gratis 30 per cent of the money to be expended by the various political units. The terms laid down included a proviso that sufficient money must be made available whereby the project would be completed to the fullest extent and put in operation upon the completion of construction. Where possible, the projects themselves should be self-liquidating, so that the minimum of taxation would be necessary, but for the protection of the bond holders the bonds should be secured by ad valorem taxes. The whole procedure was to be considered in the light of a strictly business proposition which would be to the advantage of both the borrower and the United States Government, or future bond holders.

This policy was carried out by the State Advisory Board and the State Engineer. It meant a careful review of all applications, and the exercise of sympathetic but firm judgment.

THE public works program which North Carolina is carrying out under the PWA is said to be one of the most complete programs of any Southern State. Projects totalling \$9,553,100 have been approved of which \$7,089,500 are under construction. These run the gamut of water and sewer systems, roads and streets, municipal buildings, schools, and hospitals. In the accompanying article the State Engineer surveys the accomplishments and results of the first two years' operation of the PWA. His remarks are particularly timely in view of the fact that Congress is now debating the federal relief and public works bills.

From September 1, 1933, to March 1, 1934, 184 applications were received and reviewed, these totaling 329 different jobs in 130 locations in 78 different counties. The total sum applied for was \$22,268,041. Of this sum \$9,853,100 was approved for construction, including \$90,000 for drainage, \$916,200 for municipal buildings and special municipal features, \$379,800 for hospitals and community buildings, \$4,538,-

400 for waterworks and sewer systems, \$3,328,700 for schools, gymnasiums, and educational features, and \$300,000 for roads, bridges, and street paving. To date, \$7,089,500 is under actual construction. For various business reasons the Administration disapproved applications amounting to \$5,109,075. In addition, \$1,135,829 in various projects was withdrawn by those who had made applications, and \$715,198, mainly in schools and waterworks plants, was rescinded because of the inability for legal or influential reasons to proceed with the projects. At the present time there are pending for approval or disapproval projects amounting to \$5,456,839.

Waterworks, sewer systems, and sanitation plants head the list. Of applications received in the amount of \$6,057,646, projects estimated to cost \$4,838,400 were approved and there are now under construction such works to the value of \$3,843,400. The largest of these projects is located at Durham, where \$760,000 was expended on a sewage treatment plant, which is now completed and in operation. At Charlotte five water supply and sewerage projects have been completed at a total cost of \$326,000. Winston-Salem is building the Southside sewer system and a large stream control project which will cost \$255,000. At Rocky Mount a modern filtration plant and water tower is under construction to cost \$360,000.

Schools and educational institutions play the next important part. Applications were received amounting to \$5,602,023, of which \$3,328,700 has been approved and \$2,574,100

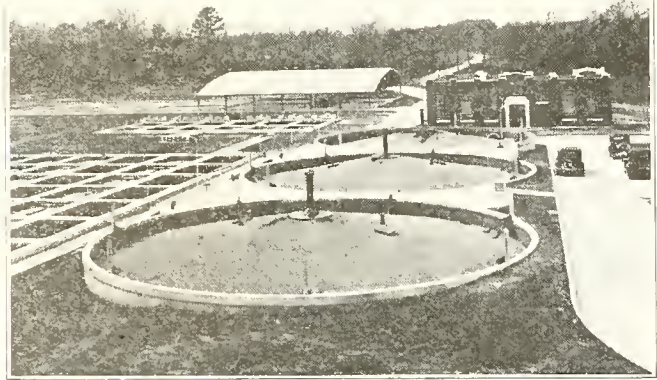
now under construction. This involved 132 new school buildings with 107 now under construction or completed. Mecklenburg County built 17 new projects at a cost of \$485,000. Rockingham County is next in line with 18 schools totaling \$429,000. The State of North Carolina was given an outright grant of \$197,000, to which the State added from their own funds \$460,000 with which were built 750 new school buses to carry children to the rural schools all over the State.

Applications for 9 large bridge and paving projects were received, totaling \$4,673,767. However, this sum included 3 large projects which were disapproved. The principal sum was to be expended for toll bridges, which more properly come under the jurisdiction of the State Highway Department. However street paving projects in the amount of \$300,000 were approved, of which \$205,000 worth is now under contract for street paving.

Special municipal features applied for included \$3,020,320 in estimated construction costs. Here again large sums were asked for projects that were doubtfully self-liquidating or could not be secured through general obligation bonds. However, several municipalities have gained fire alarm systems, jails, fire stations, and other features amounting to \$916,200, of which \$349,200 is under contract.

The total amount submitted for drainage projects amounted to \$248,735, of which \$90,000 was approved and is now under construction. To utilize the water way now being constructed in the Cape Fear River from Wilmington to Fayetteville, the city of Fayetteville was allotted the sum of \$89,900 for a river terminal and dock. The project is under construction and when completed will enable the City of Fayetteville to have all the advantages of river navigation. An allotment of \$425,000 has been made to

A partial view of Durham's new, PWA-constructed, East Side sewage treatment plant.



the Morehead City Port Terminal Commission which, supplemented by an expenditure of approximately \$2,000,000 by the Federal Government for dredging, should provide for North Carolina a modern ocean port.

Approved hospital projects amount to more than \$375,000. They include a new building completely modern in every respect, including auditoriums, operating rooms, private and public rooms, classrooms, nurses' home, and all of the requirements of a modern hospital for the Rex Hospital in Raleigh. Plans have been approved and bids on the construction will soon be received. A nurses' home for the North Carolina Orthopedic Hospital to cost \$90,000 is under construction at Gastonia, while a grant was given to the North Carolina

(Continued on page nineteen)

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS STATE OF NORTH CAROLINA

ANALYSIS OF PROJECTS AND JOBS FROM DATE OF INCEPTION TO APRIL 1, 1935

Summary

Total applications	184
Total jobs	329
Number of locations	130
Number of counties	78

	Drainage	Municipal Special Features	Mills, Armories, Hospitals, Comm. Buildings	Water and Sewer plants	Schools, Gyms, etc.	Roads, Bridges, Street Paving	Totals
Approved projects	\$ 90,000	\$ 916,200	\$ 379,800	\$4,838,400	\$3,328,700	\$ 300,000	\$9,853,100
*Approved projects under construction	90,000	349,200	27,800	3,843,400	2,574,100	205,000	7,089,500
Disapproved projects	138,235	781,000	1,017,050	520,703	737,462	1,912,625	5,107,075
Withdrawn projects	20,500	253,560	500,000	257,904	103,865		1,135,829
Rescinded projects		17,500		166,000	531,698		715,198
Pending projects		1,052,060	768,700	274,639	900,298	2,461,142	5,456,839
Totals	\$248,735	\$3,020,320	\$2,665,550	\$6,057,646	\$5,602,023	\$4,673,767	\$22,268,041
Jobs, approved projects	1	11	4	40	132	3	191
*Job, under construction	1	7	3	34	107	2	154
Jobs, disapproved	2	3	5	10	19	3	42
Jobs, withdrawn	2	8	1	3	3		17
Jobs rescinded		1		1	17		19
Jobs, pending		8	10	1	35	3	60
Totals	5	31	20	58	206	9	329

*Not included in totals.

FORMS OF MUNICIPAL GOVERNMENT IN NORTH CAROLINA

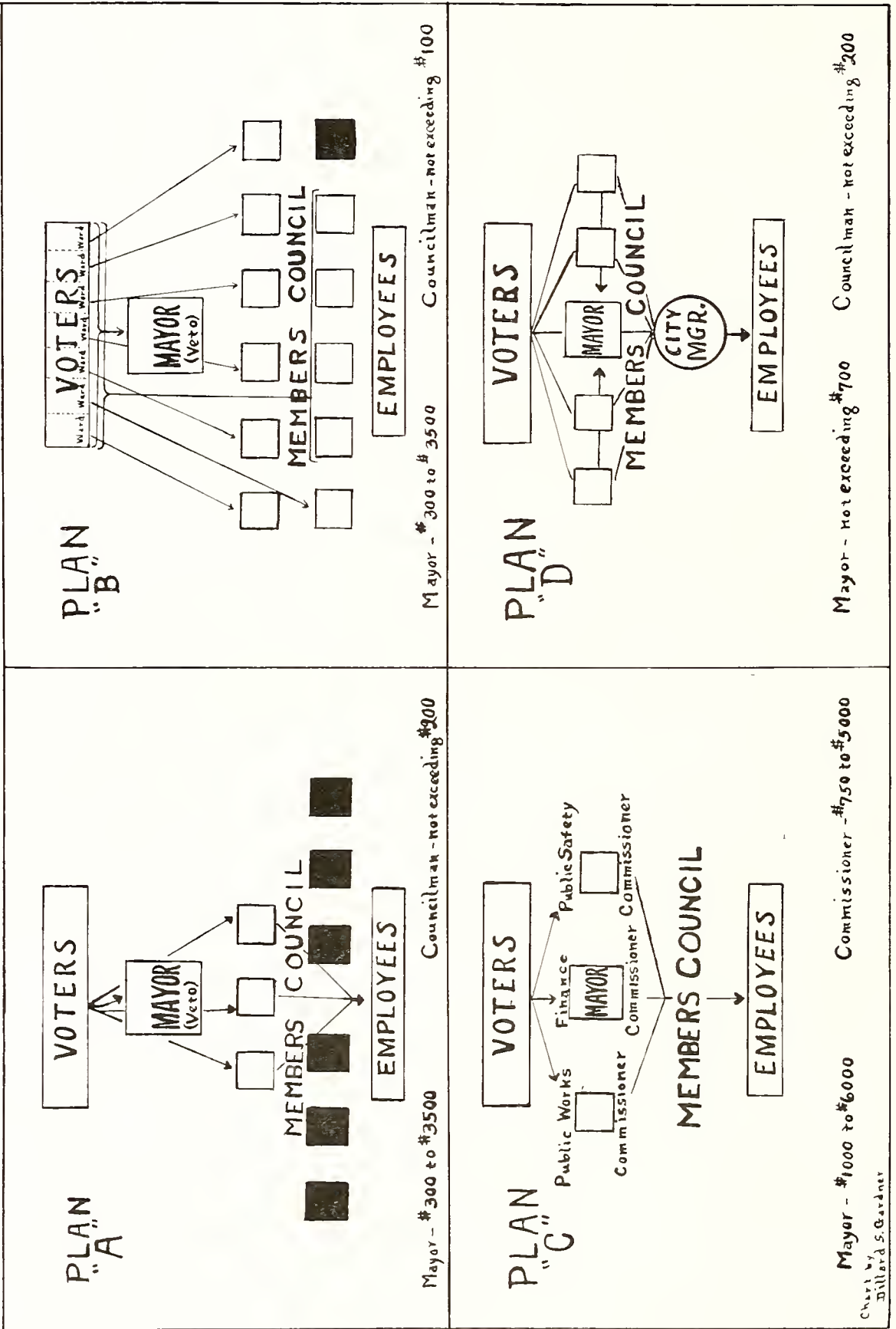


Chart by
Billard S. Gardner

The Structure of Municipal Government in North Carolina

By

DILLARD S. GARDNER

Associate Director, The Institute of Government



THE effect of the Constitution of North Carolina is to leave the organization and structure of city and town government to the General Assembly, although one article of the Constitution bears the promising title "Municipal Corporations." The General Assembly may create or abolish a city or town, either by special or general laws. Charters for cities and towns are granted by special laws, and it has been the practice in this state to set out specifically in the individual charters the structure of the government and the powers and duties of the officials.

Our present Municipal Corporation Act, enacted in 1917, provides four types of municipal government, any one of which may be adopted by a city or town. This does not mean that the General Assembly can not allow a city or town to adopt a combination of these forms or an entirely different form of government; the General Assembly may, and does, approve other types of municipal structure, both by granting new charters and allowing substantial amendments to old charters. As to details, probably no two municipal governments in the State are exactly similar, but in a general sense the 1917 Act sketches the four most important and most prevalent types of city government in the State. The reader, doubtless, will find that the governmental structure of his own city or town bears a close resemblance to one of the four "Plans" charted on the opposite page.

Similarity of the Four Plans

The four plans have much in common. Under each:

1. The government is responsible to the people through elections held every two years.
2. The Mayor is the executive head, and the Council is the legislative head, of the city or town.
3. The Council is the administrative head of the city or town and the various city employees are directly answerable to it (except as to Plan "D" under which the Manager, who is responsible to the Council, is the direct administrative head, and city employees are answerable to him).
4. The Mayor and members of the Council receive compensation for their official services, although the limits within which such salaries may be fixed vary under each Plan.
5. The Council acts as a unit in its administrative functions, (except as to Plan "C" under which the members of the Council specialize and in their capacities as Commissioners, act as the heads of the different departments) these functions being reduced to a minimum where a Manager is acting under Plan "D."

On close examination of the chart the major variations under the different plans appear:

(a) Manner of Election

Under "A," "C," and "D" the voters of the entire city elect the members of the Council; under "B" one member is elected from each ward, and the remainder are elected by the voters of the entire city. In the chart the small white square indicate the minimum number of the Council and the black squares represent the additional members who may be added under the particular Plan.

Under "A," "B," and "C" the Mayor is elected directly by the voters; under "D" he is chosen by the Council from its members. Under "A" and "B" the Mayor is distinct from the Council; under "C" and "D" the Mayor is also a member of the Council. Where the Mayor is not a member of the Council (i.e., under "A" and "B"), he may veto legislation of the Council; however, under "A" a two-thirds vote of the Council will over-ride his veto, and under "B" a majority vote of the Council will over-ride the veto.

(b) Numbers on Council

In order to vary the size of the Council in accordance with the population of the city, a sliding scale on a population basis determines the number on the Council under Plans "A" and "B." Under "A" the Council is composed of from three to nine members; under "B" it is composed of either eleven or twelve members. Under "C" and "D" the numbers on the Council are constant, being three members under "C" and five members under "D."

(c) Compensation of Council and Mayor

Under "A," "B," and "D" the nominal limits fixed for the compensation of the Council assume that only part of the members' time will be devoted to official duties; Plan "C" requires the members to give their entire time to official duties.

Under "A" and "B" the limits of the Mayor's compensation are so fixed that if full time is required for his duties, he may be fully compensated by the Council. Under "C" the Mayor is a full-time official, and provision is made for a substantial salary. Under "D" the Manager relieves the Mayor of administrative detail; hence, the salary of the Mayor is nominal.

(Continued on page twenty)

A GOVERNMENTAL LABORATORY FOR NORTH CAROLINA

By **ALBERT COATES**, Director
The Institute of Government

The Laboratory Takes Its Place in Business

A NORTH CAROLINA business man some years ago took me through the laboratory of his great industrial plant. He pointed out technicians analyzing and comparing manufacturing processes developed in different industrial centers throughout the country. Through these avenues he has lifted the quality of his product, lowered the cost of its production, and kept his business methods and practices on the level of the best. What business laboratories are doing for business units in the interest of private projects, a governmental laboratory may do for governmental units in the interest of the public welfare.

In North Carolina there are one hundred counties, around four hundred cities and towns and a score of state departments. They are undertaking to do similar things. They have developed different methods and practices in doing them. Some of these methods and practices are better than others. Every office furnishes an experiment station and a testing ground for local improvements in government and its administration.

Quoting Dean Roscoe Pound of the Harvard Law School

"If we are to avoid centralization under the conditions of today, **WE MUST LEARN CO-OPERATION** . . . North Carolina officials have taken the lead, through the Institute of Government, in organizing this spirit of coöperation.

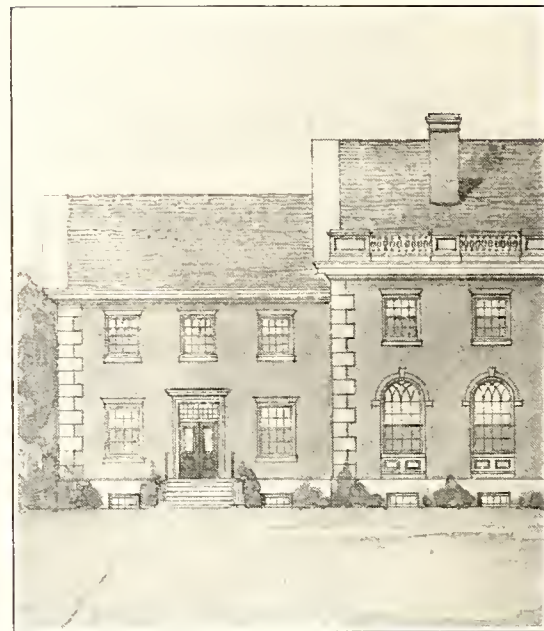
"The significant thing about the North Carolina movement is that it is a voluntary movement. This is in accord with the spirit in which our political institutions were conceived. It is evolutionary, not revolutionary, and does not involve the waste which too often accompanies significant changes in government."

In one governmental unit improved methods of tax listing in one year put four thousand new taxpayers and five million dollars in newly discovered property on the tax books. In some governmental units as low as forty per cent of the taxes may be collected and in others as high as ninety per cent. In some units in the midst of bank failures not a cent of public funds was lost and in others thousands and hundreds of thousands were lost. Throughout the cities, the counties and the state of North Carolina new methods and practices in the administration of public affairs are constantly arising out of the initiative, resourcefulness and energy of public officials. These methods and practices, to the units making them are worth their weight in gold. To other units they could be worth the same.

A Central Laboratory for Our Officials

The public officers, the private citizens, the students and teachers of government in the schools, through The Institute of Government, are sending a staff of six full time men from town to town and from county to county to collect, compare and classify these methods and practices and bring them together in a central governmental laboratory. To this laboratory successive generations of officers, citizens and students may come to see demonstrated in one place the governmental methods and practices they would now have to go to one hundred counties, four hundred cities and towns and a score of state departments to find and would not find available when they got there. These methods and practices will lay the foundations on which we can work toward a uniformity in governmental standards and lift the poorest practices to the level of the best.

It took vision and foresight to bring the public officers, the private citizens,



the teachers and students of civics and government in North Carolina together in this great coöperative governmental program. In recognition and appreciation of this vision and foresight a group of citizens in 1933 agreed to underwrite this program for three years and today in 1935 business men have agreed to contribute the materials for the Governmental Laboratory Building pictured above—on two conditions:

(1) That the accredited leaders of these groups show their faith in the program they are working out through The Institute of Government by agreeing to contribute annually to its support any amount of their own choosing from \$1 a year up and that they join together in asking the rank and file of officers and citizens to follow their example; (2) that these officers and citizens join together in numbers sufficient to show a widespread interest and determination to carry this program through.

The accredited leaders have done their part. They have met the first of these conditions. They are now calling on (1) every official clothed with the public trust of public office from constable to Governor, (2) every citizen who can be persuaded to take an interest in his government, to join together in amounts of their own choos-

**JOIN THE INSTITUTE OF GOVERNMENT—HELP NORTH CAROLINA
\$50,000.00 CANNOT MAKE A MOVEMENT BUT 50,000 MEN
MEMBERSHIP DRIVE STARTS APRIL 8—OFFICIALS, C**

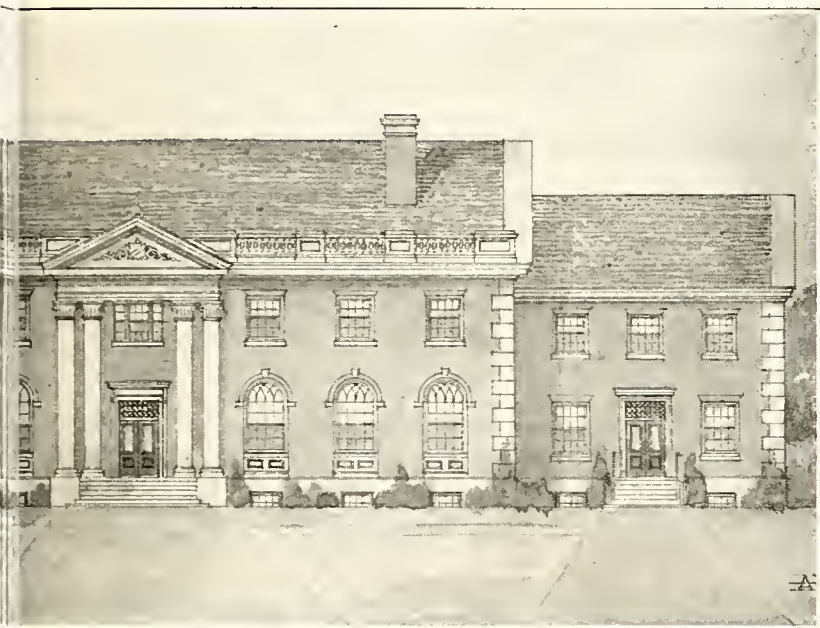
Proposed New Home and Governmental Laboratory

The Institute of Government

(including the two wings to be added later)

North Carolina's building supply dealers have taken the lead and agreed to furnish the materials to erect a governmental laboratory for this State, provided the public officials and private citizens show their faith in their own program by joining together in sufficient numbers, contributing amounts of their own choosing from \$1 a year up, to guarantee the continuation of the program.

The membership drive will open April 8. Teachers and students of government in high schools throughout the State have joined with the officials and citizens in this drive, and for every dollar that comes out of a community the local schools will receive a dollar's worth of supplementary materials to bridge the gap between government as it is taught and government as it is practiced. Free library materials and a thousand dollars in prizes also are being offered to the schools securing the greatest percentage of memberships.



ing to carry on this program and to make this building possible. The fate of this movement is now in their hands.

THE PRESIDENT SAYS—

Franklin D. Roosevelt: "The Institute of Government has and will render fine service to its State and Nation. It is my hope that states with no comparable agency will recognize and follow North Carolina's lead."

In Union There is Strength

This is a vast cooperative enterprise. As vast as government of the people but no vaster. With as good a chance of success and no better. No one group of officials, no one group of citizens, no one group of teachers and students alone can carry out this program. No one city, no one county nor the state alone can do it. But all together can.

There are problems on which separate groups may best work separately. There are problems on which separate groups may best work together. There are problems on which all groups must work together if they work at all. It is on these common problems and on this common ground that all groups are joining together in building The Institute of Government.

Officials, Citizens, and Youth Each Have a Stake

Every dollar going out of every community into this program will be multiplied by dollars from every other community. Together they will make it possible for the results of the Institute's comparative studies to be: (1) Set forth in guide books for officials, discussion programs for citizens, and supplementary texts for students; (2) Demonstrated in central governmental laboratory offices; (3) Taught in schools of officials, institutes for citizens, and seminars for teachers of government; and (4) Kept up to date through the monthly magazine, POPULAR GOVERNMENT, which serves as a clearing house of information for officials, citizens, and students alike.

Cutting Down Lost Time, Motion and Money

By transmitting the experience of outgoing officers to incoming officers, enabling them to pick up the threads of public affairs nearer where their predecessors left off than where they began, we can cut down the lost time, lost motion and lost money involved in a rotating governmental personnel.

By coordinating the efforts of officials working on the same problems, for the same people in the same territory we can eliminate needless con-

fusion, friction, duplication, and attendant governmental waste.

By bringing together the diverse methods and practices of governmental units in demonstrable form in a central laboratory we will lay the foundation on which we can work toward a uniformity of governmental standards by lifting the poorest practices to the level of the best.

By putting the people in touch with their government and keeping them in touch with it, we can substitute foresight for hindsight in governmental affairs, cut down the losses occurring when citizens in reviving spasms of interest in their government rush to

Some of the Institute's Present Services

Guidebooks for Officials
 Discussion Programs for Citizens
 Supplementary Texts for Students
 Schools of Officials
 Institutes for Teachers
 Legislative Bulletins
 Clearing House of Information between State and Local Units
 Demonstration Offices
 and the monthly Magazine
POPULAR GOVERNMENT

**...LINA BECOME THE FIRST STATE TO HAVE ITS OWN GOVERNMENTAL LABORATORY—
 ...ND WOMEN CAN—ARE OUR OFFICIALS AND CITIZENS WILLING TO TAKE THE LEAD?
 ...ZENS AND YOUTH ALIKE TO BENEFIT—SEND IN YOUR MEMBERSHIP TODAY!**

lock the stable door and find the horse is gone.

By bridging the gap between government as it is taught in the schools and government as it is practiced in the city halls, county courthouses and state departments of the commonwealth, we can send out from the high schools and colleges of the state each year eighteen to twenty thousand students with some practical conception of the governmental problems with which they will have to grapple.

Through these processes we will be training in our own ranks a staff of men equipped with knowledge and experience to render to the cities, the counties and the state of North Carolina governmental services beyond the capacity and below the cost of governmental experts from afar.

More Than Money is at Stake

More than money is at stake. With bolshevism sweeping through Russia into southern Europe, with Fascism sweeping through Italy into northern Europe, with Nazism sweeping through Germany into neighboring territories, with English institutions battling the rising tide of social-

ism, with the repercussions of all these movements breaking on American shores, we are called upon to re-examine the foundations and the superstructure of American governmental institutions, to look to the rock whence we were hewn and build upon it.

Our governmental institutions are not in danger from the movements across the seas. They will stand or fall not on account of what goes on over there but on account of what goes on over here. They weaken with inefficiencies, embezzlements and wastes, with the consequent shortages in public funds for which the people pay in mounting tax rates in the years to come, with the listlessness, lethargy, and indifference of the people to public affairs. In conditions like these our governmental institutions fall in public esteem, popular confidence in popular government is undermined, and the way is paved for the dictator and the demagogue. Not in Stalin, Mussolini, or Hitler but in ourselves our danger lies.

Are we willing to fight as hard to preserve and develop our governmental institutions as our fathers fought to build them?

In the words of Aycock at the turn of the century, "We must not repudiate but develop—we must seek out and appreciate our own distinctive traits, our own traditions, our own deep rooted tendencies, and read our destiny in their interpretation."

In the spirit of this tradition, city, county, state, and federal officials working on the same problems for the same people in overlapping governmental units are coming together in the practice of concerted action: citizens in different organizations with overlapping functions in the same communities are coming together to coordinate their governmental interests on a statewide scale; teachers and the youth of North Carolina are making a united and systematic effort to bridge the gap between government as it is taught in the schools and as it is practiced in the forums of the people; all the institutions of all the people are being focused upon the governmental problems of all the people. Out of our own sweat and toil we can together build a unique and distinctive governmental movement—the gift of North Carolina, her governmental institutions and her people, to America and the world.

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By the Purchasing Agents and Auditors
of North Carolina

Tax Advertising—the Other Side

The tax collector for Wake County, Sheriff N. F. Turner, represents the opposite school of thought, in the matter of tax advertising, to that held by the official about whom POPULAR GOVERNMENT carried an item on this page last month.

Mr. Turner's view is that delinquent tax advertising should be run in the newspaper with the largest and best coverage and the greatest prestige. The publication of the taxpayer's delinquency is one of the tax collector's most effective aids, says the Wake official, but it loses its effectiveness if the citizen knows the notice will not appear in an established and widely-read paper. Mr. Turner would not, therefore, sacrifice delinquent tax advertising in the leading paper for considerations of effecting economy, providing more funds for display advertising, or anything else. After all, the primary purpose, he points out, is to collect the greatest possible percentage of the taxes levied, and in his view it is economy to run delinquent notices in the newspaper with the greatest circulation, even if the rate is slightly higher, because of the increased effectiveness.

Mr. Turner also raises a point as to whether the government fulfills its duty to the citizen if its compliance with the technical requirements of the Statute as to publication is only perfunctory. He cites particularly the case of the citizen who honestly forgets to pay his taxes and who does not see the notice if run in a paper with a meager circulation.

Mimeographing Court Calendars

A number of counties are beginning to utilize the mimeograph machine for the reproduction of court calendars. One of the recent converts is Mecklenburg. County Auditor George D. Bradshaw estimates that the calendars can be mimeographed for between six and seven dollars each. The cost under the former system of reproduction was \$19.50. The saving on 30 calendars is enough to pay for the machine, which is also available for the duplication of a wide variety of forms, notices, cards, etc., in one year.

The use of the mimeograph is said by the officials in the cities and counties which have adopted it to operate in two ways. First, it effects substantial savings in the duplication of material that is suited to its use. Secondly, it permits the city or county more money to spend for forms and documents which by their nature must be reproduced by more expensive processes. The second consideration doubtless is fully as important as the first. The officials in many cities and counties say it has been hard to meet their needs for notices, forms, and other documents with the limited appropriations for these purposes when all of the work had to be done outside.

Newsom Says "Buy at Home"

D. W. Newsom in Durham County is a great exponent of the "Buy at Home where Possible" doctrine. It is not only sound economics to keep the business and money at home where the county collects its taxes, he says, but it also builds up a spirit of coöperation among the people who support the government that is one of its greatest assets.

"Simplify your requirements to a minimum and stick to standard brands." is the by-word of George C. Eichhorn. The Greensboro purchasing agent is particularly down on disinfectants and janitors' supplies with fancy names and smells, and high pressure salesmen with miracle cleaners and disinfectants find the Gate City hall poor pickings indeed.

Incidentally the city hall in Greensboro is one of the cleanest and neatest in the State. And it is kept that way with a few simple, standard products, as soap, abrasive cleaner, wax, and bichloride tablets (for disinfectants), plus a lot of "elbow grease."

Mr. Eichhorn has even dispensed with the use of a sweeping compound. In its place he substitutes dampened sawdust, which is to be had free for the hauling. The latter serves the same purpose and is preferable in some respects to a compound because it is not greasy. Mr. Newsom also uses cedar sawdust in lieu of sweeping compounds.

FIRE HOSE TRUST?

The fight over abuses in prices on governmental purchases under the NRA came to a head recently when the United States Conference of Mayors, charging collusion on the part of the Fire Hose Manufacturers, asked the Federal Government, through the National Emergency Council, to break up the trust and restore competition in that industry.

The action followed a protest to Donald Richberg by Mayor LaGuardia of New York City, who said that fire hose manufacturers have for eight consecutive times submitted identical bids to New York City. The City of Milwaukee, which recently had a similar experience, also has filed a complaint with the Federal Trade Commission.

In each case the fire hose manufacturers were quoted as saying that the bids would be the same, that they were bound by the Code prices, and that any deviations would entail the forfeiture of their NRA eagles.

The cities rely on the President's Order No. 6767, which permits a reduction of from one to 15 per cent below filed prices on sales to governmental units. In their view, the companies can bid as they wish, from one to 15 per cent below the code price, and there is no reason why the price should be the same the country over, regardless of the size of the order and distance for transportation.

The present price of fire hose, which has always been regarded as high, is 84 cents (2½" hose) as compared with 49.56 cents in 1931.

"This situation is not dictated by any NRA Code," according to a bulletin from the office of Jos. Nicholson, Consulting Manager of the Consumers' Advisory Board. "It can only be attributed to a secret trade agreement which flouts the laws of the land."

The Mayors have said that they will carry the situation, if necessary, to the President, the Federal Trade Commission, and the Senate. They also have threatened, if this fails, to establish a coöperative, municipally owned fire hose manufacturing plant.

EDITOR'S NOTE: The Institute is continuing its study of the effect of Code prices on governmental purchases. Watch this page for further information.



April 1 rolls around, bringing another tax-listing date and another prolonged headache for the tax official. His duty as set forth in the Constitution is plain and simple. All property, that document says, shall be valued at its "true value in money." The job it leaves to the official is well nigh impossible. Especially when many taxpayers feel that they have an inalienable right to get their property valued lower than their neighbors. In the accompanying article the writer discusses some of the tax official's problems and his never-ending quest for yardsticks of valuation.

A typical April 1 scene. Tax-listing begins in Guilford County. A. C. Hudson (standing), the supervisor, has done some of the State's finest work in listing and assessing personal property.

The Search for Tax Yardsticks

By HENRY BRANDIS, JR.

ANNUALLY, during the months of April and May, the great majority of North Carolina's thousands of property-owning citizens turn their steps to the County courthouse or to some town hall or crossroads store. There they spend a more or less distasteful few moments with the tax list taker, making a sworn statement as to their property, real and personal, and its value, in order that taxes may be levied upon it, in accordance with its value, by counties and cities and special districts.

This annual taking of inventory of our taxable wealth is the very cornerstone of our system of local government. It is the first step in obtaining the tax revenues without which such government could not exist. It is also the source of many a personal feud, the bone of contention in many a bitter local political fight, and the primary reason for an involuntary return to private life by many a local official.

Charges of inefficiency and favoritism on the part of local tax officials can be heard by any one who interrogates as many as 25 people, in any county in the State, concerning their opinion of the local tax system. Many of these charges will be found, upon investigation, to be essentially without foundation. And it must be admitted that local tax officials do have their problems.

The Impossible Task of the Official

To attempt to arrive at an exactly fair value for every conceivable type of property which a citizen of North Carolina may own is the duty which our State Constitution places on these officials. It is, of course, an impossible task—a goal

toward which an official may work but which he can never attain. His difficulties are certainly not minimized by the fact that the overwhelming majority of our taxpayers are somewhat on the conservative side when it comes to estimating the value of their possessions for the benefit of the list taker. Their estimates are such, in fact, as to make it appear that they must indeed have been foolish to pay as much as they did for the property when they bought it.

Of course, there is more than an inherent distaste for taxes behind this attitude. Many taxpayers feel that they should not value their property at any higher value than their neighbor is allowed to place on his. Some are disgruntled because they know that their neighbor, and particularly their rich neighbor, has taxable property which he has not listed at all and which the tax officials will not discover.

The business of pacifying the taxpayers who list their property by ferreting out the property of those who will not list has no place in this article. It will be discussed in a separate article. Suffice it to say here that in some of our counties it has highly developed by extremely capable officials.

The way to minimize the suspicions of taxpayers that they are being discriminated against is, of course, to see that all property of the same kind listed in a county is valued by the same yardstick. This isn't as easy as it sounds. It is certain that to find a yardstick by which all real property may be valued is extremely difficult. However, we pass that over, as real property is not revalued oftener than once each four years; and this is not a revaluation year. That subject also will be considered in later articles.

Finding a Yardstick No Easy Job

It is equally certain that to find a yardstick for personal property—or even one specific type of personal property—is no easy job. And do not forget that the conscientious tax official is faced with a bewildering variety of personal property—mortgages and livestock, automobiles and watches, fish nets and radios, wearing apparel and furniture, frigid-

aires and sewing machines—in short, every conceivable thing of value which is not permanently attached to the land.

Our Constitution disposes of the problem with the brief, precise statement by saying that all property shall be valued at its "true value in money." This solution is both neat and complete; but unfortunately it has never meant anything and means less now that there is some controversy about the true value of money.

The tax official must, therefore, look elsewhere than in the Constitution for the necessary tools of his trade—yardsticks which will be fair, which will be uniform and, above all, which will work. We cannot, of course, touch upon all those which have been tried, but we can mention here a typical few which are being used.

The easiest type of property for which to find a yardstick is property the original cost of which is known and for which there is a generally recognized schedule of depreciation. Prime example of this type of property is the automobile. In many of our counties now list takers are furnished with the so-called "Red Book," from which they can ascertain the trade-in value of every make and model of standard car and value it accordingly. The system is subject to universal application, except in a few instances where cars have been in wrecks. Tax Supervisors who are using the system tell me that they much prefer it to the systems they formerly used. Systems formerly in use consisted of letting the list taker and car owners agree on the value, or of some home-made schedule of depreciation which often broke down because of the unfamiliarity of a list taker with cost prices of some older model cars.

Another type of property for which a fairly serviceable yardstick may be found without undue trouble comprises the group of basic commodities of which cotton is a prime example. The spot price of various grades of cotton is subject to exact determination. I have found in most places in which I have inquired about the matter that such commodities are not ordinarily valued at full market price. Nevertheless, in most counties the Tax Supervisor and his list takers work out a schedule of values, in relation to it somewhat under the market price, and thus uniformity is attained to a great degree.

Stocks of Merchandise Give Difficulty

A more difficult type of property for which to select a yardstick is property which once had a definite cost price (if you can find out what it was), but for which there is no universally accepted schedule of depreciation. Consider, for instance, the stocks of merchandise carried by your local stores. Without complete coöperation from the taxpayer it is difficult for the tax officials to tell exactly either what goods the store has on hand or how much they cost. An actual inventory may not have been taken for several months. In these cases, many counties simply accept any estimate of value made by the store owner which sounds at all reasonable. A few Supervisors require submission, with the tax list, of statements of assets and liabilities and statements of purchases and sales since the last actual inventory. From these they ascertain the cost value of the merchandise. But even then the problem is not solved. The luckless tax officials must still determine how much depreciation he will allow for obsolescence. In only a few instances is the percentage of depreciation allowed reasonably uniform for all stores in the same business serving the same kind of customers. In at least one of these instances

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the percentages are agreed upon by the supervisor and a committee of merchants. In other instances they are fixed by the Supervisor.

Consider now some types of property for which, for many years, nothing which approached a yardstick was found. I refer to the conglomerate group of types on the total value of which the taxpayer is allowed an exemption of \$300—wearing apparel, household and kitchen furniture, the mechanical and agricultural instruments of farmers and mechanics, libraries and scientific instruments and provisions.

Some progress had been made in the uniform valuation of furniture and of farm machinery. By and large, however, in most counties, the taxpayer has been (and still is) allowed to place his own valuation on so much of this property as he may own. And any tax official will tell you that his estimate is likely to fall below \$300. Several years ago the officials of one county hit upon a yardstick which they believe has proved serviceable in some of these cases. After an investigation of several hundred homes in the county, they found that the value of all such property owned by taxpayers owning homes in the county ranged from 15 per cent to 30 per cent of the tax values of the homes. In town, "home" for this purpose means a house and lot. In the country it means the house and one acre of land. The tax officials announced that they would require all home owners to list this property at a minimum of 15 per cent of the tax value of the home, less the \$300 exemption. Any taxpayer feeling aggrieved by this procedure may demand an appraisal, and the county, at its own expense, will have the taxpayer's property of this type appraised by experts. The property is then put on the tax book at the appraisal figure, regardless of whether it is more or less than 15 per cent of the value

of the home. Demands for appraisals have been negligible; and the officials believe that such property is now assessed far more equitably than it ever was before. The idea is being transplanted in other counties.

We have yet to find a yardstick for the valuation of such property owned by persons who do not own their homes. Likewise unfound are adequate yardsticks for many another type of personal property for the discussion of which space is lacking here.

Even with respect to property for which he has a yardstick your Tax Supervisor is dependent upon the coöperation of his list takers, his County Commissioners and his taxpayers before he can make it effective. With respect to other types of property he is even more dependent upon their coöperation.

My point, in short, is this: Competent tax officials can often devise methods for making personal property assessments more uniform and equitable. Neither the tax officials nor the County Commissioners will put those methods into effective operation unless the majority of the taxpayers approve them. If the majority of taxpayers disapprove them because they interfere with each taxpayer's inalienable right to try to get his property valued lower than his neighbor's, then there is little chance to minimize inequalities in assessments growing out of political favoritism.

Inequalities in assessments can breed as much discontent when they arise from deliberate concealments or misstatements as when they arise from political pull. There is always room for improvement on both sides of the fence.

NORTH CAROLINA SCHOOLS AND THE DEPRESSION

(Continued from page seven)

prevent further herding of children in these rooms.

(3) To provide \$54,000 for the enforcement of the compulsory attendance laws.

(4) To provide \$175,000 for the establishment of an AA certificate for those teachers who, through long experience, and post-graduate study, had fitted themselves for a career of teaching and had demonstrated their right to be classed as superior teachers.

(5) To add \$71,000 to the budget for instructional supplies so that the teachers would have the tools with which to do an efficient piece of work in the classrooms.

(6) To increase the appropriation for transportation of children to \$2,000,000 so that additional new busses could be purchased and the transportation of school children made educationally sound and physically safe. This would contemplate retiring a bus at the end of eight year's service.

(7) An increase of a quarter million dollars for the operation of the school plant in order to provide sufficient light, power and heat for the schools of the state.

(8) To set up \$54,000 in the school budget for conducting health clinics in the schools of the state in order to provide hundreds of children with badly needed medical attention for teeth, eyes, tonsils, and adenoids, thereby eliminating physical handicaps which not only affect the lives of children but also make it impossible for such children to do a normal year's work in a year's time.

(9) To increase the appropriation for janitors and janitorial supplies to a point where it would be possible to keep the buildings in a sanitary condition.

(10) To appropriate \$54,000 for the replacement of worn library books and put the school libraries in condition to better serve the needs of the children.

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NORTH CAROLINA PROFITS BY PWA

(Continued from page nine)

State Sanatorium for the purpose of installing a new fire protection sprinkler system.

All of this money is being spent for permanent, useful, and necessary works. It is said to be one of the most complete programs of any Southern State and well in keeping with North Carolina's status as the largest Southeastern State in point of population and one of the most progressive in point of civic enterprise.

It is regrettable that the financial condition of the various political units and the involved legal procedure necessary to clear the way for the spending of funds has prevented a larger expenditure of money. Certain remedial measures are now before the State Legislature. Helpful bills have been proposed whereby much time can be saved in conforming to the requirements of the PWA. This enabling legislation, of course, does in no way abrogate the protective laws now in effect in the State, but it does supply the means whereby a short cut can be made to PWA funds only.

Of necessity, the handling of all of these projects from the inception to the completion involves a very great amount of supervisory work, examinations, and correspondence. The State Engineer's staff, including himself, a legal adviser, two engineers, and five clerical workers, a total of nine, have handled the entire job at a salary cost of less than \$25,000 per year, or about one-third of one per cent of the total value of work now under construction. Every effort has been made to render efficient and courteous service. Few complaints have been received from the various borrowers, in spite of the fact that many difficult forms have been required before actual money can be deposited in the banks. Nevertheless, it can easily be seen that all precautions must be taken to protect not only the Government but the borrowers and the contractors and laborers involved in the work. The Government itself has provided a very competent inspection service to insure that the borrowers have obtained value received for money expended, and this service has been rendered without direct cost to the borrower.

It is expected that the new \$4,880,000,000 appropriation of the Federal Government will provide for the reopening of applications and the extension of this program of useful and permanent public works.

DEAN POUND

(Continued from page three)

tion, in making through organized effort for consciousness on the part of officials from top to bottom of the administrative scale that they are coworkers towards the ends of government, and as such need to understand what each is doing and why and how in order that through that understanding the task of each may be better achieved.

What seems to me particularly significant in the North Carolina movement is that it is a voluntary movement. In this respect it is in line with a general movement of the time. On every side, trade, professional and civic associations are organizing men's efforts toward a better and more effective general social control. Recently the Federal government has been able to use this spirit of voluntary association with conspicuous effect. To rely on the en-

lightened free action of officials rather than a system of command from above in a centralized administrative system, is in accord with the characteristic polity of English-speaking people. It is in accord with the spirit in which our political institutions were conceived. It is evolutionary, not revolutionary, and does not involve the institutional waste which too often accompanies significant changes in government.

Everyone interested in American government must rejoice that the North Carolina Institute of Government is about to be suitably housed and provided with a governmental laboratory from which we may be sure great results will flow.

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STRUCTURE OF MUNICIPAL GOVERNMENT

(Continued from page eleven)

(d) Removal of Employees

Under "A" and "B" the heads of departments and employees of the city may be removed by the Mayor with the approval of a majority of the Council. Under "C" such department heads and employees may be removed by the Commissioners. Under "D" such department heads and employees may be removed by the City Manager, who must report the removal at the next meeting of the Council.

(e) Initiative, Referendum and Recall

Under "C" provision is made for popular initiation of legislation, the submission of measures to popular referendum, and the subjection of officials to recall from office by popular vote. The Act provides that initiative, referendum and recall may be incorporated in either "A" or "D", but no reference is made to initiative, referendum or recall in connection with Plan "B".

We may observe in closing that the four plans are designed to fit at least three distinct types of situations:

1. Plan "A" provides the orthodox mayor-council government in which the Mayor acts as executive, and the Council discharges the legislative and administrative functions. This form is in general use by the smaller towns and cities. Plan "B" is a departure from "A" to the extent that the various wards have specific representation on the Council.

2. Plan "C" is designed to provide specialized municipal administrators and to allow the executive-administrative duties to be divided among three full-time Commissioners who jointly continue to exercise the legislative functions. Since this form involves the payment of three full-time salaries, it is generally found only in the larger towns and cities.

3. Plan "D" offers an alternative for Plan "C", providing for a single, full-time, administrative official answerable to the Council as the legislative and policy-determining body of the city. Since this plan requires the employment of a Manager in addition to the Mayor and Council, it is usually found only in the larger towns and cities.

WHICH STRAW BREAKS A CAMEL'S BACK?

(Continued from page five)

arranged maturity schedules by the counties and their subdivisions is not known, but it is safe to say that a great portion of defaults are primarily due to that cause. Therefore, there is little doubt but that many of our default situations would not have arisen if complete cooperation had prevailed between the officials of the counties and their subdivisions when our debts were created. When two or more overlapping units have large maturities at the same time there results an undue burden on Messrs. Taxpayers living within the overlapping units. Tax delinquencies thus arise that could have been avoided had all the officials concerned properly arranged their maturity schedules with respect to each other so that, as near as practicable, the tax burden would remain constant. However, with such complete cooperation, the basis of debt limitation would be immaterial. Add to such cooperation a dash of "horse sense" and there ceases to be any need for a debt limitation of any description.

Bulletin Service

Opinions and rulings in this issue are from Department letters
from February 15th to March 15th

— ★ —

Prepared by
MALCOLM B. SEAWELL

Key to Abbreviations

(A.G.) Attorney General.
(D.Ed.) Department of Education.

I. Ad valorem taxes.

A. Matters relating to tax listing and assessing.

S. Exemptions—community house.

To Evelyn H. Pleasants: Inquiry, "Is property, leased by a Community House Corporation—organized to promote and cultivate religious, charitable, educational, moral and social life of a town—from a private individual who, as lessor, contracted that he should be relieved of taxes, free from taxation during the period of such lease?"

(A.G.) Real property exemptions are covered in Section 304, Chapter 204, Public Laws of 1933. From very careful examination of this section, we are of the opinion that, unless your association actually owns the land or the buildings thereon, such property does not come within the meaning of the exemptions contained in this section of the Machinery Act and should not be relieved of ad valorem taxation.

71. Solvent credits—taxability of postal savings.

To M. O. Wyrick: (A.G.) This Department has consistently held that postal savings are subject to listing and ad valorem taxation by cities and counties. They do not constitute that kind of obligation of the United States Government which is exempt from taxation. The certificate received is merely analogous to a certificate of deposit. In fact, the current Machinery Act, Chapter 204, Public Laws of 1933, expressly requires the listing of postal savings. (See Section 305, subsection (6).)

77. Solvent credits—mortgage when no record of payment.

To H. Armfield: Inquiry, "Would a tax lister be justified in listing to a taxpayer a solvent credit in the form of a mortgage indebtedness appearing upon the record in the office of Register of Deeds when the taxpayer claims that it has been paid?"

(A.G.) As to whether or not the solvent credit still exists in the hands of the taxpayer is a question of fact. He is subject to indictment if he does not list his per-

sonal property. I see no reason why you should take for granted because the mortgage is not cancelled on the record it is unpaid. If the taxpayer is telling the truth about it, you, of course, have no right to list it and put him and the county to expense. The taxing authorities have no control whatever either of registration or cancellation in the office of the Register of Deeds.

B. Matters affecting tax collection.

13. Penalties and interest—property in hands of receiver.

To Zeb Vance Norman: (A.G.) Penalties on delinquent taxes, accruing during Federal receiverships, have not been considered by the Federal Courts of this circuit collectible. This Department has advised a number of counties that because of that fact, and because of the fact that the forum in which this matter must be settled is necessarily such Federal Court, a situation is presented which would render it proper for the counties to receive the taxes without the penalties. We have not gone into this matter as it affects the State courts, where no doubt, a different rule would apply. This ruling, however, is purely advisory.

31. Tax foreclosure—procedural aspects.

To Junius D. Grimes: (A.G.) The provisions of the Tax Foreclosure Act of 1927, and amendments thereto, apparently are mandatory and leave no discretion with the commissioners of the county as to the institution of suits. I am strongly of opinion that embarrassment might result from a failure to institute suit even when common sense would indicate that it ought not to be done on account of the probability that no adequate returns could be gotten. Probably some personal liability might result on the part of the commissioners and officers charged with the duty of bringing these cases. An act of the Legislature, giving some discretion to the commissioners in such cases, is very desirable.

61. Tax collection—attachment of rents.

To J. S. Dockery: Inquiry, "May rents due to companies who owe back taxes be attached for such taxes?"

(A.G.) It is my opinion that you might properly proceed under the provisions of Section 8005 or Section 8004 of the Consolidated Statutes. It would seem that

Section 8004 permits the attachment, not only of a debt then due, but also of any sum which might become due before the expiration of a calendar year.

C. Levy of special taxes.

13. Tax levy for support of unemployable.

To B. Lee Fentress: Inquiry, "May a county levy a tax to take care of the unemployable turned back on the county by the FERA?"

(A.G.) It is my opinion that it will be necessary for you to procure the passage of an act by the General Assembly authorizing your county commissioners to levy this special tax. Such an act may be passed by authority of Section 6, Article V, of the Constitution of North Carolina.

III. County and city license or privilege taxes.

A. Levy of such taxes.

10. City automobile licenses.

J. L. Womack: (A.G.) Chapter 375, Public Laws 1933, Section 30, subsection (d) has been considered as fixing the limit of taxation by a town upon the motor vehicles of all kinds "resident therein." This fixes such license tax at \$1.00. This Department has repeatedly so held.

48. License tax on slot machines—refund.

To H. Harrison: Inquiry, "Where license tax has been collected on a slot machine, is it now necessary to refund such tax for the balance of the year?"

(A.G.) You are not required to refund balance of license taxes for the remainder of the year.

63. License tax on dealers in auto accessories—Rev. Act, 153.

To R. J. Lamb: (A.G.) This Department has ruled that Section 153, subsection 3, relating to itinerant dealers in automotive equipment, so long as they confine their sales to retail dealers, provides the only method by which such a business may be taxed, and therefore, as subsection (c) taxes only the place of business located therein, it is not subject to tax under that subsection. The Department has also held that because the business referred to is specially mentioned in Section 153, subsection 3, the peddlers license section—121—does not apply.

IV. Public schools.

A. Mechanics of handling school funds.

5. Forestry fund—use of.

To Grover C. Bush: Inquiry, "It is lawful to use money of Forestry Fund, turned over by county commissioners, to pay insurance on buildings and to buy picture frames?"

(D.Ed.) Your question is covered by Section 16 of the School Machinery Act of 1933, which reads in part as follows: "The objects of expenditures designated as Maintenance of Plant and Fixed Charges shall be supplied from funds required by to be placed to the credit of the Public School Fund of the county and

derived from fines, forfeitures and penalties, dog taxes, poll taxes and from all other sources except State funds."

I interpret this to mean that your forestry fund can be used for any purpose under fixed charges or maintenance of plant if approved by the County Board of Education and the Board of Commissioners as provided by law, together with the approval of the State School Commission of the budget submitted by you.

C. Powers and duties of city administrative units.

31. Use of funds—back taxes.

Inquiry: May back taxes be used for purposes of providing transportation for school children?

(A.G.) In regard to the use of back taxes for purposes of transportation, please be advised that Section 5780(7), Consolidated Statutes, makes mandatory the turning over of all such back taxes to the debt service fund of a special bond tax unit and, in the event there is no debt service requirement for the district, then to the debt service fund of the county.

The only exception to this provision is that "unpaid teachers' vouchers for the year in which the tax was levied shall be a prior lien." Manifestly, the use to which you seek to put these funds does not fall within the exception.

F. School officials.

6. Liability of county board for tort.

To B. P. Gentry: (A.G.) The Board of Education is an agency of the Government and is not liable in tort for injuries sustained through negligence of a school bus driver. However, there might be a

personal liability upon the members of the Board of Education for gross negligence, amounting to bad faith in connection with the selection of a driver of the bus. This, however, has nothing to do with the liability of the Board of Education itself.

24. Liability of school board for tort—running lunch room.

To Guy B. Phillips: (A.G.) It is my opinion that in operating a cafeteria or lunch room in connection with the public schools your Board of Education is engaging in a private enterprise and that the individual members thereof will be liable for any damage resulting from the negligent operation thereof. The maintenance of such a service, while undoubtedly a commendable one from the standpoint of convenience to the students, is not a necessary administrative function, such as that of transportation.

45. Principals—final reports.

To R. G. Anders: (D.Ed.) The Principal's final report blanks for the current year will be the same as those used last year, as long as the present supply lasts. When these blanks are used up we shall print a new supply omitting that information pertaining to children of compulsory attendance age. This part of the present report should be disregarded by the principals.

46. Principals—obtaining diplomas.

To J. S. Edwards: Inquiry, "Does the State Department have a plan for buying school diplomas?"

(D.Ed.) The Division of Purchase and Contract entered into a contract with the E. A. Wright Company, Philadelphia, Pa.,

for furnishing diplomas to the public high schools of this State from February 15th to June 30th. I suggest that you write to Mr. W. H. Pittman requesting a copy of Contract No. 747 which covers the item "high school diplomas."

52. School employees—workmen's compensation.

To R. S. Proctor: Inquiry, "Do janitors come under workmen's compensation?"

(D.Ed.) Section 24 of the School Machinery Act of 1933 reads in part as follows: The provisions of the Workmen's Compensation Act shall be applicable to all school bus drivers, mechanics and janitors."

V. Matters affecting county and city finances.

P. Securing local funds.

6. Effect of Chapter 60, Section 32, Public Laws 1931.

To Junius D. Grimes: (A.G.) In my opinion, the above act as amended by Chapter 143, Public Laws of 1933, relates not only to sinking fund assets but also to general fund deposits. The pertinent portion of the section reads as follows: "It shall be the duty of each officer having charge or custody of funds for a unit, of whatever kind or nature or for whatever purpose the same has been raised or shall be held, to keep them safely and to deposit the same in the designated depository or depositories in the manner provided for in this act."

U. Liability insurance.

10. C. H. Whitlock: (A.G.) I am of the opinion that property loss insurance taken by a municipality is very proper, while, of course the necessity of such insurance is one which must be settled by the common sense and business discretion of the members of the Board. A different principle, however, is presented in liability insurance. Such insurance on the part of the State and its departments and institutions, and on the part of the counties, is entirely unnecessary for their protection as there is no liability in case of negligent injury through one of their employees operating a motor vehicle. However, as to a municipality which exercises functions which are in some instances governmental and in others proprietary, I think it would right largely depend on the use to which the motor vehicle was put as to whether or not a liability might be incurred by the town for injury to a person through negligent operation of the motor vehicle. In my judgment it would be wise to carry such insurance. While we have not arrived at that point yet, I predict that the great number of instances of personal injury and death caused by negligent operation of State, county and city owned motor vehicles, leaving the victim or the family without remedy, will awaken the conscience of the public and laws will be

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enacted requiring the carrying of such insurance.

VI. Miscellaneous matters affecting counties.

G. Support of the poor.

19. Pauper—settlement.

To B. L. Fentress: Inquiry, "Where a girl comes to the county from another state, her parents being dead, and remains therein for four years and has an illegitimate child, is the county liable for support of the mother and the child?"

(A.G.) C. S. 1342—provides in Section 1: Every person who has resided continuously in any county for one year shall be deemed legally settled in that county.

In *State v. McQuaig*, 63 N. C. 550, it was held that this statute did not apply to the question of settlement as between this state and another state, but to the question only of settlement as between the counties. It is stated by the Court: "Since our act did not contemplate the case of foreign paupers, the question of settlement is left as at common-law, and in a case like ours, is the place of birth."

Therefore, it seems clear to me that when the child of this girl, herself under twenty-one, is born, the child will plainly be a charge of the county.

As to the case of the mother, this cannot be so simply determined. Many jurisdictions hold that a person *sui juris* cannot acquire a settlement in his or her own right. (48 Corpus Juris 452, 453, Section 8, and cases cited.)

As these cases, however, depend very largely on the question of settlement of the child following settlement of the parents, and making an exception of cases of "emancipation," it seems clear to me that the reason of the thing having disappeared in the case you put, the law itself must be construed in view of that fact. I mean that in as much as it appears from your letter that this girl's parents were dead when she came to your county, no settlement which they may have had in another state would be effective as fixing hers, and that under the general law she might acquire a settlement in your county, notwithstanding her minority.

VII. Miscellaneous matters affecting cities.

J. What constitutes necessary expenses.

27. Donation to cemetery.

To Allan D. Ivie, Jr.: (A.G.) I am of the opinion that a town may make a donation of public funds to a cemetery organization contributing to the upkeep of a cemetery, outside of the corporate limits, customarily used for interment of citizens of the town, provided the funds are on hand, when such donation does not result in the creation of an obligation of the town requiring taxation.

Y. Street assessments.

55. County liability for street assessments.

To F. W. McGowan: Inquiry, "Is it legal for a town to charge paving assessments to a County Board of Education, the school property against which the assessment is made being the property of such Board?"

(A.G.) I am of the opinion that a town may properly make such charge. While this question has not been decided in North Carolina, our Court has held in *Tarboro v. Forbes*, 185 N. C. 59, that such an assessment does not fall within the intent and meaning of Article V, Section 5, of the Constitution. In this case the property involved was a town common.

In some jurisdictions, while legislative power to permit such levy of special assessments on county property is recognized, it is held that a statute granting the power to make local assessments will not be construed as extending to county property, unless such intent unmistakably appears. This would seem to be the interpretation in the courts of several states. In this connection it will be observed that Section 2710(4), Consolidated Statutes of N. C., provides among other things that "no lands in the municipality shall be exempt from local assessment."

The Court has not construed this section, but I am unable to find any reason why such charge cannot be made.

VIII. Matters affecting particular local officials.

A. County commissioners.

41. Purchasing powers.

To H. J. Rhodes: Inquiry, "May a county buy an erosion machine for the purpose of leasing it out to farmers to prevent waste of their lands?"

(A.G.) It is the general opinion, and in this I concur, that the county commissioners have no power to purchase such equipment and sell or rent it to farmers under any existing law. The power granted under C. S. 1297, subsection 40, would not, in my opinion, be applicable.

B. Clerks of the Superior Court.

21. Docketing appeals—process tax.

To A. Leonidas Hux: (A.G.) It is my opinion that you are not required to docket an appeal in a civil suit from a J. P. court until the \$2.00 State tax shall have been advanced, except in those cases where the plaintiff or appellant has been authorized to sue or appeal in *forma pauperis*. (See Section 157, Chapter 445, Public Laws of 1933.) On the other hand, you would be required to docket an appeal in a criminal case in as much as this tax in criminal cases is not to be levied until the case is finally disposed of.

101. Unclaimed assets in hands of clerk.

To W. K. Newell: (A.G.) The amendment to the banking law—Chapter 546, Public Laws 1933—requires that the bank liquidator shall turn over to Clerks of the Superior Court unclaimed dividends, and that the Superior Court Clerks shall hold these for three months and then turn them over to the University. I gather

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from the decision of the Court In re Bank of Ayden, 206 N. C. 821, that this does not prevent the claiming of the dividend by the party to whom it belongs either in the hands of the Clerk or, indeed, in the hands of the University. The procedure by which this may be done is not laid down by the act. If any application is made to you for funds of this sort, it would be your duty to communicate with the representative of the University in this matter, Hon. Joseph B. Cheshire, Escheator, Raleigh, N. C.

C. Sheriffs.

35. Qualifications of deputy.

To J. A. Weaver: (A.G.) In my opinion, under the general law of this State, a deputy sheriff is not a public officer, and hence is eligible for appointment even though not a citizen of the State.

However, if by local legislation the office of deputy sheriff has been created in your county, it would then be necessary that appointees to such office be citizens of North Carolina.

D. Registers of Deeds.

30. Recording—documentary stamps.

To Leo L. Fisher: (A.G.) The absence of documentary stamps, required by the United States Government on deeds, does not render them ineligible for recording.

L. Local law enforcement officers.

30. Slot machines—new slot machine law.

To A. J. Maxwell: Inquiry, "Does the new slot machine law apply to pool tables which employ a slot for obtaining the balls with which the game is played?"

(A.G.) It is not my understanding that the 1935 Slot Machine Act was intended to apply to a device in which the coin slot is merely used as a convenience for collecting the price charged for playing a game of skill, and the operation of which at all times is confined to that purpose without any element of chance.

To Meggs Needyham: (A.G.) Possession of a revenue license affords no protection against violations of the slot machine law. Enforcement officers may proceed against violators without reference to such license.

To J. Frank Wooten: Inquiry, "What should be done with cases pending in criminal court for violation of the slot machine law as passed and ratified on the 20th of February, 1935?"

(A.G.) In view of the amendment which was recently passed, giving the owners until May the first to get these machines out of the State, we think that it would be entirely proper that such cases as are now pending in your court under the original act be not pressed. We do not say, however, that such amendment would preclude you from proceeding to trial in such cases.

To Lon J. Moore: Inquiry, "Do marble or pin boards, without any paying off device, used solely for amusement, come

within the prohibitions of the Slot Machine Law?"

(A.G.) It is my opinion that "marble or pin boards" fall within the prohibited class.

43. Public drunkenness.

To John A. Mayo: Inquiry, "Where a person is a passenger in a car and is drunk—can he be convicted for public drunkenness?"

(A.G.) As to whether or not a conviction can be had under Section 4457(a), of the Consolidated Statutes, it is my opinion that, upon sufficient evidence it would be sustained. As to whether or not a conviction would be proper would depend almost entirely upon the particular circumstances connected with the case at bar.

T. Justices of the Peace.

15. Qualifications.

To H. B. Johnson: (A.G.) We know of no provision in the law which would prohibit a woman's holding the office of Justice of the Peace, provided she can qualify for such office as by law provided.

IX. Double office holding.

20. County Commissioner and Seed Loan Collector.

To F. S. Worthy: (A.G.) This is to advise that the offices of County Commissioner and Seed Loan Collector are not two offices within the meaning of the Constitution.

21. Justice of the Peace.

To P. V. Critcher: (A.G.) Under the provisions of Section 7, Article XIV, of the Constitution of North Carolina, the office of Justice of the Peace is excluded from the inhibition against double office holding. A Justice of the Peace may hold another office.

22. Member of Sinking Fund Committee.

To W. C. Ewing: (A.G.) We are of the opinion that the office of a member of the Board of Education and the office of a member of the County Sinking Fund Committee are two offices within the meaning of the Constitution which prohibits double office holding. Acceptance of one would mean vacating the other.

23. County accountant.

To Junius D. Grimes: (A.G.) This Department has in the past held that membership on the board of elections and county accountant are both offices within the constitutional meaning.

XI. General and special elections.

II. Municipal elections.

30. Residence of candidate.

To J. A. Baynes: Inquiry, "May a person who rooms and boards outside the limits of a town, but who runs a grocery business therein, become a candidate for a town office?"

(A.G.) We do not think so. The mere fact that he owns a business within the city limits would not qualify him as a citizen of the municipality.

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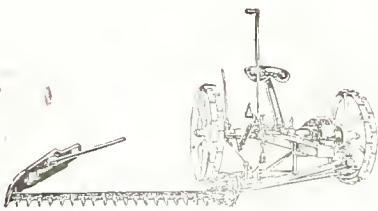
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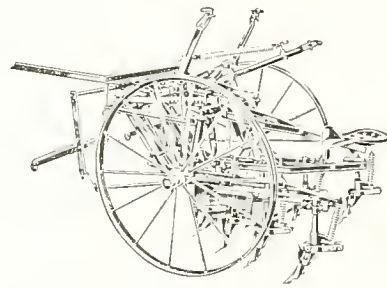
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