

State of North Carolina,
Executive Department,
Raleigh.

August 4th 1891.

Hon. Elias Carr

President of the Board of
Worlds Fair Managers for North Carolina

Dear Sir,

In regard to the appropriation made by the Legislature for the Worlds Fair, I wish to say, that several of the citizens of the State, who are interested in the Direct Tax money received by my lamented predecessor, and myself from the Government of the United States, having expressed an apprehension, that a portion of the money would be diverted to other purposes, than to the payment of their claims — and others having expressed some anxiety that North Carolina might not be represented at the said Fair.

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I deem it proper to address to you this letter,

The third section of the act of Congress, refunding the direct tax money is as follows.

"That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to reimburse each State, Territory, and the District of Columbia for all money found due to them under the provisions of this act; and the Treasurer of the United States is hereby directed to pay the same to the governors of the States and Territories and to the Commissioners of the District of Columbia; but no money shall be paid to any State or Territory until the Legislature thereof shall have accepted, by resolution, the sum herein appropriated and the trusts imposed in full satisfaction of all claims against the United States on account

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of the levy and collection of said tax, and shall have ~~authority~~ to authorize the governor to receive said money for the use and purposes aforesaid:

Provided, That where the sums, or any part thereof, credited to any State, Territory, or the District of Columbia, have been collected by the United States from the citizens or inhabitants thereof, or any other person, either directly or by sale of property, such sums shall be held in trust by such State, Territory, or the District of Columbia for the benefit of those persons or inhabitants from whom they were collected, or their legal representatives: And provided further, That no part of the money collected from individuals and to be held in trust as aforesaid shall be retained by the United States as a set off

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against any indebtedness alleged to exist against the State, Territory or District of Columbia in which such tax was collected: And provided further, That no part of the money hereby appropriated shall be paid out by the governor of any State or Territory or any other under any contract for services now existing or heretofore made between the representative of any State or Territory and any attorney or agent. person to any attorney or agent, all claims under the trust hereby created shall be filed with the governor of such State or Territory and the Commissioners of the District of Columbia, respectively, within six years next after the passage of this act; and all claims not so filed shall be forever barred, and the money attributable thereto shall belong to the State, Territory, or District of Columbia, respectively, as the case may be." ~~Other provisions:~~

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The General Assembly thereupon passed an act, the first section of which is as follows. "That the money paid into the Treasury of the State of North Carolina by the Governor under the terms of the act of Congress refunding the direct tax, shall be held in trust for the benefit of the persons or inhabitants from whom the taxes were collected, or their legal representatives, as provided in said act of Congress."

Other clauses are as follows:

"Upon proper proof the governor shall draw his warrant in favor of the person entitled, and the same shall be paid by the Treasurer of the State."

"All money remaining in the Treasury arising from the said fund, at the expiration of the six years

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shall be covered in the Treasury as the property of the State."

under this act Governor Fowle received \$377,836.43

I have received 26,214.78

making \$404,054.21

subsequently the General Assembly appointed a commission to be designated the Board of World's Fair Managers for North Carolina, and made it the duty of the governor to call the board together for the purpose of organization. This duty I have performed, and the board has been organized, electing you its President.

The General Assembly evidently supposed, that at least \$25,000— of the money received from the United States Treasury, would not be called for by

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the persons entitled to receive it under the terms of the trust, and it made the following appropriation for the World's Fair.

"Section 8. To carry out the provisions of this act, the sum of \$25,000, or so much thereof as may be necessary is hereby appropriated, & the State Treasurer is directed from the money covered into the State Treasury from the U. S. Treasury by act of Congress, entitled "An act to refund direct Land Taxes" from time to time upon requisition of said board, signed by its president & Secretary, & accompanied by ~~statements~~ estimates of the expenses to the payment of which the money so drawn is to be applied."

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It appears however that nearly the whole Trust fund will soon be called for by the tax payers to whom it belongs. The Treasurer commenced paying these warrants on the 11th July, & up to this date he has paid, & including warrants now out but not paid \$65,000— and the applications now on file are more numerous than at any time, ^{are} ~~is~~ being augmented by every mail.

In the course of the next four months it is probable that applications will be made covering nearly the whole amount received from ^{the United States Government} ~~Washington~~.

It does not now appear, that after paying the applications there will be any considerable sum left, to be covered into the Treasury under the act of Assembly. This money is held in trust to be

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refunded to the persons who paid it to the Federal government. It is their property. They need it.

Until the claims of these citizens are satisfied, the fund should not be diverted to any other purpose.

The legislature certainly never intended to deprive the individuals entitled to this money from receiving it on their demand.

At present it seems that the money could not properly be used to pay the appropriation, and I have been so advised by the Attorney General of the State, as well as by several other gentlemen learned in the law, with whom I have consulted on the subject. You are aware that the Board of World's Fair Managers for North Carolina at the meeting held for the purpose of organization - after a

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full and long discussion of this matter, arrived at the same conclusion.

Under the circumstances, I have to suggest that you call on liberal gentlemen of the State to subscribe to a fund to meet the expenses of the Board, and if any of this trust money is left over, it may be applied to reimburse them, to the amount of the appropriation made by the legislature.

If you see proper to pursue this course, I will gladly aid you in any way I can.

Yours very Respectfully
Thos. M. Holt
Governor