



IN THIS ISSUE



COURT HOUSE PLANNING
By F. R. Walker

ROBESON OFFICIALS ESTABLISH
ENVIABLE RECORD

NEW HANOVER WPA RECORD
PROJECT

PUBLIC ISSUES NUMBER

Featuring Official Statements of Platform by
the Four Gubernatorial Candidates
A. H. GRAHAM CLYDE R. HOEY
RALPH W. McDONALD
JNO. A. McRAE

STATE BAR NEWS AND VIEWS

THE PROPOSED HOMESTEAD AMEND-
MENT--By Henry Brandis, Jr.

NEWS AND RULINGS OF INTEREST TO
PUBLIC OFFICIALS AND LAWYERS



POPULAR GOVERNMENT

CONDENSED STATEMENT
First Citizens Bank and Trust Company

At the Close of Business, March 4, 1936

Smithfield	Beaufort	Dunn	Morehead City
Raleigh	Burgaw	Kinston	New Bern
Fayetteville	Clinton	Louisburg	Roseboro
Benson		Franklinton	Spring Hope

RESOURCES

Cash on Hand and Due from Banks		\$ 3,725,235.35
U. S. Government Bonds	\$ 1,099,250.00	
State Bonds	4,273,000.00	
Municipal Bonds	2,508,032.04	
Federal Land Bank Bonds and Other Marketable Securities	1,389,100.66	
Total Securities	\$ 9,269,382.70	
Less: Reserve	372,839.42	8,896,543.28
Accrued Interest on Bonds		77,568.54
Loans Secured by Marketable Collateral		675,644.92
Other Loans and Discounts		1,709,924.03
Banking Houses, Furniture and Fixtures	201,693.24	
Less: Reserve for Depreciation	15,801.17	185,892.07
Other Assets		53,588.66
		\$15,324,396.85

LIABILITIES

Capital Stock—Preferred	500,000.00	
Common	267,650.00	767,650.00
Surplus		267,650.00
Undivided Profits		79,021.53
Reserve for Accrued and Unearned Interest, Depreciation, etc.	124,190.14	
DEPOSITS		14,085,885.18
		\$15,324,396.85

Member Federal Deposit Insurance Corporation

READY AIDS

**To the Progressive Official and
the Interested, Enlightened
Voter**

Recent Publications of
The Institute of Government
Guidebook Series

THE LISTING AND ASSESSING OF PROPERTY FOR COUNTY AND CITY TAXES IN NORTH CAROLINA, *by Henry Brandis, Jr.*—168 pp.

THE COLLECTION AND FORECLOSURE OF COUNTY AND CITY TAXES IN NORTH CAROLINA, *by Henry Brandis, Jr.*—127 pp.

GUIDES TO HIGHWAY SAFETY, *by Harry W. McGalliard*—32 pp., illustrated.

THE 1936 CALENDAR OF LOCAL GOVERNMENTAL OFFICIALS.

Accounting Series
LOCAL GOVERNMENTAL DEBT PROBLEMS IN NORTH CAROLINA, *by T. N. Grice*—36 pp.

Legislative Series
GENERAL SUMMARY OF LEGISLATION OF 1935 ASSEMBLY.

SUMMARIES OF 1935 LAWS AFFECTING CHIEF PARTICULAR LOCAL OFFICIALS.

SUMMARIES OF 1935 LAWS AFFECTING PARTICULAR COUNTIES.

Directory Series
DIRECTORY OF STATE AND COUNTY OFFICIALS.

DIRECTORY OF N. C. CITY OFFICIALS.

Recent Monographs and Articles of Particular Interest

THE PROPOSED AMENDMENTS TO THE STATE CONSTITUTION.

STRETCHING THE STATE'S DOLLARS. THE GREAT BOND AGE.

THE GOVERNOR: HIS POWERS AND DUTIES.

STATE REVENUES AND EXPENDITURES: 1929-35.

COUNTY AND CITY REVENUES AND EXPENDITURES: 1929-35.

EASTERN COUNTIES LEARN THEIR ABC'S.

THE COUNTY TAX TREND

Membership Includes Subscription to

POPULAR GOVERNMENT Monthly

Official Publication of Public Officials and State Bar

Address Orders and Inquiries to

The
Institute
of
Government
Chapel Hill, N. C.



GENTLEMEN, be seated . . . in comfort . . . in HANES! Our rear-guards, in figuring out your figure, have protected you at the seat. They make sure HANES cloth is cut to fit. Sit, stand, stoop, or bend—nothing chokes or chafes! Take hold of a pair of HANES Shorts . . . poke your hands inside . . . then stretch them apart. Look at the room you've got in there for a couple of husky hips!

And remember this about HANES colors: Washing or boiling won't budge them. Our money says they're fast!

Every pair of HANES Shorts should be mated to a HANES Shirt. Light and cool with a lively elastic knit, they snap in snugly under your arms . . . lie calm and smooth across your chest . . . and tuck so far below your belt that they can't roll into a rope at your waist. See your HANES Dealer today. P. H. Hanes Knitting Co., Winston-Salem, N. C.

SHIRTS
35¢ EACH
Some, 50c ea.

SHORTS
35¢ EACH
Some, 50c ea.

SAMSONBAK (Sanforized)
Union-Suits . . . \$1 each
Others at 75c and up

FOR MEN
AND BOYS

•

FOR EVERY
SEASON

POPULAR GOVERNMENT

VOLUME 3
NUMBER 7

PUBLISHED MONTHLY BY THE INSTITUTE OF GOVERNMENT

APRIL
1936

The Next Occupant of the Governor's Mansion? *Take Your Choice*



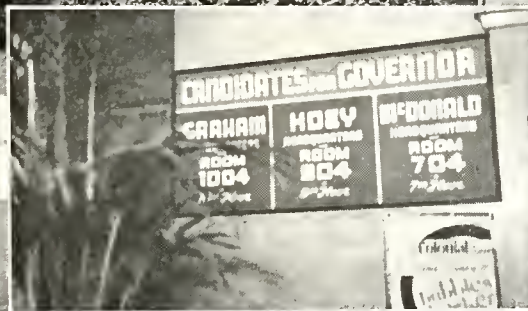
Ralph W. McDonald



W. A. McRae



Clyde R. Hoey



Sign-board Directing Visitors to Campaign Headquarters of Three of the Candidates in the St. Walter Hotel, Raleigh



A. H. (Sandy) Graham

POPULAR GOVERNMENT, the journal of The Institute of Government, is published monthly at Chapel Hill, N. C. Editorial, business and advertising address: Box 352, Chapel Hill, N. C. Subscriptions, per year: \$1.00. Single copies, 10 cents each. Advertising rates will be furnished on request. Editor, Albert Coates; Associate Editors, Henry Brandis, Jr., Dillard Gardner, T. N. Grice, M. R. Alexander, and H. W. McGalliard. Managing Editor and Business Manager, M. R. Alexander. Address all communications to Box 352, Chapel Hill, N. C. Entered as second-class matter at the Post Office at Chapel Hill, N. C. Copyright 1935 by The Institute of Government. All rights reserved.



A. H. (Sandy) Graham

A BUSINESS that has an annual turn-over of close to seventy million dollars demands the closest attention of its stockholders and directors. Such a business is the State government of North Carolina. Its stockholders are the citizens of the State. The directors are the members of the General Assembly. The executive officer is the Governor.

Unlike a commercial business enterprise, the State government has no capital stock and pays no cash dividends. The money for its operation is collected each year from taxes levied by the General Assembly which in some manner or form exacts a payment from every citizen. Its dividends are paid in terms of service rendered, the extent and diversity of which is determined by the General Assembly.

Equal Services and Opportunities

The foremost service rendered by the State is the operation of the public school system. In 1933 we here in North Carolina undertook a task that no other State in the Union has dared to attempt. We took over as a State function the maintenance of a uniform public school term of eight months entirely supported by State funds. By that act the farms and homes of our people were relieved of all taxes for the maintenance of public schools, and the children in the poorer communities of the State were assured of equal educational advantages with those in any other community.

For the current year the State has appropriated \$20,031,000 for the public schools. Included in this sum are: the salaries paid to 25,000 teachers, principals and superintendents; the employment of janitors; the purchase of fuel; the transportation of 300,000 children from home to school and back home for five days each week; the maintenance of school buildings, and all other incidental expense. No commercial business in North Carolina has as many employees as are engaged in this one service of the State government.

Barely second to the public school system in its extent of service is the highway program. Here again North Carolina has stepped out in front by undertaking not only the construction and maintenance of permanent State highways, but also the maintenance of local county roads. For the highway program there

(Continued on page twenty-one)

Presenting

The Candidates for Governor:

Clyde R. Hoey

I AM a candidate for the Democratic nomination for Governor of North Carolina in my own right. I am not the candidate of any group or faction. My candidacy is not sponsored by any organization or association. I have made no promises or pledges to any person or interests. I am not the candidate of the



HUBERT E. OLIVE
*of Lexington, Manager
of Mr. Hoey's cam-
paign. Mr. Olive is a
former State President
of the American Le-
gion.*

ins or of the outs. I have not and shall not promise to reappoint any person now holding office in North Carolina, nor to appoint any person not holding office. If elected, I shall consider every appointment on the merit, worth and efficiency of the applicant without regard to whether he is now holding office or not. I make but one promise, and that is to the whole people of North Carolina: If elected Governor, I shall dedicate myself wholly and unreservedly to their service for every day of my term of office.

My Political Creed

I am a Democrat without prefix or suffix. I am not a radical, neither am I a conservative, but I am just a plain Democrat who believes in and advocates Democratic principles and supports Democratic nominees. I stand on the Democratic platform in state and nation and I shall offer no individual platform. I do not believe in personal platforms. They are too often presented

(Continued on page nineteen)

Their Views and Platforms

Dr. Ralph W. McDonald

A FEW politicians who work hand-in-hand with the lobbyists for wealthy tobacco, power, textile, and oil companies are now seeking to maintain control of the State government by pretending that the Democratic Party is an agency to serve special interests instead of an instrument to serve all the people.

The wolf dressed himself in grandmother's night gown and cap, but that pretense did not make him into grandmother.

The Democrats of the State are rightly resentful of this attempt to make the government serve a few selfish interests in the name of the Democratic Party. Self-respecting Democrats of the State are going to repudiate in no uncertain terms the small group of self-confessed bosses who are trying to turn the Democratic Party into a Liberty League.

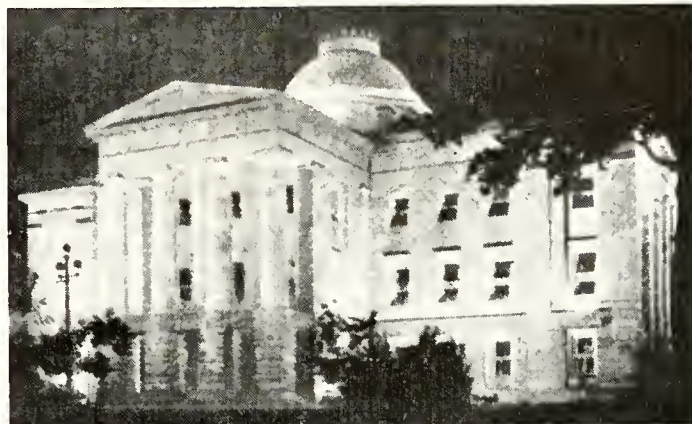
When Christ took a scourge and drove the money changers from the Temple, he was not attacking the Temple; he was trying to purify it and permit it to serve the great religious purpose for which it was built.

The Democrats of North Carolina are entering upon a bitter struggle to drive from the Temple of State Government those who would make of it an agency for
(Continued on page four)



W. L. LUMPKIN

Mr. McDonald's choice for State Manager was his ally of the 1935 Legislature, W. L. Lumpkin of Franklin County, co-author of the McDonald-Lumpkin Bill.



Jno. A. McRae

THE Ballot is one of the great fundamental privileges of American Citizenship. The efficiency and permanence of our Government depend upon its intelligent, conscientious exercise. The only proper use of money in a Campaign is to reach the intelligence of the voters. All good citizens should line up against any candidate who attempts to use corrupt or regardless methods in our Primaries. The ideal for which we should strive is Primaries and Elections free of taint and corruption, where all voters may, without duress or coercion, freely express their choice.

In my opinion the Absentee Ballot Law is a ballot box corruptor, and I favor its repeal.

Economy in Government

Economy in government should always be one of the paramount issues in any campaign. I want to see elected to the 1937 General Assembly from every section of North Carolina men and women of sound business judgment, fearless and of good character, not parsimonious men and women who would cripple the essential functions of government, but men and women determined to stand for the interest of the people as a whole and determined to cut out waste and extravagance.

As a member of the General Assembly in 1931, I was one of the thirty-two members of the House of Representatives who voted against the Sales Tax every time it came up. The adoption of a Sales Tax had not been discussed in the Primaries, nor had the Democratic Platform declared for it. It was an invasion by the State of a new source of revenue, and this always tends to extravagance in government. For these reasons, I opposed the adoption of this tax. The measure was defeated in the General Assembly. At the same time I realize that the State needed the money and that this measure requires everybody to pay some tax. It was adopted as an emergency measure and should be done away with at the earliest opportunity. If the budget can be balanced without this tax and without placing the tax back upon real estate, which it took the place of, and without the adoption of legislation destructive of industry, then the tax should be done away with. If this cannot be done, then it should be taken off of the necessities of life and meals, and

the tax on other commodities reduced to 2%, if possible.

The Liquor Question

Liquor is now and has been and will remain an evil. The ideal for which we should strive is to have no person who drinks to harmful excess. I am not so impractical as to think we can reach this fine goal within any reasonable time. I am interested in temperance—not only temperance in the use of liquor, but temperance in driving automobiles, and temperance in all other lines. If I should be so fortunate as to become Governor of North Carolina, I shall use every opportunity to say to the youth of the State that liquor is harmful and that its use is attended with danger, and I shall appeal to all of the school children of the State, White, Negro, and Indian, to make North Carolina a temperate State. Prohibition has not stopped drinking in North Carolina. Whiskey is sold either legally or illegally in every county in the State, and no governmental body within our borders gets any revenue from it other than court fines in the eighty-three prohibition counties of the State. The court fines are small in comparison with the expense of the attempt to police this evil.

Here is my plan. I think that the State should adopt a State-wide Liquor Bill, providing for State-controlled liquor stores, giving every county in the State the opportunity to vote upon the question, liquor stores not to be set up in any one of the prohibition counties unless first approved by a vote of the people. Liquor stores to be plain and without attractive adornment, and the advertisement of liquor by means of bacchanalian scenes to be prohibited. All liquor stores to be manned by persons of good moral character, and no drinking to be permitted upon the premises. Good grades of liquor to be sold at reasonable prices. The stores not to be set up with an excessive profit motive. It should be adopted as the policy of the State that individuals shall not engage in the sale of liquor as a private business. Such other features to be incorporated as wisdom may suggest, which will, in the opinion of the friends of true temperance, to the greatest extent minimize this evil.

Education and Its Broader Aspects

Our Constitution provides and our people demand that education should be fostered, but it must be remembered that education without character, efficiency, and industry is harmful. Educational leaders should exert themselves to fall upon methods of education which are character-building. Teachers have a great opportunity to mold and shape the lives and characters of children, and the character, ability and efficiency of our teachers will have a great influence upon the direction of our civilization. For these reasons, the teachers are entitled to fair treatment and consideration at the hands of the General Assembly.

I believe that in a representative form of government as we have, a written constitution is necessary for its permanence and stability. I further hold to the view that to make a constitution effective, it is absolutely necessary to lodge the power of its interpretation in a court composed of honest, fearless, independent judges, learned in letters, law, and precedent.

Automobile Licenses

It is fundamental that we must have enough money to maintain our roads in good condition. When the tax is imposed upon any given subject, it should as far as possible, be imposed as a single tax, rather than in the form of multiple taxes. The original policy of the State was to impose the license tag tax as the only source of revenue from the motor vehicle. We then imposed a gallonage tax, but retained the tag tax. The only purpose of the tag should be for identification purposes, and it would be best to reduce this tag tax to a nominal amount—say, not exceeding \$3.00 and get along with this and the gallonage tax if it is possible to do so. If we cannot do it, then the gallonage tax might be increased to make up the minimum required deficiency. An idle car pays no gasoline and oil tax and interferes with the owner in getting his farm products to town and with the laborer in getting to and from his work.

Helping the Farmer

A great economic question is involved in the welfare of the farmer. Low priced farm products results

in farm abandonment, overcrowding of population in cities and towns, and ever increasing relief rolls. Big business has gone into government and secured a protective tariff, an indirect subsidy to the manufacturing industry. Giant corporations have sprung up and dominate the economic field. The business of tobacco manufacturing is largely in the hands of a few great corporations; so it is with the meat packing industry. The farmer does not have an economically free market in which to sell his products. For all of these reasons, I fully endorse the efforts of the present Democratic Administration to restore, in some measure, the balance between agriculture and industry, and to see that the farmer gets a parity price for his products. All legislation should be considered with respect to its tendency to cause farm abandonment and bring about the over crowding of population and laws adopted which will prevent these unfortunate results. Good schools, good roads, good sanitation measures should be provided for the farmer so that his condition will be satisfactory and that he will have the incentive to remain upon the farm.



McDONALD PLATFORM

(Continued from page three)

serving wealth at the expense of the masses of the people.

Background of Major Issues

The major issues of the gubernatorial campaign grow out of the policies and actions of the present political machine under the Gardner-Ehringhaus administrations.

The most striking actions taken under the compulsion of this group are the following:

(1) The total tax burden upon corporations (all kinds of stock and local levies being included) was reduced by \$10,587,025 from 1928 to 1934. For example, one corporation which lobbied for the sales tax had its taxes reduced from \$1,430,000 in 1932 to \$686,000 in 1934. Total taxes on cotton mills were reduced by \$1,406,013, and total railroad taxes were reduced \$1,007,465 during the same period. The typical manufacturing concern, as defined by the Tax Commission, had its

total tax burden reduced from \$17,917.65 in 1928 to \$9,237.43 in 1934. Other corporate tax burdens were reduced in the same striking manner.

(2) The tax load of the average individual has been increased until that total load is now the greatest in the history of the State.

(3) The shifting of tax burdens from corporations to individuals was enacted through the passage of



McDONALD OFFICE FORCE
—lacks neither beauty nor efficiency.

consumption taxes which more than recaptured property tax reductions from the average individual without the passage of taxes which would similarly recapture the immense (more than \$12,000,000) property tax reductions enjoyed by corporations.

(4) Public school and higher education support was drastically curtailed even as enrollments were increasing greatly.

(5) Politicians have been appointed to high office who were wholly untrained and unfit to do the jobs assigned them.

(6) There has been very close coöperation between the administration and the highly paid professional lobbyists for power, tobacco, textile, and other interests.

(7) Policies have been adopted which have enabled bondholders and speculators to realize \$191,000,000 profit through increased prices of stock and local bonds since 1933.

Centralization of Power

(8) Like a greedy glutton for power, the State administration has taken away one after another of the prerogatives of local governmental units until today North Carolina operates the most centralized State government in the Union.

(9) Labor has been more than neglected; it has been persecuted.

(10) The State administration, nominally Democratic, has failed to

coöperate effectively with Roosevelt's New Deal program for the aged, for the farmers, and for labor.

(11) Exorbitant rates of interest are maintained on State and local bonds, these rates of interest in many instances being as high as 4½%, 5%, 5½%, and even 6%.

(12) Consumers' rates on electricity and telephone service have been maintained at an unnecessarily high figure.

(13) Automobile taxes have been maintained at a very high level despite the existence of a huge and mounting cash surplus in the Highway Fund.

(14) The bulk of State funds have been and are now spent without adequate independent audit.

Starving to Save

(15) A huge cash surplus has been maintained by the State through the levy of greater taxes than the starvation budget required. The cash balance of the State on March 30 was \$27,067,095.76.

(16) School, road and institutional employees have had salary cuts to a point below reasonable subsistence levels, even while new appointive jobs have been created at high salaries for political favorites.

(17) The greater part of the actual wealth of the State has been exempted by State law from taxation. Specific instances are: large personal incomes (as high as \$1,000,000) derived from individuals; intangible values of corporations largely exempt from the franchise tax; untaxed property and corporate excess of foreign corporations; trust funds.

(18) Many of these actions have been covered with false statements. For example, the sales tax was said to have been passed "to save the schools," but the State gave more money to the schools before the sales tax than after it. Also, it was claimed that "no other sources can be found," despite the fact that two full programs have been proposed to do without a sales tax: the Tax Commission program in 1932 and the McDonald-Lumpkin program in 1935. Also, it was claimed that the sales tax "was taking the place of the land tax," when as a matter of record the full amount of

land tax reduction was borne by the schools in their reduced financial support.

The issue is clear cut. This campaign is a show down between those who would go still further in shifting the burden of taxation away from wealth to the back of the average man and those who would tax fairly every person and every business.

The vast escape of wealth from taxation which I have outlined has come about under the same machine which is now asking the people to name one of its candidates to the governorship.

Definite Program

I am not presenting myself to the people of North Carolina as a person who merely promises to stand for certain things. I have already stood for these things and have already shown that they can be done. Even over the bitter opposition of the administration, the machine politicians, and the lobbyists, we were able in the 1935 Legislature to force an increase in the school appropriations, to force a reduction in the cost of automobile licenses, and to push through the House several million dollars of recapture taxes on wealth. These taxes were later killed in the Senate and in conference.

I stand where I have always stood. I simply want the tremendous influence of the governorship on the side of the people instead of on the side of the wealthy tax escapers.

Mr. Hoey boasts that he has neither issues nor platform. In fact, the favored crown-prince-of-the-machine-succession has made it clear that he stands for nothing and at the same time stands for everything. He takes every side of every issue. His program is like the attitude of the school teacher who in applying for a position was asked, "Do you teach that the earth is flat or that it is round?" She replied, "I will teach it either way, just as you say."

Our cause is based on a definite platform. I want the support of every Democrat who believes that this platform is right. I expect the bitter opposition of those who favor the machine and its policies. Against the vast sums of money

which they will spend in this election, we have the courage of those whose cause is just. Against their political machinery, we have the irresistible power of public support. Of course, it will be up to our friends in every precinct to see that the ballots are counted honestly.

This is not simply my program; it is the cause to which thousands are giving their support. If our program is adopted in North Carolina, the following things will be done:

First, the sales tax will be abolished entirely. No part of the State's tax will be placed on land.

Proposed Sources of Revenue

I point out the following as some of the sources from which additional revenue may be raised to meet the needs of the State without a sales tax:

1. The income tax will be extended to include dividends, interest, and other sources of very large individual incomes now escaping, certainly when those incomes exceed \$25,000 a year. Even as President Roosevelt found it necessary to stop up the gaps in our Federal income tax law, we will stop the gaps in our State income tax law. In addition to the plugging of these loopholes, I urgently recommend to the people of the State that they ratify the proposed amendment to the Constitution which would permit the extension of the income tax to a maximum of ten per cent in the higher brackets. Many of the same interests which have sponsored the sales tax are bitterly opposed to the income tax, but the people can and must out-vote the special interests on this question.

2. The corporation franchise tax will be based on true value, including intangibles and corporate excess. Thus the vast untaxed wealth of the escaping corporations will be brought under the tax laws. The present franchise tax, based principally upon capital stock, falls from two to twenty times as heavily upon the average corporation with its property all tangible as upon the wealthier and more profitable corporation. The revised franchise tax will even up the tax burden among corporations according to their ability to pay, and will be the avenue for recapturing a substantial part

of the tremendous reductions in corporation taxes.

3. Power companies and other public utilities will pay additional taxes, without one cent of the added burden being passed on in increased rates.

4. Chain filling stations owned and operated by the major oil companies will be included in the chain



MCDONALD HEADQUARTERS
—a beehive of activity just now.

store tax, thus giving to the State a substantial contribution from a group which does not begin to pay its fair share of the cost of government.

5. A small mercantile license tax not greater than that of Virginia will be welcome relief to the merchants of the State from the burden of the sales tax.

6. The general fund is now operating with an accumulating surplus due to the present administration's practice of piling up a huge cash surplus. The present revenue bill will run \$2,000,000 over the needs of the old budget, thus providing an additional guarantee that the needs of the State budget will be provided for.

The sources which I have specified indicate clearly that I propose to balance our tax program on a fair and adequate basis by taxing wealth which has been shielded all these years by the political machine.

Even as during the 1935 legislature an enormous flood of money was spent to keep these taxes off wealth, money in immeasurable quantities will be spent in an effort to defeat us in this election. We have no money with which to fight their dollars, but I do not believe that money can buy this election.

I am dealing frankly with the people of the State. I have told them plainly where I will get the money to operate the State government. These are sources which the

lobbyists have consistently guarded from taxation.

I know very well that every special interest, every machine politician and every lobbyist will seek to confuse the public mind by putting out their old excuse, "It can't be done! It can't be done!" That anvil chorus is the smoke screen behind which wealth is permitted to escape. I say to you that the people of North Carolina are sick and tired of the kind of leadership which says, "It can't be done!" The slogan of the New Deal in North Carolina is, "It can be done, and it will be done!"

Second, the New Deal administration in North Carolina will have a new set of appointive officials in high places as the terms of the present officials expire. The people have lost confidence in many of the appointees of past administrations and they will be replaced. Useless offices will be abolished.

Restoration of Public Schools

Third, the public schools of North Carolina will be restored. The tragic curtailment of schools was brought about by the same leadership which sponsored the sales tax. The State gave more money to the public schools before the sales tax than after this tax was enacted. The majority of those who in the Legislature voted for the sales tax also voted for the lowest school appropriation. The majority of those who in the Legislature fought against the sales tax voted for more adequate school support.

My stand for the public schools is well known. I expect to continue this fight until North Carolina schools compare favorably with the State's ability to provide.

Five-Dollar Automobile Licenses

Fourth, State taxes on automobiles are too high. With a surplus of more than \$12,000,000 in the road fund, automobile license fees can and will be reduced to a minimum of \$5.

Fifth, the TVA decision should mean lower power and electric rates to North Carolina, and the President's rural electrification program should remove much of the drudgery from farm life. The election of a State Government which is tied to the power interests would be a serious blow to the people and the

(Continued on page nineteen)

Notes from the Cities and Counties

Balloting on the question of local school supplements centers attention this month of officials and electorate in numerous communities scattered throughout the State. Raleigh led off on March 21, passing a 25c levy to provide a ninth month, a 12th year, and a pay increase for teachers, to become the 13th Tar Heel city with a supplement to State school funds. Elections are set for Concord April 7, Reidsville April 14, and Greensboro and Guilford County May 5. Other units contemplating elections include New Hanover County, Salisbury, Kinston, Goldsboro, Mt. Airy, Rockingham, Lexington, Albemarle, Hickory, and Lenoir.

Guilford's and New Hanover's action is regarded as particularly significant; they are the first counties in the State in which the rural sections have been called to decide whether they will have higher-than-State school standards.

The chief problem of the school forces lies, of course, in the fact that a school supplement election has been held to be a vote against registration, requiring a majority of the registered voters. The Raleigh election carried by the narrowest margin—48 votes—as a result. However, the 25c supplement there provided is regarded as high in some quarters. Some of the units contemplating elections are taking a tip from Raleigh's experience and scaling the proposed levy down to 20, 15, and even as low as 10c.

* * *

Forsyth is planning the erection in connection with its new \$220,000 County Home of a central laundry, which would employ the services of Negro women prisoners, and which would do the work of the Tuberculosis Hospital, Jail, and County Home and Hospital, eliminating the \$5,000 annual laundry bill of the former.

* * *

A new Raleigh ordinance, designed to curb drunken driving, makes it a misdemeanor to sell gasoline to the driver of a motor vehicle who is intoxicated, punishable

by a fine of up to \$100 or 30 days in jail.

* * *

Cleveland is another county which has shown what it is possible to do by way of increasing personal property tax listings. The total valuation of personalty was \$4,047,551.00 for 1932, \$4,647,022.00 for 1935. Chief items responsible were automobiles, live stock, and poll taxes. Chief methods ascribed were use of list of car owners from Department of Revenue and of Blue Book, close questioning of landlords as to livestock owned by themselves and tenants, and careful checking of lists of mill employees for polls. The additional revenue would pay the expenses of many tax departments—\$8,000 a year.—Troy McKinney, County Accountant and Tax Supervisor.

* * *

Statesville is making a study of electric and power rates with a view to abolishing the double meter system and lowering charges. Officials and business men feel that lower rates would not only be a great boon in attracting new industries but might also bring in added revenue due to increased volume. Thus it was pointed out that Statesville has only 50 electric ranges in operation, while a neighboring municipality of approximately the same size has 800. Statesville purchases its current from one of the large power companies, operating a distribution system solely.

* * *

Lexington property owners have placed with City Manager J. L. Gordon one-half cash to widen the streets around the public square. Work is progressing on the construction of 12-room schools for white children in Lexington and Thomasville, and on a 19-room colored school for Thomasville.—P. V. Critcher, County Attorney.

* * *

The Kinston Police Department recently added to its equipment a new Thompson sub-machine gun and a tear gas outfit. It and Salisbury are about the only towns their size in the State which can boast of

this and police radio equipment. Rocky Mount is one of the newest additions to the group of cities with police radio. Its set is an R.C.A. Terrawave, of which there are six others in the State. The Hendersonville and Lenoir departments also purchased new machine gun outfits recently, bringing the number in police use in the State to close to a hundred.

* * *

Catawba County is issuing \$348,000.00 in bonds, \$113,000 for school purposes, \$115,000 refunding bonds, and \$120,000 funding bonds. Although unable to secure its PWA school project, the county is going ahead with the view of completing same without any federal or outside aid.—T. M. Whitener, County Attorney.

* * *

Public building programs were springing up throughout the State as the coming of spring ushered in a new construction season. Two of the most prominent items were armories and agricultural buildings. Gastonia, Salisbury, Wilson, and Reidsville reported WPA allocations for the former, and Union and Cumberland for the latter, while numerous other units pushed plans for similar buildings. Rowan, Cleveland, and McDowell are among the counties completing extensive P.W.A. school building programs. Catawba also voted \$113,000 for school building, repair, and equipment. New post offices are going up in Wilmington and Sanford. Other projects in construction or negotiation include new water systems or extensions for Concord, Canton, and Jackson, airports for Charlotte and Wilmington, and a municipal stadium for Charlotte. Only a few examples serve to illustrate the magnitude, distribution, and value for the future of the improvements.

* * *

Hertford County has added a full-time health department with a health officer, two nurses, sanitary inspector, and secretary.

* * *

Anticipating a fight for a statewide system of control in the next Legislature, officials of the 17 counties operating whiskey stores have formed an association to work for

Tax Levies and Collections Up

By J. L. PEELER, Statistician
Kirchofer and Arnold, Inc.

the county-control system with retention of profits by the local units. Thomas H. Woodard, Wilson Commissioner, is Chairman and Roy T. Cox, of Pitt, Secretary. Total sales from the opening of the stores to March 1 are reported at \$2,168,698.58, total profits \$473,392.

A new development in the ABC situation was the ordering of an investigation of alphabetical profits by the Nash Grand Jury; legal liquor aims at control, not profits, charged Judge W. C. Harris. Meanwhile, New Hanover and Wilmington put their revenues to good use, appropriating \$2,000 each to hard pressed and overtaxed relief funds.

* * *

High Point has filed application with the P.W.A., in anticipation of new allotments for the purpose, for a 45% grant toward the construction of a seven and a half million dollar hydro-electric generating system. The city's share would be financed with revenue bonds, not requiring a vote of the people and not involving the credit of the city, plant and system standing as security.

* * *

Late financial flashes: Settlement of Henderson County bond debt said near. Mecklenburg \$23,051 and Charlotte \$11,856.69 under budgets for first eight months. Hamlet refunding plan involving \$374,000 declared operative. High Point shows improvement of \$1,151,000 in financial position during past five years. Rowland invokes protection of Federal municipal bankruptcy act pending completion of refunding plan. Robeson repurchases recent issue of \$55,000, 2% bonds as investment for sinking fund. Beaufort County Commissioners vote \$81,185 issue to refund interest on outstanding bonds and provides sinking fund for repayment. New municipals continue to find favorable market, as evidenced by recent sales and rates below:

High Point — \$192,000 electric refunding, 3½ and 3¾%, premium \$19.

Kinston—\$27,000 school refunding, 5%, premium \$15.11.

Nash County — \$54,000 school, 4%, premium \$1,500.

Rocky Mount—\$30,000 athletic field, 3¼%, premium \$57.20,

year 1933-4 but approximately \$2.00 lower than for the fiscal year 1932-3.

The survey shows that for the 50 counties, the average percentage of the 1935-6 taxes collected as of December 31, 1935, was 45.1% as compared to 41.3% of the 1934-5 levy collected as of December 31, 1934.

The municipalities under review showed varying results in tax collections by groups. The first group composed of 19 towns with populations of less than 2,500 showed little change from the previous year. The third group of 9 cities with populations ranging from 10,000 to 30,000 showed a decline in the average percentage of 1935-6 taxes collected as of December 31, 1935, as compared to the average percentage of the 1934-5 taxes collected at December 31, 1934, but this was more than offset by the collection of delinquent taxes. The other two groups of municipalities showed improvement both in the collection of current and delinquent taxes.

DURING the year 1935 tax collections of local subdivisions of North Carolina showed a definite upward trend according to a survey, just completed, covering tax collections of 50 counties and 50 municipalities of the State.

The units used in this analysis are a representative group including some of the weakest as well as the strongest subdivisions located in all sections of the State dependent upon various economic activities.

While the improvement in collections was not so pronounced as in the early stages of recovery, it is readily discernible. Each of the five groups, counties forming one group and the municipalities divided according to size into four groups, registered satisfactory collections.

Of the 50 counties, the average per capita tax levy for the fiscal year 1935-6 increased 36 cents over the previous fiscal year and was 51 cents greater than for the fiscal

	Towns Population under 2500	Cities & Towns Population 2500 to 10,000	Cities Population 10,000 to 30,000	Cities Population above 30,000
Number of Units	19	16	9	6
Average Population	1,697	4,965	13,070	49,151
Average Per Capita Tax Levy 1935-6	\$ 9.98	\$12.38	\$ 9.81	\$18.17
Average Per Capita Tax Levy 1934-5	10.18	11.60	9.81	17.62
Average Per Capita Tax Levy 1933-4	9.87	11.83	10.17	17.18
Average Percentage 1935-6 Levy Collected 12-31-35	38.3%	45. %	52.6%	57.6%
Average Percentage 1934-5 Levy Collected 12-31-34	39. %	40.4%	55.1%	55.4%
Ratio of Current and Delinquent Taxes Uncollected at 12-31-35 to 1935-6 Levy	147.8%	98.7%	95.5%	84.1%
Ratio of Current and Delinquent Taxes Uncollected at 12-31-34 to 1934-5 Levy	148.6%	112.2%	108. %	86.4%
Ratio of Current and Delinquent Taxes Uncollected at 12-31-33 to 1933-4 Levy	175.5%	125.5%	118.6%	98.5%
				Counties
Number of Counties				50
Average Population				33,545
Average Per Capita Tax Levy 1935-6				\$ 6.76
Average Per Capita Tax Levy 1934-5				6.40
Average Per Capita Tax Levy 1933-4				6.25
Average Percentage 1935-6 Levy Collected 12-31-35				45.1%
Average Percentage 1934-5 Levy Collected 12-31-34				41.3%
Ratio of Current and Delinquent Taxes Uncollected at 12-31-35 to 1935-6 Levy				121. %
Ratio of Current and Delinquent Taxes Uncollected at 12-31-34 to 1934-5 Levy				130. %
Ratio of Current and Delinquent Taxes Uncollected at 12-31-33 to 1933-4 Levy				144. %

COURT HOUSE planning is quite specialized in the realm of architecture, similar, in fact, to the doctor's specializing of today. One does not, for example, call in an orthopedic to do an operation on the eye, and while each state and even each county in a given state may have some special requirements, nevertheless it is a Court House operation and not a hotel or domestic problem. Therefore, a special knowledge of Court House work is a prerequisite to the proper solution of such a problem.

For example, each community may have decided opinions on the size of the Court Room. Such an opinion may be the result of local custom crystallized almost into a law of demand over a period of years, or may be the result of the views of certain lawyers and judges. Some officials may want plenty of room for lawyers, jury, expert witnesses, and others involved in the trying of the case with a limited space for the public. Others may be of the opinion that a large public space is necessary. It is the Architect's business to settle such arguments, co-ordinate the varying opinions, and finally arrive at a proper decision for the best interests of the particular community in which the building is to be erected.

A matter of extreme importance but frequently neglected is that of proper lighting, ventilating, and air conditioning and acoustical treatment. Not even the new Court Room of the United States Supreme Court is free from defects of this type, it seems. I quote from the February 17, 1936, issue of *Time*:

"But the Architect seemed to have designed this building from the viewpoint of visiting tourists rather than from that of the lawyers and Justices who must work there. Marble, though permanent and easily cleaned, is a chilly substance, reflects innumerable echoes.

"The nine elderly Justices had hardly moved into their new quarters last October than they began to complain of drafts. The heating was increased. Then they found that they could not hear from one end of the bench to the other, that lawyers before them were almost forced to shout. Acoustics engineers were called in, deadened echoes by

Court House Planning

By F. R. WALKER



The County Clerk's office in the Harrison County Court House with the tube connecting this and the Tax Collector's office in the foreground.

hanging crimson velvet curtains between each of the columns. This shut out so much light that the Justices found they could not see to read. Elaborate chandeliers were dropped from the ceiling. They shone in the Justices' eyes. Finally a set of nine bronze desk lamps was installed on the bench itself. Greatly irked, Associate Justice Brandeis refused to accept one, plunked down in front of him a battered goose-necked student lamp of his own.

OUR COVER

POPULAR GOVERNMENT *this month deviates from its customary policy of featuring North Carolina public buildings on its covers, making a special exception for a very special out-of-state structure. This is the Harrison County Court House at Clarksburg, W. Va., and it is said by many who have visited public buildings the nation over to be the best-planned court house they have seen, arranged and executed down to the minutest detail for the convenience of officials and public. The building is one of \$150,000,000 worth of public structures designed by the writer's firm.*

"Finally it was decided that the ceiling, gilded, carved and painted at great expense, was too dark. So last week a white canvas frame was stretched over it. During the summer the ceiling will be repainted."

There is a lesson to be drawn from this expensive and beautiful building when the above mentioned fundamentals are at fault.

The first thing to consider is a proper programme. Its perfection is as much the function of the architect as is the planning of the building. Experience in such a particular operation is quite necessary. This programme is obviously started by the Building Committee and a list of requirements scheduled. The specialist then begins his work by tabulating the number of people coming to the Court House throughout the year, their particular business, and the peak load of such business. For example, if taxes are paid at the Court House, such operation should obviously be on the ground floor in order that elevators may not be rendered useless to those normally using same to arrive at their daily destination.

Each department should be so analyzed and then a careful count and analysis of the contacts made daily and periodically of the internal occupancy of those working in the Court. This contact of department to department which is highly important, changes somewhat during the year and sometimes radically by change of statutes. Hence great thought must be given to flexibility of planning to provide for growth, actual and probable, and also for change of operation.

The plan should look at least 30 years into the future. There are for example at least three ways to provide for the expansion of files. These highly specialized provisions of programme are very practical and fundamental and result in a flexible and economical building. If possible the programme should precede the bond issue and so help to determine the amount, thus preventing final figures or bids over-running the appropriation. There is no good reason for the building running over the appropriation if the proper method of approach to the problem is followed.

After the programme comes the

consideration of the property to be built on. This may be a new site or more often the old site, which always brings up the problem of housing the different functions during the period of building operation. Here experience is of the greatest value. The site being determined, the presupposed experienced planner now starts actual arrangement on paper. If the programme is properly written a fine result may be secured in four to five weeks.

This first rough draft is then discussed with the Building Committee. When plans are generally agreed upon it is well to get the approval and signature of the head of each department as to his or her particular space. This always means that more care is given to the consideration of such space.

The architect now proceeds to make elevation of the exterior and sketches of major interior rooms. These after due consideration should be acted upon by the Building Committee. The architect then proceeds to make working drawings upon which competitive figures are taken.

In making the studies of the exterior, great care should be given to the character of local conditions. This is influenced by tradition, geographical location, and the trend of the times, always keeping in mind that the people's money is being expended and that simplicity makes for dignity, beauty, and the minimum expenditure in upkeep of whatever building is ultimately built.

The Parking Meter Threat

Motorists, beware! The "parking meter" bug which, making its appearance in Oklahoma last summer, spread both west and east, threatens North Carolina! Newspapers announced the "motorist's plague" some months ago, scoffed at the reports or dismissed the "bug" as being of no danger to this State. The absurdity of charging a man to park on the streets his taxes paid for, was the tenor of one editorial, captioned "Sweet Land of Liberty." But the bug has struck, swiftly, quietly, insidiously, as is his

wont, with the "Queen City" the threatened victim.

To keep the record straight, it is not the Charlotte officials, casting about for new sources of revenue, who are advocating the trial of the "iron policeman," but a group of local business men. And a story in the *News* has it that the group has investigated the use of parking meters in Oklahoma City, Miami, El Paso, and Dallas, and will probably appear before the City Council shortly to ask either their installation or at least an investigation of the feasibility of such action. The Charlotteans apparently are impressed with the possibilities of the meters, which throw up a flag when the allotted time elapses, allowing a patrolman on a motorcycle to keep an undisputable check on the cars in a wide area, in regulating parking in the shopping districts and in keeping streets clear. However, the revenue item is not to be overlooked—by city administrations or by motorists. The "iron policemen" elsewhere are estimated to be bringing in approximately 50 cents apiece per day with Oklahoma City expecting a profit of \$50,000 from the first year's operation.

Moreover, Chief John Watt of Oklahoma City wrote the Charlotte group that the motorist, taxed as he is, was gladly shelling out his nickels for the added convenience.

In fact, motorists and merchants as well as the police department, although skeptical at first, are now enthusiastic over the results and are anxious to meter the rest of the streets, according to Chief Watt.

"We have placed the timing and checking of parked cars on a mechanical basis and not on the officer," Chief Watt wrote. "You can appreciate what this means in the way of disputes. One officer can now do the checking work which once required three men. This is particularly true if he is placed on a three-wheeled motorcycle.

"Conditions on our streets are superior to what they were. Like most cities, we had not enough officers to patrol our streets and keep them clear of overtime and double-parked cars. The parking meters have taken care of this condition and have virtually eliminated the practices of running around a block

while waiting to pick someone up and double parking."

Helpful Books

The Security of Public Deposits, by Martin L. Faust. An examination of the devices relied upon by state and local governments to protect deposits of public funds, with recommendations for improved safeguards. Publication No. 51, Public Administration Service, Chicago, 1936. ii—45pp. Fifty cents.

Police Radio Operators' Manual. The most complete and modern manual available for police radio operators and policemen desiring to become operators. Embraces general principles, batteries and power supply, transmitters and receivers, and radio laws and regulations, with special section of typical questions and answers of examinations for operators. Written by several General Electric radio engineers and distributed through the company's Radio Department, Schenectady, N. Y. Price \$1.00.

City Problems of 1935: The Annual Proceedings of the United States Conference of Mayors. Roosevelt, Hopkins, Perkins, Cummins, Morgenthau, LaGuardia and other outstanding federal and local officials discuss the major problems facing the American city today in an enlightening, thought-provoking compendium of interest to city officials everywhere. The U. S. Conference of Mayors, Washington, D. C., 1935, 71 pp.

Results of Municipal Lighting Plants. A useful compendium of comparative data as to rates, revenues, operating expenses, and other statistics on the use and cost of 415 municipal plants throughout the country. Burns & McDonnell Engineering Co., Kansas City, Mo., 182 pp., \$1.00.

The Steadyflow Traffic System, by Fritz Malcher. A summary of the principles of the "steadyflow" system, which would regulate traffic through street design and eliminate much of the mechanical element of stop-and-go signs, traffic police, and street signs. Of particular interest to city planners and traffic engineers. Harvard University Press, Cambridge, Mass., 1935.

Robeson Officials Establish Enviably Record

Even in this day of "cheap money," a sale of bonds at an interest rate of 2% is a tribute, if not a record, to a unit's or a business' remarkable financial condition. This is exactly what Robeson did recently, and what is more, the county has since repurchased the whole issue of \$55,000 as an investment for its sinking fund. Every outstanding performance or signal recognition has behind it a reason, and Robeson is no exception. But let J. A. Sharpe tell the story and explain the factors responsible as the editor of the *Robesonian* has sized them up.

"Gone are the days of slipshod county government. No county in the state has a better business set-up. It keeps a capable board of commissioners by its plan of not electing all at one time, choosing commissioners by two and three on alternate election years for four year periods, and by districts, assuring each section of the county representation.

Business-like Management

"The county manager is chosen by the Commissioners and is responsible to them. He does not have to run for office. All the business administration of the county is under the manager's office, with the revenue and tax assistant to the manager pushing collection of taxes all the time. All expenditures are made from the manager's office, and the county lives within its budget.

"Already enough revenue has come in to take care of this year's budget, and there will be a surplus this year. The relief load is increasing and expenses are going up, but it is hoped that the tax rate may be kept down.

"There are no current liabilities while total current assets are listed at \$800,979.77. The county has never defaulted in payment of bonds or interest.

"Besides the above facts, Robeson is noted for its good land, well drained, with no erosion. It is a good cotton and tobacco county, and both these money crops rarely, if ever, fail the same year.

"The county debt is small, consid-

ering its size and its resources. Assessed valuation for taxes in 1935 is \$31,213,163, with actual value estimated at \$60,000,000, while the total funded debt is \$2,627,850, which is reduced to \$2,092,944.69 by sinking fund investments, secured sinking fund cash on deposit, and funds due from the state."



To County Manager E. K. Butler goes much of the credit for Robeson's remarkable about-face financially.

The Board of Commissioners and the County Manager have been operating on a conservative and economical basis, yet no regular function has been discontinued, and improvements have been made in all departments. Moreover, the county assumed the debts of its various school districts on July 1, 1935, establishing a school debt service tax rate of 35c which increases the total rate for 1935 to \$1.15.

1932 A Different Picture

Robeson's present enviable financial position is all the more remarkable in view of the fact that it presents a complete about-face from the situation of a few years ago. Where the county now has a sinking fund of \$94,391.68, there were on June 30, 1932, tax anticipation notes outstanding in the sum of \$95,000. Moreover, the County, with a cash balance of \$6,000 in all funds and with several thousand dollars in unpaid accounts, was con-

fronted with a difficult and serious financial problem due to extremely heavy bond maturities falling due for the next three years.

The first major obstacle was the maturity of \$114,000.00 in Highway Notes issued September 1, 1925, to mature September 1, 1933. Evidently, no provision had been made in the past to meet this obligation at maturity. However, at maturity the county was able to exchange \$85,500.00 in Road Funding Bonds at a rate of 5% and to pay the balance of \$28,500.00, thereby meeting this difficult situation. These Road Funding Bonds were callable, hence \$10,000.00 was called and retired during the Fiscal Year 1934-1935. In order to finally clear out this issue, it was decided to call the balance of \$75,500.00 as of March 1, 1936, and to sell Refunding Road Bonds in the sum of \$55,000.00, paying the difference of \$20,500.00 from the Debt Service Fund. This issue was sold to bear interest at the rate of 2%, with a premium of \$27.50, this interest rate being the lowest in the history of the county. These bonds mature annually from 1937 to 1943, inclusive.

Savings from Refunding

Another difficult problem was the maturity of \$151,000.00 in Road and Bridge Bonds January 1, 1935. Again the able and efficient county officials took the situation in hand and saved the good record of the county by selling a Road and Bridge Refunding issue in the sum of \$120,000.00, at an interest rate of 4½%, reducing the original rate by 1%. These bonds are to mature annually over a period of years from 1935 to 1951, inclusive. The difference of \$31,000.00 was paid from the Debt Service Fund.

By these two refunding operations, Robeson County has managed to rearrange her debt load so that no unusually heavy maturities will fall in any one year. At the same time, a Sinking Fund has been built up so that enough cash, Federal and County bonds are now on hand to meet all maturities of term bonds through the year 1942. This excel-

(Continued on page sixteen)

HERE AND THERE

—With Progressive Officials

City employees of Los Angeles have worked out a new plan for financing the city's share of retirement allowances without taxation. The suggested method, which commends itself to other units, is non-replacement of a certain percentage of employees retiring for the next few years. It is estimated that the salaries so saved would build up a sufficient fund by 1939 to finance the city's annual contribution.

* * *

Approximately 25 cities and 17 counties reported new machine accounting installations for general accounting purposes in 1935, while another 40 cities and 30 counties installed machines for tax billing and accounting. There was also a noticeable trend toward the installation of machine accounting by municipally owned utilities. Officials who are interested in checking up on the experience of these cities may secure their names from the Municipal Finance Officers' Association, 850 E. 58th St., Chicago.

* * *

Saginaw, Michigan, decided that surety bonds for its dog warden, city assessors, and other minor officials benefited no one but the insurance companies, cancelled bonds on two thirds of its employees with a saving of several hundred dollars a year. Only bonds retained were those for the fiscal and tax officials and their assistants whose duties involve the handling of sums of money of consequence.

* * *

Under a rate-revision experiment in Lakeland, Fla., the city is permitting consumers to use all the electricity they want for one month provided they will pay the amount of their bill for the same month last year plus 10 per cent.

* * *

"Youth, Incorporated," a new organization of out-of-school youth with a program of education, recreation, and service is sweeping Michigan and providing a solution to many youth problems of the 20 communities in which units have been chartered. A feature is the "Beerless Gardens" which serve as social

and recreational centers. The stated purpose of each unit is: (1) To do something for *its* community; (2) Demonstrate a practical coöperation between youth and maturity, and (3) Help each individual find himself. Any interested communities with youth problems are invited to write to "Youth, Inc.," Ferndale, Mich.

* * *

Permanent automobile license tags are being given a trial in Connecticut. The only change made each year is a small plate set in the tag, showing the date of issue. The new system is estimated to save the State about \$125,000 a year in the manufacture of tags.

* * *

An educational program on some activity or department of the city government is presented for the benefit of civic improvement groups, P.T.A. associations, students of government, and citizens generally following each meeting of the Oakland, Cal., City Council. Lectures are supplemented with charts and diagrams, interesting exhibits, and special movie slides. The work is said to have done much to interpret city activities to and to enlist the fullest interest and support of taxpayers.

* * *

A Colorado city reports excellent results from coöperation of filling station attendants in the matter of gas sales to drunken drivers. The attendants, called in and explained the problem, now quietly call Headquarters when a drunken driver appears. Within a minute or two a squad car pulls up to the station and looks the occupants over, and the law takes its course. The officials had considered passing an ordinance on the subject, but decided it placed too much responsibility on the occupant. The substitute has worked so well, they now conclude that "coöperation is sometimes more effective than laws."

* * *

Detroit traffic officials have recommended the erection of illuminated metal shields to protect pedestrians in safety zones at a cost of \$7,800

for 322 shields. The move comes as a result of fatalities in poorly illuminated zones last year. The department is experimenting with a new type shield designed to stop automobiles without smashing the cars while adequately protecting zone occupants.

* * *

School and municipal recreation in Long Beach, Cal., have been coördinated with excellent results under a unified Recreation Commission and a single Director. The Commission's program, which is supported by a 5-cent levy, includes 75 different types of activity, designed to absorb the leisure of children, working adults, and unemployed adults and youth.

Court House Chaff

Some time ago an old lady made application for admittance to the County Home and was so anxious to go there that she contributed \$300.00 to the County. On March 11, 1936, this old lady, then seventy (70) years old, married another inmate from the County Home who was sixty-eight (68) years old and said good-bye.

When the old man applied for marriage license and was told that the fee was \$5.00 he says, "Well, I've been married several times before, but that is the most a wife has ever cost me."—J. A. Orrell, County Auditor, New Hanover.

* * *

What price, fame! Edgecombe folks beamed when their Welfare Officer, Mrs. E. L. Forbes, adapted the chain-letter idea to raise money for relief, and a news syndicate picked up the unique story and publicized the county throughout the United States and Canada. But the publicity has backfired. The county, as if it did not have as many of its own people as it can care for, is now getting calls for help from readers in other states and even countries.

* * *

Not so long ago a party brought into the Register of Deeds a chattel mortgage for recording. When told the fee, he replied, "Mister, that is too much. I'll get it recorded some other place."—J. A. Orrell, County Auditor, New Hanover.



Group of WPA "white collar" employees busy at work on comprehensive indexing project in New Hanover.

NEW HANOVER'S records, which already ranked with the better systems of the State, are being further extended and improved under a WPA clerical project of wide value to the city and county. The work covers the records of not one office but of the city-county identification bureau, the county auditor, the city-county board of health, the register of deeds, and the clerk of court. The project, in fact, is one of the most comprehensive being carried on in the State, having begun last October and employing 22 persons under the supervision of Mrs. Marguerite Wagner.

In the identification bureau a WPA worker takes the required information relating to an alleged criminal and enters the name or names, given alphabetically in a register, giving the case number, the finger print classification and other information wanted for quick reference. The same information is listed in another register in numerical (using the case number) and chronological order. Original fingerprints are made on a large card, and finger print classification, case number, photographs and name with various aliases, are typed on this card and filed according to the fingerprint classification in special files made for this purpose. These cards also show residence, changes, age, height, weight, build, color of eyes and hair, complexion, date and place of birth, nationality, color, occupation and marks or scars, if any. Eventually the disposition of the case is also shown on the cards.

The transferring of this informa-

New Hanover WPA Record Project

tion to permanent files, classified and indexed so as to make the information immediately available, is expected to prove of great value to the County in its efforts to fit punishment to the criminal and curb crime.

The work also provides training for the WPA worker which fits her to hold a job in almost any identification bureau where there may be an opening.

In the office of the county auditor WPA workers are completing a survey to determine the effect of the proposed \$1,000 homestead tax exemption on the city and county budgets. In order to obtain this information it was necessary to determine the number of taxpayers in the city who own their own homes and to subtract \$1,000 from the assessments. The 1935 county assessments total \$50,859,435. The survey shows this figure would be cut \$3,746,170 if the exemption should be put into effect. The 1935 city assessments total \$32,644,065. This figure, the survey shows, would be cut \$2,722,123.

It was found that of 6,448 whites who own their homes, 257 would be eliminated from the books entirely as their homes are valued at \$1,000

or less. Of the 2,227 negro home owners, 757 would be eliminated.

In the health department WPA workers are indexing case histories and recording visits made by city and county health nurses. They are also indexing and filing birth and death certificates.

In the register of deeds office WPA workers are compiling in chronological order and in alphabetical order marriages which have taken place from the year 1843. These files will afford lawyers, insurance agents, real estate agents and other persons needing correct ages for business transactions an easier method of obtaining this information.

Workers in the register of deeds office are also copying facsimiles of the block areas of the city, which show the various owners of the property on that block back to 1900. After making the facsimiles, the names of the various owners are typed on the back of the forms in chronological order.

In the office of the clerk of court the workers are rehabilitating old criminal records and bringing them up to date. As an example, John Doe is arrested and brought into court in 1925 on charges of drunkenness, his record being carried in a book numbered 16. Later, he is again arrested and tried on a charge of disorderly conduct, this record also being carried in book number 16. In 1926 he is again in court. This time his case is docketed in book 19. A further record appears in book 20 and 24.

Under the new method court records dating back for a period of ten years now contained in 27 volumes, are being indexed and catalogued. This means that whereas, under the present arrangement, the criminal record of an individual may extend over a period of several years, being carried through the various volumes, it may under the new system be centered and recorded upon a single typewritten card. Such cards will be arranged in alphabetical and chronological order, making any person's criminal record immediately available upon a moment's notice.

Case and Comment

City School Debts—Type and Necessity of Buildings—Assumption by County—The Greensboro-Guilford school debt case, which is of vital importance to cities and counties throughout the State, holds chief interest among the decisions affecting governmental units which the Supreme Court handed down last month. The court had previously held (*Hickory and Newton v. Catawba County*, 206 N. C. 165) that a city might compel a county to assume its school building debt where the city sites, buildings, and equipment were reasonably essential and necessary for the conduct and operation of the six-months school term contemplated by the Constitution, and where the county had assumed the debt of other special districts. But in the Greensboro case a Superior Court jury on the trial below found that the city facilities were not thus *reasonably essential and necessary* to the operation of the *minimum term*, and the Court held on this ground that the city could not compel the county to assume the liability, in fact, that the county could not assume it without a vote of the people.

The question of whether Guilford had assumed the school debt of certain rural districts was disputed, but the court ruled that this was immaterial, in view of the jury's finding on the issue of necessity, as "the proceeds of these bonds were required for the operation of schools in said district for the constitutional term."

The court by refusing to lay down a hard and fast rule leaves the way clear for any similar case in the future to be decided strictly on its own merits and its own set of facts, and it appears that the controlling fact will be, not whether the city facilities were desirable or even necessary for the operation of a city school system superior to the general and uniform system, a right which the court recognizes, but whether they are *reasonably essential and necessary* to the operation of the *minimum system*. A dictum thrown out by the court in the last paragraph may be significant. "The

By M. R.
ALEXANDER

of the Staff of
The Institute of
Government



problems presented by this situation are legislative and not judicial," the court said. "Relief must be sought from the General Assembly and not from the courts." (*Greensboro v. Guilford County*, to be reported in *Advance Sheets* to be issued on or about April 13.)

Township Road Bonds—Assumption by County Under Public-Local Act—May a county, under authority of a public-local act, refund road bonds issued by each and all of its townships, the township bonds being taken by purchase or exchange by the county sinking fund and remaining valid obligations, to be paid by taxes levied in each township? The Court held in the affirmative in *Thompson v. Harnett County*, denying relief to a taxpayer who sought an injunction against the application of the act, which the court described as a refinancing arrangement that would not injure the Plaintiff but would aid the taxpayers to meet changed conditions.

The reasoning was that the expenditure was for a necessary county purpose, that the county benefited as a whole, and in fact was relieved of an expense which would otherwise have devolved upon it, and that the act in no way impairs the obligation of the township bonds. For the benefit of any local units interested in this problem, the Harnett Act will be found in Chapter 342 Public-Local Laws of 1935, and the case will be reported in the *Advance Sheets* to be issued on April 13 or thereabouts.

Parks and Recreation—Vote of the People—Test Case—The Durham Recreation Commission is considering the possibility of bringing a test case to determine whether parks, playgrounds, and recreation are a *necessary expense*, such as to

permit the city to issue bonds or use tax funds for these purposes without a vote of the people. The proposal is for the City Council to authorize a bond issue for park development and for some citizen, in a friendly suit, to enjoin the issuance, thereby throwing the question into the courts. The decision would be of wide interest and importance to a number of cities which are desirous of extending and improving their public recreation facilities, but which have held back due to the lack of any understanding on this point and to the difficulties and expenses of an election on the subject.

Municipally-Owned Property—Taxation by County—Public Use or Purpose—The day when municipally-owned property was exempt from county taxes, and vice versa, regardless of its use or purpose, appears to have passed. The "public use or purpose" requirement was applied by the Supreme Court again in the case of *Benson v. Johnston County* (to appear in the *Advance Sheets* for May 4 or thereabouts), and appears now to be the settled rule. The property in the instant case was taken in by the town at tax foreclosure sales and was rented as a dwelling and a hatchery until an opportunity arose for its sale.

The new decision follows *Board of Financial Control v. Henderson County* (business property), 208 N. C. 569, and distinguishes *Andrews v. Clay County* (municipal electric plant), 200 N. C. 280.

"The only suggestion of a public purpose or public use," the Court ruled in the *Benson* case, "is that the purchase of the tracts was necessary to protect the town's tax liens"—and this apparently is not enough. "Having done that," the Court continued, "the town held the lands as would any other purchaser, renting the property as a private individual would have done, and now it proposes to sell the lands, as any private individual purchaser might have done. The income from the rents has been applied or could have been applied to paying the taxes due on the lands. To permit the town to buy in the lands, and thus exempt them from county taxes, would result in manifest discrimination against the county."

Bar Has Led in Organizing Others, but Not Itself

N EARLY every experienced lawyer in the State has encountered at some time a problem, relating to the profession, which can not be solved effectively without bar organization. It may be a problem of little interest outside the profession (i.e., information as to the value of the various law lists) or it may be a matter which vitally affects the public as well (i.e., the unauthorized practice of law by those who are not lawyers or the unethical practice of law by those who are). He may wish to turn to the profession with the problem or, better still, he may wish to lay before it a suggested solution. In his survey of the bar organizations, what does he find?

Looking first at the national organization, he finds the American Bar Association which has contributed much to the discussions of

"A riddle that has puzzled me much is why lawyers, who of all people are the best organizers of others, have had so little organization themselves. Evidences of their aptitude for organization and their belief in its effectiveness are to be seen on all sides and in every community. Witness our government itself which was formed and has largely persisted through the genius of lawyers for organization, to say nothing of the machines of political parties without which, with all their faults, the government could not carry on. Witness also community chest drives, civic organizations, and welfare movements generally; look closely and you will always find a lawyer's organizing skill and ability. For others they are organizers; for themselves they are individualists."—C. W. Tillett, Jr., President, to the N. C. Bar Association, August 17, 1935.

OFFICIAL STATE BAR NEWS AND VIEWS

Editorial Committee: Julius C. Smith, President; Henry M. London, Secretary; Charles A. Hines, Councillor, and Dillard S. Gardner of the staff of the Institute of Government.

problems affecting the profession. But, he discovers that it is composed of only one-sixth of the lawyers; in 1934 only 27,036 of the 160,605 American lawyers were members. At no time has its membership been sufficiently inclusive of the profession to permit it to speak with authority as the official spokesman of *all* American lawyers. Other professions have been far more successful in organizing on a national basis. Nearly seven out of every ten doctors (98,041 representing 67% of the doctors) were members of the American Medical Association in 1934; five out of every ten dentists (35,000 representing 49% of the dentists) belong to the American Dental Society; one in every four engineers (54,763 representing 24%) is a member of one of the five major engineering associations of the country. The lawyer who examines the roster of the American Bar Association will be impressed with the large number of acknowledged leaders of the profession who are members, but he is also likely to be impressed with the fact that although the Association has existed more than half a century five out of every six American lawyers are not members.

Suppose he looks at the opposite extreme—the local bar organizations in the State. Here is a picture with which he is more familiar. It was discussed on this page in the March issue of POPULAR GOVERNMENT. The data there set out indicates that in two out of every ten counties there are no bar organizations and in seven out of ten there

are only county organizations which confine their activities almost entirely to the preparation of civil calendars for terms of Superior Court. These findings are a vigorous confirmation of Mr. Tillett's statement that the "local bar associations are mostly calendar making affairs." With few exceptions the local bar organizations in North Carolina are doing little, either directly or indirectly, for the profession or the public. The whole field of the relation of the bar to the public is still a matter left almost entirely to the individual lawyers; the pooling of the intelligence, talents, and experience of the individual lawyers for the common good of the profession and the public is the rare exception rather than the rule.

Between the national organization, which seems remote to the average lawyer, and the local bar, which is limited by geographical boundaries in its potential activities and by tradition is limited even further in its actual functions, lie the two state organizations of lawyers, the North Carolina Bar Association and the North Carolina State Bar. The Bar Association has always been a voluntary organization, with a relatively small membership, meeting annually to hear addresses of leaders of the profession and to discuss problems confronting lawyers generally, but definite emphasis has always been placed on the social features of these meetings. "Our own North Carolina Bar Association, splendid as is its record, has never had more than a fraction of the lawyers of the state as its members and only a small fraction of its membership in attendance upon its meetings or engaged in its work."

On the other hand the State Bar is composed of all of the more than 2300 lawyers in the State and the emphasis, from its inception three years ago, has been upon the "business" rather than the "social" aspects of the profession. The smallest local unit of the State Bar is the district, which elects the representative to the Council. As yet the District Bars have not been extremely active, confining themselves to the single annual meeting. The State Bar functions through the President, Council and Executive Committee, the Bar Examiners appoint-

ed by the Council, an Investigator, and the Secretary - Treasurer. Though only three years old, the State Bar is functioning vigorously. Its activities in investigating and disciplining lawyers accused of unethical conduct were described on this page in the February issue. Twice annually the results of the examinations conducted by the Bar Examiners are made public through the press. To date the State Bar has been occupied largely with sifting out worthy applicants for license and disciplining those practicing lawyers whose conduct has reflected discredit upon the profession. The accomplishments to date have been, in large measure, of a preventive nature, seeking to protect the public by eliminating unfit and unworthy lawyers.

Already the State Bar is turning its attention to the more constructive side of the picture seeking to find the answers to those questions which have so long evaded solutions because of the lack of effective bar organization. It is significant that recently a Committee—three Councilors, Charles A. Hines of Greensboro, B. Mack Covington of Wadesboro, and Bennett H. Perry of Henderson,—met in Chapel Hill for a four-hour conference. Among the matters discussed were the unauthorized practice of law by companies and individuals, surveys of the law lists and the advisability of investigating them and informing the Bar of those approved, calendar rules and practices which have been found valuable, the desirability and effectiveness of minimum fee schedules, the stimulation of greater activity on the part of local bar groups, and the further development of the Institute's "clearing-house of information" on bar activities by securing bar publications from other states and by urging local bar officials within the state to send in reports of the activities of their bar groups. To quote Mr. Tillett again, "Lawyers as an organized group are at last on the march!"

Important Decisions

Two recent decisions of particular interest to lawyers are to be found in the advance sheets: *In re: Disbarment of James D. Parker*, and *State ex rel. A. A. F. Seawell, Attorney General, and Zeb V. Nettles,*

Solicitor, v. Carolina Motor Club, Inc., and American Automobile Association.

In the *Parker* case Chief Justice Stacy, for the Court, found it unnecessary to pass upon the constitutionality of the State Bar Act (Ch. 210, P. L. 1933). The opinion questions (1) the procedure which eliminates trial by jury, (2) the propriety of relying upon the record in a suit on an executor's bond as the basis of disbarment proceedings, and (3) the applicability of the State Bar Act to conduct of an attorney prior to the passage of the law, but merely concludes that the attorney should not be disbarred, by the statutory method, "on this record."

In the *Motor Club* case the Court affirmed the order of the lower court which permanently enjoined the respondents from holding themselves out as competent to practice law and specifically prohibits them from preparing legal documents, advising or counselling in law or equity, or directly or indirectly furnishing the services of a lawyer in criminal or civil matters or litigation, in consideration of membership dues; and further prohibited them from making collections or attempted collections of claims, and settlements or attempted settlements of disputes, sounding in tort and arising from vehicle collisions. The Court declared that (1) the Legislature had the power to regulate the practice of law, (2) that the statute (Ch. 157, P. L. 1931) prohibiting the practice of law by other than licensed attorneys is constitutional, (3) that a corporation can not practice law, and (4) that the practice of law includes not only the conduct of cases in court but "legal advice and counsel and preparation of legal instruments and contracts by which legal rights are secured."

ROBESON COUNTY'S RECORD

(Continued from page eleven)

lent cash position has been attained by the collection of Notes Receivable held by the Sinking Fund. At June 30, 1932, Real Estate Mortgages Receivable and Sinking Fund Real Estate Owned amounted to \$312,678.22. At the present time this balance has been reduced to \$212,516.27. In addition to the principal collected, interest in arrears in the sum of \$33,121.74 has been collected.

Sinking Fund Re-Purchases Bonds

The County Sinking Fund has purchased the \$55,000.00 bond issue recently sold by the county at the low interest rate of 2%. On this issue the interest is paid by the Debt Service Fund and received by the Sinking Fund. There is enough cash on hand now in the Debt Service Fund to pay all maturities to January 1, 1937.

County Manager E. K. Butler assumed office July 5, 1932, a time when the future was very uncertain. Although a young man compared to similar officials of other counties, he went to work with the avowed intention of improving the general prevailing financial position of Robeson County. He has done a great constructive work and has helped the county readjust itself by organizing the various departments of the county government so that all transactions are carried on in a uniform and business like manner.

The county officials, in short, have reflected their ability in the management of the various departments and have gained the confidence of the taxpayers by their constructive administration of fiscal affairs, which in turn has created a better understanding and appreciation of the local government and stimulated tax collections.

INVESTMENT PREFERRED STOCKS

KIRCHOFER & ARNOLD

INCORPORATED
CAPITAL CLUB BLDG., RALEIGH, N. C.

DIRECT PRIVATE WIRE TO NEW YORK

The Proposed Changes in the State Constitution

THE goal of widespread home ownership is one to which America has long been committed. Repeatedly our governments have set out to encourage the ownership of homes.

North Carolina does not yet have such great cities that home ownership is a forgotten dream to the average urban resident. There are few, if any, cities in the State in which ownership of a small home is completely beyond the reach of the man of moderate means—if he is lucky, has thrifty habits, and his income is steady. Unfortunately, we have been passing through a period when the average man's income was neither large nor dependable. Shrinkage in realty values plus shrinkage in incomes plus juicy mortgages created a situation which took many of our citizens out of the home owning class. Further, for many years, in good times and in bad, we have had at least our fair share of the tenant farm problem.

Federal Aid to Home-Owners

In recent years the Federal Government has been trying to give the home owner and the would-be home owner a break—through the Home Owners Loan Corporation, the Federal Housing Administration, the Rural Resettlement program, and the various organizations designed to provide credit and income for and reduce the debts of the farmers. Of course, recent foreclosure figures demonstrate that for many the Federal intervention has been a temporary rather than a permanent salvation, but still the effort has been made.

State and local governments have also lightened the burden on home owners through reduction of property taxes. The State removed its tax on property altogether and then, by taking over the burden of maintaining roads and schools, opened the way for major reductions in local taxes. These savings were supplemented to some extent by drastic reductions in tax valuations (though reduction of values does not automatically reduce taxes, as tax rates can be raised, thus offsetting part or all of the saving gained by the reduction). Further aid has

No. 4---Exemption of Homesteads from Taxation

BY HENRY BRANDIS, JR.

of the Staff of the Institute of Government



been given by local authorities in most places by being dilatory in foreclosing real property for non-payment of taxes, thus enabling many delinquent home owners to retain their homes at least temporarily.

Of course, these tax concessions were not designed primarily for the benefit of the home owner. He merely shared in them in the same proportion as all other owners of taxable property. Nevertheless, they afforded him some relief.

The Mortgage Exemption

We have only one provision designed exclusively for the benefit of home owners. It forms a part of the present Constitution, but its effect is very restricted and its availability depends upon circumstances which are somewhat arbitrary. It provides, in effect, that if both a homeplace occupied by the owner and a mortgage on such homeplace are listed for taxes in the same county, the home and mortgage shall each be entitled to an exemption from taxes to the extent of 50% of the value of the mortgage, up to \$8,000 in total or \$4,000 each.

A number of rather perplexing administrative questions have arisen in connection with this present exemption, but they are not of major importance to this discussion, as they involve only a comparatively few cases. In fact, by comparison to the total number of homes occupied by the owners, the total number of cases to which the exemption applies is very small.

The chief reason for its limited application is the requirement that both home and mortgage be listed

for taxes in the same county. This automatically bars from any benefit all cases in which homes are not mortgaged. Further, even if there is a mortgage, if the mortgage is owned by a bank or building and loan association or other financial institution, the chances are that it need not be listed for taxes, under our present system, in the county where the home is situated. It is natural, therefore, that in most of our counties the total valuation affected by this exemption is not large.

The Proposed Extension

One of the five amendments to the State Constitution being submitted to the voters this fall is designed to encourage ownership of small homes, and it is much broader in scope than the present exemption.

It will, if adopted, permit the legislature, in its discretion, to exempt *all homes occupied by the owners*, up to \$1,000 per home. Thus the proposal would affect many more cases and might remove from the tax books a much larger total valuation than the present exemption, though in individual cases it might not provide so large an exemption as the latter.

However, a vote in favor of the proposal will not be a vote against the present exemption. Almost undoubtedly the legislature intended that the proposal, if adopted, should completely supersede the present exemption. However, apparently because of an accident in draftsmanship, repeal of the present homestead clause is made to depend, not upon adoption of the new homestead provision, but upon adoption of the proposed amendment permitting classification of property for taxes. Consequently, if the new homestead proposal is adopted and the classification amendment is defeated, we will have both the present and the proposed homestead exemptions.

Because of this peculiar situation the voter need not attempt to contrast the present situation with the proposal. He need only study the probable effect of the proposal.

Affects Local Units, Not State

So long as the State levies no property tax the adoption of the

proposal would have no direct effect on State revenues or the State fiscal system. However if, after adoption of the proposal, the legislature should grant the full exemption of \$1,000 per home, the effect upon revenues and tax rates of local governments would be considerable. Such a course would remove a tremendous amount of valuation from local tax books, and it is for this reason that both the North Carolina County Commissioners' Association and the North Carolina League of Municipalities are opposing the amendment. They fear that loss in valuation will be so great as to cause serious and damaging confusion in local fiscal affairs.

Thus the issue is drawn between proponents of the amendment, who urge its social desirability, and opponents, who point to its possible effect upon local revenues and fiscal affairs. It is impossible to say at this time just how much valuation adoption of the amendment would remove from the tax books. In the first place, the legislature might not immediately grant the full exemption. However, it seems safe to predict that in a fairly short time substantially the full exemption would be granted, because candidates for the legislature could hardly escape seizing upon this as a potent campaign promise. Further, it seems fair to say that the very naming of \$1,000 in the amendment indicates a hope that such a figure will be reached eventually if not immediately.

It may be that, either through legislative action or court decision, the exemption would not be allowed against taxes levied for debts in existence before adoption of the amendment. However, even if this proves to be the case, much valuation will still be exempted from taxes levied for other purposes.

Results of County Surveys

At the time this is being written surveys are under way in a number of counties to determine what the result would be if an exemption of \$1,000 should be granted. The writer has been furnished with the results of three such surveys which have already been completed. These show that New Hanover County would lose approximately 7.4% of its total tax valuation, Cleveland County would lose approximately 14.3% of

its total valuation, and Duplin County would lose approximately 20.3% of its total valuation.

In New Hanover such an exemption would remove from the tax books 8.4% of real estate valuation (not total property) listed by whites and 41% of real estate valuation listed by negroes. In Duplin it would remove 24.6% of real estate valuation listed by whites and 59.4% of such valuation listed by negroes.

It can be said definitely that granting of the exemption to any extent would remove a much greater percentage of total valuation, on the average, in the poorer counties than in the wealthier counties. And it seems reasonable to predict that the loss in valuation in the average county would not be less than 15% if the full \$1,000 is granted, and that in many counties it would greatly exceed 15%.

As further figures become available for other counties, they will be published in this magazine. Meanwhile the figures given for the three counties named (for which the writer is indebted to Messrs. J. A. Orrell, T. V. McKinney and F. W. McGowen) indicate the seriousness of the matter to our local governments.

It is obvious that removal of this valuation from the tax books will not and cannot, of itself, effect any saving in the cost of government. It may possibly encourage but it cannot insure reduction of expenses. The fact that counties are limited to a rate of 15c for general purposes might force some reductions in total taxes; because if the 15c rate is already being levied and valuations are reduced, the total tax produced will necessarily be less. But this theoretically inevitable reduction can be circumvented to a large extent by special legislation, and the saving to the taxpayers would likely prove to be temporary only. Further, to whatever extent it does prove effective in reducing total tax revenues, it will probably subject the counties affected to serious financial embarrassment.

The most likely possibility of any saving lies in the fact that most governing boards are psychologically opposed to serious increases in tax rates, even though such increases may be caused by loss of valuation. However, this is not completely de-

pendable, and would not enable the governing boards to snip necessary items out of the budget.

Shift of Tax Burden

On the whole it is safe to say that adoption of the amendment and granting of the exemption would not of itself force any material and permanent reduction in total taxes levied. Other factors remaining equal, it would be necessary to recoup the lost taxes either by raising the tax rate on other property or by giving local governments some new source of revenue.

Thus we see that adoption of the amendment and granting of the exemption would have a two-fold result. First, it would remove from the small home owner a substantial percentage of the taxes he pays. Second, it would shift to other taxpayers the burden of paying these taxes now collected from the small home owner. If the shift took place by means of increased tax rates on other property (as is probable), the shift would not be a saving to every man owning his own residence. That is, no home owner listing more than \$1,000 for taxes could save the entire present tax on \$1,000, because his taxes on the balance of his valuation would be increased; and the total tax of those owning very valuable homes would be increased rather than decreased. Of course, taxes of all those owning no homes would be increased.

This last-mentioned group—namely, the non-home owning taxpayers, are probably entitled to some attention. There are thousands of small taxpayers in the State who do not own homes. Thus the shift would not be entirely one from the small home owner to the corporation and the individual paying large taxes. It would be a shift from the small home owner to all other taxpayers, with the largest amount in money probably falling upon the corporations and individuals with large property holdings, but with numerous small taxpayers bearing a part.

The chances are that most voters will ballot on this amendment as self-interest may dictate. For those who wish some more academic principle the problem is whether the social desirability of encouraging ownership of small homes is such as to justify this redistribution of the burden of property taxes.

MCDONALD PLATFORM

(Continued from page six)

business of the State. The New Deal administration will guard against exploitation by power interests, and will extend as completely as possible the advantages of telephone, electric and power services at distinctly lower rates than those which now prevail.

Support of Roosevelt Program

Sixth, the State Government will support loyally the program of Roosevelt. The present machine in North Carolina has talked about its support of Roosevelt, but it has tragically neglected actually to support his program. The aged people of the State should and will receive the benefit of the President's pension plan for needy aged. There will be full coöperation between Raleigh and Washington to provide these pensions and full social security under the leadership of the New Deal.

Seventh, the State will coöperate fully in the efforts of the New Deal for the farmers. A major tragedy of the present year has been the failure of the State Government to come to the aid of the tobacco farmers. The New Deal administration will confer constantly with farm leaders and will work out and carry out a farm program which puts the interests of the farmer and of the State first.

Square Deal for Labor

Eighth, the laboring man in North Carolina will have a New Deal and a square deal. The right of collective bargaining will be guaranteed by State law and by a friendly and sympathetic State administration. The State will set high standards of labor in its own employ instead of tearing down the standards of workers throughout the State. Some machine politicians have boasted that they will defeat any candidate who stands for the rights of organized labor. I say without reservation that I am for the right of labor to organize, and I expect to remain so.

Ninth, the interest rates on our State and local bonds can be lowered and will be lowered, in justice to the taxpayers.

Tenth, all State funds will be honestly and efficiently accounted and audited. The State School Com-

mission now spends more than twenty million dollars annually, and its accounts are never independently audited. The Highway Commission spends even more money, and its accounts are not adequately audited by independent auditors. These conditions are unwholesome and should not be allowed to exist.

Balanced Budget

Eleventh, the State budget will be balanced. The present administration has tragically unbalanced the budget by piling up a huge surplus. I have already pointed out that the State's cash the last Monday in March was \$27,067,095.76. It is obvious that such an enormous surplus has been provided by a two-fold program of unnecessary taxation and reduced State services.

There are other issues of great importance in this campaign, but all of them are similar to those which I have discussed. The entire campaign is a showdown between those who favor government in the interest of a few and those who favor democratic government in the interest of all.



THE HOEY CAMP

State Manager Hubert E. Olive in background.

CLYDE HOEY'S VIEWS

(Continued from page two)

for the purpose of making a popular appeal and then forgotten or abandoned after election. I shall state my views frankly and candidly upon any public question confronting the people, but I shall offer no issue as the basis of my candidacy. You do not select a platform or an issue as the Governor of the State, but you elect a man and unless I am the kind of man who ought to be elected Governor of North Carolina, then no issue that I might champion and no platform that I might construct would either

qualify me for that high office or entitle me to the nomination.

The people of North Carolina know what sort of Democrat and what kind of man I am, since I have lived my whole life in this State, and they can determine whether or not they wish me for their Governor. I do not promise to change either my views, habits or customs, and shall continue to stand for the things I have stood for all my life. I am not counting on either my candidacy or election to work a transformation, but I shall be tremendously disappointed, in the event of my election, if the opportunity is not afforded to render the people of the State some worthwhile service.

My Formal Announcement

In making formal announcement of my candidacy on May 15, 1935, I said:

"Frankly, I have no purely personal ambition to hold public office, not even to be governor. However, I am tremendously interested in childhood and youth, in adequate educational facilities for all the children of the State, in fostering higher education, in having the State meet the challenging demand to do something constructive and permanent in translating the tenant classes into home owners and to more equitably compensate the school teachers and the salary and wage classes generally, and to make secure their future, and to provide for the reasonable necessities of old age among all the people.

"I feel an abiding interest in public affairs. I recognize the obligation of the citizen to share the responsibility of government and to actively participate in every movement which promises fuller opportunities for the masses of our people. The passion of a free people should be for the maintenance of a just government, and state and nation should strive steadily toward that goal, with a definite purpose to deal fairly with every interest, great or small, and to approach the solution of the complex problems of government in this new day with an open mind.

"The movement inaugurated by Aycock in the beginning of this century to build a balanced commonwealth should be courageously carried forward and it will require the united effort of all of our people to

achieve this result. The strength and virility of youth, the wisdom and experience of maturity and the unfailing idealism of womanhood should all combine to work out a great destiny for the State."

A General Statement

I stand by that statement. In this short article, I shall not be able to give my views in detail on all public questions, but I may summarize by saying that I believe in economy in government; efficient administration of all the departments of government; increased educational facilities for the children of North Carolina; provision made for compliance by the State with the Federal statute providing for old age security generally; the exemption from the sales tax of the necessities of life, including foodstuffs, meals at cafes, restaurants and hotels, looking to the reduction of the rate and the final elimination of the entire sales tax levy if and when the revenues of the State will permit it; a still further reduction in the cost of automobile license plates and no further increase in the tax on gasoline and no further diversion of highway funds; better maintenance of county highways throughout the State and coöperation by the State with the municipalities in the maintenance of State highways within the corporate limits of cities and towns; the fullest coöperation of State and Federal agencies to serve the farmers of the State and aid them in receiving a fair price for the products of the farm and an increased effort to translate tenants into landlords; an intelligent and determined effort to improve the character of the inmates of the prisons in North Carolina with a view of redeeming them to good citizenship, and with a daring purpose to hold up before every prisoner the goal of building anew his place in the life of the State when released from prison.

Popular Education

The supreme concern of the people of North Carolina should be for the education of all the children of the State. The responsibility now rests almost wholly upon the State. There must be the creation of an educationally minded State and a willingness to crusade for popular education to the end that the lost ground shall be retrieved and our vacated positions recaptured and

adequate educational facilities provided in every district in this commonwealth.

I think the chief need is a sympathetic approach to the question and a sincere desire to give to the schools the fair treatment which their importance deserves, and a full realization of the pressing needs. Certainly increased appropriations will be required to provide reasonable salary increase for the teachers, but above other needs is such a spirit of coöperation and helpfulness as will guarantee the full support the State is capable of providing, and the assurance of an increased local support to supplement the provision made by the State.

My interest in popular education has no relation to my candidacy. It has been life-long. The public school was my college—my university—and while I had to leave school at 12 years of age, yet I shall never be able to repay the debt of gratitude which I owe to the great State of North Carolina for giving me a chance in her public schools. I covet for all the children of this blessed state a finer chance and a more abundant opportunity than was mine, and I call upon all North Carolinians to rally to the cause of popular education.

Question of Taxation

The question of taxation is always vital. The power to tax is still the power to destroy. It should, therefore, be the constant purpose of an enlightened state continuously to study to improve the system of taxation, to eliminate injustices, and to have the burdens and benefits equitably distributed.

There are two basic principles which should be observed in levying taxes—first, ability to pay, and second, benefits to be derived. Both of these should be properly considered and weighed in calling upon the citizen to pay tribute to his government. Every individual citizen owes allegiance to his state and there rests upon him the obligation of making his contribution in return for the protection received and the benefits bestowed consistent with his ability to respond to the needs of his government.

I had nothing to do with the adoption of the sales tax and am in no wise responsible for it. It was adopted as an emergency measure

and I am not willing to accept it as a permanent fiscal policy of the State. I believe that there has been a sufficient recovery from the depression to justify the immediate repeal of this tax on the necessities of life and I shall favor this being done. I cannot promise the repeal of the sales tax in its entirety at this time because I do not believe that the State can obtain the necessary revenue from other sources to meet the requirements of the schools, provide increased compensation for the teachers and make provision for the aged. My conception for the civilization of North Carolina can be put into this simple sentence: Youth to learn, maturity to work and serve, old age to be secure—and a just system of taxation for all.

Women in Government

It was my privilege, in making the keynote speech before the Democratic State Convention in 1920, to advocate Woman Suffrage and urge its adoption by the Legislature soon to assemble in extra session. My thought was that North Carolina needed the inspirational touch of womanhood in politics and her ideals in government. She has justified the wisdom of granting her the right of suffrage. She has made and is making a distinct contribution to the cause of popular government. Not alone by holding office, but more effective still by evidencing her interest in public affairs and voicing her approval of great humanitarian measures, she is adding the powerful force of her intelligent support to those constructive enactments vitally affecting childhood and extending help to the unfortunate in all walks of life. Amid all the practicalities of life women are putting heart in government, besides obtaining even handed justice for her sex in the administration of property rights. Women naturally belong to the Democratic party and the party honors itself in honoring them.

Campaign Expenses

I have neither the money nor the disposition to conduct an expensive campaign. The expenditure of vast sums of money in elections is abhorrent to me and I believe subversive of the principles of popular government. I have never been interested in accumulating money and

hence cannot finance an expensive campaign, and I do not wish to incur the obligation that would attach for others to furnish large sums of money for my campaign.

A Final Word

Finally, I call upon the people of North Carolina to fairly and dispassionately review the record of the Democratic party in state and nation. It asks for support based upon its record. I maintain that this great party of our fathers has been true to its trust and has justified the confidence reposed in it and shall continue to serve the whole people. I covet for our blessed State harmony, peace and good will among all classes of our people and mutual confidence and respect for each other. We cannot build a great commonwealth by encouraging discontent and fostering distrust, by bickerings and strife, by jealousies and hatreds, by abuse and vituperation. We are all North Carolinians by nativity or adoption, proud of our State, of her glorious history and her fine traditions, and interested in her challenging future. May we not re-dedicate ourselves to her service, re-consecrate our energies to the consummate task of state building and unitedly go forward as one people to the accomplishment of the great purposes of free government for the common good of all.

GRAHAM STATEMENT

(Continued from page two)

will be available for the current year about \$35,000,000. In this sum is included \$12,500,000 from Federal funds made available to aid in the construction of new permanent roads. In addition to employment given through contractors engaged in building new roads the Highway and Public Works Commission will employ approximately 5,500 men monthly during the present year.

Building Leaders and Citizens

An entirely different, but no less important, service is that rendered by the institutions for higher education, headed by the greater University of North Carolina and including colleges and training schools for teachers. These assure our youth an opportunity for training that will give them an equal opportunity with the youths of other

States. For this purpose \$1,951,522 is appropriated for this year.

For those diseased of mind, those ill from tuberculosis, and for crippled children hospitals are provided. Correctional institutions are maintained for wayward boys and girls that their feet may be again set in the pathway of good citizenship. A public health service and a public



A. D. "LON" FOLGER
The Senator from Surry heads the Graham forces for the coming primary.

welfare service is maintained. These services for the care of the physically and mentally maimed and the protection of the well cost \$2,194,360.

All other State services, consisting mainly of administrative functions, require an annual appropriation of \$3,121,732. There is also an item of debt service of \$4,350,285. Exclusive of Federal funds, this gives a grand total of \$56,668,899.

Burden Taken Off Property

Not one penny of this money comes from a tax on property. On the contrary, local taxes heretofore levied for schools and roads have been removed. Where, then, do these millions of dollars come from?

Using the actual figures for receipts during the past fiscal year collections were made as follows:

General sales tax of 3%	\$ 7,654,224
Franchise tax on corporations	6,680,867
Income tax	7,125,873
Privilege tax on business	1,727,722
Inheritance tax	502,474
Miscellaneous items	1,859,010
Registration of motor vehicles	6,684,265
Motor title registration	126,859
Gasoline tax	15,165,490
	\$47,526,784

Changes in a number of these schedules were made by the General Assembly of 1935, and it is estimated that the total revenues to be collected for the current year will exceed \$50,000,000.

Demands for Public Service Grow

Briefly sketched this shows the purposes for which the State government spends money, and the sources from which the money is obtained. This is of the present, what of the future?

There are few persons who do not realize that the demands for public service will not grow less, but rather will increase. There is now general agreement that the public schools require more money than is at present available. There is, also, general agreement that North Carolina must provide for participation in the Federal Social Security Program, particularly with regard to old age pensions and unemployment insurance. Other services of the State are inadequately financed, where shall we find additional funds?

The Tax Structure and the Future

A careful study of revenue receipts through the first seven months of the present fiscal year, and consultation with many familiar with business conditions, leads me to the belief that constantly improving business conditions will result in greatly increased revenues for the State without materially changing our present tax structure and its rates. I do not believe that for the present we can remove the sales tax, but I do believe that it can be modified by exempting articles of food. Some adjustments may be made in tax schedules where the experience of the present biennium may indicate changes can be made advantageously. It is the opinion of those thoroughly familiar with the State tax system that present rates estimated on business conditions as existing in 1929 would yield in excess of \$40,000,000 annually, exclusive of revenues derived from motor vehicles and gasoline taxes for highway purposes.

We are making progress. The depression is giving way to returning prosperity. We can go forward, maintaining what we have and assuming new responsibilities, unafraid.

Bulletin Service

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



Prepared by
M. R. ALEXANDER

I. Ad valorem taxes.

A. Matters relating to tax listing and assessing.

71. Solvent credits—taxability of bank deposits and postal savings.

To F. W. McGowen. Inquiry: Is cash on hand in a state bank now in process of liquidation subject to taxation?

(A.G.) Cash in banks is an item which is listed by the individual owner thereof, and we are of the opinion that funds held in a bank in the process of liquidation, but which had not been distributed by the Banking Commissioner, would not be subject to taxation against the bank. The bank has no interest in such funds other than to see that they are properly distributed to the lawful owner.

92. Credit to hospitals for charity work.

To S. C. Chambers. Inquiry: Please give me your opinion on the constitutionality of Chapter 417, Public Laws of 1935, Sec. 304 (5a), allowing credits against taxes to hospitals for charity work.

(A.G.) While it is impossible to forecast with any certainty what the Supreme Court might rule, the better opinion seems to me to be that authority given by the Statute is covered by Article V, Section 5, of the State Constitution, authorizing the General Assembly to exempt property held for educational, scientific, literary, charitable or religious purposes.

To the extent that a hospital does perform charitable work, its property and the facilities it affords in that connection may be fairly said to be held for a charitable purpose. This, I think, at any rate, is in accord with the spirit and purpose both of the Constitution and of the cited section of the Machinery Act.

B. Matters affecting tax collection.

16. Corrections and discoveries.

To L. H. Ballard. Inquiry: A piece of property has been listed in the name of both husband and wife and double taxes collected thereon for 30 years. May the town refund taxes paid in error and for how many years back?

(A.G.) In my opinion the town has no legal authority to refund taxes for years further back than five.

31. Tax foreclosure—procedural aspects.

To W. B. Allsbrook. Where the Defendant in a foreclosure action under C. S. 8037 pays the tax plus the \$6 costs taxable against him, but the costs of the action exceed the \$6 limitation, may the Clerk of Court demand that the City advance the balance before entering a non-suit?

(A.G.) After a foreclosure proceeding has reached the stage of entering judgment without the officers interested demanding costs, such cannot be enforced by refusal to perform other duties in the case for which they are tendered payment. If costs are tendered to the Clerk for the service that he is then to perform, my

opinion is that he will be required to perform it and can not withhold the service in order to collect costs for services already rendered.

However, it is not my opinion that the \$6 limitation on costs (where Chapter 560 is applicable) would prevent the city from paying the ordinary costs of procedure. The limitation is upon the amount to be taxed in the bill of costs against the taxpayer.

50. Acceptance of bonds for taxes.

To M. C. Mauney. Inquiry: Is it legal for a town to accept its past due bonds in payment of 1935 taxes?

(A.G.) Not unless there is some public-local law permitting same, and I know of no such law applying to your town.

76. Date lien of taxes attaches.

To G. W. Ray. (A.G.) Under the authority of State v. Fibre Co., 204 N. C. 295, the tax lien would actually attach to property conveyed on July 1.

77. Priority of lien.

To Andrew Joyner, Jr. Inquiry: Property belonging to a corporation was sold for taxes, bought in by the city, and the deed recorded Sept. 8, 1933. Will this land be subject to a State lien for corporation taxes against the corporation which accrued in 1932 and 1933 but the lien of which was not filed until 1935?

(A.G.) This Office has formerly held that a lien for taxes is not preferred over a prior recorded encumbrance. Certainly when property has actually been deeded away before a tax lien was recorded against it, the State would have no claim against the purchaser thereof, he having had no notice of such a lien.

III. County and city license or privilege taxes.

A. Levy of such taxes.

22. Loan and finance companies.

To J. C. Cheesborough. Inquiry: Is a business man who loans money as a sideline, but at interest, to special friends and acquaintances, but not to everyone, subject to the State and local taxes prescribed by Section 152 of the Revenue Act?

(A.G.) We are of the opinion that his activity in this regard brings him within the broad and inclusive definition of a loan agency described in the taxing section.

64. Out-of-town businesses.

To Finley Banner. (A.G.) This Office is of the opinion that you would have no authority to levy and collect taxes under Schedule B of the Revenue Act on wholesale beer trucks which deliver beer in your town.

IV. Public schools.

C. Powers and duties of city administrative units.

2. Creation.

To H. Lee Thomas. (A.G.) In my opinion it is not required to establish a city

administrative unit that a town within it shall be incorporated. I think it sufficient if it has within it a town, whether incorporated or not, provided the district upon which it is formed has a school enrollment of 850.

In case the State School Commission should set up a City Administrative Unit and such unit should vote a special tax for supplement to the school fund, such supplement will be handled by the local committee and the State appropriation will be handled as theretofore.

In my opinion it does not take a special act of the General Assembly to create a city administrative unit in your town.

10. Elections to supplement state funds.

To W. L. Mann. Inquiry: 1. Who are the tax-levying authorities for our City Administrative Unit? (A.G.) The Board of County Commissioners, as the unit includes property outside as well as inside the city. 2. What agency makes the request for an election on the question of school supplement? (A.G.) While perhaps not directly required by the statute, it is proper for the request to be made by the County Board of Education to the Board of County Commissioners based upon a request by the City Administrative Unit acting through its board. 3. If such a request is properly made, is it mandatory upon the tax-levying authorities to call an election? (A.G.) Yes, in my opinion.

D. Powers and duties of present school districts.

5. Erection of school buildings.

To Clyde Erwin. (A.G.) I regret to say that there is no method known to the law under which a City Administrative Unit or any other school unit may tax itself for the purpose of building a school house or supplementing an expenditure for such purpose.

The School Machinery Act of 1933, Section 4, abolished all school districts except for purposes of debt service, and in doing so repealed all of the 1933 machinery built up around special tax districts and special charter districts for the borrowing of money and issuance of bonds for school buildings. This power was not given to the administrative units which took the place of the old districts, and no power now resides anywhere except in the Board of Commissioners to build these buildings.

40. Transportation of pupils.

To J. W. Seabrook. Inquiry: Does C. S. 2618 (c), setting 25 miles as the speed limit for school busses transporting school children, apply only to the public schools or does it include a state normal school of college level?

(A.G.) In my opinion this Statute has in view the protection of every school child of every kind and grade, and is not limited to busses carrying school children of any particular grade. I come to this conclusion because the Statute is an independent chapter and is not integrated with any other law which would limit its application to children carried to the public schools under the consolidation system now in force.

F. School officials.

14. Members of county and city boards—vacancies.

To R. H. Atkinson. Inquiry: 1. How are vacancies in the County Board of Education filled? 2. How many members does it take to make a quorum when a board has four?

(A.G.) 1. By action of the County Executive Committee of the political party of the member causing such vacancy, and if not done by the Executive Committee in 30 days, then by appointment of the State Board of Education. See C. S. 5416. 2. Three members.

H. School health laws.

5. Compulsory vaccination.

To L. L. Parks. Inquiry: Is smallpox vaccination compulsory for all children attending the public schools?

(A.G.) C. S. 7162 states in part that "The board of health of any town, city or county shall have authority to require children at the public schools to present a certificate of immunity from smallpox either through recent vaccination or previous attack of the disease." See also *Hutchins v. School Committee*, 137 N. C. 68, holding that where a school board has entire and exclusive control of the public schools, it may require vaccination as a prerequisite to attendance.

I. School property.

10. Disposition.

To M. L. Ham, Jr. (A.G.) This Office has ruled that title to property within a Graded School District made into a City Administrative Unit remains in the hands of the trustees of the Graded School District. C. S. 5780.

However, the proceeds derived from the sale of property within a school unit goes to the county for distribution as capital outlay for the building of new buildings wherever they may be necessary.

15. Proceeds from fire insurance.

To Lloyd Griffin. Inquiry: What agency takes title to the proceeds of insurance on a burned town school house, and to what purposes may the money be put?

(A.G.) In my opinion, such money should go to the Board of County Commissioners on whom rests the obligation to rebuild the school house. I think it might be used to pay off the indebtedness of the school district, which would bring the county within the decision of *Hickory v. Catawba County*, 206 N. C. 173, and compel the county's assumption of all local school district debts, but I know of no law requiring such action.

VI. Miscellaneous matters affecting counties.

B. County agencies.

10. A.B.C. Stores.

To W. D. Glover. Inquiry: What days in the year are A.B.C. Stores required to close?

(A.G.) Section 12, Chapter 493, Public Laws of 1935, provides for Sunday, election days, and legal holidays. The latter are set out in C. S. 3959 as being January 1 and 19, February 22, Easter Monday, April 12, May 10, 20, and 30, July 4, first Monday in September, November 11, Tuesday after first Monday in November when a general election is held, Thanksgiving Day, and December 25. Whenever a public holiday falls on Sunday, the Monday following is the public holiday.

To A. J. Maxwell. Inquiry: Are A.B.C. Stores operated by counties in the State liable for taxation on net income under our revenue law?

(A.G.) Under the Pasquotank Act, Chapter 493, Public Laws of 1935, the A.B.C. agencies are set up for the sale of whiskey, and more particularly for its control under a public board. In my opinion, the agencies set up are municipal in their character and are not private domestic corporations within the meaning of the

Act, and for this reason the State has no right to tax their net income.

15. Associations for the Blind.

To Dr. R. S. Cheek. Inquiry: A county association for the blind, providing employment for those who are able to work and subsidies for others, receives support not only from the State Commission but also from the county and city. May the State Commission properly receive such grants in the form of direct checks, to be deposited and become a part of its General State Funds, then match these from the federal funds which it now has, giving these needy blind direct money payments in the form of checks, varying on a basis of need?

(A.G.) In my opinion, such procedure will be proper, but the plan should be fully made known to the federal authorities from whom the grant is obtained, and approval secured from such authorities before the plan is put into execution.

VII. Miscellaneous matters affecting cities.

To J. D. Larkins, Jr. (A.G.) I am of the opinion that a County Board of Education and a Town may legally enter into a valid contract by which the Board would transfer to the Town its privately constructed sewer line in consideration of the town's assuming liability for its future maintenance and upkeep. I assume that the contract contemplates that the Board shall continue to have the right to use said sewer for the purposes for which it was constructed by them.

Q. Town property.

15. Mortgaging.

To G. W. Taylor. Inquiry: Does a town have power to buy property and convey same as security to raise the sum necessary to pay off a note on the property? Such action is necessary in the case of our town to protect the town's interest in a lot on which the town and another party hold delinquent notes.

(A.G.) The sale of city property is required by C. S. 2688 to be at public auction. The case of *Ball v. Commissioners*, 118 N. C. 636, also holds that the power to sell property does not carry with it the right to mortgage property belonging to a municipal corporation.

20. Power of eminent domain.

To R. B. Overton. Inquiry: May a town exercise the right of eminent domain under Chapter 470, Public Laws of 1935, and is the requirement of Section 25 applicable to towns?

(A.G.) Section 25 applies to towns, and we think it necessary for this section to be complied with.

VIII. Matters affecting chiefly particular local officials.

B. Clerks of the Superior Court.

1. Compensation and fees.

To J. C. Little. Inquiry: A Clerk failed to collect fees for services performed in the handling of an estate and dating back to 1920. What fee schedule governs?

(A.G.) An examination of Chapter 379, Public Laws of 1935, does not disclose that the fees therein provided for are retroactive. We are of the opinion that this act would not be effective until after the date it was ratified, and that the Clerk would only be entitled to collect now on each separate annual account the amount due him as commissions according to the law in force at the time the account was filed.

4. Securing of funds.

To Wm. I. Cochran. Inquiry: 1. Are a Clerk's funds deposited in a bank (not

exceeding \$5,000 at any time) fully covered by the Federal Deposit Insurance? (A.G.) In my opinion, yes. 2. In the event the Federal Deposit Insurance was called on for the Clerk's deposit, would this be considered as part of the funds of the county and be prorated as such? (A.G.) In my opinion, no.

13. Actions without cost bond.

To J. W. Donley. (A.G.) In my opinion, by way of comity, the law of North Carolina would not require any bond for costs to be filed by the United States Government, and the matter shall be allowed to proceed as to the Government without any requirement of bond for costs.

20. Criminal appeals.

To A. L. Meyland. (A.G.) Your office is expected to notify the Attorney General's Office of appeals in criminal cases "as soon as may be after execution is stayed." This requires a bond or order to appeal in forma pauperis, an appeal in itself not being sufficient to stay execution. You are required to notify this Office only in cases in which this requirement is met. Otherwise, you should present the case to the Solicitor of the District for the proper motion and execution against the Defendant.

30. Suit on the Clerk's bond.

To C. K. Hughes. Inquiry: Where short-ages in an office go back over a period of 10 years and are covered by several sureties, do creditors whose claims have been allowed share equally in the assets collected from all, or is the sum received from each surety applied only to losses occurring during the term of the particular bond?

(A.G.) The latter would seem to be the rule in view of the authorities to the effect that sureties are not liable for defaults occurring after the expiration of the period for which each particular bond was given. See *Blades vs. Dewey*, 136 N. C. 76, 50 C. J. 87, *Stearns, Suretyship, 4th Ed.*, p. 262.

51. Application of costs to unpaid taxes.

To H. J. Marshall. (A.G.) Whenever a bill of costs in a criminal action is presented to and ordered to be paid by any Board of County Commissioners, 245 Public Laws of 1933 makes it the duty of the Clerk to ascertain if any person to whom any such amount is due is indebted to the County for taxes. If so, such sum as may be due shall be credited on his taxes.

C. Sheriffs.

1. Fees.

To E. M. Chadwick. Inquiry: Is the Sheriff entitled to full or half fees for service of summonses in tax suits instituted in other counties? To payment in advance?

(A.G.) C. S. 3908 provides a fee of \$1 for each Defendant named in the summonses for ordinary civil actions, but C. S. 8037 reduces the fee by one-half in the case of tax suits. C. S. 8037 also reads that fees shall be paid "after and when collected," which would seem to change the general rule requiring fees to be paid in advance.

10. Executions.

To John Armstrong. (A.G.) This Office is of the opinion that the Sheriff of a county would not be violating C. S. 199 (a), relating to illegal practice of law, by offering property for sale under an execution duly presented to him. The law commands that he sell the property of a person against whom a judgment is taken, and it is his duty to proceed to draw the proper notices of sale and conduct the sale.

D. Registers of Deeds.**9. Marriage—licenses.**

To A. B. Rhodes. Inquiry: May a marriage ceremony be performed under a license issued in another county?

(A.G.) C. S. 2498 specifically requires a license "signed by the Register of Deeds of the county in which the marriage is intended to take place, or by his lawful deputy."

11. Marriage—witnesses.

To Wm. D. Kizziah. Inquiry: Please examine C. S. 2502 and 2504 and advise if you think there is any conflict and if so which controls?

(A.G.) C. S. 2502 requires that one or more witnesses must be present and controls in so far as the marriage ceremony is concerned. C. S. 2504, which requires the signature of "all, or at least three of the witnesses who signed the return as present at the celebration" applies only to the record of licenses and returns which the law requires the Register of Deeds to place on record. If there is only one witness present, of course, you could only record the one witness.

E. County auditor.**2. Qualifications and residence.**

To Junius D. Grimes. Inquiry: Chapter 517, Public Laws of 1935, Article 5, Section 500, subsection 1, provides that a tax supervisor must be a resident free-holder, but provides further that counties with county accountants may make such officer tax supervisor. Must a county accountant also be a resident free-holder to serve as tax supervisor?

(A.G.) I am inclined to think that the intention of the Statute was merely, as a matter of convenience, to permit the Commissioners to designate the County Accountant as Tax Supervisor. I think, however, that this went only so far as to permit the combination of these duties in one person, and do not think it was intended that one who was not a resident freeholder could be tax supervisor. The matter is close, but it seems to me that this is the better opinion.

Under the language employed in subsection 3, I see no reason why an assessor and an assistant assessor might not be appointed for each township, in accordance with your suggested plan.

K. Coroners.**1. Fees**

To M. B. Simpson. (A.G.) The fees for services of the Coroner are prescribed by C. S. 3905. It is there stated that he should receive \$5 per day for holding inquests and shall receive necessary and actual expenses for burying paupers. The section also provides that his fees shall be the same as those of Sheriffs in similar cases. The fee bill for Sheriffs is provided by C. S. 3908.

L. Local law enforcement officers.**30. Slot machines.**

To Geo. L. Peterson. Inquiry: Are slot machines to be considered legal if licensed by the State Department of Revenue and the Sheriff of the County?

(A.G.) Licenses are supposed to be for the operation of legal machines, and neither the Commissioner nor the Sheriff can legalize the operation of an illegal machine. Persons operating machines in violation of the law have no immunity from holding a license. See Revenue Law, Section 130 (c).

To Chas. E. Johnson. Inquiry: Please interpret the difference between the two sections of the 1935 Public Laws which attempt to define a slot machine.

(A.G.) We have interpreted Chapter 282 in its major aspect to provide that where the operation of the machine is controlled substantially by chance, such operation and the possession of the machine itself is in violation of the law. Where, however, the result is produced substantially by the application of skill, we have interpreted it to mean that it is not in violation of the law.

In my opinion, the proper legal construction of the two acts taken together is that Chapter 282 does not modify or repeal Chapter 37, but simply adds another situation to the category of offenses denounced by these laws.

38. Automobile Drivers' License Act.

To J. G. Anderson. Inquiry: Does the punishment for drunken driving prescribed by the Uniform Drivers' License Law apply if the offense was prior to but the conviction subsequent to the date the act went into effect? If the trial was set for prior to November 1 but had to be continued due not to any cause of the Defendant but to the illness of the arresting officer?

(A.G.) It may be that this ruling works a hardship on the Defendant referred to in your letter. However, from the very wording of the Statute, we are compelled to hold that a person convicted after November 1 comes within the meaning of the Act. We call your attention to Section 12 (a) and the definition of the word "conviction" which appears in Section 18 (c) and provides that for the purpose of this Act the term "conviction" shall mean final conviction.

39. Motor Vehicle Laws—1935 Act.

To T. R. Burdette, Jr. Inquiry: Please explain the meaning of the term "hit and run" in regard to traffic accidents.

(A.G.) "Hit and run" is solely a popular term without any legal significance. It is supposed to refer to the crime created by C. S. 2621 (71). This makes it the duty of the driver of any vehicle involved in an accident causing injury or damage to any person or property to stop his car, furnish his name, address, license and registration numbers, and render reasonable assistance to any injured person. One who violates this Statute is often referred to as a "hit and run" driver.

52. Pardon and parole—effect.

To G. F. Washburn. (A.G.) The Constitution gives the Governor the power to pardon criminals, commute sentences, and remove penalties which have been imposed incidental to the conviction of crime. The law requiring the Department of Revenue to take up driver's licenses on conviction for driving while intoxicated does not impose a penalty, but is purely a measure under the police power for the protection of the public. This being true, I do not think that the Governor has authority to deal with this situation under Article III, Section 6, of the Constitution, to which alone his authority, if it exists, must be referred.

O. Juvenile Court officials.**1. Jurisdiction.**

To W. C. Haire. If a child of 14 is charged with an offense for which the punishment can not be more than 10 years, C. S. 5047 (6) provides that the case shall be investigated by the Juvenile Court, which in its discretion may bring the case to the attention of the Superior Court and the child bound over as now provided by law. In cases in which the punishment may be more than 10 years, no procedure is set out by the Statute. It is my opinion if such a boy has been arrested and is before the Juvenile or Police Court that

he may be bound over to the Superior Court.

S. Mayors and aldermen.**1. Qualifications and residence.**

To Z. V. Turlington. Inquiry: Is an alderman's office vacated by removal from one ward to another for the winter months, his purpose being to secure a house with heat and his intention being to return to his original residence?

(A.G.) I think the general law affecting residence would control, and a temporary stay in another place with the intention to return would not constitute an abandonment of his residence.

U. Notary Public.**2. Qualifications.**

To R. W. Pearson. Inquiry: May the Clerk of Superior Court refuse to administer the oath to a person commissioned as a Notary Public pending the investigation of local complaints against his appointment?

(A.G.) We are of the opinion that the Clerk, when a commission is presented to him, has no discretion in the matter but is required to administer the oath as provided by C. S. 3173. Any protest against the appointment should be made to the Governor.

10. Contracts in which employer is interested.

To J. D. Jones. (A.G.) Chapter 168, Public Laws of 1935, has no application to Notaries Public taking the acknowledgment of grantors in instruments. It applies only to the acknowledgment of subscribing witnesses who are the agents or servants of the grantee.

Y. Game wardens.**5. Powers and duties.**

To R. Bruce Etheridge. (A.G.) In the opinion of this Office, game wardens properly holding office as such under the Department of Conservation and Development are clothed with power to enforce regulations issued by the Department, as well as to enforce public local acts regulating fishing in counties where such acts are in force. The jurisdiction of the Board extends to all the public waters of the State over which it has control.

10. Carrying weapons.

To B. C. Willard. (A.G.) Deputy game wardens when in the exercise of their duties have the same right to carry a pistol as do deputies sheriff and policemen.

IX. Double office holding.**13. Policemen.**

To R. M. Hall. (A.G.) It is not proper to appoint a city policeman to the County Board of Elections, as both places are offices within the meaning of the Constitution.

19. Deputy Sheriff.

To J. H. Green. (A.G.) Unless the office of Deputy Sheriff is created by special statute, it is not considered an office for purposes of this section.

X. Primaries.**C. Matters affecting candidates.****1. Qualifications.**

To L. P. Colvard. Inquiry: Is a local act valid which provides that no person shall hold the same county office more than two successive terms?

(A.G.) This Office is of the opinion that such an act is contrary to Article VI, Section 7, of the State Constitution, which provides that every voter in North Carolina, except as disqualified in said article, shall be eligible for office, and states that the Legislature can not add to the constitutional qualifications to hold office.

HAVE YOU READ---

Lee's Story of the Constitution

\$4.00 Delivered

Order a Copy Today

from

The Michie Company
LAW PUBLISHERS

Charlottesville, Virginia

We Can Supply Any Law Book In Print

A Complete Printing Service

◆ ◆ ◆
The better class of business demands better printing. We are equipped to create for you jobs of printing that are more expressive of you and your business.

The Orange Printshop

CHAPEL HILL, N. C.

PHONE 3781

ESTABLISHED 1885



VITRIFIED
GLAZED
CLAY SEWER
PIPE FOR
SANITARY
SEWERS

FLUE LINING - WALL COPING - SILO BLOCKS
FIRE BRICK - DRAIN PIPE - DRAIN TILE
AND OTHER CLAY PRODUCTS

Build for Permanence
and Economy

with

The New Process
Pine Hall Sewer Pipe

De-aired, Vitrified, Glazed

Made under vacuum with machinery designed by this company.

Materially increases strength, quality, and ease of laying.

WRITE

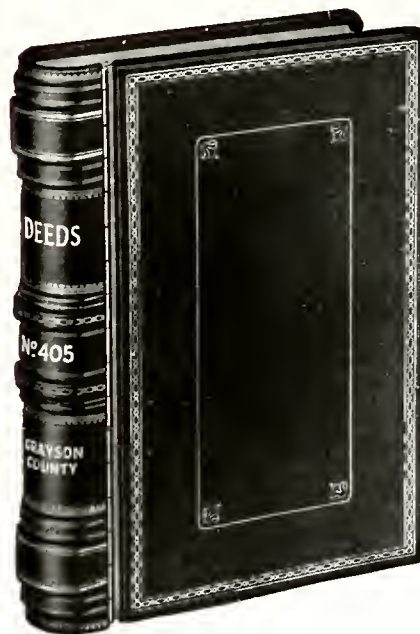
**Pine Hall Brick
& Pipe Co.**

WINSTON-SALEM, N. C.

Annual Capacity 12,000 Tons

Commercial Printing Company

INC. 1907



•
Printing
Binding
Ruling
Blank Book
Manufacturers

•
Raleigh, N. C.

SOUTH SALISBURY STREET

LONG DISTANCE TELEPHONE 3950

R. S. DICKSON & COMPANY

Established 1919

INVESTMENT STOCKS AND BONDS

Providing the Southeast with the facilities and services of an investment banking organization—serving dealers, institutions and private investors.

CHARLOTTE RALEIGH NEW YORK
CHICAGO COLUMBIA

The Observer Printing House

INCORPORATED
CHARLOTTE, N. C.

County Record Books
Tax Supplies and Systems

LOOSE LEAF OR BOUND

Indexing Systems for All County Records

We specialize in special built Furniture and
Filing Equipment for Court Houses

We Invite Your Correspondence

COMMUNITY GROWTH

●
Community growth depends more upon the adequacy and the quality of utility service than upon any other factor.

●
Live, growing and prosperous communities, and aggressive, well financed up-to-the-minute utility organizations go hand in hand.

●
We invite attention to the cities, towns and communities served by us—to the industrial opportunities that exist in these communities, to the commercial activity in these communities, to the attractive living conditions and to the wholesome atmosphere of these communities. We are gratified in the part we have been able to play in the up-building and in the well-being of these cities, towns and smaller communities.

Duke Power Company

CHARLOTTE, NORTH CAROLINA