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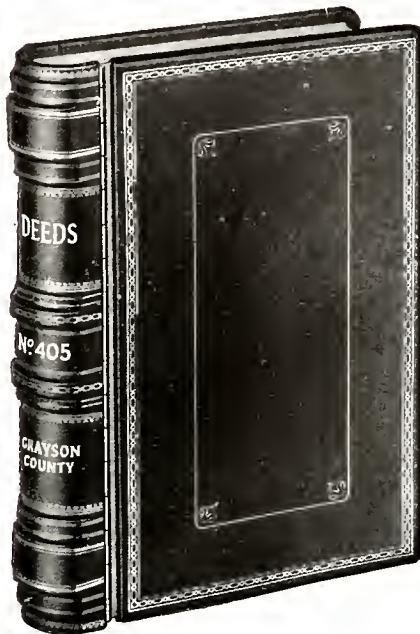
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**FOR MEN  
AND BOYS  
•  
FOR EVERY  
SEASON**



# POPULAR GOVERNMENT

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## The 1936 Congress in Review - -

THE SECOND SESSION of the 74th Congress contented itself in the main with providing for the continuation of New Deal activities along present lines. Few new programs were added, and most of these constituted replacements of activities invalidated by the Supreme Court or extensions of present enterprises. However, the states and their subdivisions could not be said to be displeased with the results. Previous Rooseveltian Congresses had brought vast extensions of federal activities and relationships and staggering grants for relief, public works, and conservation. Extensions and grants which sent the annual total of federal aid to state and local units soaring from a quarter of a billion dollars in 1931-32 to more than two billion dollars for the fiscal year just closed. Moreover, the Congress just adjourned, while criticizing phases of New Deal administration at times, specifically rejected all suggestions to turn the relief load back to the states.

What may North Carolina and its subdivisions expect from the Federal Government in 1936-37? And how will the total aid compare with the \$40,366,611 figure for the past fiscal year, as shown in the accompanying table? A summary of the chief new federal legislation affecting the State and its cities and counties follows.

### Three Billions for Relief

The new relief appropriation was \$1,425,000,000 and provides for the continuation of the present work relief program under the Works Progress Administration during 1936-37 without substantial change. This does not include the approximately

## A Summary of the Chief Acts and Grants Affecting State and Local Governments

By M. R. ALEXANDER

Of the Staff of the Institute of Government

\$600,000,000 in appropriations for the C.C.C. camps and various public works. Another billion dollars is available out of unexpended balances from last year's appropriations, giving a total of slightly more than three billion dollars for work relief and recovery in 1936-37. Federal expenditures for the same purposes in 1935-36 are estimated at three and a half billions.

The action of Congress reaffirms the principle that work relief is to be provided by the Federal Government and the care of unemployables left to the states. Although Congress provided that the funds should be spent "in the discretion of and under the direction of the President," it is presumed that the chief executive will continue general direction of the program in the W. P. A. However, Congress earmarked the funds generally for certain types of projects, as follows:

The Institute of Government in its capacity as a clearing house of information between federal, state, and local governmental units has gathered a considerable volume of information on the work of the 1936 Congress. Any inquiries or requests for more detailed information on a particular phase of the new Federal Legislation will be welcomed.

	Amount	%
Highways, roads, streets	\$413,250,000	29
Sewer systems, water supply and purification, airports and other transportation facilities	171,000,000	12
Public buildings	156,750,000	11
Parks and recreational facilities	156,750,000	11
Flood control and other conservation	128,250,000	9
Rural rehabilitation and relief	85,500,000	6
Assistance for educational, professional, and clerical persons	85,500,000	6
Women's projects	85,500,000	6
Miscellaneous work projects	71,250,000	5
National Youth Administration	71,250,000	5
	\$1,425,000,000	100

(The act permits unexpended balances from last year's appropriations to be added proportionately to the above categories.)

### P.W.A. and Resettlement Continued

The 45% grants and 55% loans made to state and local units for the larger and more permanent P.W.A.-type projects will be continued through the use of \$300,000,000 in the P.W.A. revolving fund for this purpose. A fight over the continuation of another program, rural rehabilitation and resettlement, was settled by earmarking \$85,500,000 for this agency.

The expenditures for C.C.C. camps and A.A.A. payments to farmers were transferred from the "emergency" to the "regular" budget, indicating a tendency on the part of the Administration to make of these permanent activities. The appropriation for C.C.C. camps was \$308,000,000 and for Soil Conserva-

tion payments \$470,000,000 (plus \$32,000,000 for the work of the now permanent Soil Conservation Service). These are slightly less than the expenditures for these activities last year.

On the other hand the appropriation of \$458,361,860 for the social security program, which is just now getting in swing, is almost seven times as great as in 1935-36. Of this, \$265,000,000 is to be placed in the old-age reserve account in the Treasury and the remainder used for administrative expenses and for grants to the states for public health, vocational rehabilitation, maternal, child welfare, and crippled children's services.

#### Electrification and Flood Control

Counting the Soil Conservation as a replacement program, the major extensions of federal activities were the Rural Electrification act and the omnibus flood control bill. The former gives the R.E.A. permanent status and appropriates to it \$50,000,000 for the first and \$40,000,000 for each of the nine ensuing years, to be re-lent to public and private organizations for the erection of rural power lines, etc. The latter provides for about 200 flood control projects in 40 states at a cost of \$320,000,000, priority of projects to be fixed by the President and land costs to be borne by state and local units. The War Department bill also carried an appropriation of \$159,427,899 for river and harbor improvements which will be of interest to North Carolina, and particularly the sections adjacent to coast or navigable waters.

Meanwhile Congress ordered the final liquidation of the Emergency Relief Administration and paved the way for a thorough-going re-organization of New Deal agencies at the next session. This was done by including a section in the relief appropriation bill providing that a number of emergency agencies should not continue to function after June 30, 1937, "unless established by or pursuant to law." These are:

Commodity Credit Corporation  
Electric Farm and Home Authority  
Federal Farm Mortgage Corporation  
Federal Home Loan Bank Board  
Federal Housing Administration  
Federal Savings & Loan Insurance Corp.  
Federal Surplus Commodities Corporation  
First and Second Export-Import Banks  
Home Owners' Loan Corporation

Public Works Administration  
Reconstruction Finance Corporation  
Reconstruction Finance Mortgage Co.

#### Little Change in Grants-in-Aid

Appropriations to permanent state-federal services, as distinguished from federal emergency programs (see table listing federal aid to N. C.), were continued at their approximate 1935-36 levels, with increases in certain of the agricultural services as a result of the Bankhead-Jones Act passed by the prior Congress. This included federal highway aid, which was retained at \$125,000,000 a year through 1939, over the President's suggestion to suspend federal highway aid for 1936-37 in view of the volume of works funds granted directly to the states for highways with the matching requirement suspended. A new provision in the act appropriating federal aid highway funds for 1938 and 1939 authorizes the expenditure in each year of 50 millions for the elimination of grade crossings; these funds do not require it, but other highway grants must be matched by the states on a 50-50 basis.

The other chief increase in federal aid funds made by the second session was an additional appropriation of \$12,000,000 annually, starting July 1, 1937, to state programs

of vocational training. A part of these funds is expected to be available for training for public service.

The Supreme Court ruled three New Deal measures unconstitutional during the second session: the Municipal Bankruptcy Act, the Guffey Act setting up a "little N.R.A." for the bituminous coal industry, and the A.A.A. crop reduction program. Substitutes for the first two bills died with adjournment, but the third was replaced by the new program of Soil Conservation payments.

#### Taxing Property of New Deal Agencies

Two important questions having to do with the taxation of property of federal agencies were settled by acts of Congress. The first exempted preferred stock, capital notes and debentures of state and national banks held by the Reconstruction Finance Corporation from state and local taxation. However, the second authorized the government to pay service charges to states and local units, in lieu of taxes (which can not be levied against federal property), on P.W.A. housing projects and on resettlement projects.

Other acts of interest (for purposes of this summary) provided for:

1. The control of tobacco production through inter-state compacts.
2. The liquidation of the agricultural adjustment program and the clearing up of payments on contracts made prior to January 6, the date the act was invalidated.
3. Direct loans from the R.F.C. to municipalities and other subdivisions to finance repair, construction or rehabilitation of public works damaged by catastrophes.
4. Examinations of federal income tax returns by state officials and passing information down to local officials.

Finally, it may be of interest to note that the total appropriations for the 74th Congress were: First Session \$9,579,756,510, Second Session \$9,716,430,863, Total \$19,296,187,373. Federal income was \$4,116,000,000 and expenditures \$8,880,000,000 for the fiscal year just closed, making a deficit of \$4,764,000,000 and increasing the gross public debt to \$33,779,000,000.

#### FEDERAL AID PAYMENTS TO NORTH CAROLINA 1935-36

<i>Permanent</i>	
Land Grant Colleges	\$ 70,000.00
Ag. Exp. Stations	115,000.00
Ag. Extension	703,364.29
Forest Fire Co-op.	55,257.12
Nat. Forest Fund	9,257.27
For. Planting Stock	1,200.00
National Guard	440,000.00
Federal Aid Roads	2,938,657.00
Educ. of the Blind	3,325.00
Vocat'n Ed. & Rehab.	334,873.00
Employment Service	75,000.00
Mat. & Child H'lt	82,207.32
Public Health, etc.	115,686.64
<i>Emergency</i>	
N.I.R.A. and Works	
Progr'm Rd. Funds	\$ 9,544,131.00
F.E.R.A. Grants	5,556,763.00
P.W.A. Grants	3,748,797.00
A.A.A. Payments	7,238,475.19
W.P.A. Grants	9,334,617.51

\$40,366,611.34

NOTE: Table does not include Federal public works expenditures in N. C. nor other direct Federal expenditures, such as C.C.C., Resettlement, Soil Conservation, and National Park Service, which do not involve grants and are not classified by states in the Treasury Records.



# New Policies and Procedure of-- WPA

The Works Progress Administration was given general charge of the administration of the new \$1,425,000,000 work relief appropriation, the first allotment to North Carolina has already been made in the sum of \$3,220,000, and the program of assistance to cities and counties with work relief projects is being continued without interruption along the same general lines as last year. No wholesale call for new applications is contemplated, as approximately 1,700 applications from North Carolina cities and counties, involving a total cost of around 50 millions, remain on the approved list from the last fiscal year. The door is not closed for a city or county to make application for a new project, as in the case of several recent applications for airports, which it decides will fill a greater need in the community or more nearly fit the type of relief labor available locally than some of its projects already on the approved list. However, the new program in the main will be a matter of setting up additional projects, as fast as allocations are made available to North Carolina, from the \$50,000,000 list of projects previously approved in Raleigh and Washington. And the selection as to which of its approved projects a city or county wishes to set up first will again be left largely to the local authorities.

The emphasis in the new program has been changed from federal projects with local "sponsors" to local projects with federal assistance, and the first consideration will be the completion of projects which are already started. In addition to these, three chief changes in the policies and procedure for the administration of the new W.P.A. program are as follows:

1. The priorities formerly given persons eligible for relief on May and November 1, 1935, respectively, have been wiped out, and anyone who is now eligible for relief is eligible for W.P.A. employment.

2. Employees for W.P.A. projects will still be taken from the rolls of persons registered with and certified by the Employment Service but will no longer be limited thereto. The W.P.A. may now go beyond these to relief cases in the records of the State Board of Charities and Public Welfare or of local agencies, and may even employ persons not on any such rolls if it appears that they are eligible for relief but their names have been omitted mistakenly or unjustly.

3. The wages paid on relief projects will equal those paid on private work in the same locality, and North Carolina has been hiked up from Region 4 to Region 3 with higher hourly wage rates. However, the "security wage" which each class of labor is entitled to earn on relief projects monthly will be kept the same by reducing the number of hours of work made available to W.P.A. clients.

## PWA

The 1936 Congress authorized the Public Works Administration, upon the direction of the President, to use up to \$300,000,000 from its Revolving Fund for 45% grants to non-federal projects of the states, cities, counties, and other public bodies. The Revolving Fund at present embraces roughly 50 millions in cash and 400 millions in bonds of public bodies to which the P.W.A. has made loans. This means that the amount immediately available for P.W.A. grants is 50 millions instead of 300 millions, and that additional allotments will await the marketing of the P.W.A.'s bonds through the Reconstruction Finance Corporation and their ultimate consumption by the private bond market. As a result, the national P.W.A. program submitted to the President on July 10, and still under his consideration at this writing, embraced a selected list of projects on a "priority list" involving total grants of 50 millions.

The submittal of new applications is being discouraged by the State

Office at Chapel Hill due to the large number of applications for sound, useful projects which were submitted under the 1933-35 programs and which are still pending. These involve a total cost of approximately 40 millions, of which some 25 millions involving grants of 11 millions have been approved by all examining divisions of the P.W.A., and even if the whole 300 millions is made available, North Carolina's share as judged by past records would not be more than from three to six millions. The above does not mean that the door is closed to worthy new applications for projects representing dire needs; in fact, an occasional one is still being filed by various cities and counties. However, applications previously filed for equally worthy projects representing equally great needs will naturally receive preference, and the number and size of these is so great that new applications are given small chance of success.

P.W.A. policies and procedure remain largely the same. The chief change is that preference will be given initially in the new allotments to applications for grants only. This is due to two reasons: (1) the improvement in the bond market and in the ability of units to market their own bonds at reasonable interest rates, and (2) the desire to provide as large a public works program as possible with the funds available. As a result, many units with applications pending for 55% loans as well as 45% grants are having the State Office change them to "grant only." The number of pending "grant only" applications which have been approved by all examining divisions of the P.W.A. awaiting new allotments has accordingly increased to 71, involving a total cost of \$19,637,550 and total grants of \$8,828,188—as against the three to six millions in grants which North Carolina is expected to receive under the new program.

The extent to which the use of relief labor on P.W.A. projects will be required under the new program remains to be seen. However, it seems certain that the more relief workers a project will absorb from the vicinity, the better chance it has to secure an allotment in Washington. In fact, the initial 50 million

*(Continued on page thirteen)*



## Helpful Books

*The Art of Cross Examination*, by Francis L. Wellman. A revised and greatly enlarged edition of the long standard authority on this, one of the most difficult as well as valuable arts of the trial lawyer. A new feature is the section of cross examinations of important witnesses in recent celebrated cases, such as the Vanderbilt-Whitney, Kip Rhinelander, and Bellevue Hospital cases. Another is the section contrasting the methods of famous cross-examiners, past and present. Treats the various phases of cross examination in terms of anecdotes and illustrations from actual cases to make a book entertaining as well as profitable for the raw recruit and veteran of the bar alike. The Mac-Millan Company (1936), New York.

*The Municipal Year Book, 1936*, again offers a panoramic picture of events and developments in the various fields of municipal administration for the year. Of particular interest is the enlarged section on municipal finance, summarizing trends in municipal debt, state limitations on local debts and taxes, state supervision of local finances, state administered - locally shared taxes, and federal grants-in-aid. International City Managers' Association, 850 East 58th Street, Chicago, 475 pages, \$4.00.

*City Government: The Record of the Milwaukee Experiment*, by Daniel W. Hoan. Mayor Hoan's test of good government is not that with the lowest taxes but that which renders the most service for the money. The extent to which Milwaukee's government has met the test may be judged by its reputation in public administration circles and by the fact that its citizens have returned their Socialist mayor to office through every change in administration for 20 years. This is the inside story of this city's struggles and progress to good government, and it not only contains a wealth of information and ideas for municipal officials, but is also an extremely readable book that will interest and hold every public servant. Harcourt, Brace and Co., New York (1936), 365 pages.



POLICE ELECT OFFICERS AT ANNUAL SCHOOL

*The Institute of Government's sixth annual Police School at Chapel Hill, July 14-15, attended by close to a hundred police, sheriffs, and patrolmen from throughout the State, was pronounced the most stimulating and beneficial yet held. Pictured above are the new officers elected by the State Police Officers' Association: George A. Clark, Greenville, vice-president; F. N. Littlejohn, Charlotte, president; and R. L. Rankin, Salisbury, vice-president.*

*The officers voted to have a committee work with the judges, solicitors, and legislators in drafting a new Criminal Code for North Carolina and to urge the judges and solicitors to co-operate in organizing traffic schools for minor violators, and went on record as favoring the installation of the state-wide police radio as soon as possible. They also requested The Institute to make a thorough investigation of civil service systems and officers' funds for the care of sick, disabled, and dependents, in this and other states, and report back to the Association as a basis for further action. Other proposals were to set up an elementary crime laboratory for North Carolina and to enlarge the territorial jurisdiction of city police.*

## HERE AND THERE

—With Progressive Officials

**D**ETROIT, MICHIGAN, furnishes a graphic illustration of the way in which sustained efforts to uncover personal property that has been escaping taxes benefits not only the city but also the citizens who list and pay their taxes accurately and fully. A personal property drive by the tax office of that city has put more than \$50,000,000 in new property on the tax books and permitted a 79c cut in the tax rate, meaning a reduction of about \$4 in the bill of the \$5,000 homeowner.

A western city which extended fire protection to homes outside the city limits, but found collections almost impossible, now requires all desiring the service to take out insurance policies guaranteeing the city's charges. The new system is said to be working most satisfactorily.

Police training is carried on, not at irregular intervals but continuously, with a full-time instructor, in Lynchburg, Va. A recent addition to the facilities is a new pistol target range, laid out according to military specifications, at the city farm. In addition to the regular instruction and practice in the regulation firearms, Lynchburg police also have special practices with rapid-fire sub-machine guns.

Nine thousand is a lot of water accounts for one man to bill and post by himself each month, but Amarillo, Texas, has found a way to do it by dividing the city into districts, with a different meter reading date for each. By this arrangement bills are going out almost every day, and either the billing or posting machine is in almost constant use.



**Notes from the Cities and Counties**

July found officials of North Carolina counties, cities, and towns struggling alike with tax settlements for the past year, appeals from the new valuations, and budget estimates and appropriation resolutions for the fiscal year just starting. The general theme song seemed to be, "Balance the budget and hold the tax rate down." While the appropriation resolutions are not required to be adopted and recorded in their final form until the 27th, it appeared from representative preliminary budget estimates that the tendency of local tax rates would be to hold much the same general level as last year. The tentative rates for some units showed slight increases as a result of contributions to federal projects or added services, but others were able to effect slight reductions, while the majority seemed to be shooting at their 1935-36 figures.

The biggest increase, and the most unfortunate case, was in Mount Holly. The abandonment of a large power plant in favor of new facilities necessitated a \$500,000 reduction in one taxpayer's valuation, and sent the local rate soaring from \$1.70 to \$2.70.

The number of communities voting school supplements continued to mount, adding extra duties and cares for the tax-raising and budget-making authorities of these units, but duties which they gladly shouldered. Units and supplements voted (but not necessarily levied) to date include one county, New Hanover 20c, and the following city districts: Albemarle 15, Asheville 25, Charlotte 25, Concord 10, Durham 20, Fayetteville 15, Greensboro 15, Goldsboro 15, Hamlet 25, High Point 25, Lenoir 27, Morganton 12, Mt. Airy 15, North Wilkesboro 10, Raleigh 25, Reidsville 10, Roanoke Rapids 50, Rocky Mount 30, Salisbury 10, Southern Pines 30, Wilmington 20, and Winston-Salem 20 cents. Elections failed to carry in Guilford County and Rockingham. High Point and Hamlet report plans to absorb the supplement without

necessitating an increase in tax rates, and other units may be able to do likewise.

Guilford County comes forward with some helpful suggestions on a subject of no less importance than close budgeting—hard and prompt collection of the taxes after they are levied. "Notify delinquents regularly and systematically and keep the bills before them the same as a grocer keeps his bills before his customers," is Collector D. L. Donnell's advice. "And establish a reputation for following up—with levies, garnishments and public sales. It won't be long before the latter will be found unnecessary. We stilly levy and garnishee, but we have not had a public sale now in more than two years." How well the policy has worked in Guilford may be judged by the percentage of uncollected taxes for back years: 1930—1.44%; 1931—2.65%; 1932—3.87%; 1933 — 5.12%; 1934—8.48%; and 1935—16.47%.

New wrinkles in tax collecting: High Point sends delinquent small taxpayer special notice prior to advertising, preventing pyramidding of costs and penalties. Mecklenburg considers utilizing rural police to collect beer licenses, peddlers' tax, etc.

Financial Flashes: Mecklenburg and Charlotte pay off last of floating debt and close year on cash basis with surplus. Concord claims one of best records in collection of 1935 taxes—89% through June 10. Almanace reduces tax rate to lowest figure in 30 years—95 cents. Refunding plans worked out and approved by Local Government Commission for Elizabeth City, Henderson, and Lexington. Winston-Salem features bond sales, selling \$375,000 in notes against uncollected fiscal revenues with interest at 1%. Stokes buys in a block of its bonds at 96 to save \$6,843.58 in interest and principal.

Two North Carolina units have received recognition in national con-

tests recently, Forsyth in public health and High Point in traffic safety. Forsyth was ranked second among the counties in the seven states comprising the eastern district in the Rural Health Conservation Contest conducted under the auspices of the United States Chamber of Commerce, while the National Safety Council placed High Point fourth among the cities of the nation with population between 25,000 and 50,000. Fayetteville is another municipality with a safety record to be proud of, having gone nine and a half months on July 1 without a fatal traffic accident.

Some of North Carolina's medium sized cities are reaping substantial profits from municipal electric systems. Some generate the power in their own plants; others buy from the power companies, operating distribution systems solely. The following figures are taken from recent reports to the Utilities Commission covering 1935:

Town	Type of System	Valuation	Profit
Concord	Dist.	\$	\$ 85,536
Edenton	Dist.		9,258
Elizabeth City	Dist.	374,819	94,862
Kinston	Gen.	659,672	106,652
Louisburg	Gen.	64,000	7,294
Monroe	Dist.		53,767
Wilson	Gen.		112,307

Statesville, another distribution city, recently adopted a new rate schedule, estimated to save residential consumers \$7,300 a year, and designed to induce wider use of electric stoves and refrigerators.

Wilson County is one of the first units in the country to take advantage of federal loans for rural electrification made available by the last Congress. The "R.E.A." has announced a loan of \$161,000 to the County Electric Membership Corporation to construct 129 miles of lines which will bring the conveniences of light and power to practically every community in the county. The power will be furnished and the lines maintained by the Municipal plant in Wilson.

The troublesome problem of light and water collections is handled in Shelby by promptly discontinuing service to all delinquent customers after due notice by mail and three

(Continued on page thirteen)



# Candidates and Costs—

## THE DEMOCRATIC PRIMARIES OF 1936



CLYDE R. HOEY  
GOVERNOR

**F**OUR hundred thousand dollars is a lot of money, but that is a conservative estimate of the cost of the two Democratic primaries this month and last. Estimating the filing fees of the candidates at \$7,500, the additional cost to the State at \$2,500, and the average cost to each county at \$750 gives a total of \$85,000 for cost of administration. Figuring roughly a million voters' time (both primaries) as one-half hour at 50c an hour and their average transportation as one mile at 5c makes another \$300,000 expense to the voters. The

candidates' statements of expense were not available at this writing, and there was no way of knowing how much time and money were spent by individuals and organizations in behalf of various candidates and interests that is never reported. However, the former item will carry the cost past the \$400,000 mark and more; how much further the second item will swell the total is left to the reader's imagination. So much does the machinery cost whereby the citizen is brought into participation and control in government, or more accurately, in the selection of nominees for the general election.

The Democratic nominees for the chief State offices are pictured on this and the next page, followed by a list of nominees for county offices covering 99 of the 100 counties and representing the most complete list yet assembled or published. The Republican nominees who are generally selected by conventions, will be carried, when available, in a later issue.

### "Old Faces"

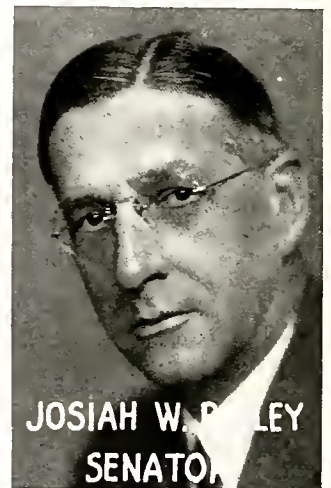
Many of the State nominees pictured herewith are old faces, for, the Democrats after the most spirited gubernatorial race perhaps since the White Supremacy Campaign of Aycock's day, bringing out the heaviest primary vote in history, wound up by renom-

inating their Congressional delegation intact, along with the three judges and five of the eight State department heads who were up for reelection. Auditor Baxter Durham, Commissioner of Agriculture W. A. Graham, and Secretary of State Stacy Wade, veterans of 16, 12, and four years in their respective offices, were the old heads to bow to the challenge of new and younger men. Heading the newcomers is Clyde R. Hoey from Shelby, silver-tongued attorney, gentleman of the old school, and conservative, who nosed out militant, anti-administration, anti-sales tax Prof. Ralph McDonald of Winston in the first primary and swept to a 44,000 majority in the second. In the contest of second interest W.

P. Horton of Pittsboro defeated Paul Grady of Kenly for the lieutenant-governorship in the closest race of the second primary.

### "By the People—"

The two primaries were significant in two respects: First, the increased interest in public issues and the increased participation in popular government manifested by the record vote; and second, the fact that the majority, in spite of the strength of



JOSIAH W. BAILEY  
SENATOR



W. P. HORTON  
LIEUT. GOV.



THAD EURE  
SECY. OF STATE



GEORGE R. S. COE  
AUDITOR



CHARLES M. JOHNSON  
TREASURER



C. W. WIN  
SUPERINTENDENT OF SCHOOLS



A. E. HALL  
ATTORNEY GENERAL



W. MERRITT SCOTT  
COMMISSIONER OF AGRICULTURE



DAN O'CONNELL  
COMMISSIONER OF INSURANCE

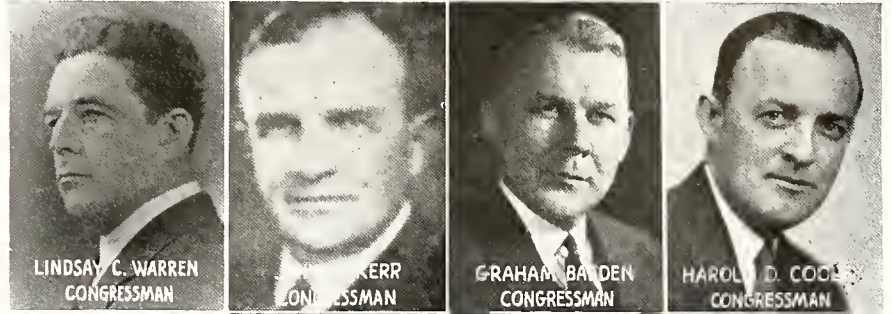


A. L. FLETCHER  
COMMISSIONER OF LABOR



the uprising within the party, the popularity of anti-sales tax arguments, and the number of new voters, supported administration policies and returned nominees known as regulars. The close victory has been variously interpreted as an endorsement of the present administration, a warning that the governmental machine needs overhauling in places, and an acceptance of the necessity of the sales tax. It has also been taken as a vindication of ex-Governor O. Max Gardner, whose name was linked with that of his brother-in-law, Mr. Hoey, in the anti-administration forces' frequent and spirited attacks on "machine control" of State politics.

Four of the Congressmen, Warren, Lambeth, and Doughton, were unopposed, as were the three jurists who were up, Justices Connor and Devin, and Superior Court Judge Spears, and three of the State Department heads, Attorney General Seawell, Labor Commissioner Fletcher, and Insurance Commissioner Boney. It was generally predicted that McDonald would lead the gubernatorial race in the first primary, but the colorful and veteran campaigner Hoey upset predictions to lead by 193,972 to 189,504 in the contest that centered interest throughout. Graham polled 126,782 and McRae 6,606 votes, giving a record total of 516,864 as compared with 379,657 votes in the first primary in 1932. Senator Bailey and the seven Representatives with opposition won out in the first, as did Johnson and Erwin among the State officials seeking re-election and two of the newcomers, Pou and Scott. This left the Governor's, Lieutenant-Governor's, and Secretary of State's offices to be decided in the run-off. Hoey went on to stretch his lead over McDonald from five to 44 thousand, but Horton and Eure came from behind to defeat men who had led them in the first. Where the Hoey-McDonald contest in the first primary took the honors for closeness, the closest race in the final was for Lieutenant-Governor. The total vote for Governor in the second primary was 479,692—37,172 less than the record vote in the first, but a heavy turn-



LINDSAY C. WARREN  
CONGRESSMAN

FRANK KERR  
CONGRESSMAN

GRAHAM BARDEN  
CONGRESSMAN

HAROLD D. COOLIDGE  
CONGRESSMAN

out considering the date fell on July 4 and considerably in excess of expectations.

**Absentees and Protests.**

Although the usual number of disputes,



FRANK HANCOCK  
CONGRESSMAN

W. B. LEAD  
CONGRESSMAN

J. BAYNE CLARK  
CONGRESSMAN

charges, and protests arose in some sections, the two primaries moved off without disturbance and, in the main, smoothly. "Much more so than the last primary," was the comment of Raymond C. Maxwell, Secretary of the State Board of Elections, who nevertheless was kept at his desk far into the night for several days before and after each primary, supplying information and answering inquiries raised by long distance.

From the large percentage of incumbents renominated and the small turn over in administration, it appears that public office in North Carolina, while remaining subject to popular election, is becoming more and more a career service, with the advantages of both. Election to the Supreme Court, for example, while for an 8-year term, has practically come to mean tenure for life or good behavior. Thus, Justices Stacy, Clarkson, and Connor have served 16, 13, and 12 years, respectively, and the two young members in point of service, Schenck and Devin, replaced men who died in office. The average experience of North Carolina's present Congressmen, although the term of the 11 Representatives is only 2 years, is 9 years, or a fraction more than the present Supreme Court with its two young members. The turnover among the State Department heads has been greater; the average service in the eight such offices balloted for in the primary, over the period of 18 years since the War, has been 6.5 years. The Governor's and Lieutenant-Governor's offices being for one term only are not counted in the above figures. Of the 1936 nominees, Hoey and Horton are necessarily new, as are Eure, Pou, and Scott. The years of service in their present capacities of officials to be renominated are: Johnson 2, Seawell 1, Erwin 1, Fletcher 4, and Boney 8. The first three of these men succeeded to office upon the death of the incumbents.



WALTER LAMBETH  
CONGRESSMAN



ROBERT L. DOUGHTON  
CONGRESSMAN



A. L. WINKLE  
CONGRESSMAN



ZEEVER  
CONGRESSMAN



GEORGE C. CONNOR  
JUSTICE

WALTER DEVIN  
JUSTICE

M. SPEARS

# DEMOCRATIC NOMINEES

Eight Counties report that they still nominate their candidates in the old-fashioned convention instead of the newer primary. These are Alexander,

County	C. S. C.	Register Deeds	Sheriff	Board of Education	Board of Education	Board of Education	County Recorder
Alamance		J. G. Tingen	H. J. Stockard	Dr. J. C. Wilkins E. J. Braxton	Thomas E. Powell, Jr. Dr. A. J. Ellington	J. E. Sellars	
Alleghany	A. F. Reeves	V. W. Reeves	Walter M. Irwin	M. E. Reeves	John C. Halsey	G. N. Evans	
Anson	R. E. Little	Francis E. Liles	S. M. Gaddy	K. M. Hardison	W. H. Liles	M. L. Lowery	B. T. Hill
Avery				Dr. R. H. Hardin	H. B. Barleson	Carl Wiseman	
Beaufort	N. Henry Moore	C. C. Duke	Wm. Rumley	Chas. F. Cowell	Sam B. Ethridge	Dr. W. T. Ralph	Jno A. Mayo
Bertie	Geo. C. Spoolman	L. S. Mizelle	F. M. Dunstan	Dr. John Bonner J. H. Spruill	Ottis Barr J. P. Rascoe	R. N. Hoggard	Francis D. Winston
Bladen	Newton Robinson	L. D. Townsend	H. M. Clark	S. S. Hutchinson	Walter Grimsley	H. L. Tatam	Oliver Carter
Brunswick	B. J. Holden	R. I. Mintz	J. A. Russ	Charles E. Gause	G. C. Reid	R. I. Phelps	J. W. Ruark
Buncombe	J. E. Swain	Geo. A. Digges	Lawrence E. Brown	C. J. Ebbs James S. Howell T. Luther Maney	Dr. J. C. Rich Worth McKinney	J. V. Erskine A. O. Mooneyham	
Cabarrus		John R. Boger	Ray C. Hoover				Z. A. Morris, Jr.
Camden	L. S. Leary	H. G. Berry	J. F. Forbes	R. L. Bray	G. S. Staples	W. I. Sawyer	W. W. Morrisette
Carteret		I. W. Davis	E. M. Chadwick	Geo. W. Huntley	D. Mason	C. V. Webb	Paul Webb
Caswell		J. B. Blalock	J. H. Gunn	J. B. Turner	V. M. Stephens	O. A. Powell	A. Y. Kerr
Chatham	E. B. Hatch	J. Wade Siler	Geo. H. Andrews	W. R. Thompson W. A. Hinton	E. R. Hinton	M. M. Bridges	Hon. Daniel L. Bell
Cherokee		B. L. Padgett	L. L. Mason	W. E. Moore	P. A. Mauney	Mrs. G. W. Cover	
Chowan	Richard D. Dixon	M. L. Bunch	J. A. Bunch	Mrs. Geo. C. Wood	Z. T. Evans	S. E. Morris	J. N. Pruden
Cleveland	A. M. Hamrick	A. F. Newton	J. R. Cline	L. W. Belch	Isaac Byrum	Forrest Austell	Bynum Weathers
Columbus	D. L. Gore	Leo. L. Fisher	Herman Stanley	A. L. Calton C. D. Forney	Jesse Hood Coy McSwain	L. Paul Rogers	Joe W. Brown
Craven	Lacy E. Lancaster	John H. Holland	Richard B. Lane	Frank T. Wooten R. G. Burns	Rev. I. T. Newton	J. L. Peterson	Lon J. Moore
Cumberland	C. W. Broadfoot	J. W. Johnson	N. H. McGeachy	C. A. Seifert Geo. W. DeBruhl	J. H. Elliott Fred H. Whitehurst	A. A. Davis	Walter S. MacRae
Currituck	R. P. Midgett	W. S. Gregory	H. E. Forbes	H. S. Averitt	N. S. McArthur	J. E. Munden, Jr.	J. W. Sanderlin
Dare	C. S. Meekins	Melvin R. Daniels	D. V. Meekins	W. T. Reaves	E. U. Breece	R. H. Gray	W. F. Baum
Davidson	E. C. Byerly	Marion S. Phillips	Raymond Bowers	H. G. Dozier	G. C. Boswood	P. L. Feezor	D. L. Pickard
Davie		R. R. Everhardt	L. M. Dwiggin	E. P. White	C. E. Payne		
Duplin		A. T. Outlaw	D. S. Williamson	R. E. Burrus	E. N. Baum	W. J. Grady	A. J. Blanton
Durham		Walter B. Markham		Baxter Carter Dr. F. L. Mock	Ralph Wilson		W. H. Murdock
Edgecombe	A. T. Walston	Mary B. Bunn	W. E. Bardin	Dr. W. W. Green	L. L. Calhoun	S. R. Jenkins	W. Stamps Howard
Forsyth	W. E. Church	J. M. Lentz	Ernie G. Shore	George C. Phillips Chas. M. Griffith	M. P. Edwards Frank A. Stith	L. A. Reynolds	Hon. Oscar O. Efrid
Franklin	W. V. Avent	Geo. W. Ford	John P. Moore	Dr. H. G. Perry John D. Morra	Mrs. G. H. Dickens E. L. Green	Mrs. D. T. Fuller	James E. Malone
Gaston		H. R. Thompson	C. O. Robinson				
Gates		H. V. Beamon	M. E. Langston	H. F. Parker	R. E. Williams	Mrs. S. E. Nixon	
Granville		C. R. Dickerson	E. P. Davis	Dr. R. L. Noblin	J. P. Jenkins	R. G. Rogers	Ben K. Lassiter
Greene		E. E. Edwards	H. K. Cobb	J. A. Yancey D. S. Harper	E. G. Hobgood Luby Edwards	W. E. Sugg	W. B. Morrill
Guilford		John H. McAdoo	Joe S. Phipps	Ed. S. Taylor	R. P. Lane		
Halifax	A. L. Hux	M. H. Mitchell	Joe L. Riddick	R. L. Towe	R. C. Rives	H. T. Clark	Chas. R. Daniel
Harnett		Mrs. Edwin Harrington	W. E. Salmon	H. W. Prince	J. C. Byrd	J. C. Senter	F. H. Taylor
Haywood		Charles C. Francis	Robert V. Welch	J. B. Best	Homer V. Cagle	R. T. Messer	
Henderson		J. C. Coston	Morris N. Orr	R. G. Anders			R. H. Staton
Hertford	Alvah Early	J. A. Northcott	C. W. Parker	W. A. Thomas	Geo. T. Underwood	John C. Taylor	W. D. Boone
Hoke	Edgar Hall	W. W. Roberts	D. H. Hodgins	A. W. Wood	Carl Riley	N. B. Blue	W. B. McQueen
Hyde	William I. Cochran	Ronald O. Payne	S. Orlando Jones	R. J. Hasty	D. McPhaul	A. C. Credle	Jack L. Windley
Iredell	John L. Milholland	Lester F. Ervin	John W. Moore	S. D. Cox	F. M. Gibbs		C. B. Wineberry
				S. H. Houston W. P. Sharpe	J. A. Craven C. H. Knox	J. S. Dobson	



# COUNTY OFFICES---1936

Ashe, Burke, Caldwell, Catawba, Clay, Graham, and Surry, and the results are not yet available but will be carried when the conventions are held.

County	Coroner	Surveyor	Commissioners	Commissioners	Commissioners	Senate	House
Alamance	Dr. R. M. Troxler	O. B. Pitts	Wade H. Huffman Loy E. Guthrie	Walter R. Sellars W. L. McPherson	Walter E. Stainback	E. T. Sanders	E. R. Hanford
Alleghany	J. M. Roberts	J. C. Sparks	Walter Halsey	J. McD. Wagoner	John Gambill	R. T. Greer	D. P. Taylor
Anson	W. B. Moore	G. K. Martin	J. F. Allen	R. B. Jones	H. W. Little	H. P. Taylor	F. E. Thomas
Avery			E. L. Smith			Lee Bryan	W. T. Barlow
Beaufort	Fenner T. Paul		L. D. Midyette	Ben T. Winfield	C. N. Sterling	Wm. B. Rodman, Jr.	Samuel M. Blount
Bertie	Dr. J. E. Smith	A. J. M. Perry	C. A. Singleton	Foy A. Mason			
Bladen	Tom Sutton	R. S. Gillespie	H. R. Paschal	J. A. Speight	Raymond Mizelle	Archie Gay	C. W. Spruill
Brunswick	Gillard Lewis		T. E. White	C. L. Askw			
Buncombe	Dr. Geo. F. Baier	Solon Wells	H. R. Allen	W. A. Warwick	G. H. Smith	Jas. H. Clark	Lloyd S. Elkins
Cabarrus	N. J. Mitchell	Reece I. Long	Sam J. Frink	J. M. Roach	J. B. Ward	Wall C. Ewing	R. E. Sentelle
Camden	Dr. Geo. F. Baier	Solon Wells	H. Grady Reagan	Harry L. Parker	John C. Vance	James H. Clark	George W. Craig
Carteret	Rubert Barco		W. A. Brown	J. Lee White	O. E. Scarboro	A. H. Johnston	R. E. Finch
Caswell	Dr. R. C. Smith	Philip Ball	C. E. Crowell	W. M. Morrison		J. H. McDaniel	E. T. Bost, Jr.
Chatham	Geo. H. Brooks	Geo. H. Hancock	G. B. Riggs	J. N. Williams	W. R. Old	W. I. Halstead	H. V. Leary
Cherokee	Dr. W. C. Morrow		Dr. K. P. B. Bonner	W. Z. McCabe	Joshua Hardy	E. V. Webb	F. R. Sealey
Chowan	Dr. J. A. Powell		Edward Fulcher	W. P. Smith		Wilkins P. Harton	
Cleveland	Roscoe Lutz	D. R. S. Frazier	C. H. King	D. O. Leath	E. A. Allison	E. T. Saunders	W. C. Taylor
Columbus	Frances Richardson	Bruce Pierce	E. E. Walden	R. G. Beckwith	R. W. Dark	John S. Hill	Hon. Walter D. Siler
Craven	G. Mack Henderson		S. W. Lovingood	L. B. Nichols	Will Sneed	Dr. K. E. Bennett	Harry P. Cooper
Cumberland	W. C. Davis	M. O. Bullard	D. M. Warren	A. C. Boyce	J. A. Webb	W. I. Halstead	John F. White
Currituck	Bryan Smith		W. H. Winborne	A. D. Ward		J. J. Hughes	
Dare	Marvin Rogers	J. D. Nelson	J. L. Herndon	Joe E. Blanton	George Cornwell	Carl Thompson	Earneat Gardner
Davidson	Dr. J. R. Terry	N. R. Kinney	H. G. Avant	R. C. Benton	Z. V. Williamson		J. R. Williamson
Davie	Dr. W. M. Long		W. L. Hobbs	W. M. Stephens			
Duplin	Carl Smith	R. W. Craft	G. W. Ipock	Gray Wheeler	N. L. McLawhorn	John D. Larkins	D. L. Ward
Durham	A. S. Campbell	E. C. Copley	Robt. A. Adams	Geo. D. Dail		E. V. Webb	
Edgecombe	J. G. Raby		A. B. Smith	A. B. Wilkins	S. W. Rankin	W. C. Ewing	D. L. McBryde
Forsyth	Dr. W. N. Dalton	E. A. Conrad	L. E. McKnight	D. L. McLaurin			
Franklin	R. A. Bobbitt		W. B. McClannan	J. F. Brown	Norwood Ansell	W. I. Halstead	E. R. Johnson
Gaston	C. C. Wallace		D. B. Fearing	A. J. Daniels	W. E. Rogers	J. J. Hughes	
Gates	R. E. Rawles	T. J. Jessups	J. A. Meekins	C. D. Mann		Robert L. Coburn	Roy L. Davis
Granville	W. D. Bryan		G. W. Smith	Willie May	Z. V. Dillon	W. B. Rodman, Jr.	
Greene		M. C. Lassiter	Henry L. Lomax	Fred Sechrist		L. A. Martin	R. L. Pope
Guilford	J. M. Simpson	J. R. Edmunds	L. S. Bowden	T. A. Blackwelder	B. R. Singleton	W. H. McElwee	J. B. Cain
Halifax	T. M. Cooper		J. L. Miller	J. R. Croom	S. R. Chestnutt	J. D. Johnson	C. E. Quinn
Harnett	J. M. McLean	Russell D. Boseman	H. L. Carver	R. E. Hurst	R. E. Nichols	John Sprunt Hill	Victor S. Bryant
Haywood			J. H. Harris	Geo. Kirkland		E. T. Sanders	Oscar G. Barker
Henderson	J. F. Brooks	Charles B. Turner	W. C. Hargrove	S. W. Anderson	B. C. Mayo	W. G. Clark	W. W. Eagles
Hertford	L. S. Jernigan	A. T. Newsome	E. Y. Lovelace	C. C. Ward			
Hoke	Dr. G. W. Brown		James G. Hanes	Ancus L. Payne, Jr.	T. E. Johnson	H. M. Ratcliff	Rex Gass
Hyde			T. W. Boone	J. M. Stallings	P. S. Foster		T. Spruill Thornton
Iredell	N. D. Tomlin	Paul D. Gilbert	S. E. Winston	J. Z. Terrell			Virgil A. Wilson
			R. L. Stowe	M. F. Ormand	Paul H. Beam	J. H. Separk	W. L. Lumpkin
			B. H. Brown	W. W. Powell	C. E. Sawyer	W. I. Halstead	R. G. Cherry
			W. D. Gooch	D. H. Currin		J. J. Hughes	D. P. Dellinger
			R. M. Tunstall	R. T. Eakes	C. A. Stovall		C. J. Gray
			J. S. Whitley	L. F. Herring			T. S. Royster
			J. H. Whitaker	Roland Grey	G. C. Moore	Earneat V. Webb	E. A. Raspberry
			Joe F. Hoffman	R. C. Causey		John D. Larkins, Jr.	Joe T. Carruthers, Jr.
						Thos. J. Gold	R. T. Pickens
			J. Waldo Whitaker	W. J. Collier	N. W. Warren	T. W. M. Long	John W. Caffey
			M. W. Perry	J. R. Wrenn			L. W. Leggett
			J. B. Ennis	Geo. T. Noel	Angus A. Cameron		A. M. Atkinson
			L. R. Byrd	J. S. Barker			Fred S. Thomas
			Jarvis H. Allison	J. A. Lowe	Glenn Palmer	Mrs. E. L. McKee	J. F. Cabe
			C. C. Medford	Grover Rogers	T. R. Moore		
			R. T. Boyd				
			T. L. Durham	G. W. Justice	J. A. Rusher		L. L. Burgin
			John A. Shaw	B. N. Sykes	J. J. Vann		R. H. Underwood
			T. W. Sears	W. C. Ferguson	C. T. Whitley		
			N. H. G. Balfour	N. P. Watson	D. C. Newton	Ryan McBryde	E. B. McNeill
			J. W. Smith	T. B. Lester			
			W. W. Watson	John W. Palson	Archie L. Baum	W. B. Rodman, Jr.	Geo. E. Davis
						R. L. Coburn	
			J. C. Fowler	John F. Long	R. H. Kennedy	Jack Joyner	C. C. Johnston
			R. L. Shoemaker	J. T. McNeely			

# DEMOCRATIC NOMINEES

County	C. S. C.	Register Deeds	Sheriff	Board of Education	Board of Education	Board of Education	County Recorder	
Jackson	Dan M. Allison	Margaret S. Roane	C. C. Mason	Garland Dillard T. B. Cowan W. H. Call J. W. Woodard	Hut Middleton L. A. Buchanan P. B. Chamblee C. G. Holt	J. B. Bumgarner		
Johnston		W. G. Massey	R. U. Barber	Chas. Jones D. E. Shaw	R. E. Marks	J. A. Overton	W. P. Aycock T. J. McPherson	
Jones Lee	W. G. Watson	Geo. G. Noble John W. McIntosh	John W. Creagh A. Glenn Buchanan	E. C. Taylor W. B. Becton J. R. Nixon T. M. Warlick	R. G. Hodges D. W. Wood A. A. Beam Dr. W. G. Bandy	Horace Sutton	Joseph Dawson Kemp B. Nixon	
Lenoir			R. F. Churchill	Rev. Wayne Peek Clyde Brown E. H. Ange J. T. Barnhill	Wm. Roberts D. H. Gardner J. W. Eubanks	Lee Ramsey		
Lincoln	Thomas Rhodes	W. H. Boring	George Rudisill	Robert E. McDowell W. E. Potts Tarp Turbyfill Mrs. Clyde Capel J. W. Graham W. E. Kelly G. L. Jones	W. B. McClintock B. D. Funderburk Clarence Hensley D. G. Ridenhour F. W. Von Canon Dr. J. F. Davis T. E. Ricks	D. A. Pressley	Fred C. Hunter W. L. Currie J. Vance Rowe	
McDowell Macon Madison		R. V. McGimsey C. Tom Bryson J. O. Drake	Grady Nichols A. B. Slagle Jake Edwards					
Martin	L. Bruce Wynne	J. S. Getsinger	C. B. Roebuck			W. O. Griffin	Herbert O. Peele	
Mecklenburg	J. Lester Wolfe	John R. Renfrow	G. Mack Riley					
Mitchell Montgomery Moore	John Willcox	A. A. Maness Miss Bessie McCaskill	Ed. W. Young Earl D. Bruton C. J. McDonald			Iss Woody E. R. Wallace W. B. Graham	W. L. Currie J. Vance Rowe	
Nash	J. N. Sills	Wm. Sims Bunn	C. V. Faulkner			Jno. W. Robertson	L. L. Davenport	
New Hanover		A. B. Rhodes	C. David Jones					
Northampton		A. H. Martin	J. C. Stephenson	Dr. John W. Parker	W. Harry Stephenson	Dr. W. R. Parker	Eric Norfleet	
Onslow		J. B. Murill	D. W. Russell, Jr.	J. W. Burton D. B. Sanders	R. V. Venters A. T. Redd	I. T. Rawls		
Orange Pamlico		S. W. Andrews T. Z. Spencer	S. T. Latta, Jr. Robert A. Whorton	E. L. Lockhart Ralph Mayo Preston Spruill A. W. Stanton	E. C. Compton S. E. McCotter Jarvis V. Brinson S. G. Scott	M. W. Durham M. D. Powers	T. B. Woodard	
Pasquotank		J. C. Spence, Jr.	Chas. Carmine			W. D. Morgan	W. C. Morse, Jr.	
Pender	Joseph I. Moore	Hugh C. Walker	John T. Brown	George F. Devane A. H. Page T. S. White, Sr. J. H. Miller	D. J. Farrier Moses Daniels W. E. Dail J. H. Baker	W. W. Pearsall	C. E. McCullen, Jr.	
Perquimans	W. H. Pitt	J. W. Ward	J. E. Winslow	W. R. Wilkerson E. E. Bradsher W. H. Woolard J. C. Galloway	Geo. G. Cole Geo. W. Walker W. J. Smith R. H. McLawhorn	S. M. Long	W. H. Oakey, Jr.	
Person	Sue C. Bradsher	W. T. Kirby	M. T. Clayton			N. H. Montgomery	W. I. Newton	
Pitt	J. F. Harrington	J. C. Gaskins	S. A. Whitehurst			John T. Thorne	Dink James	
Polk Randolph Richmond	W. S. Thomas	C. W. Ballinger R. C. Johnson T. E. Battley	W. D. Hines C. E. King W. E. McNair	D. A. Parsons J. A. Howell	J. M. Dockery	R. R. Simmons	B. R. Carroll (Hamlet Dist.) W. H. Covington (Rockingham) L. J. Huntley, Jr.	
Robeson		Mrs. Eva W. Floyd	Mark Page	A. B. McRae Isham Pittman J. L. Roberts L. W. Matthews	J. A. Sharpe Mrs. L. I. Grantham C. P. Wall W. B. Kiker	R. P. Edwards		
Rockingham		R. E. Wall	L. M. Sheffield	H. E. Isenhour Mr. Thompson W. W. Nanney Jas. A. Buie Croson B. Miller H. W. Culp Dr. G. E. Stone W. S. Calhoun	Mr. McKnight Mr. Bob Lyerly	T. J. Garrett	W. V. Harris	
Rowan	B. D. McCubbins	W. D. Kizziah	J. H. Krider					
Rutherford Scotland Stanly	R. C. Everett	W. O. Geer C. E. Muse D. L. Crowell	J. Cal. Williams W. D. Reynolds T. F. Crisco			W. N. McKenzie Franklin Shinn, Jr. A. L. Efrid P. O. Frye A. W. Sherrill	T. L. Henley Q. E. C. Coble	C. B. McRorie J. B. McKinnon O. J. Sikes
Stokes Swain Transylvania Tyrrell Union	J. Watt Tuttle George W. Jones	R. L. Smith Locke Woodard E. L. Sims Sara L. Taft Miss Clara Laney	J. J. Taylor G. H. Martin G. D. Shuford Jos. E. Reynolds B. Frank Niven	R. S. Knight, Jr. C. C. Burris H. G. Hawfield J. C. Cooper J. W. Floyd N. Y. Gulley J. P. Hunter Harry W. Walker R. A. King W. L. Whitley J. B. Horton Clyde Perry	C. Earl Cohoon B. Ward Laney L. E. Huggins T. B. Parham, Jr. E. F. Boyd A. V. Baucom W. C. Riddick F. M. Drake N. H. Paschall R. C. Peacock Will C. Walker	C. F. Kemp S. A. Lathan	W. C. Alexander J. C. Brooks	
Vance	Elvin O. Falkner	Horace M. Robinson	J. E. Hamlett			R. G. Harrison	R. E. Clements	
Wake	E. Lloyd Tilley	Hunter Ellington	Numa F. Turner			M. B. Chamblee		
Warren		Jos. C. Powell	W. J. Pinnell			J. P. T. Harris	T. O. Rodwell	
Washington Watauga		Mary S. Cahoon Helen Underdown	J. K. Reid A. J. Edmisten			C. N. Davenport, Jr. T. H. Coffey, Jr.	John W. Darden	
Wayne	J. Floyd Barden	W. E. Ormond	Paul C. Garrison	W. R. Allen Mrs. Charles Ivey R. R. Church L. A. Gardner M. V. Fleming H. S. Edge	Luby Jones R. L. Cox	Dallie Hines	Paul B. Edmundson	
Wilkes Wilson Yadkin Yancey		F. C. Johnson Tempie J. Batton E. P. Cornelius Robert Maney	C. T. Doughton W. A. Weathersby Grover Shermer Harmon Edwards			Lloyd Craver J. W. Howell	O. P. Dickinson Paul P. Davis W. S. Edwards	



# COUNTY OFFICES---Continued

County	Coroner	Surveyor	Commissioners	Commissioners	Commissioners	Senate	House
Jackson	C. W. Dills	J. Lyman Stewart	J. D. Cowan	Bob Howell	Cleve Fisher	Mrs. E. L. McKee	T. C. Ledbetter
Johnston	Dr. Ed. N. Booker	Charley Fulghum	R. P. Holding	J. R. Creech	R. M. Pleasants	W. P. Holt	F. H. Brooks
Jones	Cleba Meadows		C. L. Denning	W. J. Wilder		John D. Larkins, Jr.	F. T. Fulghum
			L. B. Dillahunt	W. Guy Hargett			C. P. Banks
Lee	Dr. J. F. Foster	Claude McBryde	S. V. Stevens	J. A. DaIrymple	C. H. Wicker	J. C. Pittman	W. E. Horner
			J. M. Willcox	J. Harvey Wicker			
Lenoir	Dr. I. M. Hardy	M. Lewis	Heber Worthington	Joseph Williams	J. L. Kilpatrick	E. V. Webb	Robert H. Rouse
			Willie Measley	F. P. White			
Lincoln	S. R. Warlick	A. B. Heavner	D. H. Mauney	Joe King	C. L. Beam		Jas. A. Abernethy
			Guy Robinson	J. H. Shrum			
McDowell			C. A. Workman	R. P. Morris	I. L. Caplan		D. F. Giles
Macon	C. M. Moore	John H. Dalton	Edd Byrd	C. L. Blaine	C. A. Bryson	Kelly E. Bennett	Robert A. Patton
Madison			W. K. Hunter	Dr. I. E. Burnett	Crit Stamey	Lec Bryan	A. N. Woody
Martin	S. R. Biggs	Sylvester Peel	J. E. Pope	R. L. Perry	C. C. Fleming	R. L. Coburn	Hugh G. Horton
			C. Abram Roberson	R. A. Haislip			
Mecklenburg	Dr. Fred D. Austin	J. W. Spratt	H. W. Harkey	Robert F. Dunn	Edgar J. Price	James A. Bell	M. Blankenship
			Arthur H. Wearn	Joe A. Sherrill			J. E. Mayhew
Mitchell			D. M. Greene	Forman Jarrett	W. G. Vance		J. B. Vogler
Montgomery	E. T. Reynolds	W. A. Cochran	P. C. Clark	John McKinnon	Oscar Mullinax		John W. Ragland
Moore	D. Carl Fry	M. McQueen Bailey	Wilbur H. Currie	T. Frank Cameron	Gordon Cameron		C. C. Howell
			D. D. McCrimmon	L. R. Reynolds			J. H. Poole
Nash	M. C. Gullely		R. R. Gay	F. V. Avent	G. R. Strickland	Lee L. Gravely	W. E. Fenner
			J. D. Nelms	J. B. W. Overton			C. C. Abernathy
New Hanover	Asa W. Allen		Addison Hewlett	Reuben Roehuck	James M. Hall		J. C. Hobbs
							Thos. Cooper
Northampton	R. L. Grant		W. F. Nelson	W. T. Liles	H. S. Ellis	A. C. Gay	H. L. Joyner
			W. G. Edwards	J. T. Bolton			
Onslow	Timmons Jones		S. S. Ambrose	J. R. Shaw	W. J. Everett	E. V. Webb	R. N. Summersill
			M. O. Moready	Geo. D. Mattocks		John D. Larkins, Jr.	
Orange	H. J. Walker		John Hanner	Carl Durham	S. A. Nathan	Jno. Sprunt Hill	B. J. Howard
Pamlico	C. M. Petteway		W. L. Barnett	H. D. Potter	S. N. Daniels	W. B. Rodman	Tom Banks
			B. P. Paul	E. R. Goodwin		R. L. Coburn	
Pasquotank	J. B. Ferebee		W. O. Ethridge	B. F. Pritchard	C. A. Ownley	W. J. Halstead	F. W. Williams
			J. E. Reid	W. T. Thompson	F. P. Markham	J. J. Hughes	
Pender	M. O. Pope		Noah Burfoot	A. D. Ward	S. G. Hayes	Roy Rowe	John J. Best
Perquimans	Dr. T. A. Cox		K. D. Pigford	W. E. Mathews	R. S. Chappell		J. T. Benton
			E. M. Perry	J. C. Baker			
Person	Dr. A. F. Nichols	T. C. Brooks	J. O. White	F. T. Whitfield	D. M. Cash	J. W. Noell	E. P. Warren
Pitt	A. A. Elwanger	W. C. Dresbach	F. D. Long	D. T. House	B. M. Lewis	E. G. Flanagan	John Hill Paylor
			Roy T. Cox	F. M. Kilpatrick			J. S. Moore
Polk	G. W. Pearson	W. G. Green	W. L. Cherry			F. P. Bacon	T. J. McDowell
Randolph	Dr. W. L. Lambert	A. T. Lomax	G. C. Feagan	Clegg Garner	M. E. Johnson	Henry L. Ingram	W. Bryan Davis
Richmond	W. W. King	W. W. Graham	A. B. Beasley	J. W. Covington	Dr. W. C. Terry	L. A. Martin	R. T. McNair
			Dr. G. C. Caddell	J. C. Matheson		J. A. Patterson	
Robeson	D. W. Biggs	J. Ed. Tyson	James W. Hamer	C. A. Hasty	R. F. Stuart	W. S. Britt	S. L. Adams
			W. O. Thompson	W. E. Graham			T. J. Smith
Rockingham	Dr. Chas. R. Wharton		W. E. Graham	V. H. Idol	Geo. H. Helmus	J. B. Stacy	Joe W. Garrett
				R. H. Stocks	H. L. Glenn		T. C. Stone
Rowan	Dr. W. L. Tatum	J. D. Justice	R. L. Bernhardt	O. L. Linn	Curtis Long	Edwin C. Gregory	Walter Murphy
			T. M. Byrd	James T. Graham			George Uzzell
Rutherford	Dufay Blackwell		T. Max Watson	S. H. Holland	Ryburn Edwards	C. E. Alcock	Grady Withrow
			F. T. Davis	Joseph Beam			
Scotland	M. J. McDougald	W. E. Matthews	J. M. Gardner	E. P. Jones	H. F. Monroe	J. A. Patterson	Jennings G. King
			D. A. Hasty	John A. McKay			
Stanly	R. M. Lefler	J. A. Harwood	T. R. Wolfe	John Little	J. V. Barringer		John Norwood
Stokes	Dr. W. E. Brazwell	Dexey Rothrock	J. A. Joyce	H. L. Gibson	Harvey Johnson	S. Gilmer Sparger	Ralph J. Scott
Swain	Dr. P. R. Bennett	Ep Breedlove	W. E. Elmore	Dave Shook	R. L. Hyatt	Kelly E. Bennett	B. C. Jones
Transylvania	John Kilpatrick		E. Carl Allison	Avery Galloway	John Wilson	Mrs. E. L. McKee	Pat Kimzey
Tyrrell			W. S. Sykes	L. N. Davenport	H. T. Davenport		C. W. Tatem
Union	Roy B. Funderburk	Ralph W. Elliott	W. E. Funderburk	Ben F. Price	C. E. Rushing	C. S. Massey	Brooks Price
			H. C. Boyce	Jennings A. Secrest			
Vance	A. P. Paschall		S. M. Watkins	W. W. Currin	H. B. Parrott	W. W. White	J. M. Peace
			W. W. Grissom	W. P. Parrish			
Wake	Lawrence M. Waring	Pittman Stell	John P. Swain	T. Floyd Adams	D. Bryant Harrison	L. Y. Ballentine	Archie T. Allen
			George E. Upchurch	W. W. Holding			C. E. Mitchell
Warren	Jasper W. Shearin		W. H. Burroughs	H. L. Wall	R. L. Capps		Wm. T. Hatch
			J. C. Powell	S. D. King			T. H. Aycock
Washington	W. H. Peele		Frank L. Brinkley	J. M. Clagon	E. F. Swain	W. B. Rodman, Jr.	Harry Stell
						R. L. Coburn	
Watauga	Richard E. Kelley	C. F. Thompson	Eller McNeil	Coy I. Billings	Dallas Edmisten	Roby T. Greer	W. F. Miller
Wayne	T. R. Robinson, Sr.	Harold C. Yelverton	G. Kennon Jordan	J. Leslie Crawford	Rodney Knowles	Col. Edgar H. Bain	W. Wiley Andrews
			Roland L. Gurley	J. I. Musgrave			W. H. Best, Jr.
Wilkes	Carl Jones	H. I. Shoemaker	Leet Poplin	Richard Finley	W. O. Barnette	W. H. McElwee	W. A. McNeil
Wilson	V. C. Martin		Thomas Woodard	Tom Ellis	Mack Flowers	J. C. Eagles	T. T. Barnes
Yadkin	A. H. Logan	B. C. Shore	Tate Watson	J. M. Braswell			
Yancey			A. B. Hobson	Charlie Shouse	D. A. Reynolds	W. H. McElwee	G. S. Williams
			Geo. Robinson	Fred Young	Rex Miller		Mrs. Chas. Hutchins

# The Most Service for the Money!

Charlotte officials ascribe much of the recent improvement in the city's tax collections and fiscal record to the understanding and co-operation of its citizenry, secured through wide use of newspaper stories and talks and exhibits before local citizens' organizations on different municipal activities and services. The accompanying summary of a talk by the City Treasurer in presenting such a program serves as a model for any city whose officials would line up their citizenry solidly behind the activities of the local government.

By **L. L. LEDBETTER, City Treasurer**

WHEN we were asked to put on this program we thought it would be nice to tell something of the history of taxation, so I referred to two dictionaries, two encyclopedias and the Bible, and everything I read was tax burden and oppression. It looks as if people never have liked this word, which comes from the Latin word 'taxare,' meaning 'to touch sharply.'

"I never did find out just when taxes originated. I found reference back to 2124 B.C. and quit. It seems that one of the first forms of taxes was capitation, or per capita. This dates back to ancient Persia and China. The first indication of property tax dates back to the Hebrews; this consisted of an annual impost tax paid to the Levites, comprising a tenth part of the products of the land. The first levy of property tax in Athens is recorded in 428 B.C. People began the payment of taxes in money in the seventh century.

"It seems that taxes were first levied for the purpose of and as the result of war. Food and supplies had to be secured to maintain fighting men for war. Later other services were required. Roads and bridges had to be built for commercial purposes, public buildings erected, irrigating canals dug, public lands cultivated, and civic busi-

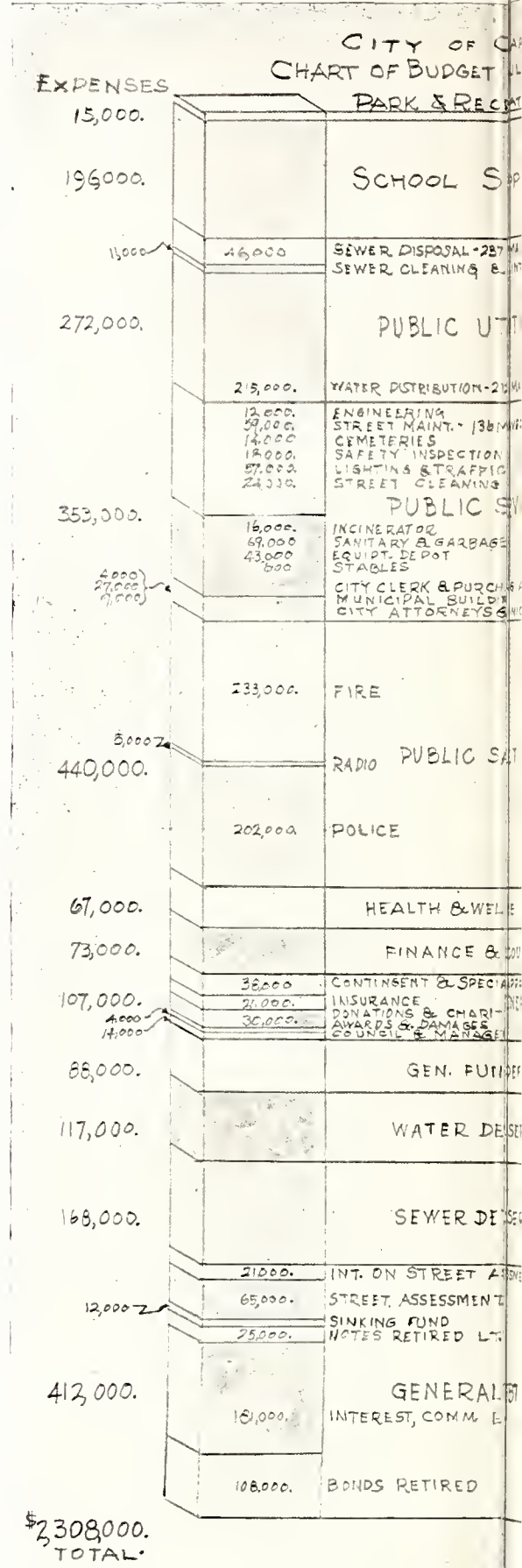
ness administered.

"We should like to break down this inherited hatred for taxes, that is, so long as it is fair and just. Won't you think of Charlotte as a very large community with the inhabitants banded together for the mutual benefit of each other. Then think back to the pioneer days when our forefathers had to take their turn keeping watch over their loved ones while they slept. Think also of the many other tasks that they performed together, for example, in securing water supplies, fighting fires, or building roads. Today, instead of performing these services personally, a small sum is levied upon you as a member of society to defray their expenses. And these expenses represent services rendered for you and all the other members of society.

"We propose to give you, in condensed form, information about the cost of the different governmental services and just what your payment brings to you in return for your money.

"There are 18,840 tax payers in Charlotte. The average valuation is slightly more than \$5,000 and the average tax slightly in excess of \$73.00. By referring to the mimeographed statement at your plate you will find the latter figure broken down to show the portion that goes

Charlotte's is an enviable record, too, as shown by the fact that its rating with Moody's Investors Service has increased during the past year from Baa to A. Within the past 13 months it has paid off its floating indebtedness in full—\$278,500—to put its operations on a cash basis and end the year with a surplus. Its last bonds sold at a net interest rate of 2.92% and its last notes at 62-100 of 1%. Moreover, its debt ratio is the lowest since 1923—4.5877%—, and it expects to pay off the last of its long-term bonds in 1942.





REVENUES		WATER	MISC	ADVLM	TOTAL
ADULT TAX				15,000	
AD VLM. TAX				196,000	
WATER REVENUE	272,000				
AD VLM. TAX				212,000	
MISC. REVENUE		41,000			
AD VLM. TAX				330,000	
COURT COST & MISC. REVENUE		110,000			
AD VLM. TAX				42,000	
MISC. REV.		25,000		8,000	
MISC. REVENUE		65,000			
AD VLM. TAX				83,000	
MISC. REV.		24,000			
AD VLM. TAX				68,000	
MISC. REV.		22,000			
WATER REVENUE	17,000				
WATER REVENUE	81,000				
OTHER REVENUE	23,000			28,000	
AD VLM. TAX				37,000	
SEWER TAX					
AD VLM. TAX				236,000	
MECK. CO. PER CAPITA, AND MISC. REVENUE		176,000			
					492,000 598,000 1218,000

to each function of government and the services it brings in return.

Debt Service	\$15.870
Deficit—General Fund	4.100
School Operations	11.670
Fire Protection	10.815
Police and Fire Radio	.135
Police Protection	8.815
Safety Inspection	.460
Street Maintenance and Cleaning	3.820
Street Lighting and Traffic Information	2.755
Sanitation, Garbage and Incinerator	3.935
Public Health	2.530
Parks and Recreation	.870
Donations and Charity	1.405
Other (including General Administration)	5.820
	<u>\$73.000</u>

(There followed short talks on the services of the various departments by their chief officers. Thus the Chief cited the services rendered by the Police 365 days in the year and 24 hours in the day at a cost to the taxpayer of \$8.82 or the pay of a watchman or bodyguard for one day. The Fire Chief, by citing insurance rates for the same house in districts with and without fire protection, showed where the taxpayer actually saved money by paying \$10.82 to maintain the fire department. The City Engineer told how his department, at a cost to the average taxpayer of \$4.80 annually, maintains, sweeps, and washes 136 miles of paved and 75 miles of top soil streets and operates 237 miles of sewerage pipes. And the Superintendent of Health cited services which at commercial rates would cost four times the amount of the taxes to support them—not counting the benefits from milk sanitation, meat, restaurant, and hotel inspection, education and quarantine, and school inspection.)

“In closing may I ask if all who have a telephone will raise his hand. Thanks. Now you would not think of asking the telephone company or the power company or the gas company to furnish you service free. These three services, telephone, light and gas, cost me an average of \$10.00 per month. Yet, the City Government furnishes each of us

more than 30 separate and distinct services for only \$6.21 per month.

“The average adjusted tax rate of 301 cities of over 30,000 population is \$25.95 per \$1,000. The City of Charlotte and Mecklenburg County adjusted tax rate is \$12.02, better than 50% below the average.”

**NOTES FROM THE CITIES AND COUNTIES**

(Continued from page five)  
 newspaper “reminders.” The number of houses to be shut off is said to have been reduced from 400 to 200 the first month the policy was adopted. Wilmington water works officials have cut rates for the summer, increasing the allowance for the minimum rate by 750 gallons, to encourage gardening and beautification.

Police protection afforded to homes of Winston-Salem vacationists has proved both successful and popular and brought much praise to the police department of that city. Families going out of town report the period they will be away, and the police make periodic checks at their homes. Warnings are also issued to vacationists through the newspapers to remove all signs of absence, as accumulated newspapers or milk bottles, which might invite burglars.

**NEW POLICIES AND PROCEDURE OF PWA**

(Continued from page three)  
 program submitted to the President July 10 is being held up while the P.W.A. checks back to see how many workers each project will take off the local relief rolls. There were 18 projects of North Carolina cities and counties on this “priority list,” and the sponsor of each has been asked to furnish additional information as to the time necessary to complete the project, the total number of employees required, and the number who will come from relief rolls. On the satisfactory answers to these questions apparently hinges the amount of P.W.A. grants which North Carolina units will receive under the initial new allotment of 50 millions.

BASED ON 80% OF \$105,000,000  
 ASSESSED VALUES  
 RATE - \$1.46 PER \$100.00





## Lawyer—Internes?

“How can older lawyers expect young men to be honest and ethical on \$5.00 or \$10.00 a week?” I have heard some of them [young lawyers] ask, amid applause from their fellows. When recruits to the Bar assert their inability to comply with the accepted canons of honorable conduct in view of the inadequacy of their earnings, and maintain that ‘We have to live’, thoughtful men under the standards of the organized Bar cannot respond merely, as did Voltaire, ‘I fail to see the necessity’. Here is a problem of adjustment and placement which needs to be dealt with, intelligently, by the profession, else many young lawyers will be driven into the ranks of a waiting bureaucracy and into advocacy of a ‘socialized’ profession. . . . Whatever is to be accomplished along these lines is likely to result from the leadership and efforts of the organized Bar; the individual lawyer, young or old, cannot do very much about it.”—*Hon. William L. Ransom, President of the American Bar Association.*

**P**RESIDENT Ransom has placed his finger upon a very real problem, but he unfortunately stopped after “raising the issue” and gave no indication as to where, in his opinion, the solution lies. The condition which he notes is not a new one, though it may be more noticeable than heretofore. At least ten years ago certain leaders of the North Carolina Bar, as individuals, remarked the complete lack of facilities for orienting young lawyers in the practice. Whether the blame therefor lay with the law schools or the profession, they did not attempt to decide. On the one hand they found law schools intent upon securing out-of-state students and placing emphasis upon the national and even international aspects of the law, and on the other hand individual practitioners absorbed in their own practice and the essential business of “making a living.” Facing the realities of the situation, they accepted it and began to lay the foundation for the idea of the “paid apprentice,” which is steadily gaining in popularity in the State.

The idea of the “paid apprentice” as it has developed here recognizes that there are many details of the practice in a busy law office which can be done as well by a supervised young lawyer as by the older lawyer, leaving the latter free to give more time to important matters which can not be delegated. At the same time it assumes that the young lawyer will be willing to accept modest pay and long hours in return for the practical experience which can be gained only in a repu-

table, busy law office. Both the new and the experienced lawyer gain by this plan, although the value to each depends in large part upon the personalities and attitudes of the participants in the plan. If the youngster does not throw himself into the work of the office and make himself an invaluable assistant, or if the older lawyer becomes so completely absorbed in his own affairs that he neglects to guide and direct the youngster’s practical training and development, the plan may work with indifferent success. The point is that it has already worked with striking success in a number of cases, and the success of these instances is no less a compliment to the youngster than it is to the older lawyer.

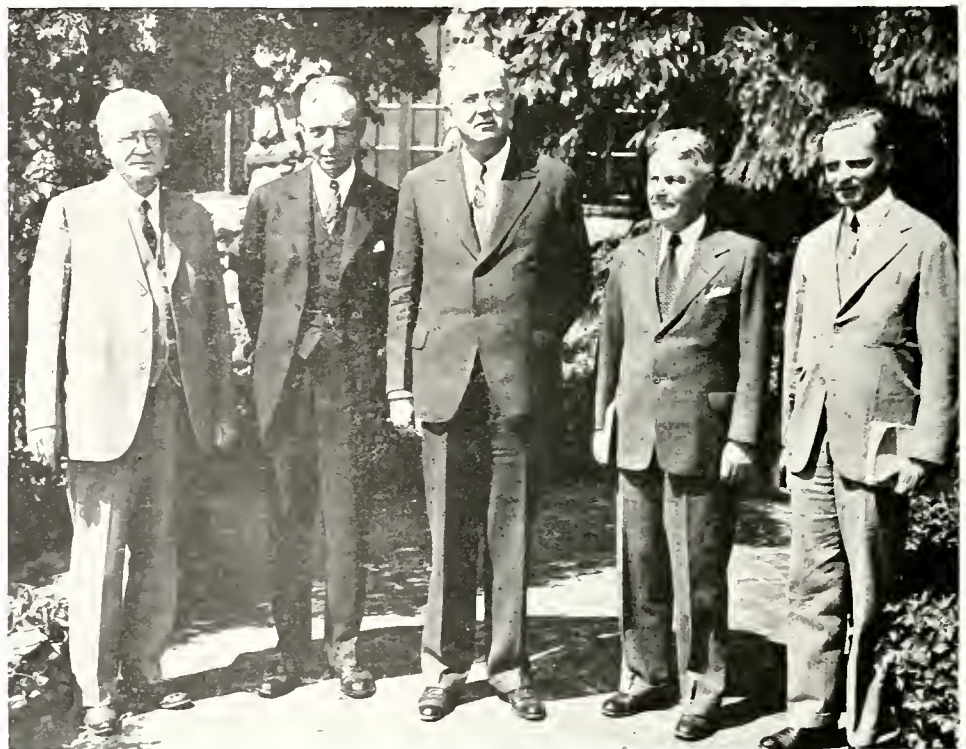
The plan has been tried heretofore with one of two objectives: (1) with the aim of accepting the younger man as a partner if he develops into an effective lawyer, or (2) with the aim of keeping him until he feels that he is so experienced that he can no longer afford to continue the work for the limited salary he is receiving. Either plan offers wide

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### 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.

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#### TAKE LEADING PARTS IN FEDERAL RULES CONFERENCE

Here is a group of the notables snapped at the Fourth Circuit Judicial Conference, held in Asheville recently for the purpose of discussing the proposed draft of the new uniform rules of procedure in Federal Courts. Left to right: Judge Elliott Northcutt, William D. Mitchell, former Attorney General of the United States, Judge J. J. Parker, Judge Morris A. Soper, and Edward H. Hammond of the Department of Justice. Mr. Mitchell is Chairman and Mr. Hammond a member of the Committee of 14 appointed by the Supreme Court to draft the new rules, while the three judges make up the Circuit Court of Appeals for this District.





AT THE 38TH ANNUAL BAR ASSOCIATION MEETING

Here are three leaders of the North Carolina Bar snapped at the recent convention in Asheville: (left to right) B. S. Womble of Winston-Salem, newly-elected President; Clyde R. Hoey, Democratic nominee for Governor; and J. M. Broughton of Raleigh, retiring head.

opportunities to the young lawyer who is ambitious to forge ahead in the profession, yet permits the older lawyer at all times to secure "value returned" for the small salary paid the beginner. Of two specific examples which come to mind, one outstanding lawyer in the western division has already trained a junior member of the firm in this way and is now training two other potential

firm members, while a leading lawyer in the eastern division has by the use of the second plan given possibly a dozen young lawyers an opportunity to gain valuable, practical experience under an able lawyer. Both men have gained by the practice and at the same time have rendered a genuine service to young lawyers.

One of these men recently re-

marked that in his opinion every older lawyer in the State who could possibly utilize a younger man in the office should try one of the two plans. He stated that he not only considered it a professional obligation of the older members, but felt sure that the more able recent students of the law schools could bring to the older men new ideas, attitudes and knowledge of value in the present day practice. The better students leaving the law schools deserve an opportunity to show whether they can, under fair conditions, develop into lawyers of recognized ability, and, in his opinion, the organized Bar should take definite steps to encourage the young and experienced lawyers to enter into arrangements of mutual benefit to themselves and service to the profession. Those who have given any thought to the idea feel that it not only benefits the participants, but that a more general absorption of the younger men into the profession through such internships would do much to reduce the friction which sometimes occurs between the younger and older lawyers where fierce competition tends to drive younger men into undesirable and doubtful practices.

## Case Comment

**A** QUESTION which has created much confusion among local law enforcing officers was passed on by the Supreme Court this month, namely, does a marble game, in which the skill of the operator has something to do with the result, although the operation is still subject to the element of chance and the outcome unpredictable, come within the prohibition of the slot machine acts? The indictment was under Chapter 282, the second slot machine act passed by the 1935 Legislature, and the conviction was sustained by the Supreme Court in a decision which apparently interprets both the 1935 slot machine laws as outlawing all such machines where the element of chance enters in the determination of the outcome in any degree.

The Court split over the decision 3-2, Stacy and Connor taking the position that the first act (Chapter



37) was one of absolute prohibition, but that the Legislature's intent in passing the later act was to recede from its former position and permit the operation of some such devices under supervision and regulation. Otherwise there was no reason for passing the second act, according to the dissent, for the Legislature had already accomplished the same thing by the passage of Chapter 37. The ambiguous language of the second act, of course, accounts for the difficulty and the split in opinion of the Court in arriving at the true intent of the Legislature.

The decision does not extend to—and it is doubtful whether the Legislature could prohibit—the operation of coin-operated scales, music boxes, vending machines, etc., where the return is definite and no element of chance enters. However, it would seem under the view of the Court's majority that all slot machines and games, in which the element of chance enters in any degree, are outlawed in counties under Chapter 282 as well as those under Chapter 37. (*State v. Humphries*, 210 N. C. 406).

\* \* \*

The provision of public parks and playgrounds by a city is a governmental function and *necessary expense* under Article VII, Section 7 of the Constitution, it was held in the test case of *Atkins v. Durham*, and a bond issue for this purpose does not require a vote of the people. However, it is not certain how far the principle would be extended to smaller cities and towns. The Court laid stress on the fact that Durham was a populous city with a large industrial population and the corresponding recreational needs, and repeated that "what is a necessary expense for one locality may not be . . . for another." (*Atkins v. Durham*, 210 N. C. 295).

\* \* \*

Do government compensation and insurance paid to a veteran retain their exemption from taxation (1) when deposited in a bank or (2) when invested? is another troublesome question passed on by the North Carolina court at its last term. The decision upheld the action of a county in taxing both a veteran's bank deposits and investments, derived from government

compensation, for the years 1931-35. However, it is open to question whether this rule will apply under the new Act of Congress of August 12, 1935, on this subject, as to the first item, bank deposits. The Court specifically states that this Act is not applicable to this case involving taxes for years prior to its passage.

The decision leaves the question in something of a muddle. Thus, in one place it quotes and approves the United States Supreme Court's decision in *Trotter v. State of Tennessee*, 290 U. S. 354, which reads: "We leave the question open whether the exemption remained in force while they (the funds) continued in those hands (the guardian's) or on deposit in a bank." But the North Carolina court goes ahead and upholds the county's action in taxing both bank deposits and investments. And the North Carolina court states 14 lines further on that "We can see no distinction in law, for purposes of taxation, between stocks and bonds, notes and bank deposits and other solvent credits." (*Law-*

*rence v. Commissioners of Hertford*, 210 N. C. 361).

\* \* \*

Other new decisions of importance to local officials with a brief statement of the holdings follow:

*Marshburn v. Brown*, 210 N. C. 331: Whether bonds issued by a school district were necessary for the maintenance of the constitutional school term is for the determination of courts, and upon a favorable verdict by a jury the County may assume such bonds.

*State v. Webb*, 210 N. C. 350; C. S. 2618(b) requiring motor vehicles to stop before passing a standing school bus, taking on or putting off passengers, applies to passing a school bus from either direction.

*Stone v. Commissioners of Stoneville*, 210 N. C. 226: Mandamus lies only to compel performance of a clear legal duty by a party having a clear legal right to demand performance. Held not to apply in matter involving compromise and settlement of tax by town authorities in good faith presented by instant case.

## Court Clerks Suggest New Laws

NORTH CAROLINA Clerks of Superior Court, holding their annual meeting at Wrightsville Beach July 9-11, decried the tendency of the Legislature to treat their office as a catch-all for miscellaneous new duties, and discussed a number of important and significant suggestions for changes in the laws affecting their duties. A. W. Graham, Jr., of Oxford was elected President and Mrs. E. C. Byerly of Lexington head of the newly-formed Wives' Auxiliary, while W. E. Church of Winston-Salem was re-elected Secretary - Treasurer. Winston-Salem was chosen as the site of the 1937 convention.

One of the interesting legislative proposals advanced concerned the feasibility of simplifying the tax foreclosure machinery by permitting the docketing of tax certificates as judgments, as is now done in the case of State Schedule "B" taxes and assessments on banks in liquidation. Under the present law the purchaser of a tax sales certificate, after waiting for the re-

quired 16 months, has to bring another action to foreclose the certificate and secure a judgment under which execution may be had. Under the proposed change, the certificate would be docketed as a judgment, and the Clerk could order execution thereon after the required time, without the necessity of another action.

The desirability of a uniform, state-wide fee schedule was voiced by many members, and a request was made that The Institute of Government analyze a number of fee bills and prepare a uniform schedule for consideration by the 1937 Legislature. Resolutions were also passed commending the work of The Institute and thanking it for assistance previously rendered the Clerks.

Among the other suggested changes in the laws to be discussed were:

Permitting fiduciaries to sell stocks and bonds without a court  
(Continued on page twenty-four)



County	Total tax valuation	Amount exempted if \$1,000 exemption granted on homes occupied by owners	Percentage of total exempted
Forsyth	\$156,339,760	\$8,078,190	5.17
New Hanover	50,859,435	3,746,170	7.37
Cleveland	28,703,049	4,094,171	14.26
Edgecombe	23,915,261	3,490,648	14.60
Duplin	15,622,075	3,167,468	20.28
Caswell	7,164,094	1,780,605	24.85
Gates	4,967,881	1,087,853	21.90

## City and County Figures on Proposed Homestead Exemption

By HENRY BRANDIS, JR.

of the Staff of the Institute of Government

READERS of the April, 1936, issue of POPULAR GOVERNMENT may recall an article dealing with the proposed amendment to the State Constitution, to be voted on this fall, which would authorize the legislature, in its discretion, to exempt from taxation all homes occupied by the owners, up to a maximum of \$1,000 per home.

In connection with the article figures were given for several counties showing the valuation which would be removed from the tax books assuming the amendment were adopted and the full \$1,000 exemption granted by the legislature. Figures for several other counties have been made available, and the accompanying table shows the effect such a course would have on valuations in seven counties. Of course, even if the amendment is adopted, the legislature will not necessarily grant the full \$1,000 exemption immediately. If it granted a smaller exemption the figures in the table would be reduced, though they would not be reduced in strict proportion. For instance, a \$500 exemption would remove from the tax books considerably more than half the amount which would be removed by a \$1,000 exemption; because many of the homes which would be removed completely by the \$1,000 exemption are now valued at less than \$1,000. The figure of \$1,000 has been used in making the surveys because it represents the maximum possible reduction in valuations and because it seems likely that if the people vote for this amendment the legislature will take the vote as a mandate to grant the full exemption in the near future.

Reference to the table will show that the percentage of total tax valuation the exemption would remove varies from 5.17% in Forsyth to 24.85% in Caswell. With one exception, the percentage of the total removed increases as the total tax valuation decreases. This illustrates a fact which almost undoubtedly will become more apparent as complete figures for other counties become available; that is, that the exemption, even if granted for less than \$1,000, will cause greater tax increases and more serious financial difficulties in small, poor counties than in large, wealthy counties. For instance,

Forsyth, to raise the same amount it now raises in property taxes, would, after granting a \$1,000 exemption, have to raise its tax rate but little more than 5%. If other valuations increased it might be possible to operate without a tax increase. However, it would be necessary for Gates and Caswell counties to raise their tax rates approximately 28% and 33%, respectively, to raise the same amount of money. Thus, in Gates, not only would all taxpayers not living in their own homes be faced with a serious tax increase, but home owners listing more than \$4,575 would have increased taxes; and in Caswell home owners listing more than \$4,000 would have tax increases.

Figures showing effect of exemptions on real estate valuations, by races, are available for four of the above counties, as follows: realty of white individuals which would be exempted in New Hanover, 8.36%, in Edgecombe, 16.28%, in Duplin, 24.64%, and in Gates, 27.20%; realty of colored individuals which would be exempted in New Hanover, 41.01%, in Duplin, 59.42%, in Edgecombe, 59.44%, and in Gates, 71.86%.

The following figures for other counties are of interest, though total figures are not available. In Wilson, out of total real estate of \$16,866,713 owned by white individuals, \$2,322,561, or 13.77%, would be exempted. Out of total real estate of \$838,218 owned by colored individuals, \$470,958, or 56.19%, would be exempted. Out of total realty and personalty values (excluding corporate excess) of \$25,314,432, the total exemption would be \$2,793,519, or approximately 11%.

In Buncombe County, out of total real estate valuation of \$64,117,401, the exemption would remove \$10,571,406, or 16.49%. In Caldwell County, a sample survey of two urban and two typical rural townships reveals that out of total real estate of \$5,881,904 listed by white individuals, \$1,739,414, or 29.57%, would be exempted; out of total real estate of \$152,601 listed by colored individuals, \$140,974, or 92.38% would be exempted; and out of total realty of \$6,034,505 listed by all individuals, \$1,880,388, or 31.16%, would be exempted. While these figures are probably typical of the remainder of Caldwell County so far as realty values are concerned, the percentage of total valuation of all kinds exempted would be much lower, as nearly half of the entire valuation is listed by corporations. In Lenoir County the valuation which would be exempted amounts to \$1,872,170 for white individuals and \$402,265 for colored indi-

viduals, but figures are lacking on which to base percentages.

The following figures for a few typical cities are of great interest. In the City of Wilmington, out of total valuation of all kinds of \$32,644,065, there would be exempt a total of \$2,542,070, or 7.79%. Of real estate listed by colored individuals, 38.59% would be exempted, and of real estate listed by white individuals, 7.50% would be exempted. In the City of Winston-Salem, of a total of \$102,300,625 in valuation of all kinds, \$4,104,150, or but little more than 4% would be exempted. Of real estate listed to white ownership, 5.32% would be exempted and of realty listed to colored ownership, 34.66% would be exempted. In the Town of Warsaw, out of total valuation of all kinds of \$858,008, there would be exempted \$117,550, or 13.7%. The exemption for white real estate would be 11.31%, and the exemption for colored real estate would be 52.91%. In the town of Wallace, out of total valuation of all kinds of \$701,614, there would be exempted \$88,590, or 12.63%. The exemption for white real estate would be 18.01% and the exemption for colored real estate would be 84.73%.

In the city of Asheville, out of total real estate of \$41,861,652, the exemption would be \$2,963,805, or 7.08%. In the city of Wilson, out of total white real estate of \$7,503,592, the exemption would be \$601,512, or 8.02%; and out of total colored real estate of \$462,768, the exemption would be \$237,332, or 51.28%. For the city of Tarboro, an estimate furnished by the Edgecombe County Accountant indicates that the exemption would remove \$373,592 out of a total valuation of all kinds of \$3,696,037, or 10.11%.

These sample figures for cities indicate clearly the same tendency manifest in the county figures. The exemption would remove a larger percentage of tax values in the smaller cities than in the larger cities. Further, it is perfectly clear from the county and city figures given that the exemption would remove a larger percentage of total valuation in rural areas than in urban areas. This means that the increase in county and rural district and township taxes would necessarily be increased more than city and town taxes. Anyone doubting this conclusion may examine the above figures carefully and discover that with the single exception of the city of Wilmington the cities and towns reporting have a smaller percentage of exemption than the counties in which they are located. The difference between the percentage of exemption in Wilmington and New Hanover County is explained by the fact that several townships in the County are resort centers in which much of the property is owned by non-residents and hence not subject to the exemption.

The process of collecting these figures is still being carried forward and it is hoped that figures for a number of other counties and cities can be published in this magazine before the November election. Local officials interested in making surveys for their cities and counties are urged to begin them at once and to send their results to POPULAR GOVERNMENT. Meanwhile, POPULAR GOVERNMENT wishes to thank the following local tax officials who have furnished the figures used in this article: Vernon Flynt, J. A. Orrell, Troy McKinney, M. L. Laughlin, F. W. McGowen, W. T. Cross, W. H. Williamson, W. Z. Penland, W. J. Boykin, Carter Powell, Miss Katie Cobb, and A. C. McKinnon.



# Bulletin Service

Opinions in this issue are taken from rulings of Attorney General and State Departments from April 15 to July 2

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Prepared by  
M. R. ALEXANDER

## I. Ad valorem taxes.

### A. Matters relating to tax listing and assessing.

#### 1. Exemptions—religious and educational organizations.

To R. F. Carter. Inquiry: Must commercial schools list their property for taxes? (A.G.) This Office has formerly ruled that the property of *incorporated* schools and colleges is exempt from ad valorem taxation by virtue of Subsection 4, Section 304 of the 1935 Machinery Act.

#### 3. Exemptions—property of State agencies.

To C. H. Whitlock. Inquiry: Is property foreclosed and owned by the World War Veterans' Loan Fund exempt from local ad valorem taxation in view of the recent decision in *Benson v. Johnston County*?

(A.G.) Since the Supreme Court handed down this decision, the opinion rendered by this Department relative to the taxation of State and municipal property has been modified, and such property not used for governmental purposes seems to be subject to taxation.

#### 5. Exemptions—city and county property.

To J. M. Aldridge. Inquiry: Are the stocks of County A.B.C. stores subject to ad valorem taxation by a town?

(A.G.) In view of certain decisions of the Supreme Court involving the question of taxes upon the property of municipalities (*Board of Financial Control v. Henderson County*, 208 N. C. 569, and *Benson v. Johnston County*, 209 N. C. 751), it is probable that the Supreme Court, if a case should come before it involving the taxation of stock and property of A.B.C. stores, would say that they are subject to tax.

As in all other cases where a departure seems to be made from settled doctrines by decision of the Supreme Court, the matter is still in some doubt as to the extent to which the decisions may be applied. In cases which may be considered "in the twilight zone," I can only make a guess. However, although it may be contended, and properly in some respects, that an A.B.C. Board is a municipal corporation having some governmental functions with respect to the control of the traffic in liquor, in my judgment the actual sale of intoxicating liquors can not be considered a governmental function or purpose, and the property used for such sale, that is, the stock of liquors, not protected from taxes on the theory that it is property of a municipality used for such governmental functions. In other words, I am of the opinion that such property is subject to county and municipal tax by the uniform and ad valorem rule.

#### 7. Exemptions—Federal Land Banks.

To C. K. Cooke, Jr. Inquiry: Are Federal Land Bank mortgages exempt from taxation? Is the income from same?

(A.G.) Yes. See Title 12, Sec. 931, Federal Farm Loan Act, exempting Federal land banks and national farm loan associations, including the capital and reserve or surplus therein and the income derived therefrom, from Federal, State, municipal and local taxation, except taxes upon real estate held, purchased or taken by such associations. "First mortgages executed to Federal land banks, or to joint stock land banks, and farm loan bonds issued under the provisions of this chapter," it continues, "shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation."

#### 12. Exemptions—veterans' compensation.

To W. B. Cobb. (A.G.) Uninvested funds derived from veterans' compensation and held by a bank as guardian for a veteran are exempt from taxation under the provisions controlling the acts of Congress.

To T. L. Covington. (A.G.) There has been no change in our law regarding property bought with veterans' compensation. This property is not exempt from ad valorem taxation.

To Eugene Irwin. First mortgage notes owned by an incompetent ex-service veteran, controlled by a guardian and purchased with funds coming into the hands of the guardian from Federal pensions, are not exempt from ad valorem taxes. After these funds have been invested either by the veteran or by the guardian for him, the property thus acquired is subject to ad valorem taxes just as any other property.

#### 16. Indian lands.

To J. L. Taylor. Inquiry: Is land allotted to Indians by the Federal Government on the Cherokee Reservation subject to taxation?

(A.G.) The Act of Congress of January 4, 1924 (25 U.S.C.A., p. 186), provides methods whereby the lands of the Indians in North Carolina are at present in the process of being allotted to said Indians, so each allottee will hold the complete fee simple title to his lands, but *cannot alienate his land for 25 years* after the deed conveying the land to the allottee has been recorded.

Clause 21 of the Act provides that such lands shall be subject to taxation the same as other lands when the restrictions against the alienation of the allotment should be removed, and attempted to exempt it from taxation in the meantime. However, the case of *United States v. Swain County*, 26 Fed. (2d) 99 held this Act unconstitutional in its attempt to exempt the lands of the Cherokee from taxation. I should conclude from this that land of an individual Cherokee held in fee simple was subject to taxation by the State or county.

#### 30. Situs of personal property.

To J. M. Aldridge. Inquiry: A national concern carries a small stock in its branch office here. Should this stock be listed for ad valorem tax at its situs or in the county where the district office is located? (A.G.) Tangible property should be listed at the place where it is located.

To T. L. Ware. It is the opinion of this Department that gasoline stocks in storage tanks in your county would be subject to ad valorem tax, but should be listed at the actual value of the gasoline, and that the Federal and State tax should not be added to this value for tax listing purposes.

#### 51. Nature of property.

To D. W. Newsom. Inquiry: I should be grateful to you for a clear division of the different classes of insurance companies as to county tax status.

(A.G.) The only classification I can give you which might be useful with regard to the taxation of the property of insurance companies is—domestic and foreign.

Insurance companies organized under the laws of this State must list both their tangible and intangible personalty and their real estate, and these are subject to taxation at the home county. A foreign insurance company is not taxable in this State on its intangible property, that is, solvent credits, but is taxable on these only at its domicile. It is taxable here, however, on its tangible personal property and its real estate at the situs.

It is possible for an insurance company organized under the laws of another

## EXAMINING INCOME TAX RETURNS

The chief new development in plans for making federal income tax information available to local tax officials under the Costigan Amendment is the ruling that inspection of Federal returns will be limited to State officials, who, however, may pass the information down to local officials. The regulations also require a formal request signed by the Governor, under the seal of the State, addressed to the Commissioner of Internal Revenue, Washington, D. C.

The first step to be made by a tax supervisor or other local official desiring to secure the benefit of Federal income tax information, then, is to get in touch with the Governor and request that he write to Washington for the necessary permission, and designate some representative of the State Revenue Department or State Board of Assessment to make the inspection and pass on the information.



state and having a domicile elsewhere to conduct its business in this State, so that some of its intangible assets might have a situs here for taxation; however, I do not know of any foreign insurance company that would be so classified.

Only in the case of a fire insurance company does the State law require the company to make a deposit in this State, and this deposit is not subject to tax. Health and accident companies are not required to make such a deposit.

Under a recent decision of the Supreme Court fire insurance companies are permitted to balance against their cash on hand, or solvent credits if they have any in this State, such a reserve as they may have set up for unearned premiums, the balance only being subject to taxation.

#### 70. Solvent credits—taxability of preferred bank stock.

To M. W. Harriss. Inquiry: Does North Carolina tax the preferred stock of banks?

(A.G.) Shares of stock in banking institutions are taxable in the hands of the shareholder, as is property. Capital stock of the bank is not taxed at all.

The procedure by which such shares are taxed is laid down in Section 600 of the Machinery Act. The excess of the total of shares of stock in the institution over certain deductions, principally property locally taxed, is taken by the State Board of Assessment, and such excess is prorated to the various shares and constitutes the value on which they are taxed. The bank is required to pay this merely as a collecting agency, and is made liable therefor by way of quasi garnishment, because it has the assets of the shareholders in its hands, out of which it may be reimbursed.

#### 71. Solvent credits—bank deposits and postal savings.

To V. W. Flynt. Inquiry: Please cite the specific sections of the Machinery Act that empower political subdivisions to tax cash on hand belonging to or held by life insurance companies.

(A.G.) Under Section 305, Chapter 417, Public Laws of 1935, personal property is defined to include "all money" in Subsection (1) and in Subsection (6) "money on deposit," etc., over and above the amounts respectively owed by the taxpayer. Under Section 517, "Tax Lists Shall Contain," Subsection (19) lists "money on hand," Subsection (21) "money on deposit," etc. Under these general provisions authority is given for the taxation of money, cash on hand or solvent credits of life insurance companies, as no exemption is provided in favor of such companies.

To Ed Anders. Inquiry: Are savings deposits in the Post Office subject to ad valorem taxes? (A.G.) Yes.

#### 75. Solvent credits—credits of foreign corporations.

To C. T. Moody. Inquiry: Are solvent credits owned by non-resident corporations, such as the G.M.A.C., taxable in the county where the mortgage securing the credit is registered and the property for which it is given is situated?

(A.G.) Generally speaking, the intangibles of a non-resident corporation are not subject to ad valorem tax in this State unless they come within the exception due to the fact of having acquired a business situs in this State.

In some instances, local offices or agencies have been set up to handle the affairs of non-resident corporations, and by reason of the fact that they are used over

and over again in the local business such intangibles acquire a business situs. It is as yet very difficult to define what such business situs is, and generally speaking, every case must be examined on its merits. I suggest that you present this question to your county attorney who may be able to advise you in the matter.

#### 79. Deductions from solvent credits—debts and liabilities.

To J. L. Gordon. Inquiry: Is a County Farmers Mutual Exchange entitled to deduct from the solvent credits it lists for taxation the earnings of the business, which are to be returned to the purchasers of goods of the exchange in the ratio of their purchases?

(A.G.) Yes, it seems, under the theory of the recent case of Hardware Mutual Fire Insurance Co. v. Mecklenburg, 210 N. C. 69, allowing such deductions on the theory of a liability or debt in the case of a reserve fund set up by the insurance company to cover unearned premiums.

#### 110. Listing of personal property.

To W. P. Kelly. (A.G.) Section 306 (8) of the Machinery Act provides an exemption on "wearing apparel, household and kitchen furniture, the mechanical and agricultural instruments of farmers and mechanics, libraries and scientific instruments, provisions and livestock, not exceeding the total value of \$300, and all growing crops." The exemption applies to the classes of property enumerated and must be applied in the case of any person whatsoever owning that kind of property, whether the householder or any member of the family. There is no question in my mind but that electric refrigerators and washing machines come within the exemption.

#### 111. Materials in process.

To D. W. Newsom. Inquiry: A textile manufacturing company in the County has listed 75% of actual cost on its inventory of raw materials, 50% on one type of finished product and 75% on another, and only 33 1/3% on materials in process. We feel that the latter percentage is too small and would appreciate your ruling on the subject.

(A.G.) The law requires all property to be listed at its actual value. I can not advise you a hard and fast rule for arriving at value or definite percentages to use in arriving at a correct result. Perhaps as to material in process requiring further stages of manufacturing to make the commodity saleable at all, the taxpayer feels that it is neither raw nor finished product and, therefore, unsaleable in its present state. However, there is a potentiality of a higher price when the product is finished, and I doubt whether the idea of market price in its then condition would control.

After all, the matter is up to you and to your conscientious judgment as to the actual value, and no question of law is presented.

#### 125. Taxpayer's oath.

To W. P. Kelly. Inquiry: Is it mandatory under Sections 513 (a) and 514 of the 1935 Machinery Act for list takers and assessors to actually administer the taxpayer's oath when receiving lists of real and personal property for taxation? (A.G.) Yes, it is, in our opinion, mandatory.

#### 130. Penalties for failure to list.

To L. S. Sawyer. Inquiry: Do the County Commissioners have a right to relieve a taxpayer of the penalty for failure to

list, as provided by Section 521 (4) of the 1935 Machinery Act, after the taxes have been computed and turned over to the tax collector for collection?

(A.G.) The language of this section is mandatory in terms, but there is no direct provision that the penalties may not be remitted. Section 521 (5) confers authority on the Commissioners to settle and adjust all claims for tax on discovered property. Under these two provisions considered together, I am of the opinion that the Board has discretionary power of relieving the taxpayer of the penalties referred to.

#### B. Matters affecting tax collection.

##### 11. Penalties on municipal taxes.

To J. J. Hassell. Inquiry: Please advise the dates and the amounts stipulated by law of discounts and penalties for town taxes.

(A.G.) C. S. 7994 provides that on all taxes paid in October and November a discount shall be allowed of 1%. The net amount is charged in December. From and after January 1st a penalty of 1% a month shall be added, that is, 1% if paid in January, 2% in February, etc., until sold for taxes, which is required by law if not paid on or before the end of the month of May.

C. S. 8037 provides that the certificate of sale for taxes shall bear interest at the rate of 10% per annum upon the entire amount of the taxes and Sheriff's costs for a period of 12 months from the date of sale, and thereafter at the rate of 8% per annum until paid or until final judgment or confirmation is rendered, but in case the action to foreclose is not instituted within 18 months, shall be 6% after the expiration of the 18 months on amounts expended in connection with or on the purchase at such tax sale.

The above, of course, represents the general law. I am not advertent to any special statutes which may control this matter in your county.

##### 35. Tax foreclosure—costs and fees.

To J. S. Bryan. Inquiry: Please tell me the officers' fees for serving tax suits? (A.G.) Under Chapter 560 Public Laws of 1933 the total limitation upon the cost to a taxpayer for foreclosure of taxes is placed at \$6. Out of this must come \$2.50 attorney's fees, not over \$3 for newspaper advertising, clerk's fees, and sheriff's fees. Obviously the amount is too small to take care of the actual costs incurred by the foreclosure; however, there is no remedy for the situation under our present laws. The fees of sheriffs are set out in C. S. 8009, but the amounts there stated are subject to the above limitation.

##### 49. Tax collection—prepayments.

To J. D. Grimes. Inquiry: The county tax collector does not receive the 1936 tax books until October 1. Who is the proper official to receive prepayments of taxes in the meantime?

Section 805 of the 1935 Machinery Act designates the county or city accountant, city clerk, auditor or treasurer, as the governing body may determine. This would be the county accountant in the case of your county, and it would seem that he would receive such payments by virtue of his position, and could not be made the deputy of the tax collector so the latter might receive commissions upon the prepaid taxes collected.

##### 50. Tax collection—acceptance of bonds for taxes.

To W. E. Easterling. Inquiry: Chapter



9, Public Local Laws of 1935, provides that the tax collector of a certain county shall accept in payment of certain taxes the bonds, notes, and matured interest coupons of the county, due or to become due in the current fiscal year. Do the county commissioners have any discretion or control or right to order the tax collector to stop the practice?

(A.G.) I have a decided impression that this section may produce some unconstitutional result in certain instances, but it is never a rule of this Office to declare an act of the Legislature unconstitutional until the court itself shall have passed upon it, except in very rare instances where a great public inconvenience might follow an attempt to carry out the law.

If we accept the law as constitutional, no discretion is left with the Commissioners to prevent the tax collector from accepting the bonds, notes, and coupons according to the tenor of the Act, as its terms are mandatory.

#### 72. Tax collection—levy on personal property.

To J. D. Thompson. (A.G.) There is no homestead or personal property exemption available against an execution for tax due the State.

#### 77. Tax collection—priority of lien.

To J. B. Eure. Inquiry: Our town and county have both brought tax foreclosure proceedings against a certain party. The town, in addition, holds several hundred dollars in paving assessments against the same property. What is the position of the town in respect to the latter?

(A.G.) While I think it is clear that there is no priority as between the liens of county and town taxes, a careful examination of the authorities, and particularly *Saluda v. County of Polk*, 207 N. C. 180, has convinced me that the lien for paving assessments is not on a parity with a lien for taxes, and that a sale under the tax lien will carry title to the purchaser free of the lien for paving assessments. It would, therefore, be necessary for the town to protect itself by bidding enough to cover the paving assessments if the property should be worth it.

#### 12. For support of the poor.

To G. W. Kirkpatrick. (A.G.) It has been a ruling of this Department that County Commissioners are not limited to 5c in levying taxes for the support of the poor.

To J. D. Grimes. Inquiry: May money raised under C. S. 1297, Subsections 8½ and 28, be used for paying the salary of the Superintendent of Public Welfare or his assistants? (A.G.) No part may be so used.

#### 11. Poll taxes and dog taxes.

##### B. Collection.

##### 9. Garnishment.

To L. L. Parker. Inquiry: May a town garnishee wages not yet due to pay a man's poll taxes? (A.G.) In our opinion, no. We take the position that wages which may become due are not a debt within the meaning of the garnishment statute.

#### III. County and city license or privilege taxes.

##### A. Levy.

##### 10. City automobile licenses.

To J. G. Proctor. (A.G.) This Office has ruled that municipalities are not permitted to require operator's or chauffeur's licenses since the passage of the Uniform State Drivers' License Act. However, un-

der the provisions of C. S. 2621 (31-o) cities may impose a tag license on resident autos in an amount not to exceed \$1.

#### 14. Privilege license—beer.

To R. B. Mallard. (A.G.) Your town may levy a license tax on beer dealers whose places of business are located within two miles of the corporate limits. This tax is limited to the \$10 maximum provided for in Section 5, Chapter 216, Public Laws of 1933.

To W. D. Harrington. Inquiry: Should the county tax collector require applicants for beer and pool table licenses under Schedule "B" to first secure a permit of the Board of Commissioners, or issue the licenses without new permits?

(A.G.) C. S. 7880 (60), taxing the operation of pool tables, bowling alleys, etc.,

provides that the Commissioner of Revenue shall not issue licenses except with the approval of the Board of Commissioners of the County in which the application is made. However, C. S. 3411 (15) only requires the Commissioner of Revenue to have information that the applicant has received the county beer license.

To J. V. Bowers. Inquiry: Please advise whether a conviction of public drunkenness is a violation of the prohibition laws so as to deny the person the right to sell beer under the beer laws? (A.G.) Public drunkenness as denounced in C. S. 3411, subsection 12, is not a violation of the prohibition laws within the meaning of the Beverage Control Act.

#### 15. Privilege licenses on businesses, trades, and professions.

To H. Sprinkle. (A.G.) A town can tax no business except where there is direct

## Twenty-ninth Annual Convention State Association of County Commissioners and Association of County Accountants

Asheville, N. C.—August 11-13

### Program

Tuesday Evening, August 11th

- 4:00 P. M. Registration—Battery Park Hotel.  
8:00 P. M. Call to Order—President John D. Robinson, Duplin County.  
Invocation—Reverend O. J. Chandler.  
Welcome to Asheville—Mayor R. M. Wells.  
Response—Hon. T. H. Woodard, Wilson County.  
Address—Hon. Frank Parker, State Statistician.  
Address—Hon. M. F. Morgan, Nash County.  
Report of Secretary-Treasurer—J. L. Skinner.  
Appointment of Committees.

Wednesday, August 12th

#### Morning Session

- 9:30 A. M. President's Address—Dr. John D. Robinson.  
10:00 A. M. Address—Mr. Henry Brandis, Assistant Director, Institute of Government.  
10:30 A. M. Address—Hon. Clyde R. Hoey, Introduced by Mr. Pat Burdette.  
11:00 A. M. Round Table Discussion—Led by Hon. Chas. M. Johnson, Director of Local Government.

#### Afternoon Session

- 3:00 P. M. Called to Order by President John D. Robinson.  
4:00 P. M. Address—Hon. George Ross Pou, Democratic Nominee for State Auditor.  
5:00 P. M. Address—Hon. R. T. Shaw, Guilford County.  
8:00 P. M. Banquet—Battery Park Hotel. Informal.  
Address—Dr. D. W. Daniels, Clemson College.

Wednesday Afternoon, August 12th  
Meeting of the County Accountants of North Carolina.

Thursday, August 13th

- 10:00 A. M. Report of Committees.  
Election of Officers.  
Selection of Next Meeting Place.



authority of statute law. Generally speaking, this authority is given under C. S. 2677. This provides that a town "may annually levy a tax on all trades, professions, and franchises carried on or enjoyed within the city, unless otherwise provided by law."

Where the State Revenue Act taxes a business, there is usually a provision referring to a tax on the same subject by a town, and this limits the authority of the town to lay taxes under C. S. 2677. The taxing of a business must in such cases be done according to the Revenue Law.

However, when the business is not included in the Revenue Act at all, and where there is no other law applicable except C. S. 2677, the town may levy a reasonable tax upon such business "if carried on or enjoyed within the city."

To J. P. Zollicoffer. Inquiry: May a town levy a tax on a bottler who opens a warehouse therein for the storage and distribution of bottled drinks? (A.G.) Yes, under C. S. 7880 (65) (b). The levy for municipalities would be limited under Subsection (f) to one-fourth the amount of taxes levied by the State.

#### 24. Power and light companies.

To H. D. Hardison. Inquiry: Municipalities are given power to levy franchise taxes on local light and power companies, but Section 203, Subsection 5, of the 1935 Revenue Act provides that a city or town may not impose a greater tax than that levied at the passage of the act. Our town has not heretofore levied a tax. Was this provision meant to prohibit a levy where none had been made or to prevent towns then making levies from raising the rates?

(A.G.) The express prohibition of this section would prevent any city or town from imposing a greater privilege or license tax upon such companies than that which was imposed at the date of enactment of this law. Generally the power of a town to levy taxes upon trades, professions, and franchises, given by C. S. 2677, is restricted by this law. The fact that the town previously levied no tax whatever would not now permit the levy of a tax in the face of this prohibition.

#### 25. A.B.C. Stores.

To H. T. Taylor. Inquiry: Are A.B.C. stores subject to license taxes as well as ad valorem taxes on their stocks and property?

(A.G.) I think not, on account of the control feature, as to which they are a public agency and properly discharging a public governmental function. Whether the court should take that opinion of the matter in view of the case of Benson v. Johnston County, I can not say.

#### 40. License tax on peddlers.

To G. D. Dye. Inquiry: Are veterans exempt from the peddler's tax imposed by Chapter 371, Section 121, Public Laws of 1935. (A.G.) County Boards of Commissioners may exempt Civil War veterans and disabled veterans of the Spanish-American and World Wars.

#### 47. License tax on slot machines.

To C. F. Woodson. Inquiry: Objection has been raised to the payment of the city's tax on certain slot machines on the ground that certain injunctions are pending against the collection of this license tax by the State or municipalities. Please advise.

(A.G.) In a suit pending in Federal Court for the Eastern District the State

Commissioner of Revenue has been enjoined from collecting the tax imposed by Section 130, Schedule "B," Revenue Act of 1935. This is a temporary injunction, and we are moving and hope to have the injunction dissolved, but the date for the hearing has not yet been fixed. In the meantime, so far as I am advised, no injunction has been secured against any city or town. Therefore, you should proceed to collect the tax on these machines levied in accordance with the law unless there has been some restraining order actually served upon the city authorities.

To C. W. Peacock. Inquiry: Please advise if a 1c slot weighing machine is liable for Schedule "B" license tax. (A.G.) Cities are permitted to levy a tax on slot machines, as provided in Section 130 of the current Revenue Act, not in excess of the amount levied in the particular case by the State. The figure for a slot weighing machine requiring a 1c deposit is \$2.50.

#### 64. License tax on out-of-town businesses.

To C. H. Whitlock. Inquiry: May a town impose a license tax on an undertaker whose place is located just outside the city limits but secures business from the town? (A.G.) No, in our opinion.

#### 70. License taxes on chain stores.

To H. T. Taylor. Inquiry: A partnership operating a grocery store and meat market in the same building plan to move the market across the street in a separate building. The conduct of the business will otherwise remain the same with all accounting done through the grocery store. Will this subject the store to the chain store license tax? (A.G.) In my opinion, yes.

#### B. Collection.

##### 15. Penalties for non-payment.

To W. D. Harrington. Inquiry: Do the County Commissioners have authority to release penalties imposed by law for delinquency in the payment of Schedule "B" license taxes?

(A.G.) Yes, in our opinion, (upon making record of the reasons therefor) in the manner the Commissioner of Revenue has as to Schedule "B" taxes levied by the State. See Section 458 and the last paragraph of Subsection (6) of Section 187 of the Revenue Act.

#### IV. Public schools.

##### B. Powers and duties of counties.

To C. A. Erwin. Inquiry: A number of county superintendents seem to be wrestling with the problem of how to distribute debt service funds to city administrative units. Section 15 of the 1935 School Machinery Act provides for the distribution of "all county-wide school funds" on a per capita school enrollment basis. But it appears in many instances that such a distribution to city administrative units would exceed the needs of those units for debt service. Please advise.

(A.G.) In my opinion, where a debt service fund distributed by the county to a city administrative unit, if distributed on a per capita basis, would exceed the debt service requirements of the particular unit, only that amount representing the debt service requirements should be allocated to such units.

##### 25. Use of other county funds.

To N. E. Gresham. Inquiry: May profits from county A.B.C. Stores be diverted from the General Fund and used by the Board of Education to pay the expense of adding a month to the school term?

(A.G.) There is no provision of law to cover the practice. In my opinion, general funds of a county can not be used in the maintenance of schools without legislative authority.

##### D. Powers and duties of present school districts and agencies.

##### 5. Erection of school buildings.

To R. T. Giles. Inquiry: No suitable location can be found for building a school house in a non-tax district, but there is a good location just across the boundary line in an adjoining local tax district. May the school be located at the latter site and attended by pupils from the non-tax district?

(A.G.) In my opinion, it must be built, if at all, within the boundaries of its own district.

To Ervin and Butler. Inquiry: Is the construction of a teacherage in a city administrative unit a necessary expense in the maintenance of the constitutional six-months school term so as to permit an appropriation therefor by the County Commissioners?

(A.G.) An examination of the statutes and decisions fails to disclose any authority holding the construction of a teacherage a necessary expense. In the absence thereof, I am unable to forecast with any degree of certainty what conclusion might be reached about it by our court.

The courts, of course, determine if a given project is a necessary expense generally, but the governing authorities determine, in their discretion, whether such a given project is necessary or needed in the designated locality. *Starmount Company v. Hamilton Lakes*, 205 N. C. 514.

##### 31. Elections to supplement State funds.

To W. L. Mann. Inquiry: Is there any requirement that elections on the question of local school supplements be held prior to April 1? If not, and a supplement carries, is the County Board authorized to levy special taxes for the purpose?

(A.G.) This Department has ruled that the levy of taxes may be made where a favorable election has been held before the taxes of the county are levied, irrespective of whether the election was held before or after April 1.

##### 41. Compensation for school bus accidents.

To W. R. Clegg. Inquiry: Please interpret Chapter 245, Public Laws of 1935, on this subject.

(A.G.) We have ruled that the sum provided in this Chapter should be paid only to parents, guardians, executors or administrators of school children who may be injured in or whose death results from injuries received while such child is riding on a school bus, and that such compensation should be applied only to the payment of medical, surgical, hospital, and funeral expenses incurred on account of such injuries. It does not include compensation to parents or guardians.

#### F. School officials.

##### 1. County Board of Education—nomination and election.

To Wayne Woodard. (A.G.) The school law does not provide for the election of members of the County Board of Education at the November Election. They are selected at the primaries, and persons so selected are certified to the Legislature, which makes the appointment.

##### 14. Members of county and city boards—vacancies.

To W. W. Watson. (A.G.) In my opin-



ion, a member of a Board of Education who has removed from the county and has not resided therein since December 27, 1935, can not be considered a legal resident of the county, and such absence has caused a vacancy on the Board.

#### 50. Principals and teachers—election and contracts.

To C. A. Erwin. Inquiry: Can a city school board elect as principal, teacher or other necessary employee, a person other than the one recommended by the city superintendent?

Section 6 of the School Machinery Act on this subject reads, "on the recommendation of the city superintendent." Compare the section on the election of teachers by district committees, which reads, "subject to the approval of the county superintendent and the county boards of education." Careful reading of the act leads me to the conclusion that the legislative intent was to permit the trustees, or governing body, of a city administrative unit to go beyond the recommendation of the city superintendent and elect some satisfactory person not so recommended.

To Paul Hyatt. Inquiry: A high school committee has re-elected the principal, and the county superintendent has notified him accordingly, although the County Board has not had a meeting and officially re-elected him. Can the Board override this action, if there is nothing against the principal's character or ability as a teacher, on the ground that a great percentage of the people do not want him?

(A.G.) Under the School Machinery Act of 1935 the concurrence or approval of the Board of Education is, in my opinion, essential to the election of a principal of a high school. See Section 7, Chapter 455, Public Laws of 1935. While the discretion which they exercise in the matter must not be arbitrary or capricious, it is ordinarily not competent to make inquiry into the motives prompting them to approve or disapprove.

#### 51. Teachers—duty to notify teachers not re-elected.

To T. C. Roberson. (A.G.) Failure on the part of the Superintendent to notify teachers in 30 days after the close of school that they are not re-elected does not renew their contract for the coming year. The notice is required only for the convenience of the teachers.

#### G. Poll taxes, dog taxes, fines and forfeitures accruing to schools.

#### 50. Objects for which such funds may be spent.

To G. B. Phillips. (A.G.) School funds derived from these sources, and all other sources except State funds, are applicable to maintenance of plant and fixed charges. However, the Act provides that "when necessity shall be shown, the *State School Commission may approve* the use of such funds in any administrative unit to supplement any object or item of the current expense budget; and in such cases the tax levying authorities of the county administrative unit shall make a sufficient tax levy to provide necessary funds for the maintenance of plant, fixed charges, and capital outlay."

#### I. School property.

#### 14. Coverage by fire insurance.

To T. C. Roberson. Inquiry: Is a County Board of Education legally authorized to let contracts for fire insurance upon school buildings and equipment without advertising for bids? (A.G.) Yes.

#### V. Matters affecting county and city finance.

#### B. Defaults.

#### 10. Funds applicable to defaulted interest and debt service.

To James Reed, Jr. (A.G.) I find nothing in *George v. Asheville*, 80 Fed. (2d) 50, which in any way weakens C. S. 2959 (Municipal Finance Act), providing that the net proceeds of operation of water works shall be applicable to debt service on bonds issued for its construction.

#### I. Issue of bonds.

#### 50. Duplicates for lost or stolen bonds.

To H. G. Hudson. Inquiry: The signatures and seals of certain city bonds owned by holders in Pittsburgh were wholly or partially obliterated in the recent flood. What procedure shall we follow?

(A.G.) If the signatures and seals are sufficient to establish the issuance of the bonds, it is not necessary to have them re-executed. If they are completely obliterated, the holders should seek relief under Chapter 292, Public Laws of 1935, with sufficient security given to indemnify the city against the appearance of the securities in the hands of an innocent holder.

#### L. Local budgets and audits.

#### 30. Requirements for publication.

To C. C. Tatum. Inquiry: Please cite me the sections of the Statutes relating to financial statements of cities and towns and to commissioners trading with themselves. (A.G.) C. S. 2687 and 4388, respectively.

#### VI. Miscellaneous matters affecting counties.

#### A. Contractual powers.

#### 10. Competitive bids.

To B. F. Williams. Inquiry: Must county property be sold at public auction, as in the case of city property, or may a private sale be held?

(A.G.) It is not required that an auction sale be had; however, for your protection, we should suggest that you try to get more than one bid for the property.

#### G. Support of the poor.

#### 19. Pauper settlement.

To G. R. Hughes. (A.G.) Under C. S. 1342 one year's residence in the county is required to acquire a pauper settlement entitling an indigent person to obtain relief from the county. In my opinion, however, a pauper settlement could not be acquired in County A if the pauper were maintained therein as a public charge of County B.

#### X. Grants and contributions by counties.

#### 10. Damage payments.

To H. J. Rhodes. Inquiry: I understand that a county, being a subdivision of the State having governmental functions, would not be liable for damages caused by the negligent operation of a school bus. But might the county, if it feels so inclined, legally pay the claim from funds on hand not otherwise appropriated?

(A.G.) Inasmuch as there is no legal liability, it would be improper for the county to pay the claim.

#### Y. Ordinances of county commissioners.

#### 1. Validity.

To C. V. Reynolds. Inquiry: Do county boards of health have the right to adopt a milk ordinance under C. S. 7065? (A.G.) In our opinion, the county boards are authorized by this section to adopt rules and regulations for the protection of the health of citizens outside of municipalities which would be the equivalent of ordinances.

#### "NOW IS THE TIME . . ."

"A policy of cash instead of bonds to finance improvements can be initiated and determined more easily now, when the public mind is set on the evils of debt, and taxpayers possibly more willing to submit to self-denial to get out of debt than they were 10 years ago or will be five years ahead. This is particularly true, since we realize how closely the results of an inflexible debt burden during a period of depression—when assessed values are down, tax delinquencies increase, and tax rates should be lowered—certainly cannot be raised . . ."—*Municipal Finance News Letter*.

Violations of such rules and regulations are made misdemeanors by C. S. 7066.

#### VII. Miscellaneous matters affecting cities.

#### B. Matters affecting municipal utilities.

#### 5. Rates and charges.

To J. M. Aldridge. (A.G.) Bills for water and electric current due the municipal plant are not liens or prior claims against the assets of a bankrupt.

#### K. Grants by cities and towns.

#### 10. New industries.

To H. S. Gibbs. Inquiry: Does a municipality have legal authority to underwrite or otherwise guarantee all or part of the expenditure necessary to procure a private business enterprise with promise of a substantial payroll for the community?

(A.G.) No, in the absence of a special statute empowering the city to make such expenditure.

#### N. Police powers.

#### 25. Regulations.

To W. F. Hardin. Inquiry: Does a city have power to designate certain streets as "truck lanes" and exclude trucks and other heavy traffic from other streets?

(A.G.) In our opinion, a city has the right to pass ordinances for the reasonable control of traffic in the town, having in view both the question of safety to the public and proper use and preservation of streets; and this power extends to establishing truck lanes in the manner you mention. Of course, the question of fairness and reasonableness will arise, and such ordinances would not stand if capricious or arbitrary.

To J. B. Jarrell. (A.G.) In our opinion, the Board of Commissioners of your town has no right to issue licenses for the sale of beer, ale, and wines containing more than 5% alcohol. However, we call your attention to Chapter 393, Public Laws of 1935, which permits the manufacture and sale of domestic wines having only such alcoholic content as natural fermentation may produce.

To I. R. Brown. Inquiry: May a Board of Town Aldermen pass an ordinance outlawing slot machines licensed by the State and County?

The possession and operation of slot



machines which yield an uncertain return when operated by a coin is unlawful, and it does not require any ordinance of a town to get rid of them. All that is necessary is to have the existing law enforced. On the other hand, where a slot machine is a mere vending machine and not a gambling device, my opinion is that the Board has no authority to prevent its operation.

To Larry Skinner. Inquiry: May a town limit by ordinance the number of pickets, in the case of strikes, who may picket a particular mill?

(A.G.) The power of a town to pass ordinances of any nature is given to it solely by statute. There is no statute under which such authority may be exercised. All the town may do in such a matter is to pass such ordinances as will prevent congestion of traffic at any point and which will tend reasonably to keep streets and sidewalks open for ordinary use. This, of course, applies to pickets where pickets are upon the sidewalk or street. Picketing upon private property is a private concern, and the town can exercise no control over it.

#### X. Ordinances.

##### 1. Validity.

To C. D. McLeod. Inquiry: Please tell us if the Town Board of Commissioners can order an election by popular vote against the sale of beer and wine within the incorporated limits that is now legalized by the State and Federal Government.

(A.G.) There is no provision under the law by which the principle of local option with regard to alcoholic beverages may be applied to your town or an election held upon that matter.

##### 5. Publication.

To C. V. Reynolds. Inquiry: Is it necessary for a municipality to publish a proposed ordinance, as a milk ordinance, in a newspaper prior to adoption?

(A.G.) There is no general statute in North Carolina requiring publication in newspapers of all municipal ordinances. However, the requirement is often found in charters of various towns and cities. It would be necessary in each case to consult the legal authority of the town to ascertain the legal requirements as to that town.

#### VIII. Matters affecting chiefly particular local officials.

##### A. County Commissioners.

##### 5. Trading with member of board.

To L. Dillahunt. In my opinion, it is contrary to law for a member to make any contract with the Board by which he be paid any salary for work or services performed. See C. S. 4388, Davidson v. Guilford County, 152 N. C. 436.

##### 31. Appointive power.

To C. A. Small. Inquiry: May the outgoing Board of Commissioners hire the County Auditor and Tax Collector for another year, as they have to arrange bond and take over their duties December 1, but the new Board is not sworn in until December 7?

(A.G.) In my opinion, the employment should be by the new Board. The present incumbents in these offices will hold over until their successors are appointed and qualified.

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

##### 1. Costs and fees.

To H. V. Rose. Inquiry: What fee should the Clerk charge for filing certificates of incorporation of Electric Membership Corporations?

(A.G.) After examining the statutes I think it is clear that the electric membership corporations provided for in Chapter 291, Public Laws of 1935, are incorporated under this chapter rather than the chapter relating to co-operative organizations, and, therefore, the proper filing fee is that named in C. S. 1219 (§3), and not in C. S. 5246.

##### 4. Securing of funds.

To W. E. Church. Inquiry: What legal requirements must a company meet in order to secure authority to execute fiduciary and appeal bonds?

(A.G.) Under C. S. 6376-8 a corporation to engage in such business must be first authorized and licensed by the Insurance Commissioner or the Banking Commissioner. Under C. S. 6380 the Insurance Commissioner, upon granting the license, is required to immediately notify the Clerk in each county in which such company is authorized to do business. If the Clerk has not received such notice, he should refuse to accept appeal and fidelity bonds with this company as surety.

##### 6. Witness fees.

To W. T. Burke. Inquiry: Must witness fees be paid to officials of our county on a straight salary basis?

(A.G.) Chapter 40, Public Laws of 1933, provides that such officials shall not be paid witness fees. However, Chapter 93, Public Laws of 1935, repeals the former as to cases where Defendant pays the cost. It seems to me that the Legislature intended for the fees to be paid said officials in cases wherein Defendant has to pay the costs.

To G. S. Garriss. Inquiry: Does the Clerk have authority, in criminal cases, to pay officers and witnesses their fees when enough money has been paid in to cover the costs, although the fine remains unpaid, where the judge has made an order that the first money paid in be applied to the costs?

(A.G.) Yes, without doubt. It must be remembered that the judge has the right to remit the fine altogether, although not the costs, and the order postponing the payment of the fine to the payment of the costs is certainly within his discretion.

##### 10. Collection of process tax.

To R. T. Wilson. (A.G.) In criminal actions the process tax is chargeable against convicted persons only in cases finally disposed of in the Superior Court. In Civil matters it applies to cases not only in Superior Court but in all courts of record, which would include your Recorder's Court.

To J. W. Donley. Inquiry: I understand that State agencies, counties, cities, etc., are not required to put up the State Process Tax on instituting a suit, but are required to pay tax and costs when judgment is collected. What is the rule in a suit brought by the State Commissioner of Banks (1) if judgment is only collected in part but (2) it is nevertheless cancelled on the record?

(A.G.) The Commissioner of Banks is not liable for process tax unless same has been collected by him. If the judgment is only partly collected, and the costs are not collected with it, the Commissioner is not liable therefor. However, I do not think that a liquidating agent for the Commissioner has the right to cancel a judgment in full as against costs until such process tax has been paid, and prima facie it would indicate that the costs are paid when such cancellation is made.

However, this would depend upon the facts of the case.

##### 13. Actions without cost bond.

To A. W. Cooke. Inquiry: Should the Home Owners Loan Corporation as a Federal agency be required to furnish prosecution bond upon bringing an action in Superior Court?

(A.G.) I have heretofore written to Clerks who inquired that as a matter of comity they might permit suit to be brought without requiring that the bond be given, but pointing out that there was no express authority for such action and that thereby the right of the Defendant to make a motion to dismiss or to require the bond to be given could not be waived by the Clerk.

If the Plaintiff in these suits cares to take chances upon the results of such motions, it may be that circumstances would justify the Clerks in permitting suits to be brought upon its part without requiring prosecution bonds to be given. In my opinion, however, it would be more satisfactory and less subject to criticism, both upon the part of the Clerks and the Plaintiff corporation, to comply with the usual provisions.

##### 25. Commitment of inebriates to State Hospital.

To T. R. Baldwin. Inquiry: Does a person who has been declared an inebriate by the Clerk in a proceeding under C. S. 2304 (a) have a right of appeal? (A.G.) Yes, to the Superior Court.

##### 75. Administration of guardian's funds.

To D. C. Lentz. Inquiry: May Clerks or other fiduciaries invest trust funds in their possession in a federal savings and loan association?

(A.G.) C. S. 4018 (6) reads "the stock of a building and loan association organized and licensed under the laws of this State," and does not, in my opinion, authorize such investment.

##### 82. Decedents' estates—guardians' bonds.

To T. R. Baldwin. (A.G.) The law requires at least two personal sureties on the bonds of administrators and guardians under Sections 33 and 2162. Both sureties must justify, and each must justify to the full penal amount of the bond.

##### D. Registers of Deeds.

##### 25. Indexing.

To A. A. Maness. Inquiry: Please advise me if the Registrar must index and cross index names of parties to an instrument in his permanent index within 24 hours after recording same, as required by C. S. 3561, despite the fact that he is using a temporary index?

(A.G.) No. C. S. 3553 provides for a temporary index subject to the condition that all instruments shall be indexed in the permanent index within 30 days from receipt of same. However, in using the temporary index you should index and cross-index as well, and you will be fully complying with all provisions of the law.

##### K. Coroners.

##### 1. Fees.

To J. B. Ferebee. Inquiry: Is the Coroner entitled to fees for investigations and reports filed in cases in which he finds death resulted from natural causes?

(A.G.) C. S. 3905 providing for Coroner's fees stipulates \$5 for holding an inquest. In my opinion, the term "inquest" means more than a preliminary investigation by the Coroner in order to determine whether a jury should be summoned. In order to become entitled to this fee, it is necessary for a jury actually to hold an



"inquest." If this is done, the Coroner is entitled to the fee although the verdict is death by natural causes.

#### L. Local law enforcement officers.

##### 31. Lotteries.

To J. A. Smith. Inquiry: As foreman of the grand jury I should like to have your ruling on theater cash nights and slot machines and the procedure for handling violations.

(A.G.) I suggest you confer with the Solicitor of your district setting out the exact scheme of the cash nights and the operations of the slot machines.

To D. D. Smith. Inquiry: A merchant gives a numbered ticket with each purchase and awards a \$15 prize to the holder of the lucky number at a drawing once each week. Does this violate the lottery law? (A.G.) Yes, in our opinion.

##### 38. Drivers' License Act.

To A. J. Maxwell. Inquiry: May persons designated to examine applicants for drivers' licenses by authority of Chapter 52, Section 2, Subsection (c), Public Laws of 1935, be employed on a fee basis?

(A.G.) This Office is of the opinion that it would be in your discretion to employ such persons on a fee basis. We suggest, however, that limitations be placed on the total amount of fees which could be earned by the examiners.

#### P. Judges of Recorders' and County Courts.

##### 20. Jurisdiction over subject matter.

To J. A. Myatt. Inquiry: Does the judge or clerk of our municipal court have power to dispense funds in his hands for the benefit of a minor to whom the funds belong?

(A.G.) Neither officer has such authority unless there has been some statute which divests the Superior Court of exclusive jurisdiction over estates and funds of minors. After a careful reading of the public-local act creating your court I come to the conclusion that neither of the sections you refer to is sufficient for this purpose.

##### 23. Right of appeal.

To J. A. Shaw. (A.G.) C. S. 1561 provides in part as follows: "No cause shall be removed from the recorder's court as is now provided for removal of cases from one Justice of the Peace to another."

##### 28. Commitment of insane.

To R. T. Wilson. I think the Judge of Recorder's Court has the right to commit an insane person under C. S. 6236 when insanity at the time of the trial is pleaded and the person is found insane and, therefore, can not be tried.

#### T. Justices of the Peace.

##### 8. Removal of cases.

To P. H. Ragland. (A.G.) When a mo-

tion is made before you to remove a case to another Justice for trial, it is your duty to do so, notwithstanding the fact that cases are not subject to removal from a Mayor's Court. This right of removal applies to all cases tried before a J.P.

##### 12. Jurisdiction over bastardy.

To J. A. Eason. (A.G.) You are correct in your interpretation of the bastardy law to the effect that a Justice may entertain a case to determine the paternity of a child and render judgment therein not exceeding \$200.

##### 50. Vacancies.

To W. I. Cochran. Inquiry: Please construe C. S. 1467 as to the power of the Clerk of Superior Court to fill vacancies in the office of Justice of the Peace.

(A.G.) This section confers power upon the Clerk in cases of vacancies other than original vacancies, as when a Justice is appointed but has not qualified within 30 days after the beginning of his term of office. Original vacancies may be filled only by the Governor.

#### IX. Double office holding.

##### 6. Justice of the Peace.

To F. R. Leagans. (A.G.) The positions of Justice of the Peace, Notary Public, and member of Board of Elections are all offices within the meaning of the constitutional prohibition, and no two may be held at the same time.

##### 8. Town clerk and tax collector.

To R. B. Peters, Jr. (A.G.) The positions of town treasurer and town tax collector, where not separately created by statute, may be consolidated and exercised by the same person.

##### 10. Postmaster.

To P. W. Glidewell. (A.G.) The positions of Postmaster, Sheriff, and School Board member are all offices.

##### 20. County auditor.

To J. V. Bowers. (A.G.) I am of the opinion that the county accountant holds an office within the meaning of Article 14, Section 7, of the Constitution.

##### 40. Militia and reserve corps.

To M. C. Blue. (A.G.) In my opinion an active officer, but not a reserve officer, in the National Guard, holds an office and may not serve at the same time as Notary Public.

#### X. Primaries.

##### A. Qualifications and rights of voters.

To R. B. Peters, Jr. (A.G.) The constitutional provision requiring payment of poll tax as a condition or qualification for voting has been removed by amendment.

##### 1. Age.

To O. A. Glover. (A.G.) A person who attains the age of 21 between the closing of the registration books and the November election may vote in the June primary as well as the November election.

##### 2. Residence.

##### 4. Conviction of crime.

To H. W. Pollard. (A.G.) Our courts have held that the law rendering a person convicted of a felony ineligible to vote or hold office applies to matters in the state courts and has nothing to do with convictions in the federal courts. Therefore, a conviction of a felony in federal court would not disqualify a person to vote in a state election.

##### 8. Party affiliation.

To C. F. Woodward. Inquiry: May Republicans vote in Democratic primaries? (A.G.) No, not allowed.

##### 9. Precinct committees.

To H. M. Ratcliff. Inquiry: Does a per-

son have to be present in order to be able to participate in the election of a precinct committee of the Democratic party, or may he, under the law, cast his vote by proxy?

(A.G.) As you know, the manner of holding a precinct election is controlled by the party organization, and I find nothing in the party plan of the Democrats which permits a person to participate therein by proxy.

## COURT CLERKS SUGGEST NEW LAWS

*(Continued from page sixteen)*

order;

Abolition of distinctions between the laws governing world war veterans' guardians and guardians generally;

Amplification of laws governing Clerks' probates where they are interested parties in particular instruments;

Extension of liability on fiduciary bonds by re-drafting the statute of limitations;

Abolition of all duties of Clerk with respect to taking criminal bail;

Changing the law permitting heirs to convey property of an estate after two years from the death of the decedent to two years from the qualification of the administrator;

Requiring plaintiffs in civil cases to be responsible for costs when they recover as well as when they lose;

Requiring immediate filing with the Clerk of reports of all mortgage sales;

Limiting the preference of undertakers for funeral expenses, particularly in small cases;

Permitting more than one assistant Clerk in counties where needed;

Eliminating the duty of Clerks to farm lands for minors;

Eliminating cost bonds when fiduciaries sue;

Abolition of building and loan stock as an approved investment;

Changing insurance laws to permit payment of funeral expenses out of group insurance and to require all such payments to be made under the Clerks' supervision;

Requiring all executors to give at least a nominal bond.

Not all of these changes were approved, but all of them have been, or will be, considered by the Association's legislative committee.

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# The Low Cost of Electricity

(Editorial in May Issue, Duke Power Magazine)

Everyone, of course, knows that the trend of rates for electric service has been constantly downward from the very origin of the electric power industry. The use of electricity in the home has just as consistently increased. As a matter of fact the constant increase in the amount of current used per consumer has been responsible for the constant decrease in the rates paid for that service.

Today, with approximately 21 million American families enjoying the conveniences and advantages of electric service in the home, with approximately 15 million radios in service, with more than eight million electric refrigerators in service, with well up toward a million and a half electric ranges and tens of thousands of electric water heaters in service, with an increased appreciation of lighting which has stepped up the use of electricity for this purpose tremendously, and with millions of electric irons, coffee percolators, toasters, vacuum cleaners, washing machines and other appliances in use, the cost of this service to the average American home is approximately 9 cents per day.

In other words the average American family pays for electric service, which has done more and is doing more to raise the standard of living than almost anything one can mention, an amount equivalent to the tax on one and one-half packs of cigarettes, the tax on one and one-half gallons of gasoline—less than two-thirds the total price of a pack of cigarettes, less than one-half the price of one gallon of gasoline.

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**OF RECORDING COST**

Receiving time, filing time, typing time, comparing time make up 95% of total recording cost. Permanent loose leaf record binders and permanent record paper are only 5%. But that is the *most important* 5%. Failure of the binder or paper means trouble, time waste, embarrassment and expense for repairs and rebinding of the 95%.

How to *avoid* failure of the binder and paper, and *assure* maximum value in that 5% has been answered for many years by H&M Permanent Public Record Books. It's no secret—just fine materials, skilled workmanship and modern methods which make H&M Record Books give those *extra* years of durability, fine appearance and trouble-free operation. Recording officers who know this, always specify and use H&M Record Books.

*H&M Permanent Loose Leaf Record Books and Permafex Loose Leaf Indexes are furnished through established North Carolina County Supply Houses.*



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Insurance in force in North Carolina . . . . . \$112,859,000

This tremendous total is a financial reserve in times of emergency, sickness, old age and death to North Carolina policyholders. No other company has as much in force in North Carolina.

Payments to policyholders and beneficiaries in North Carolina in 1935 . . . . . \$ 2,299,635

This sum represents payments to widowed, orphaned, aged and financially distressed North Carolinians for last year only.

Invested in North Carolina . . . . . \$ 26,766,166

This money, invested in State and municipal bonds, real estate mortgage loans and with policyholders, is constantly at work supporting the business and civic life of North Carolina.

The Jefferson Standard *Serves* North Carolina.

**Jefferson Standard Life Insurance Company**

JULIAN PRICE, *President*

GREENSBORO, N. C.