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# Annual Message

BY

**HON. R. M. JEFFERIES**

Governor of South Carolina

DELIVERED JANURARY 12, 1943

TO THE

## General Assembly



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STATE DOCUMENTS

# **Annual Message**

**BY**

**HON. R. M. JEFFERIES**

**Governor of South Carolina**

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**TO THE**

**General Assembly**



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MR. PRESIDENT, MR. SPEAKER AND GENTLEMEN OF  
THE GENERAL ASSEMBLY:

I opened my first address to you after I became Governor with the following words:

"In this time of national distress and danger there is a post of duty for every man, woman and child in the State and nation. For the winning of the war there is a trench for everyone."

South Carolinians everywhere and in every condition have fully realized the importance of the times. South Carolina has indeed gone to war.

The record shows that South Carolina has its heart and its soul in the war for survival and in every type of activity South Carolinians have done their full duty. Since May, 1941, war bonds and stamps totaling \$58,000,000.00 have been sold in South Carolina which means that we have invested more than \$30.00 per capita in this great security. Cumulatively we have exceeded all quotas and for the four months' period of July-October, 1942, South Carolina led the nation in percentage over quotas. During the year when the United Service Organization appeal was made \$139,000.00 were collected in South Carolina and during the same time we contributed \$500,000.00 to the Red Cross with \$38,000.00 to China Relief and \$55,000.00 for Navy Relief. We are far ahead of our quota in salvage work, more than 255,523,000 pounds have been collected. (See the excellent report of the salvage work hereto attached as Exhibit "A".)

South Carolina has several "firsts" in the salvage work. The State led all the Southeastern states in the collection of scrap rubber while the town of Kershaw led all towns in the nation on a per capita basis. Mr. Marvin Holland of Barnwell led the country for his individual collection of scrap rubber. This State's Bottlers and Brewers Scrap Campaign led all other Bottlers and Brewers Campaigns in the United States. The School and Press Association Campaign developed Dial Rawl of the Gilbert School as the champion boy collector of scrap in the nation. The Gilbert School and the Climax School in Lexington County rank near the top in the country in total pounds collected and amount collected per pupil, respectively.

Hundreds of South Carolina textile mills are running three shifts per day in making materials for use by the armed forces. Goods worth millions of dollars are being delivered monthly. All types of war contracts have been secured by South Carolina industrialists, in spite of very little cooperation from the War Production Board. We have recently seen a substantial steel industry established in the State which is of great value now and which should be of lasting good to the people.

Farm products, in spite of the handicaps of shortage of labor and transportation, have advanced far above what would normally be expected. South Carolina crops last year were worth nearly \$200,000,000.00 and increases can be noted in practically all farm products grown in the State. This increase has been both in yield and in value and South Carolina farmers have indeed done their full duty.

The South Carolina defense force, more than 6,400 strong, under our most capable Adjutant General, is a most effective agency for the protection of the State. Its members are all patriotic and have cooperated magnificently with the work of the last year.

In comparing reports from other states I find that our Civilian Defense is far better organized than in many sections of the nation. There are 206,382 people engaged in this most important work and no phase of it has been neglected. (See brief report by the State Defense Council hereto attached as Exhibit "B".) The appropriation last year to aid the county defense offices proved most helpful and I recommend that an additional appropriation be made this year for this important purpose.

While the State has done most excellent work on the home front it has not neglected to furnish its strong young men for the armed services of the nation. As of December 31st there were 85,242 South Carolina men in the various branches of the armed services, of which 41,791 entered by voluntary enlistments. As of January 31, 1943, there will be more than 92,000 South Carolinians in the various branches of the armed forces of the nation. The Selective Service System has been well administered in South Carolina, and from the State Director to the various county boards throughout the State the entire organization has functioned patriotically and fairly.

From the above brief review of wartime activities of South Carolinians we can truly say that South Carolina has gone to war.

It has been a high honor and a great privilege to me to attempt to serve my State during this period of war and to have had some little part in the hundred per cent. effort of our people to bring about an early and complete victory. A War Governor has far greater duties than would normally rest upon a Governor in peace time. He heads much of the war work and cooperates with all of it. From the vantage ground of observing the activities of the people of the State at this critical time I am able to appreciate what is being done in South Carolina to assist in the saving of the nation and when I see the many accomplishments of our people I take a special pride in having been the Governor of such a State.

In my first message to you I stated that I would seek no wider powers than those already conferred by the laws of the State upon the office of Governor. After many months in the administration of

the office I am glad to report to you that in my judgment no additional powers have been necessary. There were things which I might have done if our laws had permitted it, but, while some of these things were of an emergency nature, yet all of them could well wait until the General Assembly convened. The Legislature of South Carolina will always do its full duty when it is informed of the situation and realizes the need.

It is now my purpose in accordance with the provisions of Section 15, Article 4, of the Constitution of South Carolina, to review briefly certain conditions and to make some recommendations.

### I. SHORT SESSION OF THE GENERAL ASSEMBLY

I feel that all of us appreciate the importance of a short session of the 1943 General Assembly. There is every reason for us to devote ourselves quickly to our duties and return to our homes. Our part in the war effort will require us to complete our work here as soon as the same can be done with sufficient time for deliberation and counsel. The 1942 Legislature set an example of strict attention to business and early adjournment which should be followed at all times, particularly in this period of war. I hope that South Carolina Legislatures from this time forward will make short sessions the custom and the rule. I know that public opinion in South Carolina demands that the General Assembly attend to its duties in much shorter sessions than have been the custom in years gone by.

### II. A FINANCIAL PROGRAM FOR THE STATE

Unusual conditions bringing about a large flow of moneys into the State treasury make it necessary for us to adopt a real financial program for the State, counties and municipalities, and I hope that early in this session the General Assembly will adopt a program based upon good business principles.

#### A. *Surplus Revenues in the State Treasury:*

The financial condition of the State government improved by more than \$5,200,000.00 during the fiscal year 1941-42, for on July 1, 1941, the State had an operating deficit of \$1,600,000.00 which was transformed into an operating surplus of \$3,600,000.00 as of June 30, 1942. It is impossible to determine the exact condition of the surplus until the end of the present fiscal year because there are yet present many uncertain factors such as continuation of the revenues at the same high level and what appropriations will be made as against existing revenues. I have conferred with various officers of the State and we now estimate the cash surplus as of December 31, 1942, to be \$5,700,000.00. Applying the best methods of estimation it seems

now reasonable to expect that our surplus as of June 30, 1943, will amount to more than \$8,500,000.00. It is my well-considered opinion that the Legislature and the executive branch of government are simply trustees for this money to use for the very best possible advantage of the people of the State.

*B. The Surplus Should be Used to Pay General Account Funded Indebtedness:*

When the surplus in the treasury developed at the close of the last fiscal year, I conferred constantly with the State Treasurer and others with regard to the proper use of these funds. A study revealed that few of the bonds of the State had "call" features. Then, neither the Governor nor the Finance Committee could draw on these funds without new legislation in the nature of an appropriation. If the Governor had had the power, I would have placed into effect many months ago what I am now recommending.

I strongly recommend the immediate passage of proper legislation providing that surplus funds in an amount sufficient to pay all of the funded indebtedness of the State with the exception of the highway certificates of indebtedness be turned over to the Sinking Fund Commission with full power to the commission to invest the same in war bonds until such time as the bonds of the State may be paid or bought upon reasonable terms. Most of the funded indebtedness of the State is of a serial nature and practically none of it has "call" provisions. Funds, however, in an amount sufficient to pay the principal and the interest should be appropriated to the Sinking Fund Commission at once to be held until such time as the bonded indebtedness can be paid. It is estimated that \$6,800,000.00 will be sufficient for the purpose of paying the indebtedness with a reasonable allowance for interest. By arranging this method of paying the bonded indebtedness of the State many advantages can be secured. First, money now idle can be invested in war bonds and draw interest. Next, the refunding bonds of which nearly \$3,000,000.00 are still outstanding represent indebtedness some of which was made long before the War Between the States and which was consolidated into bonds fifty years ago. No provision was made for the payment of these bonds during the years until the present refunding bonds were sold within the last few years.

I recommend that a Bill authorizing the payment of indebtedness in this manner contain a provision for the repeal of the one mill property tax now collected for purposes of the refunding bonds. This will give a tax reduction immediately to the property owners of the State. Also, we will be able to reduce the Appropriation Bill by eliminating, now, provisions for debt service amounting to more than \$400,000.00 per year. I am attaching hereto a letter from the State Treas-

urer (Exhibit "C"), and statements showing the amount of the funded indebtedness of the State (Exhibit "D") and the amounts which can be eliminated from the Appropriation Bill by this method of handling the surplus (Exhibit "E").

I am also attaching hereto a Bill carrying out this recommendation, prepared by the State Treasurer and Assistant Attorney General and the secretary of the Sinking Fund Commission (Exhibit "F"). I earnestly recommend that this Bill be introduced immediately and, if it meets with your approval, that I be permitted to have the honor of signing it before I leave the Governor's office on January 19th. I realize that this is asking the Legislature to give immediate consideration to an important matter, but I am so impressed with the fact that this recommendation has the support of good business principles that I have the temerity of suggesting quick action.

The attached Bill providing for the use of the surplus to pay debts will retire all direct South Carolina obligations except school book notes which are entirely self-liquidating. This Bill does not attempt to retire the various revenue bonds pledging institutional income issued by the colleges and a small issue for the State Hospital. The amount of these bonds together with the debt service necessary for the next fiscal year appears from the following table:

*Revenue Bonds Not Direct State Obligations*

	<i>Outstanding Bonds</i>	<i>Debt Service, 1943-1944</i>
University .....	\$ 590,000.00	\$ 48,137.50
Clemson .....	581,000.00	35,570.00
Winthrop .....	300,000.00	18,947.50
State Hospital .....	65,000.00	7,400.00
Citadel .....	1,030,000.00	59,325.00
	<hr/>	<hr/>
Total .....	\$2,566,000.00	\$119,380.00

If provisions could be made to retire the above obligations in the same manner that we are handling the direct obligations of the State these institutions would have a total saving of \$119,380.00 during the fiscal year and this sum of money could be deducted from appropriations because these institutions could use the income for maintenance expenses. Provisions for the retiring of these bonds become very important when we consider that on account of the war the immediate future of the male colleges of the State is very uncertain. The very revenues from which these bonds are being paid may completely fail because of the students being engaged in war activities.

Even though there may possibly be no direct State obligation involved in this type of bond South Carolina could not permit one of these institutions to default because to do so would wreck a magnificent activity and do injury to the credit of the entire State. It is highly possible that before the Legislature adjourns information may become available which will show that the surplus will be large enough to take care of these obligations also. I recommend that the matter be studied carefully before final adjournment and if the money be available that these debts be retired in the same manner as the direct obligations.

In this connection I recommend that if it should become advisable in the future for any institution to secure the benefit of a bond issue pledging revenues and making no direct obligation of the State or otherwise the bonds should be issued through the office of the State Treasurer so as to secure lower rates of interest and to provide for central auditing. It is my opinion that the handling of bonds by the various institutions pledging their revenues without the entire matter being cleared through the office of the State Treasurer may lead to confusion.

#### *C. Counties and Municipalities Need Financial Help:*

(1) *Counties:* The Counties of South Carolina will face a serious financial situation by reason of the declining yields from the gas tax which goes to the Counties. In addition the Counties are called upon to bear unusual expenses in connection with cooperation with the war effort. I am attaching hereto a table prepared in the State Treasurer's Office showing the gas taxes paid to the Counties for the years 1941 and 1942 and estimated for 1943 by reason of experience in declining revenues from the gas tax (Exhibit "G"). It will be observed that County revenue from the gas tax is estimated to be at least 40 per cent. lower in 1943 than in 1941. It is most important that the State do something to offset these declining revenues in order that the Counties in turn may not be called upon to tax their people more heavily. Relief is needed from the high property taxes in the various Counties to assist the people in meeting the heavy demands of the Federal government. Therefore, the General Assembly should provide early for the relief for Counties by taking over some of the activities of the Counties which can best be performed by the State. Specific recommendations along this line will appear in subsequent sections of this message.

(2) *Municipalities:* While it is true that the State Highway Department has taken over certain streets in the various towns of the State, relieving the municipalities of the expense of maintaining those streets, yet there are greater demands now than ever before on town

treasuries. The towns have lost revenues in many ways. A year or two ago they received a portion of the transportation taxes collected by the Public Service Commission but this was repealed. The towns do not have any longer substantial income from taxation of banks. On the other hand the demands upon the towns and cities of the State for police work and other activities have increased greatly and will continue to increase. I recommend that the towns of the State be given one-half of the proceeds of the transportation revenues collected by the Public Service Commission and now payable into the State Treasury upon a fair method of distribution. I also recommend that the municipal problem be studied closely by the General Assembly so as to afford as much relief as may be possible under the circumstances.

#### *D. Relief From Tax Inequities:*

Careful study should be made of all revenue laws with the object in view of correcting as many inequities as it is possible to do. A start along this line was made last year when we provided for the payment of the income taxes in quarterly installments and for exemptions of amounts paid for gas taxes. I recommend that we amend the law providing for quarterly payments of income taxes so as to eliminate the interest charge on deferred installments. I also recommend that a careful study be made of the needs of the State Treasury with the object in view of granting an exemption from State income taxes of certain amounts paid to the Federal Government for taxes. In logic this is a fair exemption. The only problem in connection with it is the practical one of whether the granting of such an exemption might reduce our revenues too severely in the future as well as at present. Nothing knowingly should be done now which would require an increase in taxation later on, but I recommend that this entire question be studied carefully to give as much relief as possible to the taxpayers of South Carolina in order to assist them in meeting their heavy Federal taxes.

#### *E. Merchants' Floor Tax:*

I have been impressed with statements commonly made throughout the State that stocks of merchantile goods when viewed as property pay a much heavier tax than properties of other kinds. It seems clearly established that merchandise is assessed at a higher percentage of real value than the general average for all property throughout the State. I bring this to your attention with the recommendation that proper legislation be enacted so that this inequity may be corrected and that merchants may not be taxed at any higher rates than people in other lines of work.

*F. No New Activities or Expansions:*

As part of a sound financial program we should see to it that our State government does not begin new activities or expand during this period of war. As a State government we are called upon to render certain definite services to the people and we will perform those duties in the very best possible way, but we should not consider at this time new activities not related to the war effort. Our economic program should dictate that whenever vacancies in employment may arise these vacancies be not filled unless the duties of that particular position are essential to the services of the department or government. By following this principle we can safely increase the pay for State employees. There are many deserving State employees who cannot meet the obligations of citizenship now upon the meager salaries they receive and these State employees should be given greater compensation. This can be worked into a real program of economy and efficiency.

### III. THE HIGHWAY PROGRAM

In my address to the General Assembly in March of last year I announced a four-point program which had been agreed upon between the Highway Department and me, as follows:

(a) All new construction work except that federally financed in whole or in part or work for which funds are now available must be discontinued.

(b) There must be an economy program in maintenance and the personnel of the Highway Department.

(c) Highway finances will be placed in a highly liquid condition.

(d) The Highway Department should not assume any additional obligations requiring bonded debt and none should be forced upon it until the present emergency passes.

A brief comment under each of the four points will show how completely the program has been carried out.

*A. No New Construction:*

All work upon which the Highway Department was engaged in the beginning of last year has been rushed to completion and no new projects have been started except those financed by the United States Government. Most of these projects are of a military nature and are useful in defending the country. By referring to the financial statement of the Highway Department hereto attached (Exhibit "H") it will be seen that the Department still has on hand \$4,740,977.75 for construction purposes. This money is earmarked for certain definite construction projects already under contract. As a part of the

program to put the affairs of the Highway Department on a war basis new projects not related to the national defense have not been commenced and will not be started until there is a change in the situation.

B. *Economy Program:*

Great progress has been made by the Department in putting into effect the program of economy. Positions which have become vacant in the Department in most cases have not been filled and the personnel has been greatly reduced. The records now show that 400 employees have entered the armed services and 152 others have been given leaves of absence for the duration in order that they might enter essential war work. Most of these employees are highly trained specialists and they are performing duties in line with their particular training. For the calendar year 1941 the Department had an average of 4,537 employees, the total payroll for that year amounting to \$4,209,891.18. The number of employees now actively engaged in work for this Department is 2,023 and with this number the total annual payroll would amount to \$2,335,932.72. However, it is anticipated that the armed services will draw more men from this Department and still others will enter essential war work. Many of these employees will not be replaced which will result in a further reduction in payroll costs. A steady decline in the number of employees will continue for some time.

In the expensive maintenance work much economy has been brought about by doing only absolutely essential maintenance work with old equipment and by postponing retreatments and other activities which could be carried over without too great injury to the roads. We believe that the roads have not been allowed to deteriorate appreciably and that the heavy investment in highways is safe providing the present conditions do not last too long.

The Department's expenditures for maintenance and retreatment have been reduced from the sum of \$3,751,386.91 actually spent during the calendar year 1941 to a figure of approximately \$2,440,000.00 showing a reduction of \$1,300,000.00 in maintaining highways. It is believed that this reduction can continue through 1943 without great injury to the highways. This saving represents a reduction of more than thirty-three and one-third per cent. and the money saved will be most helpful in protecting the financial position of the Highway Department.

C. *Highway Finances in Liquid Condition:*

During the calendar year 1942 we have issued \$7,000,000.00 in Highway Certificates of Indebtedness in order that the proceeds might be used to pay the principal on the bonds as they have matured during the year and will mature during the next few months. We

now have on hand from the proceeds of these bond sales sufficient funds to pay the principal on the bonds maturing through April 30, 1943. The financial statement (Exhibit "H") shows that with the present cash balance on hand for bond purposes plus the estimated revenue for the year 1943 of \$8,300,000.00 (which latter figure is just about one-half of the income for the calendar year 1941), the finances of the Highway Department for this calendar year should be in a liquid condition and amply able to take care of any grave emergencies. We confidently believe that it will not be necessary to refund any other maturing bonds until late in 1943 and possibly not until the spring of 1944. If revenues continue to decline it may be necessary to resort to a refunding operation at the end of this year or slightly earlier. At any rate there is no reason for the highway bonds ever to cause a property tax and by conservative and business-like management the highway program will never prove embarrassing to the State. I am gratified to know that the total highway bonded indebtedness has been reduced by more than a million dollars. When the proceeds of money now reserved for the payment of bonds is used for that purpose later on more substantial reductions in the highway debt will take place, probably amounting to a further reduction of \$3,000,000.00 during 1943.

#### *D. No New Obligations:*

The only comment necessary to make on this part of the program is that the General Assembly of 1942 and the Highway Commission since that time have not imposed upon the Highway Department or made for it any new obligations. I recommend that no new obligations be imposed on the Department by the present General Assembly and that our great desire for new roads be postponed until after the war, at which time a heavy road program will become most necessary both from a standpoint of giving employment and from the great good that the new roads will accomplish.

#### IV. NEEDED EMERGENCY LEGISLATION RELATING TO HIGHWAYS

There are a few laws which should be enacted at this session, some of them speedily, which will be of value in connection with the Highway program and the war effort.

##### *A. Suspend Motor Vehicle Inspection:*

I recommend that the laws providing for the inspection of motor vehicles by the Highway Department be suspended for the duration of the war. This recommendation is based on the economy which will result therefrom, on the fact that highway travel is now much safer than ever before because of reduced speeds, many cars have been taken from the roads, and because it is becoming increasingly

difficult to get repair parts which might be necessary under an inspection program. I have had a Joint Resolution prepared which will effectuate this purpose (Exhibit "I"). It will be an honor to me to sign such a Bill if the General Assembly sees fit to pass it while I am still in the Office of Governor.

*B. Speed Limit Legislation:*

I strongly recommend that legislation be enacted permitting the Highway Department for the duration of the present emergency to designate speed limits consistent with those enforced by the officials in Washington for purposes of conserving rubber and gasoline. I do not recommend the enactment of any specific speed limit but the setting of specific figures should be left to the Highway Department because from time to time during the emergency the supply of rubber and gasoline may permit different speeds. I have had a Joint Resolution prepared representing these views (Exhibit "J"), a copy of which is attached hereto for your consideration.

*C. Transportation Tax:*

In an earlier portion of this message I recommended that 50% of the transportation tax collected by the Public Service Commission which has been placed into the General Account for the last two years be given to the municipalities of the State. I recommend that the other 50% be turned back to the Highway Department to which it was originally allocated to assist the Highway Department during its period of declining revenues in order that these funds may give added protection in the payment of maturing highway bonds. Any Bill which becomes law along this line might well provide that all moneys paid to the Highway Department from this source be used for sinking funds for bonds.

*D. Allocation of Fuel Oil Tax:*

At present the proceeds of taxes on fuel oil used for propelling vehicles on the highways are paid into the State Treasury. The General Account can well dispense with the tax which at present is very small. It appears that in future years the tax will steadily increase, and since the Highway Department will be called upon to provide and maintain roads for vehicles using fuel oil the tax on fuel oil should be allocated to the Highway Department and Counties in the same way in which the present gas tax is allocated; five cents per gallon to the Highway Department and one cent per gallon to the Counties. This allocation of a portion of the fuel oil tax to the Counties will help the Counties in meeting the heavy obligations of war time and in balancing budgets when the war is over.

## VI. EDUCATION

Even in times of grave national emergency when every energy is bent to preserve national safety it is necessary to keep educational problems clearly before our citizens and for all of us to realize that a free government cannot long exist unless its citizens are educated. I, therefore, wish to place special emphasis upon educational matters.

A. *Public Schools:*

It has been a great source of inspiration to me as Governor to be able to visit a large number of the schools of the State during the past year. I found that our public schools were geared to the war effort and that the pupils were working patriotically to contribute their bit for national safety. The courses offered in the public schools have responded quickly to the call for more practical subjects dealing particularly with matters of public defense and offense. Our curricula have become more practicable and scientific, fitting students for important work in the war effort. The Student Victory Corps which has been organized in so many high schools of the State is a most important student activity and should be encouraged. I commend those in charge of the public school program in the State for the way in which the schools have responded to the call for national service. A high honor has come to the State during the year in the selection of Professor A. C. Flora of the Columbia Schools as President of the National Education Association. Professor Flora by his outstanding work in the field of education has earned this honor, which brings distinction to his State as well as to him. I wish to make two recommendations concerning the public schools:

(1) *The State Should Take Over All Expenses Of Transporting School Pupils:* Such a program now will relieve heavy property taxes in various Counties of the State, will promote efficiency and economy and will afford the maximum cooperation with the war effort by a proper utilization of school buses throughout South Carolina. I believe that the State's revenues will be ample to meet all expenses of school pupil transportation.

(2) *Increased Compensation for Teachers:* I recommend that the school teachers in South Carolina receive an increased compensation. It is unnecessary to call your attention to the patriotism of all of the teachers of South Carolina. You are familiar with the fact that they have been called upon from time to time during the last year to assist often until late at night with various portions of the war effort. You realize that salaries paid to people of much less education than we require of our teachers are in many cases much larger than the compensation given to those who are instructing our

children. Many of our teachers during the last few months have gone into other lines of work because they could not continue to exist upon the small salaries paid. This is a distinct loss to the teaching profession and the schools generally. Greater inroads will soon be made upon the personnel of the schools unless the Legislature recognizes the need for these increased salaries. I believe that the State will be able to absorb in its budget this increased expense.

B. *Colleges:*

It has been my happy privilege during the last year to visit quite a number of colleges of South Carolina, both those supported by the State and the denominational and private colleges. I am gratified to be able to report to you that the very best of good feeling and cooperation exists between all the colleges of South Carolina, regardless of whether they are State supported or whether they belong to the various religious denominations or private enterprise. The State is indeed fortunate in the capable men and women managing and teaching in the various institutions of higher learning and the spirit of cooperation existing between all of the colleges means that the State is entering a new era of material prosperity and spiritual blessing under the leadership of our magnificent colleges.

All of our colleges are now cooperating fully with the war effort. Many of them have provided for continuous terms so that students can graduate in three years, and all of the colleges are offering more practical subjects, enabling the students to be more efficient in national defense work and in contributing to the war activities.

During the year Winthrop College has had some little discussion of its ratings with national accrediting agencies, but while at times the situation looked badly I am satisfied that the Board of Trustees and the management of the school are finding a way to work this out with entire satisfaction to the taxpayers and the alumnae of this great institution.

December 20, 1942, was the one hundredth anniversary of the approval by the Governor of the Act establishing the Citadel. This was commemorated at the great institution at Charleston by appropriate ceremonies. I know that I speak the sentiment of the General Assembly when I say that South Carolina is proud of the Citadel and the great work which it has accomplished. The State sends felicitations for the hundredth anniversary and wishes for the institution many more centennial celebrations. I acknowledge the great work being done at the Citadel by General C. P. Summerall and state proudly that South Carolina is a better State by reason of his work among us.

I am sure that during the war the General Assembly will continue reasonable support for the State owned colleges in order that they

may be held together to provide the right type of education now to its children who can attend, but above all to preserve and protect them for the enduring work which they will do when peace shall come again.

## VII. THE PENAL SYSTEM

I am glad to be able to report that the condition of the penal institutions of South Carolina is good. This has been a year of investigations of the penal system. First, the committee appointed by the House of Representatives did excellent work in examining the affairs of the Penitentiary and other institutions looking to the improvement of conditions which existed. In addition to the Legislative investigation the Grand Jury of Richland County has conducted a separate survey. Both of these investigations have proved most helpful and I am delighted that the same have been conducted.

The penal institutions are managed by a most capable board, all of whom are patriotic, self-sacrificing and eager and anxious to serve the State. The board has been most fortunate in securing the services of Mr. G. R. Richardson, as Superintendent. Superintendent Richardson has now completed one year of work, and having been closely associated with him as Governor I wish to commend him publicly for his many accomplishments and for the service he has given the State.

I recommend that the size of the prison farms be increased or new farms be provided in order that wholesome outside work may be given to the prisoners and in order to help the institution to be self-supporting. The year 1942 showed most excellent management at the prison farms and a large revenue to the State. This can be expanded by acquiring more land for dairy and beef cattle herds, poultry raising and various other farm activities which will not only provide wholesome work for prisoners but will teach them useful vocations when they have completed their sentences.

## VIII. THE PARDONING POWER OF THE GOVERNOR

The pardoning power of the Governor of the State has not been abused since I have held the position. With very few exceptions the clemency granted has been only that recommended by the Probation and Parole Board. I have tried to give consideration to all proper cases which have reached me and I know that the Probation and Parole Board has done likewise. We, of course, have been unable to act upon quite a number of cases which may be meritorious and in some instances we have had to deny relief.

Leaves of absence have been abolished completely since I have been Governor. In two or three cases prisoners were allowed to attend funerals of close relatives under escort of guards but I have not given permission for any leaves of absence from the service of sentences.

#### IX. ELECTION LAWS

All laws regulating primary elections should be carefully studied to make all possible improvements. I have heard considerable dissatisfaction expressed concerning the administration of the absentee ballot law as amended at the last session to permit those in the armed forces and defense workers to enroll in their absence and also to vote by absentee ballot. I believe the men and women in the armed services of the nation and in defense work should be granted the privilege of absentee enrolling and voting. But it may be advisable for the General Assembly to consider the clarification of the laws enacted at the last session so as to provide for better enforcement. All primary election rules now in our statutes should be repealed and the only laws which should remain on the statute books should be laws designed to prevent fraud in elections and to punish for such violations. It is incumbent upon us to make the administration of our primary elections above all suspicion because otherwise the primary system might become endangered.

#### X. DIVORCE PROBLEMS

The decision of the United States Supreme Court in the case of *Williams et al. v. The State of North Carolina* (No. 29, October term, 1942, decided December 21, 1942), with reference to the validity of foreign divorce decrees or judgments will raise many problems, particularly in our State, with reference to the matter of divorces. Prior to the rendition of this opinion the case of *Haddock v. Haddock*, 201 U. S., 562, had controlled and regulated matters of this kind and our State policy, as expressed in the Constitution, of opposition to divorce received a degree of protection by reason of the rule as laid down in *Haddock v. Haddock*.

This new decision (*Williams case, supra*), in my judgment, will create many open questions with reference to the law and policy of South Carolina as to divorce, separation, alimony, maintenance, and probably support. It will require considerable study to evaluate the far-reaching effects of the decision and I would not attempt at this time to outline the many ramifications which might occur, but I recommend that the Judiciary Committees of the House and the

Senate take this matter under advisement, appoint appropriate committees to make a thorough study of the decision with reference to our now existing law, and pass such legislation as will protect South Carolina and her citizens in the matter. In passing, it is well to note that under the Constitution of this State, no divorce law is permitted and so long as that provision remains in the Constitution it is the duty of the Legislature to see that it is safeguarded as much as possible and also the duty of your Governor to enforce the provision to the utmost of his ability. *I hope that South Carolina will never adopt a divorce law.*

#### XI. THE POLL TAX

A Bill was introduced in the Congress at Washington with reference to the levying and payment of poll tax. The ostensible purpose of the Bill was to prevent states from requiring the payment of poll tax as a prerequisite to voting in the general election. As Governor of South Carolina I considered it my duty to oppose the passage of this Bill on the ground that the same was an interference with the rights of an individual State as to internal taxation and also an attempt to define and limit the qualifications of electors within the individual states. In company with Senator Burnet R. Maybank, Attorney General John M. Daniel and State Senator Edgar A. Brown, I appeared before the committee and explained the position of South Carolina with reference to the matter and in conjunction with the gentlemen above named made a vigorous protest against the passage of the Bill. I am proud to say that the Bill was opposed by the two United States Senators and the members of the Congress from South Carolina. The Bill did not pass and thereby further encroachment upon South Carolina's rights as a sovereign State was prevented for the time being, at least. But the Bill may be offered again. I am bringing this to your attention for you to consider the passage of such resolutions as you think proper.

#### XII. COMPENSATION FOR FIREMEN

A part of the civilian defense program is for the national government to assist the State with firefighting equipment which will be so placed that it can be transported from one section of the State to another in the even of serious fires. This is most important in connection with any invasions or air raids which may occur and the firemen of the State under the direction of Mr. G. H. Fischer of Orangeburg, who has been appointed State Fire Coordinator, is doing a most excellent work training firemen and fire fighters to be

ready in case of emergency. The benefit of this training will be valuable in peace times as well as in war and the use of proper fire-fighting equipment in any section of the State should be most helpful in controlling serious conflagrations. The policy, however, of transporting firefighting equipment from one section to another in response to unusual demands has caused a serious problem as to who should be liable for the compensation of injured firemen. This matter has been studied carefully by the Council of State Governments and other agencies and no doubt a Bill will be offered during this session to define the rights of firemen under such circumstances so as to receive compensation for injuries. For your consideration I am attaching hereto a proposed Bill covering this subject (Exhibit "K").

### XIII. UNEMPLOYMENT COMPENSATION

I recommend that the present laws with regard to unemployment compensation be carefully studied and such amendments adopted as will generally carry out the purposes of this type of legislation. During the last few months I have had quite a number of complaints from employers and workmen concerning unemployment compensation. Some of the complaints were directed to the administration of the Act, but when a careful study was made most of the complaints revealed defects in the present laws. Time will not permit a recitation of the amendments which may appear to be advisable but it is a matter that we should study carefully with the object in view of providing for quick payment to deserving workmen, protect the rights of employers, and above all, looking to conservation of the reserve funds as against the time when there may be a larger number of claims which will probably come with the next depression.

### XIV. EXTENDED USE OF ELECTRICITY

I wish to commend the electric cooperatives throughout South Carolina for the valuable contribution they are making to the development of the State. These cooperatives are producing a happier situation in the rural areas of South Carolina and are making farm life worth while. They should be encouraged in every way possible and their expansion should be assisted by the government.

In line with a wider utilization of electrical energy and for the benefit of the entire people of South Carolina I recommend that suitable legislation be enacted permitting the South Carolina Public Service Authority to acquire utility properties through negotiation and by voluntary purchase. Such legislation should provide that all thereby greatly assisting the Electric Cooperatives to enlarge their

services to the rural peoples of South Carolina. Such legislation should require the payment of sums in lieu of all local taxes and a Bill of this kind can be drawn which will safeguard all of the rights of the State. I strongly believe that with the passage of such legislation the Santee-Cooper Project can be made beneficial to a much greater number of people and that in the future the industrial expansion of the State will be greatly promoted.

#### XV. FREIGHT RATE ADJUSTMENTS

I wish to call your attention to the great importance to a developing State of freight rate adjustments so as to eliminate discriminations which have long existed and to protect South Carolina's industries and agricultural expansion. Even though we do not realize it the question of freight rates is one that affects all of us. The price of all that we buy is influenced in part by charges made for transporting goods and our industries and commercial establishments cannot meet competition unless inequities and inequalities now existing in freight rates are eliminated. Our Public Service Commission has done an excellent work in prosecuting before the Interstate Commerce Commission the livestock freight rate case whereby rates have been reduced which will save hundreds of thousands of dollars to the growers of live stock in the South.

The Southern governors' freight rate case is now being heard by the Interstate Commerce Commission. This case was instituted several years ago by the Southern governors' conference for the purpose of attempting to eliminate discriminations against the South which have been made in freight rates since the War Between the States, and which discriminations have worked great injury to Southern people. This case would attempt to make freight rates the same in various sections of the nation without inequality. This State has contributed to the expenses of this litigation, and I recommend that another appropriation be made for that purpose. While both the livestock case and the Southern governors' freight rate adjustment case promise much benefit to South Carolina it still is necessary for the State to be on the alert at all times to protect against inequalities and discriminations. This can be accomplished only through a proper rate bureau supported by the State in line with the policy of many of the advanced states of the nation. There are two ways to establish an agency as a rate bureau. One would be to create a new agency but this would be a great expense and necessitate the creation of a new department. The other method would be to support an existing agency well equipped for that purpose. The South Carolina State Ports Authority has recently opened a freight rate bureau in the City

of Columbia and it has been engaged in this type of work for some time. Already results are being secured and thousands of dollars are being saved to South Carolina people by reason of adjustments in rates. I recommend that the work of the State Ports Authority in its freight rate bureau at Columbia be supported by a reasonable appropriation.

#### XVI. PREPAREDNESS FOR PEACE

I am pleased to be able to report that a very strong commission has been appointed as authorized by the last General Assembly for the purpose of considering preparedness for peace. I consider this the most important commission established in South Carolina in many years and one whose work can be of great benefit to the entire State. The commission will consider preparedness for peace from three general angles: (1) the establishment of a proper peace time economy so as to provide employment for returning soldiers and defense workers; (2) such reorganization of State government as may make the State government more responsive to the needs of the people; and (3) a study of the tax structure of South Carolina so as to eliminate any discriminations which may be retarding the development of the State and to promote expansion in peace time of all industrial, economic and agricultural activities. These three important purposes will affect the lives of all the people of this State and upon the solution of these problems our future economic security depends. The commission is now organized and at work. I recommend the full cooperation and support of the General Assembly for this commission and such appropriations as may be necessary to carry on its work.

#### XVII. LAW ENFORCEMENT

In my address to the General Assembly last March, I stated that:

"I want it known in every section of South Carolina that ours must be a clean State. The time has come to stop the undermining, sapping and destructive influences of gambling dens, corrals of vice, disease and filth that exist in some sections of this State."

I am delighted to be able to report to you today that much progress has been made in making South Carolina a clean State. The fight has been long and hard and many discouragements have been met but each day the situation has improved.

The Governor's office has a small constabulary and we cannot attempt law enforcement work generally over the State, but during the last few months in full cooperation with local officials much progress has been made by the constabulary. We have attempted to

assist in the enforcement of all types of law. We have been particularly busy at times to protect South Carolina farmers and industrial plants from unlawful solicitation of labor by emigrant labor agents seeking to take a large portion of what little labor we have for the use of private enterprise in other states. This has been worked out in a way whereby we do not expect further interference from such sources. Many cases have been made and most effective work has been done by the officers of the various counties and the State Constabulary.

Progress is being made to secure the funds with which to build a hospital for the treatment of venereal disease among prostitutes at the Women's Penitentiary. We have been able to secure the use of two abandoned CCC Camps as detention homes for diseased prostitutes, which camps are now running. This work will assist in the control of venereal disease and tend to solve some of the problems growing out of prostitution.

I am more pleased, however, to say to the General Assembly that I have found growing in South Carolina a wholesome respect for law and order. Very little can be accomplished by any officer anywhere unless he has the support of the good people of the State. South Carolinians are determined to do their utmost to assist in the winning of the war, and South Carolinians will not permit the war effort and the future good of the State to suffer by reason of wholesale violations and disrespect of law. I urge the members of the General Assembly to continue to lead in their efforts to make South Carolina a State where law is obeyed.

#### CONCLUSION

With the delivery of this message today I am approaching completion of my duty as Governor. On next Tuesday I shall deliver the office to the gentleman elected by the people for the regular four-year term.

The months in which I have attempted to serve the people of the State as Governor have passed quickly with each one full of activity. I thought a year ago that I knew my State, but during the months of my term in the Governor's Office I have become acquainted with it all over again from a different viewpoint and with a different approach. I have had the pleasure of visiting all sections of the State and have been in nearly all of the Counties. I have seen South Carolinians busy with their war activities. I have witnessed a unification of the people brought about by the full realization that victory is the business of everyone in South Carolina. The State is too good a place

and its people too good a people ever to be dominated, overcome or conquered by men like Hitler and his stamp.

During these months I have tried to be of some value to the State and its citizens without regard to personal profit, political considerations or future ambitions. I have expressed the hope that I shall be remembered as a good Governor and at the end of the term of office given to me by the Constitution I leave that question for the determination of South Carolinians of the present and of the future. At least, I have the satisfaction of knowing that I have done my best.

But finally, regardless of appraisals by peoples now or in the future the book is being closed on the record of my service as Chief Executive of the State. Let the words of Byron be applied to that record:

“And what is writ is writ,  
Would it were worthier!”

Respectfully submitted,

R. M. JEFFERIES,  
*Governor.*

January 12, 1943.

## SUMMARY OF RECOMMENDATIONS

1. Appropriations for expenses of County Defense Councils (page 2).
2. A short session of the General Assembly in 1943 (page 3).
3. Use the surplus in the State Treasury to pay funded debts of the State (page 4).
4. Require all bond issues for institutions to be handled through the office of the State Treasurer (page 6).
5. Repeal one mill tax (page 4).
6. Reduce Appropriation Bill by saving brought about by paying debts (page 4).
7. Relieve Counties financially by State taking over some County activities (page 6).
8. Allocate to towns and cities one-half of the transportation tax (page 7).
9. Repeal provision requiring payment of interest on quarterly payments of income taxes (page 7).
10. Consider exempting in whole or in part income taxes paid Federal government from State income taxes (page 7).
11. Relieve inequity existing in present merchants' floor tax (page 7).
12. State should begin no new activities of government (page 8).
13. Salaries of certain State employees should be adjusted by increases in a program of economy (page 8).
14. Highway Department should assume no new obligations (page 10).
15. Suspend inspection of motor vehicles for duration of war and one year thereafter (page 10).
16. Give Highway Department the right to reduce speed limits on highways as a part of the war program and for the duration of the war (page 11).
17. Allocate to the Highway Department one-half of the transportation tax to be used for sinking funds (page 11).

18. Allocate taxes on fuel oil used for propulsion to Highway Department and Counties (page 11).
19. State should assume all expenses of transporting school children (page 12).
20. Teachers should receive increased compensation (page 12).
21. The size of the prison farm should be increased (page 14).
22. Clarification of absentee balloting and absentee enrolling laws (page 15).
23. Repeal party rules now in statutes (page 15).
24. Pass legislation to protect South Carolina women and children for support, etc., on account of decision of the United States Supreme Court on question of divorce (page 15).
25. Pass appropriate Resolutions concerning Poll Tax (page 16).
26. Provide compensation for firemen for injuries received when on duty away from home town (page 16).
27. Amend unemployment compensation law (page 17).
28. Permit South Carolina Public Service Authority to acquire utilities (page 17).
29. Support Southern Governors' Freight Rate Case (page 18).
30. Appropriate funds for Freight Rate Bureau of State Ports Authority (page 18).
31. Support the work of the Preparedness for Peace Commission (page 19).

## EXHIBIT "A"

REPORT OF ACCOMPLISHMENTS OF THE SOUTH  
CAROLINA STATE SALVAGE COMMITTEE  
FOR THE YEAR 1942

The South Carolina State Salvage Committee was selected by his Excellency, the late Governor J. Emile Harley, and Mr. Rex Enright, State Chairman. Later other appointments were made by his Excellency, Governor R. M. Jefferies. Listed below are the Salvage Committees of South Carolina:

State Salvage Committee—Chairman, Rex Enright  
Executive Secretary, Tonquin E. LaGrone  
40 Committeemen

County Salvage Committees— 46 Committees  
46 Chairmen  
500 Committeemen

Town Salvage Committees— 88 Committees  
88 Chairmen  
1,000 Committeemen

Breakdown of shipments of materials made from South Carolina:

	<i>Amount Pounds Known</i>	<i>Estimated Amount Pounds</i>
Scrap metal .....	185,636,520	221,491,875
Rubber .....		19,000,000
Fats .....		31,153
Rags .....		5,000,000
*Tin .....	235,200	.....
Paper .....		10,000,000
		<hr/>
Total .....		255,523,028

	<i>Pounds</i>		<i>Pounds</i>
January .....	13,870,080	June .....	19,414,080
February .....	13,173,440	July .....	24,859,520
March .....	19,414,080	August .....	18,480,000
April .....	18,894,400	September .....	16,262,400
May .....	19,241,600	October .....	22,028,160

\*Ten cities collect tin cans. First shipment made December 7, 1942.

REPORT OF ACCOMPLISHMENTS OF THE SOUTH  
CAROLINA STATE SALVAGE COMMITTEE  
FOR THE YEAR 1942

You will observe in the figures listed on the first page we have one column for known amount and one for estimated amount. We have had to use this column because South Carolina is credited only with the shipments of scrap shipped from South Carolina junk dealers, whereas we know that over 10% of the scrap shipped from South Carolina is shipped by the junk dealers in the States of Georgia and North Carolina. Further, South Carolina is not credited with the scrap materials shipped direct from the industries to the steel mills and we have estimated this to be 4,000,000 pounds. We have been unable to obtain the tonnage shipped for the months of November and December and we have made, I am certain, a conservative estimate of 30,000,000 pounds for these two months. In fact, I am certain our estimates are under the actual shipments instead of over the actual shipments.

Comparative collections of scrap materials for the year 1941 and January and February of 1942, which was before we had any salvage organizations in this State, with collections since our salvage organizations have been set up, show that since the organization of our salvage committees, the collections of scrap material in South Carolina have been more than 33 1/3% than the collections were before the salvage committees were organized.

The Presidential Rubber Campaign in which we are informed, on a per capita basis, South Carolina led all seven southeastern states with the exception of Florida. South Carolina's collection of rubber, conservatively estimated, was 12,000,000 pounds during this campaign. We are informed Mr. Marvin Holland of Barnwell, led the nation in the collection of rubber for individuals—his collection being over 25,000 pounds. We are informed, on a per capita basis, for collections by towns and cities, Kershaw led the nation with a collection of over 70,000 pounds of rubber.

The Bottlers and Brewers Scrap Campaign collected 9,180,912 pounds of scrap. The Regional Conservation Manager reports that the bottlers and brewers of South Carolina led all other bottlers and brewers of the United States.

The school and South Carolina Press Association Campaign collected between forty and fifty million pounds of scrap. Dial Rawl of Gilbert School, Gilbert, S. C., has been declared the champion school boy collector of the United States for this campaign. His collection amounted to 487,371 pounds and it is my opinion that Gilbert School

will rank at the very top among the schools of the United States on the most collected by one school—551,121 pounds. Further, it is my opinion that Climax School in Lexington County will come close to the top of collections per pupil. This school's collection was 8,800 pounds per pupil.

Respectfully submitted,

REX ENRIGHT,  
State Chairman.

TONQUIN E. LAGRONE,  
Executive Secretary for South  
Carolina.

### EXHIBIT "B"

6 January, 1943

Honorable R. M. Jefferies  
Governor of South Carolina  
Columbia, South Carolina

Dear Governor:

As requested by you, for use in your message, we submit below a few figures giving numbers of persons engaged in Civilian Defense work and the various branches of it. You probably will not want to use all the detailed figures we are listing, but we thought you would be interested in seeing them anyway.

*The total number* of persons officially regarded as being engaged in Civilian Defense work within the State is 206,382.

Of the total number given above, 63,797 are assigned to the Protection Branches of the Service, and the remaining citizens are engaged in various activities in connection with the War Effort of the Citizens Service Corps.

Attached is a list giving the number engaged in the various activities of the program. We call your particular attention to the fact that while we list 40,648 as having *completed First Aid* courses, this includes only those who have taken First Aid courses through Civilian Defense. Many thousands of others have taken Red Cross First Aid courses direct, of which our office has no record.

It is interesting to note that 6,722 persons are engaged in the Aircraft Warning Service, all of these having completed training courses for that Service. This work is operated in cooperation with the United States Army.

Respectfully yours,

HEYWARD MAHON, *Director,*  
*South Carolina Council for Defense.*

HM:gt  
Enclosure

6 January 1943

Population Served .....	1,786,111
Number of County and Municipal Councils .....	168
Total Number in the State Completing First Aid Courses .....	40,648
The Protection Branch of Civilian Defense—Citizens Defense Corps—Including: Staff, Air Raid Wardens, Auxiliary Firemen, Auxiliary Police, Decontamination, Demolition and Clearance, Drivers, Emergency Food and Housing, Emergency Medical, Fire Watchers, Messengers, Nurses' Aides, Rescue Squads, Road Repair, and Utility Repair.	
Completed Training .....	40,628
In Training .....	13,505
Awaiting Training .....	9,674
Total .....	63,807
War Effort Branch—Citizens Service Corps—Including: Child Care, Consumer, Family Security, Health and Hospitals, Housing, Information, Library, Neighborhood or Block Leaders, Nutrition, Recreation and Youth, Salvage, School and Education, War Bonds and Stamps.	
Completed Training .....	110,997
In Training .....	21,790
Total .....	132,787
Civil Air Patrol—Completed Training .....	408
Aircraft Warning Service—Completed Training .....	6,722
Forest Fire Fighters Service—Completed Training .....	2,668
Number of Full Scale Air Raid Drills to Date .....	40
Number of Practice Blackouts .....	112

## EXHIBIT "C"

January 7, 1943.

Hon. R. M. Jefferies,  
Governor of South Carolina,  
Columbia, South Carolina.

Dear Governor:

In line with our conversations and your memorandum of December 30, I am pleased to hand you herewith the following.

1 A comparative statement of gasoline tax payments made to each of the Counties of the State for the calendar years 1941 and 1942 together with a statement each of these Counties will receive for the

calendar year 1943 based on an estimate of a 40% reduction in the payments for the calendar year 1941.

2 A statement of the general fund surplus as of June 30, 1942 and the estimated surplus as of December 31, 1942. Also an estimate of the surplus which may be expected as of June 30, 1943. This of course is a guess which could vary greatly on tax collections and appropriations of the General Assembly for the present fiscal year.

3 A statement of the estimated needs for the payment of the general funded debt as requested by the State Treasurer's office for the fiscal year 1943-44. Not included in this list are the amounts for principal and interest on the issues of Sanatorium Bonds bearing 2¾% interest with an outstanding principal balance of \$232,000.00 and the Certificates of Indebtedness of the Medical College bearing 2¾% interest with an outstanding principal balance of \$110,000.00. These items are not included in the request for this office as they are paid through this office by these two institutions from fees collected. The principal payment on the Sanatorium bonds amounts to \$9,000.00 and the two interest payments amount to a total of \$6,256.25 for the fiscal year 1943-44. The principal payment on the Medical College bonds amounts to \$10,000.00 and the two interest payments amount to a total of \$2,892.50. While these two issues are in a sense revenue bonds, they pledge the full faith, credit and taxing power of the State and should be included in the proposed bill for the payment of the funded debt. These two institutions would be relieved of the principal and interest payments, and this fact could be taken into consideration when appropriations are made for them. In my opinion these issues should be included in the suggested bill and you will note that this has been done.

4 Assistant Attorney General Callison and I have drafted the suggested bill for the payment of the general funded debt at your request and we have tried to embody in it your suggestions to us.

5 A statement of the general funded debt as of October 1, 1942.

6 A statement of the general funded debt as of June 30, 1943 if there are no new issues prior to that time.

If I may be of further service please call on me.

With kindest personal regards, I am.

JEFF B. BATES,  
*State Treasurer.*

JBB/r  
Encl.

## EXHIBIT "D"

October 1, 1942

## GENERAL FUNDED DEBT

June 1, 1935—Refunding Bonds .....	3¼%	1942-55	\$ 3,100,000.00
July 1, 1935—Institutional Bonds .....	4 %	1942-65	585,000.00
Oct. 1, 1936—Sanatorium Bonds .....	2¾%	1942-51	232,000.00
Jan. 1, 1938—Certfs. of Indebts. (Col. Bldg.)..	3 %	1943-52	950,000.00
Oct. 1, 1938—Certfs. of Indebts. (Med. Col.)..	2¾%	1942-53	110,000.00
July 1, 1939—Certfs. of Indebts. (John de La Howe) .....	1½%	1943-49	77,000.00
Dec. 15, 1939—Refunding Notes .....	1¼%	1942-44	600,000.00
Jan. 1, 1942—Certfs. of Indebts. (Hospital) ..	2¼%	1943-62	550,000.00
Feb. 1, 1941—S. C. Textbook Notes .....	1¼%	2/ 1/43	50,000.00
Feb. 1, 1942—S. C. Textbook Notes .....	1 %	2/ 1/43	92,500.00
Feb. 1, 1942—S. C. Textbook Notes .....	1½%	2/ 1/44	92,500.00
Mar. 1, 1932—Teacher Deficit Notes .....	6 %	4/15/33	375.00
Apr. 1, 1932—Teacher Deficit Notes .....	6 %	6/ 1/34	1.00
June 1, 1933—Teacher Deficit Notes .....	5 %	6/ 1/34	2,150.00
			<hr/>
			\$ 6,441,526.00

## GENERAL FUNDED DEBT

July 1, 1943

June 1, 1935—Refunding Bonds .....	3¼%	1943-55	\$ 2,900,000.00
July 1, 1935—Institutional Bonds .....	4 %	1943-65	585,000.00
Oct. 1, 1936—Sanatorium Bonds .....	2¾%	1943-51	232,000.00
Jan. 1, 1938—Certfs. of Indebt. (Col. Bldg.)..	3 %	1943-52	850,000.00
Oct. 1, 1938—Certfs. of Indebt. (Med. Col.)..	2¾%	1943-53	110,000.00
July 1, 1939—Certfs. of Indebt. (John de La Howe Bonds) .....	1½%	1943-49	77,000.00
Dec. 15, 1939—Refunding Notes .....	1¼%	1943-44	400,000.00
Jan. 1, 1942—Certfs. of Indebt. (Hospital)....	2¼%	1943-62	522,500.00
Feb. 1, 1942—S. C. Textbook Notes .....	1½%	2/ 1/44	92,500.00
Mar. 1, 1932—Teacher Deficit Notes .....	6 %	4/15/33	375.00
Apr. 1, 1932—Teacher Deficit Notes .....	6 %	6/ 1/34	1.00
June 1, 1933—Teacher Deficit Notes .....	5 %	6/ 1/34	2,150.00
			<hr/>
			\$ 5,771,526.00

## EXHIBIT "E"

## ESTIMATED NEEDS

## PAYMENT FUNDED DEBT

1943-1944

State Hospital—4% :

July 1, 1943—Principal .....	\$ 11,000.00
July 1, 1943—Interest .....	8,660.00
January 1, 1944—Interest .....	8,440.00

State Training School—4% :	
July 1, 1943—Principal .....	4,000.00
July 1, 1943—Interest .....	2,040.00
January 1, 1944—Interest .....	1,960.00
South Carolina Sanatorium—4% :	
July 1, 1943—Principal .....	3,000.00
July 1, 1943—Interest .....	680.00
January 1, 1944—Interest .....	620.00
School for the Deaf and the Blind—4% :	
July 1, 1943—Principal .....	2,000.00
July 1, 1943—Interest .....	320.00
January 1, 1944—Interest .....	280.00
Certificates of Indebtedness—3%	
July 1, 1943—Interest .....	12,750.00
January 1, 1944—Interest .....	12,750.00
January 1, 1944—Principal .....	100,000.00
Certificates of Indebtedness—1½% :	
(John De La Howe Industrial School) :	
July 1, 1943—Principal .....	11,000.00
July 1, 1943—Interest .....	577.50
January 1, 1944—Interest .....	495.00
Certificates of Indebtedness—2¼% :	
(State Hospital & Training School) :	
July 1, 1943—Interest .....	7,878.13
January 1, 1944—Interest .....	5,878.12
January 1, 1944—Principal .....	27,500.00
State Deficit Notes—1¼% (Issue 1939) :	
December 15, 1943—Principal .....	200,000.00
December 15, 1943—Interest .....	2,500.00
June 15, 1944—Interest .....	1,250.00
<hr/>	
Total Estimated Needs Payment Funded Debt..\$423,578.75	

### EXHIBIT "F"

*AN ACT to appropriate the Sum of \$6,800,000.00 to the Commissioners of the South Carolina Sinking Fund to be Held by Them as a "Funded Debt Sinking Fund" so as to Provide Sufficient Funds to Liquidate, Discharge, and Pay Off, Principal and Interest, all of the Bonds Evidenced in the Funded Debt of the*

*State of South Carolina, Except Highway Certificates of Indebtedness, and Obligations of the South Carolina School Book Commission; to Provide for the Payment of Said Obligations by the "Commissioners of the Sinking Fund," and for the Investment and management by them of all Moneys in Said "Funded Debt Sinking Fund," and of the Securities Therein; to Provide for the Payment and Discharge of Certain Obligations Due the "Commissioners of the Sinking Fund" by Certain State Institutions, and Further to Define the Authorities and Duties of the "Commissioners of the Sinking Fund," and to Repeal Section 9 of Act No. 583 of the Acts of 1935.*

Be it enacted by the General Assembly of the State of South Carolina:

Section 1. There is hereby appropriated to the Commissioners of the South Carolina Sinking Fund the sum of Six Million Eight Hundred Thousand (\$6,800,000.00) Dollars for the purposes hereinafter provided. The State Comptroller and the State Treasurer shall take such action as may be appropriate and necessary to transfer to the Commissioners of the Sinking Fund immediately after the effective date of this Act the sum of Three Million Five Hundred Thousand (\$3,500,000.00) Dollars, and from the surplus at the close of the fiscal year ending June 30, 1943, the balance of this appropriation amounting to Three Million Three Hundred Thousand (\$3,300,000.00) Dollars, or so much thereof as in the opinion of the Commissioners of the Sinking Fund is necessary to carry out the purposes of this Act. *Provided, however,* that in the event the surplus for the year ending June 30, 1943, be not sufficient to pay the full amount of Three Million Three Hundred Thousand (\$3,300,000.00) Dollars, that such portion thereof as may be available shall be paid over to the said Commissioners of the Sinking Fund.

Section 2. Upon receipt of the money hereinabove appropriated, the Commissioners of the Sinking Fund are directed to pay and discharge the following obligations due the Commissioners of the Sinking Fund by the several State institutions herein named:

Winthrop College .....	\$37,064.82
Clemson College .....	32,471.37
Colored Normal, Industrial, Agricultural and Mechanical College .....	32,500.00
South Carolina School for the Deaf and the Blind....	6,339.31

The balance of said funds shall be held by the Commissioners of the Sinking Fund as a "Funded Debt Sinking Fund," and managed and administered for the purpose of paying principal and interest of the general funded indebtedness for which the full faith, credit, and taxing power of the State of South Carolina are pledged, not in-

cluding certificates of indebtedness or bonds of the South Carolina State Highway Department and the obligations of the South Carolina School Book Commission. The general funded debt referred to above to be paid under the provisions of this Act amounted to approximately Six Million Six Thousand Five Hundred Twenty-six (\$6,006,526.00) Dollars as of December 31, 1942, and consists of the following described issues and outstanding balances:  $3\frac{1}{4}\%$  Refunding Bonds issued June 1, 1935, Three Million One Hundred Thousand (\$3,100,000.00) Dollars;  $4\%$  Institutional Bonds issued July 1, 1935, Five Hundred Eighty-five Thousand (\$585,000.00) Dollars;  $2\frac{3}{4}\%$  Sanatorium Bonds issued October 1, 1936, Two Hundred Thirty-two Thousand (\$232,000.00) Dollars;  $3\%$  Certificates of Indebtedness College Building issued January 1, 1938, Nine Hundred Fifty Thousand (\$950,000.00) Dollars;  $2\frac{3}{4}\%$  Certificates of Indebtedness Medical College issued October 1, 1938, One Hundred Ten Thousand (\$110,000.00) Dollars;  $1\frac{1}{2}\%$  Certificates of Indebtedness John De La Howe issued July 1, 1939, Seventy-seven Thousand (\$77,000.00) Dollars;  $1\frac{1}{4}\%$  Refunding Notes issued November 15, 1939, Four Hundred Thousand (\$400,000.00) Dollars;  $2\frac{1}{4}\%$  Certificates of Indebtedness State Hospital and Training School issued January 1, 1942, Five Hundred Fifty Thousand (\$550,000.00) Dollars;  $6\%$  Teacher Deficit Notes issued March 1, 1932, Three Hundred Seventy-five (\$375.00) Dollars;  $6\%$  Teacher Deficit Notes issued April 1, 1932, One (\$1.00) Dollar;  $5\%$  Teacher Deficit Notes issued June 1, 1933, Two Thousand One Hundred Fifty (\$2,150.00) Dollars. Pending the maturity date of any of the general bonds of the State of South Carolina, which are directed to be paid by the terms of this Act, the Commissioners of the Sinking Fund are authorized and empowered to invest such funds, or so much thereof as in their discretion may be advisable, in obligations of the United States Government, or obligations fully guaranteed by the United States Government, or to invest same in obligations of the State of South Carolina, when, in their judgment, the best interest of the State will be promoted by so doing. The said Commissioners of the Sinking Fund are further authorized and empowered to buy in the open market any of the general bonds of the State, if in their discretion such bonds may be bought at such a price as will effect a saving to the State of South Carolina in interest charges during the life of said bonds. Investments in such securities shall be made by the Commissioners of the Sinking Fund with regard to maturity dates of such securities in order that the maturity date of the securities purchased will coincide as nearly as practicable with the maturity date of the funded indebtedness of the State herein directed to be retired, such interest as may be received on such investments shall be-

come a part of the Funded Debt Sinking Fund and used to pay and discharge interest and principal in the same manner as the funds herein appropriated. No part of the funds herein appropriated shall be used for the payment of principal and interest which has been appropriated in the General Appropriation Act for the fiscal year 1942-43.

Section 3. When maturity dates of the securities purchased do not coincide with the maturity dates of the bonds of the State, the Commissioners of the Sinking Fund are authorized, in their discretion, to borrow from other sources to pay the State obligations when due, and such money so borrowed is to be immediately repaid upon the maturity of the securities held by the Commissioners of the Sinking Fund. When such money is borrowed, the loans may be evidenced by notes signed in the name of the State of South Carolina by the Commissioners of the Sinking Fund.

Section 4. The appropriations herein made are for the express purposes of liquidating, paying, and discharging the Institutional items and the general funded debt for which the full faith, credit, and taxing power of the State of South Carolina are pledged, as enumerated in Section 2, and the Commissioners of the Sinking Fund are vested with discretion in the administration of the provisions of this Act to accomplish these purposes. In order to aid the United States Government in the prosecution of the present war, the Commissioners of the Sinking Fund shall invest as much of the funds herein appropriated in United States Government Bonds as in their discretion is advisable. Such expenses as may be incurred in the administration of the provisions of this Act shall be paid by the Commissioners of the Sinking Fund from the "Funded Debt Sinking Fund."

Section 5. All Acts or parts of Acts inconsistent with the provisions of this Act are hereby repealed, and Section 9 of Act No. 583 of the Acts of 1935 wherein a levy of one mill was placed upon the taxable property of this State with which to retire certain bonded indebtedness is specifically repealed and said one mill tax shall not be levied after the year 1942; *Provided, however*, that the proceeds of said one-mill levy through the year 1942 shall be turned over by the State Treasurer semi-annually to the Commissioners of the Sinking Fund to be applied to the retirement of the bonded indebtedness directed to be paid by the provisions of this Act.

Section 6. This Act shall take effect upon the approval of the Governor.

## EXHIBIT "G"

GASOLINE LICENSE TAX DISTRIBUTED FOR  
THE CALENDAR YEARS

	1941	1942	Estimated 60% of 1941 for 1943
Abbeville .....	\$ 20,484.03	\$ 16,627.67	\$ 12,290.42
Aiken .....	67,870.44	54,970.44	40,722.27
Allendale .....	16,418.29	12,362.59	9,850.97
Anderson .....	109,998.83	91,323.09	65,999.30
Bamberg .....	22,679.51	17,453.55	13,607.71
Barnwell .....	22,668.84	19,185.26	13,601.31
Beaufort .....	26,608.95	20,213.31	15,965.37
Berkeley .....	31,579.96	25,038.66	18,947.98
Calhoun .....	21,462.07	17,406.90	12,877.24
Charleston .....	215,251.50	196,168.16	129,150.90
Cherokee .....	37,462.80	30,540.00	22,477.68
Chester .....	34,613.18	29,664.82	20,767.91
Chesterfield .....	50,952.39	40,959.84	30,571.43
Clarendon .....	28,930.19	22,024.11	17,358.11
Colleton .....	35,375.21	28,783.17	21,225.13
Darlington .....	55,405.54	44,714.15	33,243.33
Dillon .....	29,567.79	25,778.15	17,740.68
Dorchester .....	37,233.18	29,552.08	22,339.91
Edgefield .....	23,535.18	18,987.40	14,121.11
Fairfield .....	26,080.88	23,605.55	15,648.53
Florence .....	94,416.93	74,444.75	56,650.16
Georgetown .....	32,503.24	29,419.89	19,501.95
Greenville .....	239,737.79	201,369.59	143,842.68
Greenwood .....	59,685.59	51,338.61	35,811.36
Hampton .....	25,005.92	20,835.92	15,003.55
Horry .....	57,186.48	46,956.08	34,311.89
Jasper .....	17,028.90	13,255.31	10,217.34
Kershaw .....	44,416.28	35,689.44	26,649.77
Lancaster .....	38,111.48	31,195.91	22,866.89
Laurens .....	50,511.50	41,549.45	30,306.90
Lee .....	22,554.29	17,472.51	13,532.58
Lexington .....	60,577.17	51,713.89	36,346.30
McCormick .....	9,604.14	12,000.00	5,762.48
Marion .....	32,090.26	27,557.31	19,254.16
Marlboro .....	32,961.57	27,914.94	19,776.94
Newberry .....	52,020.58	43,151.78	31,212.35
Oconee .....	39,117.37	33,007.09	23,470.42

	1941	1942	Estimated 60% of 1941 for 1943
Orangeburg .....	86,639.50	70,253.95	51,983.70
Pickens .....	48,299.15	40,495.67	28,979.49
Richland .....	245,976.33	215,622.64	147,585.80
Saluda .....	20,631.10	16,785.40	12,378.66
Spartanburg .....	181,590.19	160,135.29	108,954.12
Sumter .....	69,116.77	58,677.21	41,470.00
Union .....	29,232.68	25,400.69	17,539.61
Williamsburg .....	34,502.37	26,796.18	20,701.42
York .....	69,716.69	55,144.44	41,830.00
Total .....	\$2,607,413.01	\$ 2,193,542.84	\$ 1,564,447.81

Under Act No. 211 approved May 28, 1941, the minimum amount of gasoline tax paid any county shall not be less than \$12,000.00 per year.

### EXHIBIT "H"

#### STATE HIGHWAY DEPARTMENT COMPARATIVE STATEMENT RECEIPTS AND DISBURSEMENTS Calendar Years 1941, 1942 and 1943

	Actual 1941	Actual 1942	Estimated 1943
Receipts:			
Gasoline Tax .....	\$13,107,978.51	\$10,713,491.17	\$ 7,000,000.00
Motor Vehicle License Fees .....	2,148,596.00	1,945,265.25	1,200,000.00
Motor Transport Fees .....	182,788.20	.00	.00
Postage, Penalties and Safety Fees .....	600,421.05	260,006.55	100,000.00
Bond Sales .....	5,500,000.00	7,000,000.00	.00
Federal Aid .....	2,406,768.78	2,942,425.54	2,567,578.06
	<u>\$23,946,552.54</u>	<u>\$22,861,188.51</u>	<u>\$10,867,578.06</u>
Refunds and Transfers .....	629,448.44	369,858.43	300,000.00
	<u>\$24,576,000.98</u>	<u>\$23,231,046.94</u>	<u>\$11,167,578.06</u>
Total Receipts .....	\$24,576,000.98	\$23,231,046.94	\$11,167,578.06
Balance beginning of year .....	6,535,439.86	7,104,678.30	6,352,521.66
	<u>\$31,111,440.84</u>	<u>\$30,335,725.24</u>	<u>\$17,520,099.72</u>
Disbursements:			
Administration & Collection of Revenue .....	\$ 449,111.80	\$ 307,225.24	\$ 300,000.00
Maintenance and Retreatment .....	3,751,386.91	2,440,138.90	2,400,000.00
Debt Service:			
Principal and Interest...	7,727,004.60	8,402,956.91	8,292,956.91

	<i>Actual</i> 1941	<i>Actual</i> 1942	<i>Estimated</i> 1943
Law Enforcement .....	686,554.89	629,636.07	410,000.00
Property and Equipment ...	261,547.79	124,133.03	50,000.00
Miscellaneous .....	100,829.61	58,631.40	50,000.00
Refunds and Transfers .....	1,164,432.24	415,689.08	300,000.00
	<hr/>	<hr/>	<hr/>
Construction .....	\$14,140,867.84	\$12,378,410.63	\$11,802,956.91
	9,865,894.70	6,863,815.20	.00*
	<hr/>	<hr/>	<hr/>
Total Disbursements ...	\$24,006,762.54	\$19,242,225.83	\$11,802,956.91
Balance end of year .....	7,104,678.30	11,093,499.41	5,717,142.81*
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Totals .....	\$31,111,440.84	\$30,335,725.24	\$17,520,099.72

NOTE: The balance carried forward to 1943 on this statement has been reduced by the amount of Outstanding Construction Obligations, as of December 31, 1942, as follows:

Actual Cash Balance January 1, 1943 .....	\$11,093,499.41
Less: Outstanding Construction Obligations as of Dec. 31, 1942 .....	4,740,977.75
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Net Cash Balance as Shown .....	\$ 6,352,521.66

### EXHIBIT "I"

*A JOINT RESOLUTION to Authorize and Direct the State Highway Department to Suspend the Inspection of all Motor Vehicles for the Duration of the War.*

*Whereas*, on account of the gasoline and tire rationing it has become necessary for the motor vehicle owners of the State to reduce travel on the highways of the State to a minimum, and;

*Whereas*, travel generally over the highways is being carried on at a slower rate of speed, and;

*Whereas*, the total amount of travel is considerably less, making it less likely that accidents will happen;

*Now therefore*, Be it resolved by the General Assembly of the State of South Carolina:

Section 1. That the State Highway Department of South Carolina is hereby authorized and directed to suspend the inspection of all motor vehicles, as provided for in Section 1623 of the Code of Laws of South Carolina of 1942 and Section 1619 of the Code of Laws of South Carolina for 1942, for a period beginning within fifteen days after the approval of this Resolution and ending one year following the cessation of hostilities in the war in which we are presently engaged.

Section 2. This Joint Resolution shall take effect immediately upon its approval by the Governor.

\*No State financing of construction projects will be undertaken. Any State funds needed to match Federal aid on military highways will be taken from the cash balance.

## EXHIBIT "J"

*A JOINT RESOLUTION Authorizing and Empowering the State Highway Department to Promulgate Rules and Regulations Prescribing Reduced Maximum Speed Limits for Motor Vehicles.*

*Whereas*, the United States is at war with foreign powers; and,

*Whereas*, in the conduct of the war, duly constituted Federal authorities have deemed it necessary, in the interest of the defense of the State and of the United States, to prescribe reduced maximum speed limits at which motor vehicles may be operated in order to conserve vital materials; and,

*Whereas*, the State Highway Department is now without authority to cooperate with the Federal authorities in the enforcement of the aforesaid reduced speed limits; *Now therefore*,

*Be it resolved* by the General Assembly of the State of South Carolina:

Section 1. The State Highway Department is hereby authorized and empowered to promulgate rules and regulations prescribing reduced maximum rates of speeds at which any motor vehicle may be operated on any road, highway or street in this State, such rates of speeds prescribed by the said State Highway Department to conform with maximum rates of speeds prescribed by duly constituted Federal authorities, and such rules and regulations shall have the full force and effect of law.

Section 2. All rules and regulations promulgated by the State Highway Department pursuant to the provisions of this Joint Resolution shall automatically become terminated and revoked upon the cessation of hostilities in the war in which our country is now engaged, or when such restricted speed limits prescribed by Federal authorities are revoked, whichever is the earlier.

Section 3. This Joint Resolution shall become effective immediately upon its approval by the Governor.

## EXHIBIT "K"

*AN ACT to Amend Act No. 685 of the Acts of 1942, entitled "An Act in Relation to the Mobilization of Paid and Volunteer Firemen and Prescribing the Powers, Duties, and Responsibilities of the Governor and Other Public Officials in Connection Therewith," so as to Provide for the Appointment of a Fire Coordinator, Define His Duties and to Further Enlarge the Provisions of Said Act.*

*Be it enacted* by the General Assembly of the State of South Carolina:

Section 1. That Act No. 685 of the Acts of 1942, approved the 14th day of March, 1942, be amended by striking out all of said Act after the enacting words thereof and inserting in lieu thereof the following:

“Section 1. The United States of America is now engaged in a devastating global war and it is declared by this Act to be the purpose of the State of South Carolina to coordinate the firefighting agencies of the several municipalities of the State for the mutual protection of all in any emergency which may arise from bombing, fire or other hazards of war.

“Section 2. Immediately upon the approval of this Act the Governor of the State of South Carolina is authorized and directed to appoint some discreet citizen, preferably one having had experience as a fireman, as Fire Coordinator for the State of South Carolina. Said Fire Coordinator shall be subject to removal by the Governor with or without cause and shall be subject to the direction of the Governor. Immediately upon his appointment the Fire Coordinator shall make an inventory of all firefighting equipment in the several cities, towns, villages and fire districts in this State for the purpose of being able to determine where firefighting equipment may be found for use in any section of the State in which an emergency may arise for the duration of the war in which the United States is now involved.

“Section 3. At the request of the Chief Executive or the governing body of any county, city, town, village or fire district in the State of South Carolina, the head of any fire department of any other political sub-division of the State may, or if so ordered by the Fire Coordinator, shall assign and make available for duty and use in such county, city, town, village or fire district, any part of its officers, firemen, forces, firefighting apparatus or other equipment under his command or control, provided that when the coordinator directs any municipality to send any portion of its firefighting forces or equipment into any political sub-division of this State in which they are not normally employed, they shall work under the direction of the fire chief in the city or municipality seeking their aid, provided further, that in the event such municipality calling for aid from the fire department of another municipality has no organized fire department and no competent person to act as fire chief in such emergency, the chief of the responding fire department first arriving upon the scene shall act as chief and all fire fighters shall be under his command.

“Section 4. Whenever all or any part of the regular firefighting forces of any county, town, city, village or fire district in this State

are engaged in rendering services pursuant to this Act, the officers and members of such firefighting forces shall have the same powers, duties, rights, privileges and immunities as if they were performing their duties in the political sub-division in which they are normally employed except as restricted by the provisions of this Act.

“Section 5. Neither the State nor the political sub-division of the State whose fire-fighting forces are engaged pursuant to this Act shall be liable or accountable in any way for or on account of any act or omission on the part of the officer or member of such forces while engaged pursuant to this Act or for or on account of the operation, maintenance or use of any apparatus, equipment or supplies in connection therewith, nor shall any fire commissioner, fire chief or other superior officer or head of a fire department, fire company or other fire-fighting forces, acting pursuant to this Act, be held liable or accountable in any way for or on account of any act or omission on the part of any of his subordinates without the political subdivision of their appointment while such subordinates are under the command of an officer other than himself.

“Section 6. The county, city, town, village or fire district in which any equipment is used pursuant to this Act shall be liable for any loss or damage thereto and shall pay any expense incurred in the operation and maintenance thereof. No claim for any such loss, damage or expense shall be allowed unless, within sixty days after the same is sustained or incurred, an itemized notice of such claim, under oath, is served by mail or otherwise upon the chief fiscal officer of such county, city, town, village or fire district where the equipment was used.

“Section 7. The political sub-division which is aided pursuant to this Act shall reimburse the political sub-division furnishing such aid for the actual traveling and maintenance expense of such employees and equipment while they are rendering such aid, provided the political sub-division furnishing such aid has been ordered to do so by the Fire Coordinator provided for in this Act.

“Section 8. For the duration of the present war any fireman who may be injured or killed while in the performance of his duty in fighting fire in any county, city or town other than where he is regularly employed shall be, for the purpose of this section only, regarded as a State employee and entitled to all of the benefits accruing to State employees under the Workmen's Compensation Act of this State.

“Section 9. The Governor is hereby authorized and empowered to prescribe all necessary and reasonable rules and regulations in order to carry out the provisions of this Act, and to fix such com-

pensation and expense as he may determine reasonable for the Fire Coordinator provided for in this Act, which amount shall be paid from the General Fund of the State.

“Section 10. This Act shall be in effect only so long as a state of war exists between the United States and any foreign country.

“Section 11. All Acts or parts of Acts inconsistent with this Act are hereby repealed.

“Section 12. This Act shall take effect immediately upon its approval by the Governor.”