Mr. President, Mr. Speaker, Ladies and Gentlemen of the 111th General Assembly, Constitutional Officers, Cabinet nominees, my wife, Mary Wood, my fellow South Carolinians:

In preparing my address on the state of our State, I thought back to a January day in 1979 when I took my seat as a freshman House member. My excitement that day was bolstered by hope, the hope of a young person who would someday build a family and a home.

Now, 16 years later, my enthusiasm has not diminished. And my hope for our families is the same: that we will have the heart to lead with courage.

We worked together on this House floor to guide South Carolina into a new era of growth. We were innovative when we had to be. We were bold in our zeal to affect meaningful change. And always we were respectful of the statesmen who gave us freedom when it was our time to lead.

Speaker Wilkins, Lieutenant Governor Peeler, I know you share my respect for this institution and for the institution of the family in South Carolina, and I look forward to working with you in the coming years.

I submit to you this evening that a new era began on June 30, 1993, the day the Government Restructuring Act became law, outlining a more efficient and more responsive government for our people. As I said in my Inaugural address, "We have initiated fundamental change in the structure of our government. Now we must initiate fundamental change in our philosophy of governing." We must realize that everything we do to implement restructuring sets a precedent for tomorrow's leaders.

It has been a great experience forming my cabinet, bringing together various experts who share my philosophy of putting families first. Ladies and gentleman, it is my pleasure to present my cabinet nominees and I ask them to stand to be recognized.

Each has pledged to re-evaluate every program and policy within their respective agencies, being especially mindful of the impact on businesses and families.

I am asking my cabinet, with the exception of the departments of Corrections and Juvenile Justice, to develop a plan to reduce expenditures five percent over the next two years. We will abandon policies that inhibit growth and eliminate wasteful programs, yet maintain the high level of service our citizens deserve. And I urge you to reduce non-cabinet agencies, with the exception of the Department of Education, by five percent, as well.

The idea behind restructuring is to coordinate services and I will insist on cooperation in my cabinet. My departments of Commerce and Parks, Recreation and Tourism have a common goal: to bring jobs and dollars to South Carolina. Already, they are working to coordinate international marketing efforts.
My departments of Juvenile Justice and Alcohol and Other Drug Abuse Services are pooling resources to help teenagers and their families address substance abuse problems through community-based prevention initiatives.

As we continue this process of restructuring, other issues will become apparent that we will need to address. One is bringing accountability to all state agencies.

Hands-on management of state agencies by someone responsible directly to the people is the greatest benefit of restructuring. And in your efforts to make the rest of state government more accountable, you will hear much weeping and wailing from special interests. They are motivated by turf protection after so many years at the public trough and I urge you to say no to them.

An issue that has captured the imagination of the public and put elected officials on notice is term limits. In the spirit of government reform, the House Judiciary Committee sent a term limits bill to the floor last week. And in that same spirit, I will sign a reasonable bill that is not watered down in debate.

As we are redefining state government, there is a national movement to stop our federal government from interfering in local matters. The nation's governors agree that Washington infringes on our sovereignty when it orders us to comply with laws, but provides no funding.

The Motor Voter Law is a prime example, and we agree that voter registration should be easy. The issue is who will govern South Carolina: us or them? I say us.

But let's not be hypocritical. We too should refrain from sending state mandates to local governments unless we pay for them.

American democracy was founded on a system of checks and balances, but government today is writing entirely too many checks. It's time to balance with the people. Tonight I propose the largest tax cut in South Carolina's history to eliminate residential property taxes.

We can put the dream of owning a home within reach for young families across the state without raising taxes.

Our current budget is 400 million dollars more than last year, and a property tax relief proposal was rejected. We expect approximately 370 million dollars more in available revenue this year. Government should tighten its belt and make a 200 million dollar down payment this year on the American dream for South Carolina's families.

After that, we can eliminate residential property taxes by committing half of each year's projected growth to a Property Tax Relief Fund. Like other state reserve funds, it would be a mandated budget commitment until the phase-out is complete.

In Greenville County alone, eliminating residential property taxes will return 68 million dollars to family budgets. In Aiken County -- 20-point-five million dollars. In York County -- more than 26 million dollars. And in Beaufort and Charleston counties, where military down-sizing continues to threaten local economies, the total impact would be more than 55 million dollars.
The Board of Economic Advisors projects steady revenue growth over the next five years. We will never have a better opportunity to give this money back to the taxpayers.

Let's not kid ourselves, it won't be easy.

We'll have to make some tough choices, but a tax increase sends the wrong signal to the people and to the business community. They don't want more taxes. They want less government and more take-home pay.

Since property taxes make up the bulk of local government funding, my Department of Revenue will develop an equitable formula for returning money to local governments. I will insist that school boards and local governments have full authority over spending their money. And let me be clear: if we eliminate residential property taxes, they are gone forever and cannot be reinstated.

And just to make sure our system of checks and balances continues to work like the framers of the Constitution intended, I propose one more check to our system by calling for the people's right to vote on proposed tax increases.

Of course, the best way to raise new revenue is to create new jobs and opportunities.

As a member of this General Assembly, I worked closely with many of you to pass job-creating incentives that have worked so well. We had an edge on the competition for awhile, and we became a model for Southeastern states. They adopted many of our incentives and have been innovative in developing their own.

To remain competitive, we will reorganize the Department of Commerce. We will stimulate small business development and growth of existing industries. We will emphasize government's role as a partner in the job creation process.

We will listen to you, the business community. We will ask you to help us educate our children so they will have the skills needed to lead your business someday. We will insist on your involvement in curriculum development.

We will develop incentives for donations of computers and other tools students will use in the work place. We will streamline the business start-up process and ask for legislation to extend job creation tax credits and other incentives to small businesses.

Within the Department, we will also focus on trade. Our exports total nearly five billion dollars today, yet fewer than half of our existing industries export our quality South Carolina products to world markets. For every billion dollars we increase exports, we can create 20 thousand new jobs, 10 times the number BMW will create in the Upstate.

As we accelerate into the fast lane of the Information Superhighway, we will use the latest database marketing techniques to link South Carolina companies and buyers around the world. In this era of growth, the Department of Commerce must be more than an industry recruiter. It must develop communities.
Our most important economic development asset is leadership. Through the Department, we will assist in recruiting and training tomorrow’s community leaders.

We will expand technology where it's needed, and extend the business base beyond county lines. After all, businesses ultimately locate in communities in states that promote a pro-growth atmosphere.

I come from a rural area where every job is precious and every business depends on the success of neighboring businesses. Our rural areas, and some metropolitan areas, contain pockets of depression where new jobs and hope are desperately needed.

Last month, Williamsburg County and the Charleston area were named federal enterprise areas to provide an infusion of money and incentives for job creation. They are but two of 17 South Carolina areas that applied.

Tonight I propose the South Carolina Enterprise Zone Act. It encourages hiring from distressed areas or from low income households. It allows businesses to reinvest a portion of employees' state income tax, negotiate a lower property tax and qualify for job tax credits. Every time we provide a new incentive and cut taxes we put South Carolinians to work and we strengthen families.

We believe loving families provide the nurturing atmosphere in which South Carolina's children can best grow and develop. We believe parents should support their children and taxpayers are a last resort. And we believe we can strengthen families by encouraging employment.

It is the role of government to create an atmosphere of opportunity in which families can thrive.

Since the 1930s, America has spent five trillion dollars on public assistance programs...more than the cost of World War II. People want to work, but we have given them more than 300 federal entitlement programs instead of a reason to get a job.

Today the Department of Social Services is a welfare agency with minor emphasis on employment and training. It should be an employment and training agency that provides public assistance when it is needed.

Our system encourages illegitimacy, discourages work, and leads to hopelessness, despair and the breakdown of families.

I join governors and congressional leaders in calling for more autonomy at the state level. Give us general guidelines. We cannot and will not accept more mandates.

The debate will rage in Washington, but we can begin tonight in South Carolina by placing a two year limit on welfare benefits.

I ask you to require work and enrollment in job training programs for those getting our tax dollars. If they refuse, they can say farewell to welfare.
I ask you to extend job tax credits to companies hiring able-bodied AFDC recipients and replace cash grants with income-eligible child care and health care. I ask you to stop paying more to those who continue having children while on welfare, especially teenagers.

That doesn't mean we won't help. We can help by enforcing responsibility.

We should require the father's name on birth certificates. We should enforce child support payments by tracking the father through a statewide network of court, welfare and employment records.

Even if a young man is not working today, he will eventually. We should track employment, suspend driver and professional licenses, intercept unemployment benefits and dock his pay for child support.

These proposals may sound harsh to some, but responsibility goes with being a citizen of this state. I can assure you that I want to help the least of society. But there are limits.

The laws of God and the laws of man clearly define socially acceptable behavior. Yet, in our haste to become politically correct, we have clouded the difference between right and wrong.

We allow crime to be blamed on anyone and everyone, except the person who commits it. Criminals whine to judges that their rights are violated, and judges too often agree with them.

A South Carolina judge sent a bill to taxpayers recently. It itemized defense costs we must pay for a murder suspect as follows:

- two private investigators -- four thousand dollars...each;
- a social historian -- three thousand dollars;
- a social worker -- another three thousand dollars;
- a jury selection expert -- two thousand dollars plus travel expenses;
- two expert witnesses totaling three thousand dollars; and,
- 200 dollars for an image consultant, plus 500 dollars to buy the defendant a suit!

Since when do we do make-overs for murder suspects? At what point in the evolution of our society did we forget about the rights of the true victims of crime? Criminals are not afraid of us. We have laws to put them behind bars, but they often walk out of prison before victims leave the hospital.

I commend the House for its quick work in passing a truth-in-sentencing bill. As work continues in the Senate on this bill, I urge you to totally eliminate parole for murderers, rapists and other violent criminals, and provide for life without parole for a second violent conviction.

And when they go to prison, they should work and they should work hard. We must make prison a place for punishment, a place to which no one would ever want to return.

Inmates should pay for their room and board with any money they earn. They should help support their families to keep them off welfare. And, above all, they should pay restitution to victims.
The General Assembly last year approved alternative sentencing for non-violent offenders. They take up half of South Carolina's prison beds. Their punishment should include full restitution to victims and community-based public service programs. That can clear a lot of room to put violent offenders and three-time non-violent felons away for good.

We can start cracking down now or lose the next generation to this moral meltdown of America which was precipitated by the breakdown of the family.

Our fastest growing criminal segment is our nation's children. Law enforcement professionals and sociologists say it has nothing to do with race or social class. South Carolina's shocking truth is that a third of the victims and a third of those arrested for murder, a third of those arrested for rape, a third of those arrested for aggravated assault and nearly half of those arrested for robbery are under the age of 21.

What are we saying to a young thug who appears in family court and almost literally gets away with murder? What are we saying when a judge orders a child to attend school and can't enforce the order? And what will we say to the next victim of a violent juvenile?

The Wall Street Journal correctly stated that today's juvenile offender isn't getting the message that crime doesn't pay. He may not even get the message that what he's done is wrong.

Violent juveniles and those who commit a second felony should be tried and sentenced as adults. When they come of age, they can graduate to the adult prison population to serve their time. Juveniles in minor trouble need to be targeted with punishment, especially restitution for property crimes. And if we hold parents responsible for their child's behavior, we might be on the way to solving prison overcrowding problems.

We, as parents, are our children's first and most important teachers. If we truly believe in putting families first, we need to remind ourselves that government is not a babysitter and schools are not daycare centers.

There's no doubt that I have more control over my three small children today than I will when they are 16, but there are certain things we as parents should know. We ought to know where our children are on a school night. We ought to know if our children are buying drugs. And we ought to know if our children are carrying weapons to school.

We have a right to expect that our children will be safe in a school building or on a school bus. Have we become so jaded that a metal detector in a classroom door seems normal?

Tonight I call for an amendment to the Safe Schools Act to require an immediate six months in shock incarceration boot camp for any student carrying a weapon on school grounds.

Each of us is responsible for the development of South Carolina's children. We are right to worry about their future, but wrong if we don't nurture them today.
Discipline will keep our children safer than a metal detector. Respect for authority will put teachers back in control of classrooms. We cannot forget that what we teach today's child is the substance of tomorrow's adult.

It is through the family that children learn discipline and respect and compassion and enterprise. These indispensable lessons of life should be taught in the home and practiced in public.

For children whose own families have failed to nurture and protect them, new families must be built. We must not wait until a child dies to examine our priorities. To that end, I am announcing the creation of a children's advocate on my staff who will have two missions: to analyze every government program that serves children; and to recommend to you and me how we can serve them better within the context of traditional values.

I will instruct my children's advocate to ignore agency boundaries. The question will not be what's best for the agencies, but what's best for the children.

Tonight I have outlined a plan that in many ways takes us back to time-proven basics.

We know jobs provide opportunity, so let's stay on the cutting edge of economic and community development. We know our children can do better academically, so let's raise our expectations in the classroom. We know government is fat, so let's trim it.

We know it's harder for our citizens to make ends meet, so let's cut taxes. We know that virtues, such as personal responsibility and the work ethic, build up society, so let's reinstate them in our laws.

A sense of community is re-emerging all across the state. Citizens aren't waiting for government solutions. They are uniting to address common problems for the common good in churches, civic groups, neighborhoods, schools and private charity organizations.

Mary Wood and I will spend much of the next four years visiting these citizens, learning from them and encouraging greater involvement.

It is our great honor to serve a people who, to use Faulkner's words, possess "a spirit capable of compassion and sacrifice and endurance."

Our challenge as public servants is not to control this spirit, but to catch it. This spirit feeds the mighty rivers of hope which flow to every person and family in South Carolina.

What you and I do in these halls is important, but no more important than the work carried out day after day with little fanfare in our communities.

Let us work and learn together. Let us forge a government which reflects the compassion and sacrifice and endurance and hope of the people who sent us here. For all of us who have made a commitment to public service, it is our challenge, it is our moment, to provide the leadership.

Thank you and God bless us all.