STATE OF THE STATE MESSAGE
GOVERNOR JAMES B. EDWARDS
JANUARY 29, 1975

FOR RELEASE AT 12:00 NOON

Mr. President, Mr. Speaker, Ladies and Gentlemen of the General Assembly, my fellow South Carolinians:

I deeply appreciate your warm welcome. I also thank you for the opportunity to come before you today and to talk about our hopes and our concerns for South Carolina.

At the outset let me say very candidly that this is an humbling experience. If my service in the General Assembly taught me anything it is that there are many inputs to the production of good government in South Carolina. It is not a job that can adequately be performed by the Governor as one individual, or the General Assembly as one group of individuals. Good government, South Carolina style, depends upon the contributions of all its citizens. My perception is that the role of Governor is to provide leadership and foresight in fostering these contributions, in bringing them together and molding them into an effective response to the needs of our people. In this spirit, I shall seek out your advice and your cooperation. And very clearly I want you to know that I will be depending on your help, both individually and collectively as I face the considerable responsibilities of this office during the next four years.

It has been 85 days since election day and 14 days since this Administration was inaugurated. The activity involved in effecting an orderly transition certainly exceeded my expectation - if not my comprehension. The transition was aided though by your good assistance, your cooperation, and your support. To each of you, and particularly to former Governor West and his staff, I express the warm appreciation of my family and me, and my staff, for the courtesies you have afforded us in the past few weeks.

As I traveled the State last year I was impressed by the similarities in the goals and concerns of our people. From the sand dunes to the mountains, South Carolinians tend to share the same fundamental expectations of their State Government. As we undertake to set our priorities to respond to these expectations, it is indeed
unfortunate that so many of the adverse pressures we must consider are virtually beyond our direct control.

I speak of the maladies of our national economy -- inflation and recession, and their symptoms -- unemployment and spiraling prices. I speak of the energy crisis and the critical shortages it portends. Despite these conditions our state continues to face many tremendous opportunities, and I am confident we have adequate resources to surmount the challenges and to fulfill our opportunities.

I am compelled, however, to remind you that the problems we shall face together are very real problems. Our ability as South Carolinians to achieve our potential depends considerably on how these pressure-sources are handled at the national level, and how we the leadership of South Carolina conduct our affairs.

I see the coming year as one of adjusting priorities, reacting to a fast-changing fiscal situation, and altering many of the features of our state government to comply with the wishes of our people.

Our tight fiscal situation results primarily from the effects of the most serious post-war recession this Country has faced.

Unemployment in South Carolina is at 11 per cent, the highest statewide percentage ever recorded. Twenty-one of our counties have unemployment ratios of more than 11.4 per cent; five counties exceed 20 per cent, and one measures unemployment at 32.3 per cent.

The times are extremely hard for our textile industry which is such an important factor in our state economy. Our consumers face constantly rising prices. Many South Carolinians today face problems in supplying the basic necessities of food and shelter.

This chaotic situation and the uncertainty which surrounds it compound our priority task of formulating and balancing the state budget for the next year.

We must and we can meet our priority needs, but thereafter we must recognize and understand our limitations.

In the last three years, state government expenditures have increased about 20 per cent per year. This increase was financed by revenues produced by the one-time corporate withholding windfall, federal revenue sharing, and a steadily-increasing rate of inflation.
Based on most recent projections of revenue, $29 million of the $96 million surplus which existed at the end of Fiscal 74 will be used during the current fiscal year to cover a recurrent deficit. The remaining $68 million will be depleted in Fiscal 76 to cover a $58 million recurrent deficit if the General Assembly approves the budget as proposed by the Budget and Control Board.

Now, let's say what needs to be said: We have been budgeting and spending more money than we could reasonably project as revenues. The practice of using revenue surpluses to cover recurring expenses of ambitious program expansion cannot continue indefinitely. On our present economic course and with the economic projections for the next year, we will face a sizeable deficit in Fiscal 77 which would necessitate a very untimely tax increase.

The hard facts of the financial crisis we face today have dawned on even the most optimistic of us. We must resolve here and now to work tirelessly together to preserve the economic strength and integrity of South Carolina.

One of our options is, of course, to immediately reduce spending at all levels of State Government. To this end, all State Agencies have been requested to trim their expenditures wherever possible. And, as you know, a moratorium has been placed on filling non-essential State jobs. It is imperative that full compliance be given both these measures so as to insure the largest possible surplus at the end of Fiscal 75.

State Revenue projections for the coming fiscal year range from a low of about $950 million to a high of about $1 billion. The proposed budget is based on a mean projection of $978 million.

I urge the General Assembly to approve a budget which can be balanced by the lowest revenue projection - $950 million. This would provide a hedge against the possibility of lower-than-expected income. This would provide better conditions for a budget surplus at the end of Fiscal 76. This would provide more flexibility for the State to work its way out of an unfavorable balance of revenue and expenditures, hopefully without the necessity of a tax increase.
I further recommend that the General Assembly enact legislation which would
1) require that at least 25 per cent of any year-end surplus be preserved for use
in unusual fiscal situations until at least 5% of the current fiscal budget is accumulated;
and 2) set forth a formula for determining the conditions and circumstances under
which such a fund could be used.

Our assignment, I believe, is clear. We must effectively abate the fiscal
trend of our State Government in the face of fiscal realities or face the likely
prospects of imposing a tax increase next year.

With prudence, increased efficiency, and the cooperation of an involved
State Government, we can avoid increasing taxes while still meeting the challenges
of providing effective services to our people. Continually turning to higher consumer
and property taxes to pay for rapidly expanding public services was the easy answer
of yesterday. It must not be - and it is my intention that it will not be- the easy
answer of today.

We in State Government can begin a fiscal re-examination by reviewing
ourselves. We give much emphasis and analysis on how and where our money comes
from. During the coming year, we would be doing a disservice if we did not
address ourselves with equal emphasis to the ways our State Government spends
its money. Let's consider the tragedy of every misspent dollar...the tragedy of
every public employee without meaningful labor. The waste is abhorrent because,
as we all know, there are so many things that need to be done that are not being done,
simply because we do not have the money.

I am pleased to report that we are well on our way toward reducing by 10 per cent
the expenditures of the Governor's Office combined with The Division of Administration.
We have not bound ourselves by the 10 per cent level; if the need and advisability
are determined, we will cut these expenditures even more.

Unemployment is a tragedy in the lives of individuals and families. We must
be aware of the great needs now confronting the thousands of unemployed
South Carolinians. Earlier this month, I announced the beginning of an $8 million
program for emergency public service employment in South Carolina. The major
objective of this program is to provide jobs immediately for a maximum number of
unemployed persons.
As you know, this effort is being funded by the U. S. Department of Labor. We can anticipate that the allocation will provide about 1500 jobs during the next year, with complete priority given to unemployed South Carolinians.

The Employment Security Commission has implemented immediate steps to see that our unemployed men and women are provided every benefit to which they are entitled so their families will not needlessly suffer. Because of an unusually heavy claim load, the normal waiting period for unemployment benefits has increased from four to more than eight weeks. The Commission has instituted two full working shifts and all available equipment has been ordered to put in use as soon as possible.

Industrial leaders have been asked to make available their computerized payroll records to be used in the Employment Security Commission computer system to expedite the delivery of benefit checks. A mail claims system has been initiated and will be in full effect within a few weeks. I have asked the Commission to publicize a special complaint telephone number in each of its 29 offices where residents can obtain information regarding claims. We have contingency plans to implement a third shift if it becomes necessary to process additional claims.

I also urge all employers in South Carolina to list with the Employment Security Commission any job vacancies they have open.

I recognize that there has been not only a backlog of unemployment claims, but also a backlog of persons seeking assistance for food. I am requesting the creation of a mobile strike force with the capabilities to go into areas which have a heavy backlog of applicants for food assistance.

I will be in Washington February 7th to meet with the Secretaries of Labor, Defense, Commerce, and Agriculture to acquaint them with our problems and to seek their assistance.

As we deal with problems of the present, we should take due notice of the bright prospects for the future. We have been encouraged by the recent upswing in the stock market. Recent reports show the large inventories of textile goods are decreasing at a substantial rate, which indicates that perhaps in a few weeks many of our workers will once again be returning to their jobs.

So our resolve must be to do all that is in our power in dealing with a difficult situation, and above all to maintain a positive outlook for the days ahead.
ENERGY

We have learned from difficult experience that the time has passed when there is an abundant supply of cheap energy. However, South Carolina has not faced the severe shortages of energy that have plagued other states. We have been fortunate in that we have not suffered brownouts or blackouts of our electrical power supplies. This is a credit to the planning and management of our private industries and governmental agencies involved in this field.

As we look to the future we must not only consider energy availability but cost. Steps must be taken now to insure that South Carolinians will continue to have adequate energy supplies at lowest possible costs.

Unusually high demands have been placed on all energy sources in South Carolina by an ever-expanding industrial base and a consistent population growth. In the past five years, we have consumed petroleum products at an yearly increase of 8.8 per cent. This is predicted to rise to about ten per cent by the end of this year. Natural gas consumption is expected to increase an average of 15.3 per cent each year during the next five years. Demand for electricity should increase at the rate of 10.9 per cent each year.

The keys to avoiding obstacles in the path of continuing economic and industrial growth are proper and careful management and conservation of our energy supplies. State Government, energy suppliers, industry and all our citizens must cooperate to produce the best possible planning and conservation programs. Government obviously cannot do the whole job; a main ingredient for the solution is conservation which must be practiced by every agency, every industry, every business and every citizen.

We must seek new approaches to finding alternate sources of energy. Promising research programs on solar energy are underway at Clemson University.

South Carolina has become a leader in development of the most promising alternate to fossil fuel energy—nuclear power. Our state produces 34 per cent of its total electrical power with nuclear generating facilities. This provides an excellent power source and allows us to continue "the good life" provided us by electricity.
Our state's Public Service Commission has been confronted recently with a number of hard decisions. In a day of economic downturn and energy shortages, the Commission bears the increasing responsibility for assuring South Carolinians an adequate power supply at the lowest possible cost. This has become an extremely difficult job and one that commands considerable public attention and interest.

I recommend that when utility rate increases are put into effect under bond, and subsequently denied, that rebates be made with nine per cent interest instead of the six per cent prescribed by law. This practice has been used voluntarily at the request of the Public Service Commission; however, the laws of South Carolina should be changed to insure this practice.

In order that we might increase consumer confidence in the important work of this Commission, I recommend that the method of selecting commissioners be amended so as to provide that, beginning in 1979, members of the Public Service Commission be appointed by the Governor with the advice and upon the consent of the Senate.

CRIME

A major concern to all South Carolinians is the growing crime problem. Preliminary tabulations of the 1974 Uniform Crime Reports for South Carolina indicate that violent crimes of homicide, rape and assault have increased approximately 10 per cent in the past year. Property crimes of breaking and entering and larceny have increased by 10 per cent. Armed robberies have risen an alarming 35 per cent. In our state capital major crime increased 49 per cent in 1973. Projections are that the crime rate will continue upward under pressures aggravated by the worsening economy. This represents a critical situation which threatens severe change to the life style of all South Carolinians.

I urge expanded use of the South Carolina Criminal Justice Training Academy for our police officers in our state. Towns with a population of less than 2,500 or a police force of five men or less are not required to send their officers to the Academy which is financed completely with revenues from fines. I recommend legislation which would require all police officers to receive this basic training within one year of their employment.
We need to continue expansion of educational opportunities for criminal justice professionals in South Carolina. I support the continuation of the graduate school of criminal justice at the University of South Carolina.

I intend to reconstitute the Governor's Committee on Criminal Justice, Crime, and Delinquency. This Committee will work to establish criminal justice standards and goals for South Carolina. The thrust of its efforts will be to develop a clear statement of priorities and standards to help set a strategy for crime reduction and control in South Carolina.

I am asking the Office of Criminal Justice Programs to organize a Crime Prevention Program for South Carolina which will be called "Operation Crime Stop". This program will be implemented by the Office of Criminal Justice Programs within the next three to six months. It will be oriented toward training and education of citizens on what they can do to prevent crime to themselves and their property. It will also include training of law enforcement officers from local police departments in techniques and methods of establishing local crime prevention programs and a statewide public information program. This will be an ongoing effort of the Governor's Office and will be patterned after similar highly successful programs in Minnesota and Texas.

I intend also to establish a South Carolina Advisory Council on Juvenile Justice and Delinquency Prevention. Delinquency and crimes committed by juveniles account for nearly one-half of the crime in South Carolina. The appointment of this Council will, for the first time focus on this problem. Its emphasis will be on development of recommendations for action to prevent and reduce juvenile delinquency in our state.

Delivering effective punishment to criminals has become a matter of considerable concern. Too much of our crime is committed by previously convicted felons. I recently reviewed a SLED report which indicated that four police officers in South Carolina were murdered in incidents involving paroled felons. There is also ample evidence that many crimes are committed by persons out on bail and awaiting trial on other charges.

The position of this Administration is that punishment must be delivered to criminals quickly and with certainty. This must involve improving our correctional
facilities and our society's overall judicial response to criminals.

In promoting expansion and improvement in our prison facilities, I realize we're setting forth a paradox of priorities because of my earlier call for austerity. However, we must not allow a circumstance which, in effect, leaves us coddling criminals simply because our correctional facilities are over-crowded.

When a person commits a crime in South Carolina, he should understand that he is surely risking his freedom and personal liberties. Our state government must back this up with adequate prison facilities and an effective system of judicial process.

Meaningful improvement and expansion of our correctional facilities must have a high priority when our state economy improves. In the meantime, I call on our counties to assume as much of the burden of housing prisoners as possible until conditions within the state system improve.

Gun control has become a timely topic in the discussion of crime. I believe we have adequate laws when effectively enforced. I do, however, favor changing our gun laws to provide a 10-day waiting period for handgun delivery after purchase. I also call on our law enforcement agencies to fully utilize SLED facilities for checking confiscated weapons to determine if they have been used in unsolved crimes. Regulations regarding disposal of confiscated weapons must also be strictly enforced.

Armed robbery and hard-drug trafficking are two prevalent major crimes plaguing our state. Records show that repeat offenders are involved in many of these cases. I believe there are measures we can take immediately to counter this trend. Accordingly, I recommend the General Assembly enact necessary legislation requiring that persons convicted of second offenses of hard drug pushing and armed robbery be given substantial mandatory prison terms.

As we address ourselves to the area of crime prevention, we must also recognize the disparities in salaries of our police officers. The South Carolina Highway Patrol is a glaring example.

Each time a patrolman or other police officer stops a car for speeding, the patrolman is risking his life.

We should investigate the possibilities of standardizing the cost of auto license plates in South Carolina with any resulting increase in revenues being applied toward
salary adjustments for our highway patrolmen. This of course, would be an adoption of the user-pay concept rather than our looking for ways to increase taxes to accomplish this end.

JUDICIAL REFORM

The Judicial Reform Committee has labored many hours in studying our State's court system, various state constitutions, and statutes, and hearing numerous witnesses on a variety of subjects. I would recommend the following proposals of this committee for your early consideration:

— The creation of a district court system in South Carolina to comply with the Constitutional mandate of a unified court system. As members of the legal profession can attest, there is a myriad of county courts in this state with varying criminal and civil jurisdictions. These courts are locally funded and controlled. Such county courts have been created to supplement the circuit courts of this state which have proven inadequate to meet the needs of our citizens. The creation of such courts has to a large extent shifted the financial burdens for maintaining the court systems to the counties. There is a complete lack of uniformity in these courts throughout the state. The district court system will, in my opinion, provide for the establishment of a judicial system in our state which is more efficient and effective, and will better serve the course of civil and criminal justice in South Carolina.

— The adoption of a "Speedy Trial Rule." It is quite true that justice delayed is often justice denied. For this reason, I strongly urge the adoption by the Supreme Court of a rule requiring trials in all criminal cases within one hundred eighty days of arrest or indictment. The rule should provide that failure to prosecute within such time, without a reasonable excuse judicially approved by the Court, before expiration of one hundred and eighty days will result in a possible dismissal.

— The merit selection of proposed district court judges. There are 20 states which have some form of merit selection of judges. In the event the General Assembly decides to create a district court system in this state, I would recommend, that such judges be elected by the General Assembly from a list of three nominees submitted by a nominating commission. Such a commission should be composed of both lay members and attorneys, appointed by the Governor, with the advice and consent of the Senate.
South Carolina has been extremely fortunate in having outstanding individuals serving as circuit judges, both now and in the past. However, in the true spirit of complete judicial reform, I recommend that the merit selection of judges, as proposed by the Judicial Reform Committee for District Judges, also apply to circuit judges.

As a further step to improve our judicial system in South Carolina, the Office of Criminal Justice Programs within the Governor's Office will continue to lend financial and technical assistance to the Judicial Reform Committee as needed. We will also continue to work closely with Citizens for Court Update, the lay committee which is attempting to educate the public on just what judicial reform is all about.

EDUCATION

In education, we have perhaps our most difficult assignment. We must exercise the responsibility given us by our people to build an even better system of educational opportunities for all. Yet, we must do this in the face of fiscal realities which make it difficult to create new programs, or produce meaningful expansion of existing programs.

Our most critical need today is in the area of primary and secondary education. While the actual dollars provided by the state for primary and secondary education have increased significantly in the past decade, the portion of the budget spent in this area has declined. In Fiscal 65, for example, 59 per cent of the budget was set aside for education, and 49 per cent went to primary and secondary education. However in Fiscal 74, only 54 per cent of the state budget went to education, with primary and secondary education receiving 34 per cent. Thus, over the past decade, the percentage of the state budget for general education in South Carolina has decreased by five per cent, and the primary and secondary education share has decreased by 15 per cent. We must begin to re-order the priorities of our budget to give our public schools the support they need. We also need to examine the various curricula offered to our students by state schools to avoid costly duplication of services.
Every school tax dollar must be used to produce a full dollar's worth of educational service. Productive programs with maximum utilization of resources must be applied at every level in education.

This type of education cannot be achieved across our state until the alarming disparity in per pupil expenditures is equalized. For instance, in Fiscal 73, one South Carolina district spent $868 per pupil in operating revenue, while another spent $468.

South Carolina's ranking of 42nd among the states in the 1973-74 average salary for public school teachers is a statistic that I am committed to improving as quickly as our economy will allow. But facing the economic reality of today, I cannot recommend more than the five per cent increase provided in the 1976 budget submitted to the General Assembly by the Budget and Control Board.

Although we are forced to limit salary increases for teachers, we can provide them valuable assistance. I have recommended that a portion of our Federal Manpower Funds be used to provide teacher aides to relieve the teacher of non-professional tasks.

As soon as the economy improves, we should focus more attention on our total educational program.

We can expand special education programs with qualified instructors to meet the needs of thousands of physically or mentally handicapped children who still need more educational services. We should, when the economy dictates, expand our kindergarten program statewide. This can be done at an investment of $2.5 million.

So that teachers can work on a more individual basis with students in the first two grades, I suggest that we consider reducing the size of these classes to no more than twenty students per teacher.

I would also urge that the General Assembly favorably consider legislation which would provide teachers who hold less than "A" certificates and have taught more than a year, free tuition in state universities in order to upgrade their certification.

These programs must be delayed until the economic picture improves, but they represent future priorities in our educational program.
The development of a multi-limbed educational program to provide options for each student would help to reduce our discipline problem. The traditional liberal arts curriculum is just not appropriate for all students. I support and strongly encourage the development of specialized limbs on the tree of education in such areas as career studies, the fine arts, and college preparation, with bridges between each limb to allow a student to change his mind.

Long range planning for post secondary education is very important, and I urge the Commission on Higher Education to continue to give priority to this planning with emphasis on reducing duplication. I commend the development of a formula for allocating state tax dollars objectively and equitably among the state colleges and universities.

Our state technical and vocational schools have done a fine job in training South Carolinians for skilled higher-paying jobs in state industry. Students, teachers, and administrators in these programs are to be commended for seeking to improve the earning power of South Carolina's working force.

The quest to improve educational opportunity with South Carolina must never stop, for education is a sacred possession of which man cannot be robbed and one of the best indicators of our state's progress.

**FOSTER CARE AND CHILD ADVOCACY**

Along with the right of quality education, each child in South Carolina must be guaranteed the basic security of shelter, food, and clothing, and protected from parental abuse, neglect, or abandonment. There are presently more than 3,300 children in public and private foster homes and institutions in South Carolina. Legislation passed by the General Assembly addressing itself to their needs should be implemented quickly to assure the protection of these children.

**HEALTH CARE DELIVERY**

A major challenge facing our state is the delivery of adequate, high quality health care for all our citizens. The statistics show a dismal picture — we have almost the highest perinatal mortality rate in the nation — ranking 48th in the number of deaths occurring at delivery or during the first 28 days of life.
Another significant health problem is hypertension. 250,000 South Carolinians need treatment for hypertension, but at present such treatment is available only on a limited scale in each county.

Even as we develop our system of Emergency Medical Services to its full potential, 30 per cent of the deaths from heart attack could be prevented and 25 per cent of those now dying from automobile accidents could be saved each year. I support the development of an effective state-wide Emergency Medical Service.

In 1973, a pilot multiphasic screening program was initiated for state employees. The results of that program show a definite need for the future expansion of a multiphasic screening program to all citizens of our state.

It is evident from these and other statistics that the state has a great need for a system of health care delivery which will be increasingly responsive to the needs of our citizens who presently suffer from inadequate health care. To design any effective system, we must have the assistance and cooperation of health care professionals throughout the state.

In the coming months we can make significant gains to improve the system of health care delivery.

The recently approved National Health Planning and Resources Development Act of 1974 will provide a significant avenue for solutions to our health care problems. I am working on plans to create a system of regional hospitals which may receive some funding through this Act and will, when complete, bring a higher degree of quality health services to our citizens. Such a system will also foster more opportunities for the training of interns, residents, and family practice doctors. This system will not only result in more South Carolina doctors continuing to practice in their home state, but it will serve to attract out-of-state doctors to train and practice in South Carolina. It will also serve as continuing education centers for our Health Care personnel.

I recommend that we give top priority for these regional hospitals to the areas of greatest need. For example, I would strongly support the establishment of the first regional hospital in the Pee Dee area as a pilot project to test both the cost and the feasibility of long range programs for the remainder of the state. The Pee Dee today has one of the highest infant mortality rates in the nation. The placement of a regional hospital in this section of our state would provide greatly needed services to alleviate the conditions that lead to such statistics.
As these regional hospitals are developed, I would propose an additional system of satellite clinics which would maintain a screening program for patients, thereby improving and expanding the level of preventive medicine.

From the planning stage on, close communication should be established between these regional hospitals and the medical universities.

Within the framework of such an expanded system of regional hospitals and clinics, we can offer innovative programs of health care to rural areas.

**INDUSTRIAL DEVELOPMENT**

We are becoming acutely aware that jobs and payrolls are the hallmarks of a healthy state economy. We must take affirmative action to insure continuous economic expansion if we are to meet the needs of tomorrow. To this end, I strongly support the ongoing work of the State Development Board. As our industrial base expands, emphasis should be placed on diversification and better distribution throughout the state.

We should constantly evaluate South Carolina's portfolio to prospective industries and strive to improve it wherever possible. Foreign investments have proven profitable to our state and do, in fact, represent a significant portion of our industrial tax base. Foreign firms have proven to be good corporate neighbors and have made a significant contribution to South Carolina's economic well-being.

In our quest for a sustained healthy economy, we must not neglect the needs of two important industries -- tourism and ports. I support the efforts of the State Commission of Parks, Recreation and Tourism to increase the flow of tourists throughout South Carolina through productive and imaginative programs. These will take on added significance as we approach our country's Bicentennial celebration.

The South Carolina Ports Authority is a State industry that generates an annual economic impact in excess of one-half billion dollars. Our state's port facilities provide valuable services to our industries and our farms in addition to sustaining hundreds of jobs. The state port system has developed into one of the best in the nation and should be valued as a productive, God-given resource. We must be cognizant of the important role our ports and harbors have in our economy and remain sensitive to their needs for support.

**ENVIRONMENT**

South Carolina's future development and economic progress must include the
preservation of our valuable natural resources. The true conservationist is one who
intelligently uses his natural resources and remembers that nature has provided us
with many valuable free services. The beauty and quality of our unique natural
environments must always be considered as part of any development plans, and we
must always strive to find that often evasive line of pragmatism which balances the
need to progress with the need to preserve!

CONSTITUTIONAL REVISION

I commend the General Assembly on the action which has been taken thus far
on the much-needed revision of our 1895 Constitution. However, six articles remain
to be passed, including the extremely important ones of Finance and Taxation and
the Legislature.

With respect to the proposed Article X on Finance and Taxation, I urge you to
seriously consider a system of taxation by actual use of property rather than the
present method of taxation according to fair market value. The present method has
worked extreme hardship among many segments of our population, especially farm
property owners caught in urban-fringe areas. From 1973 to 1974, South Carolina
lost 1,000 farms and 100,000 acres of land in farms... one of the primary factors
being the economics involved in our present method of taxation. We cannot permit
this to continue. Agriculture is still our basic and best industry in South Carolina,
and either directly or indirectly accounts for approximately 40 per cent of our total
employment. The importance of agriculture to our state economy must never be
underestimated. Last year, gross receipts of South Carolina's agricultural products
(including livestock) approached one billion dollars. This represents a tremendously
important part of our overall economy. We simply cannot afford to continue a system
of property taxation that threatens in many cases to push our farmers off the land.

I further recommend that the identity and number of property use classifications
be established in the Constitution. To do otherwise would be to subject the General
Assembly to continuous pressure to establish special classifications by legislation.

In addition to the Constitutional provision on Finance and Taxation, which cannot
become effective until it is approved by the voters next year and ratified in 1977, there
is an immediate need for legislation setting uniform assessment ratios on various
classes of property. I strongly recommend that you take action in this area as soon as
possible.
ETHICS LEGISLATION

John C. Calhoun once observed:

"The very essence of a free government consists in considering offices as public trusts, bestowed for the good of the country, and not for the benefit of an individual or a party."

Today, more than ever before, public confidence in the institutions and political systems of government is essential.

I commend both houses in the General Assembly for progress to date in producing ethics legislation. The need for such a bill was very clear in the mandate our people delivered at the polls last year. It is my belief that you need not consider the need for ethics legislation in negative terms. The vast majority of those involved in government are honest and dedicated; a meaningful ethics code would be of service to them as much as a deterrent to those who abuse their public trust.

I recommend to the General Assembly that before its work on ethics legislation is considered complete, a meaningful ethics code be enacted to contain the following provisions:

- A general prohibition restricting any public official from using his official position or office to achieve financial gain either directly or indirectly. The term "public official" should apply to any State employee, elected or appointed, including the executive and judicial branches, any official or employee of a county, municipality, or other political subdivision, any legislator or legislative employee and any temporary or part-time employee, consultant or person on a retainer.

- A prohibition restricting any public official or a member of his household from being offered or receiving anything of value based on any understanding that his vote, actions or judgments would thereby be influenced.

- Prohibition restricting any public official in any firm or business in which a public official is associated, from representing a client before any state regulatory department or agency for a fee, if that official is a member of the legislative bodies which nominates, elects or approves the appointments to such departments or agencies.

- Every elected public official and every person employed as a public official with compensation of $20,000 or more per year be required to file a statement of economic interest, thereby disclosing any positions or property holdings which could reasonably be expected to create a conflict of interest with his public position.
- That all political candidates, at a reasonable date prior to election day, disclose the source of any contribution of more than $100 in cash or in-kind services.

I firmly believe that the most critical portion of any ethics legislation is the provision that sets forth administration and enforcement. I recommend that a state ethics commission be created to monitor and enforce our newly enacted ethics laws. This commission should have 6 members with one representing each congressional district. Appointment would be by the Governor with the advice and consent of the General Assembly. I realize this proposal is far-reaching. Some may call it drastic. We must act completely and effectively on ethics, if we are to answer the concerns of our people. I urge the General Assembly's understanding and support of this proposal.

ELECTION LAW REFORM

The election laws of a state should be designed so as to encourage the greatest number of qualified persons to participate in the democratic process. I would urge that several changes be made in our election laws to more adequately meet this objective. First, the right to vote by absentee ballot should be expanded to include those whose employment will require them to be absent from their county of residence on Election Day, and those who will be on planned vacation.

We should enact into law this year a bill creating one board governing registration and elections in each county. This legislation should also empower the State Election Commission to standardize practices and procedures relating to election and registration matters statewide.

I would also recommend that the date for primary elections be set closer to the general election date. The present June primary unnecessarily prolongs political campaigns. As a result, campaigns are unduly expensive, many persons are discouraged from seeking public office, and the public becomes weary of campaign rhetoric. With the advent of single-member House districts, the need for a five-month period between the primary and the general election becomes even more unnecessary.

Most of our counties continue to use the system of nominating magistrates in a preferential primary. As long as this is the system, I urge that referendums be conducted as part of the general election process, and on a non-partisan basis.
INCOME TAX REFORM

I commend the work of the South Carolina Tax Study Commission and urge its continuation. I also urge that efforts be made to incorporate the changes it has proposed to our state income tax laws. This action would bring our state tax laws in close accord with the Federal Income Tax Code, and would serve to eliminate the burdensome requirements on our taxpayers of dealing with two definitions of taxable income.

HOME RULE - SENATE REAPPORTIONMENT

It is vitally important that the General Assembly pass enabling legislation on Home Rule. With their approval of a Constitutional Amendment, our people have spoken on this issue. Now, more than ever before, it is imperative that we return as much control as possible to local government entities, particularly in view of the single member apportionment of the House of Representatives, which effectively puts an end to County Legislative Delegations.

In referring to single member districts in the House of Representatives, I would be remiss if I did not remind you of the possibility that the South Carolina Senate may be required to reapportion itself in a similar manner. Faced with this possibility, I would urge the General Assembly to take necessary steps to develop contingency plans to reapportion the State Senate with single-member districts.

The wisdom of developing such plans is in the desire to avoid the chaotic situations which have been common in the past during reapportionment with a federally imposed time deadline.

MOTOR VEHICLE MANAGEMENT

Considerable attention has been focused on the growing fleet of more than 3,200 state-owned automobiles and the wide variety in agency regulations governing their use, as well as the number of violations of existing rules. It is not my purpose here today to fix blame, or to criticize; rather I am recommending what I consider to be a sound set of proposals designed to end abuse of taxpayers' property through good, sound management principles.

I propose that there be established a state office of motor vehicle management staffed by an experienced expert in fleet management who will be directly accountable to the State Budget and Control Board. Well-defined guidelines for managing state-owned automobiles, and procedures to guard against abuse in usage would be established by the Budget and Control Board and administered by the office of motor vehicle management.
In addition, we should move immediately to require that the entire fleet of state-owned automobiles be covered by one overall liability insurance package, awarded on the basis of open and competitive public bidding.

As part of this new management package, there should be a system of clearly identifying state-owned automobiles as property of the state, with the exception of specified law enforcement vehicles.

Currently, our state vehicles operate at a cost of about 14 cents per mile. In at least two other states where similar motor vehicle management offices were established, the cost of vehicle operation is estimated at 9 1/2 cents per mile. By moving to establish such a program now, I believe we can look forward to a significant savings of money, as well as creating a better measure of goodwill with our people. I ask for the full cooperation of the General Assembly and all agencies of government.

DAIRY COMMISSION

South Carolina's dairy industry continues to face economic difficulties, especially now with the onset of serious problems in the national economy. More milk producers each year are pushed out of the market and out of business by these conditions. At the same time, consumers are forced to pay higher prices for fresh milk on the market.

Over the years, there have been numerous studies conducted to seek ways of improving the problems of the dairy industry; based on my review of these reports, I recommend:

- That the membership of the South Carolina Dairy Commission be changed from its present make-up to include five consumer representatives among the nine voting members. This action would give the public the largest representation on the commission and should make the body more responsive to public needs.

- I also urge the establishment of a state-wide uniform milk purchasing plan based on sales and utilization. This plan would provide a more equitable market structure for producers and all producers would be able to share in the state-wide market.

- We should insure that minimum pricing provisions are restricted to the producer and wholesale levels only.
STATE EMPLOYEES

Thanks to the efforts of our dedicated state employees, our state government, for the most part, enjoys a high performance rating. Our state employees can contribute greatly during this economic downturn by being personally aware of their productivity and seeking to improve it where possible. Managers in state government must also develop ways to increase productivity at all levels.

I hope that during this administration we will find many opportunities to reward the men and women who work for our state. I support the recommendation of the Budget and Control Board that state employees be given a five per cent pay increase. I have also initiated a review to determine the net effects of a possible change in the South Carolina Retirement System which would allow any teacher or state employee with 30 years service to retire with full benefits at age 60, or after 35 years of service. If our review supports the feasibility of this change, I intend to make this specific recommendation to the General Assembly before this session concludes.

HOUSING

The 1974 General Assembly demonstrated a true spirit of moral and fiscal responsibility to all South Carolinians with enactment of the State Housing Authority's legislative request for state housing finance capabilities. This legislation could answer many of the needs of our low and moderate income citizens by providing them with the opportunity to have safe, sanitary dwellings. The state housing finance legislation was based on historically sound fiscal programs used in other states for many years. The legislation is currently being adjudicated in our State Supreme Court. With this program the Authority would be able to inject, by conservative estimates, obtained from private financial institutions in the State, some $20 - $30 million in the State's housing finance construction industry almost immediately. This money would create employment at the rate of 7,200 man/year jobs per $1 million of construction funds and produce many related economic benefits and improve a sagging major segment of the state's economy. An estimated 150,000 families would be eligible to participate in the finance program. As now structured, this program presents no financial risk or jeopardy to the credit of the state and it is not a "give-away" since all of the monies loaned to the eligible families must be repaid.

This administration is firmly committed to the principle of making available housing opportunities for every citizen. We will assist in whatever manner necessary to fulfill this commitment consistent with sound, prudent fiscal measures that would not
jeopardize the state's credit or economy.

HIGHWAY SAFETY

In addition to citizen health issues already addressed, there is another significant malady calling for our attention. It kills hundreds of South Carolinians each year. It injures approximately 20,000 and costs South Carolina $200 million annually. I am talking about the preventable transportation crashes and disasters on our state highways.

I commend the South Carolina General Assembly for effective legislation regarding highway safety standards. These laws have contributed to the reduction in our mileage death ratio from seven per 100 million miles in 1967, to 4.3 per 100 million miles in 1974 -- a commendable 39 per cent rate reduction in seven years.

However, last year when coroners tested drivers and pedestrians killed in motor vehicle accidents, they found that 78 per cent of those tested had some blood alcohol content or other drugs in their systems at the time of death. Obviously, drunken driving is an acute problem.

I urge favorable legislative action on the proposed provisional drivers license bill. This legislation will establish Alcohol Traffic Safety Schools state-wide for violators driving under the influence. I also support the expansion of the South Carolina Alcohol Safety Action Program, a concept which has proven its merit so substantially in Richland County.

SENIOR CITIZENS

In America today, one in every 10 persons is over the age of 65. The advent of new medicines and medical techniques has expanded our life spans far beyond that of past generations. Our senior citizens are a valuable resource to our communities and our state.

There are, however, a number of serious problems faced by these citizens who have given so much to our state and nation. The average income of the senior citizen is less than half that of his younger counterpart. Twenty-two per cent live in households with an income below the official poverty level. Inflation and the total economic situation have placed even more difficulties on our senior citizens.
I commend the work being done by all agencies at state and local level in this important area and urge that we seek more ways in which to alleviate the financial burdens and provide better recreation and housing facilities for this group.

LONG RANGE PLANNING

The impressions and observations I have gathered, since coming to the Senate some two years ago, are that our state agencies are generally doing a good job in their respective areas. What is lacking, however, is coordinated planning with objectives designed to fill the long range needs of South Carolina.

For example, in the last decade, South Carolina's growth has been measurable in many ways:

- In the last ten years, South Carolina's budget has increased from $232 million to almost $960 million.
- On June 30th, 1964, South Carolina's bonded indebtedness was $180 million. Today, our bonded indebtedness is $415 million, with an additional $277 million authorized, but not issued.
- The number of state employees has increased from 23,400 to more than 50,000.
- And our total population has grown 8.7 per cent since 1960.

In spite of these efforts, South Carolina is still near the bottom in areas of health, education, and per capita income. As we reflect, we can find concern on the part of our leadership for these problems. The corrective action, however, has been fragmented and disorganized.

Now that we have celebrated the 300th birthday of our state, and are approaching the 200th birthday of our nation, we should take stock of how we have arrived at this point and place in time, where we are, and where we are going in the next two decades.

With this in mind, I am announcing the creation of the Governor's Committee on Long Range Priorities. To chair this effort, I am pleased to appoint our State Auditor Patrick C. Smith. Pat Smith's experience, dedication, integrity, and in-depth knowledge of South Carolina government make him uniquely qualified to direct this important project. This committee will consist of a cross-section of our state's leaders in business, industry, agriculture, education, the media, and government. These
leaders will be charged with the job of not only charting a course to follow, but also creating ways to monitor and report on our progress.

Long Range Planning is not a one-time job, but, instead the ongoing program of any entity operating on principles of prudence and foresight. I would hope creation of this committee will serve as the beginning of an extended and effective effort in the long range operations of our state.

**FREEDOM OF INFORMATION LAW**

Two years ago South Carolina took a major step forward in an effort to protect the public's right to know by enacting a comprehensive Freedom of Information Law. Hailed by some and criticized by others, the law has served well as a foundation to insure that our people are given access to the workings of government -- from the county courthouses to the State House.

Recent events have clearly shown that the people benefit when government -- at all levels -- fully opens its doors and lets every citizen become involved in the process of government. The concept of openness is, and will serve, as the cornerstone of this administration.

Certainly there are limited times when the right of individual privacy transcends the need for full disclosure, and no reasonable citizen would insist on the airing of private personal matters or contractual arrangements. Yet our current law contains several weaknesses, which we must endeavor to correct as soon as possible to be absolutely certain that our citizens are given full and complete access to information that will affect their lives.

I recommend that the Freedom of Information Law be amended so as to provide:

- A $500 fine for any individual public official found guilty of violating any provision of this Law.

- That any board, commission, committee or subcommittee of government, at all levels, take a public vote before being allowed to go into executive session. In addition the public governmental entity, through the presiding officer, would be required to make public the exact reason for going into an executive session.

- That any action taken in executive session must be voted on and adopted in a subsequent open session.
These changes I believe will go a long way toward opening government at all levels and restoring public confidence. I urge your support in making them law.

**VOLUNTARISM AND THE BICENTENNIAL**

However we describe the State of South Carolina, we know that it is not static. Even as I am talking, the state of our state is changing. Because of this constant flux, we need to do more than establish budgets and policies, and administer cumbersome bureaucracies if we are to meet the challenges of tomorrow. South Carolina today needs the complete commitment and use of her greatest resource — 2.8 million South Carolinians.

I will soon be opening three extensions of the Governor’s Office for Citizen Services. One office will be located in the Piedmont, one in the Pee Dee, and one in the Lowcountry. These offices will serve to encourage South Carolinians to participate in state government, to come forward with information and ideas, complaints and criticism. Hopefully these offices will bring the Governor’s office closer to most South Carolinians. I intend to staff each extension with one volunteer administrator, and two state employees whose salaries will be financed by Federal Manpower Funds.

Voluntarism, for the benefit of South Carolina, was never so important as it is now, in a time of limited resources, and unlimited needs. We need volunteers to be tutors in schools, counselors in our prisons, aides in our mental hospitals, and sympathetic listeners in our nursing homes. As you know, an office of Volunteer Services was established last October within the Governor’s Office. When South Carolinians offer the benefit of their time and experience, we want to put them to work in the place their individual abilities can best be used. Our new office of Volunteer Services will help us to make maximum use of a very valuable resource.

Two centuries ago, South Carolina patriots took up arms in the cause of America’s freedom. They committed their lives, their fortunes, and their sacred honor to secure the blessings of liberty. The Bicentennial of the American Revolution has special meaning for South Carolinians, because our state was truly “The Battleground of Freedom,” where more battles of the Revolution were fought than in any other colony. It is therefore fitting that we become personally involved in an appropriate observance
of these historic years. It is also proper that in a time of economic hardship for so many of our citizens, our state government exercise fiscal prudence in its approach to the celebration.

Accordingly, I am calling on all South Carolinians to join me in "Achievement 76." This will be a very personal Bicentennial commitment; namely that in the coming year, every South Carolinian give some of his time to an effort dedicated to improving the life of people in this state. I call upon all our people to enlist in what I hope will become South Carolina's permanent "Progress Corps." Working individually and together, we can strive to elevate the level of life for all our citizens as a Birthday Gift to America on her 200th anniversary.

CONCLUSION

The concerns of our people are not difficult to identify.

South Carolinians want responsive state government and a sound economy. They want fiscal prudence to be the watchwords in all that we do.

Our people want to be safe in their homes and on their streets. They want better health care, better schools and better housing. They want meaningful and responsible reform in their system of government.

None of the desires of our people represent impossible aspirations. With dedicated and energetic legislators and executives, and the involvement of our citizens, our goals and our dreams can be achieved.

So, let us resolve to move on along the road of progress with a mutual understanding that it is not our purpose to achieve perfection, but simply to secure a better life for all South Carolinians.