

Coming into the University



In the eight years from its launch in 1931 to the dedication of its first building (at 223 East Franklin Street) in 1939, the Institute of Government earned the respect of North Carolina's public officials and a national reputation. By 1944, Institute founder Albert Coates had been offered but had turned down a proposal by DeWitt Wallace, owner and editor of *Reader's Digest*, to finance him "for a year or more to go to every state in the union to get a similar program going in them all."

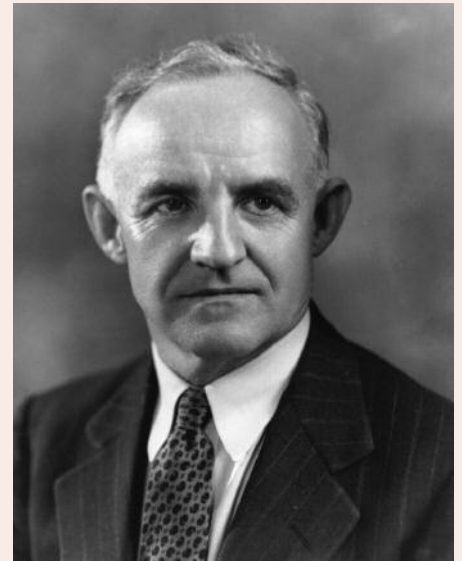
Still, throughout the late 1930s and early 1940s, Coates was plagued by inadequate finances, which threatened the existence of the independent Institute and its staff. The Institute building was constructed with gifts from Winston-Salem businessmen Will Reynolds and Gordon and Bowman Gray, and the personal endorsement of a mortgage loan by Julian Price, president of the Jefferson Standard Life Insurance Company, in Greensboro. Payments on the loan, however, were Coates's responsibility, as were salaries and the Institute's daily operating expenses.

Annual dues paid by cities and counties and Coates's law school teaching salary helped with the operating costs. Local businessmen extended and re-extended credit for gasoline, telephone, and food. But as Coates recalled, there was a "mortgage on the building, and I had the personal responsibility of meeting yearly payments. I found that I could rake, scrape, and borrow no longer. I was at the end of my rope."

In 1940, William D. Carmichael, the newly appointed comptroller of the University, visited Coates, complaining that he was unable to find provisions for the Institute in the University's budget. When Coates explained that the Institute was a private venture supported by "private individuals supplemented by city and county membership dues," Carmichael determined to bring it into the University, "where it belongs." UNC President Frank Graham agreed.



William D. Carmichael



Frank Graham

Photograph provided by the North Carolina Collection; photographer, Lavergne of Chapel Hill



Tax supervisors attending a course at the Institute, early 1940s.

The state budget commission, chaired by James H. Clark, voted to retire Coates's "personal obligations incurred in keeping the Institute going," and Governor J. Melville Broughton agreed to "recommend that the General Assembly appropriate \$15,000 a year for five staff members at \$3,000 a year—a living wage in those days. He did this in recognition that the Institute was serving the state no less than cities and counties." Therefore the state would match the annual membership dues paid by local governments.

Still, the Institute needed \$20,000 to guarantee its operations for a year—

until the General Assembly could vote on the appropriation in early 1943 (at that time the legislature met only in odd-numbered years). In winter 1941, at the urging of his sister Cornelia, the president of Burlington Mills, Spencer Love, provided the needed gift.

"The financing plans were approved by the Executive Committee of the Board of Trustees in December 1941, and the Institute of Government became part of the University of North Carolina on January 26, 1942."

Note: Quotations and facts are from *The Story of the Institute of Government*, by Albert Coates.