ANNUAL MESSAGE

of

I. C. BLACKWOOD
GOVERNOR

To the General Assembly
of South Carolina

Regular Session, Beginning January 9, 1934
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Gentlemen of the General Assembly:

It is my privilege and duty, as Governor of South Carolina, to discuss with you the condition of the State. It is our hope and purpose to improve present conditions by appropriate legislation. Conditions have so greatly changed within the last few years that from time to time important functions need legislative aid to render them effective. While so much has been done, particularly during the last twelve months that operates for improvement, there is yet much to be done.

ECONOMY

The change of the fiscal year accompanied by drastic economy has resulted very beneficially. For the first time in many years the State was able to balance its budget. Since 1930 the budget has been reduced more than Four Million Dollars and while we yet have some awkward features of accounting and disbursing, the State is in position to proceed with its fiscal affairs on a cash basis. This has been done in the face of an existing deficit of more than Five Million Dollars, the retirement of which has been provided in an orderly manner without material detriment to the institutions and the operation of the necessary departments. With the view of effecting additional economy and safeguarding the credit of the State, I would recommend that the Sixty-five Million Dollar Highway Bond enactment be so amended as to reduce it to Thirty-seven Million Dollars. From the Sixty-five Million Dollar possible bond issue there has been obtained Twenty Million Dollars by the sale of bonds and Five Million Dollars by the negotiation of short term notes. There are outstanding a number of Highway obligations against the Highway Department amounting to several million dollars and for the purpose of completing an equable highway system there remains to be constructed highways that will require approximately Ten Million Dollars. It is my judgment that the Highway Bond issue should be limited to this requirement. In this connection it would be well to ascertain to what extent the automobile license tag fees are pledged to secure outstanding obligations. In the event of its
becoming practicable under the law to reduce the license tag fees, such fees should be reduced to a reasonable and proper extent. It should be kept firmly in mind that nothing is to be done that might result in an additional tax upon property for in no situation should property tax be increased.

For purposes of economy and improved efficiency, I would respectfully recommend that the following institutions of learning be combined, to-wit: the University of South Carolina, the Charleston Medical College, the Citadel and Winthrop College for girls and that the operation of these institutions be supervised and directed by a Board of Trustees to be constituted by the selection of not less than six from the Board of Trustees of each Institution, respectively, making an aggregate Board of at least 24; that the consolidated institution shall be designated as "The University of South Carolina" and that each consolidating institution shall be designated as "Winthrop College for Girls of the University of South Carolina"; "The Citadel of the University of South Carolina"; "The Medical College of Charleston of the University of South Carolina"; respectively, thus preserving in the fullest possible measure the identity, background and traditions of the respective colleges. I would suggest that it is equally desirable that Clemson Agricultural College and the Agricultural and the Mechanical College of Orangeburg be embraced in this consolidation but for the fact that there exist certain factors that render it somewhat indefinite as to what may properly be done in respect to these two institutions. When these impediments are removed these two institutions should be included in the consolidation. The institutions of higher learning should be so grouped and associated as to make it less difficult to coordinate the courses of instruction in the several colleges so as to avoid repetition and duplication. This important task can be performed by no other group better than by the suggested Board of Trustees who will have in mind the highest interest of the several colleges. Under such a legislative provision the Board could proceed at once in the discharge of the important labor of regulating the terms of entrance and prescribing proper courses of study for the several institutions.
LEGISLATION AGAINST CRIME

With the advent of changed conditions, South Carolina with other southern states is becoming crime ridden by the worst type of criminals in the United States. Only recently the State has been visited by instances of kidnapping, burglary and highway robbery such as had hitherto been confined to gangdom in the Metropolitan centers. There should be immediately enacted a Statute prescribing a severe penalty for kidnapping making the punishment applicable to all participants and conspirators in the planning and execution of such a crime or any attempt to commit such a crime. Accompanying this Statute should be a provision prescribing a punishment of not less than five years imprisonment for any person other than sworn officers of the law to have in possession any machine gun or other weapons and equipment commonly used by kidnappers and hold-up gangs. A clear case of kidnapping for ransom or trepidation should carry the penalty of electrocution or imprisonment for life. I would suggest as a wholesome factor in the suppression of such crimes that the sheriffs and law-enforcing agencies of the State be provided with a sufficient number of machine-guns and other effective weapons to enable them to cope with desperate criminals. Within the borders of our State, we have been exceedingly fortunate in the fact that among our own people malignant crime has not been prevalent. In the midst of great discontent and petty inflam-mations our people have deported themselves well and refrained from contributing to a crime wave. It is apparent that under present and approaching conditions there will be the necessity of re-enforcing the law-enforcement agencies of the State. The security of the people from molestation in the peaceful pursuits of life is of paramount importance. No better investment can be made than a reasonable expenditure for statewide police protection.

In view of the fact that traffic conditions on the public highways and in cities and towns is rapidly becoming a more important part of our business and social life and in all respects more complex, I would recommend strict regulation of public traffic. The toll of life and limb within the last twelve months indicates too much license by those who are wrecklessly disregar-dful of the rights of others. Our splendid highways will not serve the purposes for which they were intended unless those
who travel upon them can enjoy more security. It is inexcusable for any individual driving a motor vehicle on the highways of the State to be under the influence of intoxicating liquor and when any such person is apprehended the license of such person should be revoked permanently and be otherwise subjected to punishment. The wanton disregard of the rights of others is an indulgence that the State cannot afford to any individual.

FEDERAL AID

The State has been the recipient of substantial aid from a number of Federal sources. Among the first and most material aids was the Emergency Relief Administration. With a small beginning this agency has increased in volume of demand and work until it is now disbursing thousands of dollars in each county monthly. The amount already received is in excess of Twelve Million Dollars. South Carolina has never known such a demand for public contribution and whether or not there is merit in the instances receiving relief or whether or not relief has been equitably and satisfactorily administered; through this channel our State has received aid without which there would have been great pain, hunger and suffering and, in all probability, accompanied by insurrections approaching revolution. This is one source of aid for which the State is not obligated and it will in no way impair the State’s credit. As an extension and enlargement of the emergency relief program there has been established what is known as the Civil Works Administration and through this channel work for many people has been provided and many needed improvements have been accomplished at no expense to the State. In this way many of our honest law-abiding self-respecting people have found profitable employment. In addition to these two sources, the Federal Government has established a Public Works Administration whereby States, Counties and Municipalities as well as corporations and individuals may proceed with improvements that require the expenditure of greater sums of money than otherwise could be had. For the purpose of advising with the Board of Public Works appointed by the Federal Government, as Governor, I have appointed an Advisory Board of outstanding South Carolina citizens skilled and experienced in matters of public construction of which Board Mr. J. E. Sirrine of Greenville is Chairman. This Board has made
a thorough and extensive study of the needs of State Institutions and have submitted a definite report of their findings and recommendations to which report I invite your most serious attention. Under the terms upon which the State may borrow this money the obligation can be amortized over a period of approximately thirty years and will not necessitate initial payments of reimbursement for three years. Thirty per cent of the amount estimated to be necessary will be advanced along with the seventy per cent treated as a loan which thirty per cent is a grant or gratuity. The seventy per cent will bear interest at the rate of four per cent and can be retired in such a manner as to make the annual burden upon the State comparatively light. In this way, if the Legislature deems it wise so to do, the essential building program of the State can be financed in such a way as not to embarrass the credit of the State. The State owns many valuable public buildings, some of which need immediate repairs. Some of our institutions are inadequately equipped for housing the people that must be accommodated and in every instance the recommendation of the Advisory Board has taken into consideration the demands of the State to exercise strict economy. Upon considering this report if you should find that in any respects it is excessive or unnecessary, I would respectfully request that you give your most serious consideration to those institutions that cannot longer be delayed in providing adequate accommodations. First, I would call your attention to the request of the State Hospital the population of which has rapidly increased during recent years. Nothing is here requested for ornament or luxury. Only the dire necessity is taken into consideration. The State is in honor and duty bound as a matter of humanity to provide for the comfortable housing of the unfortunate inmates of the State Hospital. Next, I would call your attention to the penitentiary. This improvement is not only a crying necessity but it will be a profitable investment. We must provide for prison life if we are to condemn criminals and consign them to prison. I have called your special attention to these two features with the hope of impressing you that something must be done in these two instances.

In addition to the foregoing Federal Aid provisions, I am gratified to state that as rapidly as is practicable the Federal Government is endeavoring to relieve distressed farmers and home owners. Much has been accomplished along these two lines but
a great deal more is in prospect. In conjunction with the farm credit administration, as Governor, I have appointed a Board of South Carolina citizens, distinguished for their spirit of public service, to act as a Conciliation Board for the purpose of reconciling creditors and debtors in respect to the settlement of mortgages and judgments against farm lands. This Board has had unusually good success and much has been accomplished. The good citizens of the State in great numbers are sorely pressed by debt burdens from which they cannot be relieved unless they receive substantial aid. They constitute largely the strength and sinew of our citizenship and unless they can lift their faces in hope and honor, the State must suffer a great decline. With a new day and improved times they can reasonably hope by economy and perseverance to be restored to their once happy state.

BANKING

Acting in conformity with the pressing demands of the hour and somewhat in compliance with the national program, this body conferred upon the Governor extraordinary powers in the matter of bank control. In pursuance of that Act, as Governor, I have appointed a Board composed of strong men who have devoted much time and talent to the solution of the perplexing bank problem as it existed in March, 1933. The situation has been greatly clarified and the clouds have been lifted and every bank operating within the borders of the State is sound. This Board has accomplished marvelous results and deserves the commendation of the Legislature and the people of the State for their honesty, perseverance and patriotism. The Act under which, as Governor, I have been operating will become inoperative after eighteen months from the time it was passed. I would suggest, as a matter of great moment, Legislation to provide for the situation as it will exist at the expiration of this period.

I would again, as I have in several previous messages to the General Assembly, urge the importance of fixing the legal rate of interest at a maximum of six per cent. It has been argued that this will drive capital from South Carolina. It is my opinion that any capital aiming at a higher rate of interest than six per cent is a detriment rather than a benefit to the State. If you wish to immune defenseless people from crafty exploitation and plunder you will do well to enact this reform.
SALES TAX

In my 1933 message I recommended a general sales tax. I repeat the recommendation and call your attention to my reason for so doing. We do not need the revenue if the present tax rate on property is to be continued. It is my hope to relieve overburdened property taxpayers by reducing the property tax to the extent of revenue realized by the sales tax. A sales tax, after exempting some of the general necessities and farm products, at a rate of two per cent would not amount to more than fifteen cents per month per capita and would produce revenue in the sum of approximately Three Million Dollars annually. The ability of an individual to buy is a good measure of his ability to pay taxes. It is contended that this burden will fall in an unjust proportion upon those who are poor. Much has been done and much is being done by both the Federal and State Governments to improve the opportunities and living conditions of the poor. Improved circumstances cannot be afforded without requiring those to whom such benefits redound to bear at least a small part of the tax burden. If people can have employment at a fair wage they will not object to the small amount that would be exacted by a sales tax. If they are not profitably employed, they will not have the purchasing power that is desired and will automatically be relieved from taxation. For many years farms and homes have been afflicted by excessive taxation and it is rapidly approaching the point where it will be unprofitable for one to own real estate. It is almost imperative that something be done to reduce taxes on real estate if we are to hope for prosperity in agricultural South Carolina. I would not advocate a sales tax for the purpose of raising additional revenue for the reason that it is our good fortune to have sufficient revenue in expectancy to balance the budget with a safe margin. We not only have the necessity of assisting the farmer and home owner but we have the opportunity so to do at this time. Many other agencies are operating to assist other groups and classes of people but nothing definite has been accomplished to bring direct relief to burdened property owners. Through the various credit divisions of the Federal Government efforts are being made to relieve distressed property owners by making loans and otherwise enabling them to finance their obligations but this will be of little avail if the excessive tax rate is continued.
INTOXICATING LIQUORS

There exists much necessity for a revised Statute regulating the control of intoxicating liquors. This question will require earnest, analytic consideration. For the present the law, as it appears in the Criminal Code of 1932 and in the Act of 1933 known as the Beer Act, is unchanged by the Repeal of the 18th Amendment. If the present law is to be continued it should be simplified for the purpose of rendering practicable its application. As the Constitution of the United States and the Constitution of the State now stand, the State may by Legislation enact any regulatory measure in respect to the control of alcoholic liquors within the bounds and limitations fixed by the State Constitution of 1895. However, I would recommend that any proposed legislation in respect to this important matter carry a provision that it shall not become operative until it has been approved by a majority of the voters at a general election. The proposition or Act should set forth in substance the intent and purpose of the Act and provide for an expression by the voters of their wish or sentiment in respect to the important and distinguishing features of the Act. This important matter has a grave significance beyond the question of drinking, manufacturing and selling liquor. It is gravely significant beyond the question of possible revenue. In view of the present circumstances, whatever law may be enacted, there will be the necessity of providing for a sufficient number of constables and deputies to enforce the provisions of the law. I apprehend that, when other territories neighboring and adjacent to South Carolina have legalized liquor traffic, South Carolina will become a retreat for those engaged in illicit liquor trade and that the difficulties of enforcement will be increased. It is my opinion that a wholesome, practicable, law regulating liquor control and providing for such revenue as is properly incident to such law will be better than an unsuccessful attempt to enforce a bone-dry prohibition act. If we must have liquor why not have it legally and if liquor is a proper source of revenue for the Federal Government and for a majority of the States why should South Carolina struggle at a great disadvantage to maintain a situation that will contribute to bootlegging and a violation of the law. Whatever law is passed should be capable of enforcement and should receive from all public officials an honest effort to enforce it.
CIVIL SERVICE AND STATE POLICE SYSTEM

For the purpose of providing adequate statewide police protection and for the selection of appointees to perform certain other public services, I would recommend the creation of a Civil Service Commission composed of some group of Constitutional State Officers who shall be authorized to prescribe the method of selecting employees to be appointed by the Governor. This plan should enhance efficiency and avoid partiality and political favoritism. In the face of conditions recently developed, there is a compelling necessity for some form of statewide police protection in addition to such duties as are usually performed by sheriffs and rural police. For the purpose of avoiding duplication certain law enforcement functions as now exist should be consolidated and re-grouped.

ENABLING LEGISLATION TO PROMOTE STATE PROJECTS RECEIVING FEDERAL AID

Through the channels of Federal aid a number of opportunities will be presented to the State from time to time whereby much needed and much desired benefits may be had by making such aid applicable to South Carolina through proper enabling legislation. It is my wish and hope that rural electrification may be advanced to a profitable and practicable status and that cheap power may be made available to the inhabitants of rural communities. It is also a matter of momentous concern to the people and taxpayers of the State that the Santee-Cooper Power Development and inland waterway project be promoted in such a way as to redound to the greatest benefit to the people. The great opportunity that belongs to the State should receive the immediate, earnest consideration of the General Assembly.

LABOR LEGISLATION

In conjunction with the efforts of the Federal Government to regulate the relationship between employer and employee, it is important that the State be placed in position to cooperate with the Federal Government in regulating this important relationship. Any Statute that may be proposed should have for its purpose the promotion of good will and better conditions. I am impressed with the importance of having some authorized agency to aid in
the interpretation of Federal Codes, to hear grievances and promote conciliation. While I am opposed as a matter of principle to a multiplicity of Boards and Commissions, it appears to be a matter of such great importance that harmony prevail in the industrial field that I am constrained to recommend that there be established in this State an appropriate Commission of Labor. Such Commission would be composed of at least one person clothed with sufficient authority to proceed with the usual duties incident to a Labor Commission and a limited number of assistants with well defined limitations as to authority and expenditures.

AGRICULTURE, BUSINESS AND INDUSTRY

The people of our State have exhibited a remarkable spirit of patriotic cooperation in their attitude toward the Recovery Program promulgated by the President of the United States. The farmers have, with hope and good cheer, responded generously and promptly in an effort to reduce the acreage of cotton and tobacco. Upon the success of this program hang the hope and welfare of the South Carolina farmer. It would be most unwise and unnatural for the farmer to refuse to continue his loyal support of this program. In response to the complaint and petition of southern farmers, the price of cotton was raised to a point safely above ten cents and tobacco prices were almost doubled. This resulted in the saving of many millions of dollars to cotton and tobacco farmers. The farmer realizes that the President of the United States is his friend and that by his consent the Government of this country will not be so conducted as to jeopardize the farmers' interest. The relationship between labor and capital or employers and employees is the best that has existed for a quarter of a century. The Federal Government has so regulated that relationship that much good has resulted, but there remains the necessity of cooperation by the State. What could not be accomplished by the State Legislature or by agreement between parties concerned has been accomplished by the Federal Government. This is particularly true in respect to the textile field. The Textile Code and other labor codes may not be at this time regarded as perfect but when they have been revised and perfected, it will be one of the greatest influences for peace and harmony and good working conditions for laborers that has ever been employed in the field of industry. This program has for its ultimate goal the
creation of conditions that will make it possible for merchants and business men to realize a profit from business; for laborers to receive an adequate living wage whereby they can enjoy the comforts, pleasures, opportunities and privileges of life; for farmers a price for their commodities that will afford them wholesome and happy living conditions. It is my earnest wish that this program may be enthusiastically supported for only in the successful prosecution of this program can States, Counties, Cities and individuals hope for success in the prosecution of their local program.

Nothing is more important than that the State maintain a proper concern for those who are unfortunate on account of unemployment and other adverse circumstances. However great may be the necessity to economize, our people must not be permitted to suffer from cold and hunger. South Carolina has received most generous treatment at the hands of the Federal Government. We often hear that in matters of taxation the burden must not rest heavily upon the poor. Much greater is our concern that when charity is extended by the Federal Government to the people of a State that the poor and unfortunate receive the benefits of such charity. As Governor of this State it has been my firm and constant purpose to bring to those of our people who are embarrassed by harsh circumstances the most effective relief possible. This has been done without increasing taxes or in any way involving the credit of the State. This great work in South Carolina had a meager beginning more than one year ago in the appointment by the Governor of a State Relief Council composed of three distinguished, worthy citizens who have given generously of their time and talent and a State Director whose services attracted such favorable attention that he has been called into a larger field of service. More than Twelve Million Dollars has already come to the State through this avenue and at no time has a request presented by me as Governor for relief allotment been questioned or refused. This is equal to twice the annual Appropriation Bill for State purposes and costs the State nothing. Thousands of our people have been given employment and most of the counties have made needed improvements and there may be seen all over the State in various communities evidences of valuable work and construction made possible by this emergency fund and in connection with the local administration of this relief many men
and women have received employment as clerical office workers and local administration directors. At the present time South Carolina is receiving relief at the rate of $1,250,000.00 per week.

It is important that local and State Appropriation Bills be perfected and passed early in the session and that the 1934 session of the General Assembly be not unnecessarily extended.

Respectfully submitted,

[Signature]

Governor.