South Carolina Economic Report 1979

1979 SOUTH CAROLINA ECONOMIC REPORT

ECONOMIC REPORT

THE STATE OF SOUTH CAROLINA 1979

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TRANSMITTED TO THE SOUTH CAROLINA GENERAL ASSEMBLY

June, 1979

State of South Carolina

RICHARD W. RILEY
GOVERNOR

OFFICE OF THE GOVERNOR
POST OFFICE BOX 11450
COLUMBIA 29211

June, 1979

TO: THE SOUTH CAROLINA GENERAL ASSEMBLY

Gentlemen:

It is my pleasure to transmit herewith the 1979 Economic Report for the State of South Carolina as prepared by the Division of Research and Statistical Services.

As the Report indicates, South Carolinians experienced greater employment opportunities and rising incomes in all areas of the State in a more diverse and balanced economy. This development implies still further employment opportunities and higher standards of living in the years to come.

In the interim, the economy of the State, as that of the nation, appears poised on the threshold of a recession. The recession is now being forecast as moderate and it is hoped that South Carolina will weather the period with less severe consequences than the nation. How the textile industry fares will in great part determine the impact of events on the State.

Through its strong fiscal management, the State should be in a position to come out of the period poised for further advances for the betterment of the citizens of South Carolina.

With warm regards,

Dick Riley

Richard W. Riley

RWR/bb

STATE OF SOUTH CAROLINA
DIVISION OF RESEARCH AND STATISTICAL SERVICES
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EUGENE A. LAURENT, PH.D.
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CHIEF ECONOMIST

June, 1979

The Honorable Richard W. Riley
Governor of South Carolina
Chairman, State Budget and Control Board

Dear Governor Riley:

It is our pleasure to transmit to you the 1979 Economic Report for the State of South Carolina, the sixth in the series.

We have had the assistance and cooperation of many State and Federal agencies as well as of other organizations in the preparation of this report. We are deeply grateful to those who participated in this effort. The Economic Report is intended as a compact compendium of events which shaped the South Carolina economy in the previous year and a source of data on various aspects of the South Carolina economy. Within this context, we have continued to strive to make this publication as useful to as many persons as possible. We hope that the result will prove to be of great benefit.

While every effort has been made to treat all subject matter factually and objectively, it is possible that some statements may represent solely the opinion of the writer. It is thus necessary for us to state that any opinions expressed do not necessarily represent or reflect the views of the Budget and Control Board.

Sincerely,

Eugene A. Laurent

Eugene A. Laurent, Ph.D.
Director

Barbara

Barbara A. Feinn, Ph.D.
Chief Economist

EAL/BAF:bb

The Office of Chief Economist, Division of Research and Statistical Services, South Carolina Budget and Control Board prepared the report that follows.

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Further information or additional copies at a nominal charge can be obtained by contacting The Editor, South Carolina Economic Report, Office of Chief Economist, Division of Research and Statistical Services, 1028 Sumter Street, Suite 201, Columbia, South Carolina 29201.

ECONOMIC REPORT

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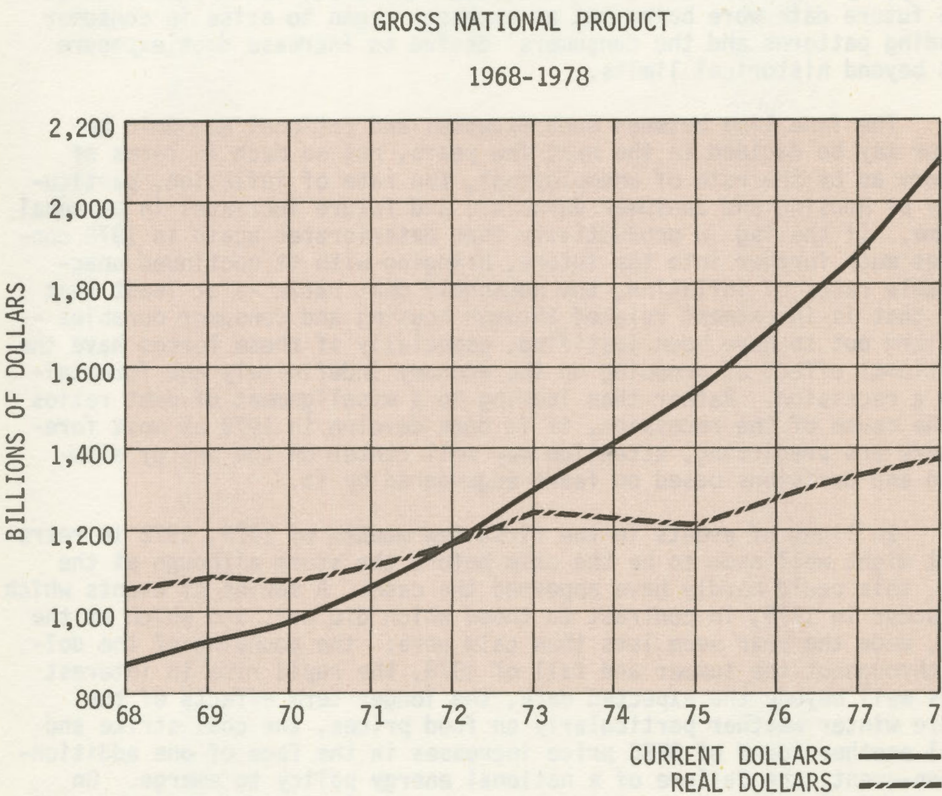
UNITED STATES ECONOMY

THE UNITED STATES ECONOMY IN 1978: A PERSPECTIVE

1978 was almost as notable for what did not occur as for what did. The much heralded recession - heralded since 1976 - failed to materialize in 1978 as it had failed in 1977. Indeed, the economy was bolstered by greater than anticipated advances in consumption expenditures and by sharp increases in housing and business fixed investment, forces which most forecasters had expected to move at slower rates or possibly even in the opposite direction thereby bringing on the recession. Indeed, their unanticipated strengths reinforced each other, fueled as they were by still higher and higher prices. Under these circumstances, the economy seemed unable, if not unwilling, to heed the forecasts. Accordingly, the recession did not occur, inflation did not abate and interest rates did not fall.



Indeed, one of the biggest surprises of 1978 was the strength in the housing market in the face of the sharp interest rate increases. Given the benefit of hindsight, this development could have been anticipated. With the introduction during 1978 of certificates of deposit for the smaller saver tied to short-term interest rates, savings institutions were able to retain deposits and thus provide funds for mortgages. With tax laws favoring borrowing and with prices for new and older housing climbing sharply, and consumer expectations of more of the same, the home buyer may well have acted rationally in balancing out the after-tax effects of the very high interest rates with the advantages -- both before and after taxes -- of home ownership. Prior to creation of the smaller denomination certificates of deposit, however rationally the potential home buyer might have wished to act, funds to do so were not available.

As activities took on a destiny of their own, predictions of the timing of the recession, which up until the last months of 1978 was still being forecast for 1978, were moved up for the third year, to 1979. Clearly, by any classical standards, the conditions for a recession at some future date were being met as excesses began to arise in consumer spending patterns and the consumers' desire to increase debt exposure went beyond historical limits.

The fine line between such excesses and rational economic behavior may be decided in the next few years, not so much in terms of history as by the rate of unemployment, the rate of inflation, particularly of housing and consumer durables, and future increases in personal income. If the lag in productivity that deteriorated again in 1978 continues much further into the future, bringing with it continued unacceptable rates of inflation, the household debt ratio -- at least that part that is investment related through housing and consumer durables -- may turn out to have been justified, especially if these forces have the additional effect of propping up the economy indefinitely and forestalling a recession. Rather than looking to a misalignment of debt ratios as the cause of the recession, if it does develop in 1979 as most forecasters are predicting, attention may well center on the energy situation and decisions based on fears engendered by it.

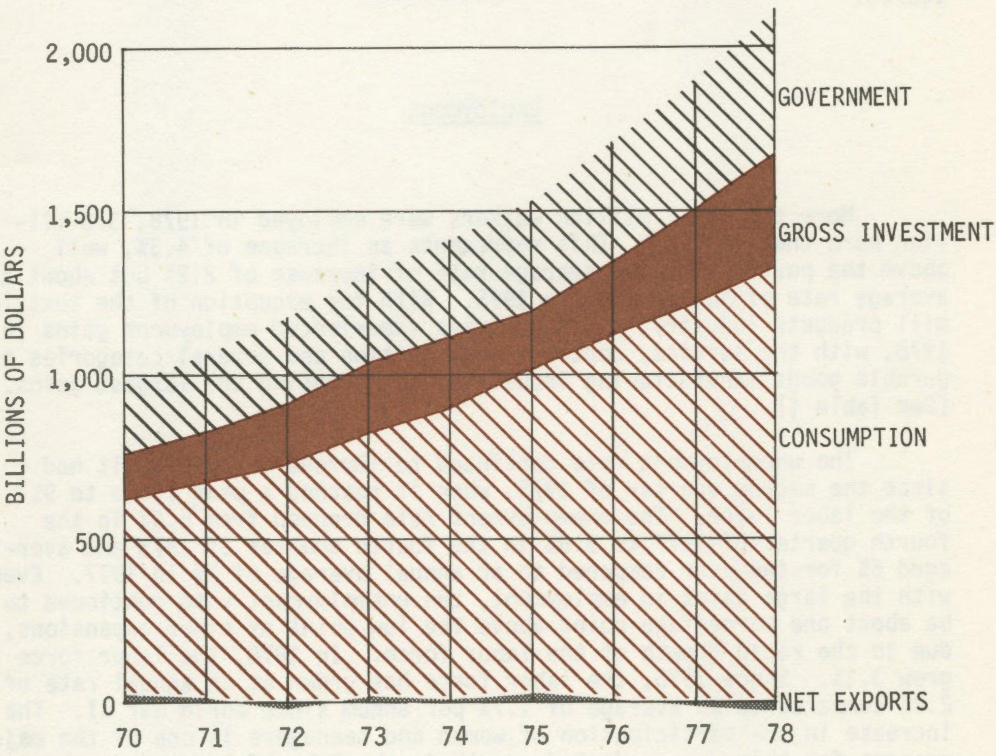
In light of events in the first few months of 1979, 1978 in retrospect might well seem to be the calm before the storm although at the time, this could hardly have appeared the case. A series of events which did occur in 1978, in contrast to those which did not, and which at the time, made the year seem less than calm were: the pounding of the dollar throughout the summer and fall of 1978, the rapid rise in interest rates well beyond the expected date, the longer term effects of the severe winter weather particularly on food prices, the coal strike and still another round of OPEC price increases in the face of one additional non-event, the failure of a national energy policy to emerge. On the political scene, Proposition 13 was passed in June by the voters of

California with its full long- and short-term economic impacts still to be gauged.

THE UNITED STATES ECONOMY IN 1978: THE DETAILS

Although economic growth was slow in the first quarter of 1978, primarily due to a prolonged coal strike and another severe winter, the economy rebounded during the remainder of the year. Growth in total output of goods and services (Gross National Product, or GNP) accelerated at an annual rate of 11.7%. This was actually 4% in real terms, with GNP adjusted for inflation and represented a slowing of the economy from the 4.9% increase in 1977. During the fourth quarter of 1978, the economy heated up considerably and total real output increased at an annual rate of 6.9%.

COMPONENTS OF GROSS NATIONAL PRODUCT
1970-1978



Since 1975, the U. S. economy has experienced three very good years back to back. Unemployment has dropped every year while total employment has reached new highs. Corporate profits, auto sales, housing starts and most other sectors of the economy were all close to all-time records.

Unfortunately, all the news for 1978 was not good. Inflation, accelerating to over 7.7% for the Consumer Price Index, exceeded most expectations and by the end of the year had been declared the most serious problem facing the U. S. economy. Interest rates climbed to near record levels and for the second successive year, the U. S. trade deficit totaled nearly $30 billion while the dollar sank to record lows against our principal trading partners.

As in 1977, the strongest component of real GNP growth in 1978 was gross private domestic investment which increased 7.3% on top of an increase of 13.2% in 1977. The majority of this growth was in nonresidential structures with an increase of 8.0% in real terms. Real residential fixed investments, which experienced considerable growth since 1975, increased by only 3.6% in 1978 despite over 2 million housing starts.

Employment

More than 85.7 million workers were employed in 1978, 3.6 million more than in 1977. This represents an increase of 4.3%, well above the post war annual average rate of increase of 2.2% but about the average rate of increase since 1975. With the exception of the textile mill products industry, all industries experienced employment gains in 1978, with the service, contract construction and several categories of durable goods manufacturing industries experiencing the largest gains. (See Table I).

The unemployment rate continued to improve in 1978 as it had since the second quarter of 1975, when it reached a peak close to 9% of the labor force. The unemployment rate dropped from 6.6% in the fourth quarter of 1977 to 5.8% in the fourth quarter of 1978 and averaged 6% for the year compared to an annual average of 7% in 1977. Even with the large gains in employment, the unemployment rate continued to be about one percentage point above the low point of other expansions, due to the rapid growth of the labor force. In 1978, the labor force grew 3.1%. Since 1975, the labor force has grown at an annual rate of 2.9% compared to an average of 1.7% per annum since World War II. The increase in the participation of women and teenagers is one of the major reasons for this unprecedented growth in the labor force and at the same time for the higher unemployment rate at this stage of the cycle, since these are groups whose unemployment rates have traditionally been higher than that of adult males.

TABLE I

UNITED STATES EMPLOYMENT
Nonagricultural Payrolls
1977-1978

(In Thousands)

	1977	1978	Percent Change
Total Nonagricultural Establishments	82,256	85,763	4.3%
Manufacturing	19,647	20,332	3.5
Durable Goods	11,573	12,160	5.1
Nondurable Goods	8,074	8,172	1.2
Nonmanufacturing	62,609	65,431	4.5
Mining	809	837	3.5
Contract Construction	3,833	4,212	9.9
Transportation, Communication & Public Utilities	4,696	4,859	3.5
Wholesale & Retail Trade	18,492	19,394	4.9
Finance, Insurance & Real Estate	4,452	4,676	5.0
Services	15,249	15,979	4.8
Government	15,079	15,476	2.6
Federal	2,727	2,753	1.0
State & Local	12,352	12,723	3.0

Source: United States Department of Labor, Bureau of Labor Statistics, <u>Employment and Earnings</u>

FORECAST OF THE UNITED STATES ECONOMY

Calendar Years

1978-1980

Category	1978*		1979		1980	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Gross National Product+	2107.6	11.7%	2346.5	11.3%	2590.0	10.4%
Personal Consumption Expenditures+	1340.1	11.1	1492.0	11.3	1643.0	10.1
Durable Goods	197.5	10.7	214.0	8.4	233.3	9.0
Nondurable Goods	526.5	9.9	591.1	12.3	649.8	9.9
Services	616.2	12.2	687.0	11.5	759.9	10.6
Gross Private Domestic Investment+	345.6	16.1	381.1	10.3	421.6	10.6
Nonresidential	222.6	16.9	255.2	14.6	278.9	9.3
Residential	107.0	16.4	110.0	2.8	121.2	10.2
Inventory Investment	16.0	2.6	15.9	-0.6	21.5	35.2
Net Exports+	-12.0	-	-2.2	-	0.6	-
Government Purchases+	434.0	10.2	475.6	9.6	524.7	10.3
Federal	153.8	6.0	168.0	9.2	183.8	9.4
State & Local	280.2	12.6	307.6	9.8	340.9	10.8
Personal Income+	1702.9	12.0	1910.4	12.2	2109.4	10.4
Housing Starts±	2.007	2.2	1.627	-18.9	1.834	12.7
New Car Sales±	11.3	0.9	10.9	-3.5	10.8	0.9
Consumer Price Index	1.955	7.7	2.155	10.2	2.330	8.1
Producers Price Index	2.093	7.7	2.346	12.1	2.568	9.5
GNP Implicit Price Deflator	1.520	7.4	1.652	8.7	1.788	8.2
Unemployment Rate	6.0%	-	6.3%	-	7.0%	-

*Historical; +Billions of Dollars; ±Millions of Units

Sources: 1978 United States Department of Commerce, Bureau of Economic Analysis

1979-1980 Data Resources, Inc.

OUTLOOK FOR 1979

Although forecasters have been signaling a recession since 1976 while the economy continued to expand, it is again the general consensus that in 1979 the economy will finally turn downward. The expected slowdown should not be of major proportions and certainly not of the degree of the 1974-1975 recession. On an annual basis, real growth in gross national product is likely to be less than 2.5% in 1979. While a significant downturn is not anticipated, real GNP is likely to experience some negative quarters in 1979 with expansion underway again by the first or second quarter of 1980.

Although a recession is not desired by anyone, a moderation in business activity would be welcomed as a slower rate of growth should aid in the fight against inflation. The key to the economic outlook in 1979 and 1980, as the business expansion moves into its fifth year, lies in the course of inflation, and the consumers' and businessmen's expectations and reactions to the seemingly uncontrollable price spiral.

By the end of 1979, this slowdown is expected to result in a gradual increase in the rate of unemployment from an average of 6% in 1978 to around 7%, averaging 6.3% for the year. The unemployment rate is expected to reach 7.5% or more by the middle of 1980 with little improvement over the rest of that year.

The slowing business expansion and the rise in the unemployment rate should have one positive side-effect, that of reducing inflationary pressures. Once the direction of the economy is reversed, the rate of inflation should decline, but this will not be reflected in less than double digit inflation in the CPI until at least 1980. Prices, in 1979, as measured by the Consumer Price Index (CPI) are expected to rise by over 10%. With the slowdown and possibly a recession in late 1979 and early 1980, inflation should slow to about 8% in 1980, still very high by historical standards but an improvement over 1978 and 1979.

2

SOUTH CAROLINA ECONOMY

SOUTH CAROLINA ECONOMY IN 1978: A PERSPECTIVE

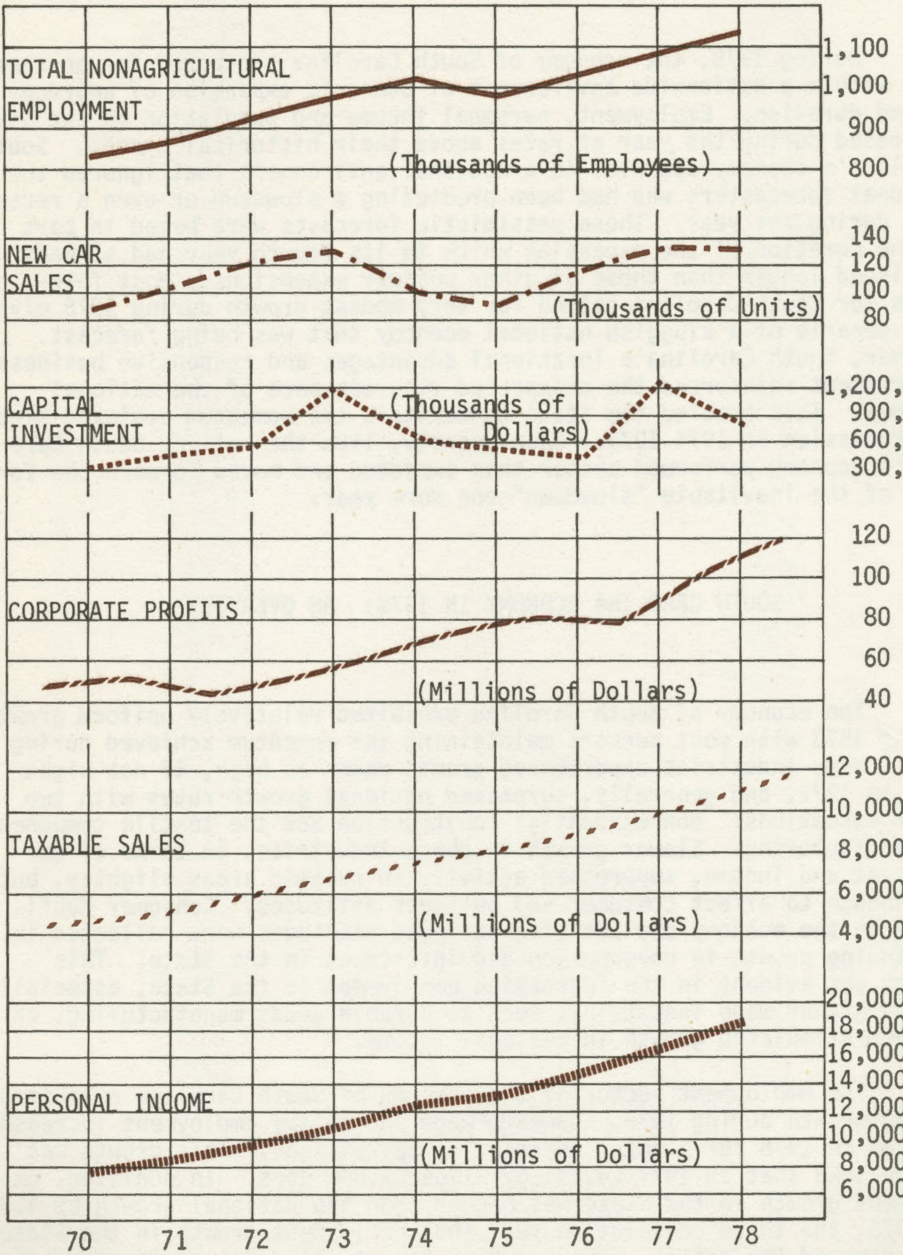
During 1978, the economy of South Carolina prospered for another year within a nationwide environment of economic expansion of unprecedented duration. Employment, personal income and population in the State increased during the year at rates above their historical trends. South Carolina's economy operated in a national environment that ignored the national forecasters who had been predicting a slowdown or even a recession during the year. These pessimistic forecasts were based in part on the duration of the expansion which in its fourth year had already continued longer than those of other postwar expansions. Most forecasts for South Carolina called for very modest growth during 1978 given the scenario of a sluggish national economy that was being forecast. However, South Carolina's locational advantages and responsive business environment reinforced the unexpected vigorous pace of the national economy. This enabled the State to maintain the momentum achieved since the recession of 1974-1975. Consequently, like the nation, South Carolina's economy performed better than expected and moved forward the forecast of the inevitable "slowdown" one more year.

SOUTH CAROLINA ECONOMY IN 1978: AN OVERVIEW

The economy of South Carolina exhibited relatively uniform growth during 1978 with most sectors maintaining the momentum achieved during 1977. Many industries experienced growth rates as high, if not higher than in 1977, and generally, surpassed national growth rates with two major exceptions: nonresidential construction and the textile component of manufacturing. Slower growth in these industries, in terms of employment and income, suppressed activity in related areas slightly, but not enough to affect consumer and business attitudes. Consumer confidence in the economy and positive business attitudes were reflected in continuing growth in consumption and investment in the State. This growth was evident in the increasing employment in the State, especially in the higher wage industries, such as durable goods manufacturing, which further stimulated growth in personal income.

The employment sector of the economy of South Carolina exhibited strong growth during 1978. Nonfarm wage and salary employment increased by 4.8% in 1978 for a total increase of 52,200 jobs. This growth was higher than that in 1977 (4.2%) by almost 9,000 jobs. In addition, employment growth in the State was higher than the national growth of 4.3% in 1978, the third consecutive year that employment growth in the State has outpaced the nation. The growth rates in all major nonmanufacturing

SELECTED ECONOMIC INDICATORS



employment sectors, with the exception of the construction industry, outpaced national growth rates in 1978, bolstered primarily by payroll gains in utilities and communications, hotels, eating and drinking places, insurance, real estate and government.

Although employment in the construction industry in the State continued to exhibit positive growth throughout 1978, it was at a significantly slower rate than the national average. Construction employment increased 4.3% in South Carolina versus 9.9% for the United States. The largest discrepancy was in general building construction employment which consists of residential and nonresidential building construction. South Carolina general building construction employment decreased by 2.3%, whereas, it increased 4.6% in the nation.

In value terms, as well as in employment, the slower than national growth in the nonresidential sector contributed to the relative growth lag in South Carolina construction activity. The value of nonresidential construction in real terms decreased 5.2% in South Carolina, while it increased 12.7% in the U. S. However, growth in the residential sector was slightly higher in the State than in the nation. The real dollar value of residential construction increased 7.6% in the State versus 7.1% for the nation. The strength of the residential and nonbuilding sectors of the otherwise sluggish construction industry minimized the impact on construction-related manufacturing industries, such as furniture, textiles, lumber, electrical appliances and stone, clay and glass.

Employment in the manufacturing sector in South Carolina expanded at a pace slightly below the national average, 2.7% for the State versus 3.5% for the nation. As noted earlier, the slow growth in the nondurable goods sector, specifically the textile industry, contributed to the slower than national growth in manufacturing. The textile industry, the only nondurable goods sector which declined in employment, decreased by 1.9% in the State in 1978, while textile employment declined .3% in the nation. Since textile employment accounts for 37% of total manufacturing employment in the State and only 4.5% in the nation, the decline in the State had a still greater impact on the total manufacturing sector. For example, excluding the textile sector, all other manufacturing industries in the State increased 5.5% but only 3.7% in the nation. The impact of the textiles was slightly offset by the continuing vigorous growth in the higher wage, durable goods sector. Durable goods employment increased by 6.8% in the State versus 5.1% in the nation.

Turning from employment to consumer purchases as an indicator of the economys' strength, the demand in the State for consumer durable goods strengthened considerably in 1977 and 1976 after being especially hard hit by the recession of 1975. During 1978, consumer expenditures continued this momentum. New car sales were 132,500 units in 1978, only slightly below the high level of 132,800 in 1977. In addition, in 1978, total retail sales increased by a healthy 13.1% reflecting higher incomes and higher prices and consumer confidence in the economy's ability to provide future employment.

Consumption expenditures were stimulated by the exceptional growth in personal income in the State. Personal income in South Carolina increased 12.3% in 1978, slightly higher than the national increase of 12.0%. Following the trend in employment, income growth in most industrial sectors in the State was higher than income growth in the respective national sectors, with the exceptions being, as noted above, the nonresidential construction component and textile manufacturing. Even after accounting for inflation, personal income growth in the State was 5.1%, a substantial increase in real income.

The business sector also reflected a continuing confidence in the South Carolina economy. Capital investment in new and expanded plants announced for 1978 was the third best year on record. In addition, the increase in corporate profits in 1978 also reflected positive attitudes in the State as well as national conditions. The corporate profits tax component of general fund revenues increased 14.8% in fiscal year 1978. In combination with the healthy increase in retail sales, as noted above, and individual income tax collections, which increased 20.9%, total general fund revenues increased 15.1%.

A discouraging note for most consumers was the continuing increase in prices. In 1978, the Atlanta consumer price index for all urban consumers increased 7.2% compared to a 6.1% increase in 1977. The major increases were in food and beverages, 9.5%, and housing costs, 8.2%. The increases were slightly offset by smaller increases in apparel, 5.7%, transportation, 4.1%, medical care, 5.0% and entertainment, 4.4%. Although consumption expenditures were not suppressed in 1978 by price increases, the outlook for future such expenditure increases in the face of still further inflation in 1979 is cloudy.

OUTLOOK FOR 1979

The outlook for the economy of South Carolina is that the State should fare somewhat better than the nation in 1979. However, since late 1978, the national economic outlook has deteriorated. As noted at the outset, the declining dollar, higher interest rates, the inacceptable inflation rates and the recent increasing oil prices have combined to cloud the economic picture for the nation. In general, the national economy is expected to slow in the latter part of 1979, but economists are divided on the extent of the slowdown with some forecasting a tapering of growth rates but most predicting an actual decline in real dollar values. Significant signs already exist indicating that the downturn has begun, but unexpected signs of a strong economy keep emerging and confuse the economic outlook.

As in the nation, the growth in the South Carolina economy in 1979 is expected to be somewhat slower than the momentum achieved during 1978. Most sectors should exhibit moderate employment growth with a slight possibility of additional stimulus from those sectors which did not fare well during 1978. For instance, the nonresidential construction sector has exhibited low growth for the past several years in the State and could rebound in 1979. With the impressive amounts of announced capital investment in new and expanded plants in the State during 1977 and 1978, the projects, as they move from the planning stages, should translate into nonresidential construction activity in the near future. South Carolina has the third largest concentration of construction employment to total labor force in the South, and total construction employment has grown rapidly during the last two years. Therefore, an increase in nonresidential construction activity next year may not result in noticeable gains in construction employment.

In addition to construction, the textile industry has slowed considerably since the recession and has failed to regain the high pre-recession employment levels of most other industries in the State. However, the trend is not unique to the textile industry in South Carolina but reflects the trend of the national textile industry. On a national basis, the demand for textiles is expected to improve, which should have a positive impact on the economy of South Carolina with the State so heavily dominated by textiles. The increasing demand is a result of recent fashion trends and the depreciated dollar. The fact that current women's fashions call for more fabrics is a big factor in the improved demand for textiles. The declining dollar has been an additional plus for U. S. fiber producers. Exports of textile fibers have increased substantially in 1978 while imports have declined, accounting for gains of 1% to 2% in production. Further gains in exports are likely in 1979 as the economies of our trading partners strengthen.

The declining growth in textile employment in South Carolina has been tempered, as noted above, by the vigorous growth in the durable goods sector of the economy. South Carolina's durable goods industry recovered very rapidly from the recession and growth should continue in 1979 in several industries, especially, electrical machinery. However, several durable goods industries, such as furniture and fabricated metal products, began to weaken in 1978 and it is not expected that employment levels in these industries will be much different in 1979 from 1978. Even with this slower growth, the trend towards an increasing concentration of manufacturing employment in the durable goods industry is expected to continue in South Carolina. However, in the event that the economy does decline in 1979, the durable goods industry could be adversely affected. In general, durable goods manufacturing tends to be more sensitive to economic fluctuations than nondurables. If, in fact, growth in the du-

FORECASTS OF SOUTH CAROLINA ECONOMY

Category	1978+	1979	1980
Personal Income*	18.2	20.3	22.2
Real Personal Income	12.1	12.5	12.6
Nonagricultural Employment++	1,133.8	1,161.8	1,171.4
Manufacturing	390.2	397.5	399.8
Nondurable	274.3	278.7	279.7
Durable	115.9	118.8	120.1
Nonmanufacturing	743.6	764.3	771.6
Trade	212.0	220.5	222.9
Services	145.0	148.7	149.4
Finance, Insurance & Real Estate	43.7	45.5	47.2
Contract Construction	68.6	71.0	72.1
Transportation, Communication & Public Utilities	49.0	51.2	51.9
Government	223.6	225.4	226.0
Unemployment Rate	5.7	5.9	7.0
Taxable Sales**	12.5	13.9	15.1
Real Taxable Sales	8.3	8.5	8.6
Consumer Price Index, Atlanta	1.926	2.151	2.343

*Billions of Dollars
**Millions of Dollars
++Thousands of Employees
+Historical

Sources: 1978 Personal Income: United States Department of Commerce, Bureau of Economic Analysis

Taxable Sales: South Carolina Division of Research and Statistical Services

Employment Data: South Carolina Employment Security Commission

1979-1980 Forecast of SCOPE Econometric Model

RATES OF CHANGE

Category	1977-1978	1978-1979	1979-1980
Personal Income	12.3%	11.5%	9.4%
Real Personal Income	5.2	3.3	.8
Nonagricultural Employment	4.8	2.5	.8
Manufacturing	2.7	1.9	.6
Nondurable	1.0	1.6	.4
Durable	6.8	2.5	1.1
Nonmanufacturing	6.0	2.8	1.0
Trade	6.3	4.0	1.1
Services	8.1	2.6	.5
Finance, Insurance & Real Estate	5.3	4.1	3.7
Contract Construction	4.3	3.5	1.5
Transportation, Communication & Public Utilities	8.6	4.5	1.4
Government	4.6	.8	.3
Taxable Sales	13.1	11.2	8.6
Real Taxable Sales	6.4	2.4	1.2
Consumer Price Index, Atlanta	7.2	11.7	8.9

rable goods sector is severely affected in 1979, without additional stimulus from the nondurable goods sector, the manufacturing sector could actually decline in 1979 rather than merely growing at a slower positive growth rate. The impact on the State's total economy, in that case, would be more like that for the nation.

Consideration of the manufacturing sector is crucial when making a forecast of economic activity in the State, not only because manufacturing is the largest single sector in the State's economy, but also because income from manufacturing provides a major source of spending power for support of the State's trade and service sectors. For 1979, South Carolina should anticipate a slight slowdown in manufacturing activity. This, in turn, will result in a slowdown in the other sectors of the economy. It is not expected that absolute losses in the other sectors will develop but merely declines in the rates of rapid growth which have characterized them over the past three years.

LABOR FORCE

LABOR FORCE

1978 Developments

South Carolina's civilian labor force grew significantly during 1978 averaging 1,298,000, an increase of 18,000 since 1977[1]. The labor force rose steadily during 1978 reaching a peak of 1,306,800 in December, 1978. The number of those in the labor force finding employment in the State, i.e., total employment[2], rose 36,000 over the annual average for 1977. Employment levels achieved a record high of 1,237,700 during December of 1978.

The State's total unemployment averaged 74,000 in 1978, a significant drop of 18,000 from the average 1977 high of 92,000. The number of jobless individuals dropped consistently throughout 1978 with minor fluctuations during June and July, caused by the summer influx of new and reentrant unemployeds. By December of 1978, these new workers had been absorbed into the economy with the unemployment level declining to 69,100.

SOUTH CAROLINA CIVILIAN LABOR FORCE[1], TOTAL EMPLOYMENT & UNEMPLOYMENT
ANNUAL AVERAGE
(In Thousands)
1975-1978

	1975	1976	1977	1978	Net Change (77-78)	Percent Change (77-78)
Civilian Labor Force	1,178.0	1,252.0	1,280.0	1,298.0	+18.0	+ 1.4%
Total Employment	1,075.0	1,165.0	1,188.0	1,224.0	+36.0	+ 3.0
Total Unemployment	103.0	87.0	92.0	74.0	-18.0	-19.6
Percent of Labor Force	8.7	6.9	7.2	5.7	-	-

[1]These labor force data are projected from the 1978 Current Population Survey (CPS) benchmark and have been adjusted for commuting and dual job holding. Consequently, these data represent persons by place of residence and are not strictly comparable to the establishment based nonfarm wage and salary industry employment series. Workers involved in labor disputes are included among the employed.

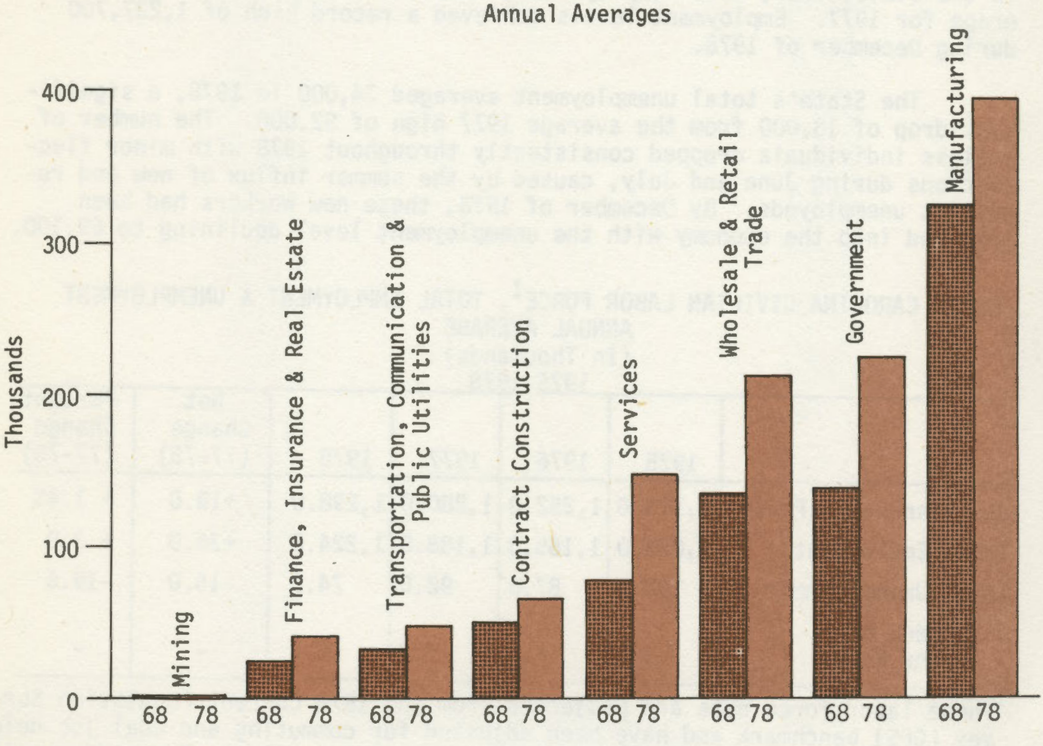
Source: South Carolina Employment Security Commission

The unemployment rate fell from an average of 7.2% in 1977 to 5.7% in 1978, the lowest rate in the State since the 1973 pre-recession average rate of 4.1%.

NONAGRICULTURAL EMPLOYMENT BY MAJOR CATEGORY IN SOUTH CAROLINA

1968 and 1978

Annual Averages



[2]Total employment includes agricultural workers and nonagricultural self-employed, unpaid family, domestic workers and workers involved in labor disputes. This data represents persons by place of residence and is not strictly comparable to nonagricultural employment, which is based on employment by establishment or place or work.

Nonagricultural Employment

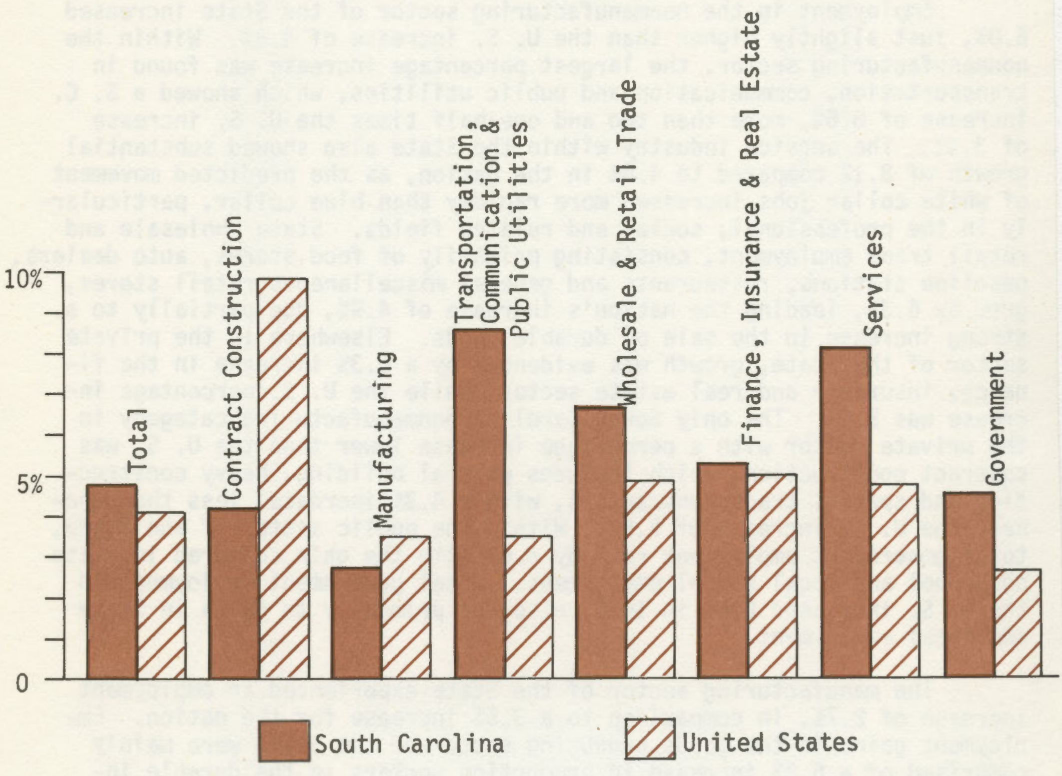
Growth in South Carolina nonagricultural employment was healthy compared to the U. S. nonfarm payroll employment during the period, 1977-1978. Nonagricultural employment increased 4.8% in the State, compared to 4.3% in the nation. Looking more specifically at the percentage changes of employment in nonmanufacturing first, and then the manufacturing sectors of the State in relation to the nation, gives a more accurate basis for comparison.

Employment in the nonmanufacturing sector of the State increased 6.0%, just slightly higher than the U. S. increase of 4.5%. Within the nonmanufacturing sector, the largest percentage increase was found in transportation, communication and public utilities, which showed a S. C. increase of 8.6%, more than two and one-half times the U. S. increase of 3.5%. The service industry within the State also showed substantial growth of 8.1% compared to 4.8% in the nation, as the predicted movement of white collar jobs increased more rapidly than blue collar, particularly in the professional, social and related fields. State wholesale and retail trade employment, consisting primarily of food stores, auto dealers, gasoline stations, restaurants and general miscellaneous retail stores, grew by 6.3%, leading the nation's increase of 4.9%, due partially to a strong increase in the sale of durable goods. Elsewhere in the private sector of the State, growth was evidenced by a 5.3% increase in the finance, insurance and real estate sector, while the U. S. percentage increase was 5.0%. The only South Carolina nonmanufacturing category in the private sector with a percentage increase lower than the U. S. was contract construction, which includes general building, heavy construction and special trade contractors, with a 4.3% increase, less than one-half the U. S. increase of 9.9%. Within the public sector of the State, total government employment rose by 4.6% with the gain centered in State nonschool and local school employment. Total government employment in the U. S. increased 2.6% in 1978, also due primarily to gains in State and local employment.

The manufacturing sector of the State experienced an employment increase of 2.7%, in comparison to a 3.5% increase for the nation. Employment gains in the goods producing sector of the State were mainly comprised of a 6.8% increase in production workers in the durable industries, reflecting the State's successful efforts in attracting additional higher paying, hard goods producing companies. In the durable goods industries within the State, one of the largest percentage increases was in nonelectrical machinery, which was up 9.1%, exceeding the U. S. increase of 7.2%. An equal percentage increase for the State was found in instruments and related products, up 9.1%, 2.7 percentage points higher than the U. S. increase of 6.4%. South Carolina led the U. S. average in percentage increases, in furniture and fixtures (8.9% versus

5.0%), fabricated structural metal products (6.9% versus 4.8%) and lumber and wood products (6.0% versus 4.0%). Employment in U. S. electrical machinery increased 5.2%, while South Carolina employment in the same category grew 3.8%. The U. S. also led South Carolina in employment gains in the stone, clay and glass industry.

PERCENT CHANGE IN MAJOR SECTORS OF NONAGRICULTURAL EMPLOYMENT
SOUTH CAROLINA AND UNITED STATES
1977-1978



Employment in the less cyclically sensitive, but more dominant nondurable sector of the State increased 1.0%, following the U. S. growth of 1.2%. The heavy concentration in these slower growing industries caused the slower than national average growth in the total manufacturing sector in the State. The main contributor to the 1% increase in total nondurable goods employment was the apparel industry, which showed a healthy gain of 5.5% in the State, while only .23% in the nation. Other increases were in the printing and publishing and chemical industries. South Carolina percentage increases in both of these areas exceeded corresponding increases in the U. S. Employment in the food and kindred products industry showed a 3.6% increase in South Carolina, compared to a .4% decrease in the nation. United States employment in the textile industries decreased by .3%, while declining in the State approximately 1.9% due partially to improved labor productivity, an influx of nontextile industries creating new, nontextile jobs and competition from higher paying industries. It is expected that this shift from textiles to other manufacturing industries, especially durable goods industries, will continue into the next two decades.[1]

NONAGRICULTURAL EMPLOYMENT BY MAJOR INDUSTRY DIVISION AND GROUP
IN SOUTH CAROLINA
1977 and 1978
(In Thousands)

Industry	1977	1978	Change Over The Year	
			Net	Percent
Total Nonagricultural	1,081.6	1,133.8	52.2	4.8%
Nonmanufacturing	701.5	743.6	42.1	6.0
Mining	1.8	1.9	.1	5.6
Construction	65.8	68.6	2.8	4.3
Transportation & Public Utilities	45.1	49.0	3.9	8.6
Railroad	4.2	4.1	- .1	-2.4
Trucking & Warehousing	13.4	14.4	1.0	7.5
Other Transportation Services	5.1	5.5	.4	7.8
Communication	12.6	13.4	.8	6.3
Electric, Gas & Sanitary Services	9.8	11.5	1.7	17.3
Wholesale & Retail Trade	199.5	212.0	12.5	6.3
Wholesale Trade	43.3	45.5	2.2	5.1
Retail Trade	156.2	166.4	10.2	6.5
General Merchandising	25.1	26.3	1.2	4.8
Apparel & Accessory Stores	8.9	9.6	.7	7.9
Eating & Drinking Places	36.8	41.7	4.9	13.3
Finance, Insurance & Real Estate	41.5	43.7	2.2	5.3
Banking & Credit Agencies	18.5	19.3	.8	4.3
Services & Miscellaneous	134.1	145.0	10.9	8.1
Total Government	213.7	223.6	9.9	4.6
Total Federal	35.4	36.4	1.0	2.8
Total State & Local	178.3	187.2	8.9	5.0
Manufacturing	380.1	390.2	10.1	2.7

Source: South Carolina Employment Security Commission

[1]Study done by Liberty Life Insurance Company
Governor's Conference on Economic Development, December 1, 1977

NONAGRICULTURAL EMPLOYMENT IN MANUFACTURING IN SOUTH CAROLINA

Calendar Years

1977 and 1978

(In Thousands)

Manufacturing Industry	1977	1978	Change Over The Year Net	Percent
Total Manufacturing	380.1	390.2	10.1	2.7%
Durable Goods	108.5	115.9	7.4	6.8
Lumber & Wood Products	15.0	15.9	.9	6.0
Furniture & Fixtures	4.5	4.9	.4	8.9
Stone, Clay & Glass	11.4	11.6	.2	1.8
Primary Metal Industries	4.8	5.9	1.1	22.9
Fabricated Metal Products	13.1	14.0	.9	6.9
Machinery Except Electrical	27.5	30.0	2.5	9.1
Special Industry Machinery	8.7	8.8	.1	1.1
Electric & Electronic Equipment	18.2	18.9	.7	3.8
Instruments & Related Products	5.5	6.0	.5	9.1
Other Durables[1]	8.3	8.5	.2	2.4
Nondurable Goods	271.6	274.3	2.7	1.0
Food & Kindred Products	14.0	14.5	.5	3.6
Textile Mill Products	146.3	143.5	-2.8	- 1.9
Apparel & Other Textile Products	45.7	48.2	2.5	5.5
Paper & Allied Products	13.8	13.8	0.0	0.0
Printing & Publishing	6.6	6.9	.3	4.5
Chemicals & Allied Products	31.5	32.3	.8	2.5
Other Nondurables[2]	13.5	15.1	1.6	11.9

[1]Includes transportation equipment and miscellaneous manufacturing

[2]Includes tobacco manufacturing; petroleum and coal products; rubber and plastic products; and leather and leather products.

Source: South Carolina Employment Security Commission. Industries are classified according to the Standard Industrial Classification Manual, 1972.

To show the differences in the make-up of the economies of South Carolina and the U. S., a comparison can be made expressing employment in the nonmanufacturing and manufacturing sectors as percentages of total nonagricultural employment. For example, employment in the nonmanufacturing sector of South Carolina comprised 65.6% of total nonagricultural employment in South Carolina, while nonmanufacturing employment in the U. S. accounted for 76% of total nonagricultural employment

NONAGRICULTURAL EMPLOYMENT IN SOUTH CAROLINA AND THE UNITED STATES
(Percent of Total Nonagricultural Employment)
1978

Industry	South Carolina[1]	United States[2]
Total Nonagricultural	100.0%	100.0%
Nonmanufacturing	65.6	76.3
Contract Construction	6.1	4.9
Transportation, Communication & Public Utilities	4.3	5.7
Services	12.8	18.6
Trade	18.7	22.6
Finance, Insurance & Real Estate	3.9	5.5
Government - Federal	3.2	3.2
Government - State & Local	16.5	14.8
Manufacturing	34.4	23.7
Nondurable Manufacturing	24.2	9.5
Food & Kindred Products	1.3	1.9
Textile Mill Products	12.7	1.1
Apparel	4.3	1.5
Paper Products	1.2	.8
Printing & Publishing	.6	1.4
Chemicals	2.8	1.3
Other Nondurable	1.3	1.5
Durable Manufacturing	10.2	14.2
Lumber & Wood Products	1.4	.9
Furniture	.4	.6
Stone, Clay & Glass	1.2	.8
Fabricated Metals	1.2	1.9
Nonelectrical Machinery	2.6	2.7
Electrical Machinery	1.7	2.3
Instruments	.5	.8
Other Durable	1.2	4.2

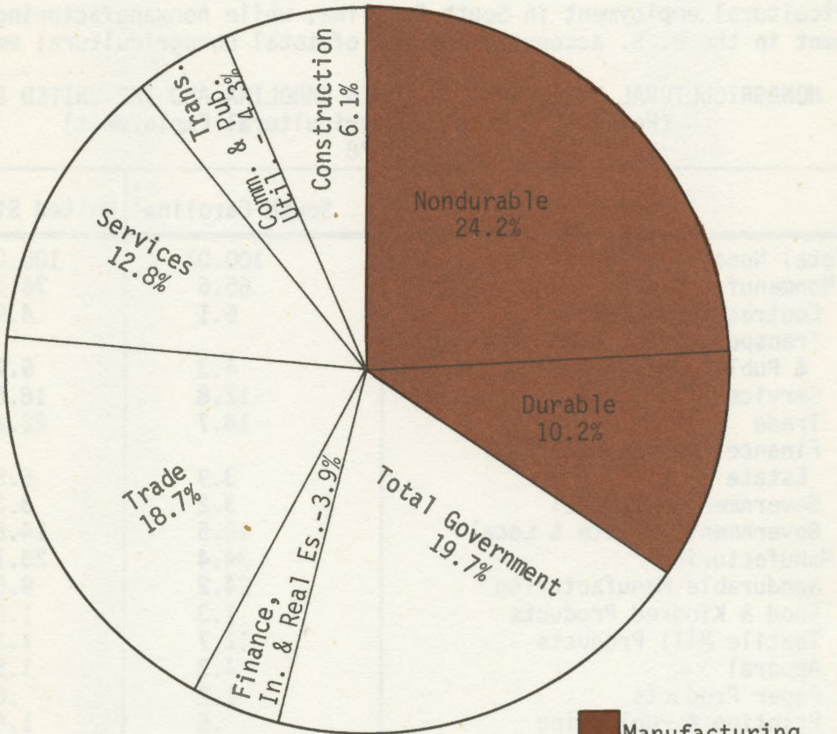
Sources:

[1] South Carolina Employment Security Commission

[2] United States Department of Labor, Bureau of Labor Statistics. Employment by establishment or place-of-work basis.

DISTRIBUTION OF NONAGRICULTURAL EMPLOYMENT IN SOUTH CAROLINA

1978



in the U. S. Within the nonmanufacturing sector of South Carolina, the largest percentages of nonagricultural employment were in wholesale and retail trade (18.7%), State and local government (16.5%), and employment in services (12.8%). Similarly, the largest percentages of nonagricultural employment in the nonmanufacturing sector of the U. S. were found in the same categories; however, trade (22.6%) and services (18.6%) took up a slightly greater percentage of the total, while State and local government was slightly lower (14.8%).

Employment in the manufacturing sectors of South Carolina and the U. S. appeared almost inversely related in their respective proportions of durable and nondurable employment. The main concentration in the manufacturing sector of South Carolina (34.4%) continued to be in nondurable industries (24.2%), particularly textiles and textile related, with textile mill products, apparel and chemicals accounting for 19.8% of this. Employment in durable goods was only 10.2% of total nonagricultural employment in South Carolina, and was comprised mainly of employment in machinery. In contrast, employment in the U. S. manufacturing sector was 23.7%, durable goods industries constituted 14.2% of total nonagricultural employment and nondurables accounted for only 9.5%.

OUTLOOK FOR 1979

Further gains in nonagricultural employment are expected during 1979 but at a reduced rate compared to the robust growth of 1978. Total nonagricultural employment is expected to increase over the next year by about 2.5%, nearly two percentage points below the increase of 1978. Growth in nonmanufacturing employment will be above the State average; growth in the manufacturing sector will be below the State average.

A slowdown is predicted for South Carolina nonmanufacturing employment growth for 1979, with the 1978 rate of 6% dropping to less than 3%, but still comprising the majority of the total increase in employment. This will parallel the rate forecast for the U. S. of 2.9%.

Manufacturing employment is also expected to grow more slowly in 1979 relative to 1978, increasing less than 2% in 1979 compared to 2.7% in 1978 with approximately equal growth occurring in the durable and nondurable goods sectors.

To summarize, as with the overall economy of South Carolina, 1979 should be a year of modest growth for employment, slower than the State's growth during 1978 but better than that forecast for the nation in 1979.

PERSONAL INCOME

PERSONAL INCOME

Personal income is the most comprehensive measure of economic activity that is available on a comparable basis for states and their localities. It is issued by official government sources on an industrially and geographically disaggregated basis. Personal income consists of private and government wage and salary disbursements, other labor income (such as employers' contributions to private social insurance programs), farm and nonfarm proprietors income, investment income (such as dividends, interest and rents) and transfer payments (such as welfare payments and unemployment insurance benefits) less personal contributions for social insurance. Personal income measures the size of consumer markets and, when presented by industry origin, can be interpreted as a measure of the size of industrial markets. Generally, growth in personal income is a combination of increasing employment, higher wages (either from greater productivity or upward shifts in industry mix) and inflation. When adjusted for inflation and population increases, growth in real personal income indicates an improved standard of living.

1978 Developments

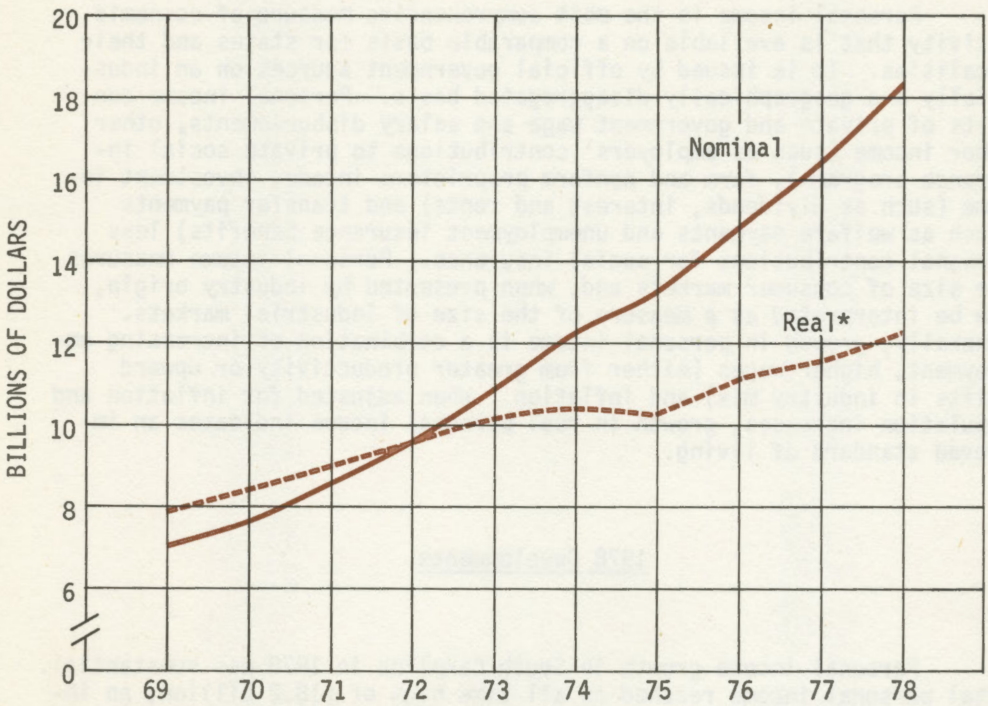
Personal income growth in South Carolina in 1978 was substantial. Total personal income reached an all time high of $18.2 billion, an increase of 12.3% over 1977, slightly higher than the national growth rate of 12.0%, but slightly below the 12.8% increase in the Southeast. Unfortunately, inflation accounted for slightly over half of this 12.3% growth. The increase in prices, as measured by the personal consumption expenditures component of the gross national product (GNP) price deflator, was 6.8%. After adjusting for inflation, the remainder of the growth in the State, 5.1%, represents the increase in real income or consumer purchasing power.

On a per capita basis (total income divided by population) income in the State was $6,242 per person in 1978, a 10.8% increase over 1977. However, when adjusted for inflation of 6.8%, real per capita income only increased 3.7% or $150 per person.

In 1978, per capita income growth failed to close the gap between the State and the national average. Per capita income in the State was 80% of the national average in 1978 as it has been since 1973, with the exception of 1974 and 1976 when it was 81%. That population in the State grew at a significantly faster rate than in the

REAL VERSUS NOMINAL TOTAL PERSONAL INCOME IN SOUTH CAROLINA

1969-1978



*Deflated by the Implicit Price Deflator for Personal Consumption Expenditures, 1972 = 1.0

TOTAL PERSONAL INCOME
United States, Southeast and South Carolina
1976-1978
(Millions of Dollars)

Calendar Year	United States	Southeast	South Carolina	Percent Change		
				U. S.	S. E.	S. C.
1976	$1,373,153	$266,640	$14,766	10.0%	11.2%	12.4%
1977	1,519,893	295,548	16,216	10.7	10.8	9.8
1978	1,702,860	333,296	18,213	12.0	12.8	12.3

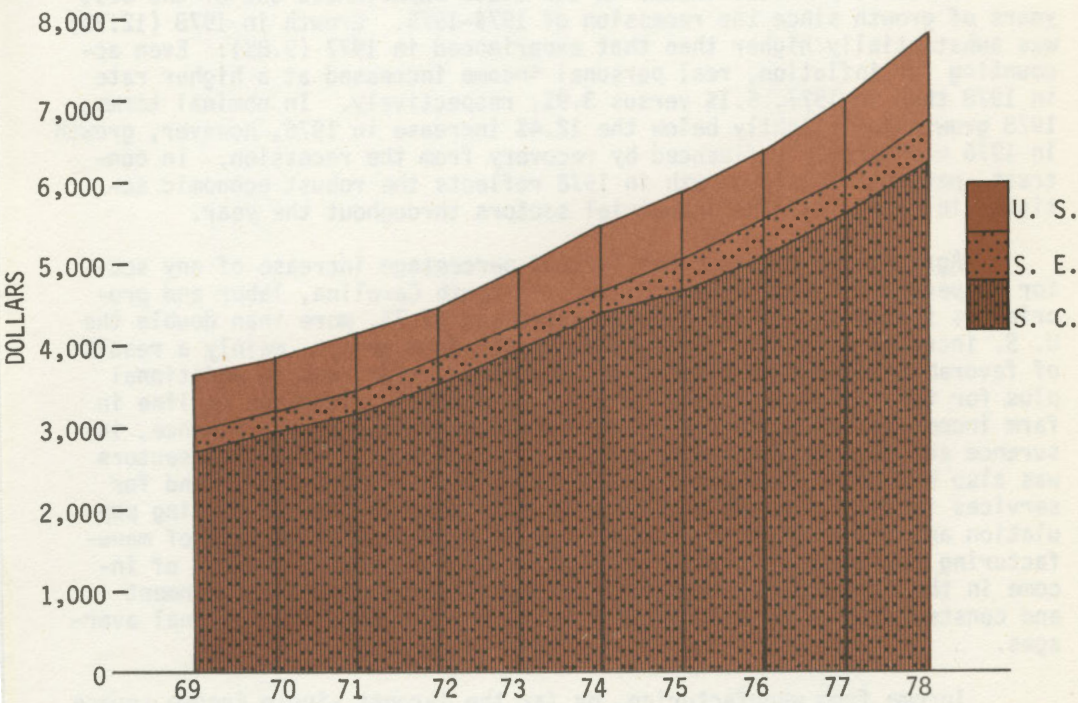
Source: United States Department of Commerce, Bureau of Economic Analysis

nation, (1.4% in South Carolina in 1978 versus .8% for the United States) contributed to the failure of the 80% ratio to narrow. In fact, given the faster population growth rate, had total personal income not increased more rapidly in the State than in the nation, the disparity in per capita income would have increased.

PER CAPITA PERSONAL INCOME IN THE

UNITED STATES, SOUTHEAST AND SOUTH CAROLINA

1969-1978



PER CAPITA PERSONAL INCOME
United States, Southeast and South Carolina
1975-1978

Calendar Year	United States	Southeast	South Carolina	S. C. Per Capita Income As A Percent Of U. S. Per Capita Income	S. C. Per Capita Income As A Percent Of S. E. Per Capita Income
1975	$5,862	$5,029	$4,664	80%	93%
1976	6,397	5,531	5,192	81	94
1977	7,024	6,060	5,634	80	93
1978	7,809	6,756	6,242	80	92

Source: United States Department of Commerce, Bureau of Economic Analysis

In 1978, personal income in the State experienced one of the best years of growth since the recession of 1974-1975. Growth in 1978 (12.3%) was substantially higher than that experienced in 1977 (9.8%). Even accounting for inflation, real personal income increased at a higher rate in 1978 than in 1977, 5.1% versus 3.9%, respectively. In nominal terms, 1978 growth was slightly below the 12.4% increase in 1976, however, growth in 1976 was largely influenced by recovery from the recession. In contrast, personal income growth in 1978 reflects the robust economic activity in nearly all the industrial sectors throughout the year.

Agriculture provided the largest percentage increase of any sector in personal income in the State. In South Carolina, labor and proprietors income in the farm sector increased 67.7%, more than double the U. S. increase of 33.0%. The growth in the farm sector, mainly a result of favorable weather conditions for crop production, was an additional plus for the economy of South Carolina, especially after the decline in farm income in 1977. Income growth in the services, trade, finance, insurance and real estate and transportation and public utilities sectors was also higher in the State than in the nation. A greater demand for services in the State can be partially attributed to the increasing population and also increasing incomes due to a greater proportion of manufacturing employment shifting to higher wage industries. Growth of income in the State of two nonmanufacturing sectors, federal government and construction, were all slightly below their respective national averages.

Income from manufacturing, by far the largest single income source in the State, increased 12.6%, also slightly below the national growth

LABOR AND PROPRIETORS INCOME BY INDUSTRY IN THE
UNITED STATES AND SOUTH CAROLINA
1977 and 1978
(In Millions of Dollars)

	UNITED STATES			SOUTH CAROLINA		
Industry	1977	1978	Percent Change	1977	1978	Percent Change
Farm	$ 26,163	$ 34,804	33.0%	$ 198	$ 332	67.7%
Ag. Services, Forestry, Fishing & Other	4,246	4,824	13.6	46	52	13.0
Mining	18,115	21,575	19.1	22	25	13.6
Construction	69,671	82,008	17.7	840	956	13.8
Manufacturing	305,747	345,828	13.1	4,323	4,869	12.6
Durables	195,614	224,600	14.8	1,310	1,542	17.7
Nondurables	110,133	121,228	10.1	3,013	3,327	10.4
Transportation & Public Utilities	87,728	98,573	12.4	724	855	18.1
Wholesale & Retail Trade	194,938	220,106	12.9	1,828	2,084	14.0
Finance, Insurance & Real Estate	64,931	74,432	14.6	515	598	16.1
Services	193,746	217,895	12.5	1,519	1,729	13.8
Government	199,470	214,938	7.8	2,641	2,802	6.1
Federal	67,215	72,094	7.3	1,237	1,275	3.1
State & Local	132,255	142,844	8.0	1,404	1,527	8.8

Source: United States Department of Commerce, Bureau of Economic Analysis

rate. Manufacturing income in the nation increased 13.1%. Growth in the durable goods sector was higher in the State than in the nation, 17.7% versus 14.8%. Income growth in the nondurable goods sector was approximately 10%, both in the State and the nation. However, since nondurable goods manufacturing accounts for such a larger proportion of total manufacturing income in the State than in the nation, the growth in nondurables limited growth in total manufacturing much more in the State than in the nation. The nondurable goods sector accounted for 68% of manufacturing labor and proprietors income in the State, but, only 35% in the nation.

In 1970, durable goods manufacturing accounted for 26% of total manufacturing labor and proprietors income, and nondurables accounted for 74%. However, by 1978, durable goods manufacturing income accounted for 32% and nondurables 68%. At 68%, the nondurable goods sector still accounts for a substantial proportion of the manufacturing sector but with the shift to durable goods manufacturing in South Carolina expected to continue, this ratio should lessen to 65% within the next five years.

The growth in the durable goods sector benefits the State income structure in several important respects. First, average wages and salaries in durable goods manufacturing are generally higher than those in nondurables. Hence, the increased importance of the durable goods sector should contribute towards improving the State's relative standing in per capita income and in raising standards of living. Additionally, the shift should provide additional stimulus for the services producing sectors. In combination, the expansion of duarble goods should offer a third benefit in giving the State a broader and more diversified economic base.

OUTLOOK FOR 1979

As in employment, personal income growth in 1979 is expected to be somewhat slower than the growth experienced in 1978. Total personal income is expected to increase during the next year by more than 11% to slightly over $20 billion. Most of this growth will be concentrated in the nonmanufacturing sector with minimal gains in manufacturing income. Unfortunately, most of the 11% growth in total personal income will be the result of inflation with only a moderate increase in real personal income of about 3%.

CAPITAL INVESTMENT

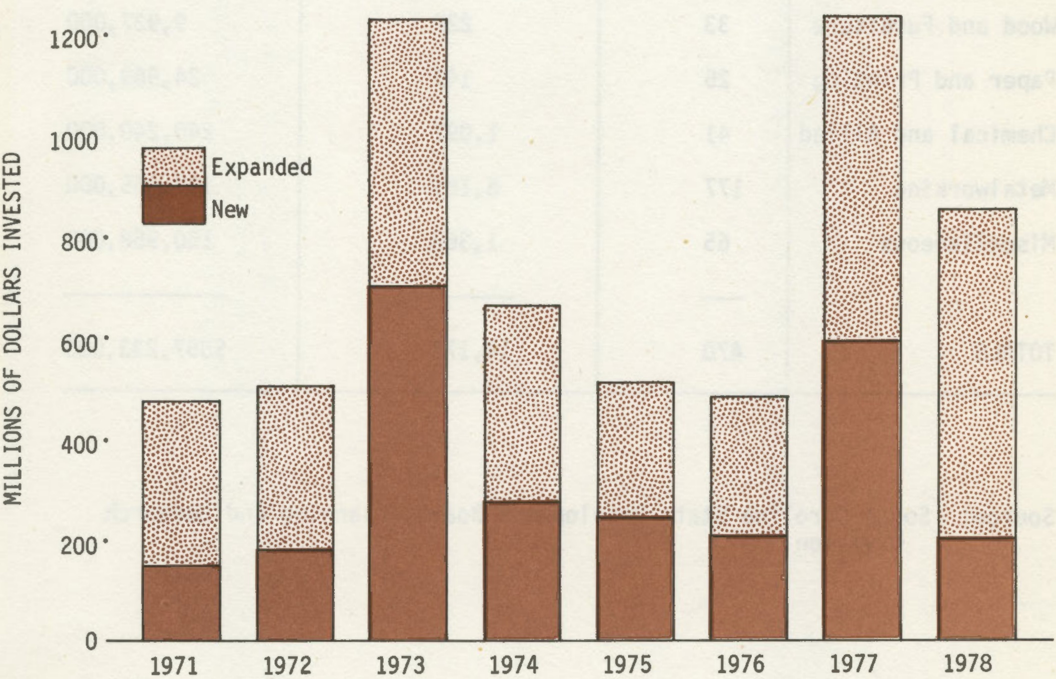
CAPITAL INVESTMENT

1978 Developments

Announced capital investment in South Carolina by new and expanded manufacturing plants for 1978 totaled $857,233,000 making this year the third best on record. The investment, which is expected to generate more than 14,150 manufacturing jobs, includes about $648,400,000 earmarked for expansions, a new record for that category.

The actual number of announced expansions is 395, the second best total on record. These expansions, coupled with the 75 new plants which were announced, make 1978 the second best year ever for the number of both new and expanding facilities. Almost two-thirds of the expansions were due to firms which have located in South Carolina since 1960, illustrating the new industrial base that has developed in the last two decades.

CAPITAL INVESTMENT IN NEW AND EXPANDED PLANTS IN SOUTH CAROLINA



CAPITAL INVESTMENT AND EMPLOYMENT FROM NEW AND EXPANDED PLANTS

BY INDUSTRY IN SOUTH CAROLINA

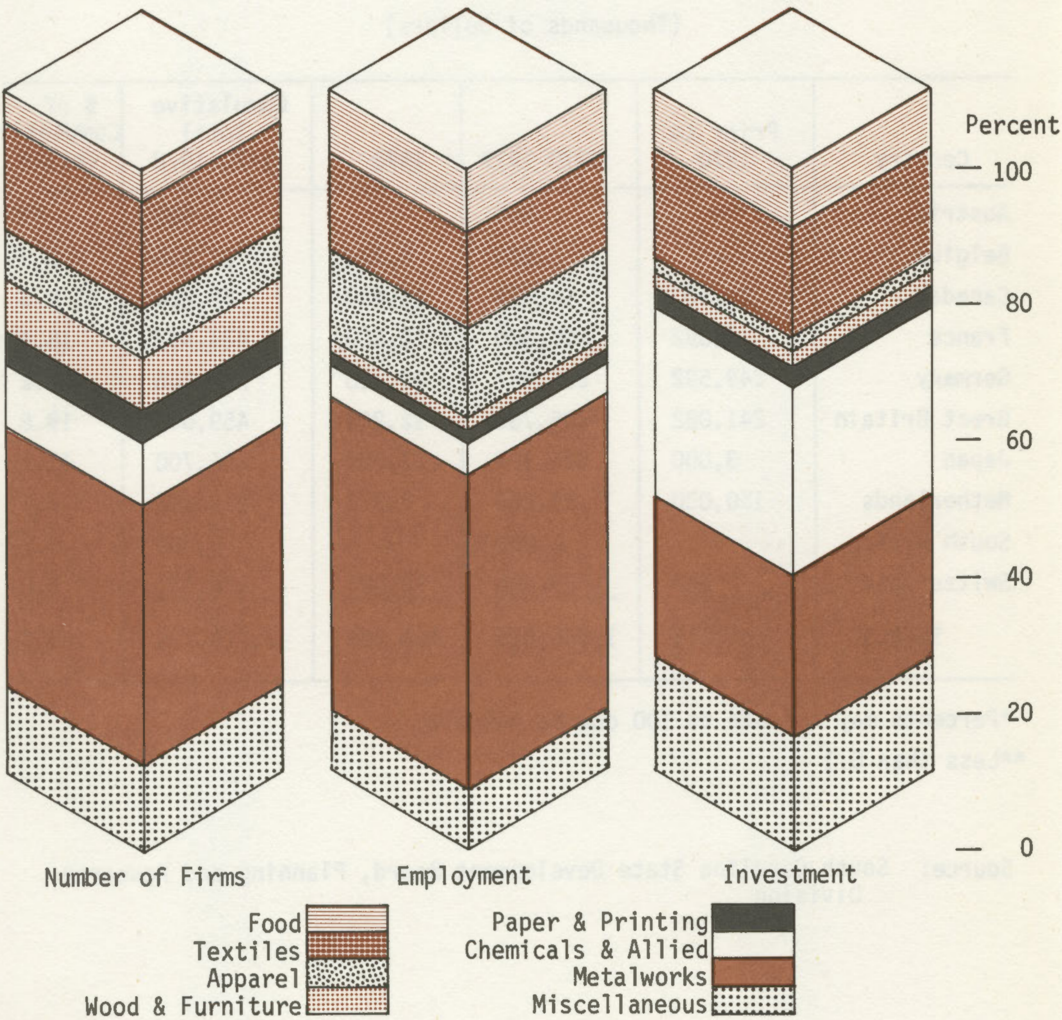
1978

Industry	Number of Firms (Number)	Employment (Number)	Investment (Dollars)
Food	28	1,175	$ 70,686,000
Textiles	66	1,990	151,560,000
Apparel	35	1,992	11,218,000
Wood and Furniture	33	229	9,937,000
Paper and Printing	25	142	24,969,000
Chemical and Allied	41	1,097	240,240,000
Metalworking	177	6,185	197,665,000
Miscellaneous	65	1,363	150,958,000
TOTALS	470	14,173	$857,233,000

Source: South Carolina State Development Board, Planning and Research Division

Over 86% of the announced capital investment was provided by four industry sectors. The Chemicals and Allied Products Industries announced investments of more than $240 million, 28.0% of the total. The Metal-working Industries closely followed announcing $198 million (23.1%) and the Textile Industries contributed $152 million (17.7%). Nearly $151 million (17.6%) was announced by the miscellaneous industries composed primarily of the Stone, Clay, and Glass and Rubber and Plastics Industries.

DISTRIBUTION OF SOUTH CAROLINA INDUSTRIAL GROWTH IN 1978



Foreign affiliated manufacturing facilities accounted for 24% of the total investment for 1978. Firms from Switzerland were the largest contributors announcing over $90 million, or nearly half of the total foreign investment of $208,205,000. Firms from Germany, Japan and Canada announced investments of $30 million, $27 million and $21 million, respectively.

FOREIGN INVESTMENT BY MANUFACTURING PLANTS BY COUNTRY

(Thousands of Dollars)

Country	Prior to 1970	1970-1977	1978	Cumulative Total 1970-1978	% of Cumulative Total*
Austria	-	500	-	500	**
Belgium	-	3,500	8,750	12,250	0.5
Canada	13,500	17,874	21,450	52,824	2.3
France	7,592	405,300	10,800	423,692	18.3
Germany	249,592	514,063	30,110	793,765	34.2
Great Britain	241,082	205,753	12,214	459,049	19.8
Japan	3,000	226,200	27,500	256,700	11.1
Netherlands	150,000	17,250	7,375	174,625	7.5
South Africa	-	6,000	-	6,000	0.3
Switzerland	250	49,075	90,006	139,331	6.0
TOTALS	665,016	1,445,515	208,205	2,318,736	100.0

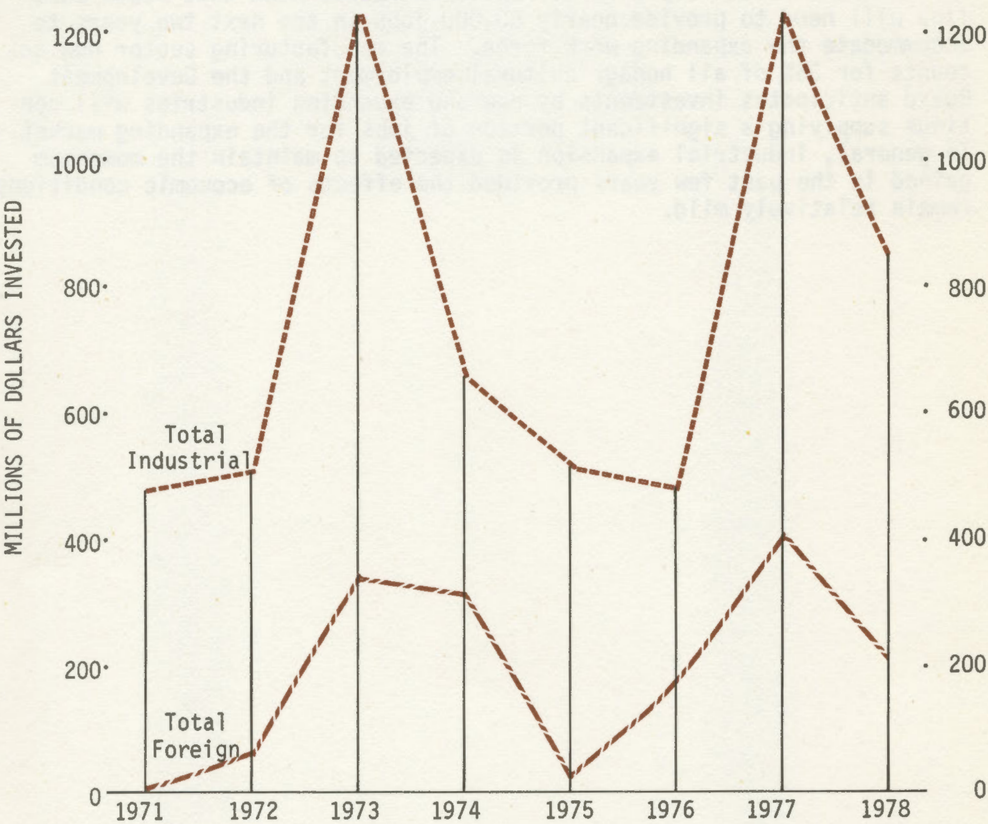
*Percents may not add to 100 due to rounding

**Less than 0.1

Source: South Carolina State Development Board, Planning and Research Division

TOTAL INDUSTRIAL INVESTMENTS AND

TOTAL FOREIGN INVESTMENTS IN SOUTH CAROLINA, 1971-1978



OUTLOOK FOR 1979

After a good industrial year in 1978, South Carolina looks to 1979 and into the early 1980's with hopeful expectations. The industrial growth in South Carolina during the last few years has diversified the industrial base and added to the State's ability to better withstand any economic downturn. The economic indicators through 1978 and early 1979 do not show any signs of a reduction of economic activity in South Carolina.

Employment in early 1979 has continued to rise and unemployment has remained relatively stable. These increases mean that South Carolina will need to provide nearly 60,000 jobs in the next two years to accommodate the expanding work force. The manufacturing sector now accounts for 35% of all nonagricultural employment and the Development Board anticipates investments by new and expanding industries will continue supplying a significant portion of jobs for the expanding market. In general, industrial expansion is expected to maintain the momentum gained in the past few years provided the effects of economic conditions remain relatively mild.

CONSTRUCTION

CONTRACT CONSTRUCTION

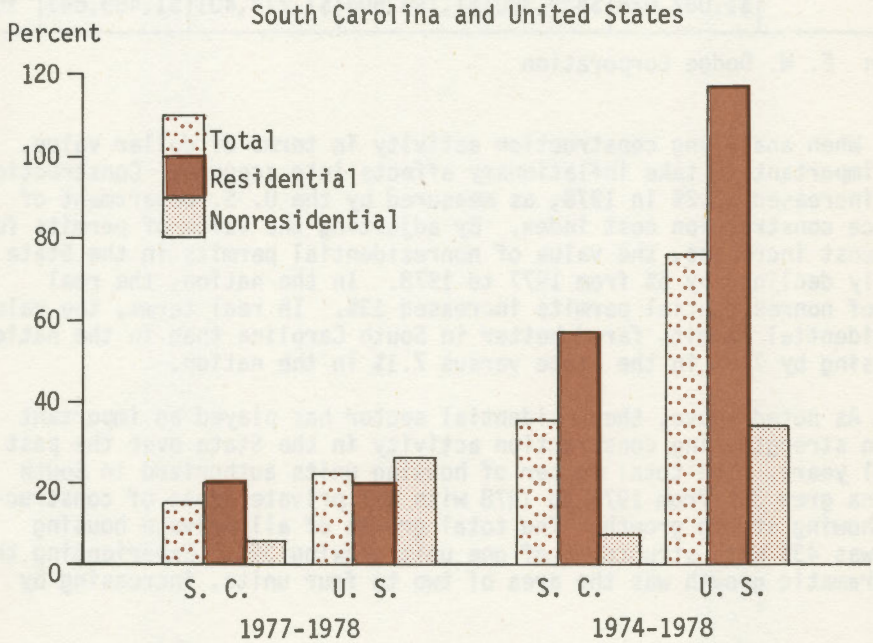
1978 Developments

The total dollar value of construction permits issued in South Carolina increased by 15.3% during 1978, substantially below the national increase of 22.5%. The residential segment of construction provided the major source of growth in the South Carolina construction industry increasing 20.7%, keeping pace with national residential construction activity which increased 20.2%. However, in the nonresidential sector, the value of construction permits in South Carolina increased only 6.3% while the United States advanced 26.5%. The slow growth in the nonresidential sector resulted in overall construction activity in the State being slower than the national average during 1978.

The nonresidential construction sector in the State and the nation was especially hard hit by the recession in 1975, as was the entire construction industry. However, the nonresidential construction industry in the State has failed to regain its pre-recession momentum, as the U. S. construction industry has. Since 1974, the dollar value of all construction permits has not increased dramatically as in the rest of

PERCENT CHANGE IN VALUE OF CONSTRUCTION PERMITS

South Carolina and United States



the nation. The total value of all construction permits increased in South Carolina by 35%, whereas, the national increase was 76%. The value of residential permits in South Carolina increased 57% versus 117% in the nation. An even larger difference in growth trends occurred in the nonresidential sector. The increase for South Carolina in this area was 7% while the nation advanced by 34%. Although the construction industry in the State has not advanced as fast as in the nation since 1974, during 1978, the residential sector exhibited strong growth and should continue to keep pace with residential construction activity in the nation in 1979. The nonresidential sector is also expected to improve in the State.

VALUE OF CONSTRUCTION PERMITS IN SOUTH CAROLINA
Calendar Years
1974-1978
(Thousands of Dollars)

	1974	1975	1976	1977	1978	Percent Change 77-78
Residential	$ 615,088	$542,687	$ 677,732	$ 799,608	$ 964,861	20.7
Nonresidential	471,940	296,693	518,772	474,793	504,780	6.3
TOTAL	$1,087,028	$839,380	$1,196,504	$1,274,401	$1,469,641	15.3

Source: F. W. Dodge Corporation

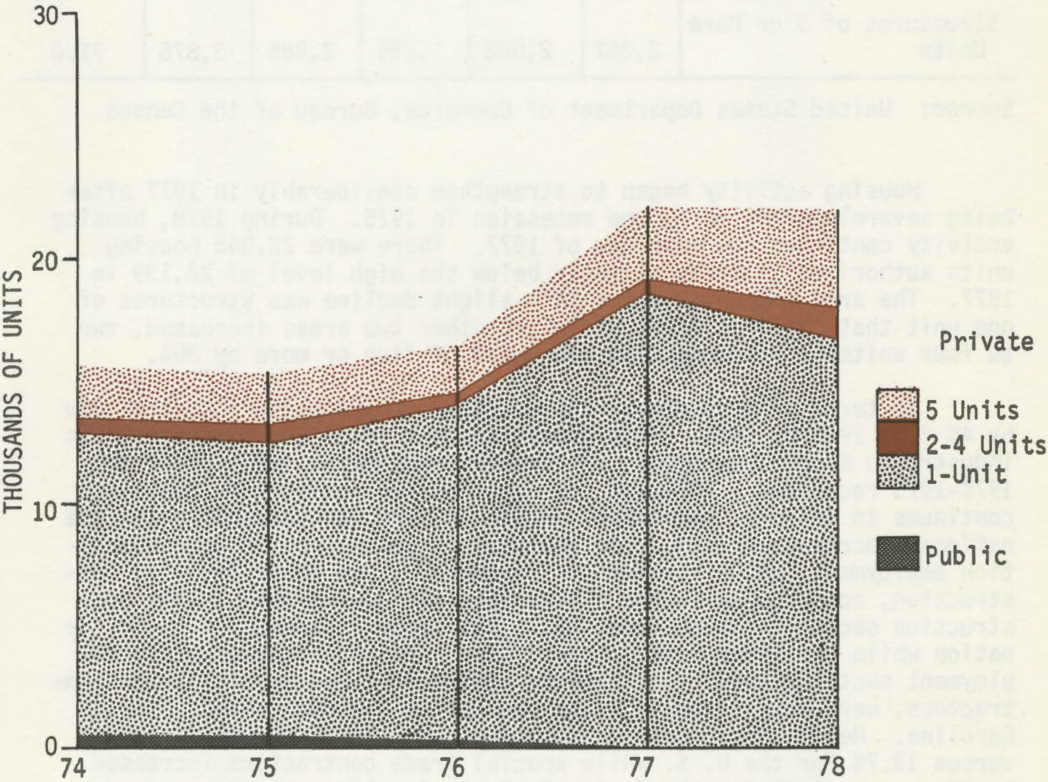
When analyzing construction activity in terms of dollar value, it is important to take inflationary effects into account. Construction costs increased 12.2% in 1978, as measured by the U. S. Department of Commerce construction cost index. By adjusting the value of permits for these cost increases, the value of nonresidential permits in the State actually declined by 5% from 1977 to 1978. In the nation, the real value of nonresidential permits increased 13%. In real terms, the value of residential permits fared better in South Carolina than in the nation, increasing by 7.6% in the State versus 7.1% in the nation.

As noted above, the residential sector has played an important role in strengthening construction activity in the State over the past several years. The total number of housing units authorized in South Carolina grew 39% from 1974 to 1978 with all private areas of construction showing strong growth. The total growth of all private housing units was 43% with structures of one unit growing 34%. Experiencing the most dramatic growth was the area of two to four units, increasing by

113%. Units of five or more advanced, also, for an increase of 71%. Public housing showed little activity with no permits being issued in South Carolina in 1977 or 1978.

HOUSING UNITS AUTHORIZED IN PERMIT ISSUING PLACES IN SOUTH CAROLINA

1974-1978



HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES IN SOUTH CAROLINA

Calendar Years

1974-1978

	1974	1975	1976	1977	1978	Percent Change 74-78
Total Housing Units	15,882	15,358	16,212	22,139	22,046	38.8
Public Housing Units	450	512	348	0	0	-100.0
Private Housing Units	15,432	14,846	15,864	22,139	22,046	42.9
Structures of 1 Unit	12,533	12,166	13,786	18,532	16,824	34.2
Structures of 2-4 Units	632	598	553	622	1,346	113.0
Structures of 5 or More Units	2,267	2,082	1,525	2,985	3,876	71.0

Source: United States Department of Commerce, Bureau of the Census

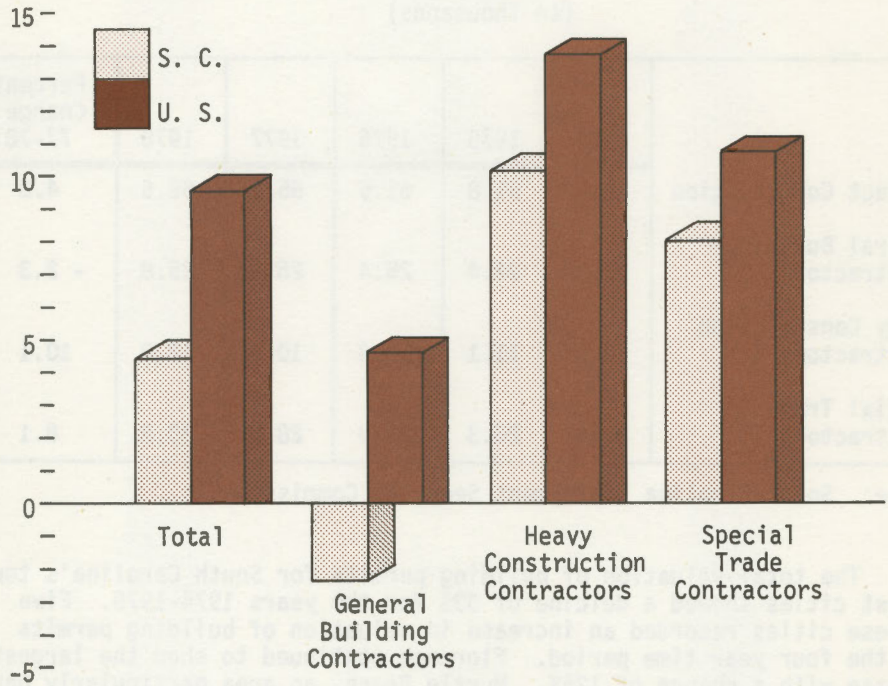
Housing activity began to strengthen considerably in 1977 after being severely affected by the recession in 1975. During 1978, housing activity continued the momentum of 1977. There were 22,046 housing units authorized in 1978, slightly below the high level of 22,139 in 1977. The area responsible for this slight decline was structures of one unit that declined by 9% while the other two areas increased, two to four units by a strong 116% and units of five or more by 30%.

In terms of employment, the contract construction industry grew by 4% from 1977 to 1978. This growth brought total employment in this industry to 68,600 employees, the highest employment level since the 1974-1975 recession. Although the construction activity in the State continues to improve, employment growth in 1978 was somewhat below the national increase of 9.9%. The decrease in general building construction employment, which consists of residential and nonresidential construction, contributed to the slower than national growth in the construction sector in South Carolina. This sector increased 4.6% in the nation while declining 2.3% in the State. The other construction employment sectors, heavy construction contractors and special trade contractors, were only slightly below the national growth rates in South Carolina. Heavy construction contractors grew 10% in South Carolina versus 13.7% for the U. S. while special trade contractors increased by 8% versus 10.8% for the U. S. In South Carolina, the increase during 1978 in special trade contractors brings total employment in this

PERCENT CHANGE IN CONTRACT CONSTRUCTION EMPLOYMENT

South Carolina and United States

1977-1978



segment to 30,800 workers, 400 more than the highest pre-recession employment level. This is the only construction employment sector which has surpassed its pre-recession level.

Over the longer period, total employment in contract construction declined 10% with only one sector growing, special trade contractors. The growth in special trade was 1.3% while general building contractors dropped by 20% and heavy construction dropped by 11%. One of the reasons for these declines is that 1974 was an unusually fast-paced year for construction. The momentum of this industry was greatly slowed by the 1974-1975 recession and even after five years, this strength has not been totally regained.

EMPLOYMENT IN CONTRACT CONSTRUCTION IN SOUTH CAROLINA

Calendar Years
1974-1978

(In Thousands)

	1974	1975	1976	1977	1978	Percent Change 77-78
Contract Construction	76.0	61.8	61.5	65.8	68.6	4.3
General Building Contractors	32.2	24.4	25.4	26.4	25.8	- 2.3
Heavy Construction Contractors	13.5	11.1	10.3	10.9	12.0	10.1
Special Trade Contractors	30.4	26.3	25.8	28.5	30.8	8.1

Source: South Carolina Employment Security Commission

The total valuation of building permits for South Carolina's ten largest cities showed a delcine of 33% for the years 1974-1978. Five of these cities recorded an increase in valuation of building permits over the four year time period. Florence continued to show the largest increase with a change of 125%. Myrtle Beach, an area particularly hard hit by the 1974-1975 recession, experienced the second largest growth with an increase of 96%. Greenwood, increasing 77%, Sumter increasing 39% and Charleston increasing 12% were the other cities to show positive change. The cities which decreased in valuation of building permits were: Anderson, -10.6%; Columbia, -22.1%; Spartanburg, -29.4%; Rock Hill, -36.0% and Greenville, -39.8%.

When the vaulation of building permits for 1978 is compared to 1977, five cities show an increase. Greenwood experienced strong growth, increasing by 206% and also Charleston, which grew rapidly during the last year, increasing by 73%. Other cities that grew were: Sumter, 38%; Columbia, 18% and Rock Hill, 3%.

When the value of building permits for ten South Carolina cities is deflated, the decrease changes from a minus 15% to a minus 24% between 1977 and 1978. Even though inflation affected the dollar value, the real value of building permits increased in four cities between

VALUATION OF BUILDING PERMITS FOR TEN SOUTH CAROLINA CITIES

Calendar Years

1974-1978

(Thousands of Dollars)

Cities	1974	1975	1976	1977	1978	Percent Change 74-78
Anderson	$ 7,841.7	$ 6,385.5	$ 5,455.6	$ 12,652.6	$ 7,013.6	- 10.6
Charleston	29,623.6	21,479.8	16,868.2	19,112.2	33.053.9	11.6
Columbia	28,052.9	41,431.2	30,564.9	18,608.0	21,873.7	- 22.1
Florence	8,134.2	5,720.6	32,411.5	55,947.7	18,281.0	124.7
Greenville	16,506.5	14,373.9	18,412.0	12,570.8	9,928.9	- 39.8
Greenwood	6,793.7	4,009.3	13,172.3	3,926.1	12,033.2	77.1
Myrtle Beach	6,644.2	10,111.0	11,719.1	18,337.9	13,022.0	96.0
Rock Hill	11,353.6	8,986.9	11,768.5	7,068.2	7,269.7	- 36.0
Spartanburg	13,691.0	16,924.6	16,222.9	12,385.6	9,666.9	- 29.4
Sumter*	7,568.9	9,393.2	7,195.4	7,655.9	10,538.4	39.2
All Cities	$212,441.6	$149,739.7	$182,766.4	$168,265.0	$142,681.3	- 32.8

*Includes city and boundary areas outside of city limits

Source: Federal Reserve Bank of Richmond

1977 and 1978. Greenwood showed a real increase of 173%; Charleston, 54%; Sumter, 23% and Columbia 5%.

OUTLOOK FOR 1979

The first three months of 1979 were plagued with unusually severe weather, with an ice storm as well as a snow storm in February. Between this snow and ice, most construction projects were halted for several days during this quarter, the result being a level of employment in contract construction in the first quarter of 1979 nearly 3% lower than the same period of 1978. This decrease translated into a loss of more than 1,700 jobs. As the spring and summer months approach, bringing better building conditions, employment in contract construction is expected to increase.

One reason for expecting an upswing in contract construction employment is that the dollar value of construction permits for the first three months of 1979 were up more than 22% over the first quarter of 1978. Even when deflated, there was growth of 10%. The value of nonresidential permits for this time period grew 50% in current dollars and 44% when deflated. The residential segment grew over 8% in current dollars but showed a decline of -11% when adjusted for inflation.

On an annual basis, contract construction is expected to experience continued moderate growth. This trend of gradual growth is comparable to nation-wide trends and reflects a fairly stable economy. Although the total number of people employed in contract construction is not expected to reach the record highs of 1974, 1979 will offer more job opportunities than 1978, continuing to make the contract construction industry a valuable part of the South Carolina economy.

FINANCE

FINANCE

Banking

The continuous growth of the South Carolina economy attributed to the robust banking activity in the State during 1978. Indicative of the effects of this economic growth are various measures of banking activity within South Carolina, such as: the number of banking offices, the total amount of assets and total deposits and loans.

In 1978, the number of banking offices in the State increased 4.9% or by an additional 34 offices. This was a significant increment compared to only two additional offices during 1977. A banking office is defined to include all offices that actually hold deposits such as unit banks, main offices or branches of a banking system but excludes consumer installment loan offices, computer centers and other nondeposit installations. It also excludes "nondeposit" trust companies and offices and banks that report no deposits.

NUMBER OF BANKING OFFICES, ASSETS, DEPOSITS AND LOANS
IN SOUTH CAROLINA BANKS

June 30, 1970, June 30, 1977 and June 30, 1978
(Thousands of Dollars)

Item	1978	1977	1970
Number of Banking Offices	727	693	502
Total Assets	$5,968,381	$5,337,494	$2,525,039
Total Deposits	5,081,294	4,557,691	2,202,259
I.P.C.* Demand Deposits	2,297,490	2,056,096	1,172,361
I.P.C.* Time Deposits	2,198,900	2,007,722	695,737
Total Loans	3,383,158	2,807,635	1,313,459

*I.P.C. - Individual, Partnership and Corporations

Source: Data derived from Federal Deposit Insurance Corporation and Federal Reserve Bank of Richmond

During 1978, total assets continued the steady growth pattern established in 1977, rising 11.8% to a total of $5,968,381,000. This growth rate was a substantial improvement over the 3% increase in assets between 1975 and 1976, and the 10% increase between 1976 and 1977.

Total deposits in South Carolina banks rose by over half a billion dollars in 1978 for an 11.5% gain, to reach a level of $5,081,294,000. The historical trend of time deposits growing more rapidly than demand deposits reversed itself during 1978, with demand deposits increasing 11.7% and time deposits growing 9.5%. Loan demand accelerated during 1978 with total loans increasing 20.5% compared to the 9% growth rate in 1977.

Competition between the components of South Carolina's banking operations continued in 1978. However, the commercial banking industry, savings and loan associations, credit unions and the consumer finance industry in the State, jointly and individually, faced an economic environment of mounting inflationary pressures and sharply rising interest rates, as well as statutory and regulatory changes. In order to gain a more in depth perspective of the overall banking activity in South Carolina during 1978, each component will be examined.

Savings and Loan Associations

Banking operations conducted within South Carolina's State and federally chartered savings and loan associations during 1978 were influenced by the following economic and financial factors: a continual increase in interest rates, equivalent to and sometimes surpassing 1974 rates, due primarily to a response to Federal Reserve actions to dampen inflation and defend the foreign exchange value of the dollar; and housing activity, which remained unexpectedly high in 1978.

The effects of these economic conditions on the banking activity of savings and loan associations in the State are evident in the percent changes of total assets, mortgage loans and total savings in 1978.

Total assets in South Carolina's Savings and Loan Associations, both State and federally chartered, increased 16% during 1978, compared to a slightly higher increase of 18% during 1977. Mortgage loans continued to account for approximately 86% of total assets in 1978 as in 1977. Mortgage loans increased 17% during 1978 compared to 21% in 1977 as South Carolina maintained a relatively high level of home building activity despite weather and tight monetary conditions.

NUMBER OF INSURED ASSOCIATIONS, TOTAL ASSETS, MORTGAGE LOANS AND DEPOSITS

South Carolina State and Federal Savings and Loan Associations

June 30, 1976, 1977 and 1978

(Millions of Dollars)

Item	1978	1977	1976
Number of Associations	75	74	74
Federal	47	47	47
State	28	27	27
Total Assets	$5,201	$4,485	$3,806
Federal	3,831	3,309	2,811
State	1,370	1,176	995
Mortgage Loans	$4,495	$3,841	$3,178
Federal	3,328	2,837	2,337
State	1,167	1,004	841
Total Savings	$4,483	$3,901	$3,313
Federal	3,300	2,870	2,440
State	1,183	1,031	873

Source: State Banking Department, Annual Reports

The largest claim against Savings and Loan Associations in South Carolina is their saving deposits which constitute nearly 84% of total liabilities. The savings growth of 15% in 1978 brought the aggregate savings at all associations in South Carolina to approximately $4,483,000,000.

The prospects for State and federally chartered savings and loan associations throughout South Carolina for 1979 continue uncertain in view of recent setbacks in the fight against inflation. Future price trends will undoubtedly influence the course of open-market rates, and have a direct bearing on savings bank deposits, investment and earning trends.

Credit Unions

Credit unions throughout the State, which numbered over 200 in 1978, are members of five chapters serving as autonomous, political subdivisions of the League. These chapters, located in the Catawba, Charleston, Columbia, Pee Dee and Piedmont areas of the State operate under their own bylaws and regulations. In 1978, approximately 41% of the total number of credit unions in South Carolina belonged to the Piedmont chapter. However, in terms of credit union members, which increased almost 12% in 1978, (reaching a total market of 460,677 members and comprising almost 40% of the State's households), the Charleston chapter led the other four chapters, constituting approximately 37% of total State membership.

Credit union growth and member demands require credit unions to have readily available short-term and long-term investment capabilities and sources for loans. South Carolina credit unions, through the League's credit union affiliate, the Central Credit Union, have the ability to earn maximum return on their investments and to make low-cost short-term loans.

SOUTH CAROLINA CREDIT UNIONS

December, 1970, 1977 and 1978

(Millions of Dollars)

Item	1978	1977	1970
Number of Credit Unions	202	194	183
Number of Members	460,677	412,904	196,839
Savings	$501.4	$438.9	$111.2
Loans	$479.5	$443.9	$105.7
Assets	$572.3	$509.4	$130.6

Source: South Carolina Credit Union League

Growth in this sector in 1978 has taken place in savings which grew by 14.2%, loans by 8% and total assets by 12.3%. These rates of growth are significantly lower than in the previous years which averaged approximately 20% for each of the three indicators. The lower percentage increases can be attributed to economic conditions which created pressure on funds available for loans. National economic conditions such as inflation, increased demand for consumer loans and soaring interest rates were contributing factors in the tight money situation affecting South Carolina credit unions throughout 1978. The rise of the prime rate to 11 3/4% in December, 1978 was reflected in interest rates paid by institutions other than credit unions competing for funds and in rates charged for loans by the credit unions.

The credit union movement was confronted with a year of challenge during 1978 in the legislative and regulative arenas, resulting in considerable adjustments in lending practices. Congress and the State legislature considered the following major issues: bills dealing with truth-in-lending reform, management interlocks, the creation of a Central Liquidity Fund, consumer rights in electronic funds transfer systems, share certificates for State credit unions, invasion of financial privacy, placement of credit unions under the South Carolina Uniform Consumer Credit Code and credit union taxation. Many regulations affecting credit unions went into effect in 1978 including share certificate authorization, fixed asset restriction, loan sale permission, Regulation Z amendments, investment restrictions and participation lending authority.

Consumer Finance

The consumer finance industry in the State operated in healthy competition with the commercial banking industry and credit unions during 1978.

Consumer finance institutions are licensed to operate in compliance with the terms and provisions of the Code of Laws of South Carolina in 1976. Currently, there are two types of licensed lenders in the State. Legislative action, effective September 29, 1976, created the supervised licensee, who is governed by the Consumer Protection Code. The other type of lender licensed in South Carolina is known as the restricted licensee, who is regulated by the Consumer Finance Act. The main difference between these lenders is the rate of interest they can charge. The Consumer Finance Division of the Board of Financial Institutions is responsible for the licensing, supervision and examination of both restricted and supervised licensees.

In 1978, figures indicate the number of restricted licensees in the State declined slightly to 292 licensees, while 413 supervised licensees were approved, an increase of 9.8%. Actually, no decline occurred, but a shift, as some restricted licensees elected to become supervised licensees.

SOUTH CAROLINA RESTRICTED AND SUPERVISED LENDERS
1977-1978

Item	Restricted Lenders			Supervised Lenders		
	1978	1977	% Change	1978	1977	% Change
Number of Licensees	292	294	-.7	413	376	9.8
Number of Loans Made	370,783	358,398	3.5	260,018	244,298	6.4
Amount of Loans Made (In Thousands)	$107,587	$101,960	5.5	$ 366,486	$ 299,674	22.3
Average Amount of Loans Made	$289.41	$284.49	1.7	$1,409.47	$1,226.67	14.9

Source: State Board of Financial Institutions, Consumer Finance Division

In South Carolina, during 1978, 370,783 restricted loans were made compared to 260,018 supervised loans. However, the percentage increase in the number of supervised loans was 6.4%, almost twice the percentage increase of 3.5% in restricted loans made in the State.

The dollar amount of supervised loans made throughout the State in 1978 rose a healthy 22.3% reaching a total of $366,486,000. Simultaneously, the dollar amount of restricted loans grew 5.5%, amounting to $107,587,000. A further analysis of supervised loans indicates that approximately 38% of the number of loans made in 1978, or 98,091 loans, were sales finance accounts. The latter was an increase of nearly 20% over the number of 1977 accounts through sales finance. The total amount of these accounts increased 36.2% during 1978 while the average amount of accounts increased 13.7%. A major portion of the increase in supervised loans was attributed to an increase in the number and dollar amount of real estate loans made in South Carolina during 1978.

SALES FINANCE THROUGH LICENSED LOANS BY SUPERVISED LENDERS
IN SOUTH CAROLINA
1977-1978

Item	1978	1977	Percent Change
Number of Accounts	98,091	81,902	19.8
Amount of Accounts (In Thousands)	$109,657	$80,514	36.2
Average Amount of Accounts	$1,117.9	$983.06	13.7

Source: State Board of Financial Institutions, Consumer Finance Division

INSURANCE

INSURANCE

The expansion in the economy of South Carolina, combined with the inflationary effects on insurance requirements, contributed to solid advances in the insurance sector of the State in 1977. This was reflected in all measures of performance in the insurance industry: the dollar amounts and percentage increases in insurance premiums and the net income of South Carolina-based insurance companies.

All insurance companies, both out-of-State and in-State, exhibited strong performance in terms of premiums paid by South Carolinians in 1977, the last full year for which data is available. In 1977, premiums paid by South Carolinians amounted to an increase of 17.7% reaching a record high of $1,581,477,533 compared to $1,344,542,212 in 1976.

Accident and health insurance maintained a moderate lead over life and property insurance, showing a 21.5% increase in premiums paid, almost 7 percentage points higher than the average annual percentage increase in premiums paid from 1968 to 1977 of 14.6%. This increase was attributed to a rise in the cost of items connected with health care delivery and the additional cost of expanded coverages.

PERCENT CHANGE IN TOTAL PREMIUMS PAID BY SOUTH CAROLINIANS
1976-1977

Source: South Carolina Department of Insurance, <u>Seventy-First Annual Report</u>

In 1977, life insurance premiums rose 17.4%, substantially more than the average annual increase of 9.2% over the past ten years. From 1968 to 1977, the growth in premiums paid for life insurance has been 3.8 percentage points lower, on the average, than premiums paid for property and casualty insurance. However, in 1977, premiums paid by South Carolinians for property and casualty insurance rose 15.3%, slightly less than the increase experienced in life insurance premiums. Comparing this 15.3% increment during 1977 to the average annual precentage increase between 1968 and 1977, growth in premiums paid for property and casualty insurance maintained a healthy level, although growth slowed in comparison to the 25.1% increase in property and casualty premiums written during 1976.

TOTAL PREMIUMS PAID BY SOUTH CAROLINIANS FOR INSURANCE

Insurance	1968	1976	1977	% Change ('76-'77)	Average Annual % Change ('68-'77)
Life	$203,168,204	$ 378,529,603	$ 444,224,379	17.4%	9.2%
Accident & Health	137,193,189	384,342,158	467,117,373	21.5	14.6
Property & Casualty	226,121,486	581,282,451	670,135,781	15.3	13.0
TOTAL	$566,482,879	$1,344,154,212	$1,581,477,533	17.7	12.2

Source: South Carolina Department of Insurance, Seventy-First Annual Report

During 1977, the share of business transacted in the State by South Carolina insurance companies, of which there are 29 life, accident and health companies and 35 property and casualty insurance companies, dropped slightly from 36.3% of the total in 1976 to 34.8% of the total in 1977. The total amount of premium income from insurance companies in South Carolina rose 12.8% from $488,571,726 in 1976 to $550,888,644 in 1977.

The largest percentage gain in premiums paid was to property and casualty companies, which showed a 16.3% increase in all states in which South Carolina companies operate with a 20% increase in South Carolina premiums. Property and casualty insurance companies operating in other states, including South Carolina, accounted for 57% of the total premium income derived from all types of insurance companies in South Carolina. Premiums paid to life, accident and health companies in all the states in which South Carolina companies operate increased 8.4% in 1977 and constituted 43% of the total premium income from South Carolina insurance companies.

PREMIUMS PAID TO SOUTH CAROLINA INSURANCE COMPANIES

Insurance	1976	1977	% Change
Life, Accident & Health All states in which S. C. companies operate	$218,169,659	$236,459,349	8.4%
Life Accident & Health S. C. only	$108,506,215	$113,459,416	4.6
Property & Casualty All states in which S. C. companies operate	$270,402,067	$314,429,295	16.3
Property & Casualty S. C. only	$197,597,465	$237,189,925	20.0
TOTAL, ALL PREMIUM INCOME OF S. C. INSURANCE COMPANIES	$488,571,726	$550,888,644	12.8
Net Income, S. C. Life, Accident & Health Insurance Companies	$ 18,212,490	$ 24,405,599	34.0
Net Income, S. C. Property & Casualty Insurance Companies	$ 7,372,520	$ 25,104,143	241.0
TOTAL NET INCOME, S. C. INSURANCE COMPANIES	$ 25,585,010	$ 49,509,742	93.5

Source: South Carolina Department of Insurance, Seventy-First Annual Report

The total net income derived from South Carolina insurance companies increased 93.5% during 1977 from $25,585,010 in 1976 to $49,509,742 in 1977. The net income of South Carolina life, accident and health insurance companies increased 34% during 1977, accounting for 49% of the total net income from South Carolina insurance companies, while South Carolina property and casualty insurance companies experienced an increase of 241%, due primarily to better loss results and constituted 51% of the total net income derived from all insurance companies throughout the State.

During the past ten years, the growth of the insurance business, in general, throughout the State of South Carolina has been strong. The largest percentage increase over this decade occurred in insurance premiums paid by South Carolinians, which rose 223% from $490,064,999 in fiscal year 1966-1967 to $1,581,477,533 in fiscal year 1977-1978. Filings processed by insurance companies in South Carolina in terms of rates, manuals and forms amounted to 25,901 filings during fiscal year 1977-1978, a 160% increase over the number of filings in fiscal year 1966-1967. Employment in finance, insurance and real estate grew 67.8% during this ten year interval compared to a growth rate of 48.6% for total nonfarm wage and salary employment in the State. The number of annual licenses issued for agents, brokers, adjusters, appraisers and agencies experienced a healthy gain of 62% over this ten year period. A moderate gain of 36% occurred in the number of insurance companies licensed and supervised in the State during this same time period.

ACTIVITY GROWTH

1967-1978

Item	FY 1966-1967	FY 1977-1978	% Increase
Number of Companies Licensed and Supervised	712	968	36.0%
Annual Licenses for Agents, Brokers, Adjusters, Appraisers and Agencies	34,421	55,628	62.0
Insurance Premiums Paid by South Carolinians	$490,064,999	$1,581,477,533	223.0
Filings Processed (Rates, Manuals & Forms)	9,966	25,901	160.0
Employment in Finance, Insurance & Real Estate	25,392	42,600	67.8

Source: South Carolina Department of Insurance, Seventy-First Annual Report

AGRICULTURE

AGRICULTURE

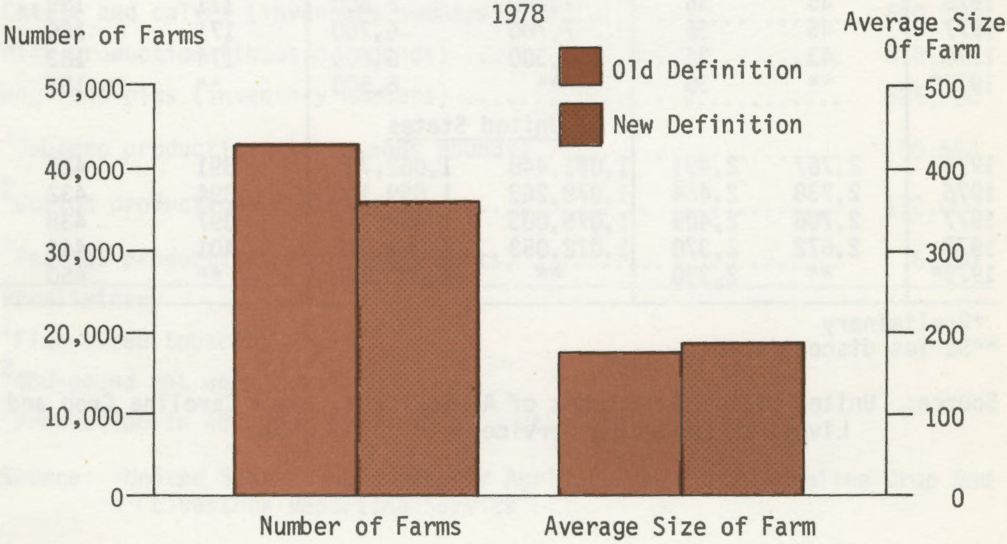
Despite the fact that the number of farms declined during 1978, as has been the trend since 1920, except for 1933 and 1936 when slight increases occurred, the agricultural sector continues to play a major role in the economy of South Carolina. Although farms are fewer, they are much larger and the substitution of capital for labor has had a significant impact on farm production. Mechanization, other technological improvements such as hybrid seeds, pesticides, herbicides and better farm management practices have combined to bring about tremendous gains in output per farm. In addition to farming, there are many related industries, from the production and supply of fertilizers and farm equipment to packing and shipping of farm products, which combine to give a substantial boost to the overall economy of South Carolina.

Farm Definition Changes

The definition of a farm was changed in December, 1978 to include only places which have annual sales of agricultural products of $1,000 or more, according to the South Carolina Crop and Livestock Re-

NUMBER OF FARMS AND AVERAGE SIZE OF FARM IN SOUTH CAROLINA

1978



porting Service. The old definition of a farm included places of ten or more acres that had annual sales of agricultural products of $50 or more and places of less than ten acres that had annual sales of $250 or more.

For South Carolina, the change in farm definition reduced the farm count in 1978 from 43,000 to 36,000. This was a decline of 16%. Total land in farms, however, was reduced only 12%; 7,500,000 acres to 6,600,000 acres. The average size of farms under the new definition is 183 acres compared to 174 acres under the old definition.

For the United States, the change in farm definition reduced the number of farms by 11% for 1978. Differences between the old and new definitions in 1978, 1977, 1976 and 1975 were 302,000; 297,000; 284,000 and 276,000, respectively. Land in farms estimates were reduced about 2% under the new definition.

NUMBER OF FARMS AND LAND IN FARMS

1975-1979

	Number of Farms (Thousands)		Land-In-Farms (Thousand Acres)		Average Size Of Farm (Acres)	
Year	Old Definition	New Definition	Old Definition	New Definition	Old Definition	New Definition
			South Carolina			
1975	45	36	7,700	6,800	171	189
1976	45	36	7,700	6,800	171	189
1977	45	36	7,700	6,700	171	186
1978	43	36	7,500	6,600	174	183
1979*	**	35	**	6,500	**	186
			United States			
1975	2,767	2,491	1,081,448	1,062,723	391	427
1976	2,738	2,454	1,078,263	1,059,148	394	432
1977	2,706	2,409	1,075,003	1,054,798	397	438
1978	2,672	2,370	1,072,053	1,052,018	401	444
1979*	**	2,330	**	1,048,768	**	450

*Preliminary
**Series discontinued

Source: United States Department of Agriculture, South Carolina Crop and Livestock Reporting Service

1978 Developments

This past year was rather unusual for agriculture in South Carolina. Temperatures averaged below normal in all parts of the State during the first three months of the year and also in May and October. Most parts of the State were also colder than normal in April. It was the third coldest January on record in most areas with only 1977 and 1940 being colder. February was also one of the coldest months on record. Only in two months of the year, September and November, did temperatures average above normal in all areas. September was the hottest since 1973 and November was unusually warm averaging 2.9 to 6.4 degrees above normal in all areas. The cold spring delayed blossoming of fruit trees and most farm activities, putting planting and most other agricultural operations behind normal by the end of April. Hail fell in the three consecutive months of March, April and May, doing considerable damage to peaches in the Ridge and Piedmont areas. Some apples were also damaged.

TOTAL PRODUCTION OF LEADING FARM INCOME PRODUCING COMMODITIES IN SOUTH CAROLINA 1978

Eggs produced (thousands)	1,409,000
Soybeans for beans production* (thousand bushels)	32,340
Cattle and calves (inventory numbers)	690,000
Milk production (thousand pounds)	510,000
Hogs and pigs (inventory numbers)	525,000
[1]Tobacco production* (thousands pounds)	150,520
[2]Cotton production* (bales)	112,000
[3]Peaches production* (thousands units)	6,250

*Preliminary

[1]Flue-cured tobacco, type 13

[2]480-pound net weight bales

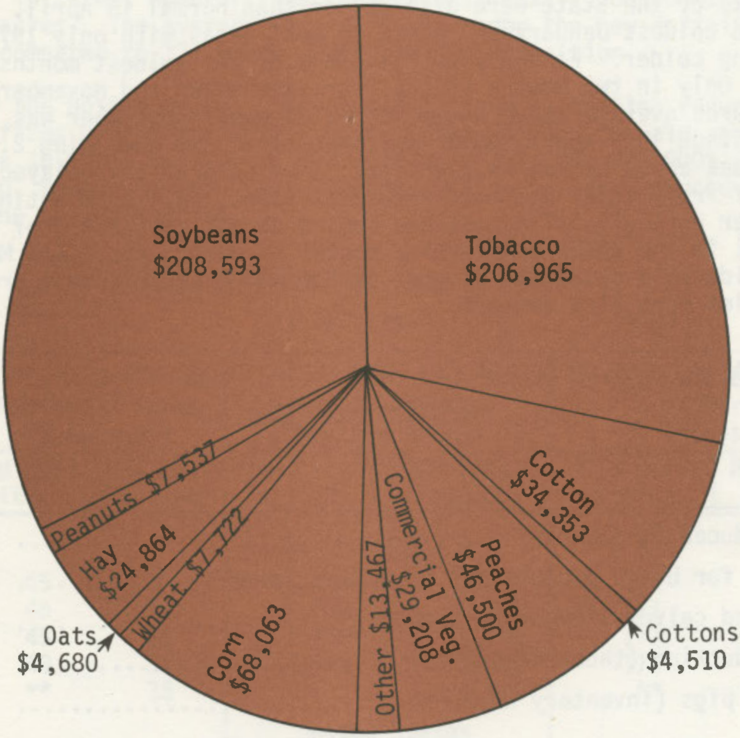
[3]Production in 48-pound equivalents. Utilized production.

Source: United States Department of Agriculture, South Carolina Crop and Livestock Reporting Service

VALUE OF PRODUCTION OF SOUTH CAROLINA MAJOR CROPS*

1978

(Thousands of Dollars)



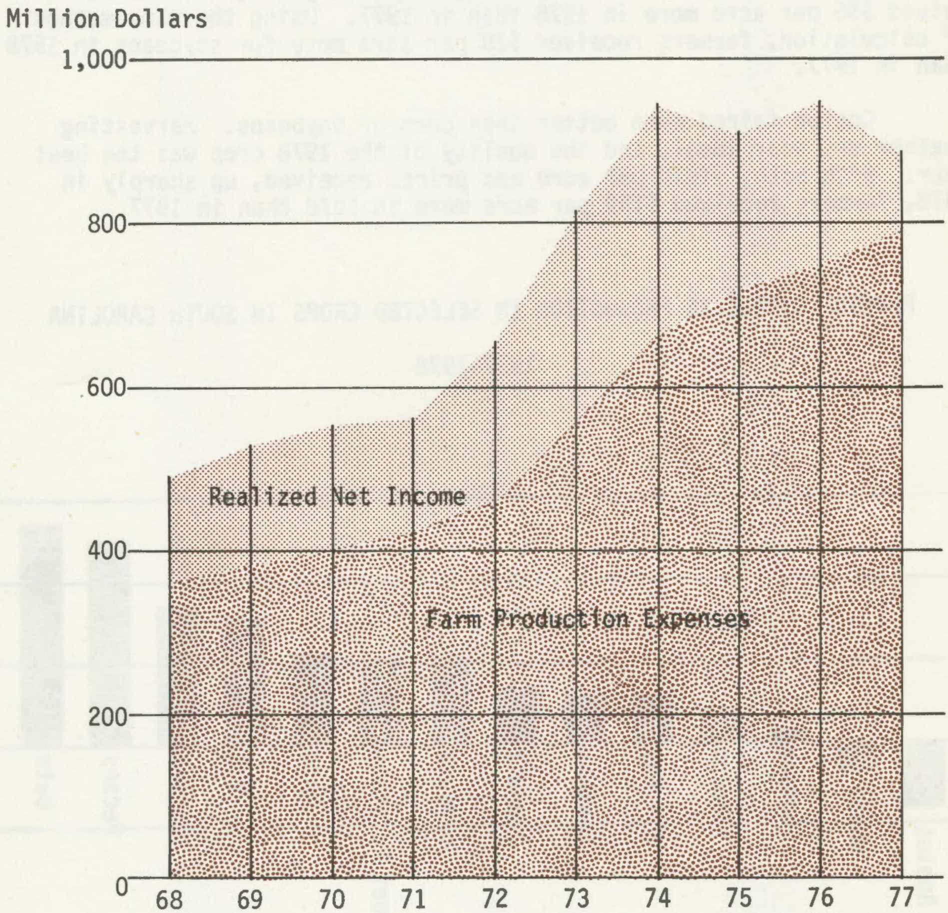
*Preliminary

Rainfall also followed an unusual pattern. The first month of the year was one of the wettest January's on record. This was the only month in 1978 that saw above average rainfall in all areas. The trend reversed itself as February rainfall averaged far below normal in all areas. Rainfall also averaged below normal in all but one area in June and in all areas during March, July, September and October.

Corn, hay crops and late soybeans were affected by the dry weather, but yields were not damaged as severely as they were in 1977. The first freezing weather of the fall came to most locations on December 10th, the latest first freeze date in more than forty years.

Even with the colder temperatures retarding agricultural progress in the first half of 1978 and the dry weather reducing yields during much of the growing season, value of South Carolina's agricul-

FARM INCOME COMPONENTS FOR SOUTH CAROLINA



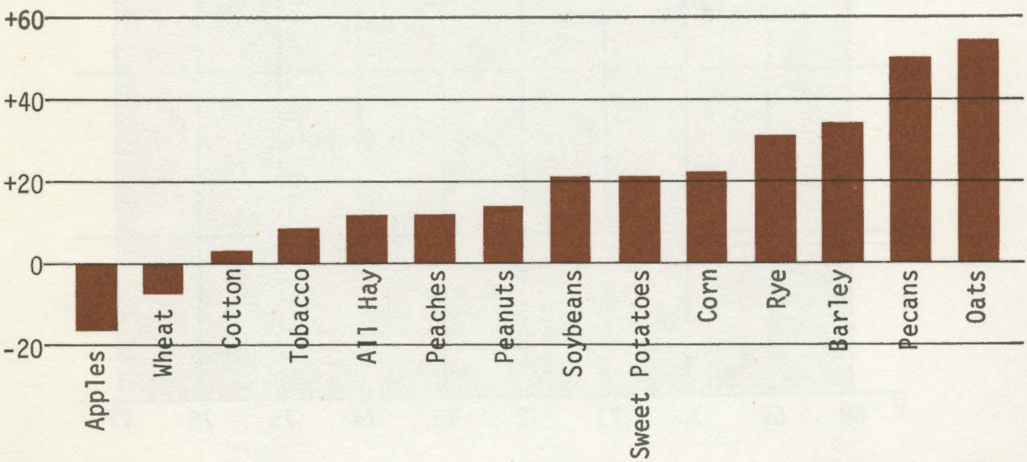
tural production improved drastically in 1978. Value of production in 1978 for every major field crop was greater than in 1977. The increase in value of production in 1978 for most crops was due to better yields, higher prices or a combination of both.

When the 1978 crop season is compared with that of 1977, it is evident that South Carolina farmers faired considerably better even though many areas of the State did suffer damage from dry weather during the early summer. Along with higher yields in 1978, prices received for most crops were above the low prices of 1977. The average per bushel price received for corn by Palmetto State farmers was $2.25 in 1978 compared with $1.91 in 1977. Combining this higher corn price in 1978 with the 19 bushel per acre increase in yield, farmers received $55 per acre more in 1978 than in 1977. Using the same method of calculation, farmers received $18 per acre more for soybeans in 1978 than in 1977.

Cotton faired even better than corn or soybeans. Harvesting weather was near ideal, and the quality of the 1978 crop was the best ever. With both, yield per acre and prices received, up sharply in 1978, farmers received $159 per acre more in 1978 than in 1977.

PERCENT CHANGE IN PRODUCTION IN SELECTED CROPS IN SOUTH CAROLINA

1977-1978



The final outcome for 1978 crop production was as follows: production of corn, cotton, tobacco, soybeans, oats, barley, rye, sorghum, hay, peanuts and sweet potatoes increased during 1978 while production of wheat decreased. The 1978 peach and pecan production was above the 1977 production while apple production was down. Production in thousand of units (for 1977 and 1978, respectively) for those crops showing an increase in production in 1978 are as follows: corn, 24,840 vs. 30,250 bushels; cotton, 109 vs. 112 bales; tobacco, 138,720 vs. 150,520 pounds; soybeans, 26,650 vs. 32,340 bushels; oats, 2,530 vs. 3,900 bushels; barley, 840 vs. 1,128 bushels; rye, 640 vs. 836 bushels; sorghum for grain, 192 vs. 480 bushels; hay, 396 vs. 444 tons; peanuts, 31,200 vs. 35,720 pounds; sweet potatoes, 209 vs. 252 hundredweight; peaches, 267,000 vs. 300,000 pounds (utilized); pecans, 3,000 vs, 4,500 pounds. Production in thousand of units for those crops which showed a decrease are as follows: wheat, 2,755 vs. 2,574 bushels and apples, 25,000 vs. 21,000 pounds.

CASH RECEIPTS FROM FARM MARKETINGS AND REALIZED INCOME
IN SOUTH CAROLINA
1976 and 1977

Item	1976	1977*	Change Over The Year	
			Net	Percent
Total cash receipts from farm marketings** (thousands)	$833,880	$762,426	- $71,454	- 8.6
Cash receipts from livestock and livestock produce	$277,785	$277,238	- $ 547	- .2
Cash receipts from crops**	$556,095	$485,188	- $70,907	-12.8
Average income per farm before inventory adjustment (dollars)**				
Realized gross	$ 21,049	$ 20,253	- $ 796	- 3.8
Realized net	$ 4,296	$ 2,670	- $ 1,626	-37.8
Forest products***	217,885	269,075	51,190	23.5

*Preliminary
**Excludes sales of all forest products
***Total value of forest products from all of South Carolina's woodlands as determined by the Forestry Department, Clemson University. Data not available prior to 1975.

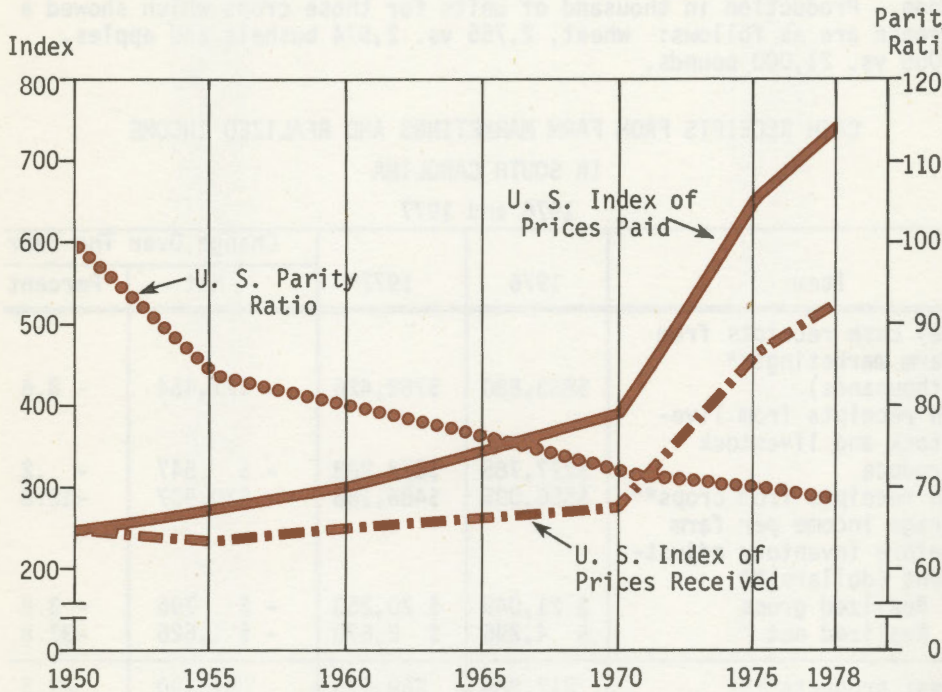
Source: United States Department of Agriculture, Economic Research Service, Farm Income Situation

The U. S. annual average Parity Ratio declined to 67 in December, 1978. There has been a steady decline in the Parity Ratio since 1950 when it was 101%. This fact, in addition to others, has caused South Carolina farmers along with farmers throughout the nation to organize the American Agriculture Movement. One of their objectives is to hold products off the market until 100% of Parity is achieved.

U. S. INDEXES OF PRICES RECEIVED & PAID & PARITY RATIOS:

Indexes of Prices Received & Paid by U. S. Farmers & Parity Ratios

(1910-1914 = 100 Base)



The Parity Ratio measures the purchasing power of products sold by farmers in terms of goods and services they buy compared to their purchasing power in the base period 1910-1914. As of any given date, it is computed by dividing the Index of Prices Received by Farmers by the Index of Prices Paid by Farmers. If the result is above 100 (that is, if the Prices Received Index is higher than the Prices Paid Index), products sold by farmers have an average per unit purchasing power higher than in 1910-1914. On the other hand, when the result is below 100, the average per unit purchasing power of commodities sold by farmers is less than in the base period.

OUTLOOK FOR 1979

The January Intentions Survey, conducted in early January by the South Carolina Crop and Livestock Reporting Service, indicated that farmers will increase their soybean, cotton and barley acreage in 1979 but will plant fewer acres of corn, sorghum and oats.

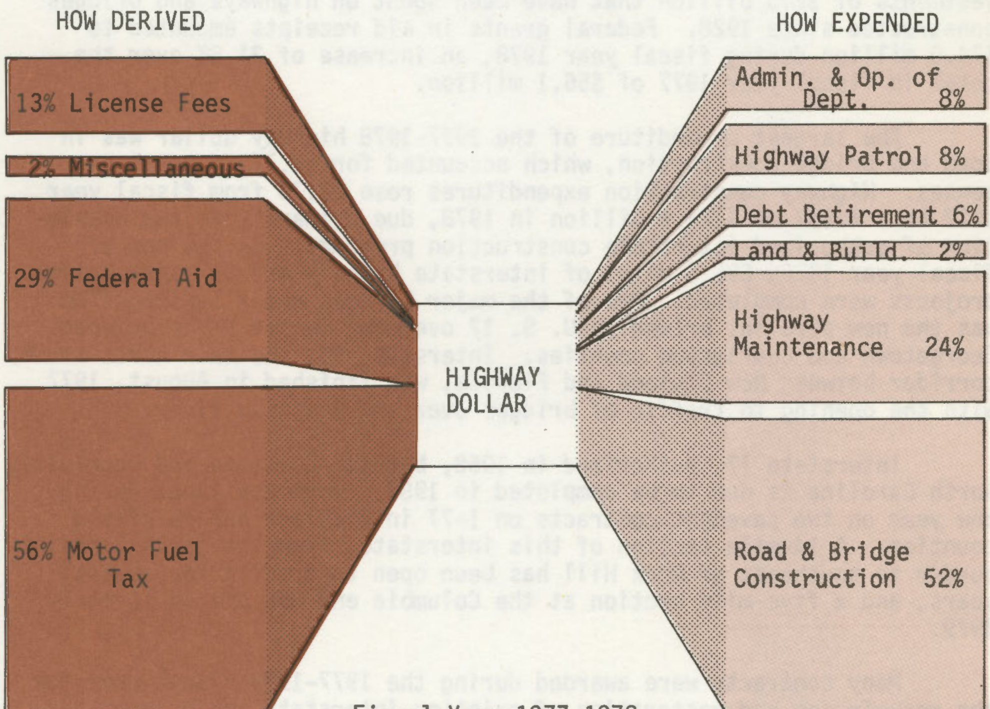
The survey, based on reports from over 850 farmers, indicated that early intentions are to increase soybean acreage by 90,000 acres to a record high 1,600,000. This represents an increase of 6%. Growers plan to increase cotton acreage by 19% to 125,000 acres. Barley planting intentions of 29,000 acres are up 7% from 1978. Corn acreage in 1979 is expected to total 625,000 acres -- down 2% from the 640,000 acres planted in 1978. Planted acreage of oats, including both fall and spring sown, is expected to total 110,000 acres -- down 19% from last year. Sorghum intentions of 26,000 acres are down 10% from a year ago. Total feed grain acreage (corn, oats, barley, sorghum) is expected to be 5% below last year.

A report on winter wheat and rye seeded in South Carolina during the fall of 1978 was released in December, 1978 showing wheat acreage up 26% at 120,000 and rye acreage up 4% at 130,000 acres seeded.

TRANSPORTATION

Highway

The South Carolina Department of Highways and Public Transportation is responsible for the planning, construction and maintenance of the State highway system, composed of approximately 39,000 miles of roadways. The largest component of the highway system in South Carolina is the 28,875 miles of secondary roads, sometimes incorrectly referred to as farm-to-market roads, but serving both urban and rural areas on all but 1,346 miles of paved roads. Encompassing the other main highway arteries throughout the State are 9,338 miles of primary highways and 771 miles of authorized interstate highways.



Fiscal Year 1977-1978

Source: Annual Report of South Carolina Department of Highways and Public Transportation for 1977-1978

During fiscal year 1977-1978, the South Carolina Department of Highways and Public Transportation reported total revenues and receipts of $259.0 million, an 18% increase over the receipts of the previous fiscal year. Total expenditures showed a 16% increase during fiscal year 1978 reaching $241.7 million. Excess of revenues and receipts over expenditures increased 54.9% from the fiscal year 1976-1977 figure of $11.2 million to the current fiscal year 1977-1978 total of $17.3 million.

Major contributors to total revenue during the 1977-1978 fiscal year were a 17.6% increase in the motor fuel tax and a 31.9% increase in federal aid. The increase in motor fuel taxes, which constituted 56.4% of total revenue, was attributed to an additional one cent per gallon tax on gasoline, specifically levied and collected by the Highway Department for the maintenance, safety and protection of the investments of $2.3 billion that have been spent on highways and bridges constructed since 1928. Federal grants in aid receipts amounted to $74.0 million during fiscal year 1978, an increase of 31.9% over the total in fiscal year 1977 of $56.1 million.

The largest expenditure of the 1977-1978 highway dollar was in road and bridge construction, which accounted for 51.7% of total expenses. Highway construction expenditures rose 22.7% from fiscal year 1977 to a total of $124.9 million in 1978, due primarily to the completion of authorized interstate construction programs. By the end of fiscal year 1978, 695.6 miles of interstate highway and 36 major bridge projects were completed. One of the major bridges under construction was the new parallel bridge on U. S. 17 over the Santee River between Georgetown and Charleston counties. Interstate 95, the main North-South corridor between New England and Florida, was finished in August, 1977 with the opening to traffic of bridges over the Savannah River.

Interstate 77, authorized in 1968, between Columbia and Charlotte, North Carolina is due to be completed in 1982. Work continued during the year on two pavement contracts on I-77 in Richland and Fairfield counties. A 14-mile section of this interstate, from the North Carolina border to southeast of Rock Hill has been open to traffic for several years, and a five-mile section at the Columbia end was opened in early 1979.

Many contracts were awarded during the 1977-1978 fiscal year for the resurfacing and restoration of existing interstate and primary systems throughout the State. Contracts were also awarded during the year for construction of additional lanes and necessary bridge work, especially on I-126 from Elmwood Avenue to I-26 and on I-26 from I-126 to Piney Grove Road in Lexington and Richland counties.

Advanced transportation planning, as required by the 1962 Federal Aid Highway Act, continued in the major urban areas of Charleston, Columbia, Greenville, Spartanburg and North Augusta. A six-year implementation program called the Transportation Improvement Program, as well as an annual one-year implementation program was prepared and maintained in each of these five cities. Traffic counts necessary to monitor and update traffic flow data were conducted in each of these urban areas and select counting was done in five smaller urban and other special sections. The major objective in this transportation planning process is determining the long-range transportation needs and implementing necessary improvements in an orderly fashion. The South Carolina Department of Highways and Public Transportation is the lead agency in achieving this goal through its efforts such as promoting car pooling and van pooling, and coordinating public transportation, particularly human services type transportation in South Carolina, through its Interagency Council on Public Transportation. This ongoing activity will be continued in 1979.

CONSTRUCTION AWARDS IN SOUTH CAROLINA

Fiscal 1977-1978

(Thousands of Dollars)

Federal Aid Programs	
Interstate	$ 38,329
Primary/Urban	33,591
Secondary	13,235
Forest Highways	16
Appalachian Access Road Program	303
Highway Planning Research	1,777
State Programs	
"C" Secondary	24,660
Primary/Urban	11,554
Special	4
TOTAL	$123,469

Source: Annual Report of the South Carolina Department of Highways and Public Transportation to the General Assembly

Air Transportation

In 1978, air transportation activity, as measured by general aviation operations, increased about 11% over 1977 levels, reflecting the general healthy business climate in the State. Air transportation plays an integral role in the successful operation of the overall commerce system in South Carolina. Organizations in both the public and private sectors of the State, as well as private citizens, create an economic demand for the existence of an efficient commercial and general aviation air transportation network.

Four categories generally considered accurate measurements of aviation activity throughout the State include: control tower or general aviation operations, air carrier operations, general aviation aircraft registrations and the number of licensed pilots.

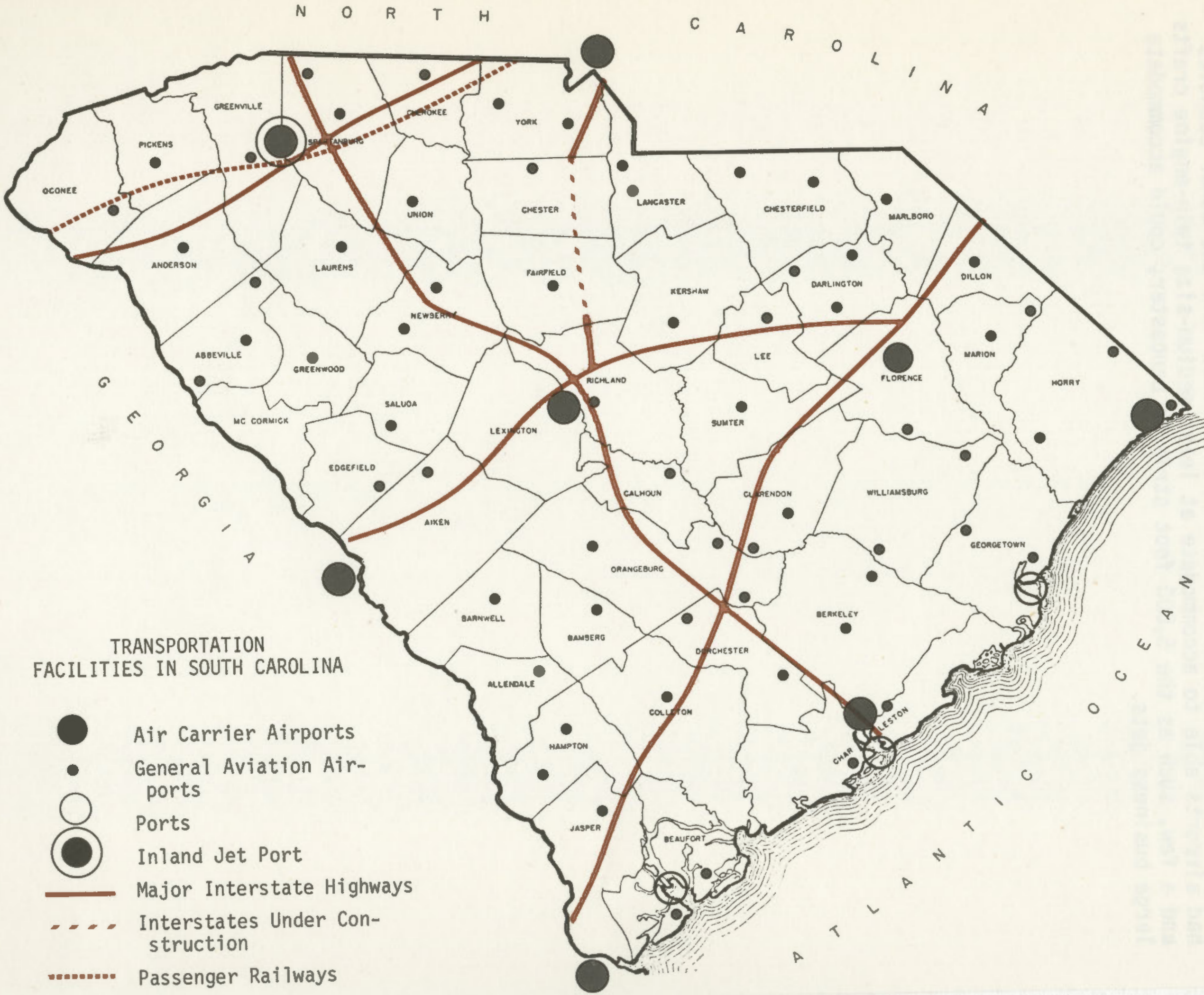
Statistics from eight controlled airports having a Federal Aviation Administration control tower indicate that general aviation operations increased 11.5% in 1978. The majority of these increases is attributed to gains in general aviation traffic of a local nature, such as instructional flights for professional and amateur pilots, various flying club activities, weekend pleasure trips, aids to the agricultural sector in the form of crop dusting and the inevitable increase in air taxi and charter flights, reflecting the surge in business and executive travel. During 1978, approximately 486,000 general aviation operations were recorded in South Carolina. In addition, a significant number of operations occurred at various fields throughout the State which do not have FAA control towers, particularly in urban areas. Owens Field, in Columbia, is an excellent example of an uncontrolled general aviation airport where more general aviation operations are performed than at the Columbia Metropolitan Airport.

Another effective aviation indicator for the State is the number of air carrier operations. During 1978, there were nearly 135,000 air carrier operations, defined as the number of take-offs and landings by airliners in the State. South Carolina is served by Delta, Eastern, National, Piedmont and Southern Airlines. These airlines have flights into and out of Columbia, Greer (Greenville-Spartanburg), Florence, Myrtle Beach and Charleston.

General aviation aircraft registrations, consisting of aircrafts owned by individuals and partnerships, corporations and the government, totaled 1,724 in 1978, slightly lower than the total in 1977 of 1,804 registrations.

The remaining indicator of aviation activity in South Carolina is the number of licensed pilots, which rose 11.4%, from 6,295 in 1977 to a total of 7,010 pilots in 1978.

The South Carolina Aeronautics Commission has an ongoing program of airport development and improvement, essential to the economic well-being of the State. In 1978, Cherokee County was the only county in the State lacking improved airport facilities. All the other counties had airports able to accommodate at least medium-size twin-engine crafts and a few, such as the 5,000 foot strip in Lancaster, could accommodate large business jets.



TRANSPORTATION FACILITIES IN SOUTH CAROLINA

Ports

In 1978, port activities in the State continued to increase as reflected in the most recently published data. South Carolina port operations, consisting of three modern and efficient coastline ports (Georgetown, Charleston and Port Royal) and an inland jet port (Greenville/Spartanburg Airport), have been estimated to have a statewide economic impact of more than $1.3 billion per year. Total investment in port facilities is more than $92 million, with replacement value estimated at $250 million. Within the manufacturing sector of the State generating approximately 30% of South Carolina's total personal income, some 1,500 firms utilize these port facilities regularly. South Carolina ports save manufacturers nearly $12 million per year in overland transportation costs.[1]

International trade activities have a direct and indirect employment effect of approximately 42,310 jobs; 10,000 in the Greater Charleston area. The Port of Charleston, hub of South Carolina's port activities, handles more than three million tons of general and dry bulk cargo per year. Currently, Charleston's port ranks twelfth among the nation's nearly 100 seaports in value of foreign containerized and "break-bulk" cargo. Since 1970, containerized cargoes have grown at an accelerated rate, reaching over 1.7 million tons in calendar 1978. The total value of foreign general cargo trade through Charleston was $2.244 billion in calendar year 1977, with 60% of this trade originating or terminating entirely within South Carolina. Presently, international trade through Charleston is comprised of approximately 63% export and 37% import, evidence of a change since 1973 when 70% of Charleston's cargo was imports. South Carolina imports are composed mainly of inputs used in the State's textile, wood products and durable manufacturing industries.[1]

In 1976, the most recent year for which data is available, Charleston's seaport and international airport exported most of the $1.4 billion worth of manufactured goods passing through South Carolina ports. South Carolina's exports represent manufactured outputs such as chemicals and allied products, nonelectrical machinery, paper and textile mill products, along with 29% of the total value of South Carolina's agricultural production. This latter is the highest ratio in the nation. In 1976, South Carolina was the third largest U. S. exporter of textile mill products with value of $145 million. This activity generated 3,500 jobs. South Carolina's share of U. S. agricultural exports during fiscal 1976-1977 totaled $312 million, over twice the 1972 value.[2]

From 1970 through 1978, facilities of the State Ports Authority, a State agency founded in 1942 to operate ocean terminal facilities within South Carolina, have attracted nearly $6.29 billion worth of industrial investments in new or expanded State industry.[1]

During early 1978, the State Ports Authority received a permit from the U. S. Army Corps of Engineers to build a new terminal on the Wando River in Charleston. The scheduled construction period for Phase A of the Wando terminal is 1979-1982. The annual economic impacts expected by 1985 include: an ability to handle 1.5 million tons of cargo, direct port related employment of approximately 10,000 jobs State-wide with total port-induced State taxes of $6.6 million and a transportation cost savings of $5.6 million to South Carolina shippers.[3]

Sources: [1]South Carolina State Ports Authority, Fact Sheet, January, 1979

[2]United States Department of Commerce, "South Carolina Exports". November, 1978

[3]"Estimates of the Economic Impact of the State Ports Authority on the Economy of South Carolina", by Ronald P. Wilder and David R. Pender, December, 1978

ENERGY

ENERGY

Electricity

Some 95% of electric power in South Carolina is generated by one public utility and three large private utilities: South Carolina Public Service Authority (Santee-Cooper), South Carolina Electric and Gas Company (SCE&G), Duke Power Company and Carolina Power and Light Company (CP&L). The first two companies serve only South Carolina, whereas, the last two serve both North and South Carolina. In 1978, about 38% of total electricity generated by Duke Power was sold in South Carolina and about 20% of electricity generated by CP&L was sold in State. Some smaller companies and industries also generate electricity, usually for their own use, which amounts to 4% to 5% of the electricity consumed within the State. The following table shows kilowatt hours generated by source for the four major systems serving South Carolina.

MILLIONS OF KILOWATT HOURS GENERATED, BY SOURCE,
FOR THE FOUR MAJOR SYSTEMS SERVING SOUTH CAROLINA DURING 1978

Source	SCE&G	SCPSA	DUKE	CP&L
Steam	12,101.7	5,554	34,904.1	14,590.5
Nuclear	0.0	0	15,905.1	13,890.6
Hydroelectric	403.8	620	1,959.4	715.7
Combustion Turbines	63.6	352	168.6	294.3
(Pumped hydroelectric less energy for pumping)	204.0 -337.5	0 -0	354.4 -372.6	0.0 -0.0
TOTAL	12,435.6	6,526	52,919.4	29,491.1
Approximate S. C. Use	100%	100%	38%	20%

Source: FPC Form 1 for privately owned utilities; Electric System Expansion Revenue Bonds, 1979 Series A for SCPSA

As can be seen in the above table, the bulk of electric power is generated by steam, with nuclear power second. Since the early seventies, nuclear power has become an increasingly important energy source in the

State. Because nuclear power is cheaper to generate per kilowatt hour than other steam generation sources and substantially less expensive than combustion turbine, which use oil and natural gas, it is anticipated that it will continue to become a more important source of electricity. Currently, there are four nuclear plants operating in the State and six additional plants under construction. Three of the plants should be completed by the early 1980's, and the remainder should be completed by the early 1990's.

SALES OF ELECTRIC POWER BY PRIVATELY OWNED ELECTRIC UTILITIES
IN SOUTH CAROLINA
Kilowatt Hours Sold
(In Millions)
Calendar Years
1970, 1977-1978

Type	1970	1977	1978	Percent Change	
				'77-'78	'70-'78
Commercial	3,240.5	5,298.2	5,583.7	5.4	72.3
Industrial	10,035.3	13,823.4	14,175.4	2.5	41.3
Residential	5,167.9	7,858.4	8,138.9	3.6	57.5
Additional Sales*	3,554.1	4,283.7	4,489.9	4.8	26.3
Total Sales	21,997.8	31,263.7	32,387.9	3.6	47.2

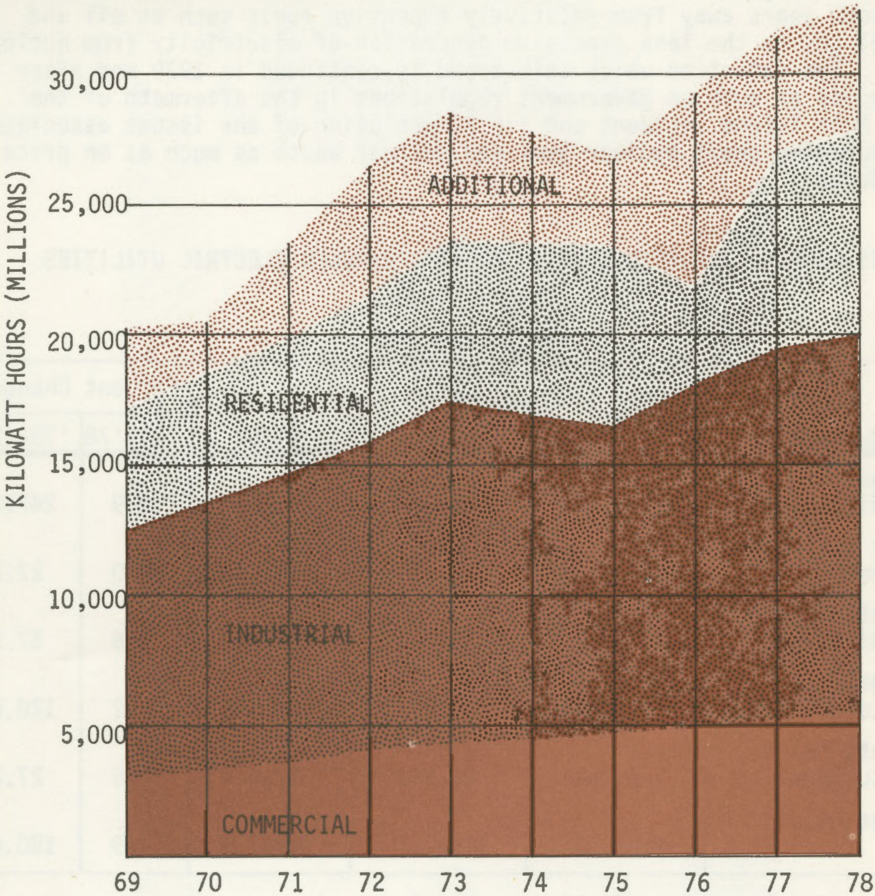
*Includes sales to municipal and street lighting, municipal for resale, REA cooperatives and other electric companies.

Source: South Carolina Public Service Commission

Sales* of electric power by the privately owned electric utilities in the State increased 3.6% in 1978, less than half the 7.6% increase in 1977. The sharply slower growth in the demand for electric power in 1978 can be attributed to the mild winter in the State and also to widespread conservation efforts. Energy savings have been made by all categories of users in order to cut demand and offset the rapidly rising cost of energy. As the above table indicates, this was particularly true of residential usage which has the greatest short-run elasticity.

*Does not include statistics of South Carolina Public Service Authority (Santee-Cooper).

ANNUAL KILOWATT HOUR SALES BY PRIVATELY-OWNED ELECTRIC UTILITIES IN SOUTH CAROLINA
1969-1978



Source: South Carolina Public Service Commission, Annual Report

Since 1970, the cost of electricity has been continually rising. Inflation and increased demand for electricity straining capacity have combined to contribute to these rising prices. Prior to 1970, the cost of electricity had been decreasing primarily due to increased efficiency in electricity generation. As electrical production increased, the cost per unit declined. However, by 1970 the generating capacity of existing power plants was being maximized and capital needs for additional plants were required. As more generating plants were required to meet demand, inflation impacted heavily on these capital intensive industries both in the cost of capital required and in the equipment needed for expansion. Higher fuel costs have also impacted heavily on costs which were reflected in higher rates. As noted earlier, there has been a movement in recent years away from relatively expensive fuels such as oil and natural gas to the less expensive generation of electricity from nuclear power. The extent to which this trend is continued in 1979 and after may depend as much on government regulations in the aftermath of the Three Mile Island incident and final resolution of the issues associated with managing spent nuclear fuel and nuclear waste as much as on price advantages.

RESIDENTIAL ELECTRIC SERVICE PRIVATELY-OWNED ELECTRIC UTILITIES
Calendar Years
1970, 1977-1978

Service	1970	1977	1978	Percent Change	
				'77-'78	'70-'78
Revenue (In Millions)	$ 92.4	$291.8	$320.8	9.9	247.2
Number of Customers	528,219	641,530	654,044	2.0	23.8
Kilowatt Hours (In Millions)	5,167.9	7,858.4	8,138.9	3.6	57.5
Average Rate (Cents per KWH)	1.787	3.713	3.942	6.2	120.6
Kilowatt Hours per Customer	9,784	12,249	12,444	1.6	27.2
Average Annual Bill	$174.93	$454.8	$490.56	7.9	180.4

Source: South Carolina Public Service Commission

The average bill for residential customers has risen from $174.93 to $490.56 since 1970, an increase of 180%. A portion of this sharp jump can be attributed to an increase in usage of 58% in kilowatt hours. However, by far, the largest portion is due to the rise in the price of electricity. The average rate per kilowatt hour (KWH) rose 121% from 1.79¢ in 1970 to 3.94¢ in 1978. The cost of electricity as reflected in the Consumer Price Index for fuel and utilities increased 100% from 1970 to 1978. When adjusted for inflation (in 1978 dollars) the average bill for residential customers was $378.64 in 1970 to $490.56 in 1978 or a 30% increase in real prices.

The average electric rate for residential customers in the State at 3.94¢ per kilowatt hour was lower than the average rate paid by residential customers in the nation as a whole including areas where publically-owned power is provided. The national average is 4.31¢ per kilowatt hour, almost 10% higher than that in the State. In South Carolina, if the publically-owned utility (Santee-Cooper) residential statistics were included with those of the privately-owned utilities, the average rate would be even lower.

However, the average annual bill for residential customers in the State was $490.56 in 1978 (as noted above) which is approximately 35% higher than the national average of $363.33. Consumption in the State is nearly 50% higher than nationally, 12,444 KWH in the State versus 8,430 KWH in the nation, accounting in large measure for the difference in the two bills. Much of this may be accounted for by the extensive use of air-conditioning in the State.

In order to meet the increasing demand for electricity, each of the major electric utilities is planning new generation plants and transmission and distribution systems. Any utility must be prepared to meet the largest instantaneous demand (or peak load) in order to supply all customers with power. The utility must accurately predict its peak demand five to ten years in advance, the time it takes to make new generation facilities available, in the face of rising real cost. In addition, the utility must allow for breakdowns on peak days. Therefore, they generally try to anticipate capacity by maintaining a reserve margin of at least 15% above peak demand. In the long run, it is less expensive for a utility to maintain such a reserve to match capacity than to underbuild, both for the utility and in losses to customers.

EXISTING CAPACITY AND PEAK 1978 DEMAND, IN MW*

Type	SCE&G	SCPSA	DUKE	CP&L
Steam	2,608	1,142	7,960	4,094
Nuclear	0	0	2,600	2,502
Hydroelectric	247	130	1,030	220
Combustion Turbine	288	128	386	1,295
Pumped Hydro	511	0	610	0
Total	3,654	1,400	12,586	8,111
Highest Hourly Demand	2,271	1,231	9,690	5,605

*MW = Megawatt, a megawatt of capacity provides the ability to generate one megawatt or 1,000 kilowatts per operating period.

Source: FPC Form 1 for privately owned utilities; Electric System Expansion Revenue Bonds, 1979 Series A for SCPSA.

VALUE, BONDING DEBT, CURRENT AND EXPECTED CONSTRUCTION INVESTMENT, NUMBER OF VOTING SECURITIES (STOCKS) AND SECURITY HOLDERS

January 1, 1979

Type	SCE&G	SCPSA	DUKE	CP&L
Value of total utility plant	$1.6 billion	$563 million	$ 5.4 billion	$ 3.3 billion
Long term bonding debt	$689 million	$811 million	$ 2.1 billion	$ 1.2 billion
Current investment on construction in progress	$399 million	$238 million	$ 1.6 billion	$ 896 million
Expected investment to complete construction in progress	$120 million	$978 million	$10.1 billion	$ 5.1 billion
Number of voting securities	22.4 million	-	71.9 million	39.2 million
Number of stockholders	54,924	-	106,706	91,799

Source: FPC Form 1 for privately-owned utilities; Electric System Expansion Revenue Bonds, 1979 Series A for SCPSA.

In South Carolina, expected growth in demand is approximately 5% a yea leading to a doubling every fourteen years. In order to meet this demand, there are new generating facilities currently under construction by the four major utilities. Slightly over 3 billion dollars has been invested on construction of facilities currently in progress. It is expected that 16 billion dollars of investment will be required in order to complete this construction.

MAJOR GENERATING UNITS UNDER CONSTRUCTION IN THE CAROLINAS

As Of January 1, 1979

Units	Type	Size-MW	Expected Completion Date
SCE&G			
Summer Nuclear Station, Jenkinsville, S.C.	Nuclear	900 (1/3 owned by PSA)	1980
SCPSA (Santee-Cooper)			
Combustion Turbine, Hilton Head, S.C.	Oil	56	1979
Winyah #3, Georgetown, S.C.	Coal	280	1980
1/3 Share of Summer Nuclear Station	Nuclear	(300)	1980
Winyah #4, Georgetown, S.C.	Coal	280	1982
Cross #2, Cross, S.C.	Coal	450	1983
DUKE Power			
Facilities In S.C.			
Catawba #1, York Co., S.C.	Nuclear	1,145	1981
Catawba #2, York Co., S.C.	Nuclear	1,145	1983
Cherokee #1, Cherokee Co., S.C.	Nuclear	1,280	1985
Cherokee #2, Cherokee Co., S.C.	Nuclear	1,280	1987
Cherokee #3, Cherokee Co., S.C.	Nuclear	1,280	1989
Bad Creek, Salem, S.C.	Pumped Storage	250	1991
Facilities In N.C.			
Perkins #1, Davie Co., N.C.	Nuclear	1,280	1990
Perkins #2, Davie Co., N.C.	Nuclear	1,280	1991
Perkins #3, Davie Co., N.C.	Nuclear	1,280	1993
Wm. B. McGuire #1, Charlotte, N.C.	Nuclear	1,180	1980
Wm. B. McGuire #2, Charlotte, N.C.	Nuclear	1,180	1981
CP&L			
Roxboro, Roxboro, N.C. Addition	Coal	720	1980
Mayo, Person Co., N.C.	Coal	1,440	1985
Harris, Bonsal, N.C.	(4) Nuclear Units	3,600	1990

Source: South Carolina Energy Research Institute

Natural Gas

In 1978, customers served by natural gas utilities in South Carolina declined for the first time in the decade of the seventies. Total customers decreased by almost 1,000 or one-half of 1%. Although in percentage terms, the decline seems insignificant, the decrease reflects the recent uncertainty of availability of natural gas supplies throughout the nation. Due to the supply situation over the past few years, many gas utilities were forced to curtail expansion of their residential, industrial and commercial "firm gas" markets. Some limitations were also placed on segments of the industrial "interruptible gas" market, although in the past year, natural gas did become more available. Due to the uncertainty of the past few years, the market for natural gas in terms of customers has not developed as fully as had earlier been anticipated, and many customers have converted to other sources of fuel.

CUSTOMERS SERVED BY NATURAL GAS UTILITIES IN SOUTH CAROLINA*

Fiscal Years**

1977-1978

Type	1977	1978	Percent Change 1977-1978
Residential	207,540	206,750	- .4%
Commercial & Smaller Industries	19,544	19,343	- 1.0
Large Industries	759	757	- .3
Sale for Resale	15	13	-13.3
Total Customers	227,858	226,863	- .4

*Figures include five private utilities only.
**Ends March 31 of following year.

Source: South Carolina Public Service Commission

The greater availability of natural gas in the past year is reflected in the average use per customer, which rose 3.2% after having steadily decreased since 1970, with the exception of 1976 when a harsh winter increased per customer consumption. The availability of natural gas in the State is expected to increase further due to additional sources of supply. Historically, natural gas brought into South Carolina has been produced principally in the gas fields of Louisiana and Texas, including the offshore areas in the Gulf of Mexico. However, it is anticipated that in the near future a large part of the gas consumed in South Carolina will be produced in Algeria.

NATURAL GAS SERVICE TO RESIDENTIAL CUSTOMERS IN SOUTH CAROLINA*
Fiscal Years**
1977-1978

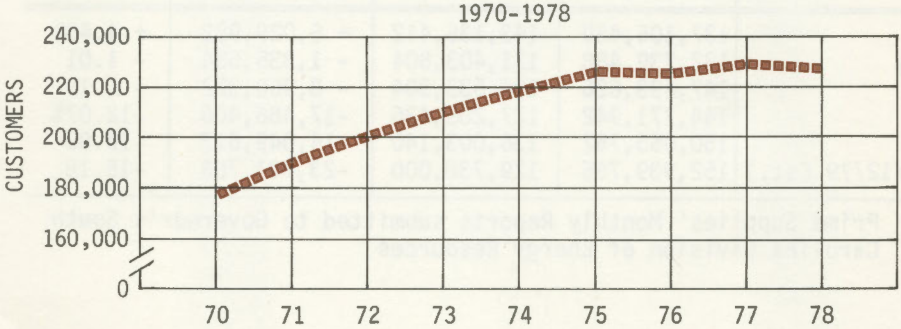
Service	1977	1978	Percent Change 1977-1978
Residential Customers	207,540	206,750	- .4%
Residential Gas, Sales, MCF	16,023,302	16,483,652	2.9
Average Use per Customer, MCF	77.2	79.7	3.2

*Figures include five private utilities only.
**Ends March 31 of following year.

Source: South Carolina Public Service Commission

Regardless of the source or amount supplied to the State, allocations of natural gas for South Carolina are controlled by the federal government. Gas is transported to South Carolina by two interstate pipeline companies: Transcontinental Gas Pipe Line Company and Southern Natural Gas Company, which furnish gas to natural gas authorities and municipally owned gas utilities, as well as to the six privately-owned utilities.

TOTAL CUSTOMERS SERVED BY NATURAL GAS UTILITIES IN SOUTH CAROLINA
1970-1978



Petroleum

In 1978, the first time since the end of the Arab Oil Embargo of 1973-1974, there was a decline in the supplies of petroleum products moved into South Carolina. This situation occurred simultaneously with a trend toward increased consumption of these products by South Carolinians. The following tables show recent experience with motor gasoline (that used in automobiles, trucks, etc.), diesel fuel and fuel oil.

COMPARISON OF CHANGES IN ANNUAL GASOLINE SALES

1972-1978

Year	S. C. Gallons of Gasoline	Percent Change S. C.	Percent Change U. S.
1972	1,361,437,000	+7.3%	+6.0%
1973	1,477,300,000	+8.5	+4.7
1974	1,422,720,000	-3.6	-2.1
1975	1,474,772,000	+3.6	+2.1
1976	1,570,469,000	+6.4	+4.6
1977	1,614,806,000	+2.8	+2.8
1978	1,683,066,000	+4.2	+3.0
Average % increase, 1972-1978		+4.2	+3.1

Source: South Carolina Tax Commission

SOUTH CAROLINA GASOLINE ALLOCATION LEVELS

(In Gallons)

Month	1978	1979	Change Over The Year Net	Change Over The Year Percent
January	137,105,430	143,135,412	+ 6,029,982	+ 4.40%
February	132,739,488	131,403,804	- 1,335,684	- 1.01
March	147,493,626	138,533,304	- 8,960,322	- 6.10
April	144,771,942	127,285,436	-17,486,406	-12.07%
May	150,055,752	136,003,140	-14,049,612	-10.00
June (6/12/79 Est.)	152,939,766	129,738,000	-23,201,766	-15.18

Source: Prime Supplies' Monthly Reports submitted to Governor's South Carolina Division of Energy Resources

COMPARISON OF ANNUAL CHANGES IN SOUTH CAROLINA FUEL OIL* SUPPLY

1973-1978

Year	Gallons	% Change
1973	605,207,000	+ 5.5%
1974	545,454,000	- 9.8
1975	498,420,000	- 8.6
1976	566,300,000	+13.6
1977	587,498,000	+ 3.9
1978	635,099,000	+ 8.1
Average % of increase, 1973-1978		+ 4.9

*Includes diesel and #2 fuel oil.

Note: Percentage increase or decrease in consumption of fuel oil would be meaningful only when compared to degree days. Weather is the major factor in consumption of fuel oil.

Source: South Carolina Department of Agriculture

SOUTH CAROLINA DIESEL AND FUEL OIL ALLOCATION LEVELS

(In Gallons)

		DIESEL	Change Over The Year	
Month	1978	1979	Net	Percent
January	15,242,220	22,293,348	+ 7,051,128	+46.26%
February	21,406,644	18,988,746	- 2,417,898	-11.30
March	21,923,916	17,538,906	- 4,385,010	-20.00
April	19,723,746	15,170,232	- 4,553,514	-23.09
May	19,337,472	14,486,682	- 4,850,790	-25.09
June (6/12/79 Est.)	19,585,356	14,752,122	- 4,833,234	-25.00

		#2 FUEL OIL	Change Over The Year	
Month	1978	1979	Net	Percent
January	59,278,002	55,679,358	- 3,598,644	- 6.07%
February	57,394,008	53,684,610	- 3,709,398	- 6.46
March	40,018,230	37,333,632	- 2,684,598	- 6.71
April	23,017,302	19,069,890	- 3,947,412	-17.15

Source: Prime Supplies' Monthly Reports submitted to Governor's South Carolina Division of Energy Resources

The total cutoff and subsequent reduced production of crude oil from Iranian oil fields is the primary cause of the current shortages. It is estimated that the gasoline shortages will get no worse than the May-June, 1979 experience. However, shortages of diesel fuel and #2 fuel oil could become more severe as we move into the 1979-1980 winter home-heating season.

When and indeed if the alleviation of the current shortage occurs is a complex question related to policy and price decisions of the Organization of Petroleum Exporting Countries (OPEC), to United States oil production and pricing policies and to United States consumption patterns, conservation attitudes and the severity of the 1979-1980 winter. There is a consensus among most petroleum analysts, national experts and policy makers, however, that the United States must change its petroleum consumption habits in light of their domestic and international oil supply and pricing forecasts impact on diminishing supplies, rising prices and U. S. balance of payments problems.

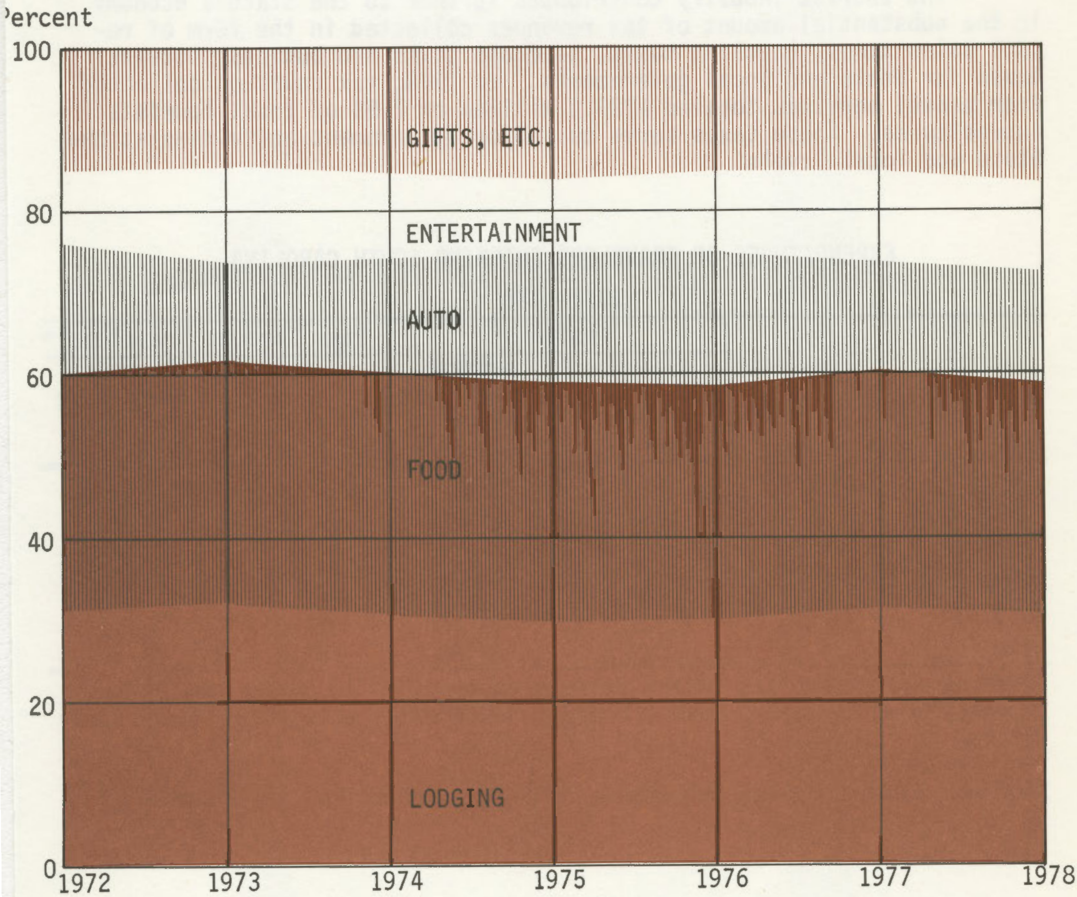
PARKS RECREATION & TOURISM

PARKS, RECREATION AND TOURISM

The direct and indirect effects of the tourist industry in South Carolina combine to make it one of the largest and more important industries in the State. Lodging, eating and recreation services depend heavily on tourist trade. In 1978, 31% of out-of-state tourist expenditures were spent on lodging; 29% on food; 10% on entertainment; 14% on automobile expenses and 16% for gifts and miscellaneous. A wide range

DISTRIBUTION OF EXPENDITURES OF TRAVELERS TO SOUTH CAROLINA

1972-1978



of other businesses also profit from travel trade. The economic impact of travel activities can be traced to several types of commercial establishments, especially major retail trade and service outlets. Tourist expenditures are multiplied in the economy as they are released in the retail channels and begin to flow through wholesale outlets, financial institutions and manufacturing industries in the form of additional purchases of goods and services.

An important measure of the economic impact of tourism in South Carolina is the employment opportunities created by the major travel and travel related businesses. Firms in the tourist industry in 1978 provided jobs for 59,300 South Carolina workers who earned over $430 million in wages and salaries. Through these job opportunities and the income created by this employment, further economic benefits were generated.

The tourist industry contributes further to the State's economy in the substantial amount of tax revenues collected in the form of retail sales taxes, gasoline taxes, beverage taxes and business license taxes for State and local governments. In 1978, tax revenues collected from travel services totaled $129.3 million or 7.5% of total tourists expenditures. These taxes serve to support government activities at the State and local levels.

EXPENDITURES OF TRAVELERS ENTERING SOUTH CAROLINA

1972-1978

Year	Total Travelers (Millions)	Visitors* Total (Millions)	Visitors* Average Expenditure (Person per Day)	Pass Through Travelers** Total (Millions)	Pass Through Travelers** Average Expenditure (Person per Day)
1972	$ 473.1	$ 286.2	$ NA	$186.9	$ NA
1973	658.9	421.7	9.56	237.2	7.83
1974	896.2	618.3	11.91	278.0	8.29
1975	1,011.5	670.9	12.23	340.6	9.38
1976	1,113.4	750.3	12.25	363.1	9.63
1977	1,406.9	1,085.3	15.68	321.6	8.71
1978	1,747.1	1,329.5	14.64	447.6	10.60

*Nonresident travelers with a primary destination in South Carolina.
**Nonresident travelers with a primary destination outside of South Carolina.

Source: South Carolina Department of Parks, Recreation and Tourism

Expenditures of all tourists in the State reached over $1.7 billion in 1978, 24% more than in 1977. In the past several years, tourists expenditures have shown vigorous growth and since 1972, have more than tripled. This growth has come from an increase in South Carolinians vacationing at home and from a growing number of out-of-state travelers attracted to the State as well as from an increase in the dollar amounts spent. Travelers entering South Carolina have increased over 50% since 1972, from 26.3 million in 1972 to 40.5 million in 1978.

In 1978, tourists with South Carolina as their primary destination or "visitors" represented 42% of the total or 17.2 million. The remaining 23.3 million tourists were "pass through" travelers whose primary destination was outside of South Carolina.

"Visitors" expenditures of $1.3 billion accounted for 76% of total tourist expenditures with "pass through" travelers expenditures accounting for 24%. "Visitors" spent an average $14.64 per day, and the average length of stay was 5.3 days, whereas, "pass through" travelers spent an average of $10.6 per day with an average stay of 1.7 days.

NONRESIDENT AUTOMOBILE TRAVELERS ENTERING SOUTH CAROLINA

1972-1978

Year	Total Travelers (Millions)	Visitors*		Pass Through Travelers**	
		Number (Millions)	Average Length of Stay (Days/Person)	Number (Millions)	Average Length of Stay (Days/Person)
1972	26.3	8.0	NA	18.3	NA
1973	28.6	9.3	4.74	19.3	1.57
1974	30.9	10.2	5.09	20.7	1.62
1975	35.8	11.6	4.73	24.2	1.50
1976	38.6	12.6	4.86	26.0	1.45
1977	39.6	14.3	4.84	25.3	1.46
1978	40.5	17.2	5.28	23.3	1.69

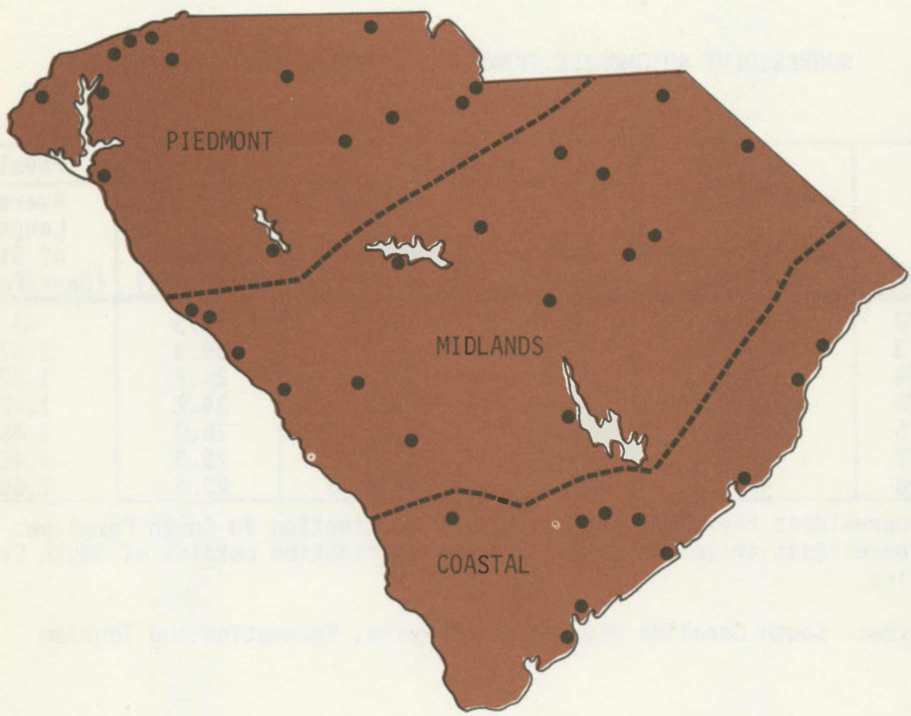
*Nonresident travelers with a primary destination in South Carolina.
**Nonresident travelers with a primary destination outside of South Carolina.

Source: South Carolina Department of Parks, Recreation and Tourism

The number of travelers whose primary destination was in South Carolina has grown substantially faster than those with non-South Carolina destinations. In 1972, visitors to the State accounted for 30% of total tourists with pass through travelers accounting for 70%. In 1978, "visitors" accounted for 42% and pass through travelers for 58%.

In 1978, a total of 1,913,394 people visited the State's seven border Welcome Centers. Of that total, 89% were from out-of-state and 40.1% of those nonresident visitors had South Carolina as their major trip destination. South Carolina Welcome Centers function to extend the good will of the State to its visitors and to provide information which will augment visitor travel to the resort areas, attractions along alternative scenic routes or to special events and activities which would enrich their trip and broaden their concept of South Carolina.

STATE PARKS IN SOUTH CAROLINA



The State, through the Department of Parks, Recreation and Tourism (PRT) expanded all levels of leisure services including planning coordination and technical assistance during 1978. Public funds invested in recreation at each of the government levels were reflected in a $9.37 per capita expenditure. Capital outlay was increased to $5,456,760 and revenue sharing funds totaled $1,357,849.

Outdoor recreation in South Carolina was expanded by $4,173,811 in matching 50-50 funds made available through the Heritage Conservation and Recreation Service (HCRS) during 1978. These funds, awarded to qualified political subdivisions and state departments, accommodated the creation of play fields, tennis courts and other facilities to enhance the outdoor recreational possibilities in South Carolina.

In addition, South Carolina's forty State parks provided cabins and camping facilities, as well as hiking, boating and other family recreational opportunities to more than 11 million residents and visitors during 1978. New facilities within the Parks System included a 50-meter by 75-foot swimming pool at Croft State Park and the Solomon Blatt Community Center at Barnwell State Park.

South Carolina continued during 1978 to expand and improve recreational opportunities for residents of the State, while at the same time increasing the number and expenditures of out-of-state visitors. This trend is expected to continue in order to make South Carolina an even more attractive recreational destination for out-of-state travelers.

GENERAL FUND REVENUES

GENERAL FUND REVENUES

The General Fund is the State's largest and most essential revenue generating fund group. It represents a composite of revenue sources derived from taxation, licenses, fees and all institutional and departmental revenues or collections including income from the sale of commodities and services or other activities which provide funds for the fiscal operation of State government.

The various revenues making up the General Fund are categorized into three source descriptions for accounting purposes in the fiscal State Budget: Regular Sources, Miscellaneous Sources and Federal Revenue Sharing funds.

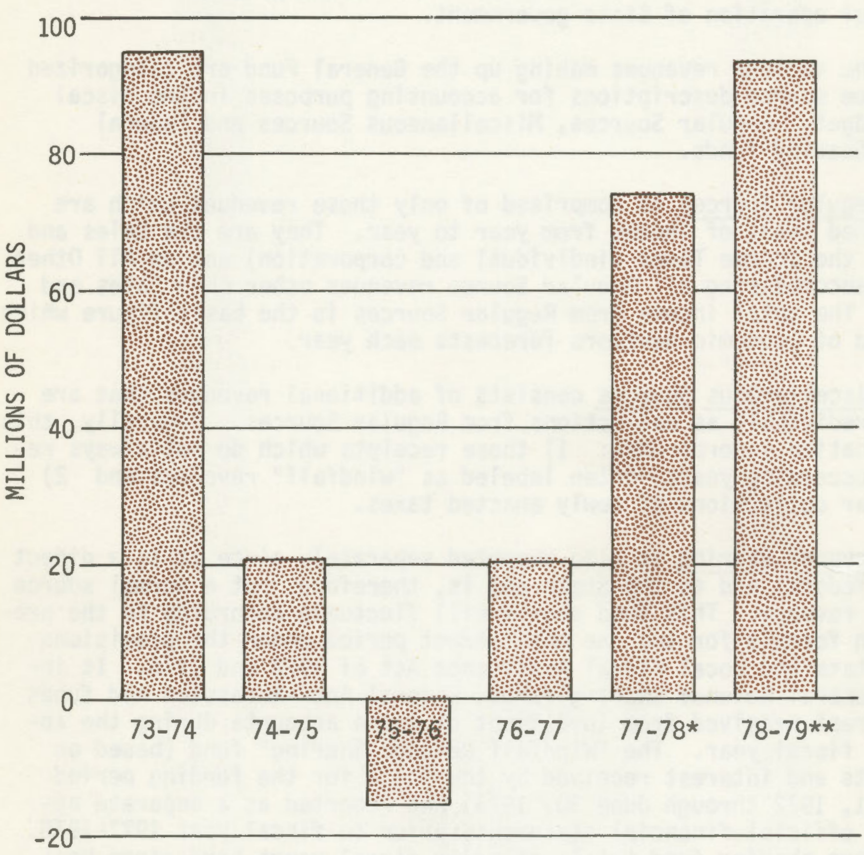
Regular Sources is comprised of only those revenues which are established bases of income from year to year. They are the Sales and Use Tax, the Income Taxes (individual and corporation) and an All Other segment encompassing all Regular Source revenues other than Sales and Income. The total income from Regular Sources is the basic figure which the Board of Economic Advisors forecasts each year.

Miscellaneous Sources consists of additional revenues that are not as predictable as collections from Regular Sources. Generally, this classification incorporates: 1) those receipts which do not always recur in succeeding years, often labeled as "windfall" revenues and 2) first year collections of newly enacted taxes.

Revenue Sharing is also computed separately since it is a direct form of federal aid to the State and is, therefore, not a normal source of State revenue. This fund source will fluctuate according to the prescription formula for any one entitlement period under the provisions of the State and Local Fiscal Assistance Act of 1972 and 1976. It includes General Revenue Sharing funds, Federal Anti-Recession Aid funds and interest received from investment of these accounts during the applicable fiscal year. The "Windfall Revenue Sharing" fund (based on allotments and interest received by the State for the funding period January 1, 1972 through June 30, 1973) was reported as a separate account in official financial statements prior to fiscal year 1977-1978. The revenue sharing fund totals of prior fiscal years have since been adjusted to incorporate this account.

GENERAL FUND SURPLUS AND DEFICIT

1973-1974 Through 1978-1979



*Includes General Fund Reserve

**Estimate

Note: For additional information, consult The South Carolina State Detail Budget, fiscal year 1979-1980, VI, Schedule 2, pg. XX, January, 1979.

Source: South Carolina Budget and Control Board

1978-1979 Developments

General Fund Revenue collections during fiscal year 1977-1978 amounted to $1.277 billion, a 15.4% increase compared to the $1.106 billion total for fiscal year 1976-1977. The State closed the year with a General Fund surplus of $9.4 million. A total of $63.9 million was transferred to the General Fund Reserve as required by Act 219, 1977 (The State General Appropriation Act). In addition, sufficient funds were available to enable the passage of two Supplemental Appropriation Bills by the General Assembly for additional ordinary expenses of the State government for fiscal year 1977-1978.

As a result of strict financial guidelines being imposed during the appropriation process for fiscal year 1976-1977, severe cuts were made in operating expenses both for agency program budgets and personnel as means to offset a $16.3 million deficit incurred for fiscal 1975-1976 -- the aftermath of the prolonged recession. To ensure that the State could maintain adequate funding during lean years, as well as preserve fiscal integrity by sustaining a valued AAA credit rating, a reserve fund provision was initiated during the 1976 legislative session and approved by the voters as a constitutional amendment in the November, 1978 General Election.

Under this amendment, effective 3/28/79, funds accumulated in excess of annual operating expenditures would be transferred to the General Fund Reserve. Such transfers would continue to be made in succeeding fiscal years until the accumulated total in the reserve reached an amount equal to 5% of General Fund Revenue for the latest completed fiscal year. In order to facilitate such a reserve, annual operating budgets could be limited to 95% of the official revenue estimate for a given year. The 95% appropriations limitation would be in effect until the 5% reserve was actually on hand.

Another belt-tightening measure was adopted by the 1977 Legislature to terminate the practice enabling agencies to carry forward unspent appropriated funds to the next fiscal year. Such monies, totaling $22.3 million, lapsed to the General Fund for fiscal 1976-1977. These funds, together with an additional windfall of $3.0 million from Federal Anti-Recession Aid, produced a General Fund surplus for fiscal year 1976-1977 of $21.1 million.

Having regained a revenue surplus, the Budget and Control Board further sought to streamline the budgetary process by revising its budget recommendation procedures in developing both fiscal 1977-1978 and 1978-1979 operating allocations. According to this format, tentative revenue estimates received from the Board of Economic Advisors would be utilized to make preliminary fund allocation decisions for various programs. Agencies would then submit detailed budget requests citing how the preliminary allocations would be spent, and furnish additional fund requests by program need. This mechanism afforded a more realistic appraisal of the "over and above" requests for additional programs with respect to estimated revenue.

The General Assembly also expressed a desire to appropriate all funds, regardless of source, for the fiscal year 1978-1979. For this reason, the State budget now details expenditures from all fund sources. Appropriation recommendations are divided into three categories: State appropriated funds, Federal funds and Other funds. Since each category is shown in the same detail, the General Assembly has an opportunity to review Federal and Other funds in the same manner used to evaluate State appropriated funds.

This new era of fiscal accountability with its strict adherence to programatic funding priorities was introduced to create more flexibility in the budgeting process when faced with a shifting economic environment. Since uncertainties beyond the State's control, with their massive repercussions, can make it difficult in certain periods to forecast revenues with the precise degree of accuracy and timing upon which appropriations are made, it was the opinion of the legislature that a reserve fund was a prudent control toward limiting financial problems caused by such external forces.

However, as the South Carolina economy expanded and prospered during the course of fiscal 1977-1978, one such control proved to be too limiting. The changing economic scenario shifted to the plus column for revenue accumulation. Significant gains in employment and personal income growth stabilized the revenue outlook, but persistent inflation generated an unanticipated revenue windfall, as rising income levels were joined by increasing consumption and higher prices to further inflate the State tax base.

An amendment to Act 219, 1977 was passed authorizing the Board of Economic Advisors to update the revenue estimate when current economic conditions indicated a revision was necessary. This allowed the legislature to fully fund the 5% reserve perhaps two years ahead of schedule, as a result of the added revenue windfall in fiscal 1977-1978, and eventually released more funds that could be appropriated for program expansion in fiscal 1979.

The existence of higher than anticipated inflationary pressures during the first seven months of fiscal 1979 required a \$20 million upward revision of General Fund Revenue in February, 1979 to a new total of \$1.419 billion. At the time of this writing, two months remain in the current fiscal year. Receipts to date of \$1.141 billion (July-April) accounted for 80% of the projected \$1.419 billion forecast. The outlook is favorable for achieving a slight increase over the 11.1%

SUMMARY OF ESTIMATES FOR 1978-1979 AND 1979-1980 GENERAL FUND REVENUE SOURCES BY MAJOR CATEGORIES[1]

(Amounts in Millions)

Item	Actual		Estimates[2]		Percent Changes[3]		
	1976-1977	1977-1978	1978-1979	1979-1980	'76-'77 to '77-'78	'77-'78 to '78-'79	'78-'79 to '79-'80
Total General Fund Revenue Sources	$1,106.4	$1,277.3	$1,418.7	$1,544.1	15.4	11.1	8.8
Total Regular Sources	1,046.8	1,204.7	1,356.0	1,482.3	15.1	12.6	9.3
Sales Tax	415.3	471.6	526.0	574.0	13.6	11.5	9.1
Income Tax	394.5	470.7	550.0	611.0	19.3	16.9	11.1
Individual	290.4	351.2	415.0	473.0	21.0	18.2	14.0
Corporation	104.1	119.5	135.0	138.0	14.7	13.0	2.2
All Other	237.0	262.5	280.0	297.3	10.7	6.7	6.2
Total Miscellaneous Sources	25.0	37.3	31.2	30.3	49.4	-16.4	- 2.7
Total Revenue Sharing	34.6	35.3	31.5	31.5	1.9	-10.7	-

[1]Adjusted to fiscal 1978 revenue classification format. "Windfall" receipts for revenue sharing are now included in the historical data.

[2]February, 1979 estimates of Board of Economic Advisors. These estimates will not agree with the official State detail budget figures released January, 1979.

[3]Percentage changes are based on unrounded figures.

Note: Detail may not add to totals due to rounding.

Source: South Carolina Division of Research and Statistical Services, Budget and Control Board total net gain forecast this revenue year.

The table on the preceding page depicts the actual growth of General Fund Revenue by major source description for fiscal years 1977 and 1978 and lists the growth forecasts for fiscal years 1979 and 1980 based on the latest estimates of the Board of Economic Advisors.

Analysis of Major Revenue Categories

Sales and Use Tax

Stable growth from the Trade and Service sectors of nonagricultural employment and mild winter weather helped generate a substantial rebound in Sales and Use Tax revenues during fiscal 1977-1978. Total collections of $471.6 million denoted a gain of $56.3 million, or 13.6%, compared to the $415.3 million (11.5% gain) collected during fiscal 1976-1977.

Sales and Use Tax growth is expected to moderate during fiscal years 1978-1979 and 1979-1980. Consumer spending is leveling off as inflation, tighter credit conditions and lower gains in real disposable income erode purchasing power. Tax collections are estimated to reach $526.0 million in fiscal 1979 and $574.0 million in fiscal 1980, gains of 11.5% and 9.1%, respectively.

Despite the decline in the overall growth rate of Sales Tax receipts, business activity has been very stable. Forward buying practices by consumers hoping to avoid higher costs in the future have kept retailers in a competitive struggle to maintain sales volume. An analysis of retail business establishment data for fiscal 1978 reflects notable increases in total sales for general construction, transportation, services, building materials, eating and drinking places, property rentals and hotels and other lodging places. This trend coincides with the increase in tourism trade and a surge in buying in the housing market before credit restraints and price increases raise housing costs out of reach for the average family.

The following table examines the relationship between State personal income growth and estimated taxable sales receipts. The expected decline in fiscal years 1979 and 1980 is indicative of a slowdown in income growth due to prolonged inflation. The existing debt burden of consumers coupled with lower real wage increases next year should limit purchases of luxury items and sales growth will also decline as a consequence.

ESTIMATED NET TAXABLE SALES,

SOUTH CAROLINA PERSONAL INCOME AND RATIO OF SALES TO PERSONAL INCOME

Fiscal Years

1975-1980

(In Millions of Dollars)

Fiscal Year	Sales Tax Calculated at 4%	Net Taxable Sales* Amount	Change Over the Year Net	Change Over the Year Percent	Personal Income**	Ratio (%) of Sales to Personal Income
1974-1975	337.7	8,443	575	7.3	12,224	69.1
1975-1976	372.6	9,315	872	10.3	13,134	70.9
1976-1977	415.3	10,383	1,068	11.5	14,766	70.3
1977-1978	471.6	11,790	1,407	13.6	16,216	72.7
1978-1979E	526.0	13,150	1,360	11.5	18,213+	72.2
1979-1980E	574.0	14,350	1,200	9.1	20,337+	70.6

*Calculated from Sales Tax collections.
**Previous full calendar year.
E = Estimates.
+ = Office of Chief Economist, SCOPE Model, May, 1979.

Source: United States Department of Commerce, Bureau of Economic Analysis
South Carolina Budget and Control Board, Division of Research and Statistical Services

Individual Income Tax

The Individual Income Tax exceeded the $350.0 million projection for fiscal 1977-1978 by 0.3%. Total net revenue of $351.2 million reflected a $60.8 million, or 20.9%, increase over the previous fiscal year. Receipts for fiscal 1978-1979 are estimated to approach $415.0 million, an 18.2% increase. Collections for fiscal 1979-1980 are forecast at $473.0 million, a gain of 14.0% over the 1978-1979 forecast.

During the recovery years, population growth and manufacturing income exhibited sharper rates of increase in South Carolina than for the nation as a whole. The above average expansion of durable goods manufacturing has further diversified the State's economic base, thereby making it somewhat more recession-resistant in the future than in the past.

Although personal income growth is not accelerating on par with inflation at present, the inflation-related rise of salaries in conjunction with a growing population have enhanced the income base for Individual Income Tax revenue.

A total of 1,276,192 Individual Income Tax returns were filed in fiscal 1978 based on 1977 (calendar year) income. This represents a 4.3% increase over the previous year. The average gross calculated tax per return rose to $239 from $214 in 1976 signifying a 12% increase per taxpayer. This coincides with a 1.4% gain in population based upon a net increase of 40,000 persons from 1977 to 1978.

ADJUSTED GROSS INCOME REPORTED ON SOUTH CAROLINA INDIVIDUAL INCOME TAX RETURNS, RELATIONSHIP TO SOUTH CAROLINA PERSONAL INCOME AND INDIVIDUAL INCOME TAX

Calendar Years

1974-1979

(In Millions of Dollars)

Year	Adjusted Gross Income[1]	Personal Income[r]	Ratio (%) Adjusted Gross to Personal Income	Individual Income Tax[2]	
				Amount	% of Personal Income
1974	8,828	12,224	72.2	210.9	1.73
1975	9,148	13,134	69.7	244.5	1.86
1976	10,508	14,766	71.2	290.4	1.97
1977	11,653	16,216	71.9	351.2	2.17
1978E	12,983	18,213	71.3	415.0	2.28
1979E	14,487	20,337	71.2	473.0	2.33

[1]As reported on South Carolina Individual Income Tax returns. Estimates were obtained by using a linear regression with personal income.

[2]For fiscal year lagging calendar year by six (6) months.

r = Revised
E = Estimates

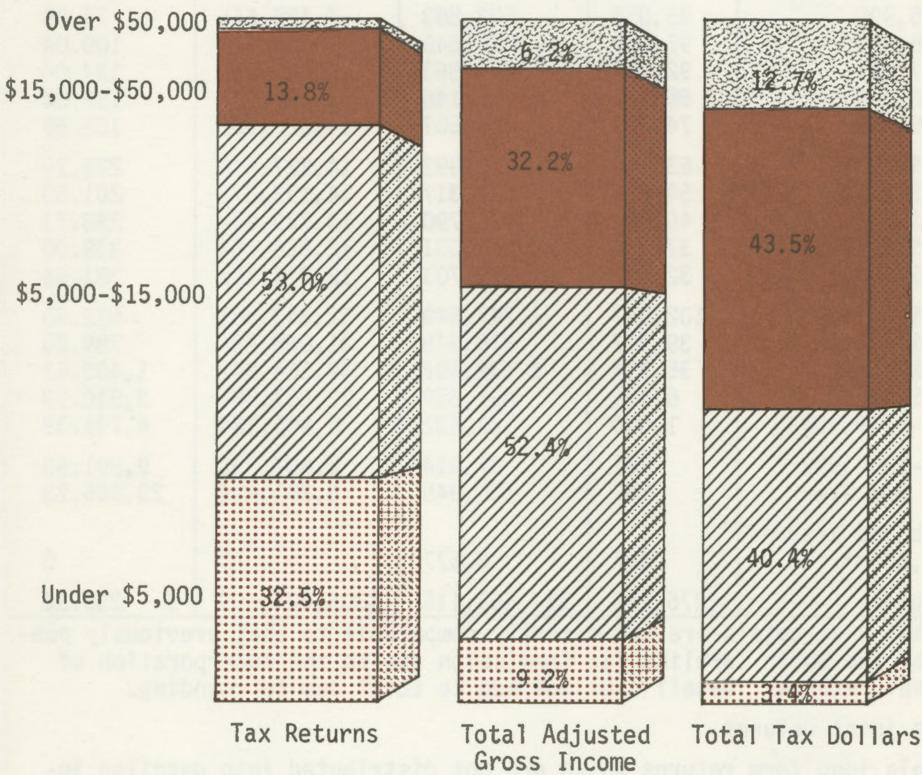
Sources: South Carolina Tax Commission

United States Department of Commerce, Bureau of Economic Analysis

South Carolina Budget and Control Board, Division of Research and Statistical Services

The Individual Income Tax is keyed to personal income growth. As the South Carolina economy continued to expand and diversify its manufacturing base toward more durable goods industries, the State benefited from a higher rate of personal income growth than for the nation as a whole. An examination of the preceding table reveals that South Carolina personal income experienced an average annual growth rate of 10.9% from 1973 to 1977. United States personal income increased an average 9.8% for the similar period. South Carolina adjusted gross income rose 10.1% and Individual Income Tax collections were up an average 16.2% for the period. The consistent rise in the relative proportion of this tax to personal income is an expected byproduct of the graduated nature of the income tax. This ratio has been more consistent than that of personal income/adjusted gross income. The anticipated economic slowdown taken together with an outlook of lower wage increases and higher unemployment indicates a decline for this ratio in 1978 and 1979.

DISTRIBUTION OF 1977 RETURNS, ADJUSTED GROSS INCOME AND TAX DOLLARS FOR SELECTED INCOME CLASSES IN SOUTH CAROLINA



The figure symbolizes the percentage distribution of total income and related tax dollars for selected adjusted gross income as updated on 1977 Individual Income Tax returns.

NUMBER OF RETURNS, ADJUSTED GROSS INCOME AND INCOME TAXES
BY INCOME CLASS IN SOUTH CAROLINA
1977

Income Class	Number of Returns*	Adjusted Gross Income (Thousands)	Gross Calculated Tax (Dollars)	Average Gross Calculated Tax Per Return (Dollars)
No Gross Income	8,295	$ 0	$ 0	$ 0
Under $1,000	58,747	34,697	51,382	0.87
$1,000-$1,999	88,602	132,845	784,236	8.85
$2,000-$2,999	88,329	221,350	1,868,735	21.16
$3,000-$3,999	84,979	296,598	2,984,183	35.12
$4,000-$4,999	85,775	386,804	4,605,887	53.70
$5,000-$5,999	95,056	522,803	7,125,655	74.96
$6,000-$6,999	95,359	619,840	9,539,596	100.04
$7,000-$7,999	92,952	696,863	11,810,030	127.06
$8,000-$8,999	85,166	723,146	13,339,937	157.34
$9,000-$9,999	74,361	705,509	14,028,022	188.65
$10,000-$10,999	63,014	660,992	14,227,676	225.79
$11,000-$11,999	54,276	623,317	14,193,276	261.50
$12,000-$12,999	45,960	573,790	13,729,652	298.73
$13,000-$13,999	37,830	510,031	12,824,184	339.00
$14,000-$14,999	32,422	469,703	12,374,103	381.66
$15,000-$19,999	102,047	1,747,649	52,343,261	512.93
$20,000-$24,999	39,367	870,948	31,068,284	789.20
$25,000-$49,999	35,314	1,138,402	49,564,242	1,403.53
$50,000-$99,000	6,496	431,659	22,807,386	3,510.99
$100,000-$149,999	1,030	122,632	6,995,134	6,791.39
$150,000-$199,999	281	47,914	2,807,732	9,991.93
$200,000 and Over	267	108,945	6,291,916	23,565.23
Undistributed Returns Over $15,000**	267	6,677	0	0
Column Totals	1,276,192	$11,653,115	$305,424,509	$ 239.32

Note: The above totals are not directly comparable to that previously published by the South Carolina Tax Commission due to the incorporation of additional returns. Detail does not add to total due to rounding.

*Includes joint returns.

**Nontaxable long form returns which are not distributed into detailed income classes.

Source: South Carolina Budget and Control Board, Division of Research and Statistical Services from data supplied by the South Carolina Tax Commission

PERCENT DISTRIBUTION

NUMBER OF RETURNS, ADJUSTED GROSS INCOME AND INCOME TAXES
BY INCOME CLASS IN SOUTH CAROLINA

1977

Income Class	Number of Returns* % Distribution	Adjusted Gross Income % Distribution	Gross Calculated Tax % Distribution
No Gross Income	0.6	0	0
Under $1,000	4.6	0.3	≠
$1,000-$1,999	6.9	1.1	0.3
$2,000-$2,999	6.9	1.9	0.6
$3,000-$3,999	6.7	2.5	1.0
$4,000-$4,999	6.7	3.3	1.5
$5,000-$5,999	7.4	4.5	2.3
$6,000-$6,999	7.5	5.3	3.1
$7,000-$7,999	7.3	6.0	3.9
$8,000-$8,999	6.7	6.2	4.4
$9,000-$9,000	5.8	6.1	4.6
$10,000-$10,999	4.9	5.7	4.7
$11,000-$11,999	4.3	5.3	4.6
$12,000-$12,999	3.6	4.9	4.5
$13,000-$13,999	3.0	4.4	4.2
$14,000-$14,999	2.5	4.0	4.1
$15,000-$19,999	8.0	15.0	17.1
$20,000-$24,999	3.1	7.5	10.2
$25,000-$49,999	2.8	9.8	16.2
$50,000-$99,000	0.5	3.7	7.5
$100,000-$149,000	0.1	1.1	2.3
$150,000-$199,999	≠	0.4	0.9
$200,000 and Over	≠	0.9	2.1
Undistributed Returns Over $15,000**	≠	0.1	0
Totals	100.0	100.0	100.0

Note: Detail may not add to totals due to rounding.
*Includes joint returns.

**Nontaxable long form returns which are not distributed into detailed income classes.

≠Less than .05 percent

Source: South Cardolina Budget and Control Board, Division of Research and Statistical Services from data supplied by the South Carolina Tax Commission

Corporation Income Tax

The corporate sector has been the most volatile segment of the South Carolina economy during the recovery years. The textile component retrenched significantly during fiscal 1975-1976 as the recession depressed demands for nondurable goods. Foreign competition restricted textile growth as profit margins were squeezed in the price struggle to remain competitive with cheaper imported goods. Collections for the Corporation Income Tax declined for the first time since fiscal 1967-1968. Total collections of $77.8 million were $1.8 million below the previous year.

As a result of the sustained economic recovery, fiscal 1976-1977 tax collections rebounded, exceeding the $100.0 million estimate by $4.1 million. This represented a net gain of $26.3 million or 33.8% over fiscal 1975-1976. Corporate Tax revenue continued this expansion in fiscal 1977-1978 with receipts of $119.5 million denoting a 14.7% increase. A record $1,235.2 million for capital investment was set during calendar year 1977 in the State and the 1978 investment total of $857.2 million reflects the third best year on record.

Corporate collections are estimated to reach $135.0 million in fiscal 1978-1979 and $138.0 million in fiscal 1979-1980, gains of 13.0% and 2.2%, respectively. The prospect of limiting textile imports from China in the future and the general devaluation of the dollar with respect to foreign exports will stabilize the outlook for the textile manufacturing sector for the remainder of 1979 and into 1980. Recent quarterly profit figures released by U. S. industry for late 1978 and early 1979 may require an upward change in the fiscal 1980 revenue estimate for this tax at a later date.

South Carolina industry is in a period of gradual transition. Although the textile goods sector continues to be the primary manufacturing component, more and more durable goods manufacturers are being attracted to the State. The relative share of nondurable goods to total manufacturing employment has declined from 72.4% of the workforce in 1974 to 70.3% in 1978, whereas durable goods employment has increased its share to 29.7% from 27.6% over the same period. New investment from plants related to metalworking, chemicals, rubber and plastics and paper or printing have outstripped expenditures for new textile concerns over the past three years.

Corporate Net Taxable Income has increased an average of 24% in South Carolina from fiscal 1975-1976 to 1977-1978 while corporate profits for the nation as a whole went up 12% over the same period. This can be seen in the following table. Despite the cautious mood of the business community due to the uncertain economic outlook in coming months, South Carolina has reason for optimism. The repercussions of the last recession are not expected to be repeated in South Carolina with the same intensity when a business downturn occurs.

SOUTH CAROLINA CORPORATION INCOME TAXES,
ESTIMATED NET INCOME AND RELATIONSHIP TO
UNITED STATES CORPORATE PROFITS BEFORE TAX
Fiscal Years
1975-1980

Fiscal Year	Corporation Income Taxes[1] (Millions)	Effective Rate (%)	Net Taxable Income[2] (Millions)	U. S. Corporate Profits Before Tax[3] (Billions)	Ratio (%) of S. C. Corporation Net Income to U. S. Corporate Profits
1974-1975	79.6	.060	1,327	118.1	1.12
1975-1976	77.8	.060	1,297	145.6	0.89
1976-1977	104.1	.060	1,735	163.1	1.06
1977-1978	119.5	.060	1,992	183.4	1.09
1978-1979E	135.0	.060	2,250	219.0	1.03
1979-1980E	138.0	.060	2,300	215.8	1.07

[1]Less windfalls.

[2]Estimated by dividing income taxes by effective rate.

[3]Quarterly data averaged by the Division to fiscal year basis. (Excluding inventory valuation adjustments). Projections for 1979 and 1980 were made by the Division of Research and Statistical Services.

E = Estimates.

Sources: South Carolina Budget and Control Board, Division of Research and Statistical Services

Data supplied by South Carolina Tax Commission and United States Department of Commerce, Bureau of Economic Analysis

All Other Revenue

Total receipts of $262.5 million for the All Other classification in fiscal 1977-1978 denoted a 10.7% increase over the previous fiscal year. A 6.7% gain is expected for fiscal 1978-1979 based on a projection of $280.0 million by the Board of Economic Advisors. Collections for All Other Revenue in fiscal 1979-1980 should approximate $297.3 million, a 6.2% rise over the 1978-1979 estimate.

Some revenues within this category are not directly linked to prevailing economic conditions, whereas, others are discretionary and may be affected by short-term shifts in personal consumption. Tax rate structures may also vary from one year to the next as the result of built-in scale changes, or from the addition of new tax legislation by the State General Assembly. Yearly revenue movements within the category may fluctuate accordingly. A substantial portion of this revenue is earmarked in whole or part for distribution to counties and/or municipalities.

Recent cutbacks in gasoline allocations for the State should reduce the net gain estimated from the petroleum inspection tax portion of Agriculture Department receipts in fiscal 1978-1979. A gasohol program has begun and further alternatives to conserve gasoline consumption are being considered, both of which may reduce future gains for the inspection tax. A measure to place a surtax on gasoline sales has been proposed by the Department of Highways and Public Transportation to maintain adequate funds for State road maintenance and repair.

The growth rate for consumer-related revenues within this classification is expected to decline in fiscal 1979-1980 due to general inflation, increased utility rates, higher gasoline prices and other policy impacts from State and federal attempts to stabilize the economy.

ALL OTHER GENERAL FUND REVENUES

(In Thousands)

Revenue Item	Actual FY 1977	Actual FY 1978	Estimate FY 1979
Admissions Tax	$ 3,445	$ 3,654	$ 3,700
Aircraft Tax	158	209	300
Alcoholic Liquors Tax**	34,305	36,061	40,000
Bank Tax	2,063	2,377	2,600
Beer & Wine Tax**	42,119	45,126	47,500
Bldg. & Loan Associations	398	1,088	1,300
Business License Tax	23,575	27,863	28,740
Coin-Operated Device Tax	1,306	1,641	2,050
Contractors License Tax	419	432	500
Corporation License Tax	10,205	11,126	12,100
Dept. of Agriculture	5,733	6,462	6,445
Dept.-Supported Appropriations	4,883	5,443	5,995
Documentary Tax	7,337	8,740	8,800
Earned on Investments	15,329	17,940	21,000
Electric Power Tax	10,692	11,171	12,500
Estate Tax	8,782	8,798	7,300
Fertilizer Inspection Tax*	279	246	320
Gasoline Tax-Counties**	16,288	16,955	17,600
Gift Tax	2,002	518	600
Insurance Tax**	26,571	31,458	33,000
Misc. Departmental Revenues	3,257	5,000	5,200
Motor Transport Fees**	1,627	1,727	1,900
Private Car Lines Tax	474	542	900
Public Service Assessment	1,511	1,644	1,950
Public Service Authority	997	1,201	1,300
Retailer's License Tax	645	665	700
Soft Drinks Tax	9,929	11,656	12,800
Workmen's Compensation Tax	2,702	2,755	2,900
Total Revenue***	$237,034	$262,497	$280,000

*Includes revenues earmarked for public education.
**Designated in whole or part for counties and/or municipalities.
***Detail may not add to totals due to rounding.

Note: For additional information concerning collections for these taxes, consult "Basis and Rates of Taxes", South Carolina Tax Commission, Research Division, July 1, 1978.

Source: South Carolina Budget and Control Board, Division of Research and Statistical Services

GENERAL FUND REVENUES ADJUSTED TO 1975-1976 BUDGET STRUCTURE
Fiscal Years
1971-1980
(Millions)

Category	Actual 70-71	Actual 71-72	Actual 72-73	Actual 73-74	Actual 74-75	Actual 75-76	Actual 76-77	Actual 77-78	Est. 78-79	Proj. 79-80
REGULAR SOURCES										
Retail Sales Tax	$213.7	$245.5	$286.2	$314.7	$337.7	$372.6	$ 415.3	$ 471.6	$ 526.0	$ 574.0
Income Tax	150.4	178.2	243.9	267.0	290.5	322.4	394.5	470.7	550.0	611.0
Individual	108.4	127.7	183.2	192.7	210.9	244.5	290.4	351.2	415.0	473.0
Corporation	42.0	50.5	60.7	74.3	79.6	77.8	104.1	119.5	135.0	138.0
All Other	140.5	157.8	175.5	201.5	216.4	219.8	237.0	262.5	280.0	297.3
TOTAL REGULAR SOURCES	$504.5	$581.5	$705.6	$783.2	$844.6	$914.7	$1046.8	$1204.7	$1356.0	$1482.3
MISCELLANEOUS SOURCES										
Debt Service Transfers*	0.0	0.0	0.0	0.0	0.0	18.5	22.9	20.9	24.3	23.9
Fines - Circuit & Family Courts	NA	NA	NA	NA	NA	NA	NA	0.8	0.7	0.8
Indirect Cost Recoveries	NA	NA	NA	NA	NA	NA	NA	4.6	5.8	5.3
Unclaimed Property Fund	NA	NA	NA	NA	NA	NA	NA	0.5	0.0	0.0
Waste Treatment Loan Repayments	NA	NA	NA	NA	NA	0.9	0.9	0.7	0.4	0.4
Nonrecurring Revenues	NA	NA	NA	NA	NA	0.0	1.2	9.8	0.0	0.0
TOTAL MISCELLANEOUS SOURCES	$0.0	$0.0	$ 0.0	$ 0.0	$ 0.0	$19.4	$25.0	$37.3	$31.2	$30.3
Revenue Sharing	$ NA	$ NA	$31.5	$39.3	$30.9	$31.4	$34.6	$35.3	$31.5	$31.5
GRAND TOTAL GENERAL FUND REVENUES	$504.5	$581.5	$737.1	$822.5	$875.5	$965.5	$1106.4	$1277.3	$1418.7	$1544.1

*Debt service transfers are Highway Department and Institution Bonds, not included in printed budgets prior to 1975-1976. Note: Detail may not add to totals due to rounding.
Source: South Carolina Budget and Control Board, Division of Research and Statistical Services

OUTLOOK FOR FISCAL YEAR 1980

The prospectus for the 1979-1980 revenue year is dependent upon attempts at the national level to control inflation by tightening monetary policy, restricting federal spending and limiting wage-price increases for industry without unduly lowering the rate of economic growth to the point of a serious recessionary downturn.

South Carolina's economy should move with that of the nation as long as the demand for textile products holds its own, which is expected. The agricultural sector remains strong, tourism continues to expand, the industrial development effort is reasonably healthy and the nontextile manufacturing sector is viable. Accordingly, the State's economy should not repeat the 1973-1975 experience of decline below national averages.

Given this setting, the Board of Economic Advisor's forecast shown in the accompanying table, predicts an 8.8% increase in overall revenue and a 9.3% increase for Regular Source collections.

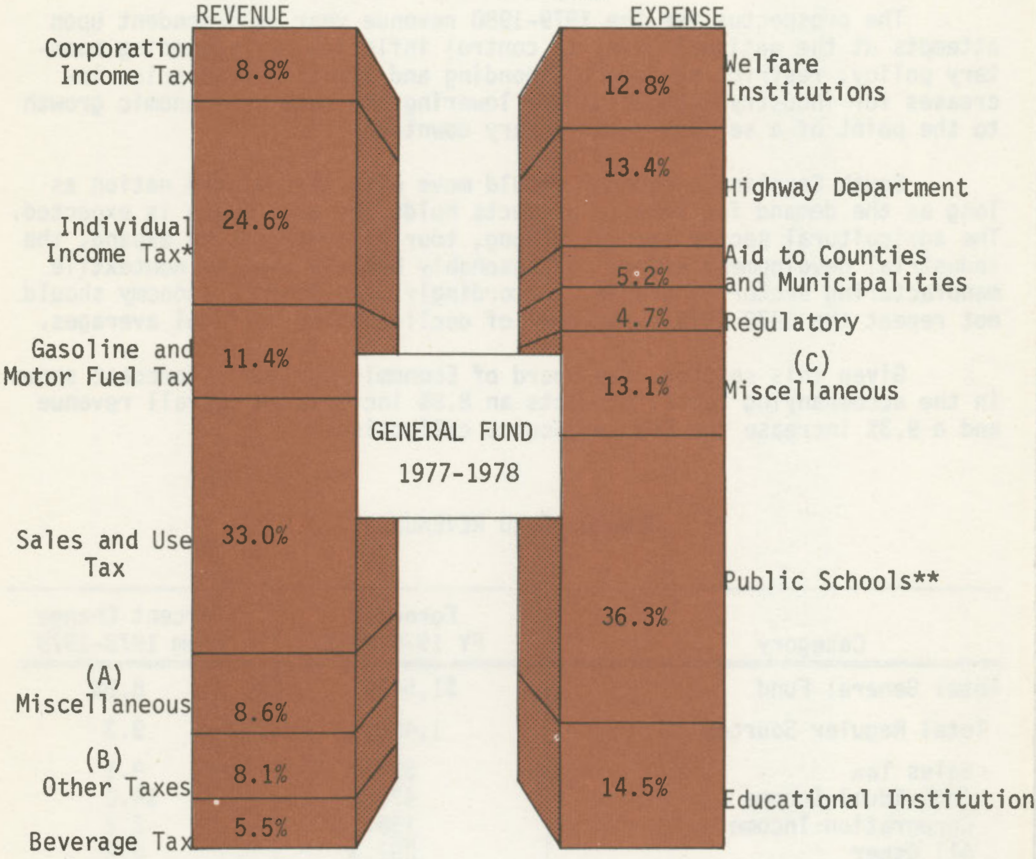
GENERAL FUND REVENUES

Category	Forecast FY 1979-1980	Percent Change From 1978-1979
Total General Fund	$1,544.1	8.8%
Total Regular Sources	1,482.3	9.3
Sales Tax	574.0	9.1
Individual Income	473.0	14.0
Corporation Income	138.0	2.2
All Other	297.3	6.2
Total Miscellaneous Sources	30.3	- 2.7
Total Revenue Sharing	31.5	-

Note: Percentage changes are based upon unrounded figures.

Source: Board of Economic Advisors, General Fund Revenue estimates, February, 1979

SOUTH CAROLINA GENERAL FUND TAX DOLLAR
Fiscal Year 1977-1978



Note: See following page for breakdown of Revenues (Miscellaneous (A) and Other Taxes (B)) and Expenses (Miscellaneous (C))

*Individual income tax collections include declaration and withholding less refunds.

**The percentage shown for the operation of the public schools in the State does not include retirement, health insurance, social security retirement, debt service and other administrative costs applicable to these agencies.

REVENUE

Miscellaneous (A)

Soft Drinks Tax, .8%
Electric Power Tax, .8%
Corporation License Tax, .8%
ABC Commission, .148%
Department of Agriculture, .452%
Earned on Investments, 1.256%
Departmental Revenue, 2.059%
Public Service Assessment, .115%
Public Service Authority, .084%
Contractor's License Tax, .030%
Fertilizer Inspection, .017%
Workmen's Compensation, .193%
Debt Service, 1.460%
Waste Treatment Loan Repayment, .049%
Fines - Circuit & Family Courts, .055%
Public Service - Contribution, .056%
Title XX Funds, .201%

Other Taxes (B)

Admissions Tax, .256%
Aircraft Tax, .014%
Ammunition, .005%
Bedding Fund, .001%
Coin Operated Devices, .115%
Documentary, .612%
Estate, .616%
Fireworks License Tax, .001%
Gift Tax, .036%
Private Car Lines Tax, .038%
Public Recreation, .000%
Retailers License, .047%
Registration Fees - Highway Department, .022%
Registration Fees - Public Service Commission, .061%
Insurance Tax, 2.00%
Highway Department Fees, 2.30%
Business License Tax, 2.00%

EXPENSES

Miscellaneous (C)

Correctional, 2.9%
Debt Service, 4.8%
Executive and Administration, 1.3%
Judicial, .6%
Legislative, .4%
Miscellaneous, .8%
Public Health, 2.3%

Budget Expenditures - All Sources of Funds

The preceding section summarized the various aspects of the General Fund of the State. Federal and other funds also account for a significant portion of the operating revenue of the various State agencies. The following table is provided as a summary of the estimated total cost of State government for the fiscal year 1978-1979 from all fund sources and the projected total budgets for fiscal year 1979-1980. For further information concerning these programs, consult the budget documents for fiscal year 1979-1980.

Category	1978-1979 Estimated	1979-1980 Requested	1979-1980 Recommended	Increase
STATE FUNDS:				
General Fund	$1,397,852,958	$1,474,080,747	$1,534,488,985	$136,636,027
Highway Fund	192,710,860	204,850,921	209,383,439	16,672,579
TOTAL STATE FUNDS	$1,590,563,818	$1,678,931,668	$1,743,872,424	$153,308,606
FEDERAL FUNDS:				
General Operations	676,080,850	748,375,674	782,885,526	106,804,676
Highway	75,387,000	87,022,000	87,022,000	11,635,000
TOTAL FEDERAL FUNDS	$ 751,467,850	$ 835,397,674	$ 869,907,526	$118,439,676
OTHER FUNDS:				
General Operation	270,096,130	291,919,491	291,923,212	21,827,082
Highway	3,600,000	4,851,000	4,851,000	1,251,000
TOTAL OTHER FUNDS	$ 273,696,130	$ 296,770,491	$ 296,774,212	$ 23,078,082
TOTAL ALL FUNDS	$2,615,727,798	$2,811,099,833	$2,910,554,162	$294,826,364

Note: Deliberation is still in progress in the General Assembly on the various aspects of the fiscal 1979-1980 budget. These figures represent fund requests and recommendations as submitted to the General Assembly in January, 1979 by the Budget and Control Board.

Source: South Carolina State Detail Budget, Vol. I, 1979-1980, January, 19

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STATISTICAL APPENDIX

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TABLE	TRANSPORTATION	PAGE

ENERGY

TABLE	PUBLIC SECTOR	PAGE

TABLE A-1

SOUTH CAROLINA POPULATION - TOTAL RESIDENT, CIVILIAN AND MILITARY
1960, 1970, 1971-1978p

(In Thousands)

Year	Total Resident	Civilian	Military
April 1, 1960	2,383	2,325	58
April 1, 1970	2,591	2,513	78
July 1, 1971	2,640	2,562	78
July 1, 1972	2,688	2,615	73
July 1, 1973	2,724	2,659	65
July 1, 1974	2,775	2,704	71
July 1, 1975	2,816	2,745	71
July 1, 1976	2,844	2,778	66
July 1, 1977	2,878	2,808	70
July 1, 1978p	2,918	2,848	70

p = Provisional

Source: 1960 and 1970 -- United States Bureau of the Census, Decennial Censuses of Population; 1971-1977 -- United States Bureau of the Census and South Carolina Division of Research and Statistical Services, Federal State Cooperative Program for Population Estimates.

TABLE A-2

SOUTH CAROLINA RESIDENT POPULATION AND COMPONENTS OF CHANGE BY YEAR
1970-1978p

(In Thousands)

Year	Resident Population	From July 1 of Preceding Year				
		Percent Change	Births	Deaths	Natural Increase	Net Migration
July 1, 1970	2,591	.8%	52.3	22.8	29.5	8.5
July 1, 1971	2,640	1.9	53.0	23.1	29.8	19.6
July 1, 1972	2,688	1.8	50.0	23.9	26.0	22.0
July 1, 1973	2,724	1.3	48.9	25.0	23.9	12.1
July 1, 1974	2,775	1.9	48.4	24.2	24.3	26.7
July 1, 1975	2,816	1.5	46.7	23.3	23.3	17.7
July 1, 1976	2,844	1.0	47.7	23.6	24.0	4.0
July 1, 1977	2,878	1.2	49.8	24.3	25.6	8.5
July 1, 1978p	2,918	1.4	49.5	24.1	25.4	14.6

p = Provisional

Source: Division of Research and Statistical Services from data supplied by the United States Bureau of the Census and the South Carolina Department of Health and Environmental Control

TABLE A-3

ESTIMATES OF THE POPULATION OF STANDARD METROPOLITAN STATISTICAL AREAS IN SOUTH CAROLINA

April, 1970, July 1, 1972 - 1977

Area	April 1, 1970 Census	July 1, 1972	July 1, 1973	July 1, 1974	July 1, 1975	July 1, 1976	July 1, 1977p
Aiken County[1]	91,023	91,500	93,500	93,900	95,000	96,300	97,100
Charleston-North Charleston*	336,036	347,800	352,000	363,500	371,100	381,200	385,400
Charleston	247,561	252,300	252,400	261,300	260,000	263,000	261,900
Berkeley	56,199	58,800	60,000	61,100	66,100	71,400	74,800
Dorchester	32,276	36,700	39,600	41,100	45,000	46,700	48,700
Columbia*	322,880	342,000	348,300	362,400	365,600	367,300	374,300
Richland	233,868	241,900	240,800	250,200	248,000	245,200	247,400
Lexington	89,012	100,100	107,500	112,200	117,600	122,100	126,900
Greenville-Spartanburg*	473,454	501,500	508,900	519,700	523,900	521,900	526,400
Greenville	240,774	254,000	256,700	263,000	264,000	262,700	265,100
Spartanburg	173,724	183,900	186,600	189,100	196,000	190,300	192,000
Pickens	58,956	63,600	65,600	67,600	68,300	68,900	69,300

[1]Aiken County, South Carolina, part of Augusta, Georgia, SMSA.

p = Provisional

*SMSA totals rounded independently of county members.

Sources: United States Department of Commerce, Bureau of the Census, Current Population Reports, Series P-26, No. 76-40

South Carolina Budget and Control Board, Division of Research and Statistical Services

TABLE A-4

PROVISIONAL ESTIMATES OF THE POPULATION

UNITED STATES AND TWELVE SOUTHEASTERN STATES

April 1, 1970 and July 1, 1978

(In Thousands)

Area	Resident Population			
			Change 1970-1978	
	July 1, 1978p	April 1, 1970	Number	Percent
United States	218,059	203,302	14,757	7.3%
South Carolina	2,918	2,591	327	12.6
Alabama	3,742	3,444	298	8.6
Arkansas	2,186	1,923	263	13.6
Florida	8,594	6,791	1,803	26.5
Georgia	5,084	4,588	496	10.8
Kentucky	3,498	3,221	278	8.6
Louisiana	3,966	3,645	322	8.8
Mississippi	2,404	2,217	187	8.4
North Carolina	5,577	5,084	493	9.7
Tennessee	4,357	3,926	431	11.0
Virginia	5,148	4,651	497	10.7
West Virginia	1,860	1,744	115	6.7

p = Provisional

Source: United States Department of Commerce, Bureau of the Census

TABLE A-5

CIVILIAN LABOR FORCE[1], TOTAL EMPLOYMENT AND TOTAL UNEMPLOYMENT

IN SOUTH CAROLINA

Calendar Years

1970-1978

(In Thousands)

Year	Labor Force	Total Employment[2]	Total Unemployment	Percent of Labor Force
1970	1,004.0	956.0	48.0	4.8
1971	1,020.0	965.0	55.0	5.4
1972	1,049.0	1,003.0	46.0	4.4
1973	1,097.0	1,052.0	45.0	4.1
1974	1,145.0	1,077.0	68.0	5.9
1975	1,178.0	1,075.0	103.0	8.7
1976	1,252.0	1,165.0	87.0	6.9
1977	1,280.0	1,188.0	92.0	7.2
1978	1,298.0	1,224.0	74.0	5.7

[1] 1978 Current Population Survey (CPS) Benchmark. Represents employment and unemployment by place of residence.

[2] Includes workers involved in labor management disputes.

Source: South Carolina Employment Security Commission

TABLE A-6

WAGE AND SALARY WORKERS IN NONAGRICULTURAL ESTABLISHMENTS BY MAJOR INDUSTRY DIVISION IN SOUTH CAROLINA

Calendar Years

1968-1978

(In Thousands)

Industry	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Total	782.9	819.8	842.0	862.6	920.3	984.0	1015.5	982.7	1038.1	1081.6	1133.8
Mining	1.7	1.8	1.8	1.7	1.8	1.8	1.8	2.1	1.8	1.8	1.9
Construction	50.1	49.1	51.9	54.0	61.8	71.2	76.0	61.8	61.5	65.8	68.6
Manufacturing	327.3	341.5	340.3	337.2	354.3	374.9	375.9	339.9	371.0	380.1	390.2
Transportation & Public Utilities	33.1	35.6	37.5	38.4	40.4	42.4	42.5	40.5	42.7	45.1	49.0
Wholesale & Retail Trade	131.2	137.4	140.1	147.3	160.1	172.1	177.6	175.6	187.6	199.5	212.0
Finance, Insurance & Real Estate	26.7	28.2	29.6	31.1	33.6	36.5	38.8	39.1	39.7	41.5	43.7
Services	78.7	85.4	91.0	96.2	102.6	114.4	120.7	123.9	130.5	134.1	145.0
Government	134.0	140.8	149.9	156.7	165.6	170.7	182.2	199.8	203.3	213.7	223.6

Source: South Carolina Employment Security Commission. Industries are classified according to the _Standard Industrial Classification Manual_, 1972.

TABLE A-7

WAGE AND SALARY WORKERS IN MANUFACTURING -- DURABLE GOODS INDUSTRIES IN SOUTH CAROLINA

Calendar Years

1968-1978

(In Thousands)

Industry	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Total Durable Goods	79.4	86.4	84.1	81.4	88.3	99.5	103.7	91.2	99.7	108.5	115.9
Lumber & Wood Products	16.1	16.4	15.7	15.6	16.2	16.3	15.5	13.3	14.6	15.0	15.9
Furniture & Fixtures	4.1	4.5	4.4	4.4	4.9	5.2	4.7	3.8	4.5	4.5	4.9
Stone, Clay & Glass Products	11.2	12.1	10.9	10.3	11.0	12.1	12.3	10.7	10.8	11.4	11.6
Fabricated Metal Products	6.7	7.6	7.6	7.7	8.7	10.2	10.8	10.0	11.7	13.1	14.0
Machinery, Except Electrical	14.2	15.7	15.7	16.4	19.2	22.3	24.4	22.9	24.8	27.5	30.0
Electronic & Electronic Equipment	12.0	12.6	12.1	11.3	13.0	16.8	18.1	15.0	15.9	18.2	18.9
Instruments & Related Products	3.4	3.7	4.1	3.8	4.1	4.5	5.1	4.4	5.1	5.5	6.0
Primary Metal Industries	-	-	-	3.1	3.3	4.2	4.5	3.8	4.4	4.8	5.9
Other Durable[1]	-	-	-	8.9	7.9	7.8	8.3	7.3	8.0	8.3	8.5

[1]Includes transportation equipment and miscellaneous manufacturing.

Source: South Carolina Employment Security Commission. Industries are classified according to the Standard Industrial Classification Manual, 1972.

TABLE A-8

WAGE AND SALARY WORKERS IN MANUFACTURING -- NONDURABLE GOODS INDUSTRIES IN SOUTH CAROLINA

Calendar Years

1968-1978

(In Thousands)

Industry	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Total Nondurable Goods	247.9	255.1	256.2	255.8	266.0	275.4	272.2	248.7	271.3	271.6	274.3
Food & Kindred Products	14.1	14.4	14.6	14.3	14.3	14.0	13.6	12.9	13.7	14.0	14.5
Textile Mill Products	149.2	151.1	148.7	147.6	154.0	158.0	155.5	137.3	149.5	146.3	143.5
Apparel & Other Textile Products	41.6	43.1	44.3	44.5	45.5	47.0	44.3	41.8	46.2	45.7	48.2
Paper & Allied Products	11.0	11.7	12.0	12.3	12.3	12.8	13.4	12.8	13.5	13.8	13.8
Printing & Publishing	4.3	4.6	4.9	5.2	5.4	6.2	6.4	6.2	6.4	6.6	6.9
Chemicals & Allied Products	22.5	24.2	25.1	25.8	28.1	30.5	30.9	28.8	30.7	31.5	32.3
Other Nondurable[1]	5.2	5.9	6.5	6.0	6.3	7.1	8.1	8.9	11.3	13.5	15.1

[1] Includes tobacco manufacturers; petroleum and coal products; rubber and plastic products; and leather and leather products.

Source: South Carolina Employment Security Commission. Industries are classified according to the Standard Industrial Classification Manual, 1972.

TABLE A-9

AVERAGE WEEKLY EARNINGS, AVERAGE WEEKLY HOURS AND AVERAGE HOURLY EARNINGS
IN DURABLE GOODS INDUSTRIES IN SOUTH CAROLINA

Calendar Years

1975-1978

Industry	Average Weekly Earnings				Average Weekly Hours				Average Hourly Earnings			
	1975	1976	1977	1978	1975	1976	1977	1978	1975	1976	1977	1978
Total Durable Goods	$148.27	$163.94	$179.28	$192.64	40.4	41.4	41.5	40.9	$3.67	$3.96	$4.32	$4.71
Lumber & Wood Products	129.37	145.52	159.71	175.82	41.2	42.8	43.4	43.2	3.14	3.40	3.68	4.07
Furniture & Fixtures	117.41	134.81	137.59	157.60	39.4	41.1	39.2	40.0	2.98	3.28	3.51	3.94
Stone, Clay & Glass Products	172.14	188.68	204.48	225.13	42.4	42.4	42.6	42.8	4.06	4.45	4.80	5.26
Fabricated Metal Products	153.26	166.74	178.88	183.60	41.2	42.0	41.6	40.0	3.72	3.97	4.30	4.59
Machinery, Except Electrical	159.99	179.66	196.88	211.42	40.3	41.3	41.8	41.7	3.97	4.35	4.71	5.07
Electric & Electronic Equipment	132.60	146.77	163.60	169.22	39.0	40.1	40.0	38.9	3.40	3.66	4.09	4.35
Instruments & Related Products	129.88	139.43	157.60	165.71	38.2	38.2	39.9	38.9	3.40	3.65	3.95	4.26

Source: South Carolina Employment Security Commission

TABLE A-10

AVERAGE WEEKLY EARNINGS, AVERAGE WEEKLY HOURS AND AVERAGE HOURLY EARNINGS

IN NONDURABLE GOODS INDUSTRIES IN SOUTH CAROLINA

Calendar Years

1975-1978

Industry	Average Weekly Earnings				Average Weekly Hours				Average Hourly Earnings			
	1975	1976	1977	1978	1975	1976	1977	1978	1975	1976	1977	1978
Total Nondurable Goods	$138.84	$155.60	$171.68	$188.85	39.0	40.0	40.3	40.7	$3.56	$3.89	$4.26	$4.64
Food & Kindred Products	125.45	139.20	149.67	162.24	39.7	40.0	39.7	39.0	3.16	3.48	3.77	4.16
Textile Mill Products	134.80	152.68	167.69	185.09	39.3	40.5	40.8	41.5	3.43	3.77	4.11	4.46
Apparel & Other Textile Products	99.01	108.70	115.07	129.50	36.4	37.1	37.0	37.0	2.72	2.93	3.11	3.50
Paper & Allied Products	214.13	242.17	262.12	294.69	41.1	43.4	42.9	43.4	5.21	5.58	6.11	6.79
Printing & Publishing	160.27	172.93	185.11	197.46	37.8	38.6	37.7	37.9	4.24	4.48	4.91	5.21
Chemicals & Allied Products	194.00	215.59	237.46	259.34	40.0	40.6	40.8	41.1	4.85	5.31	5.82	6.31

Source: South Carolina Employment Security Commission

TABLE A-11

TOTAL PERSONAL INCOME* IN THE UNITED STATES, SOUTHEAST AND SOUTH CAROLINA

Calendar Years

1969-1978

(In Millions of Dollars)

Calendar Year	United States	Southeast	South Carolina	% Change Over the Year in South Carolina	S. C. Personal Income As A Percent Of Personal Income in the U. S.	Personal Income in Southeast
1969	$ 738,233	$129,513	$ 7,062	10.0%	.96%	5.45%
1970	793,485	141,055	7,668	8.6	.97	5.44
1971	851,952	154,489	8,382	9.3	.98	5.43
1972	935,463	174,173	9,452	12.8	1.01	5.43
1973	1,045,098	198,034	10,741	13.6	1.03	5.42
1974	1,147,257	220,700	12,224	13.8	1.07	5.54
1975	1,248,631	239,761	13,135	7.5	1.05	5.48
1976	1,373,153	266,640	14,766	12.4	1.08	5.54
1977	1,519,893	295,548	16,216	9.8	1.07	5.49
1978	1,702,860	333,296	18,213	12.3	1.07	5.46

*Revised

Source: United States Department of Commerce, Bureau of Economic Analysis

TABLE A-12

PER CAPITA PERSONAL INCOME* IN THE UNITED STATES, SOUTHEAST AND SOUTH CAROLINA

Calendar Years

1969-1978

(In Dollars)

Calendar Year	United States	Southeast	South Carolina	% Change Over the Preceding Year in South Carolina	South Carolina Per Capita Income As A Percent Of: Per Capita Income in the U. S.	Per Capita Income in the Southeast
1969	$3,667	$2,981	$2,748	9.5%	75%	92%
1970	3,893	3,208	2,952	7.4	76	92
1971	4,132	3,458	3,169	7.4	77	92
1972	4,493	3,829	3,519	11.0	78	92
1973	4,980	4,278	3.945	12.1	79	92
1974	5,428	4,689	4,405	11.7	81	94
1975	5,862	5,029	4,664	5.9	80	93
1976	6,397	5,531	5,192	11.3	81	94
1977	7,024	6,060	5,634	8.5	80	93
1978	7,809	6,756	6,242	10.8	80	92

*Revised

Source: United States Department of Commerce, Bureau of Economic Analysis

TABLE A-13

SOUTH CAROLINA
PERSONAL INCOME* AND PER CAPITA PERSONAL INCOME IN CONSTANT DOLLARS
Calendar Years
1969-1978

Year	Real Personal Income (In Millions)	Real Per Capita Personal Income
1969	$ 7,980	$3,105
1970	8,290	3,191
1971	8,677	3,281
1972	9,452	3,519
1973	10,181	3,739
1974	10,457	3,768
1975	10,392	3,690
1976	11,094	3,901
1977	11,525	4,004
1978	12,118	4,153

*Revised

Note: The income data were deflated by the Implicit Price Deflator for Personal Consumption Expenditures. 1972 = 1.0.

Source: United States Department of Commerce, Bureau of Economic Analysis

RATES OF CHANGE
(In Percent)
1969-1978

Year	Real Personal Income	Real Per Capita Personal Income
1969	5.1%	4.7%
1970	3.9	2.8
1971	4.7	2.8
1972	8.9	7.3
1973	7.7	6.3
1974	2.7	.8
1975	- .6	-2.1
1976	6.8	5.7
1977	3.9	2.6
1978	5.1	3.7

TABLE A-14
SOUTH CAROLINA PERSONAL INCOME* BY MAJOR SOURCES
Calendar Years
1969-1978
(In Millions of Dollars)

Source	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Wage & Salary Disbursements	5,088	5,488	5,922	6,651	7,524	8,409	8,645	9,840	10,835	12,100
Farm	50	54	53	54	63	76	89	74	77	84
Mining	10	11	12	13	15	18	18	18	20	23
Contract Construction	290	321	358	416	521	622	548	581	642	731
Manufacturing	1,944	2,016	2,120	2,381	2,696	2,931	2,895	3,484	3,865	4,331
Wholesale & Retail Trade	650	711	775	868	995	1,121	1,190	1,348	1,502	1,713
Finance, Insurance & Real Estate	165	187	212	234	279	323	337	362	400	461
Transportation, Communication & Public Utilities	248	278	307	352	401	438	446	514	589	693
Services	517	569	611	665	751	847	889	1,010	1,135	1,299
Government	1,198	1,325	1,457	1,650	1,779	1,995	2,207	2,419	2,573	2,724
Ag. Services, Forestry, Fishing & Other	16	16	17	20	24	27	29	32	36	42
Other Labor Income	257	292	334	394	467	534	615	749	884	1,045
Proprietors Income	607	599	653	754	830	877	819	877	935	1,157
Total Labor & Proprietors Income by Place of Work	5,952	6,379	6,909	7,799	8,821	9,820	10,079	11,466	12,654	14,302
LESS: Contributions for Social Insurance by Place of Work	260	290	329	375	466	514	536	617	677	776
PLUS: Residence Adjustment	84	93	107	129	140	143	167	187	203	226
Net Labor & Proprietors Income by Place of Residence	5,775	6,182	6,687	7,553	8,495	9,449	9,710	11,036	12,180	13,752
PLUS: Dividends, Interest & Rent	688	734	820	909	1,068	1,296	1,440	1,625	1,793	2,008
PLUS: Transfer Payments	602	753	876	989	1,178	1,479	1,986	2,106	2,244	2,453
Personal Income by Place of Residence	7,062	7,668	8,382	9,452	10,741	12,224	13,135	14,766	16,216	18,213

*Revised. Detail may not add to totals due to rounding.
Source: United States Department of Commerce, Bureau of Economic Analysis

TABLE A-15

CONSUMER PRICES INDICES, MAJOR COMPONENTS

UNITED STATES AND ATLANTA

Calendar Years

1977-1978

(1967 = 100.0)

Selected Items	United States 1977	United States 1978	United States Percent Change	Atlanta, Georgia 1977	Atlanta, Georgia 1978	Atlanta, Georgia Percent Change
All Items	181.5	195.3	7.6%	179.6	192.6	7.2%
Food & Beverages	188.0	206.2	9.7	196.4	215.5	9.7
Housing	186.5	202.8	8.7	184.5	199.6	8.2
Shelter	191.1	210.4	10.1	187.9	204.2	8.7
Rent	153.5	164.0	6.8	135.3	140.0	3.5
Homeownership	204.9	227.2	10.9	203.4	223.3	9.8
Fuel & Utilities	202.2	216.0	6.8	197.9	212.0	7.1
Gas & Electricity	213.4	232.6	9.0	209.3	235.3	12.4
Household Furnishings & Operation	167.5	177.7	6.1	172.6	186.2	7.9
Apparel & Upkeep	154.2	159.5	3.4	153.9	162.6	5.7
Men's & Boy's	154.0	157.3	2.1	163.8	177.4	8.3
Women's & Girl's	146.4	149.3	2.0	147.0	151.5	3.1
Footwear	156.9	163.8	4.4	135.9	137.7	1.3
Transportation	177.2	185.8	4.9	162.6	169.2	4.1
Private	176.6	185.0	4.8	167.5	174.5	4.2
Public	182.4	187.8	3.0	98.1	100.3	2.2
Medical Care	202.4	219.4	8.4	214.0	224.8	5.0
Entertainment	167.7	176.2	5.1	165.1	172.4	4.4
Other Goods & Services	172.2	183.2	6.4	166.6	178.8	7.3
Personal Care	170.9	182.0	6.5	175.0	187.3	7.0

Source: United States Department of Labor, Bureau of Labor Statistics

TABLE A-16

UNITED STATES PRODUCERS PRICE INDEX BY GROUP OF COMMODITIES

Calendar Years

1977-1978

(1967 = 100.0 Unless Otherwise Specified)

Item	1977	1978	Percent Change
All Commodities	194.2	209.3	7.8%
Farm Products and Processed Food & Feeds	188.8	206.7	9.5
Farm Products	192.5	212.7	10.5
Processed Foods & Feeds	186.1	202.6	8.9
Industrial Commodities	198.1	209.4	5.7
Textile Products & Apparel	154.0	159.7	3.7
Hides, Skins & Leather	179.5	200.1	11.5
Fuels & Related Products & Power	302.2	322.5	6.7
Chemicals & Allied Products	192.7	198.8	3.2
Rubber & Plastic Products	167.5	174.7	4.3
Lumber & Wood Products	236.2	275.9	16.8
Pulp, Paper & Allied Products	186.4	195.5	4.9
Metals & Metal Products	209.0	227.1	8.7
Machinery & Equipment	181.7	196.0	7.9
Furniture & Household Durables	151.4	160.1	5.7
Nonmetallic Mineral Products	200.4	222.8	11.2
Transportation Equipment*	161.3	173.4	7.5
Miscellaneous Products	164.4	184.7	12.3

*December, 1968 = 100.0

Source: United States Department of Labor, Bureau of Labor Statistics

TABLE A-17

VALUE OF CAPITAL INVESTMENT, ANNUAL PRODUCT, PRODUCTION WORKERS AND WAGES OF REPORTING ESTABLISHMENTS IN MINING, MANUFACTURING AND PUBLIC UTILITIES IN SOUTH CAROLINA*

Fiscal Years

1969-1978

Fiscal Year	Number of Firms	Value of Capital Investment (Millions)	Value of Annual Product (Millions)	Total Production Workers	Total Wages of Production Workers (Millions)
1968-1969	2,567	$3,207.3	$ 7,170.9	279,361	$1,320.2
1969-1970	2,650	3,455.7	7,555.7	283,429	1,379.8
1970-1971	2,715	3,944.9	7,967.8	275,803	1,434.2
1971-1972	2,652	4,120.9	9,722.3	290,829	1,572.9
1972-1973	2,556	4,129.5	11,269.6	308,374	1,768.6
1973-1974	2,506	4,833.3	13,063.8	312,950	1,945.5
1974-1975	2,569	5,085.8	13,301.9	280,526	1,869.9
1975-1976	2,670	6,060.7	15,356.6	291,985	2,139.3
1976-1977	2,850	6,746.5	17,289.8	303,327	2,482.0
1977-1978	2,902	7,626.6	19,418.4	311,394	2,775.5

*Excludes logging camps, saw mills and planing mills

Source: South Carolina Department of Labor, Annual Report

TABLE A-18

VALUE OF FOREIGN INVESTMENTS AS A PERCENTAGE OF TOTAL INDUSTRIAL INVESTMENTS IN SOUTH CAROLINA

Calendar Years

1968-1978

(Thousands of Dollars)

Year	Foreign Investments	Total Industrial Investments	Foreign Investments Percent of Total
1968	$184,500	$ 635,617	29.0%
1969	48,400	706,289	6.9
1970	72,300	319,456	22.6
1971	4,635	473,391	1.0
1972	61,900	502,563	12.3
1973	340,660	1,229,690	27.7
1974	313,053	666,055	46.9
1975	58,800	511,445	11.5
1976	186,005	487,685	38.1
1977	408,162	1,235,171	33.0
1978	208,205	857,233	24.3

Source: South Carolina State Development Board, Planning and Research Division

TABLE A-19

TOTAL INDUSTRIAL GROWTH FROM NEW AND EXPANDED PLANTS
BY INDUSTRY IN SOUTH CAROLINA

Calendar Years

1968-1978

(Millions of Dollars)

Year	Food	Textiles	Ap-parel	Wood and Furn.	Paper and Print.	Chem. and Allied	Metal-Work.	Misc.*	Totals
1968	2.5	109.5	13.5	8.2	23.9	327.5	136.3	14.2	635.6
1969	2.7	83.9	15.6	31.8	21.3	355.3	179.5	15.9	706.3
1970	8.0	74.8	2.7	14.6	12.3	93.1	110.7	3.4	319.5
1971	5.7	148.7	6.9	9.3	2.4	187.9	100.7	11.8	473.4
1972	3.2	47.9	6.1	24.6	67.3	195.8	81.2	76.5	502.6
1973	12.3	80.7	8.0	16.8	23.8	738.4	108.9	240.9	1,229.7
1974	10.3	44.4	2.2	11.6	22.2	474.2	83.4	17.8	666.1
1975	44.5	24.2	2.3	4.4	5.8	239.0	122.7	68.4	511.4
1976	10.8	46.1	4.3	1.5	49.6	133.9	123.9	117.7	487.7
1977	19.7	159.1	14.7	18.0	43.9	243.4	579.6	156.8	1,235.2
1978	70.7	151.6	11.2	9.9	25.0	240.2	197.7	151.0	857.2

*Includes rubber and plastics, stone, clay, glass and concrete, and miscellaneous industries.

Source: South Carolina State Development Board, Planning and Research Division

TABLE A-20

SOUTH CAROLINA NEW AND EXPANDED PLANTS

Calendar Years

1968-1978

	NEW			EXPANDED			TOTAL		
Year	No. Pl.	No. Jobs	Investment ($000's)	No. Pl.	No. Jobs	Investment ($000's)	No. Pl.	No. Jobs	Investment ($000's)
1968	80	10,371	$359,140	121	9,400	$276,477	201	19,771	$ 635,617
1969	87	12,384	392,280	136	7,834	314,009	223	20,218	706,289
1970	53	5,917	121,835	82	4,613	197,621	135	10,530	319,456
1971	32	3,773	149,534	112	8,499	323,857	144	12,272	473,391
1972	77	7,306	180,763	85	6,143	321,800	162	13,449	502,563
1973	68	10,429	705,485	97	5,233	524,205	165	15,662	1,229,690
1974	62	6,568	273,220	101	6,086	392,835	163	12,654	666,055
1975	53	4,537	246,314	80	1,483	265,131	133	6,020	511,445
1976	50	5,221	209,840	101	4,311	277,845	151	9,532	487,685
1977	54	7,127	596,373	594	10,475	638,798	648	17,602	1,235,171
1978	75	6,977	208,833	395	7,196	648,400	470	14,173	857,233

Source: South Carolina State Development Board, Planning and Research Division

TABLE A-21

HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES IN SOUTH CAROLINA

Calendar Years

1968-1978

Year	Total	Public	Private			
			Total	One Unit	2-4 Units	5 Or More Units
1968	16,183	670	15,513	12,463	685	2,365
1969	16,808	1,244	15,564	11,818	920	2,826
1970	21,935	550	21,385	15,878	1,309	4,198
1971	26,822	1,029	25,793	16,592	1,231	7,970
1972	34,107	726	33,381	21,394	1,639	10,348
1973	25,878	805	25,073	16,659	1,026	7,388
1974	15,882	450	15,432	12,533	632	2,267
1975	15,358	512	14,846	12,166	598	2,082
1976	16,212	348	15,864	13,786	553	1,525
1977	22,139	0	22,139	18,532	622	2,985
1978	22,046	0	22,046	16,824	1,346	3,876

Source: United States Department of Commerce, Bureau of the Census

TABLE A-22

VALUE OF CONSTRUCTION PERMITS IN SOUTH CAROLINA

Calendar Years

1968-1978

(Thousands of Dollars)

Year	Residential	Nonresidential	Total
1968	$345,863	$280,590	$ 626,453
1969	342,764	279,815	622,579
1970	379,126	259,018	638,144
1971	527,387	315,633	843,020
1972	801,728	336,018	1,137,746
1973	814,435	386,618	1,201,053
1974	615,088	471,940	1,087,028
1975	542,687	296,693	839,380
1976	677,732	518,772	1,196,504
1977	799,608	474,793	1,274,401
1978	964,861	504,780	1,469,641

Source: F. W. Dodge Corporation

TABLE A-23

COMPOSITE FIGURES FOR NATIONAL BANKS IN SOUTH CAROLINA
Fiscal Years
June 30, 1973 - June 30, 1978
(In Thousands of Dollars)

Category	1972-1973	1973-1974	1974-1975	1975-1976	1976-1977	1977-1978
ASSETS						
Cash & Due From Banks	344,376	477,471	433,282	357,693	383,280	477,098
Securities	428,333	545,766	550,198	658,143	669,458	705,520
Federal Funds Sold	94,516	179,510	187,217	132,975	145,755	164,507
Loans*	1,300,225	1,700,048	1,293,338	1,337,218	1,541,394	1,779,028
Direct Lease Financing	-	-	-	4,216	5,475	13,983
Bank Premises, Furniture & Fixtures	48,120	65,685	63,211	71,894	74,845	79,047
Real Estate Owned, Excl. Bank Prem.	270	1,921	1,917	7,065	6,625	5,403
Investments in Unconsolidated Subsidiaries & Associated Companies	-	425	-	-	-	-
Customers Liability on Accept. Out.	4,246	8,331	6,376	1,215	3,239	867
Other Assets	19,348	28,487	24,629	30,845	34,680	44,721
TOTAL ASSETS	2,239,434	3,007,644	2,560,168	2,601,264	2,864,751	3,270,174
LIABILITIES & CAPITAL						
Business & Personal Deposits	1,647,023	2,139,878	1,895,811	1,996,556	2,153,809	2,442,688
Government Deposits	190,826	254,199	185,598	177,712	191,801	244,391
Domestic Interbank Deposits	22,878	38,459	38,268	30,722	54,528	41,398
Foreign Government & Bank Deposits	1,248	843	822	1,075	-	826
Miscellaneous Liabilities	194,915	331,437	216,655	177,861	230,605	287,032
Reserves on Loans & Securities*	20,852	29,103	22,037	-	-	-
Subordinated Notes & Debentures*	-	-	-	7,600	7,600	7,600
Capital*	161,692	213,725	200,977	209,738	226,408	246,239
TOTAL LIABILITIES & EQUITY CAPITAL	2,239,434	3,007,644	2,560,168	2,601,264	2,864,751	3,270,174

*1973-1975, loans refer to gross loans which includes reserves on loans and securities; 1976-1978, loans refer to net loans which exclude reserves on loans and securities; 1973-1975, capital includes subordinated notes and debentures; 1976-1978, reserves on loans and securities is not reported.

Note: Detail may not add to totals due to rounding.

Source: Federal Deposits Insurance Corporation, Assets and Liabilities - Commercial and Mutual Savings Banks

TABLE A-24

COMPARATIVE STATEMENT OF CONDITION OF STATE BANKS IN SOUTH CAROLINA

Fiscal Years

1973-1978

(Thousands of Dollars)

Category	1972-1973	1973-1974	1974-1975	1975-1976	1976-1977	1977-1978
ASSETS						
Cash & Due From Banks	$ 179,256	$ 138,387	$ 231,368	$ 193,386	$ 230,635	$ 252,217
Securities	477,183	447,023	657,556	789,759	778,075	788,710
Federal Funds Sold	78,185	86,475	72,820	46,990	92,040	116,285
Loans & Discounts	956,160	804,509	1,079,868	1,121,330	1,266,293	1,425,395
Bank Premises, Furn. & Fix.	33,182	30,586	52,047	55,571	58,619	68,476
Other Real Estate	1,041	2,247	2,458	4,653	8,578	6,675
Investments in Subsidiaries not Consolidated	-	-	605	905	905	905
Customers Liability on Acceptances Outstanding	2,056	2,425	117	75	147	237
Other Assets	19,369	18,571	28,160	34,652	37,402	39,140
TOTAL	$1,746,431	$1,530,224	$2,124,998	$2,247,321	$2,472,694	$2,698,040
LIABILITIES						
Deposits	$1,486,186	$1,314,329	$1,820,760	$1,971,735	$2,157,823	$2,352,035
Federal Funds Purchased	33,496	15,883	34,698	47,667	64,308	72,136
Liabilities for Borrowed Money	14,656	2,727	5,761	2,708	846	361
Mortgage Indebtedness	787	135	374	325	200	1,022
Acceptances Outstanding	2,056	2,425	117	75	147	237
Other Liabilities	44,821	41,310	56,981	19,416	21,282	26,101
Reserves on Loans & Securities	14,207	13,910	19,284	-	-	-
Capital Notes & Debentures	12,114	8,665	10,943	13,868	25,746	25,298
Preferred & Common Stock	52,959	46,458	63,112	64,124	66,634	67,647
Surplus	50,630	53,424	68,829	73,904	78,067	90,054
Undivided Profits	32,268	28,324	41,928	48,030	53,183	57,666
Reserve for Contingencies	2,252	2,635	2,209	5,469	4,458	5,483
TOTAL	$1,746,431	$1,530,224	$2,124,998	$2,247,321	$2,472,694	$2,698,040

Note: Detail may not add to totals due to rounding.

Source: South Carolina Board of Bank Control, Examining Division Annual Reports

TABLE A-25

COMPARATIVE STATEMENT OF CONDITION OF SOUTH CAROLINA STATE SAVINGS AND LOAN ASSOCIATIONS

Fiscal Years

1971-1978

(In Thousands of Dollars)

Category	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78
ASSETS								
Mortgage Loan	425,358	517,065	632,518	687,734	752,629	840,861	1,003,819	1,167,388
Other Loans	8,611	16,672	31,445	33,454	32,691	34,941	44,978	55,577
Real Estate Sold on Contract	377	160	281	90	104	107	85	74
Real Estate Owned	177	140	79	341	356	4,178	3,167	1,884
Investments	37,763	44,786	53,825	54,505	78,689	83,645	86,323	99,708
Cash	22,556	18,552	11,993	9,844	12,092	7,613	12,409	13,370
Office Buildings	5,612	6,080	9,451	10,312	11,659	11,530	12,689	16,793
Furniture & Fixtures	1,068	1,044	1,111	1,566	2,034	2,158	2,365	3,276
Other Assets	4,826	5,354	5,812	7,740	8,423	9,831	10,337	11,523
TOTAL	506,347	609,854	746,515	805,585	898,676	994,864	1,176,172	1,369,592
LIABILITIES								
Shares	453,159	539,436	635,692	694,222	789,424	873,438	1,031,035	1,183,401
Borrowed Money	3,588	3,940	30,107	34,709	25,800	29,556	34,335	68,675
Loans in Process	12,711	22,856	28,128	18,600	20,118	25,708	34,794	34,016
Reserves, Undivided Profits and Net Current Income	34,854	39,156	44,471	49,924	53,833	57,399	63,694	72,999
Other Liabilities	2,036	4,466	8,117	8,131	9,501	8,764	12,313	10,501
TOTAL	506,347	609,854	746,515	805,585	898,676	994,864	1,176,172	1,369,592

Note: Detail may not add to totals due to rounding.

Source: South Carolina Board of Bank Control, Examining Division, Annual Reports

TABLE A-26

COMPARATIVE STATEMENT OF CONDITION FOR FEDERAL SAVINGS AND LOANS ASSOCIATIONS IN SOUTH CAROLINA
Fiscal Years
1971-1978
(In Thousands of Dollars)

Category	1970-1971	1971-1972	1972-1973	1973-1974	1974-1975	1975-1976	1976-1977	1977-1978
ASSETS								
Mortgage Loans Outstanding	1,154,792	1,406,004	1,700,230	1,862,738	2,054,641	2,336,628	2,836,976	3,328,253
Real Estate Acquired	686	753	746	1,891	4,741	11,410	12,237	18,621
Mortgages, Insured or Guaranteed by an Agency or Instrumentality of the U. S.	-	-	-	-	-	-	32,089	26,141
Improvement, Education, Retail Mobile Home, Equipping & Other Loans	23,252	47,016	-	-	-	-	48,377	36,538
Cash & Investment Securities	161,227	167,428	152,767	149,038	215,700	255,012	283,829	280,576
Other Assets	49,748	67,040	132,717	145,746	150,620	207,746	95,055	141,239
TOTAL	1,389,705	1,688,241	1,986,460	2,159,413	2,425,703	2,810,796	3,308,564	3,831,369
LIABILITIES & NET WORTH								
Savings in Accounts Earnings	1,194,633	1,432,696	1,659,422	1,821,221	2,090,245	2,440,359	2,870,461	3,299,482
FHLB Advances*	31,848	33,207	81,468	120,663	109,585	125,390	95,700	156,400
Other Borrowed Money	-	-	3,567	1,572	1,497	7,913	6,050	7,898
Loans in Process	39,389	64,935	87,071	51,776	48,303	65,910	91,333	108,656
Other Liabilities	31,102	53,626	33,707	25,618	25,706	18,393	55,810	40,182
Total Net Worth	92,733	103,777	121,225	138,564	150,369	152,831	189,210	218,751
TOTAL	1,389,705	1,688,241	1,986,460	2,159,413	2,425,703	2,810,796	3,308,564	3,831,369

*Other borrowed money is included for years 1970-1972.

Note: Detail may not add to totals due to rounding.

Source: South Carolina Board of Bank Control, Examining Division, Annual Reports

TABLE A-27

NUMBER OF LICENSEES, RESOURCES & ANALYSIS OF LOANS BY CONSUMER FINANCE INSTITUTIONS IN SOUTH CAROLINA

Calendar Years

1968-1977

Year	Number of Licensees	Total Resources (Thousands)	Loans Receivable (Thousands)	Number of Loans Made	Amount of Loans Made (Thousands)	Average Amount of Loans Made	Average Balance End of Year
1968	703	$225,823	$179,501	597,637	$233,472	$390.66	$446.14
1969	696	246,056	200,093	572,621	249,486	435.69	493.84
1970	688	270,192	215,207	558,882	256,284	458.57	532.40
1971	681	302,224	236,723	572,478	284,439	496.86	514.62
1972	690	355,607	268,721	586,397	321,878	548.91	617.35
1973	716	411,786	303,400	579,214	347,970	600.76	708.13
1974	698	440,713	311,014	567,987	344,209	606.01	721.37
1975	638	417,899	306,564	539,787	331,260	613.69	754.41
1976	635	458,859	348,219	573,479	392,668	684.71	850.48
1977*	294	64,958	49,632	358,398	101,960	284.49	282.09

*These figures apply to Restricted Licensees only. Legislative action, effective September 29, 1976, creating the Supervised Licensee requires another format for reporting.

Source: State Board of Bank Control, Consumer Finance Division Annual Reports

TABLE A-28

MARKET INTEREST RATES

Calendar Years

1971-1978

(In Percent)

	1971	1972	1973	1974	1975	1976	1977	1978
3-Month Treasury Bills (Market Yield)	4.33%	4.07%	7.03%	7.84%	5.80%	4.98%	5.27%	7.19%
Federal Funds Rate	4.66	4.43	8.73	10.51	5.82	5.05	5.54	7.93
Prime Commercial Paper (4-6 Months)	5.11	4.73	8.15	9.87	6.33	5.35	5.60	7.99
Average Prime Rate	5.70	5.25	8.02	10.80	7.86	6.84	6.82	9.06
AAA Corporate Bonds	7.39	7.22	7.44	8.57	8.83	8.43	8.02	8.96
Domestic Municipal Bonds	5.46	5.25	5.22	6.26	7.10	6.56	5.68	6.03
Mortgages	7.74	7.60	7.95	8.92	9.01	8.99	9.01	9.68

Source: Board of Governors of the Federal Reserve System, Federal Reserve Bulletin, March, 1979

TABLE A-29

INSURER LICENSING AND TAXATION DIVISION ACTIVITY GROWTH

1967-1978

Item	FY 1966-1967	FY 1977-1978	% Increase
Number of Companies Licensed and Supervised	712	968	36%
Annual Licenses for Agents, Brokers, Adjusters, Appraisers and Agencies	34,421	55,628	62
Insurance Premiums Paid by South Carolinians	$490,064,999	$1,581,477,533	223
Investments in South Carolina by Insurance Companies for Tax Purposes	$696,460,435	$1,903,259,064	173
Filings Processed (Rates, Manuals & Forms)	9,966	25,901	160

Source: South Carolina Department of Insurance, Seventy-First Annual Report

TABLE A-30

LIFE INSURANCE BUSINESS IN SOUTH CAROLINA

Calendar Years

1968-1977

Year	Amount Insurance In Force	Premiums Received
1968	$11,971,506,263	$203,168,204
1969	13,141,762,973	216,586,020
1970	14,485,231,503	237,808,977
1971	16,169,725,825	244,917,443
1972	18,169,664,914	286,782,800
1973	19,557,555,701	313,400,948
1974	22,948,905,490	331,751,079
1975	23,926,283,308	348,400,816
1976	26,818,149,641	378,529,603
1977	30,095,899,976	444,224,379

Source: South Carolina Department of Insurance, Seventy-First Annual Report

TABLE A-31

ACCIDENT AND HEALTH INSURANCE BUSINESS IN SOUTH CAROLINA

Calendar Years

1968-1977

Year	Premium & Contract Fees Received
1968	$137,193,189
1969	156,275,768
1970	175,790,177
1971	200,663,235
1972	234,897,152
1973	270,298,754
1974	306,630,187
1975	343,066,193
1976	384,342,158
1977	467,117,373

Source: South Carolina Department of Insurance, Seventy-First Annual Report

TABLE A-32

INSURANCE PROPERTY, CASUALTY & ALLIED LINES OF BUSINESS IN SOUTH CAROLINA

Calendar Years

1968-1977

Year	Premiums Written
1968	$226,121,486
1969	252,843,296
1970	290,878,246
1971	338,354,787
1972	395,927,948
1973	431,849,147
1974	438,944,861
1975	464,578,140
1976	581,282,451
1977	670,135,781

Source: South Carolina Department of Insurance, Seventy-First Annual Report

TABLE A-33

NUMBER OF FARMS, LAND IN FARMS, AND AVERAGE FARM SIZE

UNITED STATES AND SOUTH CAROLINA

Calendar Years

1968-1979

Year	Number of Farms		Land in Farms (000 Acres)		Average Farm Size (Acres)	
	United States	South Carolina	United States	South Carolina	United States	South Carolina
1968*	3,071,000	55,000	1,115,231	8,600	363	156
1969*	3,000,000	53,000	1,107,811	8,400	369	158
1970*	2,949,000	52,000	1,102,371	8,300	374	160
1971*	2,902,000	51,000	1,096,863	8,200	378	161
1972*	2,860,000	48,000	1,092,065	8,000	382	167
1973*	2,823,000	46,000	1,087,923	7,800	385	170
1974*	2,795,000	45,000	1,084,433	7,700	388	171
1975**	2,491,000	36,000	1,062,723	6,800	427	189
1976**	2,454,000	36,000	1,059,148	6,800	432	189
1977**	2,409,000	36,000	1,054,798	6,700	438	186
1978**	2,370,000	36,000	1,052,018	6,600	444	183
1979***	2,330,000	35,000	1,048,768	6,500	450	186

*Places of 10 or more acres that had annual sales of agricultural products of $50 or more and places of less than 10 acres that had annual sales of $250 or more.

**Places which had annual sales of agricultural products of $1,000 or more.

***Preliminary

Source: United States Department of Agriculture, South Carolina Crop and Livestock Reporting Service

TABLE A-34

CASH RECEIPTS FROM FARM MARKETINGS IN SOUTH CAROLINA

Calendar Years

1968-1977

Year	Total Cash Receipts From Farm Marketings (In Thousands)*	Cash Receipts From Livestock and Livestock Produce	Cash Receipts From Crops*
1968	$377,113	$144,860	$232,253
1969	412,077	171,310	240,767
1970	448,488	171,882	276,606
1971	462,141	175,765	286,376
1972	539,375	214,302	325,073
1973	706,430	297,102	409,328
1974	861,110	257,417	603,693
1975	795,092	257,005	538,087
1976	833,880	277,785	556,095
1977	762,426	277,238	485,188

*Sales of on-farm forest products included through 1974. Sales of all forest products excluded after 1974.

Source: United States Department of Agriculture, Economic Research Service, Farm Income Situation

TABLE A-35

REALIZED GROSS INCOME AND NET INCOME FROM FARMING IN SOUTH CAROLINA

Calendar Years

1968-1977

(In Millions)

Year	Realized Gross Income	Farm Production Expenses*	Realized Net Income**	Net Change in Farm Inventories	Total Net Farm Income**
1968	491.3	365.6	125.7	- 6.2	119.5
1969	530.5	388.2	142.3	+ 4.9	147.2
1970	554.8	404.5	150.4	- 6.3	144.0
1971	562.3	429.0	133.3	+25.1	158.4
1972	653.6	460.4	193.2	- 5.7	187.5
1973	815.5	554.2	261.2	+10.8	272.1
1974	948.1	666.6	281.7	+28.1	309.8
1975	904.0	720.9	183.1	+11.4	194.5
1976	947.9	753.9	194.0	-30.8	163.2
1977	889.9	791.2	98.7	+ 3.3	102.0

*1965-1972 are revised estimates only for total production expenses and not for components.

**Of farm operators.

Note: Details may not add to totals due to rounding.

Source: United States Department of Agriculture, Economic Reporting Service, State Farm Income Statistics, September, 1978

TABLE A-36

SELECTED TRANSPORTATION INDICATORS IN SOUTH CAROLINA

Calendar Years

1968-1978

Year	New Car Sales (In Thousands)	Automobile Registrations (In Millions)	Vehicle Miles Traveled (In Millions)	Demand For Motor Gasoline (Gallons)
1968	100.3	.983	14,191	1,045,000
1969	101.9	1.026	15,512	1,117,000
1970	90.0	1.070	16,559	1,190,000
1971	108.3	1.117	17,764	1,277,000
1972	122.2	1.156	19,472	1,387,000
1973	129.9	1.233	20,428	1,454,000
1974	97.8	1.285	20,012	1,420,000
1975	88.8	1.324	20,603	1,471,000
1976	118.7	1.408	21,961	1,565,000
1977	132.8	1.468	22,689	1,617,000
1978	132.5	1.509	24,254	1,686,000

Source: New Car Sales: South Carolina Automobile Dealers Association

Automobile Registrations: South Carolina Department of Highways and Public Transportation

Vehicle Miles Traveled and Demand For Motor Gasoline: Federal Highway Administration, Highway Statistics

TABLE A-37

CONSTRUCTION AWARDS IN SOUTH CAROLINA

Fiscal Years

1972-1978

(Thousands of Dollars)

	1972	1973	1974	1975	1976	1977	1978
FEDERAL AID PROGRAMS							
Interstate	$ 25,607	$ 28,200	$ 29,446	$ 49,311	$24,205	$28,043	$ 38,329
Primary/Urban	24,852	18,579	22,038	18,834	22,384	34,227	33,591
Secondary	15,506	12,321	12,712	25,762	7,631	11,351	13,235
Defense Access	25	-	313	-	193	38	-
Forest Highways	42	216	80	633	-	-	16
Appalachian Access Road Program	218	4,008	703	2,207	2,972	479	303
Highway Planning Research	1,133	966	465	2,398	515	1,836	1,777
STATE PROGRAMS							
"C" Secondary	11,078	13,125	18,381	22,146	17,486	21,064	24,660
Primary/Urban	29,893	59,772	40,282	10,527	3,005	- 618	11,554
Special	1,372	1,102	299	173	1,657	132	4
TOTALS	$109,726	$138,290	$124,722	$131,991	$80,048	$96,552	$123,469

Source: Annual Report of the South Carolina Department of Highways and Public Transportation to the General Assembly

TABLE A-38

SOUTH CAROLINA STATE PORTS AUTHORITY
ACTIVITY IN OCEAN COMMERCE

Calendar Years

1968-1978

(In Tons)

Year	Imports	Exports	Total
1968	1,256,242	1,044,442	2,300,684
1969	1,271,556	794,477	2,066,033
1970	1,186,882	1,098,230	2,285,112
1971	1,384,401	932,569	2,316,970
1972	1,552,527	1,089,468	2,641,995
1973	1,429,642	1,334,346	2,763,988
1974	1,429,622	1,741,604	3,171,226
1975	1,188,480	1,803,067	2,991,547
1976	1,383,398	2,190,187	3,573,585
1977	1,469,293	2,006,811	3,476,104
1978	1,800,834	2,247,001	4,047,835

Source: Kaiser Master Plan: October, 1969 (1965-1968)
Kaiser Updated Master Plan: October, 1973 (1969-1972)
State Ports Authority Records (1973-1976)
Monthly Tonnage Reports: January-December, 1978

TABLE A-39

VALUE OF ALL FOREIGN CARGO THROUGH SOUTH CAROLINA PORTS

Calendar Years

1968-1978

(In Millions of Dollars)

Year	Total	Imports	Exports
1968	512.2	344.6	167.6
1969	447.7	307.0	140.7
1970	476.1	309.6	166.5
1971	601.9	396.4	205.5
1972	954.0	618.6	335.4
1973	1,347.3	807.7	539.6
1974	1,585.1	782.9	802.2
1975	1,519.0	713.0	806.0
1976	2,365.2	1,028.1	1,337.1
1977	2,975.2	1,620.3	1,354.9
1978	NA	NA	NA

NA = Not available.

Source: United States Department of Commerce

TABLE A-40

CUSTOMERS SERVED BY NATURAL GAS UTILITIES IN SOUTH CAROLINA

Fiscal Years*

1969-1978

Year	Residential	Commercial and Small Industrials	Large Industrials	Sale for Resale	Total Customers
1969	148,942	16,225	696	13	165,876
1970	160,965	17,236	728	12	178,941
1971	172,463	18,237	736	12	191,448
1972	183,111	18,816	732	12	202,671
1973	191,457	19,147	705	12	211,321
1974	198,854	19,462	718	12	219,046
1975	203,914	19,360	725	12	224,011
1976	204,862	19,444	708	11	224,533
1977	207,540	19,544	759	15	227,858
1978	206,750	19,343	757	13	226,863

*Figures based on fiscal year ending March 31 of following year

Source: South Carolina Public Service Commission

TABLE A-41

NATURAL GAS SERVICE* TO RESIDENTIAL CUSTOMERS IN SOUTH CAROLINA

Fiscal Years **

1969-1978

Year	Residential Customers	Residential Gas Sales, MCF	Average Use per Customer, MCF
1969	148,942	13,493,635	95.9
1970	160,965	13,956,964	90.6
1971	172,463	14,627,898	88.0
1972	183,111	14,185,462	84.5
1973	191,457	14,947,334	81.5
1974	198,854	13,417,727	67.5
1975	203,914	13,611,809	66.8
1976	204,862	16,620,249	81.1
1977	207,540	16,023,302	77.2
1978	206,750	16,483,652	79.7

*Figures include five private utilities only.
**Figures based on fiscal year ending March 31 of following year.

Source: South Carolina Public Service Commission

TABLE A-42

ANNUAL KILOWATT HOUR SALES AND NUMBER OF CUSTOMERS OF PRIVATELY-OWNED ELECTRIC UTILITY COMPANIES OPERATING IN SOUTH CAROLINA

Calendar Years

1969-1978

Year	COMMERCIAL		INDUSTRIAL		RESIDENTIAL		Add. KW-HR Sales* (Millions)	Total KW-HR Sales** (Millions)
	Kilowatt Hours (Millions)	Number of Customers (Thousands)	Kilowatt Hours (Millions)	Number of Customers (Thousands)	Kilowatt Hours (Millions)	Number of Customers (Thousands)		
1969	2,870.1	81.7	9,676.7	2.6	4,602.9	511.8	2,956.0	20,105.6
1970	3,240.5	84.5	10,035.3	2.7	5,167.9	528.2	3,554.1	21,997.8
1971	3,508.3	88.5	10,946.9	2.7	5,515.7	549.2	3,264.9	23,235.8
1972	3,842.8	89.1	12,049.4	2.7	5,765.8	561.9	4,839.3	26,497.2
1973	4,362.3	92.6	12,762.7	2.7	6,498.7	581.1	5,083.6	28,707.3
1974	4,363.9	93.7	12,423.6	2.7	6,523.9	602.7	4,516.7	27,828.1
1975	4,652.6	137.7	11,712.5	2.7	6,836.0	612.8	3,530.1	26,731.3
1976	4,937.8	142.5	13,179.1	2.7	7,198.7	628.8	3,730.5	29,010.0
1977	5,298.2	98.2	13,823.4	2.8	7,858.4	641.5	4,283.7	31,263.7
1978	5,583.7	152.9	14,175.4	2.9	8,138.9	654.0	4,489.9	32,387.9

*Includes municipal use, sales to other electric utilities, REA cooperatives, etc.
**Does not include deficiency power provided SEPA preference customers.

Note: Items may not add to totals due to rounding.

Source: South Carolina Public Service Commission Annual Report

TABLE A-43

RESIDENTIAL ELECTRIC SERVICE

PRIVATELY-OWNED ELECTRIC UTILITIES OPERATING IN SOUTH CAROLINA

Calendar Years

1969-1978

Year	Revenue (Millions)	Number of Customers	Kilowatt Hours (Millions)	Average Rate (Cents per KW-HR.)	KW-HR. per Customer	Average Annual Bill
1969	$ 81.7	511,815	4,602.9	1.775	8,993	$159.63
1970	92.4	528,219	5,167.9	1.787	9,784	174.93
1971	107.4	549,152	5,515.7	1.940	10,044	195.61
1972	119.7	561,928	5,765.8	2.077	10,261	213.10
1973	140.0	581,066	6,498.7	2.150	11,184	240.91
1974	181.5	602,661	6,523.9	2.780	10,825	301.09
1975	223.1	612,753	6,836.0	3.263	11,156	364.06
1976	246.1	628,761	7,198.7	3.419	11,449	391.43
1977	291.8	641,530	7,858.4	3.713	12,249	454.80
1978	320.8	654,044	8,138.9	3.942	12,444	490.56

Source: South Carolina Public Service Commission

TABLE A-44

GROWTH OF TELEPHONE UTILITIES IN SOUTH CAROLINA

Calendar Years

1971-1978

Year	Gross Operating Revenue (Millions of Dollars)	Gross Plant Investment (Millions of Dollars)	Total Number of Telephones (Thousands)
1971	194.6	683.3**	1,139.3
1972	168.4*	807.1***	1,250.6
1973	182.9*	934.4***	1,370.8
1974	213.9*	1,086.6***	1,451.9
1975	340.8	1,053.2****	1,529.2
1976	399.5	1,304.5****	1,600.9
1977	449.4	1,385.3****	1,708.2
1978	492.0	1,595.2****	1,793.8

*Includes only South Carolina portion of Toll Revenue
**Includes plant in service, held for future use.
***Includes plant in service and under construction
****Plants in service

Source: South Carolina Public Service Commission

TABLE A-45

SOUTH CAROLINA GENERAL FUND REVENUE*

Fiscal Years

1969-1980

(In Millions of Dollars)

Year	Amount	Net Change	Percent Change
1968-1969	441.9	48.1	12.21%
1969-1970	472.2	30.3	6.86
1970-1971	510.4	38.2	8.09
1971-1972	584.8	74.4	14.58
1972-1973	679.4	94.6	16.18
1973-1974	786.6	107.2	15.78
1974-1975	848.3	61.7	7.84
1975-1976	918.6	70.3	8.29
1976-1977	1,050.7	132.1	14.38
1977-1978	1,204.7	154.0	14.66
1978-1979E	1,356.0	151.3	12.56
1979-1980E	1,482.3	126.3	9.30

E = Estimate

*Adjusted to current tax structure, excluding windfalls and Federal Revenue Sharing

Source: South Carolina Budget and Control Board, Division of Research and Statistical Services

TABLE A-46

SOUTH CAROLINA GENERAL FUND REVENUES BY MAJOR CATEGORIES*

Fiscal Years

1969-1980

(In Millions of Dollars)

Category	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979E	1980E
General Fund Revenue (Regular Sources)	441.9	472.2	510.4	584.8	679.4	786.6	848.3	918.6	1,046.8	1,204.7	1,356.0	1,482.3
Sales Tax	182.0	192.6	213.7	245.5	280.4**	314.7	337.7	372.6	415.3	471.6	526.0	574.0
Income Taxes	131.4	144.5	150.4	178.2	220.1	267.0	290.5	322.0	394.5	470.7	550.0	611.0
Individual	84.4	95.4	108.4	127.7	159.4***	192.7	210.9	244.5	290.4	351.2	415.0	473.0
Corporation	47.0	49.1	42.0	50.5	60.7	74.3	79.6	77.8	104.1	119.5	135.0	138.0
All Other Revenues	128.5	135.1	146.3	161.0	178.9	204.9	220.1	223.7	237.0	262.5	280.0	297.3

E = Estimates

*General Fund Revenues adjusted to current tax structure, excluding windfalls and Federal Revenue Sharing.

**Excludes windfall of $5.8 million in advance payments under new collection system.

***First quarter adjusted (excluding windfall), second, third and fourth actual collections.

Source: South Carolina Budget and Control Board, Division of Research and Statistical Services

TABLE A-47

ESTIMATED NET TAXABLE SALES,

SOUTH CAROLINA PERSONAL INCOME AND RATIO OF SALES TO PERSONAL INCOME

Fiscal Years

1969-1980

(In Millions of Dollars)

Year	Sales Tax Calculated at 4%	Net Taxable Sales*			Personal Income***	Ratio (%) of Sales to Personal Income
		Amount	Change Over the Year			
			Net	Percent		
1968-1969	183.7	4,593	492	12.0%	6,415	71.6%
1969-1970	192.6	4,815	222	4.8	7,062	68.2
1970-1971	213.7	5,343	528	11.0	7,668	69.7
1971-1972	245.5	6,138	795	14.9	8,382	73.2
1972-1973	280.4**	7,010	872	14.2	9,452	74.2
1973-1974	314.7	7,868	858	12.2	10,741	73.3
1974-1975	337.7	8,443	575	7.3	12,224	69.1
1975-1976	372.6	9,315	872	10.3	13,134	70.9
1976-1977	415.3	10,383	1,068	11.5	14,766	70.3
1977-1978	471.6	11,790	1,407	13.6	16,216	72.7
1978-1979E	526.0	13,150	1,360	11.5	18,213+	72.2
1979-1980E	574.0	14,350	1,200	9.1	20,337+	70.6

*Calculated from sales tax collections.
**Excluding advance payments of $5.8 million.
***Previous full calendar year.

E = Estimates

+ = Office of Chief Economist, SCOPE Model, April, 1978.

Source: United States Department of Commerce, Bureau of Economic Analysis

South Carolina Budget and Control Board, Division of Research and Statistical Services

TABLE A-48

ADJUSTED GROSS INCOME REPORTED ON SOUTH CAROLINA

INDIVIDUAL INCOME TAX RETURNS, RELATIONSHIP TO

SOUTH CAROLINA PERSONAL INCOME AND INDIVIDUAL INCOME TAX

Calendar Years

1969-1979

(In Millions of Dollars)

Year	Adjusted Gross Income*	Personal Income+	Ratio (%) Adjusted Gross to Personal Income	Individual Income Tax±	
				Amount	Percent of Personal Income
1969	5,112	7,062	72.4	95.4	1.35
1970	5,534	7,668	72.2	108.4	1.41
1971	6,068	8,382	72.4	127.7	1.52
1972	6,835	9,452	72.3	159.4**	1.69
1973	7,933	10,741	73.9	192.7	1.79
1974	8,828	12,224	72.2	210.9	1.73
1975	9,148	13,134	69.7	244.5	1.86
1976	10,508	14,766	71.2	290.4	1.97
1977	11,653	16,216	71.9	351.2	2.17
1978E	12,983	18,213	71.3	415.0	2.28
1979E	14,487	20,337	71.2	473.0	2.33

*As reported on South Carolina Individual Income Tax returns. Estimates were obtained by using a linear regression with Personal Income.

**Adjusted to new collection system.

+Bureau of Economic Analysis, United States Department of Commerce.

±For fiscal year lagging calendar year by six months.

E = Estimates

Sources: South Carolina Tax Commission

United States Department of Commerce, Bureau of Economic Analysis

TABLE A-49

SOUTH CAROLINA CORPORATION INCOME TAXES

ESTIMATED NET INCOME AND RELATIONSHIPS

TO UNITED STATES CORPORATE PROFITS BEFORE TAX

Fiscal Years

1969-1980

Year	Income Taxes[1] (Millions)	Effective Rate (%)	Net Taxable Income[2] (Millions)	U. S. Corporate Profits Before Tax[3] (Billions)	Ratio (%) of S. C. Corporation Net Income to U. S. Corporate Profits
1968-1969	$ 39.2	.050	$ 784	$ 86.3	0.91
1969-1970	40.9	.050	818	76.3	1.07
1970-1971	42.0	.055	764	75.1	1.02
1971-1972	50.5	.060	842	87.9	0.96
1972-1973	60.7	.060	1,012	108.8	0.93
1973-1974	74.3	.060	1,238	118.9	1.04
1974-1975	79.6	.060	1,327	118.1	1.12
1975-1976	77.8	.060	1,297	145.6	0.89
1976-1977	104.1	.060	1,735	163.1	1.06
1977-1978	119.5	.060	1,992	183.4	1.09
1978-1979E	135.0	.060	2,250	219.0	1.03
1979-1980E	138.0	.060	2,300	215.8	1.07

[1] Less windfalls.

[2] Estimated by dividing income taxes by effective rate.

[3] Quarterly data averaged by the Division to fiscal year basis (excluding inventory valuation adjustments). Projections for 1979 and 1980 were made by the Division of Research and Statistical Services.

E = Estimates

Sources: South Carolina Budget and Control Board, Division of Research and Statistical Services

Data supplied by South Carolina Tax Commission and Bureau of Economic Analysis