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**economic
report
for
south
carolina
1972**



ECONOMIC REPORT

THE STATE OF SOUTH CAROLINA 1972

STATE BUDGET AND CONTROL BOARD

GOVERNOR JOHN C. WEST
Chairman

GRADY L. PATTERSON, JR., *State Treasurer*

J. HENRY MILLS, *Comptroller General*

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P. C. SMITH, *Secretary*

Transmitted to the South Carolina

GENERAL ASSEMBLY

September, 1972



State of South Carolina

JOHN C. WEST
GOVERNOR

OFFICE OF THE GOVERNOR
COLUMBIA 29211

TO: THE GENERAL ASSEMBLY

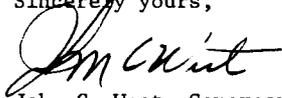
Gentlemen:

I am pleased to transmit to you the second Economic Report for the State of South Carolina.

History will recall the tremendous strides South Carolina has made in recent years. Our State's economic growth has been outstanding with respect to both the Nation and the Southeast. Our educational accomplishments have been substantial; concern for the progress of all our people is at a new high. I believe that the total progress of our State in the past year has been the greatest in our history. I want to thank each of you individually and collectively for your help and cooperation in making it so.

Much of that progress is documented in the Report. I commend it to your most careful attention. It is my sincere hope and belief that, by continuing to work together, we can establish an even better future for the State than is indicated by all the current social and economic indicators.

Sincerely yours,


John C. West, Governor

JCW:ac



STATE OF SOUTH CAROLINA
DIVISION OF RESEARCH AND STATISTICAL SERVICES
BUDGET AND CONTROL BOARD
P. O. BOX 11038
COLUMBIA, 29211

THOMAS P. EVANS
DIRECTOR

TELEPHONE
(803) 758-2921

The Honorable John C. West
Governor of South Carolina
Chairman, State Budget and Control Board

Dear Governor West:

It is my pleasure to transmit to you the second Economic Report for the State of South Carolina.

We have had the assistance and cooperation of many State agencies, Federal agencies and other organizations in preparing this report. We are deeply grateful to all who have participated in this effort.

Most of the narrative has been prepared by staff members of this Division. While every effort has been made to treat all subject matter objectively and factually, it must be realized that any opinions expressed may not necessarily represent the views of the Budget and Control Board.

Sincerely,

Thomas P. Evans
Director

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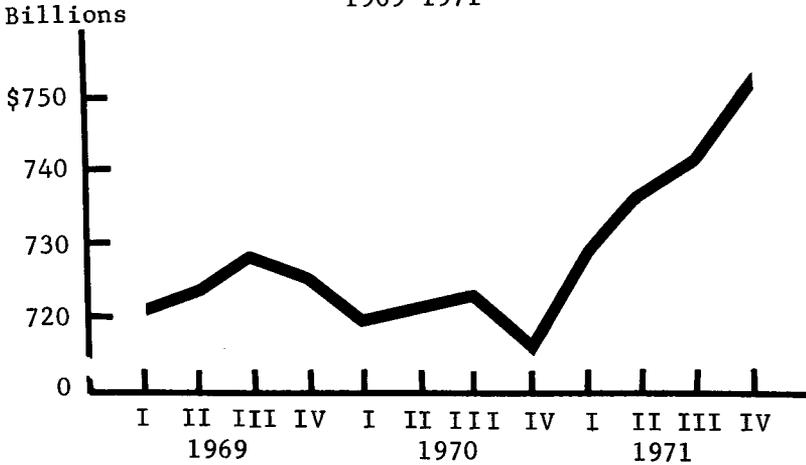
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ECONOMIC REPORT

GROSS NATIONAL PRODUCT
IN CONSTANT 1958 DOLLARS
1969-1971



THE UNITED STATES ECONOMY

Last year, 1971, public attention was focused on such national problems as inflation, unemployment and the international position of the United States economy.

Background

The major shift in the allocation of the nation's output from military to civilian uses, begun in 1969, had significant effects on the nation's economy and even more dramatic effects on specific areas in the U. S. which depended heavily on military contracts for high levels of employment. Unemployment began to rise in these affected areas. Fueled by the previous build-up in the Viet Nam war effort and a high rate of demand for goods and services at home, inflation continued to advance at an unhealthy, rapid rate. The administration took steps to dampen the domestic demand in an effort to slow the rate of inflation. The plan was to force a gradual slowing in demand so as not to aggravate the unemployment situation any more than absolutely necessary. As growth in the money supply slowed and interest rates rose to high levels, consumption demand finally slackened. It took longer than expected. The U. S. entered an economic recession pegged by the National Bureau of Economic Research as lasting from November, 1969 through November, 1970. As mentioned earlier, no stimulus

was provided from defense spending. The many civilian workers laid off due to military spending cutbacks and the thousands of returning veterans of the Viet Nam war swelled unemployment. Many corporations, plagued with lagging sales, inefficiencies, high labor costs and a liquidity squeeze, laid off not only production workers but some management personnel as well. The large number of new entrants to the labor force together with those who had lost their jobs kept unemployment very high in many areas of the country. Employment grew, but not fast enough to keep pace with the number of persons seeking jobs.

1971

Last year was supposed to be one of full economic recovery. The recovery did get started, but at a slower pace than was expected. Although the rate of inflation slowed in 1971 and incomes rose considerably, uncertainty about jobs and prices kept personal consumption expenditures down. Despite the fact that interest rates had now dropped substantially, business was not anxious to build inventories or invest in new plant and equipment as long as sales were only mediocre. The second quarter of 1971 also brought a rapid deterioration in the United States balance of payments position and the lower interest rates in the United States, compared to other nations, caused the outflow of funds to increase sharply. The combination of these problems prompted President Nixon's New Economic Policy which was announced on August 15, 1971. Briefly the NEP:

1. suspended the convertibility of the dollar into gold or other reserve assets;
2. imposed a temporary surcharge, generally at the rate of 10 percent on dutiable imports;
3. froze prices, wages, and rents for 90 days to be followed by a more flexible system of controls;
4. proposed a package of tax reductions to stimulate economic expansion.

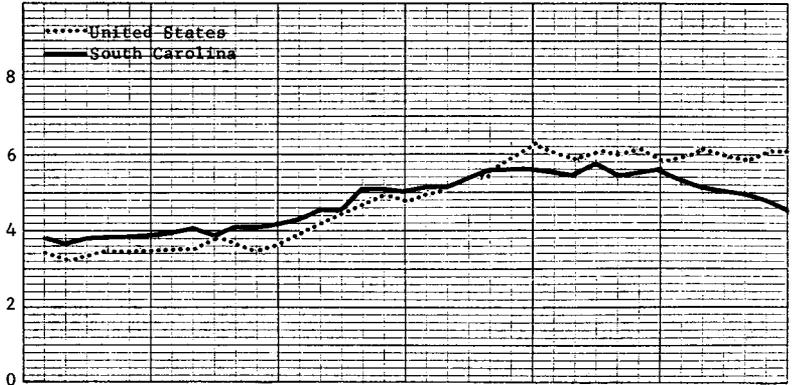
Outlook for 1972

Although predicting the pace of economic growth is a difficult job at best, uncertainty has prevailed an unusually long time in economic and business circles about the prospects for 1972. At first, most forecasters were optimistic. Generally the estimates

amounted to around \$100 billion growth over the year in Gross National Product with about six percent of that growth in real output. Then, due to retroactive effects of the NEP and other necessary revisions, GNP figures were revised down sharply for the third and fourth quarters of 1971. The new GNP figures indicated that real output only grew 2.7 percent during 1971 and a cloud of doubt swept over the forecasts for 1972. But the preliminary first quarter 1972 GNP figures indicated a sharp upward swing in output to a seasonally adjusted annual rate of \$1,103 billion. Although the \$30.3 billion gain over the fourth quarter of 1971 was about in line with the earlier forecasts in terms of the total, prices jumped 6.2 percent compared to only 1.7 percent in the fourth quarter. Real growth slowed slightly to a 5.3 percent annual rate from 5.8 percent in the fourth quarter last year. Government officials cited this surge in inflation as a one-time bulge following the wage-price freeze and a slower and more desirable inflation rate should be evident in later statistics. Now that business is advancing on a broad front throughout the economy, inflation will continue to be a key issue to national officials, businessmen and consumers.

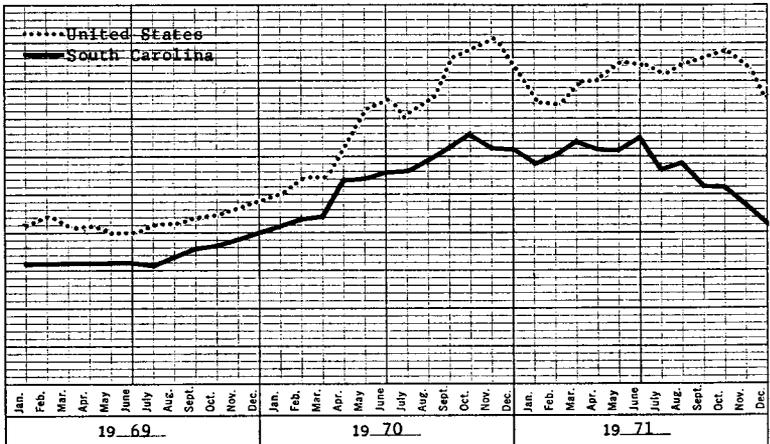
CIVILIAN UNEMPLOYMENT RATES IN THE UNITED STATES AND SOUTH CAROLINA, SEASONALLY ADJUSTED, 1969 - 1971

Percent



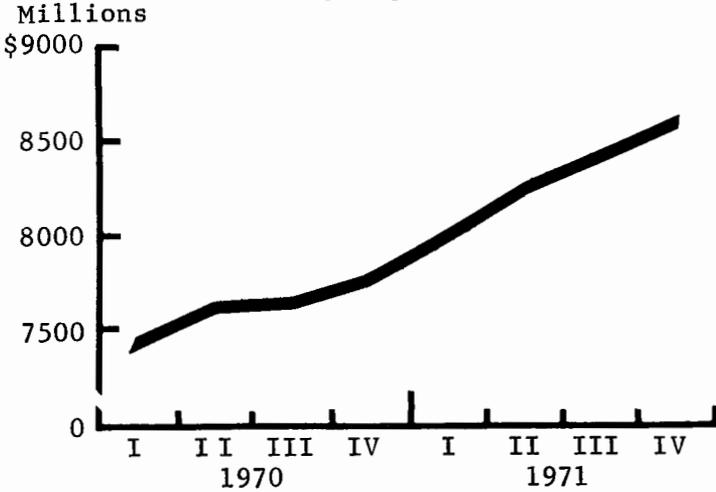
INSURED UNEMPLOYMENT RATES IN THE UNITED STATES AND SOUTH CAROLINA, SEASONALLY ADJUSTED, 1969 - 1971

Percent



Sources: U. S. Department of Labor, Bureau of Labor Statistics; South Carolina Employment Security Commission, Research & Statistics.

SOUTH CAROLINA PERSONAL INCOME BY QUARTER
Seasonally Adjusted Annual Rates



SOUTH CAROLINA ECONOMY

Although citizens of South Carolina witnessed many of the economic ills which were experienced nationally, they were not as severe or prolonged over all. Employment growth did not slow as much nor did unemployment remain as stubbornly high. Some areas of the State prospered better than others, but on the whole South Carolina's economy rebounded emphatically during the last half of 1971. By December, wage and salary employment was four percent above the year-ago level and unemployment had dropped substantially. New car registrations hit record levels and construction of both residential and commercial structures advanced at a rapid pace. Monthly personal income gains were among the highest in the nation.

During the current year, 1972, South Carolina should make strong economic advances. As the national economy continues to strengthen, the State should reap the additional benefits of improved nationwide markets.

Some mathematical models developed by the Division of Research and Statistical Services provide an assessment of the probable growth of nonagricultural wage and salary employment and hourly earnings in manufacturing as related to personal income. For the projection of \$9,100 million in personal income to materialize, nonagricultural wage and salary employment must average about 895,000 in 1972. This figure is up about 33,800 from a re-

vised estimate of 861,200 in 1971. Average hourly earnings in manufacturing, which were \$2.65 in 1971, must grow by roughly 5.5 percent (the wage guideline) to \$2.80 in 1972. The importance of sound projections of personal income in South Carolina is illustrated in the revenue section of this report. The following table shows the actual and projected changes in these important economic indicators.

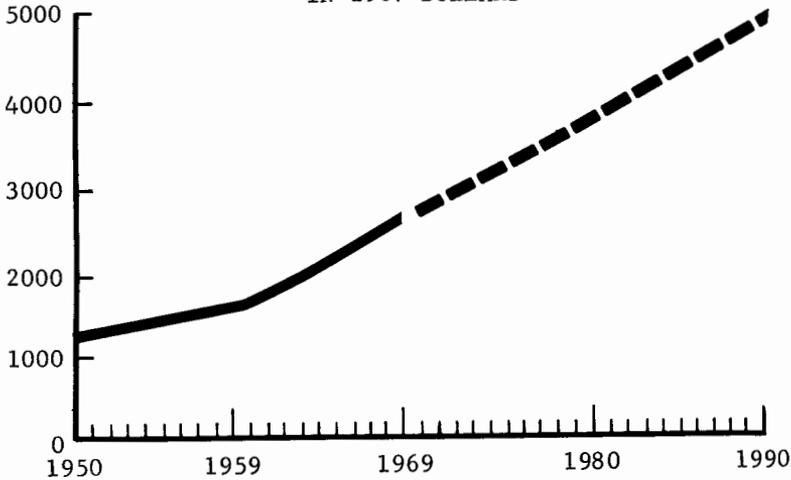
Year	Personal Income		Nonfarm Wage and Salary Employment		Hourly Earnings in Manufacturing	
	Millions	% Change	Thousands	% Change	Amount	% Change
1968	\$6,391	11.0	782.9	3.8	\$2.24	8.2
1969	7,025	9.9	819.9	4.7	2.39	6.7
1970	7,616	8.4	842.0	2.7	2.51	5.0
1971	8,306 ^o	9.1	861.2	2.3	2.65	5.6
1972†	9,100	9.6	895.0	3.9	2.80	5.5

^o Preliminary.

† Estimated.

South Carolina's record of progress during the recent past, which is detailed in the following sections, is due in large measure to the total effort within the State toward greater industrialization and diversification. South Carolina, in addition to attracting many national firms to locate within the State, has also been very successful in securing a much larger share of foreign investment than would be expected by virtue of its size and population.

SOUTH CAROLINA PER CAPITA INCOME
IN 1967 DOLLARS



LONG RANGE PROJECTIONS

The Bureau of Economic Analysis (BEA) of the United States Department of Commerce has published projections of personal income, employment and population for the years 1980 and 1990. The income projections are expressed in constant (1967) dollars of purchasing power. The national totals were estimated first and then disaggregated into regional and state levels.

The Southeast experienced far more rapid growth than did the nation as a whole during the BEA study period, 1929 through 1969. Between 1929 and 1950, the Southeast, which had a large supply of under-utilized labor, began to attract industry. Economic development was boosted further by aggressive efforts on the part of some of the states to attract new industry. In addition, particularly during the forties, there was a sharp increase in military installations and the associated civilian activities.

Between 1950 and 1969, Southeast income growth slowed somewhat but was still more rapid than the national average. The somewhat slower growth can be attributed to several factors. One was the slower growth in federal payrolls and also in agricultural income. Textile manufacturing, quite important in the Southeast, declined during the fifties and during the sixties grew at a rate less than that of other industries. Nevertheless, the Southeast ex-

perienced an increase of 150 percent between 1950 and 1969 in constant dollar income compared to a 120 percent gain for the Nation as a whole.

For the projection period, 1969 to 1990, the Bureau of Economic Analysis has made the following assumptions which are particularly significant in the Southeast and South Carolina:

- (a) Military strength is held constant for the purposes of the projections. An appreciable change in military installations, therefore, could have a significant influence on the growth of income;
- (b) Farm income, which is nearly twice as important in the Southeast and Southwest as elsewhere in the Nation, is expected to grow only about two-thirds as fast as other income;
- (c) Population estimates are derived from the projections of area employment and income because it is assumed that people tend to migrate to areas which offer more economic opportunities and away from those with declining opportunities.
- (d) The Southeast, along with the Southwest and Far West, is expected to continue to increase its share of the Nation's personal income by growing faster than the national average.

No assumption is made with respect to the rate of inflation during the projection period. All income figures, as stated before, are projected in terms of real or constant 1967 dollars. The table on page 22 shows personal income for the United States, Southeast and the Southeastern states for selected years.

Personal income in South Carolina is expected to reach \$10,722 million in 1967 dollars by 1980 and \$16,278 million by 1990. Among the fifty states, South Carolina shares fourteenth spot with Missouri in percent growth in total personal income between 1969 and 1990. This gain is an average annual growth of 4.5 percent not including inflation. If it is assumed that inflation will average 3 percent a year over the entire period, South Carolina personal income would amount to about \$15,820 million in 1980 and \$32,600 million in 1990 in current dollars. Assuming an inflation rate averaging 4 percent per year, the total would be about \$17,510 million in 1980 and \$39,590 in 1990.

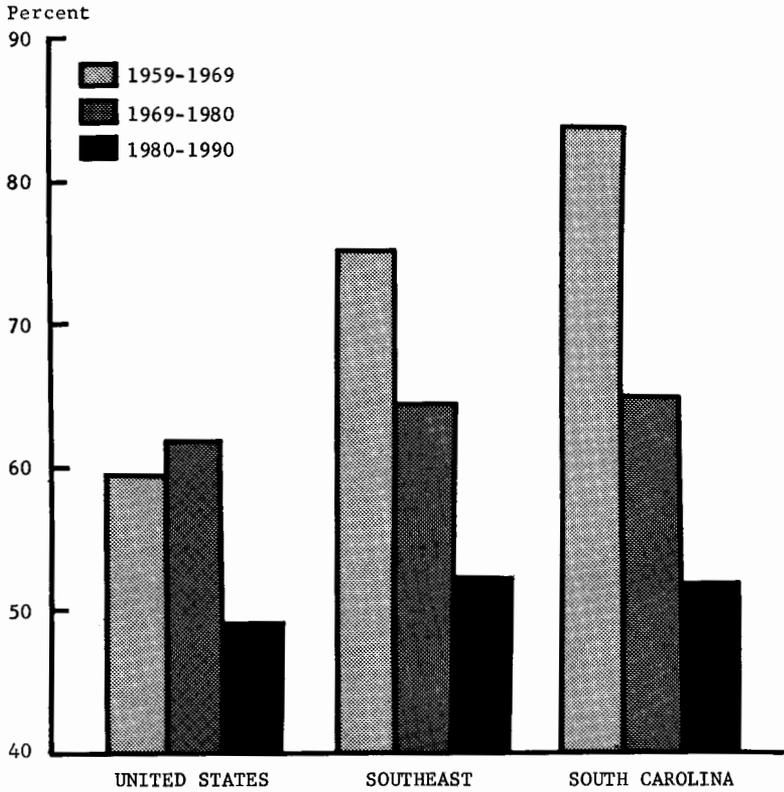
Per capita income in South Carolina amounted to only 38 percent of the national average in 1929, \$556 in South Carolina compared to \$1,458 nationally (expressed in 1967 dollars of purchasing power). By 1969, per capita income had risen to \$2,522 in the state, 74 percent of the national average. In 1990 it is expected that, in 1967 dollars, South Carolina per capita income will reach \$4,966—81 percent of the national average—reflecting continued economic improvement in the state. According to the BEA projections, South Carolina ranks third in the nation in percent growth in per capita income between 1969 and 1990.

TOTAL PERSONAL INCOME IN THE UNITED STATES AND SOUTHEAST
FOR SELECTED YEARS, 1929 - 1990

Area	Millions of 1967 Dollars					Percent Change			Percent of U. S.		
	1929	1959	1969	1980	1990	1929-69	1959-69	1969-90	1929	1969	1990
United States	\$177,503	\$432,349	\$689,626	\$1,115,898	\$1,663,439	289	120	141	100.00	100.00	100.00
Southeast	20,652	68,212	119,486	196,369	298,733	479	150	150	11.63	17.33	17.96
Virginia	2,179	7,899	14,303	24,498	37,534	556	155	162	1.23	2.07	2.26
West Virginia	1,635	3,318	4,386	7,079	9,953	168	49	127	.92	.64	.60
Kentucky	2,122	5,257	8,524	13,484	20,310	302	114	138	1.20	1.24	1.22
Tennessee	2,019	6,092	10,365	17,829	27,460	413	128	165	1.14	1.50	1.65
North Carolina	2,159	7,602	13,923	22,520	33,895	545	139	143	1.22	2.02	2.04
South Carolina	967	3,537	6,501	10,722	16,278	572	150	150	.54	.94	.98
Georgia	2,097	7,027	13,203	21,612	33,366	530	168	153	1.18	1.91	2.01
Florida	1,568	10,511	20,746	34,462	54,518	1,223	318	163	.88	3.01	3.28
Alabama	1,762	5,300	8,444	13,639	20,394	379	127	142	.99	1.22	1.23
Mississippi	1,185	2,904	4,848	7,749	11,419	309	114	136	.67	.70	.69
Louisiana	1,786	6,035	9,646	15,578	23,008	440	131	139	1.01	1.40	1.38
Arkansas	1,172	2,731	4,597	7,197	10,599	292	112	131	.66	.67	.64

Source: U. S. Department of Commerce, Bureau of Economic Analysis.

PERCENT CHANGE IN PERSONAL INCOME
FOR THE UNITED STATES, SOUTHEAST AND SOUTH CAROLINA



Source: U. S. Department of Commerce, Bureau of Economic Analysis.
Chart by The Division of Research and Statistical Services

PROJECTED POPULATION, EMPLOYMENT, INCOME AND EARNINGS BY INDUSTRY IN THE
UNITED STATES, SOUTHEAST AND SOUTH CAROLINA, 1980 AND 1990

Category	United States		Southeast		South Carolina	
	1980	1990	1980	1990	1980	1990
Population	234,208,000	269,759,000	49,887,000	57,093,000	2,914,000	3,278,000
Per Capita Income *	\$ 4,765	\$ 6,166	\$ 3,936	\$ 5,232	\$ 3,679	\$ 4,966
Total Employment	93,820,000	106,917,000	19,704,000	22,375,300	1,268,300	1,405,700
Total Personal Income †	\$1,115,898,000	\$1,663,439,000	\$196,369,000	\$298,733,000	\$ 10,722,000	\$ 16,278,000
Total Earnings † ‡	\$ 881,560,000	\$1,300,809,200	\$154,765,200	\$232,306,200	\$ 8,801,300	\$ 13,121,200
Agriculture, Forestry and Fisheries ...	19,855,300	21,588,600	5,113,100	5,567,800	207,700	221,800
Mining	7,284,300	8,713,200	2,121,200	2,548,400	15,300	20,600
Contract Construction	52,486,600	77,410,200	9,779,100	14,636,900	490,100	734,800
Manufacturing	240,993,300	339,090,700	38,567,800	56,290,300	2,985,400	4,292,700
Food and Kindred Products	17,134,700	21,625,200	2,822,100	3,630,500	102,400	132,700
Textile Mill Products	7,536,000	9,688,000	(D)	(D)	1,185,600	1,564,700
Apparel and Other Fabric Products ..	9,704,000	12,795,300	2,835,500	4,116,400	263,500	387,300
Lumber Products and Furniture ...	9,458,000	12,327,300	3,038,800	4,090,800	129,500	171,200
Paper and Allied Products	8,699,500	12,509,200	1,949,900	2,882,900	152,500	227,500
Printing and Publishing	13,080,100	18,634,600	1,368,100	2,056,400	49,000	75,200
Chemicals and Allied Products	16,041,000	23,575,900	4,003,600	5,997,400	345,000	528,500
Petroleum Refining	3,234,200	4,083,100	314,000	413,000	3,000	4,000
Primary Metals	16,173,700	19,882,800	1,668,700	2,099,600	13,000	15,400
Fabricated Metals and Ordnance ...	23,374,500	34,512,100	2,725,100	4,298,200	87,100	139,400

Machinery, excluding Electrical	27,852,400	39,973,900	2,109,000	3,306,900	178,200	288,600
Electrical Machinery and Supplies . .	27,040,100	41,784,900	2,907,300	4,889,000	132,600	225,900
Motor Vehicles and Equipment	15,187,500	21,079,500	(D)	(D)	10,100	15,000
Transportation Equipment excluding Motor Vehicles	17,301,800	24,472,800	2,518,200	3,736,400	95,600	150,200
Other Manufacturing	29,175,000	42,145,300	4,441,300	6,862,200	237,700	366,300
Transportation, Communications and Public Utilities	56,816,900	80,039,300	9,896,400	14,348,200	393,600	571,300
Wholesale and Retail Trade	148,563,600	220,080,800	25,776,900	39,152,200	1,246,600	1,896,000
Finance, Insurance and Real Estate . .	45,110,800	65,565,700	7,057,600	10,744,800	329,100	499,000
Services	145,219,500	229,988,500	23,001,900	37,194,300	1,193,100	1,911,900
Government	165,229,300	258,331,700	33,450,800	51,872,900	1,940,000	2,972,800
Civilian Government	146,378,400	233,873,700	27,336,000	43,939,600	1,388,700	2,257,500
Armed Forces	18,850,800	24,458,000	6,114,800	7,933,300	551,300	715,300

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

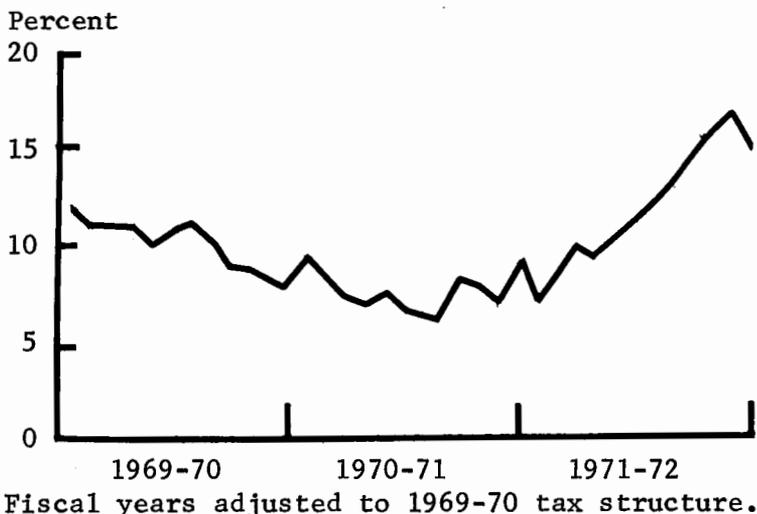
° In 1967 Dollars.

† In thousands of 1967 Dollars.

‡ By place of work.

(D) Deleted to avoid disclosure of confidential data.

PERCENT CHANGE OVER THE YEAR
12-MONTH MOVING TOTAL OF
GENERAL FUND REVENUE



SOUTH CAROLINA GENERAL FUND REVENUES

General Fund revenue totaled \$504.5 million in fiscal year 1970-71, \$47.9 million more than in the prior fiscal year. This gain, which amounted to 10.5 percent, was distributed fairly evenly among the major categories of revenue with the exception of the corporation income tax which grew by only 2.5 percent from the previous fiscal year.

Revenue collections for fiscal year 1971-72 amounted to \$581.1 million based on preliminary figures. This represented a strong rebound from fiscal 1970-71 made possible by strong personal income gains and increased personal spending. In calendar 1971, the State's sales tax collections were up 12.4 percent over calendar year 1970, well above the national average of 11.6 percent.* The national average included seven states which raised their sales taxes between 1970 and 1971. Strong gains continued into the first half of 1972 in South Carolina.

Estimated General Fund revenue for 1972-73 is based on certain economic, legislative and administrative assumptions. These are defined as follows: economic assumptions relate to values of the major economic variables which underlie the projections of reve-

* *Tax Administrator's News*, Vol. 36, No. 3, March, 1972.

nue; legislative assumptions are defined as changes in the basis or rate of taxation; and administrative assumptions reflect changes in the timing of collections and other provisions of legislation which affect the amounts of estimated revenues.

The assumptions which were used for the 1972-73 estimates are as follows:

1. Economic: Gross National Product will be about \$1,150 billion in 1972, up \$103 billion from \$1,047 billion in 1971. South Carolina personal income will reach approximately \$9,100 million in 1972, a gain of \$794 million from the \$8,306 million for 1971.
2. Legislative: No major modifications in the tax structure with respect to General Fund revenues.
3. Administrative: Acceleration in collections of income taxes and sales taxes are expected to provide a windfall of about \$24 million in fiscal 1972-73. Refunds to distributors of alcoholic liquors will continue at a rate of approximately \$665,000 per year.

SELECTED ECONOMIC DATA

Year	Gross National Product (Billions)			S. C. Personal Income (Millions)			South Carolina Per Capita Income		
	Amount	Change Net	%	Amount	Change Net	%	Amount	Change Net	%
1965	\$ 684.9	\$ 52.5	8.3	\$4,733	\$455	10.6	\$1,898	\$169	9.8
1966	749.9	65.0	9.5	5,334	601	12.7	2,117	219	11.5
1967	793.9	44.0	5.9	5,758	424	8.0	2,273	156	7.4
1968	864.2	70.3	8.9	6,391	633	11.0	2,498	225	9.9
1969	929.1	64.9	7.5	7,025	634	9.9	2,733	235	9.4
1970	974.1	45.0	4.8	7,616	591	8.4	2,936	203	7.4
1971	1,046.8	72.7	7.5	8,306	690	9.1	3,162	226	7.7
1972 Est.	1,150.0	103.2	9.9	9,100	794	9.6	3,434	272	8.6

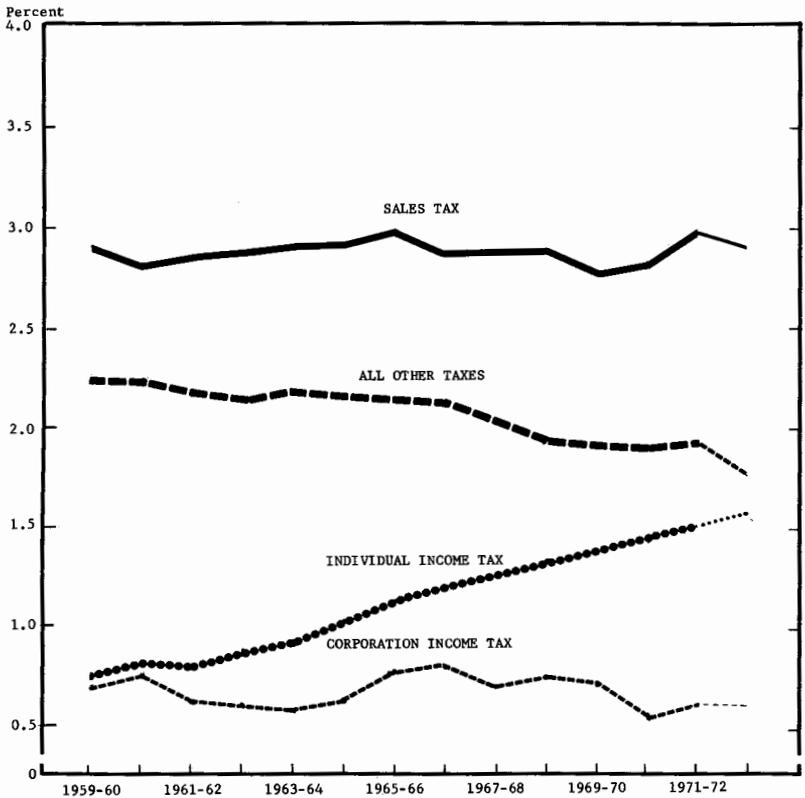
The chart on the following page shows major sources of General Fund revenue as a percent of personal income. Although the relationship of sales taxes to personal income is fairly consistent over time, peaks occur about once every three years coinciding with substantially increased levels of spending on new automobiles. The general trend in all other taxes is down while the individual income tax, due to the progressive rate structure, is rather sharply upward.

GENERAL FUND REVENUE BY BROAD CATEGORIES (Amounts in Millions)

Item	1969-70	Actual 1970-71	1971-72*	Estimate 1972-73	Net Changes		
					1969-70 to 1970-71	1970-71 to 1971-72	1971-72 to 1972-73
Total Gen. Fund Revenue	\$456.6	\$504.5	\$581.1	\$658.1	\$ 47.9	\$ 76.6	\$ 77.0
Sales Tax	192.6	213.7	245.5	264.0	21.1	31.8	18.5
Income Taxes	136.3	150.4	178.2	214.5	14.1	27.8	36.3
Individual	95.4	108.4	127.7	160.5	13.0	19.3	32.8
Corporation	40.9	42.0	50.5	54.0	1.1	8.5	3.5
All Other Taxes	127.8	140.5	157.4	159.4	12.7	16.9	2.0
Other Funds				20.2			20.2

* Preliminary.
Estimate for 1972-73 from the Appropriations Act which includes estimated windfalls from acceleration of sales and income tax collections as well as other available funds.

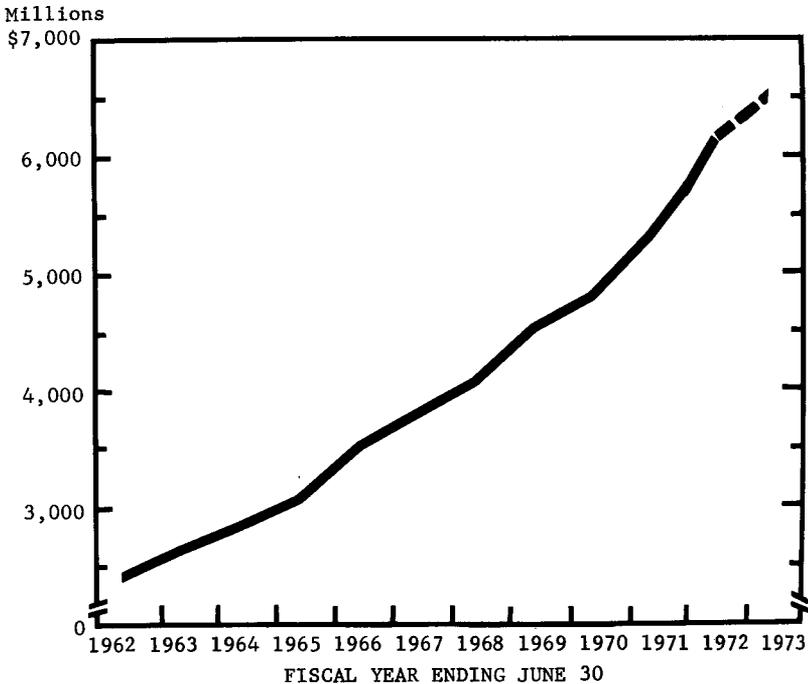
MAJOR CATEGORIES OF GENERAL FUND REVENUE
ADJUSTED TO THE 1969-70 TAX STRUCTURE
AS A PERCENT OF PERSONAL INCOME



Sales Tax

Sales tax collections for fiscal year 1971-72 amounted to \$245.5 million—a gain of \$31.8 million or 14.9 percent over the previous year. The following chart shows the estimated net taxable sales from 1961-62 through 1971-72 with projected value for 1972-73. Net taxable sales estimates are shown for comparability as actual tax collections are not comparable over all years due to changes in the rate of tax. The estimates were derived by dividing the sales tax collections for each year by the applicable tax rate.

ESTIMATED NET TAXABLE SALES IN S. C.



The relationship between net taxable sales and South Carolina personal income is shown in the table below. The ratio of sales to personal income has recovered from the low point recorded in 1969-70 and, due to the unusually heavy spending level in 1971, increased substantially in 1971-72. The ratio is expected to drop slightly in 1972-73 as spending levels off somewhat. Normally, increases in sales tax collections are about proportionate to gains in personal income.

Sales tax collections are estimated to reach \$264.0 million in fiscal year 1972-73, a gain of \$18.5 million or 7.5 percent over the \$245.5 million collected in 1971-72. The projected amount includes an estimated \$4 million windfall as a result of acceleration in the timing of collections during 1972-73.

ESTIMATED NET TAXABLE SALES AND SOUTH CAROLINA
PERSONAL INCOME AND RATIO OF SALES TO
PERSONAL INCOME

(Amounts in Millions)

Year	Sales Tax Calculated at 4%	Net Taxable Sales ° Change Over the Year		Personal Income	Ratio (%) of Sales to Personal Income
		Amount	Net Percent		
1965-66	\$141.5	\$3,537	\$445 14.4	\$4,733	74.7
1966-67	151.8	3,794	257 7.3	5,334	71.1
1967-68	164.0	4,101	307 8.1	5,758	71.2
1968-69	183.7	4,593	492 12.0	6,391	71.9
1969-70	192.6	4,814	221 4.8	7,025	68.5
1970-71	213.7	5,342	528 11.0	7,616	70.1
1971-72	245.5	6,137	795 14.9	8,306	73.9
1972-73	260.0†	6,500	363 5.9	9,100	71.4

° Estimated by dividing sales tax collections by rate of tax in effect.

† Excludes an estimated \$4 million windfall.

Note: 1972-73 figures are projections.

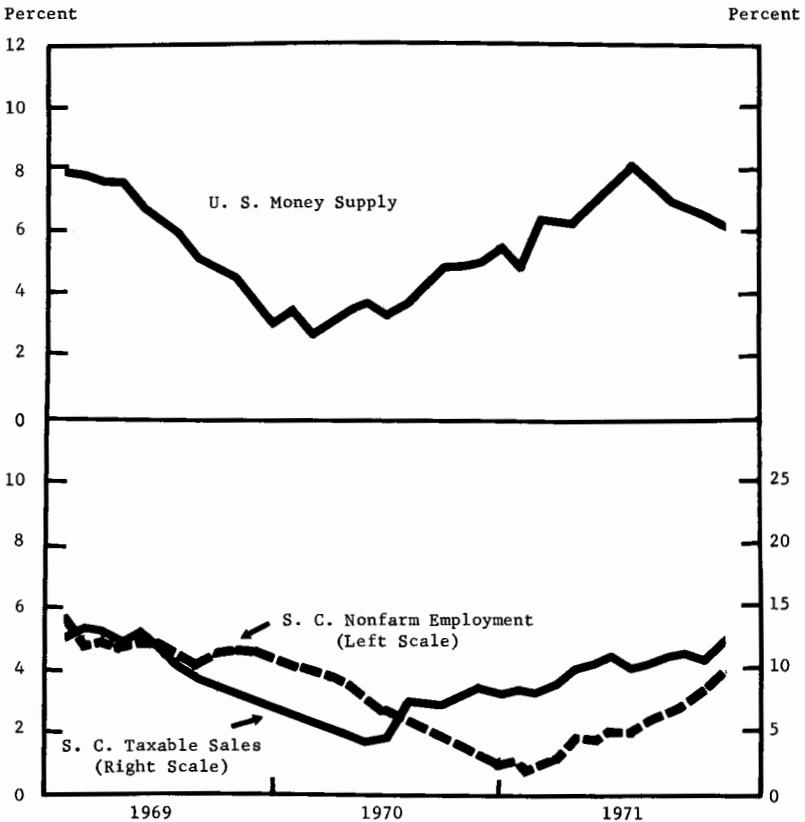
A very consistent relationship exists between over-the-year changes in the U. S. money supply (defined as demand deposits plus currency of the non-bank public) and changes in the 12-month moving total of South Carolina taxable retail sales and non-agricultural wage and salary employment. The lag time varies slightly over the period studied (1957-1971) between changes in the money supply and changes in the other two series and has appeared to become somewhat shorter in recent years. The chart on page 31 shows percentage changes from the comparable month a year earlier for each series beginning in 1969. These years reflect the recession of 1970 on the growth of South Carolina taxable sales and nonfarm employment.

An appreciable slowdown in the growth of the money supply generally leads the downturn in growth of taxable sales by about six months and employment by a month or two less. When the money supply begins to grow at an increasing rate, it is generally followed by employment and sales within 9 to 10 months. The picture in 1970 was somewhat different in that the growth in the

money supply and in taxable sales began to decline at about the same time. But, although employment growth was somewhat erratic, it did not begin to decline steadily until eight months after the slowdown in the money supply growth.

The percent growth over the year in the money supply began to increase in March of 1970 and was followed by taxable sales three months later. However, the percent change over the year in employment did not reach its low point until February, 1971, one full year after the low point was recorded in the money supply changes. After reaching the February low of 1.0%, fairly consistent

PERCENT CHANGE OVER THE YEAR IN THE UNITED STATES MONEY SUPPLY,
SOUTH CAROLINA NONFARM WAGE AND SALARY EMPLOYMENT AND 12-MONTH
MOVING TOTAL OF TAXABLE SALES, 1969 - 1971



Division of Research
And Statistical Services

increases in the percent changes occurred and by December, employment was 4.0% above the year earlier level.

While it is evident that many factors affect sales and employment, these findings suggest that cyclical turning points in these and possibly many other series may be estimated. In any case, changes in the money supply over a period of time provide valuable information to assist in forecasting.

Income Taxes

Individual Income Tax

For the past six calendar years the South Carolina Tax Commission has furnished the Division of Research and Statistical Services with tabulations of adjusted gross income by income classes as derived from the individual tax returns. These figures are directly related to total personal income in the State of South Carolina as estimated by the United States Bureau of Economic Analysis. The following table shows the high degree of this relationship.

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

(Amounts in Millions)

Calendar Year	Adjusted Gross Income *	Personal Income †	Ratio (%) Adjusted Gross to Personal Income	Individual Income Tax ‡	
				Amount	% of Personal Income
1965	\$3,231	\$4,733	68.3	\$ 52.9	1.12
1966	3,522	5,334	66.0	62.8	1.18
1967	4,002	5,758	69.5	71.3	1.24
1968	4,413	6,391	69.1	84.4	1.32
1969	5,112	7,025	72.8	95.4	1.36
1970	5,534	7,616	72.7	108.4	1.42
1971	6,050	8,306	72.8	127.7	1.54
1972	6,650	9,100	73.1	140.5§	1.54

§ Exclusive of windfall.

* As reported on South Carolina individual income tax returns.

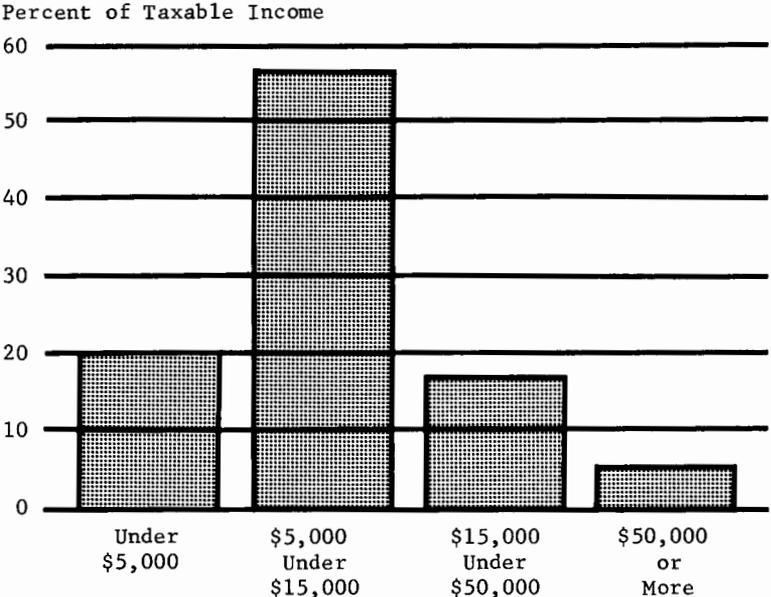
† Bureau of Economic Analysis, U. S. Department of Commerce.

‡ For fiscal year lagging calendar year by six months.

Individual income tax collections totaled \$127.7 million in fiscal 1971-72. For 1972-73, these collections are projected to increase by \$12.8 million or 10.0 percent to \$140.5 million excluding an

anticipated windfall of about \$20 million from acceleration in the timing of collections. The progressive nature of the individual income tax structure provides that the tax collections will rise faster than either adjusted gross income or total personal income.

WHERE THE TAXABLE DOLLARS ARE IN SOUTH CAROLINA



Bars show percentage of total taxable income on all individual income tax returns filed for 1970 as reported by respective adjusted gross income classes.

NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND INCOME
TAXES BY INCOME CLASS IN SOUTH CAROLINA, 1970

Income Class	Number of Returns *	Adjusted Gross Income (Thousands)	Gross Calculated Tax (Dollars)	Average Gross Calculated Tax Per Return (Dollars)
No Gross Income	5,174	\$ 0	\$ 0	\$ 0
Under \$ 1,000	69,475	39,584	44,750	0.64
\$ 1,000 - \$ 1,999	88,099	132,182	660,506	7.50
\$ 2,000 - \$ 2,999	85,660	214,221	1,531,733	17.88
\$ 3,000 - \$ 3,999	106,262	373,567	3,147,362	29.62
\$ 4,000 - \$ 4,999	114,740	515,622	5,137,806	44.78
\$ 5,000 - \$ 5,999	96,766	530,402	5,891,686	60.89
\$ 6,000 - \$ 6,999	81,205	526,291	6,374,902	78.50
\$ 7,000 - \$ 7,999	64,651	483,622	6,296,977	97.40
\$ 8,000 - \$ 8,999	50,585	428,748	6,040,146	119.41
\$ 9,000 - \$ 9,999	39,239	371,748	5,693,966	145.11
\$ 10,000 - \$ 10,999	28,442	297,728	4,999,146	175.77
\$ 11,000 - \$ 11,999	20,217	231,902	4,235,592	209.51
\$ 12,000 - \$ 12,999	14,981	186,777	3,750,738	250.37
\$ 13,000 - \$ 13,999	10,789	145,316	3,145,198	291.52
\$ 14,000 - \$ 14,999	7,943	114,941	2,710,183	341.20
\$ 15,000 - \$ 19,999	19,823	337,149	9,586,025	483.58
\$ 20,000 - \$ 24,999	6,841	151,430	5,476,591	800.55
\$ 25,000 - \$ 49,999	8,036	268,843	12,144,567	1,511.27
\$ 50,000 - \$ 99,999	2,059	134,666	7,234,381	3,513.54
\$100,000 - \$149,999	215	25,507	1,453,858	6,762.13
\$150,000 - \$199,999	47	7,882	457,941	9,743.43
\$200,000 And Over	40	13,576	799,643	19,991.08
Undistributed Returns				
Over \$ 15,000 †	83	1,903	0	0
TOTALS	921,372	5,533,607	96,813,697	105.08

* Includes joint returns.

† Nontaxable long form returns which are not distributed into detail income classes.

PERCENT DISTRIBUTION

NUMBER OF RETURNS, ADJUSTED GROSS INCOME, AND INCOME TAXES BY INCOME CLASS IN SOUTH CAROLINA, 1970

Income Class	Number of Returns * % Distribution	Adjusted Gross Income % Distribution	Gross Calculated Tax % Distribution
No Gross Income	0.6	0	0
Under \$ 1,000	7.5	0.7	‡
\$ 1,000 - \$ 1,999	9.6	2.4	0.7
\$ 2,000 - \$ 2,999	9.3	3.9	1.6
\$ 3,000 - \$ 3,999	11.5	6.8	3.3
\$ 4,000 - \$ 4,999	12.5	9.3	5.3
\$ 5,000 - \$ 5,999	10.5	9.6	6.1
\$ 6,000 - \$ 6,999	8.8	9.5	6.6
\$ 7,000 - \$ 7,999	7.0	8.7	6.5
\$ 8,000 - \$ 8,999	5.5	7.7	6.2
\$ 9,000 - \$ 9,999	4.3	6.7	5.9
\$ 10,000 - \$ 10,999	3.1	5.4	5.2
\$ 11,000 - \$ 11,999	2.2	4.2	4.4
\$ 12,000 - \$ 12,999	1.6	3.4	3.9
\$ 13,000 - \$ 13,999	1.2	2.6	3.2
\$ 14,000 - \$ 14,999	0.9	2.1	2.8
\$ 15,000 - \$ 19,999	2.2	6.1	9.9
\$ 20,000 - \$ 24,999	0.7	2.7	5.6
\$ 25,000 - \$ 49,999	0.9	4.9	12.5
\$ 50,000 - \$ 99,999	‡	2.4	7.5
\$100,000 - \$149,999	‡	0.5	1.5
\$150,000 - \$199,999	‡	0.1	0.5
\$200,000 And Over	‡	0.2	0.8
Undistributed Returns			
Over \$ 15,000 †	‡	‡	0
TOTALS	100.0	100.0	100.0

* Includes joint returns.

† Nontaxable long form returns which are not distributed into detail income classes.

‡ Less than .05 percent.

Corporation Income Tax

With improving economic conditions, corporation income tax collections improved considerably from 1970-71 to 1971-72, aided by complete implementation of the rise in the tax rate from 5% to 6%. The condition of the national economy which was reflected in sluggish business activity and shrinking profits caused a decline in net taxable corporate income in fiscal year 1970-71.

Estimates of net taxable corporate income in South Carolina have been derived by dividing the tax collections by the applicable rate. It is difficult to correctly estimate the effective rate of taxation for the years of the transition from 5 to 6 percent. However, an attempt has been made and presented in the following table along with relationships to United States corporate profits before tax.

Uncertainty regarding the final effects of the Phase II wage and price guidelines upon corporate profits creates a greater-than-usual amount of possible variation in the corporation income tax collections as projected for South Carolina in the following fiscal year. Collections in 1972-73 are projected to total \$54.0 million—an increase of \$3.5 million or 6.9 percent from 1971-72.

SOUTH CAROLINA CORPORATION INCOME TAXES, ESTIMATED NET INCOME AND RELATIONSHIPS TO U. S. CORPORATE PROFITS BEFORE TAX

Fiscal Year	S. C. Corporation Income Taxes			United States Corporate Profits † Before Tax (Billions)	Ratio (in Percent) of S. C. Corporation Net Income to U. S. Corporate Profits
	Income Taxes ° (Millions)	Effective Rate (%)	Net Taxable Income † (Millions)		
1963-64	\$18.33	.050	\$367	\$59.4	0.62
1964-65	23.74	.050	475	66.8	0.71
1965-66	30.00	.050	600	77.8	0.77
1966-67	34.76	.050	695	84.2	0.83
1967-68	32.47	.050	649	79.8	0.81
1968-69	39.18	.050	784	87.6	0.89
1969-70	40.94	.050	819	84.2	0.97
1970-71	41.96	.058	723	75.4	0.96
1971-72	50.52	.060	842	85.4	0.99
1972-73	54.00	.060	900	96.0	0.94

° Less windfalls.

† Estimated by dividing Column 1 by Column 2.

‡ U. S. Bureau of Economic Analysis. (Calendar Year leading Fiscal Year.)

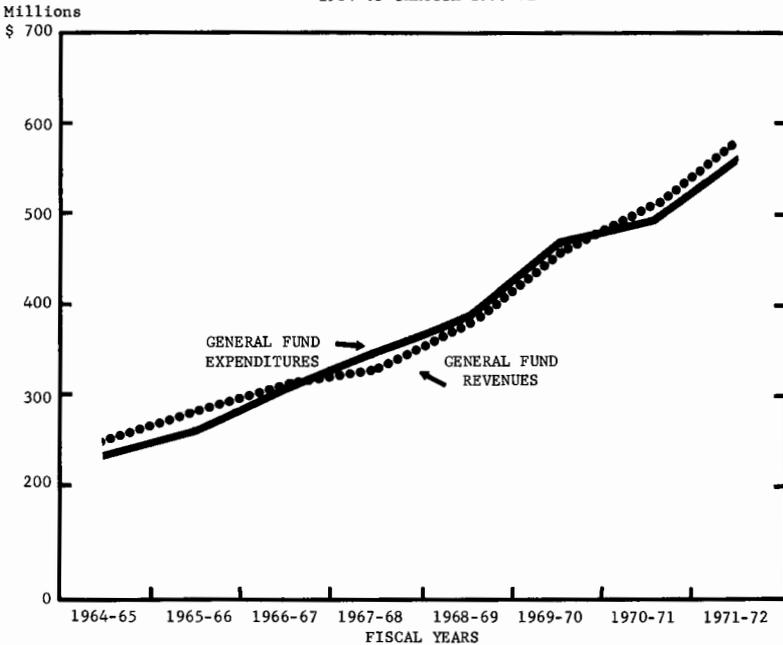
NOTE: Projections by Division of Research and Statistical Services.

All Other General Fund Revenue

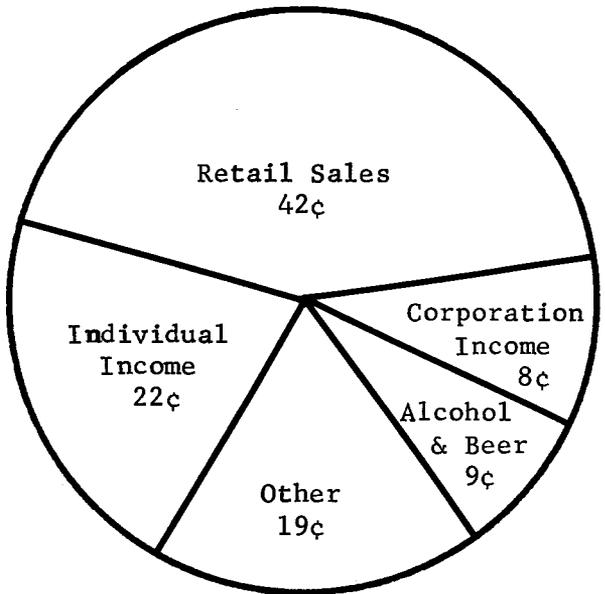
The last major category of revenue is the total of all the other miscellaneous sources of general fund revenue. Among the more important taxes included in this category are: alcoholic liquors tax, beer and wine tax, business license tax (primarily on cigarettes), gasoline tax and insurance tax. In all, there are twenty-six sources of revenue included in the "all other" group.

All other general fund revenues, based on preliminary figures, amounted to \$157.4 million in 1971-72. The current estimate for 1972-73 is \$159.4 million. As noted in the administrative assumptions, refunds to distributors of alcoholic liquors are expected to continue at a rate of approximately \$665,000 per year. The projected total is a net amount.

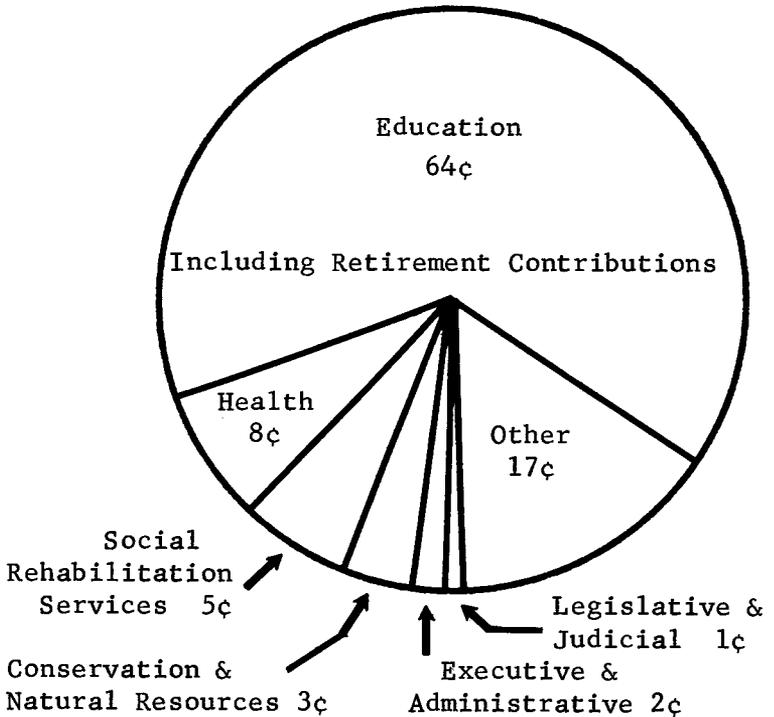
SOUTH CAROLINA TOTAL GENERAL FUND REVENUE
AND TOTAL GENERAL FUND EXPENDITURES, FISCAL YEARS
1964-65 THROUGH 1971-72



WHERE THE GENERAL FUND DOLLAR COMES FROM



WHERE IT GOES



A REVENUE GAP AHEAD

If the State of South Carolina is to continue to serve its citizens effectively and provide needed services in areas such as education, health, etcetera, where private industry cannot fulfill the needs, then it must have the ability to obtain tax revenues efficiently. The State is required to operate on a balanced budget each year.

Projections of future general fund revenues and expenditures indicate a discrepancy between the "income elasticity" of revenues and expenditures of state government. Income elasticity of a revenue or expenditure measures the percentage change in that item with respect to percentage changes in income. For example, if the income elasticity of a revenue or expenditure source is 1.0, this implies that the item changes at the same percentage rate as income. If the income elasticity is less than 1.0, then the item increases at a slower rate than income. If the income elasticity is more than 1.0, then the percentage change in the particular revenue or expenditure source exceeds that of income.

For the State of South Carolina, the income elasticities of general fund expenditures are shown in table 1 while the income elasticities of the major revenue sources are given in table 2. According to these two tables, expenditures have increased in the past at a faster rate than revenues. All General Fund Expenditures combined show an income elasticity of 1.25, while the total of revenues shows an income elasticity of 1.06. For each 1% increase in personal income, expenditures have increased by 1.25%, or about 1 and $\frac{1}{4}$ times as fast. Revenues, however, have increased only about 1.06% for each 1% increase in personal income.

The fact that the income elasticities of expenditures exceeds that for revenues indicates that if there are no changes in past trends,

the issue of a revenue gap must be faced in the future. Revenue gaps have occurred in the past and have been met by raising existing taxes, looking for new tax sources, and sometimes delaying needed expenditures.

The problem of relatively high income elasticities of expenditures is not unique to South Carolina. New Jersey reports an income elasticity of 1.49 for expenditures in a February, 1972 report of the New Jersey Tax Policy Committee. A paragraph in that excellent report is quoted here:

“One explanation for the relatively high income elasticity of expenditures is the inherently limited capacity of government to increase productivity in those services it provides its citizens. A large percentage of total state and local spending is for services which are inherently labor-intensive, with limited productivity improvement possibilities. Thus as government wages and salaries rise in line with private wages and salaries, governments do not experience as strong productivity-gains cushioning against rising costs as do many parts of the private sector. The same reasoning explains why government budgets are particularly sensitive to inflationary pressures.”

TABLE 1
STATE OF SOUTH CAROLINA
INCOME ELASTICITIES * OF GENERAL FUND EXPENDITURES
BY MAJOR FUNCTIONAL CATEGORIES

Category	Elasticity	Category	Elasticity
Legislative	1.10	Correctional	1.45
Judicial	0.78	Public Affairs	1.07
Executive and Administrative ..	1.33	Conservational and	
Education	1.24	Natural Resources	1.36
Health	1.23	Regulatory	0.85
Social Rehabilitation	1.07	Aid to Subdivisions	1.01
		Retirement Contributions ...	1.83
		ALL GENERAL FUND	
		EXPENDITURES	1.25

* Based on 1959-60 through 1970-71 experience.

Because educational expenditures account for more than half the general fund budgets, the income elasticity for education (1.24) weights the entire income elasticity coefficient for total general fund expenditures (1.25) very heavily.

TABLE 2
STATE OF SOUTH CAROLINA
INCOME ELASTICITIES * GENERAL FUND REVENUES
FOR SELECTED CATEGORIES

Category	Elasticity	Category	Elasticity
Retail Sales and Use Tax	0.98	Documentary	0.98
Individual Income	1.75	Electric Power	0.75
Corporation Income	1.19	Fertilizer Inspection	0.20
Alcoholic Liquors	1.02	Gasoline	0.68
Bank	1.21	Insurance	0.97
Beer and Wine	1.15	Workmens Compensation	1.21
Business License	0.29	Soft Drinks	0.38
Contractors License	0.62	ALL GENERAL FUND REVENUES	1.06

* Based on 1959-60 through 1970-71 experience with the exception of the corporation income tax which is based on 1959-60 through 1968-69.

Assuming that the past trends will continue into the future, a general fund revenue gap will exist in 1975-76 of a sizable amount. The following table illustrates the magnitude based on personal income projections and the income elasticities of revenues and expenditures.

Year	Amounts in Millions			
	Personal Income	Revenues	Expenditures	Revenue Gap
1971-72	\$ 8,306	\$ 562.4*	\$ †	\$ 0
1975-76	11,850	821.6	867.4	45.8
1980-81	16,700	1,169.1	1,284.1	115.0

* Trend value.

† Assumed to be in balance with revenues for the purpose of projections.

It must be noted that higher levels of personal income would not necessarily close the revenue gap. If inflation is more rapid than the 3% yearly average assumed in projections, both revenues and expenditures would rise and the revenue gap would be even greater. Lower rates of inflation would tend to reduce the revenue gap slightly but are hardly likely.

The only long range answer, outside of other alternatives to be discussed briefly, would be a balanced tax structure which has the same income elasticity as general fund expenditures. Such a structure might be achieved by raising those taxes which have a much higher income elasticity than total general fund revenue. The major possibilities in this direction are the individual income tax (income elasticity of 1.75) and the corporation income tax (income elasticity of 1.19). Other revenues in general tend to grow slower

than personal income or else the rates of taxation are very high already.

Sizable amounts of tax relief are not possible as long as the income elasticity of expenditures continues to exceed greatly that of revenues. It is true that more of the tax burden may be shifted to middle and upper income taxpayers. However, federal personal income taxes are already at very high rates for these groups.

Other Alternatives

1. Reduction of Expenditures

Often it is a first consideration in an attempt to balance a budget to put forth a major effort to cut government expenditures at both the State and local levels. While this is a simple approach in theory, it becomes considerably more complex in implementation. Much can be done in government to avoid duplication of effort and promote coordination and corporation within the government structure and between government and private industry. This would produce the effect of providing more services per tax dollar. Although these efforts should continue to have high priority, it is doubtful that these savings, however desirable, would be enough to offset the future revenue gap that is indicated.

In 1971, the Governor established a Management Review Commission to review State agency operations and make recommendations which would result in more effective and economical operations of State government. The Commission, after a detailed study of most State agencies, published a report in January, 1972, containing many recommendations—some of which would increase income to the State, others which would result in cost savings or cost avoidance. Increases in costs were recommended in a few functional areas.

A Director of Implementation was appointed to review the recommendations with the Department Heads with the view to implementing them to the maximum extent practicable. An implementation committee was also established to meet regularly and review progress.

Since the implementation study will continue during calendar 1972 and 1973, the full impact of those recommendations adopted may not be apparent for some time. Moreover, it is difficult at times to distinguish "pure savings" from the savings derived from providing more services from the same tax dollars. The Commis-

sion's recommendations should result in slowing the pace of expenditure growth or holding the line in the years ahead.

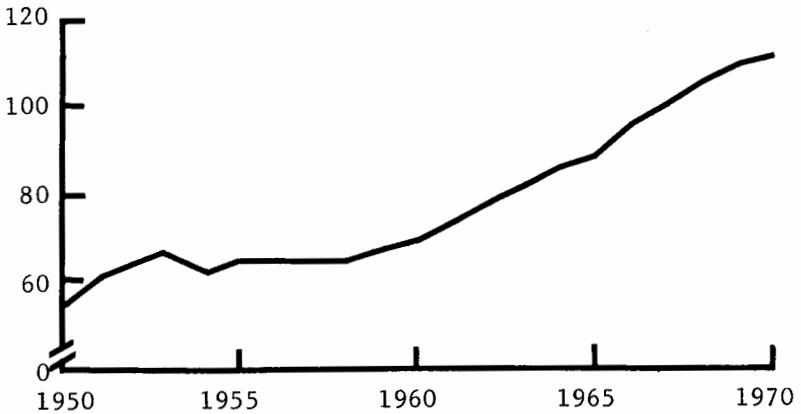
2. Federal Assumption of Welfare Costs

Should the Federal government assume the full burden of public assistance costs, this would have a substantial effect on closing the indicated revenue gap.

3. Federal Revenue Sharing

South Carolina's State share under current proposals would be in the range of \$15 to \$30 million annually. This would represent about one-third of the revenue gap indicated for Fiscal 1975-76.

INDEX OF SOUTH CAROLINA'S PER CAPITA INCOME
IN CONSTANT DOLLARS
(1967 = 100)



PERSONAL INCOME

Total personal income is perhaps the most broadly based indicator of economic activity and growth available for states on a comparable basis. During the past ten years, 1961 to 1971, South Carolina's total personal income has grown from \$3,464 million to \$8,306 million—an average annual growth rate of 9.1 percent. For the Southeast * as a whole, personal income advanced from \$65,-967 in 1961 to \$151,932 million in 1971, an average annual rate of 8.7 percent. No other region † experienced such a rapid rate of increase during the period.

South Carolina's per capita income increased on the average at 8.2 percent a year from \$1,438 in 1961 to \$3,162 in 1971. Despite significant gains in per capita income over the past ten years, South Carolina ranked as the fourth lowest in the nation in 1971. Those states with lower per capita incomes were Alabama (\$3,050), Arkansas (\$3,036) and Mississippi (\$2,766).

Personal and Per Capita Income in 1971

Between 1970 and 1971, based on preliminary data, the U. S. Department of Commerce, Bureau of Economic Analysis reported

* Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas

† As defined by the United States Department of Commerce.

that South Carolina total personal income rose \$690 million or 9.1 percent to reach \$8,306 million. South Carolina ranked eighth among the fifty states in percentage gain over the year in personal income and was substantially above the United States average gain of 6.8 percent. Ten states in the nation experienced growth of nine percent or more from 1970 to 1971 and eight had personal income growth of six percent or less. After allowing for inflation, South Carolina's real or constant dollar personal income rose 4.6 percent, well ahead of last year's gain of only 2.4 percent. From the trough of the recession in the fourth quarter of 1970 to the fourth quarter of 1971, South Carolina personal income jumped 10.4 percent, ranking ninth in the nation in percentage gain and second in the Southeast during the recovery period.

Per capita income in South Carolina reached \$3,162 in 1971, a gain of \$228 or 7.8 percent over the prior year. For the nation as a whole, per capita income was up 5.6 percent from 1970 to 1971.

TOTAL PERSONAL INCOME IN MILLIONS OF DOLLARS
1960-1971

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
1960	\$398,725	\$ 62,650	\$3,298	5.30	0.83	5.26
1961	414,411	65,966	3,464	5.03	0.84	5.25
1962	440,192	70,551	3,752	8.31	0.85	5.32
1963	463,053	75,282	3,948	5.22	0.85	5.24
1964	494,913	81,417	4,278	8.36	0.86	5.25
1965	535,949	88,847	4,733	10.64	0.88	5.33
1966	583,829	98,085	5,334	12.70	0.91	5.44
1967	625,490	106,442	5,758	7.95	0.92	5.41
1968	684,446	117,609	6,391	11.00	0.93	5.43
1969	745,869	129,392	7,025	9.92	0.94	5.43
1970	798,949	140,391	7,616	8.41	0.95	5.42
1971	853,505	151,932	8,306	9.06	0.97	5.47

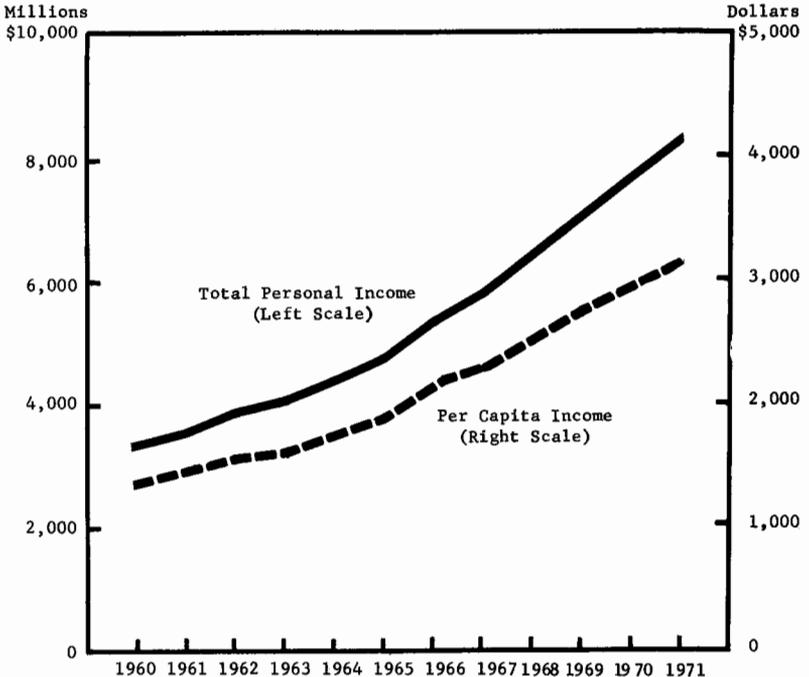
Source: U. S. Department of Commerce, *Survey of Current Business*.

PER CAPITA PERSONAL INCOME IN DOLLARS
1960-1971

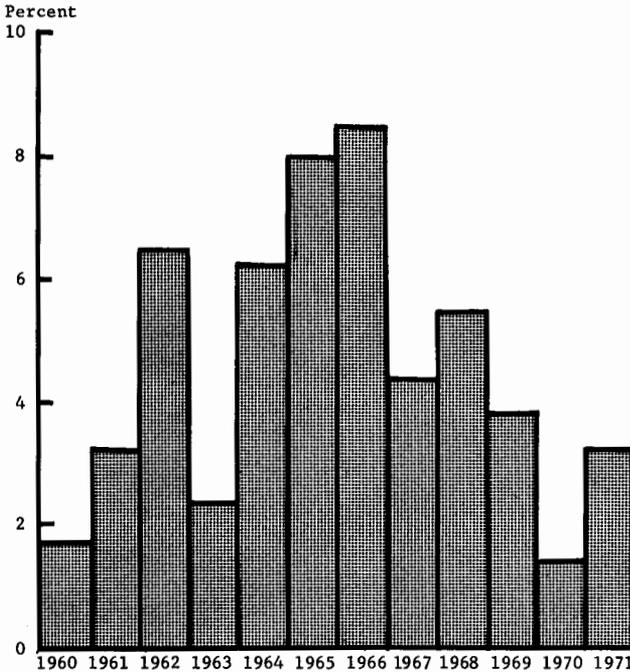
Year	United States	Southeast	South Carolina	% Change Over the Year in South Carolina	S. C. Per Capita Income as a Percent of Per Capita Income in the U. S.	Per Capita Income in Southeast
1960	\$2,216	\$1,611	\$1,379	3.37	62.23	85.60
1961	2,265	1,668	1,438	4.28	63.49	86.21
1962	2,370	1,756	1,548	7.65	65.32	88.15
1963	2,458	1,848	1,605	3.68	65.30	86.85
1964	2,590	1,969	1,729	7.73	66.76	87.81
1965	2,770	2,123	1,898	9.77	68.52	89.40
1966	2,987	2,321	2,117	11.54	70.87	91.21
1967	3,169	2,498	2,273	7.37	71.73	90.99
1968	3,436	2,732	2,498	9.90	72.70	91.43
1969	3,705	2,978	2,733	9.41	73.77	91.77
1970	3,920	3,196	2,934	7.35	74.85	91.80
1971	4,138	3,411	3,162	7.77	76.41	92.70

Source: U. S. Department of Commerce, *Survey of Current Business*.

SOUTH CAROLINA TOTAL AND
PER CAPITA PERSONAL INCOME
1960 - 1971



PERCENT CHANGE FROM PRIOR YEAR IN REAL PER CAPITA INCOME *
 IN SOUTH CAROLINA 1960-1971



*Adjusted by the U. S. Consumer Price Index to constant 1967 dollars.

Personal Income by Source in 1970

About three-fourths of the personal income in South Carolina was comprised of wage and salary payments in 1970. Manufacturing contributed more to total income than any other industry division, providing \$2,016 million in wage and salary payments in 1970 or about 26 percent of the state total. The textile industry is the largest manufacturing industry in the State accounting for about 44 percent of total manufacturing employment.

The government sector, including federal, state and local, is the second largest source of personal income in the State. Government disbursements contributed \$1,345 million to total personal income in 1970.

Proprietor's farm income ranked second in contributions to total personal income in the State until 1948, but it began declining in importance as the State became more industrialized. In 1970, this sector supplied only \$181 million or 2.4 percent of the state total.

Property income and transfer payments have increased somewhat in importance, providing 10.2 and 9.2 percent respectively of total personal income in South Carolina.

The following table shows personal income by source in 1970 in South Carolina.

SOUTH CAROLINA PERSONAL INCOME BY MAJOR SOURCE
1970 *

(Millions of Dollars)

Total Personal Income	\$7,616
Wage and Salary Disbursements	5,443
Farms	27
Mining	11
Contract Construction	313
Manufacturing	2,016
Wholesale and Retail Trade	703
Finance, Insurance and Real Estate	186
Transportation, Communication and Public Utilities	280
Services	550
Government	1,345
Other	11
Other Labor Income	314
Proprietors' Income	641
Property Income	776
Transfer Payments	704
Less: Personal Contributions for Social Insurance	-261

* Latest data available at the time of this printing.

Source: U. S. Department of Commerce, Bureau of Economic Analysis.

Family Income

The United States Bureau of the Census recently published data on family income from the 1970 Census. These data pertain to the year 1969. In South Carolina, the median family income amounted to \$7,621, nearly double the \$3,821 in 1959. About thirty percent of South Carolina families had incomes less than \$5,000 in 1969 compared to forty-nine percent in 1959. On the upper end of the scale, about eleven percent of the families had income over \$15,000 while only two percent did in 1959.

The difference between the white median family income and that of Negro and other races narrowed substantially during the ten-year period. In 1959, the median family income of Negro and other races, at \$1,699, was slightly over one-third of the white

median income of \$4,893. In 1969, family income of Negro and other races had increased 188 percent to \$4,450 while white family income advanced 79 percent to \$8,761.

Comparing incomes of those persons fourteen years old and over who received income, nearly 53 percent of the males and 84 percent of the females had incomes of less than \$5,000 in 1969. The median income for males was \$4,715 while the median income for females was \$2,138. In 1959, the median income was \$2,485 for males and \$937 for females. The following two tables show a summary of selected income information for families and persons fourteen years old and over in 1969 in South Carolina.

FAMILY INCOME IN SOUTH CAROLINA IN 1969

Family Income Class	Number of Families			Percent Distribution		
	Total	White	Negro and Other Races	Total	White	Negro and Other Races
All Families	628,689	471,761	156,928	100.0	100.0	100.0
Less Than \$1,000	28,716	12,953	15,765	4.6	2.7	10.0
\$ 1,000 - \$ 4,999	156,839	84,542	72,297	24.9	17.9	46.1
\$ 5,000 - \$ 9,999	234,990	182,987	52,003	37.4	38.8	33.1
\$10,000 - \$14,999	138,573	125,534	13,039	22.0	26.6	8.3
\$15,000 - \$24,999	56,213	52,894	3,319	8.9	11.2	2.1
\$25,000 or more	13,358	12,851	507	2.1	2.7	0.3
Median Income	\$7,621	\$8,761	\$4,450

Source: General Social and Economic Characteristics, 1970 Census, U. S. Bureau of the Census.

INCOME OF PERSONS 14 YEARS OLD OR OLDER IN SOUTH CAROLINA IN 1969

Income Class	Total	Male	Female	Percent Distribution		
				Total	Male	Female
Total with Income	1,391,976	780,361	611,615	100.0	100.0	100.0
Less than \$ 1,000 or Loss	292,467	102,428	190,039	21.0	13.1	31.1
\$ 1,000 - \$ 4,999	634,005	308,637	325,368	45.5	39.6	53.2
\$ 5,000 - \$ 9,999	357,635	268,263	89,372	25.7	34.4	14.6
\$10,000 - \$14,999	70,881	66,213	4,668	5.1	8.5	0.8
\$15,000 - \$24,999	26,330	25,035	1,295	1.9	3.2	0.2
\$25,000 or more	10,658	9,785	873	0.8	1.3	0.1
Median Income	NA	\$4,715	\$2,138

Source: General Social and Economic Characteristics, 1970 Census, U. S. Bureau of the Census.

Poverty Status

The U. S. Bureau of the Census, utilizing a definition of poverty level originated by the Social Security Administration and modified by the Federal Interagency Committee, tabulated the number of persons and families in South Carolina who were in this category. Income data pertain to the year 1969. The poverty levels are established according to circumstances concerning the individual or family. For example, the poverty level depends on such factors as family size, sex of the family head, number of children under 18 years old, and farm or nonfarm residence. The poverty income level is adjusted to allow for changes in the cost of living as reflected in the Consumer Price Index, but no attempt is made to adjust for regional, state or local variations in the cost of living (except for a difference in farm and nonfarm).*

In South Carolina, the Bureau of the Census estimated that 119,308 families or 19 percent of all families were classified as having income less than the poverty threshold level in 1969. These families had a mean size of 4.4 and income of \$2,050. About 14 percent of these families were receiving public assistance income. The following table shows some of the detail provided in the 1970 Census of Population.

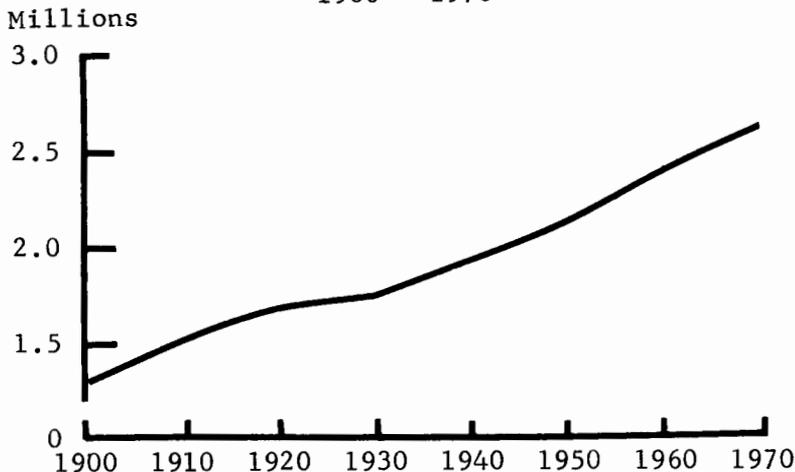
* For further information on the definitions and scope of the various poverty thresholds, see General Social and Economic Characteristics, Appendix B, 1970 Census of Population, U. S. Bureau of the Census.

FAMILIES WITH INCOME LESS THAN POVERTY LEVEL IN SOUTH CAROLINA IN 1969

Item	Total	White	Negro
Total Classified Families	119,308	49,302	69,696
Percent of All Families	19.0	10.5	44.7
Percent Receiving Public Assistance ...	14.1	8.8	17.8
Mean Family Income	\$2,050	\$1,808	\$2,223
Mean Size of Family	4.41	3.45	5.09
With Related Children Under 18 Years ..	32,538	9,571	22,820
With Female Head of Family	39,585	12,828	26,601

Source: General Social and Economic Characteristics, 1970 Census of Population, U. S. Bureau of the Census.

TOTAL SOUTH CAROLINA POPULATION 1900 - 1970



POPULATION

According to the 1970 Census, South Carolina's total resident population was 2,590,516. This was an increase of 207,922 or 8.7 percent over 1960, representing an average annual growth rate of 0.84 percent. Although this was a moderate rate of growth, out-migration played a large part in holding down the population growth rate. If net migration had been zero for the decade, the population would have increased an additional 149,414. This would have meant an increase of 15.0 percent instead of 8.7 percent. However, net out-migration declined substantially from that experienced between 1950 and 1960 of 222,000. It is expected that out-migration will continue to decline during the next decade.

The population in urban areas advanced more rapidly than did the State as a whole. By 1970 the urban population had grown to 1,231,893, an increase of 25.5 percent over 1960 and 58.7 percent over 1950. The rapid increase in the urban population can be partially attributed to in-migration from rural counties and other states. As South Carolina's economy has become increasingly industrialized, particularly in and near metropolitan areas, the State's population has become more concentrated in these areas of greater job opportunities. The population of the State's four Standard Metropolitan Statistical Areas (SMSA's) plus Aiken County (part of the Augusta, Georgia SMSA) increased 18.0 percent over the decade. The central counties of the SMSA's, those containing

the major city of the SMSA, grew 14.4 percent while the contiguous counties experienced a population increase of 30.6 percent. The total population outside of the SMSA's increased only 1.9 percent.

There have also been significant changes in the racial structure of the population. The 1970 white population represented 69.4 percent of the total population as compared with 65.1 percent in 1960 and 61.0 percent in 1950. The white population increased by 15.7 percent over the decade of the sixties while the Negro population actually declined by 40,250 persons or 4.8 percent. The number of persons of other races increased nearly 4,800 to 7,045. The decline in the Negro population can be attributed to continued out-migration coupled with a declining birth rate. Data on Negro family size is not available for 1960. However, the mean family size for Negro and other races dropped from 5.05 in 1960 to 4.67 in 1970.

The white mean family size declined from 3.71 to 3.43. For the State as a whole, the average family size was 3.74 in 1970 compared to 4.09 in 1960.

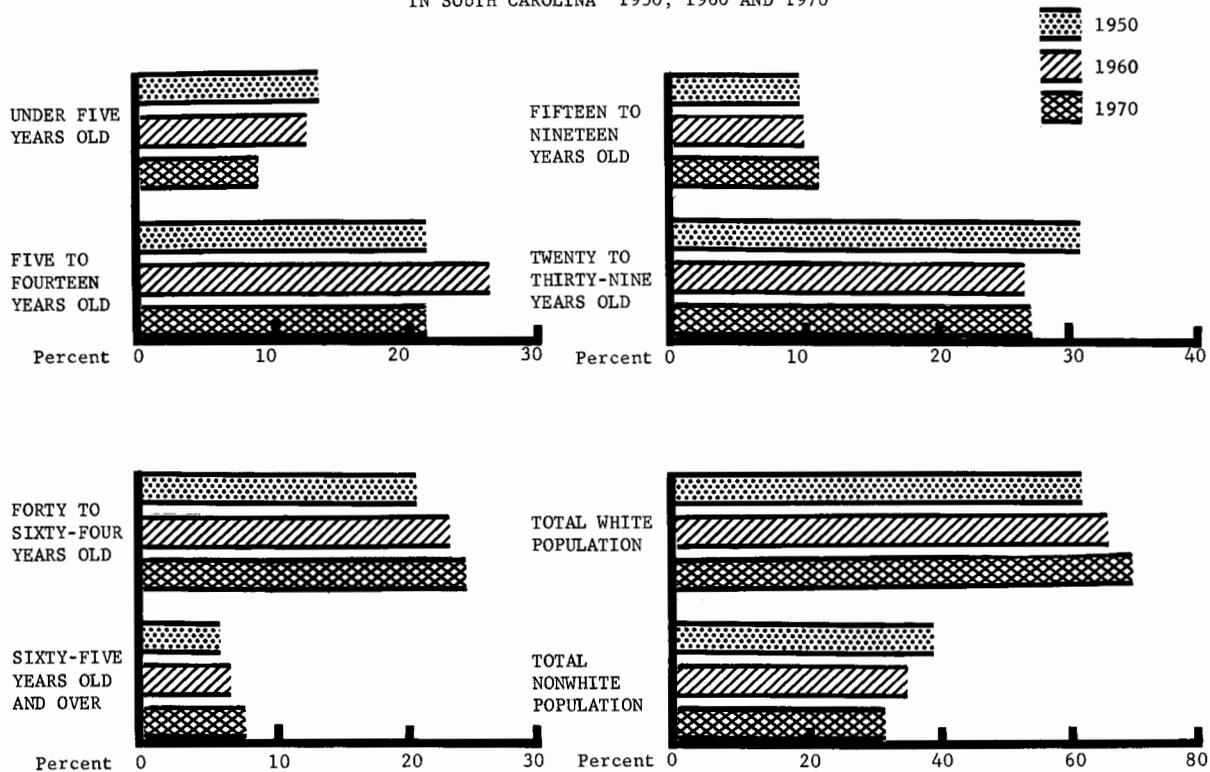
The proportion of females in the population increased very slightly over the past decade to 50.9 percent from 50.6 percent in 1960. The increase occurred in the sixty-five years and older age group. The number of females sixty-five years old or over rose over 33 percent between 1960 and 1970 to 115,269 while the number of males in this age group rose only about 18 percent to 75,691 in 1970. In the 1970 population under sixty-five years of age, the proportion of males and females was about equal and changed very little over the decade.

The median age of South Carolina's population rose from 23.4 years in 1960 to 24.8 years in 1970. The upward age shift can be attributed to several factors: Due to advances in the medical field, many persons are living longer; out-migration occurs primarily in the younger age groups (about 18 to 35 years old); and the birth rate declined during the period. The number of persons under five years of age declined over twenty percent between 1960 and 1970. The number between five and thirteen years old dropped 2.6 percent. Charts on the following pages illustrate the changing age distribution of the State's population since 1950.

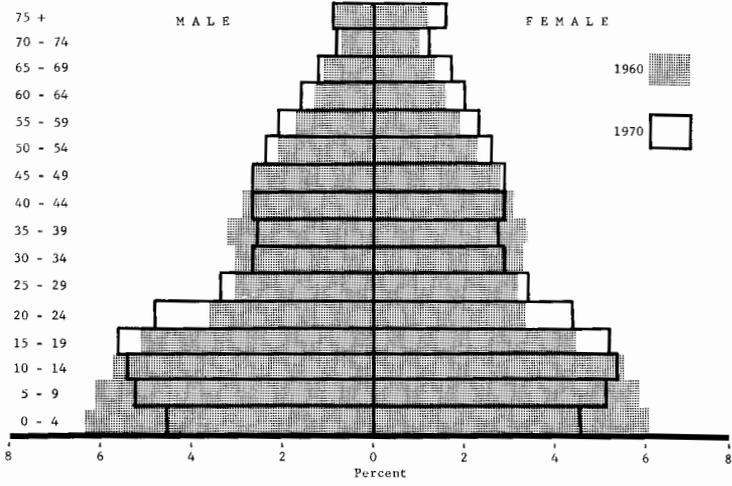
In summary, South Carolina's population in rural areas experienced little growth and in many areas actually declined while urban areas grew rapidly. Although births far outnumbered deaths

in all areas, migration out of rural areas accounted for the population loss in the rural counties. The majority of the out-migrants were in the younger age groups. This, coupled with a lower birth rate for all races, caused an upward shift in the age distribution within the State. In addition, although the white population reflected net in-migration during the decade, a substantial number of Negroes left the State, thereby increasing the proportion of whites in the State's total population. Since increased emphasis has been placed on providing more job opportunities in South Carolina's rural areas in recent years, this should help to slow the population flow from rural to urban areas and other states.

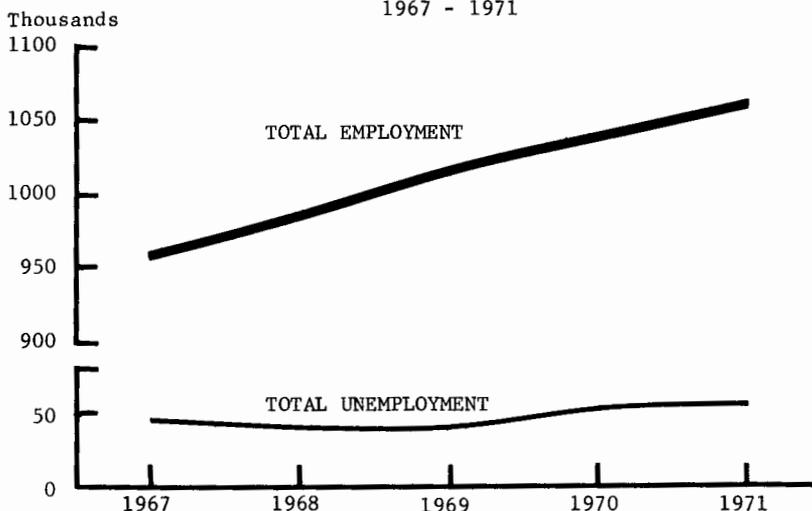
AGE GROUP AND RACE DISTRIBUTIONS OF THE POPULATION
IN SOUTH CAROLINA 1950, 1960 AND 1970



PERCENT DISTRIBUTION OF S. C. POPULATION
BY AGE AND SEX



ANNUAL AVERAGE EMPLOYMENT AND UNEMPLOYMENT
IN SOUTH CAROLINA
1967 - 1971



WORK FORCE, EMPLOYMENT AND UNEMPLOYMENT

South Carolina's work force averaged 1,119,600 during 1971, up 25,400 or 2.4 percent over 1970. Total employment reached a record level of 1,061,100. About ninety-four percent of the employed people in South Carolina hold nonfarm jobs. Agricultural employment declined rather sharply until about 1967 when it began to stabilize somewhat. Since 1969, on an annual average basis, farm employment has dropped only 2,000. The increased use of sophisticated farm machinery for planting and harvesting has greatly reduced the number of farm workers. In addition, many small farms have been combined to form larger, more efficient operations.

Nonagricultural wage and salary employment, representing over eighty percent of total employment in South Carolina, averaged 861,200 during 1971, 2.3 percent higher than the 1970 average of 842,000.

Looking at this sector on a monthly basis, over-the-year percent growth declined throughout 1970 but began to pick up momentum

beginning about March, 1971. By December, employment in this sector was 4.0 percent higher than in December 1970.

Most of the employment growth from 1970 to 1971 occurred in trade, services and government. Wholesale and retail trade employment averaged 147,100 in 1971, a gain of 5,300 workers over the prior year.

Wholesale trade establishments employed an average of 30,800 workers in 1971, up 2.7 percent from 1970. Retail trade, bolstered by a pick-up in sales and additional stores—particularly in shopping centers, added 4,400 jobs to average 116,300 during 1971. Most of the growth appeared after the first quarter of the year. In December, the seasonal peak, retail establishments provided jobs for 126,100 workers, an increase of 6,700 over the previous December level.

The service industries added 4,800 jobs to reach an employment average of 92,200 while government jobs rose 7,400 over the year to reach 157,300 in 1971. Nearly all of the government employment gain occurred in the state and local sector. Federal employment rose only 400 between 1970 and 1971 to reach 34,600.

Total manufacturing employment averaged 337,400 during 1971, down slightly from the 1970 average level of 340,000. The national average in manufacturing declined more sharply however. In South Carolina, total manufacturing employment declined from 343,800 in January of 1970 to a low of 332,200 in January, of 1971, a loss of 11,600 or 3.4 percent. A slow recovery gaining momentum through 1971, particularly in the nondurable goods sector, brought total manufacturing jobs to a level of 342,400 by December.

In the durable goods sector, employment averaged 81,600 during 1971, down 2,800 from the 1970 average level. Not all of the industries in the durable group sustained losses however. Stone, clay, and glass; electrical equipment and supplies; instruments and related products and miscellaneous durable goods lost employment over the year while lumber, furniture, fabricated metal products and nonelectrical machinery reflected moderate gains.

Nondurable goods producing industries as a whole gained slightly over the year. The textile industry, which accounted for over 57 percent of nondurable goods employment in 1971, declined to an average of 147,000 compared to 148,800 in 1970. As with many other industries however, the business picture began to improve during 1971 and in December textile industry employment reached 149,300. Textile mill products combined with syn-

ANNUAL AVERAGE EMPLOYMENT AND UNEMPLOYMENT
IN SOUTH CAROLINA
1967 - 1971



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thetic fibers (classified in the chemical industry) and apparel and other finished products supplied nearly 207,000 jobs in South Carolina during 1971.

During the current year, 1972, South Carolina's employment picture should continue to improve as optimism spreads through the business community. The following table shows 1970 and 1971 average levels of work force, unemployment and employment by major sectors and industry divisions in South Carolina.

ANNUAL AVERAGE WORK FORCE, UNEMPLOYMENT AND
EMPLOYMENT IN SOUTH CAROLINA, 1970 AND 1971
(In Thousands)

Item	1970	1971	Change Over the Year	
			Net	%
Work Force	1,094.2*	1,119.6*	25.4	2.3
Unemployment	54.2	58.3	4.1	7.6
Rate (%)	5.0	5.2
Total Employment	1,039.9	1,061.1	21.2	2.0
Agriculture	66.2	64.4	-1.8	-2.7
Nonagricultural Employment	973.7	996.7	23.0	2.4
Nonagricultural Wage and Salary	842.0	861.2	19.2	2.3
Agriculture, Forestry and Fisheries ..	2.5	2.6	0.1	4.0
Mining	1.7	1.6	-0.1	-5.9
Contract Construction	51.5	53.9	2.4	4.7
Manufacturing	340.0	337.4	-2.6	-0.8
Durable Goods	84.4	81.6	-2.8	-3.3
Nondurable Goods	255.6	255.8	0.2	0.1
Textile Mill Products	148.8	147.0	-1.8	-1.2
Trans., Comm. and Public Utilities ..	37.5	38.2	0.7	1.9
Wholesale and Retail Trade	141.8	147.1	5.3	3.7
Finance, Insurance and Real Estate ..	29.7	31.0	1.3	4.4
Services	87.4	92.2	4.8	5.5
Government	149.9	157.3	7.4	4.9

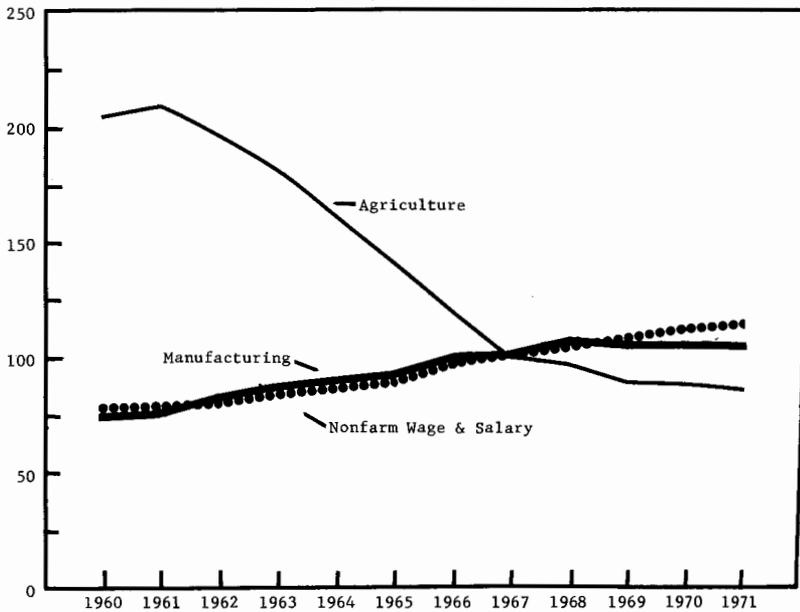
* Includes workers involved in labor-management disputes.

Source: South Carolina Employment Security Commission, Research and Statistics.

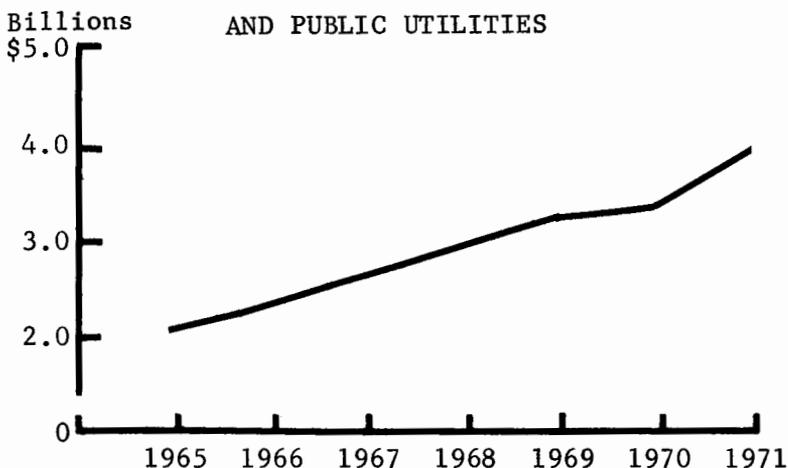
INDEXES OF EMPLOYMENT IN SOUTH CAROLINA
(1967 = 100)

Year	Nonagricultural Wage and Salary		Agriculture
	Total	Mfg.	
1960	77.2	76.6	204.0
1961	77.8	77.2	209.5
1962	80.8	81.4	196.5
1963	83.6	84.4	181.5
1964	86.3	87.0	160.6
1965	90.9	91.8	141.0
1966	97.4	98.2	119.3
1967	100.0	100.0	100.0
1968	103.8	105.5	97.6
1969	108.7	107.2	89.0
1970	111.6	106.4	88.7
1971	114.1	105.6	86.3

INDEXES OF EMPLOYMENT IN SOUTH CAROLINA
(1967 = 100)



VALUE OF TOTAL CAPITAL INVESTMENT
IN S. C. MANUFACTURING FIRMS
AND PUBLIC UTILITIES



CAPITAL INVESTMENT

Capital investment in South Carolina reflected significant growth during the past ten years, particularly in the mid-sixties. During 1964, 1965 and 1966, over \$911 million was invested in this State according to the Annual Survey of Manufacturers by the United States Department of Commerce, Bureau of the Census. This was nearly double the investment of the three prior years. Data for 1968 are not available, but capital expenditures of \$416.6 million in 1967 and \$358.9 million in 1969 indicate a high level of investment in the last part of the decade.

NEW CAPITAL EXPENDITURES IN SOUTH CAROLINA, 1960-1969

Year	New Capital Expenditures (In Millions)	Change Over the Year	
		Net	%
1960	\$144.3	\$
1961	159.0	14.7	10.2
1962	165.1	6.1	3.8
1963	179.8	14.7	8.9
1964	228.0	48.2	26.8
1965	282.9	54.9	24.1
1966	400.2	117.3	41.5
1967	416.6	16.4	4.1
1968	NA	NA	NA
1969	358.9	NA	NA

Source: U. S. Department of Commerce, Bureau of the Census.

New capital investment in South Carolina at \$358.9 million in 1969, represented about 1.6 percent of the Nation's total expenditures for new plant and equipment. Of the state total, about 35 percent was invested in the Charleston, Columbia and Greenville Standard Metropolitan Statistical Areas. Greenville boasted the largest amount at \$70.9 million followed by Columbia (\$29.5 million) and Charleston (\$25.9 million).

ANNUAL SURVEY OF MANUFACTURERS—UNITED STATES,
SOUTH CAROLINA AND STANDARD METROPOLITAN
STATISTICAL AREAS, 1969

Item	All Employees		Production Workers			Value of Industry Shipments (Millions)	New Capital Expend. (Millions)
	Number (1000)	Payroll (Millions)	Number (1000)	Man-hours (Millions)	Wages (Millions)		
United States	20,037.4	\$152,738.6	14,359.6	28,603.1	\$93,459.6	\$642,635.8	\$22,300.4
South Carolina	338.1	1,891.5	278.0	570.5	1,377.4	7,847.3	358.9
S. C. as % of United States	1.69%	1.24%	1.94%	1.99%	1.47%	1.22%	1.61%
Charleston SMSA	16.0	102.5	11.3	22.5	61.0	401.9	25.9
Columbia SMSA	20.4	112.0	15.9	30.8	75.4	452.4	29.5
Greenville SMSA	59.7	336.3	48.1	101.5	241.9	1,362.9	70.9

Although data on capital investment is not yet available from the U. S. Department of Commerce for 1970 and 1971, the South Carolina State Development Board tabulates and publishes announcements of planned manufacturing investment in South Carolina. During 1970, a year of depressed economic growth in the Nation and South Carolina, a total of 136 projects, 82 of which were expansions of existing facilities, were announced. It is estimated that this represented capital investment of about \$319,456,000.

The South Carolina Industrial Development Board announced a ten point program in 1971 stressing the creation of job opportunities in South Carolina's under-developed areas. Major points of the program included:

1. efforts to assist under-developed areas in the State through community leadership first, then introducing industry to the areas;
2. broadening of the State's international trade and investment activities;
3. the attraction of service industries;
4. the expansion of warehousing and distribution facilities.

Foreign direct investments have been increasing more rapidly over the past few years as foreign corporations have acquired United States businesses or established their own plants in the United States. In the United States, there are over 700 manufacturing enterprises owned wholly or in part by some 500 foreign corporations representing investments of over \$13 billion.

South Carolina has long been a nationwide leader in attracting industry from outside the United States. Since the early 1950's and particularly since the late sixties, the Palmetto State has attracted many foreign based firms which have invested well over \$740 million in South Carolina. State and city efforts to attract new industry have already been successful. Reports suggest that the new industry and local people are enjoying many mutual benefits. Local cooperation has added to other special inducements offered to industry. Among them are: a network of technical schools providing skilled workers at no cost to the firms, large tracts of available land at reasonable cost, no inventory taxes on manufactured finished goods, and a five-year moratorium on most property taxes.

As of March, 1972, there were at least thirty-two foreign based manufacturing firms and eleven sales and service firms representing investments from Canada, Great Britain, Japan, France, South Africa, Holland, Germany, Switzerland and Austria. Although these companies are scattered throughout the State, the majority are found in the Piedmont area. Spartanburg, South Carolina, which has made particularly successful efforts to attract foreign industry, is home for at least eight foreign based manufacturing companies and eleven sales and service firms.

South Carolina has greatly stepped up its efforts to attract industrial investments into the State. In working towards industrialization the State has two important goals:

1. to educate the South Carolina industrialists about the export markets of Europe and Asia;
2. to show foreign investors that they can bring their operations to South Carolina and make a profit.

According to the State Development Board, the future of industrial investments by foreign companies in South Carolina looks promising and many "multinational" firms feel that the State has a natural appeal. Thus far, overseas chemical industries alone have invested more than \$499 million in South Carolina.

This cross-investment concept is South Carolina's contribution to the Nation's balance of payments problems.

Plant expansions, which help to create new jobs and improve industrial facilities, were responsible for nearly 70% of the manufacturing capital investments announced by major corporations in South Carolina during 1971 according to the Development Board. It is estimated that the total industrial investment which was announced during the year would create about 12,300 new jobs in South Carolina. About 38% of the anticipated new employment was in the textile industry, 25% in metalworking industries, followed by the apparel industry (14%), chemical industry (12.5%), and the remaining industries (10%).

CAPITAL INVESTMENT PLANS ANNOUNCED FOR SOUTH CAROLINA BY NEW AND EXPANDED INDUSTRY, 1971

Industry	Anticipated Additional Jobs			Investment (In Thousands)			Number of Firms		
	Total	New	Expanded	Total	New	Expanded	Total	New	Expanded
Textile	4,716	1,640	3,076	\$148,663	\$ 38,370	\$110,293	39	11	28
Apparel	1,725	405	1,320	6,882	662	6,220	20	5	15
Metalworking	3,082	347	2,735	100,735	5,050	95,685	28	5	23
Chemical	1,535	625	910	187,855	97,000	90,855	18	4	14
Other	1,214	756	458	29,256	8,452	20,804	39	7	32
TOTAL	12,272	3,773	8,499	\$473,391	\$149,534	\$323,857	144	32	112

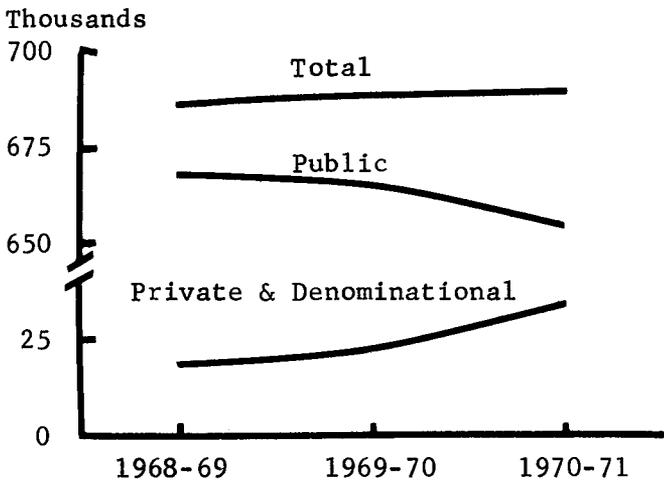
Source: *Trends*, February, 1972, South Carolina State Development Board.

An annual survey conducted by the South Carolina Department of Labor indicated that in 1971, 2,574 manufacturing establishments had total capital investment valued at over \$3,155 million in this State. These firms paid out over \$1,416 million in wages to more than 273,000 non-salaried employees.

In addition, 141 electric and gas companies had total capital investment valued at close to \$790 million. Almost 43 percent of the total value of capital investment was in the textile industry followed by electric and gas companies with 20 percent and metal and machinery industries with 10.5 percent.

Over the past ten years, since 1961, the number of firms increased by over 25 percent and the value of capital investment jumped 132 percent reflecting significant industrial expansion in South Carolina.

SCHOOL ENROLLMENT - GRADES 1-12



EDUCATION

Public School Education

Revenue needs for public school expenditures in South Carolina come from appropriations by the General Assembly, local taxes, federal grant-in-aid programs, contracts, gifts and various fees and charges. In all, public education constitutes the largest single operation of state and local government in South Carolina.

Total funds expended by the State Department of Education and School Districts for public education increased 14.9 percent from the 1969-1970 school year to the 1970-1971 school year.

SOURCE OF FUNDS EXPENDED BY THE STATE DEPARTMENT OF EDUCATION AND SCHOOL DISTRICTS FOR PUBLIC EDUCATION

1970-1971

State Appropriation	\$206,132,704	47%
Other State Funds	16,657,893	4%
Federal Funds	80,381,141	18%
	Sub Total	
	\$303,171,738	
Local Funds	134,178,745	31%
	Total	100%
	\$437,350,483	

NOTE: The above figures include *only* funds expended directly by the State Department of Education and school districts.

Source: S. C. Department of Education.

In 1970, the State Board of Education adopted an eleven-point statement of major objectives to be accomplished in South Carolina's public schools by 1975. This plan is consonant with the Board's formally adopted philosophy advocating a five-year program for public school progress. Major objectives include: reducing the number of dropouts by 50 percent; reducing the number of first grade failures to a maximum of five percent; establishment of a statewide kindergarten system by 1975; improvement of basic language and mathematic skills of students; and providing occupational training for all high school students seeking it.

COMPILATION OF TOTAL EXPENDITURES FOR PUBLIC EDUCATION
1970-1971

Current Expenditures	\$351,776,184
Capital Outlay	51,210,809
Debt Service	32,433,859
<hr/>	
TOTAL EXPENDITURES FOR PUBLIC SCHOOLS	\$435,420,852
For Pre-School Pupils	1,410,238
For Adult Programs	7,604,012
State's Contribution for Retirement	32,246,487
<hr/>	
TOTAL EXPENDITURES FOR PUBLIC EDUCATION IN SOUTH CAROLINA, 1970-71	\$476,681,589

Source: S. C. Department of Education.

NUMBER OF SCHOOLS AND PUPIL ENROLLMENT IN
SOUTH CAROLINA, 1970-1971

	Elementary	High	Total
Number of Schools	821	341	1,162
Average Number of Pupils Per School (According to enrollment)	494	734	565

Source: S. C. Department of Education.

VALUE OF ALL PUBLIC SCHOOL PROPERTY, 1970-1971

Type of School	Total Value
Elementary Schools Only	\$283,591,899
High Schools Only	291,284,410
Used for Both Elementary and High Schools	58,865,867
Property Not In Use	14,143,900
Buildings Used for Administration Only	14,251,142
<hr/>	
TOTAL	\$662,137,218

Source: S. C. Department of Education.

Occupational Education

South Carolina has long been a leader in the field of occupational education. As early as 1947, the State embarked on a program of residential trade schools to provide job-oriented training for adults. Occupational education has continued to grow and meet the challenge of South Carolina's expanding economic structure and industrial development.

A network of technical education centers was begun in 1961 in recognition of the immediate need for skilled, competent workers to hasten economic growth in the State and to close the income gap between South Carolina and the rest of the Nation. Enrollment in the TEC program has rapidly increased. In 1970-71 over 80,000 South Carolinians participated in the program bringing the total enrollment for TEC's nine years of operation to well over a quarter of a million people.

The first technical education center was completed in 1962 in Greenville, South Carolina and covered an area of 50,000 square feet. Since then the TEC program has expanded to 17 facilities employing 1,443,877 net square feet of useable space. The total value of these facilities is estimated at \$36,704,038. Of these 17 operations, four have residential dormitory facilities for their students: Beaufort Regional, Columbia Regional, Denmark Regional, and Williamsburg Regional.

TEC offers two-year associate degrees in forty-four occupational areas. Over 2,700 South Carolinians graduated from TEC programs in 1971.

TECHNICAL EDUCATION CENTER ENROLLMENT

Fiscal Year	TEC Center Enrollment	Special Schools
1961-62		475
1962-63	1,122	2,190
1963-64	11,867	2,785
1964-65	18,659	2,824
1965-66	32,967	5,044
1966-67	37,046	5,704
1967-68	42,146	4,081
1968-69	59,817	4,419
1969-70	79,001	4,534
1970-71	81,415	3,804

Source: State Committee for Technical Education.

Higher Education

There are presently eight public colleges and universities in the State of South Carolina. During the 1970-1971 school year, Francis Marion College and the College of Charleston entered their first academic year as state-supported institutions. According to the South Carolina Commission on Higher Education, the full-time equivalent enrollments of all public colleges and universities in the State totaled approximately 34,700 in fall 1970 and 40,000 in 1971. This represents an increase in enrollment of over 15 percent. There are presently twenty-six nonpublic colleges and universities in South Carolina, including seven junior colleges. These nonpublic institutions recorded a fall 1971 enrollment of about 21,490 students.

In 1970, the statewide Management Information System (MIS) for South Carolina higher education became operative. Its purpose is to serve the public colleges and universities and the Commission on Higher Education by supplying them with accurate, meaningful, comparable reports on students, faculty and other essentials. This information is very helpful in reporting, budgeting and planning.

According to the Commission on Higher Education, future higher education expenditures are expected to increase more rapidly than enrollments. The Department of Health, Education, and Welfare's National Center for Educational Statistics forecasts that total national enrollments during the 1970's will increase by 55 percent as compared to an 84 percent increase in expenditures. Tuition and fees required of students attending the South Carolina public colleges and universities during academic year 1971-1972 are summarized in the following table:

TUITION AND REQUIRED FEES
1971-1972

	In-State Residents	Out-Of-State Residents	Differential
Clemson University (includes \$50 health fee)	\$640	\$1,340	\$700
University of South Carolina	550	1,260	710
College of Charleston	700	1,400	700
Francis Marion College	410	910	500
Winthrop College (includes \$50 health fee)	470	1,100	630
South Carolina State College	460	940	480
The Citadel	557	1,207	650
Medical University (medical/dental)	900	1,650	750
(nursing/pharmacy)	550	850	300
(allied/health)	125	325	200

Source: *Goals for Higher Education*, January 1972. Published by the South Carolina Commission on Higher Education.

Current and recent year state appropriations to the South Carolina Public colleges and universities are listed on the following page.

SOUTH CAROLINA TAXPAYER SUPPORT FOR CURRENT OPERATIONS
OF PUBLIC COLLEGES AND UNIVERSITIES
(Thousands of Dollars)

	1969-70	Appropriations	
		1970-71	1971-72
University of South Carolina (includes regional campuses)	\$16,334	\$17,633	\$22,850
Clemson University (includes regional campuses)	11,124	11,849	14,176
Winthrop College	3,968	4,130	4,587
The Citadel	3,429 ^o	3,581	4,041
South Carolina State College	3,944	4,223	4,457
Francis Marion College		1,010†	1,641†
College of Charleston		300	1,998†
TOTAL (Seven Colleges and Universities)	\$38,800	\$42,726	\$53,749
Medical University of South Carolina	8,468	9,576	10,507
TOTAL (Eight College and Universities)	\$47,268	\$52,302	\$64,256

^o Plus \$50,000 supplementary 1968-69 appropriation.

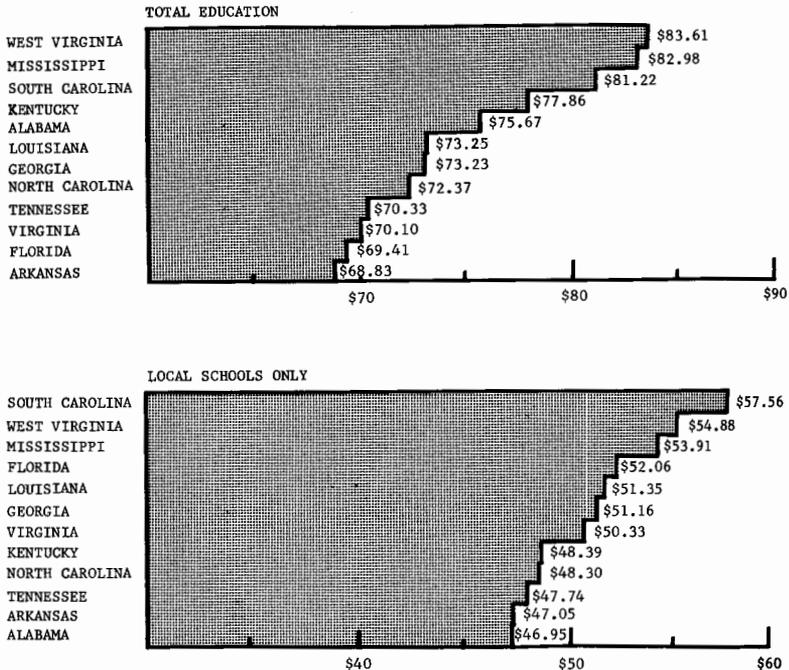
† Plus use of tuition income for current ("start-up") operations.

Source: *Goals for Higher Education*, January, 1972. Published by the South Carolina Commission on Higher Education.

The following chart shows South Carolina's rank among the Southeastern states in expenditures per \$1,000 of personal income on total and local school education in fiscal year 1969-70. Unfortunately, more recent comparable data are not yet available. In 1969-70, South Carolina ranked third in the Southeast spending \$81.22 per \$1,000 of personal income on total education—only 2.9 percent below the highest southeastern state and 18 percent more than the state with the lowest expenditure per \$1,000 of personal income. The United States average was \$70.81, nearly 15 percent lower than South Carolina.

When considering only expenditures for local schools, South Carolina ranked first in the Southeast and fourteenth in the Nation with expenditures of \$57.56 per \$1,000 of personal income. The United States average was \$50.31, over 14 percent below South Carolina.

GENERAL EXPENDITURES OF STATE & LOCAL GOVERNMENTS PER \$1000 PERSONAL INCOME
FOR EDUCATION IN TWELVE SOUTHEASTERN STATES
1969-70



Source: Governmental Finances, 1969-70, U. S. Department of Commerce, Bureau of the Census.

School Enrollment

In 1970, according to the 1970 Census, there were 736,216 persons between the ages of 3 and 34 years old enrolled in public and private schools and colleges in South Carolina. This amounted to nearly half of the state population in that age group. Over 62 percent of these were attending elementary schools, 26 percent were in high schools and 8 percent in colleges. Another 4 percent were enrolled in nursery schools and kindergartens.

In 1960, there were 452,084 children enrolled in public and 9,413 in private elementary schools totaling 461,494 and accounting for nearly 74 percent of the total enrollment in kindergartens and above. In 1970 the total number in elementary schools had declined slightly to 460,341, with 444,905 in public schools and 15,436 in private schools. The decline was due to a diminishing birth rate for both whites and nonwhites during the decade. High school enrollment increased about 61,000 from 1960 to 1970 to a level of 189,156 and college enrollment nearly doubled to reach 57,386.

SCHOOL ENROLLMENT IN SOUTH CAROLINA IN 1970

Type of School	Total		White		Negro	
	Number	Percent	Number	Percent	Number	Percent
Total Enrollment						
3-34 Years Old	736,216	100.0	470,223	100.0	264,574	100.0
Nursery and Kindergarten	29,333	4.0	21,436	4.6	7,848	3.0
Elementary (1-8 Years) . . .	460,341	62.5	281,658	59.9	177,859	67.2
High School (1-4 Years) . . .	189,156	25.7	118,119	25.1	70,776	26.8
College	57,386	7.8	49,010	10.4	8,091	3.1

Source: General Social and Economic Characteristics, 1970 Census of Population, United States Bureau of the Census.

About 96 percent of the children between the ages of 7 and 13 years old were enrolled in schools. The percentages enrolled diminished as the ages increased, from about 93 percent of the 14 and 15 year olds to around 48 percent of the 18 and 19 year olds. Nearly 21 percent of those 20 and 21 years old were enrolled in school, 7.5 percent of those 22 to 24 and about 3 percent of those 25 to 34 years old.

Educational Attainment

The 1970 Census revealed that levels of school completed increased from all segments of the population in South Carolina

during the past decade. For all persons twenty-five years old and over, the median number of school years completed was 10.5 in 1970. This compares to 8.7 years in 1960. The median for the white population increased 1.1 years over the decade to 11.4 years while the median nonwhite level rose 1.8 years to 7.7.

In 1970 33,786 persons or 2.6 percent of those in the twenty-five years and older group had not completed any years of school compared to 51,584 persons or 4.5 percent of this age group in 1960. About 38 percent of the state's population twenty-five years old and over had an eighth grade education or less in 1970 while over 52 percent were in this category in 1960. Of additional significance illustrating the trend toward increased formal education, only 38 percent of the population twenty-five and older had a high school education or better in 1970, but nearly 57 percent of the eighteen to twenty-four old group had attained this educational level.

EDUCATIONAL ATTAINMENT OF PERSONS 25 YEARS OLD OR OVER
IN SOUTH CAROLINA, 1970

Item	Total	Male		Female	
		White	Negro	White	Negro
Number 25 Years Old or Over . . .	1,283,837	453,026	146,580	500,142	181,486
No School Years Completed	33,786	7,225	10,824	6,373	9,289
Elementary: 1-4 Years	121,976	29,589	37,107	22,995	32,087
5 and 6 Years	128,627	36,625	24,710	36,623	30,415
7 Years	93,158	31,072	12,664	31,712	17,592
8 Years	111,080	39,265	12,920	40,014	18,710
High School: 1-3 Years	309,929	105,606	24,318	139,265	40,177
4 Years	264,070	103,636	16,276	122,975	20,580
College: 1-3 Years	106,092	43,383	3,481	54,970	4,009
4 Years	80,090	35,084	2,442	36,260	6,119
5 Years or More	35,029	21,541	1,838	8,955	2,508
Median School Years Completed	10.5	11.4	7.1	11.4	8.1

PERCENT OF PERSONS TWENTY-FIVE YEARS OLD AND OVER
BY LEVEL OF SCHOOL COMPLETED, 1970

Item	Total	Male		Female	
		White	Negro	White	Negro
Total	100.0	100.0	100.0	100.0	100.0
No School Years Completed	2.6	1.6	7.4	1.3	5.1
Elementary: Less than 5 years.....	9.5	6.5	25.3	4.6	17.7
5-8 years.....	26.0	23.6	34.3	21.7	36.8
High School: 1-3 years.....	24.1	23.3	16.6	27.8	22.1
4 years.....	20.6	22.9	11.1	24.6	11.3
College: 1-3 years.....	8.3	9.6	2.4	11.0	2.2
4 or more years.....	9.0	12.5	2.9	9.0	4.8

PERCENT OF PERSONS TWENTY-FIVE YEARS OLD AND OVER IN S. C.
ACCORDING TO HIGHEST LEVEL OF SCHOOL COMPLETED
1960 AND 1970



Source: General Social and Economic Characteristics, 1970 Census, U. S. Bureau of the Census.

Over the past decade, there was a substantial decline in the number of persons twenty-five years old and over who were classified as "functional illiterates" in South Carolina. This classification includes that part of the population twenty-five years old or over which has completed less than five years of school. In 1960, 230,789 persons or 20.3 percent of the population twenty-five or older were in this category. By 1970, the number had dropped by

nearly one-third to 155,762 or 12.1 percent of the total population twenty-five years old or over. Of the total number of those classified as functional illiterates in South Carolina in 1970, 66,182 were white. This represented 6.9 percent of the total white population twenty-five years old or over. In 1960, 11.6 percent of the white population in this age group were classified as functional illiterates. The proportion of Negro and other races in this category declined sharply between 1960 and 1970 from 137,701 or 41.3 percent of the nonwhite population twenty-five or over to 89,580 or 27.1 percent in 1970. The following table shows the number of functional illiterates in 1960 and 1970 relative to the total population twenty-five years old or over.

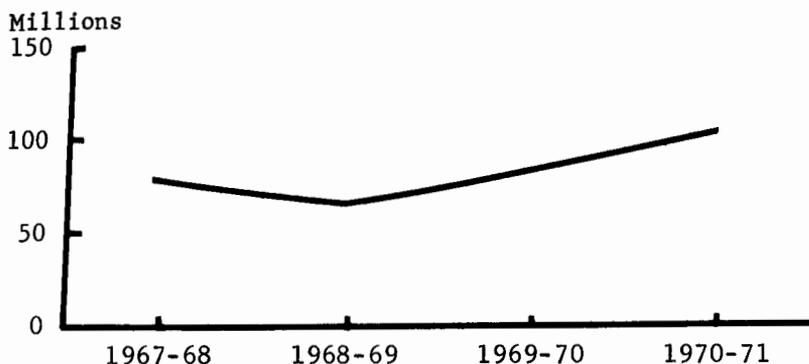
**FUNCTIONAL ILLITERACY IN SOUTH CAROLINA
1960 AND 1970**

	1960		1970	
	Number	Percent	Number	Percent
Total Population				
25 Years Old and Over	1,135,907	100.0	1,283,837	100.0
Functional Illiterates *	230,789	20.3	155,762	12.1
White	93,088	8.2	66,182	5.2
Negro and Other Races	137,701	12.1	89,580	7.0

* Those having completed five years or less of school.

Source: General Social and Economic Characteristics, 1970 Census of Population, United States Bureau of the Census.

ROAD AND HIGHWAY CONSTRUCTION EXPENDITURES



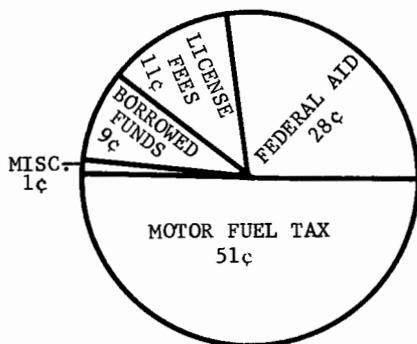
TRANSPORTATION

Roads and Highways

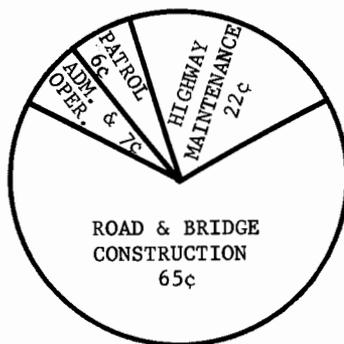
The South Carolina State Highway Department's total receipts for fiscal year 1970-71 amounted to \$158.5 million, whereas expenditures totaled \$161.8 million. Receipts showed a 25% increase over the previous year, and expenditures were up 18.3% over 1969. The increase in total receipts was primarily in motor fuel tax revenues, while the largest increase in expenditures was for highway construction.

THE HIGHWAY DOLLAR

How it is derived . . .



How it is expended . . .



Fiscal Year 1970-71.

Source: South Carolina Highway Department.

South Carolina is presently engaged in an extensive highway construction program. Construction, along with research and ad-

vanced planning, has been expanded greatly during recent years. Expenditures on construction and related items totaled \$104.4 million for fiscal year 1971. This includes work on the primary, secondary, and interstate highway systems. The South Carolina portions of I-85 and I-26 have been completed; sections of I-20 and I-95 have been completed with other sections under construction; work on I-77 has just begun. When completed, they will total 759 miles. At the end of fiscal year 1970-71, 465 miles had been completed. An additional 55 miles are open to traffic, but are still under construction.

As of June 30, 1971, the State's primary road system consisted of 9,150 miles of paved roads. The secondary system (farm to market) has 26,459 total miles of which 2,025 are earth. The secondary and primary roads plus the interstate system represent an investment of \$1,214 million since the creation of the State Highway System in the 1920's with over \$700 million of these expenditures occurring in the last ten years.

In the last four years much of the work on the primary road system has been in the form of improvements on existing roads. Many two-lane roads have been expanded to four lanes and numerous bridges have been widened. Safety improvements have been made at railroad grade crossings and at high-accident locations.

During fiscal year 1970-71, a total of 437.4 miles of primary system projects and over 500 miles of secondary system projects were placed under contract for improvement. Most of these improvements took the form of grading and bituminous surfacing of former country roads and local streets in order to provide local, all-weather travel. An additional \$.3 million was spent on the Forest Highway Program.

CONSTRUCTION CONTRACT AWARDS AND EXPENDITURES*
IN SOUTH CAROLINA
FISCAL YEARS, 1964-65 THROUGH 1970-71
(In Thousands)

Year	Contract Awards	Expenditures
1964-65	\$ 75,495	\$ 68,073
1965-66	74,522	78,481
1966-67	71,585	79,305
1967-68	72,870	80,356
1968-69	81,627	67,515
1969-70	110,461	83,884
1970-71	132,026	104,445

* Contractors are paid on the basis of work completed. Therefore, contract awards and expenditures in any given year will not be the same.

EXPENDITURES AND MILEAGE COMPLETED ON INTERSTATE
SYSTEM IN SOUTH CAROLINA
FISCAL YEARS, 1964-65 THROUGH 1970-71

Year	Total Construction Expenditures (In Thousands)	Cumulative Mileage Completed
1964-65	\$25,141	320.0
1965-66	32,708	337.5
1966-67	31,823	337.9
1967-68	29,712	381.5
1968-69	16,590	384.3
1969-70	27,952	448.6
1970-71	37,669	465.8

Source: South Carolina Highway Department.

Traffic engineering and planning studies attempt to find ways to alleviate traffic congestion and reduce accidents. A large percentage of these studies are made in urban areas where traffic congestion is greatest. The Department has engaged engineering consulting firms to make studies in Charleston, Columbia and Greenville. Implementation of some improvements suggested in the Charleston study has already begun. Studies of traffic volume are also made yearly.

Air Transportation

Air transportation, along with modern highways and communications, has helped substantially to transform many ailing agrarian communities into sophisticated growing segments of South Carolina and the Nation's economic development. The ability to move people and goods is essential to all significant economic and social activities. A \$200 million system of airports has been created serving many of South Carolina's cities and towns.

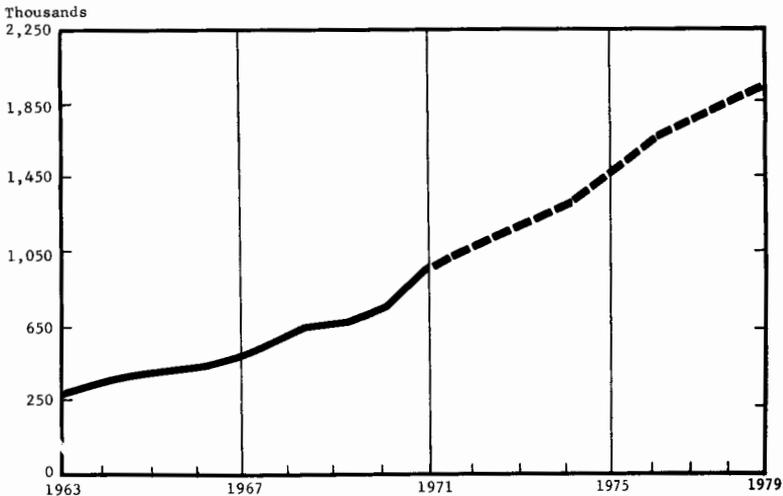
Presently, the South Carolina Aeronautics Commission is carrying out a plan for the state airport system. The plan extends for fifteen years and includes all types of development required for cargo, passenger, and aircraft handling. It also details all airport development needed in locations served by air carriers, and provides for the special needs of state defense.

The objective of making airport facilities and air carrier service conveniently available to every South Carolina citizen is the primary consideration for development of the system plan.

The five commercial airlines serving the State afford fast transportation for people, mail, cargo, and express. These air carriers are Eastern, Delta, National, Piedmont and Southern. The first three are trunk carriers, while Piedmont and Southern are regional carriers. All five share authority to serve New York and Washington. The principal airline connecting points from South Carolina are Atlanta, Georgia and Charlotte, North Carolina. At present, all five airlines operate scheduled flights to these cities from points on their systems.

There are over ninety airports in use in South Carolina, including three major terminals: Charleston, Columbia (Richland-Lexington) and the Greenville-Spartanburg Airport. Recent years have shown a rapid annual growth in the number of passengers who travel by air in South Carolina, and according to the South Carolina Aeronautics Commission, this growth will continue into the future.

SOUTH CAROLINA PASSENGER ENPLANEMENTS
PROJECTED THROUGH FISCAL 1979



Source: South Carolina Aeronautics Commission, Annual Report 1970-71. Air Traffic Survey, S. C. 1968; Aviation Forecasts FY 1968-69 (FAA).

City Bus Transportation

City bus transportation is available in five major cities of South Carolina: Anderson, Charleston, Columbia, Greenville and Spartanburg. The Public Service Commission has jurisdiction over city bus transportation in these areas.

Gasoline and diesel buses used for city transportation are operated by the Duke Power Company at Anderson and Spartanburg, by the Greenville City Coach Lines, Inc., at Greenville, and by the South Carolina Electric and Gas Company at Charleston and Columbia.

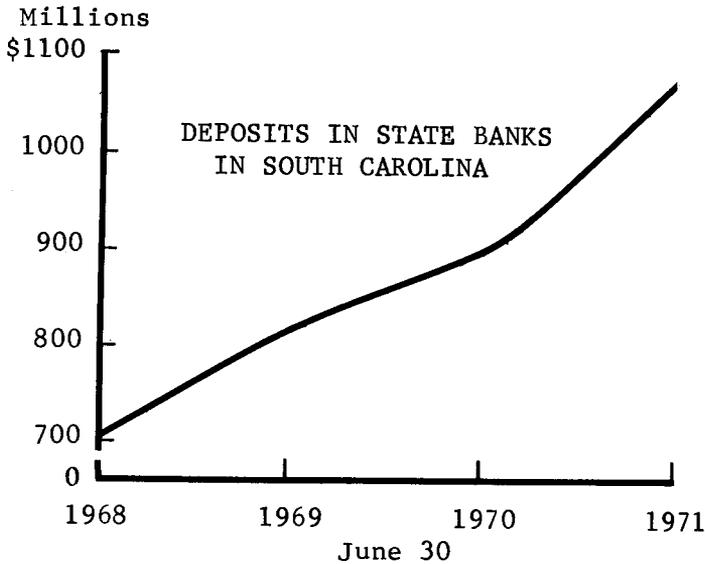
During 1970 the above named bus companies transported about 16,195,000 passengers as compared to some 14,799,000 in 1969. Despite the rise from 1969 to 1970, the number of passengers transported by city buses in South Carolina has decreased by approximately 64% since 1950.

During fiscal 1970-71, a number of changes were made in bus routes and schedules in order to make the most economical use of the facilities of the various bus transportation companies operating in this State.

Railroads

Since 1960, total railroad mileage in South Carolina has decreased from approximately 3,300 miles to 2,990 miles at the end of fiscal 1970-71. Passenger service and mail and freight service have decreased considerably in volume since 1960.

South Carolina is served by the Seaboard Coastline Railroad and the Southern Railroad, and other smaller rail carriers. At the end of fiscal 1970-71, the Seaboard Coastline Railroad had approximately 1,885 miles of track in use, while the Southern Railroad had about 1,002 miles of usable track. Other rail lines in the State comprise a little more than 100 miles of railroad track.



FINANCE

Banks

Banking facilities are maintained in approximately 200 cities and towns in South Carolina. These include facilities by six banks with statewide systems: The South Carolina National Bank, The Citizens and Southern National Bank of South Carolina, The First National Bank of South Carolina, Bankers Trust of South Carolina, First Citizens Bank and Trust Company of South Carolina and The First Palmetto State Bank and Trust Company.

There were several changes in the South Carolina state banking environment during fiscal year 1970-71. Two bank conversions took place and one entirely new banking institution was created. The new institution was the First Palmetto State Bank and Trust Company, with headquarters located in Columbia, South Carolina. It was chartered on the fourth of January, 1971, and opened for business on the twenty-sixth. Other changes in the State included four bank mergers, the opening of twenty-three new branches, and one branch bank closed. At the end of the fiscal year 1970-71, there were eighty-one state banks, one hundred and eighty-six branch banks and two military banking facilities in existence in South Carolina. Total assets in South Carolina State banks rose from \$1,033 million on June 30, 1970 to \$1,241 million on June 30, 1971, representing an increase of twenty-percent.

COMPARATIVE STATEMENT OF CONDITION OF SOUTH CAROLINA STATE BANKS

Item	June 30, 1968 96 Banks 117 Branches 2 Military Facilities 2 Depositories	June 30, 1969 90 Banks 143 Branches 2 Military Facilities 1 Depository	June 30, 1970 83 Banks 162 Branches 2 Military Facilities 1 Depository	June 30, 1971 81 Banks 186 Branches 2 Military Facilities 0 Depositories
ASSETS				
Cash and Due from Banks	\$ 93,571,533	\$108,446,390	\$ 113,700,469	\$ 127,949,799
Securities	295,867,711	324,514,346	339,370,927	422,028,055
Federal Funds Sold	14,800,000	17,675,000	26,525,000	40,375,000
Loans and Discounts	372,944,667	466,285,593	528,795,811	618,117,766
Bank Premises, Furnitures and Fixtures	11,472,319	13,706,819	15,995,227	20,965,871
Other Real Estate	450,417	443,973	571,881	852,788
Customer's Liability on Acceptances Outstanding		147,824	59,104	263,765
Other Assets	3,665,737	6,642,818	7,867,180	10,512,307
TOTAL	\$792,772,384	\$937,862,763	\$1,032,885,599	\$1,241,065,351
LIABILITIES				
Deposits	\$701,807,861	\$818,419,503	\$ 897,223,292	\$1,075,507,569
Federal Funds Purchased	800,000	850,000	2,100,000	3,145,000
Other Liabilities for Borrowed Money		202,850	137,969	1,109,700
Mortgage Indebtedness				
Acceptances Outstanding		147,824	59,104	263,765
Other Liabilities	10,748,715	16,296,399	20,318,102	29,367,566
Reserves on Loans		8,811,554	10,122,701	10,183,654
Reserves on Securities		734,883	1,085,495	1,236,269
Capital Notes and Debentures	730,000	3,532,500	3,617,500	9,601,874
Preferred Stock			3,927,620	4,200,540
Common Stock	30,662,967	34,388,637	36,189,603	40,217,394
Surplus	30,977,111	33,543,285	35,808,622	41,563,536
Undivided Profits	15,456,821	18,313,396	19,469,358	22,350,388
Reserve for Contingencies	1,588,909	2,399,932	2,602,833	2,040,506
TOTAL	\$792,772,384	\$937,862,763	\$1,032,885,599	\$1,241,065,351

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Source: Annual Report, State Board of Bank Control, Fiscal Year 1970-1971.

Savings and Loan Associations

There were twenty-eight state building and loan associations and forty-seven federal savings and loan associations in existence in South Carolina as of June 30, 1971. During the year, the state building and loan associations experienced one merger, and the opening of three new branches. There were no conversions or new associations created. Building and loan and savings and loan associations provide the bulk of the mortgage money for home building in South Carolina. Total assets of these financial institutions rose from \$1,616 million in 1970 to \$1,896 million in 1971, representing an increase of 17%. Mortgage loans increased from \$1,404 million to \$1,580 million during this same period.

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

Item	June 30, 1970	June 30, 1971
	29 Bldg. & L. Assns. 19 Branches	28 Bldg. & L. Assns. 22 Branches
ASSETS		
Mortgage Loans	\$383,714,079	\$425,357,801
Other Loans	5,787,060	8,611,025
Real Estate Sold on Contract	421,224	377,281
Real Estate Owned	162,582	176,596
Investments	25,212,574	37,762,805
Cash	13,648,034	22,555,638
Office Building	4,929,253	5,611,626
Furniture and Fixtures	1,023,141	1,067,950
Other Assets	4,937,906	4,826,258
TOTAL	\$439,835,853	\$506,346,980
LIABILITIES		
Shares	\$388,917,052	\$453,158,585
Borrowed Money	11,679,495	3,587,726
Loans in Process	5,739,090	12,710,579
Other Liabilities	1,018,980	2,035,651
Reserves, Undivided Profits and Net Current Income	32,481,236	34,854,439
TOTAL	\$439,835,853	\$506,346,980

Source: Annual Report, State Board of Bank Control, Fiscal Year 1970-1971.

**CONSOLIDATED STATEMENT OF FEDERAL SAVINGS AND LOAN
ASSOCIATIONS IN SOUTH CAROLINA**

JUNE 30, 1971

(47 Associations)

ASSETS	(Thousands)
Mortgage	\$1,154,792
Other Loans	23,252
Real Estate Sold on Contract	531
Real Estate Owned	155
STOCKS AND BONDS	
Stock in Federal Home Loan Bank	\$ 9,750
U. S. Government Securities	115,503
Other Investment Securities	11,173
	136,426
Cash	24,801
Office Building	
Furniture	Fixed Assets
	16,990
Other Assets	32,758
	138,748
TOTAL	\$1,389,705

LIABILITIES

Shares	\$1,194,633
Advances and other Borrowed Money	31,848
Loans in Process	39,389
Other Liabilities	31,102
Reserves, Earned Surplus and Undivided Profits.....	92,733
	138,748
TOTAL	\$1,389,705

Source: Annual Report, State Board of Bank Control, Fiscal Year 1970-1971.

Consumer Finance

Consumer finance institutions operate under the regulations set forth in the South Carolina Consumer Finance Act and are licensed by the State Board of Bank Control. A licensee may lend any sum of money not exceeding \$7,500 excluding charges and/or interest. Maximum charges, interest rates, and terms of loans are defined in the South Carolina Consumer Finance Act. During 1970 there were 688 licensed consumer finance institutions in South Carolina.

The number of outstanding loans of South Carolina consumers decreased slightly during 1970 from 405,180 in January to 404,223 at year's end, a trend which was experienced nationally. The average amount of a loan in 1970 was \$458.57.

ANALYSIS OF LOANS—CONSUMER FINANCE BUSINESS
CALENDAR YEAR 1970

Item	Number	% of Total	Gross Amount of Loans	Average Loan Amount
Loans made during 1970				
Loans of \$ 150.00 - or less	211,805	37.9	\$ 19,329,113.79	\$ 91.26
Loans of \$ 150.01 - 300.00	123,235	22.0	27,265,457.39	221.25
Loans of \$ 300.01 - \$1,000.00	161,288	28.9	91,677,762.71	568.41
Loans of \$1,000.01 - \$4,000.00	58,741	10.5	96,864,182.56	1,649.00
Loans of \$4,000.01 - \$7,500.00	3,813	0.7	21,147,367.93	5,546.12
TOTAL LOANS MADE	558,882	100.0	\$256,283,884.38	\$ 458.57

	Number	Balance Amount	Avg. Balance
Total Loan Balances Outstanding at Beginning of Period	405,180	\$200,092,779	\$493.84
Total Loan Balances Outstanding at End of Period	404,223	\$215,207,138	\$532.40

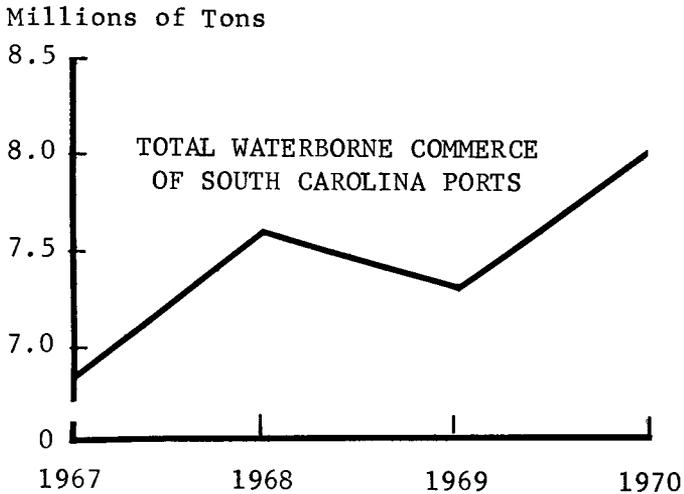
NUMBER OF LICENSES, RESOURCES AND ANALYSIS OF LOANS
BY CONSUMER FINANCE INSTITUTIONS IN SOUTH CAROLINA
1965 - 1970

Year	No. of Licenses	Total Resources (Thousands)	Loans Receivable (Thousands)	Total Loans Made	Amount of Loans Made (Thousands)	Avg. Amt. of Loan Made	Average Balance End of Year
1965	639	\$125,549	\$104,037	724,075	\$167,983	\$232.00	\$281.19
1966	734	200,046	132,785	704,862	195,829	277.83	340.37
1967	719	206,283	160,187	662,114	226,258	341.72	391.89
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	270,193	215,207	558,882	256,284	458.57	532.40

Source: Annual Report, State Board of Bank Control, Fiscal Year 1970-1971.

Credit Unions

South Carolina credit unions have become an integral part of the State's financial community. As of June 30, 1971, there were 186 credit unions in South Carolina. Of these, 53 were state credit unions and 133 were federal credit unions. During fiscal 1970-1971, credit unions in the State experienced one merger, three new credit unions were opened, and there were no conversions.



INTERNATIONAL TRADE

International trade is a rapidly growing part of South Carolina's economy. According to the State Ports Authority (SPA) there are about 1,300 companies located in South Carolina which utilize the three State ports. These ports are located at Charleston, Georgetown and Port Royal. A county-by-county analysis has shown that the port-using industries of South Carolina employ roughly sixty percent of the State's manufacturing employment.

Since 1945, the rise in foreign commerce of the State has been so significant that South Carolina has led all the States in the percentage increase in value of foreign commerce. At every stage of South Carolina's economic development over the past twenty-five years, the ports have played a vital part in this development, from supplying new material imports for industrialization to providing sophisticated services for modern industry. Many of the State's leaders feel that the ports are a vital cog in the State's economy and will be a significant key to future growth in South Carolina.

Presently, a \$38 million capital expansion program is underway and will continue to strengthen the ports' shipping capacities through 1975. New facilities under the expansion program include:

- (1) A 400-ton fixed crane at Charleston's Columbus Street Terminal. This is the largest fixed crane on the east coast of the United States.

- (2) The State's first passenger cruise terminal, which is handling the growing luxury cruise business started in 1969 in South Carolina.
- (3) A \$4.3 million container terminal with a 40-longton crane, located in North Charleston. Charleston ports now do business with three container lines. These are Sea-Land Service, Seatrain Lines Inc., and Columbus Lines. Columbus Lines inaugurated container ship service with Charleston in January of 1972. The Port of Charleston is now handling over 300,000 tons of container cargo per year and the largest 800 foot container ships in existence. The new service by Columbus Lines strengthens Charleston's role as the leading container port of the South Atlantic.
- (4) A \$900,000 bulk dock at Georgetown.
- (5) A \$3.1 million pier extension at Charleston's Columbus Street Terminal.
- (6) A \$1.2 million port administration building.

The capital expansion program will enable South Carolina to keep pace with a decade in which cargo tonnage quadrupled while the capacity of the State's port facilities only increased by about one-third.

The State Ports Authority's gross annual income was over \$6.5 million in 1971. The South Carolina ports now have an annual economic impact of over \$400 million a year on the State and save state industries more than \$5 million per year in freight rates.

Two South Carolina manufacturing firms were recently cited for their leadership in international trade. Rock Hill Printing and Finishing Company and Saco-Lowell, a Division of Maremont Corporation of Easley, were presented the President's "E" Certificate for Exports for an outstanding contribution to the Export Expansion Program of the United States.

TRADE BY WORLD AREA THROUGH S. C. PORTS
CALENDAR YEAR 1971

Steamship Service to:	Number of Vessels	Tonnage Handled
United Kingdom—Continent	105	258,619
Mediterranean—North Africa	63	91,076
Far East—Indonesia—Hawaiian Islands	335	418,916
India—Pakistan—Persian Gulf—Red Sea	93	77,570
Carribbean—Central America—South America	327	724,286
East Africa—South Africa—West Africa	35	39,596
Australia—New Zealand	73	62,883
Intercoastal and Coastwise	75	133,094
Port Royal Clay Company	44	152,472
Sea-Land Service	91	173,497
Seatrain Lines, Inc.	103	185,508
TOTAL	1,344	2,317,517

Source: S. C. State Ports Authority, Monthly Tonnage Reports, January, 1971 through December, 1971.

TOTAL CARGO TONNAGE HANDLED MONTHLY
BY S. C. STATE PORTS
CALENDAR YEAR 1971

Month	Imports			Exports			Import & Export Total Tonnage Handled
	General Cargo*	Bulk Cargo†	Total Import Cargo Handled	General Cargo	Bulk Cargo	Total Export Cargo Handled	
Jan.	60,737	58,471	119,206	59,871	25,094	84,965	204,171
Feb.	70,430	52,007	122,437	75,503	6,785	82,288	204,725
Mar.	62,035	54,752	116,787	79,374	17,196	96,570	213,357
Apr.	64,273	40,060	104,333	66,880	16,638	83,518	187,851
May	75,310	48,783	124,093	63,469	10,059	73,528	197,621
June	68,347	33,206	101,553	70,800	1,401	72,201	173,754
July	76,386	22,274	98,660	88,709	2,733	91,442	190,102
Aug.	87,279	38,146	125,425	79,371	3,747	83,118	208,543
Sept.	104,255	32,504	136,759	123,357	15,387	138,744	275,503
Oct.	41,384	33,012	74,396	1,879	—	1,879	76,275
Nov.	86,610	38,809	125,419	20,289	17,423	37,712	163,131
Dec.	75,549	59,791	135,340	66,974	20,170	87,144	222,484

* Includes: Aluminum, copper, lead and zinc alloys, canned goods, chemicals, clay, cloth and cotton, dairy products, frozen meat and poultry, guar gum and bean meal, hides and skins, iron and steel products, machinery and parts, military cargo, motor vehicles, paper, ores and concentrates, scrap metals, starches, tanning extracts and dye stuffs, textile products, veneers, plywood and forest products, waste materials, wheat flour, wood and resin based products, wood pulp, wool and fresh fruit.

† Includes: Bulk chemicals, bulk grain, bulk ores and concentrates, bulk scrap metal, petroleum, and sulfur.

Source: S. C. State Ports Authority, Monthly Tonnage Reports, January, 1971 through December, 1971.

TOTAL WATERBORNE COMMERCE OF SOUTH CAROLINA PORTS *
CALENDAR YEARS 1964-1970

(In Tons)

Year	Total	Foreign	Domestic
1964	6,237,607	2,473,533	3,764,074
1965	6,037,617	2,276,200	3,761,417
1966	6,515,591	3,148,558	3,367,033
1967	6,753,774	3,043,959	3,691,915
1968	7,642,521	3,503,577	4,138,944
1969	7,309,625	3,120,967	4,188,658
1970	8,047,524	3,770,159	4,277,365

* Waterborne commerce includes *all* commerce, whether through state ports or private ports.

Source: S. C. State Ports Authority.

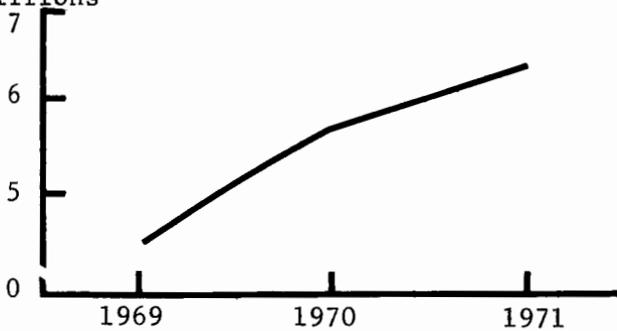
VALUE OF CARGO THROUGH SOUTH CAROLINA PORTS
FISCAL YEARS 1964-1971

(In Millions of Dollars)

Year	Total	Imports	Exports
1964-1965	\$335.7	\$201.4	\$134.3
1965-1966	427.2	276.7	150.5
1966-1967	467.1	301.9	165.2
1967-1968	497.2	325.2	172.0
1968-1969	473.2	335.7	137.5
1969-1970	474.2	305.0	169.2
1970-1971	510.2	339.6	170.6

Source: S. C. State Ports Authority; The U. S. Department of Commerce.

NUMBER OF VISITORS TO SOUTH CAROLINA PARKS
Millions



RECREATION AND TOURISM

Commercial operations centering around tourism and other travel activities make up one of the most progressive sectors of the State's economy. The \$405 million spent by all travelers in South Carolina during 1971 was six percent above the 1970 figure. Since 1954, all travel expenditures in South Carolina rose from \$130 million to 1971's \$405 million, representing an increase of 212 percent as compared to an increase of 174 percent for the nation. From the mid 1950's until the present, South Carolina travel trade has enjoyed an average annual increase of about 6.7 percent. During the same period, the national average has been approximately 5.9 percent.

Of the \$405 million spent by travelers in South Carolina, about \$254 million of the total expenditures was brought into the State by travelers from other states. About \$290 million was spent on pleasure trips and \$115 million for business trips.

Firms in the travel business are providing jobs for over 60,000 South Carolina workers. These employment opportunities created by the major travel-related businesses are a very appropriate measure of the economic impact of tourism. It is mainly through these job opportunities and the income created by employment that the commercial benefits of tourism flow to South Carolina people. Among these workers, about 50,000 are paid employees, and more than 11,000 are active proprietors operating their own business concerns. It is significant that approximately one in six of the 70,000 South Carolina proprietors in nonfarm establishments is engaged in operating travel concerns.

Travel dollars generate new business in this way: Merchants who cater to travelers received about \$405 million from this mobile

market in 1971. They retained about ten cents from each dollar, or \$40 million, as earnings for their labor and management. They passed 90¢ from each dollar of sales on to other lines of business and industry. The operating ratios for the several groups of firms in the travel business show that the merchants spend their receipts somewhat as follows:

Purchases of goods from other industries	33¢
Purchases of services from other industries	15¢
Payrolls and other income paid out	33¢
State and local taxes paid	14¢
Federal taxes and other expenses	5¢
	\$ 1.00

Source: Travelers and South Carolina Business During 1971: An Economic Analysis, by the Department of Statistics, University of Tennessee.

The Land and Water Conservation Fund (LWCF) provides for a matching of grants-in-aid programs for local, county or state agencies for qualified recreational projects. These projects may be for the acquisition and/or development of parks, playgrounds, boating and fishing areas, ballfields, game courts, and a variety of other recreational facilities. In the eight year history of the LWCF Act, a total of over \$9.7 million has been allocated to the State for outdoor recreation projects. Funds allocated to South Carolina have ranged from a low of \$135,840.50 in 1965, the first year of the program, to a high of \$3.5 million allocated for 1971-72. This money has been utilized by both state and local agencies throughout the State and has produced over 170 recreational projects.

Fiscal Year Ending	Allocation
1965	\$ 135,840.50
1966	1,108,585.41
1967	761,794.29
1968	853,566.06
1969	625,511.00
1970	829,987.00
1971	1,878,933.00
1972	3,462,900.00
TOTAL	\$9,720,117.26

Source: Annual Report of the South Carolina Department of Parks, Recreation and Tourism, 1969-70 and 1970-71.

A breakdown as to location of LWCF funded projects illustrates their widespread disbursement across the State and reflects the far reaching benefits received from this service by all the people of the State and our visitors from other parts of the nation. The outlook for the future is for increased activity in the field of recreation and increased utilization of LWCF monies.

The South Carolina Department of Parks, Recreation and Tourism is involved in a continuous effort to attract tourists into the State. The Department's travel advertising program is designed to inform prospective travelers about the attractions of South Carolina. During fiscal year 1970, more than 100 advertisements were placed in some 50 national or regional publications. The Department received over 149,000 inquiries, an increase of 55% over 1969, as a result of this advertising. At the present time, a network of welcome centers is under construction across the State at major highway entry points. These centers are designed to provide visitors with information about the attractions of South Carolina. In 1970, three permanent State Welcome Centers were in operation, and the completed network will consist of nine centers, each at a major highway entry point. The centers are constructed and maintained by the State Highway Department, and are staffed and operated by the Department of Parks, Recreation and Tourism.

The Department of Parks, Recreation and Tourism is also directing a Travel Investment Program, which is aimed at stimulating private commercial tourism developments across the State. By working with the financial community on one hand and with land owners and developers on the other, the program is geared to bring new investments into the State and accelerate local projects. Some objectives of the Travel Investment Program are:

1. The creation of new jobs, new careers, and consequently new incomes and payrolls.
2. The creation of new investments in the State.
3. The creation of new sources and expansion of existing sources of income for local and state government.
4. Maximum utilization of the recreational resources of the State.
5. The generation of additional support levels for existing tourism facilities.
6. The expansion of "balance of payments" income (*i. e.*, that income earned in other states, but expended in South Carolina

in ratio to that income earned in South Carolina and expended in other states).

Source: Annual Report of the S. C. Department of Parks, Recreation and Tourism, 1969-70.

COMPARATIVE STATEMENT OF MAJOR ACTIVITIES
IN SOUTH CAROLINA STATE PARKS

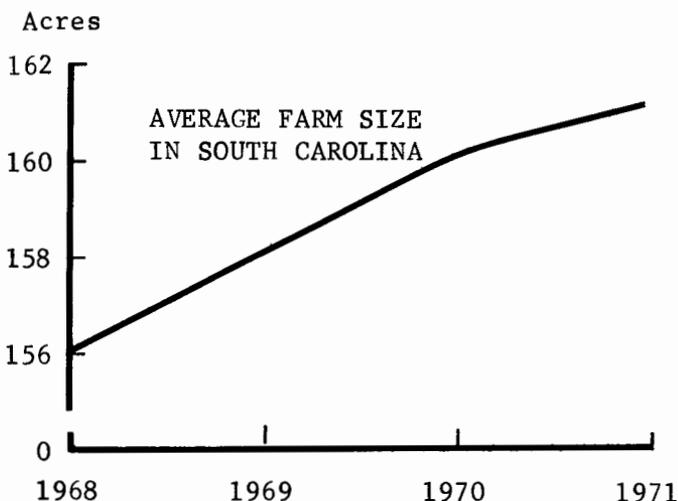
Category of Usage	1970	1971	% Change
Swimmers	697,595	579,366	- 17.1
Museum Visitors	139,527	170,661	+ 22.3
Cabin Users	43,516	58,829	+ 35.2
Group Campers	32,190	38,776	+ 20.5
Family Campers	330,842	307,651	- 7.0
Other Campers	29,356	30,213	+ 2.9
Boaters	93,409	63,195	- 32.3
Fishermen	163,823	164,916	+ 0.7
Picnickers	1,971,665	2,321,130	+ 36.0
Carpet Golf	NA	92,608	...
Other Activities	2,242,678	2,581,241	+ 15.1
TOTAL PARK USAGE IN S. C.	5,744,601	6,408,586	+ 11.6

Source: Annual Report of the S. C. Department of Parks, Recreation and Tourism, 1970-71.

The Department of Parks, Recreation, and Tourism recently published the South Carolina Outdoor Recreation Plan 1970/1984 (SCORP). SCORP outlines the State's present recreation facilities, projected recreation needs through 1984, and a plan to meet those needs. It calls for the development of both urban and ex-urban recreation centers and for the participation of federal, local, and other state agencies as well as Parks, Recreation and Tourism. The urban Recreation System will attempt to meet the high density recreation needs of the State's urban centers. The Ex-Urban Recreation System will serve all residents plus out-of-state tourists with basic parks and special parks such as unique natural area parks and historical parks. Long-range planning should enable the State to meet the increasing demand for public recreation areas.

HOW TRAVELERS SPEND THEIR MONEY
DISTRIBUTION OF EXPENDITURES AWAY FROM HOME
BY ALL TRAVELERS IN SOUTH CAROLINA DURING 1971

Purpose of Expenditures	Amount Spent (Millions)	Percent of Total
Total Expenditures by all Travelers	\$405.0	100.0
Eating, Drinking, and Food Supplies	106.9	26.4
Transportation Away From Home	156.8	38.6
Lodging, Commercial and Non-Commercial	80.1	19.8
Recreation and Entertainment	48.2	11.9
Miscellaneous Expenses	13.0	3.3



AGRICULTURE

During the past decade, the United States experienced a 25% decline in the number of farms in operation, and a four percent drop in the amount of acreage used for farm purposes. However, the average size of farms increased by twenty-seven percent. Following the national trend, South Carolina also experienced decreases in the number of farms in operation, but increases in the average acreage per farm. From 1961 to 1971, South Carolina's number of operating farms dropped by thirty-seven percent, and the land used for farm purposes only dropped by sixteen percent. While urbanization and highway construction account for some of the decline in farmland, the continued disappearance of small farms along with mergers into larger, more efficient operations contribute most to the change in farm numbers. In 1971, 51,000 farms were in operation in South Carolina. This represents a two percent decrease from 1970's figure, according to the South Carolina Crop and Livestock Reporting Service. Preliminary estimates are that in 1972, 49,000 farms will be in operation in the State.

Over the past ten years, the average size of a farm on the national level has continually been approximately 2.5 times the average size of a farm in South Carolina. This trend is predicted to continue throughout 1972.

According to the South Carolina Crop and Livestock Reporting Service, harvested acreage of principal crops in the State was 2,555,000 in 1971. This represented a nine percent increase over

1970's figure of 2,346,000 and eleven percent up from 1969's 2,310,000 acres. Soybeans, feed grains, cotton, silage and vegetables all increased in harvested acreage while decreases were experienced in tobacco, hay, forage crops and sweet potatoes. Harvested peanut acreage remained steady at 13,800 acres. The value of production of principal field crops, fruits and vegetables in South Carolina in 1971 was estimated at \$317,496,000, seventeen percent above the 1970 value of \$270,631,000. In terms of dollar value of production in 1971, tobacco was first at \$100,283,000 followed by soybeans (\$65,282,000) and cotton (\$37,584,000).

During 1971, inclement weather often resulted in delays in field work causing increased insect infestation, weed build up, abnormal disease problems, boll rot and, in the case of some early crops, delays in harvest in South Carolina. The United States as a whole, however, experienced a record crop production year during 1971. The U. S. gains in crop production were led by substantial increases in feed grains, primarily corn and sorghum. Significant gains in oilseed and food grains crops were also experienced according to the Crop Reporting Board.

In a March, 1972 survey, South Carolina farmers indicated plans to increase the acreage planted in wheat, barley, sweet potatoes, tobacco, cotton, soybeans, peanuts and all hay. Fewer acres are expected to be planted in oats, all corn and all sorghums.

The Santee River Basin Study is scheduled to be completed this year (1972). This project, being carried out by the U. S. Department of Agriculture, is to study and plan the use of the water and land in the Santee River Basin over the next fifty years with special emphasis on the next fifteen years. This will help South Carolina to determine and meet the water needs of the future. The development and growth of a large part of the Carolinas is directly related to the Santee River Basin. It covers 4,806 square miles in North Carolina and 11,207 square miles of South Carolina. Department of Agriculture geologists are studying the land and its effect on the basin's water. Amounts and rates of erosion, scour, and sedimentation are being estimated for small watersheds within the basin. The results of the study will undoubtedly benefit future agricultural planning in the state of South Carolina.

NUMBER OF FARMS, LAND IN FARMS AND AVERAGE SIZE OF
FARMS, S. C., U. S., AND S. C. AS A PERCENTAGE OF U. S.
1961-1972

Year	Number of Farms (In Thousands)			Land (Acres) in Farms (In Thousands)			Average Size of Farms in Acres		
	S. C.	U. S.	S. C. as % of U.S.	S. C.	U. S.	S. C. as % of U.S.	S. C.	U. S.	S. C. as % of U.S.
1961	81	3,821	2.1	9,800	1,169,899	0.8	121	306	40
1962	77	3,685	2.1	9,700	1,161,383	0.8	126	315	40
1963	72	3,561	2.0	9,300	1,153,072	0.8	129	324	40
1964	67	3,442	1.9	9,200	1,146,806	0.8	137	333	41
1965	65	3,340	1.9	9,100	1,141,536	0.8	140	342	41
1966	62	3,239	1.9	9,000	1,137,982	0.8	145	351	41
1967	58	3,146	1.8	8,800	1,131,984	0.8	152	360	42
1968	55	3,054	1.8	8,600	1,127,567	0.8	156	369	42
1969	53	2,971	1.8	8,400	1,123,725	0.7	158	378	42
1970	52	2,924	1.8	8,300	1,120,725	0.7	160	383	42
1971	51	2,876	1.8	8,200	1,117,401	0.7	161	389	42
1972*	49	2,831	1.7	7,900	1,114,198	0.7	161	394	41

* Preliminary Estimates.

Source: South Carolina Crop and Livestock Reporting Service, Farm Report of January 14, 1972.

Cash receipts from farm marketings in 1971 were above 1970 in all regions of the United States. Total cash receipts in the United States rose from \$49.2 billion in 1970 to \$51.6 billion in 1971, a gain of 4.9 percent. In South Carolina, cash receipts amounted to \$466 million in 1971, up \$24 million or 5.4 percent over the prior year. Cash receipts from crops in the State amounted to \$294.4 million or 63.2 percent of total cash receipts in 1971. While receipts from crops rose sharply in 1971 (12.5 percent over 1970), receipts from livestock and livestock products declined from \$180.3 million in 1970 to \$171.6 million in 1971.

Realized average net income per farm was \$5,468 in 1971 for the United States as a whole, up \$94 or 1.7 percent over 1970. In South Carolina, average net income per farm in 1971 amounted to \$3,642, a gain of \$71 or 2.0 percent over the 1970 level.

CASH RECEIPTS FROM FARM MARKETING IN SOUTH CAROLINA
1970 AND 1971
(In Thousands)

Item	1970	1971*	Change	
			Net	Percent
Total Cash Receipts	\$442,037	\$466,020	\$23,983	5.4
Cash Receipts from Crops	261,700	294,408	32,708	12.5
Cash Receipts from Livestock and Livestock Products	180,337	171,612	- 8,725	- 4.8

* Preliminary.

Source: *Farm Income Situation*, U. S. Department of Agriculture, Economic Research Service.

REALIZED AVERAGE INCOME PER FARM
UNITED STATES, SOUTH ATLANTIC,† AND SOUTH CAROLINA
1970 AND 1971

Area	Realized Gross Income Per Farm‡			Realized Net Income Per Farm§		
	1970	1971*	Percent Change	1970	1971*	Percent Change
United States	\$19,350	\$20,383	5.3	\$5,374	\$5,468	1.7
South Atlantic	14,538	15,142	4.2	4,899	4,911	0.2
South Carolina	10,604	11,177	5.4	3,571	3,642	2.0

* Preliminary.

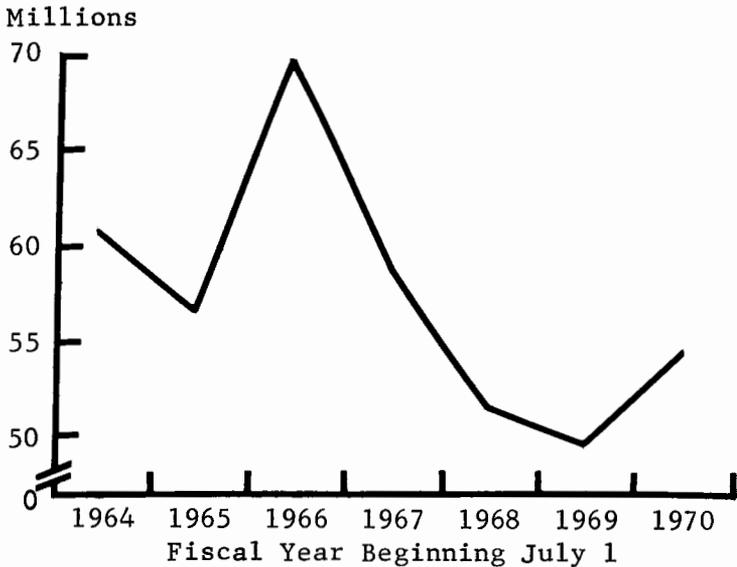
† Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia and Florida.

‡ Excludes changes in inventories.

§ Excludes changes in inventories and represents income of farm operators.

Source: *Farm Income Situation*, U. S. Department of Agriculture, Economic Research Service.

TOTAL NUMBER OF SEEDLINGS DISTRIBUTED
IN SOUTH CAROLINA



FORESTRY

The State Commission of Forestry operates four state forests (Cassatt State Forest—492 acres; Harbison State Forest—2,188 acres; Manchester State Forest—28,830 acres; and Sand Hills State Forest—92,000 acres). Combined areas of these forests represent 123,480 acres, which is about one percent of the total forest area of the State. Experimental and demonstration work and all forms of multiple use forest management activities were continued during the past year.

To date more than half the total woodland area of the State has been examined by foresters and recommendations made to increase their contributions. This is an integral part of the State Commission of Forestry's continuous forest management program, which places special emphasis toward assisting small private owners in the management of their woodland properties. Foresters of the Commission are available to give forest management assistance to any landowner in the State upon request.

During 1970-1971 the Forestry Commission devoted thirty man-years to assisting 2,019 private landowners with forest management on their lands, including the small watershed activities. Timber on 406 tracts covering 8,464 acres was marked, preparing 15,-

707,011 board feet of sawtimber and 18,895 cords of pulpwood for the market.

Pine and hardwood sawtimber prices were generally firm throughout fiscal 1970-1971. Demand prices for quality hardwood logs were especially strong. Increased residential housing starts resulted in increased price and demand for pine and hardwood lumber. Pulpwood prices remained generally steady during the year.

Some of the existing mills made improvements in their operations and several companies either announced plans or constructed new wood-using plants including a pine plywood plant reflecting industry confidence in South Carolina as a permanent source of wood.

**SAWTIMBER AND PULPWOOD STUMPAGE PRICES* FOR
SOUTH CAROLINA (Five-Year Period)**

Fiscal Year	Weighted Average Stumpage Price Per Thousand Board Feet Scribner Tree Scale	Weighted Average Stumpage Price Per Standard Cord
1966-67	\$35.76	\$7.06
1967-68	34.91	6.58
1968-69	40.50	6.57
1969-70	43.10	7.10
1970-71	44.35	6.71

* Sales of timber marked by Commission foresters on private property.

Source: Report of the State Commission of Forestry, July 1, 1970 to June 30, 1971.

South Carolina's 12,400,000 acres of forest land provide an annual return of more than six hundred million dollars in growing, harvesting, manufacturing, transporting and sale of forest products.

Every forestry commission employee participates in an educational program designed to reach every South Carolinian. The aim of the Commission's education program is to help the landowners and people of the State realize the potential value of our woodland and apply the necessary conservation practices that could double the timber production. Points stressed in the Commission's information and education efforts in promoting wise land use are:

1. Forest Fire Protection: Some 5,415 (only 81 caused by lightning) illegal woods fires burned during the year in South Carolina, with 98.5 percent being caused by people.

2. Unwise cutting practices mean low production and inferior forest products.
3. Trees should be planted on some five million acres of idle or unproductive land.
4. Improve the quality of many existing stands of timber throughout the State by removing inferior species and poor quality trees and promoting active interest in a program of superior tree development through genetics.
5. Stress the vital importance of woodlands and good land management practices to the maintenance of good soil, water, and wildlife resources of the State.
6. Develop appreciation in the use, protection, and support of South Carolina's great recreational potential that exists in the public and private woodlands to serve the recreational needs of the people of the State.