ANNUAL MESSAGE
OF
BURNET R. MAYBANK
GOVERNOR
TO THE
GENERAL ASSEMBLY
of SOUTH CAROLINA

Columbia, January 15, 1941
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Mr. President, Mr. Speaker and Gentlemen of the General Assembly:

Never before has the General Assembly of South Carolina met under world conditions as serious as they are today. The very way of life we enjoy and cherish in South Carolina is being challenged in almost every continent and since I addressed you last, one democratic country after another has been liqui-dated and the liberties of the people destroyed. I do not have to remind you gentlemen of the General Assembly that these are serious times—times that provoke serious thinking not only as to international and national affairs, but serious thinking regarding these questions of government which face us at home. We must not forget, we cannot forget, that when democracy is being challenged the world over it is imperative that state governments function efficiently and soundly. Any break-down of state governments would be the beginning of the decay of our national democracy. Therefore, there now rests upon you as members of the General Assembly, and upon me as Governor, a greater responsibility than has faced any of our predecessors since Reconstruction. In this spirit I address you today.

Before I take up our own affairs of government at home, I think it is indeed fitting that I give to you and the people of South Carolina a report on what has been and will be done in South Carolina in helping the Federal Government carry out its National Defense program which will make this Nation so strong that no dictator will dare attack us, and the Western Hemisphere so united and powerful that our Democratic way of life will forever stand as a monument to the freedom of mankind.

As a result of the National Defense program the work and the duties of the Office of Governor have been enlarged threefold.

Under the Selective Service law the Governor is held entirely responsible for its operation. From the beginning I resolved that it would be free from fear or favor. This has been done. We were fortunate in securing the services of 2,218 patriotic South Carolinians, who make up the Selective Service Boards and Appeal Boards. Today I wish to thank these men for the fine service they are rendering to their State and Country, and to commend them for their splendid work. We are also fortunate in having able Staff Officers under the direction of General-Holmes B. Springs to administer the law.
No greater compliment could you pay these gentlemen who make up the Draft Boards, Appeal Boards and Administrative Offices than to say that South Carolina stands out in front in Washington in the administration and conduct of the Selective Service law.

National Guard and Home Guard

A large part of our National Guard, upon the orders of the Secretary of War, were called into active service by me last fall. I have received the orders for the remaining units and they will report shortly.

This leaves no Guardsmen available for local duty. However, I have appointed General James C. Dozier my representative for the formation of the State Guard organization, and he has done excellent work laying the foundation for the formation of these Home Guard units. He and General John M. Daniel have prepared suitable legislation carrying out this program, which they will present to the Military and Naval Affairs Committee of the Senate and House, and I ask its passage.

Defense Council

Upon the request of the Defense Council of the United States, appointed by the President of the United States, in early August I appointed a Local Defense Council. This Council, which is directed by Major Heyward Mahon, has cooperated to the fullest extent with the Federal Government and your National Representatives.

I herewith attach an official record of their activities. (Addenda No. 1.)

Through their cooperation and the cooperation of your Representatives in Washington, we have succeeded in bringing to this State a number of major National Defense projects.

I am sure it would interest the General Assembly as well as the people of South Carolina to know that today the wages paid on National Defense projects in South Carolina, exclusive of manufacturing orders or materials, amount to four million dollars per month, which on a basis of 48 million per year is more than the value of the cotton crop. It is sufficient to predict that for many months yet to come this expenditure is to increase in this State.

$140,761,000 in National Defense orders have been placed in South Carolina since July 1 and much has been done in the de-
velopment of camps, hospitals, aviation fields, naval and marine defenses.

For your information, the money appropriated last year for us to obtain an aviation unit has not been used. Only a few units were allotted in the United States, however, General Dozier and I are continuing to work on National Guard units and we believe we will be successful this year if additional aviation units are allotted.

In the meantime we have received an additional National Guard unit for Hampton, S. C., and it is my opinion and information that another National Guard unit will shortly be allotted to South Carolina.

As a further means of strengthening and implementing our National Defense program in South Carolina I recommend the following specific bills:

**National Defense Bills Recommended**

1. The adoption by the Legislature as soon as possible of a bill being prepared by the Military and Naval Affairs Committee to assure State employees, employed by the State or appointed by me, their positions after their voluntary service or after selective service is completed and they return home.

2. The adoption of the Bill prepared by General James C. Dozier and General John M. Daniel for the creation and formation of Home Guard units to protect South Carolina in case of disaster or trouble or disorder.

3. The adoption of a Bill to make it a jail sentence and fine for those of our citizens refusing to submit for venereal disease treatment—the details of which I will comment on later in this address.

4. The adoption of a Bill to create additional law enforcement officers to work in connection with the Selective Service Office and Department of Health in order to apprehend draft dodgers and those who refuse to answer questionnaires—and further to check on those citizens placed in Class B-1, who refuse treatment.

5. Sufficient appropriation for proper operation of South Carolina's Defense Council, who, as you know serve under the United States Defense Council and the President of the United States.
With this additional legislation the National Defense program in this State will be administered efficiently, honestly, and in the best interest of all the people and in so doing I want to assure the people of South Carolina no civil rights or civil liberties of our people will be impaired.

I would also recommend a Bill to exempt from South Carolina's luxury sales tax sales to personnel of the Army, Navy, Marines: provided that the sales are made on Government reservations and no gifts or resales made off the reservations.

Now let us consider some of the economic and social issues that confront us at home.

When I addressed the General Assembly two years ago I specifically outlined the beacon lights which would guide me. As Governor of South Carolina my objectives have not changed. With the cooperation of the General Assembly many of these objectives have been accomplished—while a few have been thwarted.

I have reached the half way mark in my term as Governor and I think it is best that I review some of the accomplishments in South Carolina during the last two years.

In my inaugural address I recommended a Board of Development. The Planning Board with its limited income has served excellently. They have prepared many valuable studies during the past two years in South Carolina and at this session of the Legislature you will be presented with three important additional studies—the natural resources of South Carolina—agricultural and manufacturing resources of South Carolina and a complete industrial inventory of the State.

These studies and programs together with many other important ones that we have prepared during the past two years have been forwarded to industrial leaders and Chambers of Commerce and officials of the Government.

It is my opinion that these reports have been of great value to local communities and also to many of these who are developing industries in our State.

I recommend for the Planning Board an appropriation of $25,000 in addition to be used exclusively for advertising each and every section of South Carolina to industrialists of the Nation and the tourists of America.

For your further study I am attaching information from the Planning Board. (Addenda 2.)
In my inaugural address I promised to do everything in my power to improve the lot of the working man in South Carolina. Through cooperation of the Legislature and because we have cooperated with workers and industry, much has been accomplished in South Carolina during the last two years in expanding our industries and our payrolls.

The monthly average number of wage earners employed in the manufacturing industries of South Carolina during 1938 was 127,000. The monthly average for 1940 was 147,000. Thus in 1940 the manufacturing industries of this State employed on the average 20,000 more workers per month than they did in 1938. Dependable information indicates that during the last three months of 1940 workers engaged in manufacturing industries approached 155,000, which is the largest number of people engaged in manufacturing industries in the history of South Carolina.

The wages paid to wage earners in manufacturing industries in 1938 were $92,633,000. In 1940 the wages paid were $120,000,000. Thus the wages paid in manufacturing industries in South Carolina in 1940 were 30 per cent more than in 1938.

Likewise, notable progress is being made in South Carolina in reducing unemployment. During the month of December, 1940, the Unemployment Compensation Commission of this State paid out to eligible unemployed workers only $135,000, which is the smallest monthly aggregate payment to unemployed people experienced during the past two years.

Here is convincing evidence that South Carolina is providing more jobs and higher wages for the people of the whole State.

Of course, these figures have nothing to do with the Defense program and the expenditures by the Federal Government on defense that I have previously spoken of.

During 1941, as a result of increased industrial payrolls and National Defense projects, unemployment in South Carolina will be less than any time in the recent history of the State.

The Labor Department has been instrumental in effecting the conciliation and mediation of twenty-one strikes directly involving approximately 20,507 workers—and through the exercises of conciliatory means, the Department has also been instrumental
in effecting amicable adjustments of eight strikes directly involving approximately 7,000 workers.

It is heartening to know that in South Carolina during the last two years that employee and employer relationship has become more and more amicable and today there is a closer feeling between these two groups than in many years past.

There may be strikes in other sections of the Country but I am glad to report that neither the National Defense program nor our own industries are being thwarted as a result of strikes and from the lack of harmony in labor relations.

For your information I call to your attention a letter from Commissioner Harley. (Addenda 3.)

Wealth and Income

The wealth of South Carolina has likewise materially increased. Much of it has been spent in the repair of buildings, new homes and farms and life insurance policies. Bank deposits have increased during the past year $15,796,000. There have been no bank failures during the last two years and only one depository.

The per capita income in South Carolina in 1939 (the latest figure available from the United States Department of Commerce) was $268.00, as compared with $249.00 in 1938. Thus in the one year the per capita income of the State increased $19.00. On the basis of increased industrial activity and wholesale and retail trade it is clear that the per capita income for 1940 for South Carolina is measurably greater than it was in either 1938 or 1939. Informed students of income are definitely of the opinion that the per capita income for 1940 will approach $300.00.

Based on per capita income South Carolina in 1939 more nearly approached the prosperity level of 1929 than any other state in the whole Nation.

South Carolina has since the depths of the depression made more progress in increasing the per capita income of its people than a vast majority of the states of the Nation and more than for the Nation as a whole. In my opinion, this is one of the most important developments that this State has enjoyed in this generation.
Public Welfare

The Budget Commission has recommended an additional appropriation of $200,000 for the Department of Public Welfare. It is our belief that the subsistence given to the aged, blind and cripple in South Carolina is insufficient.

As everyone knows the Federal Government matches South Carolina's donation and we should be ashamed that our aged, cripple and blind are treated among the worst in the United States.

It is my hope that the Federal Government will be more liberal in their donation to states in need and appropriate more money to these. The present matching system is not satisfactory, as you know and I know, in a state like South Carolina, because it is so difficult for us to raise funds with which to match Federal funds.

I would like to speak at some length on the Public Welfare Department and the good work it is doing in South Carolina and the additional responsibilities they have assumed since we last met. For your information I am attaching an excerpt showing the details which I do hope you can consider and study at your convenience. (Addenda 4.)

Education

The educational institutions of higher learning in South Carolina are now operated on an appropriation of approximately a little over one million.

These institutions really operate on students' fees and other funds. I wish it were so we could increase these appropriations but with the financial difficulties that we face I do not see how they can be materially raised at this time. However, with the increased costs at these institutions certainly there can be no reduction.

I am happy to report that the State Board of Education has made many studies and met frequently during the past year. As most of you know, late last spring we finally put in the adoption of many new text books in South Carolina. These were sadly needed by our schools. There are additional adoptions to be contemplated this year and I am also happily to state that some counties of South Carolina have put into effect this year the free text book plan.
The educational questions that will confront this Legislature will be most serious. There are many legal questions in relation to teachers' pay, to the operation of negro schools and transportation problems that immediately need the most careful and earnest consideration of the General Assembly and of those interested in education in South Carolina.

I have given much study and thought to the matters but time will not permit me to discuss them fully.

Health

The Health Department of South Carolina is to be commended for the excellent work that it is doing and for their cooperation with Selective Service.

At the present time less than one-third of the money being spent by the Health Department is State funds. The Federal Government is paying the principal cost of health betterments.

There is still need for a far more comprehensive health program in South Carolina. I stated in my inaugural address that a half sick man cannot do even a half day's work. A serious situation confronts our people and has confronted us for many years. It has come to light again in the operation of the Selective Service and I am going to discuss the matter with you.

The matter concerns those of our citizens who have venereal diseases. It will interest you to know that some 240,000 citizens are registered for military training, and will be or have been examined. In these examinations we have found many who have venereal diseases. These citizens have been deferred to Class 1-B.

After discussing this with Dr. Harry Barnwell and Dr. Adam Hayne, it is my belief that the vast majority of these citizens so affected could be cured if they submitted to proper treatment. However, some of these have refused to be treated.

During the next five years all of our young men reaching twenty-one years of age must register, and a health check will be made on each of these citizens.

It is my thought that in order to insure a better and more healthful population for the future that a law should be passed making it a misdemeanor for anyone having a venereal disease who is not being treated and being cared for.

For years those having typhoid fever, diphtheria and other communicable diseases have been forced to submit to treatment. It
is equally essential that these possessing venereal diseases should likewise be treated.

In addition to your insisting upon these treatments it is my opinion that a suitable marriage law should be passed requiring a physical examination for those to be married and a doctor's certificate to insure a more healthy generation to follow. All progressive states have such a law.

For a more detailed study of our health problem I invite your attention to a statement I am attaching from the State Board of Health. (Addenda 5.)

The penal and charitable institutions are now operating on the small expense of approximately 75 cents per person per day. With the continued rising prices I commend those in charge of these institutions for their accomplishments and I cannot see how reductions in appropriations are possible at these institutions.

Agriculture—Forestry and Conservation

I have told you the progress made in our State by industries and labor. I am also happy to report that the per capita income of the farmers of South Carolina has increased. As we all know, the welfare of our farmers is interwoven in our national economy and any State government is limited to what it can do in solving and meeting the National farm problem.

You will remember that in my inaugural address two years ago I paid particular attention to the fact that so many of our farmers do not live at home. I promised to promote in every way possible a program under which the farmers would produce most of those things they consume. Through the aid of Clemson College, Winthrop College, Vocational Teachers and many deserving volunteers, we have carried out an excellent Live-at-Home program.

From a small beginning in Greenville County this movement is now State-wide and our farmers have at last awakened to the necessity of diversification and raising of enough food and feed stuffs to meet their home and farm needs.

On February 1, Dr. D. W. Watkins and I will present diplomas to nearly 2,500 farm families who qualified by producing 75 per cent of their food on their farms last year. In addition last fall thirteen thousand farm families agreed to correct deficiencies in fall and winter crops during the remaining two years in office.
I intend to continue to promote the expansion of this program. There is nothing more essential for prosperity and well being of our farmers than that they produce off of their farms as far as possible the food to provide a balanced ration and the feed to enable them to diversify their farming activities.

When I took office two years ago approximately only five per cent of the farms of South Carolina had electricity. Now I am happy to report to you today that under our Rural Electrification program more than eighteen per cent of our farms are receiving the benefits which come from electricity on the farm.

Of course you gentlemen were good enough last year to pass the Bill creating the Cooperatives and making possible this enormous extension.

The Federal Government in its five years' experience has found that the cooperative plan is the best device for broad distribution of electric service. The thinly settled areas of South Carolina receive electric current just as do the more congested sections. It is my opinion that the thin and undeveloped sections of South Carolina are more in need of service.

At the present time there have been lines approved which will add 4 per cent—making the total 22 per cent. These lines have been temporarily held up by Court injunctions but I hope very shortly we can start on this large construction program.

My promise to you today is that with your cooperation this year we will reach the National average of 27 per cent in Rural Electrification in South Carolina. It is my opinion that we can obtain an additional five million dollars of Federal funds for Rural Electrification this year provided we can get sufficient farmers to sign up and local communities to cooperate in getting projects in shape for presentation in Washington.

We are also happy to have commenced through the Cooperative Associations in South Carolina a form of cold storage plant, the first having been constructed under the Aiken Cooperative, and should be a model for all rural communities in South Carolina to achieve.

Closely allied with our farming interests is forestry.

Over 34,000 boys have passed through the South Carolina C. C. C. camps working primarily in the interest of developments
and forests and kindred natural resources. Approximately 148,000 acres of poor land have been purchased and developed for parks, game and fish sanctuaries, public shooting grounds and places of amusement.

Time will not permit me to innumerate the many benefits, but I might add it is enough to say that we have made remarkable progress in reforestation and development of recreation centers and protection, through the Board of Fisheries and Game Warden’s Office, of these natural resources that are of great material benefit to all our people.

I am happy to report that the Santee-Cooper has progressed to the half-way mark. However, I regret that so far, because of defense conditions, Lyles-Ford and Clarks Hill have not actually started. Both of these projects have been reviewed in Washington. Many trips have been made in their interest and I confidently expect, through the influence and work of your Representatives in the National Capital, to eventually see both of these projects developed.

It is now apparent that the great delay caused by injunctions and law suits at the commencement of the Santee-Cooper has seriously injured South Carolina.

It is unnecessary for me to remind you—but I assert it as a fact that if we had available the Santee-Cooper power now, many defense industries and other developments would be already under construction in South Carolina.

I cannot overemphasize the desirability of the complete development of our water power resources to the end that we will fully expand our industries through the unlimited supply of cheap power and thus use many of our untouched natural resources.

The development of these resources depends upon the cooperation of you, your Governor and your Representatives in Washington. I am happy to advise you that I have cooperated in every possible way with the President of the United States, your Representatives in the National Congress and the Governors of the Southern States.

It might interest you to know that last year in the Commodity Freight Rate Cases the Southern Governors, through their efforts and appropriations of the Legislatures, forced an an-
annual reduction of freight rates to the Southern people of more than ten million dollars. Attached hereto, for your information, is what has been accomplished through the work of the Southern Governors' Conference and South Carolina Public Service Commission. (Addenda No. 1.)

Insurance

I am also glad to state through the cooperation of the Insurance Commissioner and others we may again look forward to a reduction in insurance rates.

In my campaign for election I stated in practically every speech, "If I am elected your Governor there will be no bargain days for pardons and no holidays for criminals."

I have lived up to this pledge.

For your information I am attaching a list of fourteen pardons. Of these fourteen—twelve had served their sentences and were pardoned to restore citizenship to obtain employment by the Federal Government or join the services of our country.

I have given a limited number of leaves of absence—on one hand to protect those who had served faithfully and worked hard during their years at the Penitentiary—and on the other hand to relieve the County Chain Gangs and at the Penitentiary of diseased people, who in most instances cannot recover. These all have proper legal requests.

These records are available to you. (Addenda.)

The Courts of the land must be respected and pardons and payrolls during my term of office will only be made when accomplished with recommendations of the Trial Courts or satisfactory evidence to prove a wrong has been done.

Upon assuming the Office of Governor, I recommended that the powers of pardon be taken away from the Governor. I again recommend to the Legislature an amendment to the Constitution of the State abolishing the pardon power now vested in the Governor and setting up a new method of pardon procedure, which will limit the Governor's authority. Included in this program should be a very comprehensive probation system, the model for which we can find in some of our sister states.
I reassert, however, that as long as this authority rests in the Governor's Office, "There will be no bargain days for pardons and no holidays for criminals."

State Police System

In my message to the General Assembly two years ago I recommended to the General Assembly the establishment of a State Police System.

Today, I again, in the interest of good government, make this recommendation.

The Constitution of South Carolina vests in the Governor the responsibility of the enforcement of law. However, under our present system he is not provided with the adequate law enforcement machinery necessary to carry on this Constitutional mandate.

The first step to assure the observance of law in South Carolina should be the establishment of a State Police System on a merit basis independent of politics.

With our law enforcement agencies coordinated under a State Police System we will then be equipped to meet the increasing problem of crime. A State Police System today is more needed than it was two years ago because of the part South Carolina is playing in the National Defense program. The military authorities, of course, will police the camps and be responsible for order among those in military service. However, it is desirable and essential that there be in South Carolina a State Police System to dovetail in with the work of the Federal authorities and unanimously maintain law and order.

While on the subject of law and order, I again wish to commend the people of South Carolina, for the splendid record we are maintaining in preventing lynchings in our State. I am happy to remind you that during my first two years as Governor of South Carolina I called out the militia only twice—once to prevent a lynching and the other time to aid hurricane sufferers.

With the limited Constabulary or Governor's Guards, we have done the best we could with law enforcement. However, everyone realizes that with 24 constables in 46 counties—working 8 hours a day—it is impossible to carry out the wishes of the peo-
ple. It is my opinion that a State Police System, properly set up by the Legislature would be a great solution to the law and order problem of South Carolina. (Addenda.)

During the past two years, the attached report will show many slot machines were seized and much corn whiskey was destroyed. I earnestly urge the citizens of South Carolina who serve on juries to punish the liquor violators to the fullest extent of their ability. Only the cooperation of the Judges, juries and law enforcement officers can put an end to illegal whiskey, which is destroying the morals of many of our young people and robbing the Treasury of its taxes. I earnestly urge the adoption of a law which will forever ban slot machines from South Carolina. You are familiar with the fact that recently through a Court injunction your local officers and State officers have been prohibited from seizing slot machines. Slot machines are designed to rob children and those less fortunate of our population. I do hope that the law will be so amended and strengthened that law violators will not even be able to get injunctions.

It is my belief further that it is the wishes of the farmers, workers and the people of South Carolina that a Civil Service law with a merit system for all employees for the State of South Carolina should be enacted and it is my opinion that this would mean more efficient government, more satisfied employees and would create conditions that would benefit all of our people.

Fiscal

Now gentlemen of the General Assembly, I come to the most pressing problem confronting this session of the Legislature.

As I stated in my inaugural address, the cornerstone of good government is a sound fiscal policy.

While we are faced with a deficit of some three and a half million at the end of this year—it is heartening to know that we have reduced the total funded debt of the State $1,753,000—or from $8,267,000 on January 1, 1939, to $6,514,000. From this you can see that our finances are in excellent shape except for the current deficit.

It is my opinion, that because of our good financial condition the deficit could be financed at an extremely low rate of interest
over a period of ten years, which would work no hardship on anyone. At the present time interest rates are lower than ever in history. Our immediate problem is to prevent this deficit from reoccurring and keeping the budget balanced in the future.

This can be accomplished in one of three ways—additional taxes—reduction of the present appropriation—or the use of the present revenue of the State in a more equitable and just manner.

I am unalterably opposed to any additional taxes being levied by the State of South Carolina at this time. The Federal Government will and must levy heavy taxes upon the citizens of our State for its necessary defense program.

I am further opposed to any new tax for the reason that any sales tax on top of our present sales tax, which we call a luxury tax and which yields more than North Carolina’s sales tax, would be a tax principally on necessities of life. This would result in a reduction of the wage earner’s salary in these critical times.

A property tax would be a mistake. Property taxes are the basis of taxation of the political sub-divisions of South Carolina and have provided in the years past the roads, bridges and streets of many communities in South Carolina.

Similarly, an increased tax on the profits of industry or any new tax imposed or any new tax imposed upon industries would retard the natural growth of South Carolina.

I do not see how, in these items of the advancing cost of food and all essentials it is possible to reduce the Budget Commission’s recommendations sufficient to balance the Budget.

It would seem, therefore, that the most direct and most equitable approach to meeting our problem of providing a balanced budget would be the levying of a gasoline tax of one cent per gallon for the general purposes of the State. Such a tax represents no departure from the traditional tax policy of South Carolina. The initial gasoline Act, originally enacted in 1922, imposed a tax of one cent on every gallon of gasoline sold in the State in order to meet ordinary operating expenses of South Carolina.

I, therefore, recommend the re-enactment of such a tax at this time.
On the other hand, I am not unmindful of the heavy gasoline tax now imposed.

A review of the records of the Highway Department indicate that all of the reasonable activities of that Department can be carried on by reducing the gasoline tax for the use of the Highway Department from its present rate of five cents per gallon to four cents per gallon. Such a reduction would mean that although the gasoline tax of one cent is imposed for general State purposes and one cent for County purposes, the aggregate tax imposed by the State of South Carolina would not be increased.

This procedure would mean that neither land owners, wage earners nor the industries of this State would be subjected to heavier tax burdens.

In speaking of the uses of Highway funds, I express the hope that you will enact a law this year that will be Constitutional.

It was my opinion and the opinion of the majority of the Legislature that the Bill prepared by us was legal. However, the Court ruled otherwise and we must abide by their decision, in making the recommendation to use one cent of Highway revenue.

I am not unmindful of the good work that has been done by our Highway Department on road construction. Certainly no one has cooperated in the work over a period of years more than I. As a member of the P. W. A., appointed by President Roosevelt, many highway projects were approved by me and large sums of P. W. A. money was spent for roads and bridges and street improvements. In addition to this through the original Relief Boards, on which I served by appointment of Governor Blackwood, many millions were spent on road construction. Highways have always had my cooperation and interest and many roads and bridges in South Carolina have received my undivided attention and support in Washington.

Some two years ago when we passed the first Bill to use Highway funds for general State purposes, you will recall that the Act also carried an increase in the bonded indebtedness to practically offset the amount to be used for general purposes. Bonds were to be sold and signed by the Governor. When the Court ruled that the money could not be used for State purposes, I did
not refuse to sign the bonds but told the members of the Highway Commission, in view of the low interest rates and in order to complete certain portions of the program, I would gladly call for the sale of the bonds, which I did and made available to the Highway Department one and a half million dollars additional.

This year, again, after the Court decision the Highway Commission phoned me in Missouri and urged me to authorize the State Treasurer to advertise the sale of three million in bonds to carry on necessary improvements in the Defense program and build roads throughout South Carolina. I telephoned the State Treasurer when I was in St. Louis requesting him to place the necessary advertisement and issue the bonds for this work and that I would gladly sign them. This was done.

You know and the State Highway Commission knows that I would be the last to impede Highway Construction in South Carolina and they know what I have done for good roads, but there comes a time when we must give attention to other worthwhile State functions. Gentlemen of the General Assembly, that time is here today. We cannot afford further delay in meeting this problem of an unbalanced budget.

South Carolina during the life of the Highway Department has spent more than two hundred million dollars on its roads. The gasoline tax has increased from a small beginning to an amount that will exceed fourteen million dollars this year.

Since my inaugural address two years ago the gasoline tax has increased more than two million dollars and all other Highway income has increased. I believe that all South Carolinians will agree that the roads were amply cared for in 1938. The use of one cent gas tax today merely means that the Highway Department will have the same income of 1938-39 from its gas sources and will have the benefit of its other increased incomes.

It is not good government, it is not good business, for one department to monopolize taxes levied on all the people and thereby force the State to operate with an unbalanced budget. Especially is this true when more than one million is collected every year from gasoline taxes from non-highway users—such as ships, tugs, boats, barges, farm machinery, stationary engines and delivery trucks on city streets, all of which never see a highway.
This year the Highway Department with the Government's aid will have more than twenty-four million dollars to spend. Next year it is my opinion that large sums will be allotted to both W. P. A. and the Highway Department for camp roads and roads around military reservations.

I am advised that a special report on these roads in South Carolina is being studied and that the request for allotments will be made at a later date.

We have the unusual condition in South Carolina today in that we will spend of our State funds more than 18 million dollars on Highways—a little less than 2 million on our aged, sick, orphaned children and blind—less than a quarter of a million on our Public Health program—just a little over one and a quarter million on all higher education—and by comparison and most remarkable of all—only $9,025,000 will be spent this year from the State funds of the State of South Carolina, I repeat from State of South Carolina's income, on the operation of the schools and education of 481,750 children on whom the future of South Carolina depends.

Certainly we have the best roads in the United States. These have cost us a great deal of money. However, we are near the bottom in America in education, in health, in Public Welfare and many other equally important phases of our community life. A state cannot progress without healthy, educated citizens and a planned program which touches every phase of human activity.

If all of the funds were pooled into one general fund and each and every item was appropriated from this fund by you, the Legislature, in the proper manner we would never be faced with our present problem.

I again recommend the passage of suitable legislation towards this end.

In closing I wish to express my appreciation for the cooperation I have received from the General Assembly in dealing with the problems of our State Government.

Two years ago I stated to you that I had no desire to be Governor except to be of service to our State. We are making progress in giving to South Carolina her proper place among the Commonwealth of this Nation. We are making progress because
all sections of South Carolina have become united and because our people in all walks of life are cooperating in promoting the best interests of South Carolina. At this particular time, as never before, this cooperative spirit should exist between the Executive, Legislative and Judicial branches of Government. Speaking as your Governor I pledge this cooperation. With your help and a sympathetic understanding of our problems by the Courts we can at this session enact Constitutional legislation which will meet the needs of our State and we can march forward to bigger and better days ahead.

January 14, 1941

Honorable Burnet R. Maybank
Governor of South Carolina
State House
Columbia, South Carolina

Dear Governor Maybank:

I am attaching hereto a comparative statement of the General Indebtedness of the State of South Carolina as of January 1, 1939, and January 15, 1941. I am happy to advise you that the reduction during that period amounted to $1,753,000. This statement does not include short term Tax Anticipation Notes and Highway Certificates of Indebtedness.

With kind personal regards, I am

Very truly yours,
Jeff Bates, State Treasurer.

STATE OF SOUTH CAROLINA
Public Debt
January 1, 1939—January 15, 1941

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Outstanding Jan. 1, 1939</th>
<th>Outstanding Jan. 15, 1941</th>
<th>Amount Retired</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATE OF SOUTH CAROLINA</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Refunding Bonds—3 1/4% June 1, 1935</td>
<td>$4,200,000</td>
<td>$3,500,000</td>
<td>$700,000</td>
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<tr>
<td>Refunding Notes—1935-40 4 1/4% Matured Feb. 1, 1940</td>
<td>485,000</td>
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</tbody>
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### Certs. of Indebt. - 3%  
Jan. 1, 1938  
1,350,000 1,050,000 300,000

### Certs. of Indebt. - 2 3/4%  
Oct. 1, 1938 - Medical College  
150,000 130,000 20,000

### Certs. of Indebtedness - 11 1/2%  
July 1, 1939 - John De La Howe  
110,000 99,000 11,000

### Funding Notes - 1 1/4%  
Dec. 15, 1939 - Deficit  
1,000,000 800,000 200,000

### INSTITUTIONAL BONDS

<table>
<thead>
<tr>
<th>Dated</th>
<th>Text Book Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 1935 - 4%</td>
<td>655,000 625,000 30,000</td>
</tr>
<tr>
<td>Oct. 1, 1936 - 2 3/4%</td>
<td>250,000 250,000</td>
</tr>
<tr>
<td>(Various Dates and Rates)</td>
<td>67,000 60,000 7,000</td>
</tr>
</tbody>
</table>

### ADDENDA NO. 1

**SOUTH CAROLINA COUNCIL FOR NATIONAL DEFENSE**  
G. Heyward Mahon, Director  
New State Office Building  
Columbia, S. C.

The South Carolina Council for National Defense was organized by the Governor at the suggestion of the National Advisory Commission on National Defense in Washington. Similar councils have been organized in most of the states, although the South Carolina Council was one of the first to go into action.

The function of a State Council for National Defense is largely advisory. In this connection, our Council is furnishing almost daily the authorities in Washington information concerning the natural resources of our State. However, our Defense Council has decided to also use its efforts towards securing for South Carolina new industries, not only those that will be set up in connection with the National Defense Program, but also industries of a permanent nature for which the State is particularly adapted.

The following are a few of the things that our State Council for National Defense has done and is doing:
Made a survey, through the State Planning Board, which has been designated as its "fact finding" organization, of the idle industrial plants in South Carolina, and given the result of the survey to Mr. Frank Bane, Director of State and Local Cooperation of the National Advisory Commission to the National Defense Council in Washington.

In cooperation with the State Planning Board had a survey made of the industries that could be located in South Carolina for which the State, because of its natural resources, is desirable for such industries.

Cooperated with the Columbia Chamber of Commerce in its efforts to have Fort Jackson enlarged.

Contacted the War Department in efforts to have additional military training centers located in South Carolina. This resulted in the establishment of a camp at Spartanburg, and the Council is still cooperating with the War Department in efforts to secure additional training camps in the State.

Succeeded in having the War Department designate the Charleston territory for the location of a two thousand bed Army General Hospital. It was necessary for this institution to be located somewhere on the Atlantic Coast.

Is cooperating in efforts to secure for our Coastal Area a large Army Aerial Bombing Range.

Is in contact with executives of an organization that may be induced to locate a large Aluminum Plant in South Carolina.

Has worked, for several months, in efforts to secure for our State a large Cement Plant.

Is active in efforts to have a large Tin Smelter, which is to be built somewhere in the United States, located in South Carolina.

Is cooperating, in every way, with the State Selective Service, and the Council recently sent out 4,500 letters to employers of the State asking their full cooperation with State and National officials in carrying out the provisions of the Selective Service Act.

Has requested the Governor to appoint a Local Defense Council in each community where there is a military or
industrial impact because of National Defense activities. This local council, working through the State Council, will attempt to solve such problems that might arise—housing shortage; the training of skilled mechanics; recreation for soldiers, traffic congestions, etc.—in such communities.

Is working with form organizations in attempting to have farmers throughout the State adopt a "Live at Home" program as their part of the great National Defense Program.

Is working with the War and Navy Departments in efforts to have sufficient Housing Projects established in the areas which show a housing shortage because of military activities and, in this connection, has requested the Governor to appoint a State Housing Coordinator, who will work with local authorities.

Is endeavoring to have the State's various important power projects declared essential in the National Defense Program, so that their construction can be speeded up and power made available for needed and important industries.

Has contacted the Reconstruction Finance Corporation on several occasions in efforts to have funds made available for loans to industries that might be established in the State.

Is working with various women's organizations in matters of consumer protection on prices of commodities, etc., as requested by the National Advisory Commission.

The Council holds important meetings at regular intervals and the Director is in constant touch with the various departments in Washington in the interest of the State, having made, at least, one trip each week to Washington for this purpose.

Has contacted the Navy Department with the view of having them establish an Arsenal in the Charleston area, and hope that shortly the Arsenal will be built there.

Has, on several occasions, discussed with officials of the National Advisory commission, the Bureau of Mines, etc., the fact that we have mineral deposits within our State, particularly tin, kaolin, limestone and clay.
The Governor is Ex-Officio Chairman of the State Council and is cooperating fully in all of the efforts and activities of the Council.

(ADDENDA NO. 2)
STATE PLANNING BOARD

I. Program: July 1, 1939 to December 31, 1939
The Legislature appropriated $6,000 for the above period only.

Completed
a. The Fiscal System of South Carolina (2,000 copies published)—(130 pages).
b. Should South Carolina Homesteads be Exempt from Taxation (5 pages).
c. Compiled a great deal of information on the industrial resources of South Carolina.

II. Program: July 1, 1940 to June 30, 1941

Completed
a. The Natural Resources of South Carolina. (1,000 copies published)—(127 pages).
b. The Manufactured and Agricultural Resources of South Carolina. (1,000 copies published)—(150 pages).
c. Industrial Directory of South Carolina (preliminary) (70 pages).
d. A compilation of lists of materials used by the various Military and Naval establishments with headquarters for each. (8 pages).
e. A series of economic studies of industries needed for National Defense:
   1. Cement Plant for South Carolina—(5 pages).
   2. Chlorine-Alkali Plant for South Carolina—(7 pages).
   3. Tin Smelter Plant for South Carolina—(5 pages).
   4. Aluminum from Santee-Cooper Power—(5 pages).
   f. A list of 65 industries for which excellent opportunities exist in South Carolina—(1 page).

*This bulletin is now being printed and should be off the press in about two weeks.
g. Inventory of Idle Plant Capacity in South Carolina—(20 pages).

Practically Completed

a. Parks and Recreational Areas of South Carolina—(approximately 75 pages).
b. Local Tax Rates in South Carolina—(approximately 75 pages).
c. Program of Regional Development in South Carolina (approximately 75 pages).
d. Index of Publications in the State Planning Board Library—(approximately 50 pages).

Consultants

Through the National Resources Planning Board a consultant has been appointed to assist the State Planning Board for each of the following studies:

a. Congested areas—Columbia, Charleston, Spartanburg, Beaufort—(1 man).
b. Study of idle plant capacity and plant location (1 man).
c. Prospectii—(1 man).

(ADDENDA 3)
LABOR DEPARTMENT

December 3, 1940.

Honorable Burnet R. Maybank
Governor of South Carolina
State House
Columbia, South Carolina

Dear Governor Maybank:

In answer to your communication of December 2, 1940, I should like to advise that this Department, since you assumed office, has been instrumental in affecting the conciliation and mediation of twenty-two strikes directly involving approximately 20,507 workers. And, through the exercise of conciliatory means, the Department has also, during this time, been instrumental in affecting amicable adjustments of eight threatened strikes directly involving approximately 7,000 workers.
In addition to the above activities having to do with strikes, disputes, etc., it is interesting to note that this Department is called upon almost daily to intervene in what we ordinarily term minor controversies and disputes; but if prompt attention were not given these matters, it is very probable that they would soon assume dangerous proportions.

Trusting that this is the information you desire, I am, with kind personal regards,

Sincerely yours,

W. Rhett Harley.

(ADDENDA 4)

STATE DEPARTMENT OF PUBLIC WELFARE
COLUMBIA, S. C.
PUBLIC WELFARE SERVICES

Essential duties of the Department of Public Welfare, in addition to its administration of cash assistance to the needy aged, the needy blind, dependent children, and handicapped persons, are numerous and varied, and are of no less importance than is that primary function. A partial list of these activities is here given as information:

1. No South Carolina boy may be enrolled in a CCC Camp until his circumstances and fitness have been investigated and approved by the Department of Public Welfare.

2. No person in South Carolina may be given surplus commodities, donated by the Federal Government, until his need has been determined, according to Government standards, by the Department of Public Welfare.

3. No public school in South Carolina may be given free commodities for school lunches, donated by the Federal Government, until the eligibility of the school has been determined by investigation, according to Government standards, by the Department of Public Welfare.

4. No food stamp or cotton stamp issuing office may be opened or operated in the State except under an operating agreement of the Department of Public Welfare assuming supervision of the plan.
5. No person in South Carolina can be given relief employment by the Work Projects Administration except after investigation and approval by the Department of Public Welfare of the applicant's need for employment, according to standards prescribed by the Federal Works Agency.

6. No person in South Carolina may be given free treatment for cancer, under the Act of June 24, 1939, except upon approval by the Department of Public Welfare of data submitted to establish the applicant's inability to pay for treatment.

7. The Federal fund (approximately $35,000 per year for South Carolina) for "the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent," is available to States only "for use by cooperating State public welfare agencies" which meet the qualification standards of the United States Children's Bureau. The Department of Public Welfare was promptly approved as meeting those standards, and is performing this Federally financed service.

8. No state-wide plan for the training of blind persons with a view to enabling them to become self-supporting, or for the treatment of indigent persons partially blind or threatened with blindness, has been provided except that being administered by the Department of Public Welfare.

9. No charter may be issued by the Secretary of State for the incorporation of any charitable organization except after investigation and approval by the Department of Public Welfare of the merits of the proposed corporation. Several applications of such "fly-by-night" racketeering organizations have been disapproved.

10. The Department makes investigations in response to inquiries from other States concerning South Carolina citizens who are applying for relief and whom those States wish to return to South Carolina, this service being rendered under a cooperative arrangement whereby other States perform the same service for South Carolina.

11. Regulations issued by the President under the Selective Training and Service Act of Congress specifically require assistance by the Department of Public Welfare to local Selective
Service Boards in making investigations and furnishing information needed in the classification of registrants and in determining dependency in cases where deferred classification is claimed because of dependents.

12. Constantly and increasingly the Department is being called upon to render a wide variety of miscellaneous services essential to the public welfare, such as assuming responsibility for supervision of persons paroled or on probation, furnishing "pre-sentence information" to Courts as to the social background and environment of youthful defendants, assisting and supervising on special problems growing out of establishment of training camps and labor camps in connection with National Defense, and the disruption of family relations resulting from employment of the breadwinner in defense industries or other enterprises away from home. Most of these miscellaneous services are authorized by the Public Welfare Act, but the Department cannot perform all of them because of inadequate staff.

SUMMARY OF PRINCIPAL DUTIES AND SERVICES OF THE DEPARTMENT OF PUBLIC WELFARE

1. Acceptance and investigation of applications for aid to needy persons over 65 years of age, aid to needy blind persons, and aid to dependent children under 16 who have lost the care and support of a parent and who reside with certain near relatives; determination of need in each case according to prescribed standards; and continuing contact with accepted cases for verification of current need. Funds provided by the State for these types of assistance are equally matched with funds provided by the Federal Government.

2. Acceptance and investigation of applications for "general relief" or assistance to persons ineligible for other forms of cash assistance provided under the Act, "and who are unable to support themselves because of physical or mental infirmity" continuing contact with accepted cases for verification of current need. Funds for this type of assistance, optional with the counties, are provided equally from county and State sources, without Federal contribution.

3. Administration of a fund of approximately $35,000 per year, provided by the United States Children's Bureau, for child
welfare services, "for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent." This fund is available "for use by cooperating State public-welfare agencies" which meet the standards of qualifications by the United States Children's Bureau.

4. Administration of a program of treatment of indigent persons threatened with blindness, and of teaching trades and occupations to blind persons, designed to enable them to find employment, and to assist them in becoming self-supporting.

5. Acceptance and investigation of applications for enrollment of boys in the Civilian Conservation Corps, and determination of eligibility for such enrollment according to the standards prescribed by that agency of the Federal Government; constant supervision of the relations between enrollees and their dependents.

6. Acceptance and investigation of applications for surplus commodities provided by the Federal Surplus Marketing Administration and distributed, under the supervision of the Department of Public Welfare, to persons found eligible by such investigation to receive such commodities, including applications of public schools for such commodities for use in providing free school lunches. Distribution of these commodities is supervised by the Department of Public Welfare which sponsors a WPA state-wide project for this purpose. Supervision of the Food Stamp Plan also is a function of the Department in those counties of the State where this plan has been put into operation—Columbia, Greenville, Spartanburg, and Charleston.

7. Acceptance and investigation of applications for WPA employment and referral to that agency of persons found eligible, according to WPA standard, for relief employment. This activity of the Department is carried on under a plan adopted at the request of the Governor, because the WPA had discontinued this work after June 30, 1940, and no provision for the service after that date had been made. Under this arrangement the Budget Commission is to recommend to the General Assembly in January that an appropriation be made to reimburse the Department of Public Welfare for amounts expended on this work.

8. Investigation and report in response to inquiries from other states concerning South Carolina citizens in those states
who are applying for relief and whom those states wish returned to South Carolina. This service is conducted under cooperative arrangements whereby other states render the same service to South Carolina.

9. Investigation and determination of the merits of organizations applying for charters as charitable corporations, no such charter to be issued except after such investigation and favorable recommendation by the Department of Public Welfare.

10. Investigation and report to the State Board of Health as to financial status of persons applying to that agency for free treatment of cancer.

11. Administration of miscellaneous activities under a provision (Section 8) that the Department "shall see that all laws are enforced for the protection and welfare of minors, the removal of moral menaces to the young, and to safeguard and promote the health, education, and general welfare of minors."

12. Paragraph 136, Section V, Volume One, and Paragraph 354(d), Section XXIII, Volume Three, of the Regulations issued by the President under the Selective Training and Service Act of Congress, provide specifically for assistance from local welfare departments to local selective service boards in making investigations and furnishing information necessary in classification of registrants and determination of dependency of persons whose support is given by a registrant as the basis for claiming deferred classifications.

(ADDENDA NO. 5)

STATE BOARD OF HEALTH

The total amount of Federal funds spent in South Carolina for public health activities since 1933 totals approximately $9,940,000. This includes funds allocated to the W. P. A. for malaria control and the construction of sanitary privies, as well as funds allocated directly to the State Board of Health for expansion of its other services.

With this aid from the Federal Government, the State Board of Health has been able in its efforts to control malaria to have 3,464 miles of ditches dug, draining 4,653 acres of water surface, and giving almost constant employment to an average of be-
between 1,000 and 8,000 men to examine 42,000 men, women and children in 21 counties for malaria, resulting in a reduction of malaria deaths from 208 in 1933 to 152 in 1939.

During this same period the State Board of Health was also able, under its community sanitation program, to construct 149,000 sanitary privies which materially reduced the hazard of typhoid fever and other intestinal-borne diseases.

Other services made possible to the people of South Carolina by Federal funds since 1933 include free treatment of more than 25,000 persons infected with syphilis, requiring 600,000 doses of medicine costing $113,896.50; hospitalization of 1,903 crippled children requiring a total of 70,855 hospital days; examination of 549,000 infants, preschool and school children public health doctors and nurses; admission to medical service of 44,000 prenatal patients who otherwise would have received no prenatal care; immunization of 120,000 children against diphtheria, 387,000 men, women, and children against smallpox, and 486,000 against typhoid fever.

These are only the major public health activities made possible with Federal funds. Numerous other activities, such as industrial hygiene, laboratory service, dental hygiene, inspections of food-handling establishments, hotels, dairies, schools, and other public places, together with vital statistics, maternal and child health, which are equally important in protecting the health and happiness of our people, have all been able to increase their programs of service throughout the State with the aid of Federal funds.

STATE OF SOUTH CAROLINA
PUBLIC SERVICE COMMISSION
COLUMBIA

Hon. Burnet R. Maybank,
Executive Offices—State House,
Columbia, S. C.

Dear Governor Maybank:

Complying with your request of yesterday that the Commission furnish you with a statement of the various freight rate reductions which the Commission has negotiated with the carriers
during the past year I am attaching hereto a detailed statement showing the major freight rate adjustments for that period.

During the calendar year of 1940 the Commission has had before it for consideration some 425 different adjustments suggesting changes in either the rate itself or classification changes which effected rate changes. All of these matters had the personal consideration of all members of the Commission. In addition the Commission promulgated an Order its Order No. 2527 prescribing uniform rates for all motor freight carriers for hire. This is the first time that rates have ever been prescribed by the Commission for motor carrier. However, the Commission made an intensive investigation of the motor freight rates over a period of some three years. It held some ten different conferences or hearings with the motor carriers in an effort to prescribe rates which would be beneficial alike to the motor carriers and shippers.

On the attached statement I have shown the principal freight rate reductions. Page 1 and page 1-A show major commodities on which the rates were reduced after handling by the Commission over a period of several months, held a number of hearings in connection with each commodity and either ordered into effect its own scale of rates or approved a scale which was agreed to between the principal shippers and the carriers.

As to the commodities shown on page No. 1 and 1-A the adjustments were initiated by the Commission and the savings shown opposite commodity is the actual savings based on the tonnage shipped during 1940 and will of course provide the same basis of savings on all future business in the same proportion. The first four items on these pages, sand, stone, gravel, colprovia, asphalt and liquid asphalt is particularly beneficial to the State Highway Department since that department is the state's largest consumer of those commodities. The total saving to the Highway Department on these commodities annually, based on the 1940 tonnage, is $81,836.38. Part of this saving, $63,836.38 is shown in the last annual report of the State Highway Department as of June 30, 1940, the additional $18,000.00 is estimated based on the tonnage which moved since that date. These commodities also move in large quantities to counties, cities and for building purposes and the same measure of saving is in effect on them to all points. Since we are unable to determine definitely
the tonnage which move for these purposes we cannot make an estimate as to the saving, although it is rather large.

On pages 2 and 3 of the attached statement we have shown various commodities on which the Commission has ordered reductions during the past year showing the percentage or reduction under the former rates and an estimated annual saving which we have made ultra-conservative. It is believed that the annual savings as to these commodities will be much more than we have estimated and that the reductions will tend to stimulate the movement of the commodities.

The commission is now engaged in a number of formal cases which are of vital interest to the State. Chief among these cases are the Livestock Case, the concluding hearing in which is now going on at Atlanta. If we win this case, and the Commission has every reason to believe that it will be won, the total annual saving to the livestock producers of South Carolina will, based on the number of cars shipped during 1940, be more than $75,000.00 and in addition will stimulate the production of livestock to such an extent that livestock may become South Carolina’s principal money crop. Another major case in which the Commission is now engaged is the Southern Governors’ Class Rate Case, ICC Docket No. 28310, 28300 which, as you know, is the case of the South in their effort to secure a rate parity with the North. Judging from the decision of the Interstate Commerce Commission in the Governors’ Commodity Rate Case we firmly believe that out of this proceeding the South will get reductions in their rates from the South to the North that will run into the big millions and in addition will enable the South for the first time to compete with the Northern manufacturers on an equal basis. We are also engaged in a general investigation of the rates on pulpwood from all sections of the State to the large paper mills at Georgetown, Hartsville and Charleston. We are asking a basis of rates on pulpwood which will enable the pulpwood people in all sections of the State to market their wood at our large paper mills, a scale which will enable the shipper in the Piedmont section to ship wood regularly and on an equitable basis as well as the shippers in the Low Country.

The Commission is now engaged in working out an adjustment in the rates on vegetables from South Carolina points to all points in the Official and Central Freight Association territories on the same basis as the rates put in last year to Eastern Port
Cities and New England Territory, that is 15%. In addition to providing a saving of some $75,000.00 to $100,000.00 on the basis of shipments made during 1940 to points in this additional territory the reduced rates will open up to our South Carolina vegetable growers such rich markets as Detroit, Chicago, St. Paul, Cleveland, Pittsburg, Buffalo, Indianapolis, Milwaukee and other points in that territory and will enable the vegetable growers to greatly expand their production.

The Commission has also intervened in the re-opened I & S Docket 3636, which is the case covering the rates of all textile products from the South to the North and East. Some hearings have been held in this case and it is expected that still others will be held within the next few months and if the position of the Southern interests are sustained by the Interstate Commerce Commission it will mean the savings of several hundred thousand dollars annually to the textile interests.

Summing up you will note that the savings on reductions shown on pages 1 and 1-A amount to a total of $527,037.31 annually and the savings which are conservatively estimated on pages 2 and 3 total $87,800.00, making a grand total of $614,837.31 for the calendar year of 1940.

I wish to apologize for the length of this report. It is rather hard to give you a clear picture without going somewhat into detail. I want also to express to you my personal appreciation and the appreciation of the Commission for your always wholehearted cooperation in the working out of the many rate adjustments which the Commission has handled and for your wise counsel and help in making it possible for South Carolina to participate in all of the major rate cases, particularly the Livestock Case and the Governors' Class Rate Case, which will mean so much to all of the citizens of our State.

Sincerely yours,

(S) H. A. MANNING,
Director of Rate Bureau.

Statement showing the major freight rate reductions ordered into effect by the Public Service Commission or obtained through the efforts of the Public Service Commission during the calendar year 1940:
Estimated
Annual
Saving
to S. C.

Commodity

Sand, stone and gravel, carloads, from to and between all points in the State. Highway Department the principal recipient of this saving; the annual reports show the saving to the Highway Department alone as $37,097.67—State total $49,463.23

Colprovia—a ready-mixed road-building and road-repairing material manufactured at Columbia and shipped to principal points in the State, including counties, cities and Highway Department. The total savings based on tonnage shipped 1940 $7,905.08

Asphalt, road-building material, carload, used principally by the Highway Department, counties and cities as road and street building, the total savings for the state based on the tonnage shipped during the calendar year 1940 $32,345.00

Liquid asphalt, carloads, used also in highway construction and used principally by the Highway Department in road and street construction. The total savings based on the tonnage shipped during 1940 for all purposes is $18,000.00

Vegetables: At the request of Governor Maybank, Commission undertook to secure for South Carolina vegetable producers the same as was granted to the Florida vegetable growers. As a result a 15% reduction was granted and made effective in May, 1940. Based on the total number of cars shipped during the year of 1940 the total savings to South Carolina growers $100,000.00

The Commission, at the request of Governor Maybank, started negotiations with the Southern Railroads to secure calculation of the $5.50 extra charge imposed on potatoes shipped in dry refrigerator cars. This charge had been in effect for 20 years and the Commission in informal handling with the railroads
Commodity

secured the cancellation effective June 14. This saving, based on 4,099 cars shipped in 1940, saved the potato growers of South Carolina, annually.................. 22,544.00

Flour, sago, tapioca, cassava and potato, carloads used by the textile industry, bleaching and finishing plants and based on the tonnage shipped during 1940
saved the textile industry annually.......................... 17,500.00

Cotton Factory products, unfinished cotton-piece goods carloads shipped from textile points to Charleston for export and for trans-shipment to the Pacific coast, saving..................... 15,000.00

Pecans, shelled and not shelled, carload and less carloads. This proposal originated in Georgia and the Commission, on behalf of South Carolina pecan industry intervened and asked the same basis to be made effective to Northern points. The reduction, based on 1940 shipments, saved South Carolina................ 5,500.00

As a result of the decision of the Interstate Commerce Commission in the North Carolina Class Rate Case all of the Southern Railroads after conferences with the various State Commissions agreed to reduce all class rates and all commodity rates made with relation to class rates for distances up to 190 miles by 8%. This Commission, active in this proposal, promptly approved the railroads application. The savings can only be estimated and a conservative estimate of the annual savings annually to South Carolina is... $ 30,000.00

As a result of many conferences between the Commissions and the railroads with the cotton factors the railroads have just made effective a new interstate and intrastate scale of rates on baled cotton applicable from, to and between all points in the State on a sliding scale beginning with less carload and with three minimum carload weights 15,000 pounds, 25,000
Commodity

Estimated  
Annual  
Saving  
to S. C.

pounds and 50,000 pounds. The savings based on the 1940 movement will save South Carolina textile and cotton interests and will directly save the cotton farmers annually ............................ 25,000.00

Special rates were instituted and ordered or permitted by the Commission on sand, stone and gravel from various quarries to the Santee-Cooper project. From Blain, Rockton, Wateree, Wateree River, Beverley, Columbia and other quarries and based on the tonnage shipped the saving to the Santee-Cooper project were 32,500.00

Another adjustment which the Commission instituted on its own motion was the rates on pulverized or agricultural limestone such as is used for land-building purposes. This commodity is produced at two points in South Carolina and the reductions as made and based on the 1940 tonnage shipped will save farmers annually, on a very conservative estimate 15,000.00

On asbestos textile products shipped from Charleston and Georgetown, S. C., to all points in South Carolina, Commission ordered reductions of from 10% to 30%, making the rates on a uniform basis. The annual saving is estimated at 5,000.00

As a result of a recent investigation into the rates on fuel oil and gasoline shipped from Charleston to Fort Jackson, S. C., the Commission required a reduction to a basis of the Columbia rate. The reduction amounted to $72.00 per car and based on the average of one car daily will save the Army at Fort Jackson annually on gasoline and fuel oil alone 26,280.00

Effective September 1, 1940, the railroads voluntarily reduced the classification rating on some 3,500 different commodities. The reductions ranged from 10% to 30% and it is practically impossible to get any definite idea as to what this gigantic reduction
Commodity actually amounts to in South Carolina. However, the carriers in handling the matter with the Commission, estimate the saving to South Carolina alone will amount to an annual saving of $125,000.00

List of some of the principal commodities on which the Public Service Commission has permitted or required reductions in rates during the calendar year of 1940. The following list shows the commodity, the percentage of reduction and the estimated annual saving to shippers or receivers in the State.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Percentage</th>
<th>Estimated Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheese, Carload and Less</td>
<td>10%</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Cotton Bags, Less Carload</td>
<td>10%</td>
<td>500.00</td>
</tr>
<tr>
<td>Rayon Fibre and Yarn, CL &amp; LCL</td>
<td>8%</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Beer and Ale, Carload</td>
<td>5%</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Cotton Bale Covering, CL &amp; LCL</td>
<td>10%</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Macaroni and Spaghetti, Carload</td>
<td>10%</td>
<td>500.00</td>
</tr>
<tr>
<td>Glass, Window, CL &amp; LCL</td>
<td>10%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Textile Machinery, LCL</td>
<td>10%</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Beans and Peas, Dry</td>
<td>10%</td>
<td>8,000.00</td>
</tr>
<tr>
<td>Paper and Pulpboard, LCL</td>
<td>10%</td>
<td>7,500.00</td>
</tr>
<tr>
<td>Cotton Piece Goods (to Lyman and Travelers Rest)</td>
<td>6%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Gravel (Ingleside to St. Stephens)</td>
<td>15%</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Flour, Charleston to Columbia</td>
<td>30%</td>
<td>3,500.00</td>
</tr>
<tr>
<td>Fertilizer Materials</td>
<td>10%</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Oleomargarine</td>
<td>15%</td>
<td>500.00</td>
</tr>
<tr>
<td>Brick (Bluebrick to Charleston)</td>
<td>25%</td>
<td>4,000.00</td>
</tr>
<tr>
<td>Coca Bean Waste or Refuse</td>
<td>10%</td>
<td>500.00</td>
</tr>
<tr>
<td>Cotton Piece Goods (to Ware Shoals From Various Points)</td>
<td>10%</td>
<td>3,500.00</td>
</tr>
<tr>
<td>Commodity</td>
<td>Percentage Reduction</td>
<td>Annual Saving</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Ice—For Vegetable Loading From (Charleston to Lobeco and Dale)</td>
<td>50%</td>
<td>7,500.00</td>
</tr>
<tr>
<td>Spices, LCL</td>
<td>10%</td>
<td>500.00</td>
</tr>
<tr>
<td>Cotton Piece Goods (Columbia to Lyman, S. C.)</td>
<td>20%</td>
<td>3,500.00</td>
</tr>
<tr>
<td>Tar and Pitch, CL</td>
<td>10%</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Logs, CL</td>
<td>10%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Pulpboard, Charleston and Georgetown (to all S. C. Points)</td>
<td>15%</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Cotton Softner Compound, LCL</td>
<td>5%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Cotton Fabrics, Hartsville, S. C. (to Langley and Clearwater, S. C.)</td>
<td>30%</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Wrapping Paper and Pulpboard (From Hartsville, S. C., to S. C. Points)</td>
<td>8%</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Lime, Carloads</td>
<td>14%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Canned Goods (From Columbia to S. C. Points)</td>
<td>18%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Liquors and Wines, CL</td>
<td>9%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Bags, Old Empty Returned, LCL</td>
<td>12%</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Roofing and Building Materials</td>
<td>5%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Roofing Tile, CL</td>
<td>10%</td>
<td>500.00</td>
</tr>
<tr>
<td>Carpets and Carpeting</td>
<td>10%</td>
<td>500.00</td>
</tr>
<tr>
<td>Peanut Feed, CL &amp; LCL</td>
<td>11%</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Box and Crate Materials</td>
<td>10%</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Wheat Brans, CL</td>
<td>10%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Cotton Cloth Meat Wrappers</td>
<td>10%</td>
<td>500.00</td>
</tr>
<tr>
<td>Food Preparations</td>
<td>10%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Ice Cream Coating, CL &amp; LCL</td>
<td>20%</td>
<td>500.00</td>
</tr>
<tr>
<td>High Explosives</td>
<td>10%</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Terminal Switching on High Explosives for U. S. Government</td>
<td>7%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Textolkin Cloth, CL &amp; LCL</td>
<td>10%</td>
<td>500.00</td>
</tr>
<tr>
<td>Textile Machinery, LCL (From Spartanburg to Various)</td>
<td>15%</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Fibreboard Boxes</td>
<td>10%</td>
<td>1,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$87,800.00</strong></td>
</tr>
<tr>
<td><strong>Grand Total Pages 1-A, 2 and 3</strong></td>
<td></td>
<td><strong>$614,737.31</strong></td>
</tr>
</tbody>
</table>
FORESTRY

An agriculture changing from cotton to small grains and pasture with consequent reduced labor requirements must mean an increase in unemployment.

It is essential that wood using industries be increased in order to utilize that labor and in order that wood using industries (some of which are already considering locations in South Carolina) be assured of a constant supply of raw materials, it is recommended that increased effort be put forward to the end that forest fires be eliminated and improved forestry practices applied on the woodlands.

Approximately a million acres of forest land were newly placed under protection during the past fiscal year in four counties. 20,000,000 forest tree seedlings were planted and the demand for information on handling woodlands is far beyond the ability of the State Commission of Forestry to handle. Over half the forest land of our State is now under some form of protection but State-wide protection is really needed.

This is largely a matter of education which is proceeding satisfactorily with the funds available but not in a measure comparable to the magnitude of the job.

South Carolinians must seek forestry education at schools in other States and it is recommended that serious consideration be given to the establishment of a forest school in our own State.

STATE PARKS

South Carolina State Parks continue to increase in popularity and interest. Attendance in June and July of 1940 was close to the total attendance for the entire fiscal year preceding.

A request for camping facilities for 1,000 Boy Scouts from all over the United States upon a South Carolina State Park is indicative of the possibilities for the attraction of tourists that exists within such areas. Hundreds of thousands of dollars can be attracted to our State if we properly develop and operate our scenic areas.

Land and improvements valued at close to four million dollars have come into the possession of the State with practically no expenditure on our part.
However, as the development is completed the responsibility for operation falls upon our shoulders and adequate provisions should be made for the protection of this investment.

Close to six hundred thousand people visited our State Parks last year and close to three quarters of a million will visit them this year.

State Parks have an intimate bearing on our forestry program through demonstrations in forestry work and increasing interest in tree growth.

State Parks have come to be considered an integral part of State Government from the educational and recreational standpoint and everything practical should be done to see that the standards of operation are not lowered.

PARDONS AND PAROLES ISSUED BY GOVERNOR BURNET R. MAYBANK

Charlie Aiken—Pardon—To Restore Citizenship
Hamp Batt—Pardon—For Protecting Guards
Neill Berry—Pardon—To Restore Citizenship
John D. Boyd—Pardon—To Restore Citizenship
Carl Dent—Pardon—To Restore Citizenship
David Edgeworth—Pardon—To Restore Citizenship
B. B. Ferguson, Jr.—Pardon—To Restore Citizenship
T. K. Fletcher—Pardon—To Restore Citizenship
Dr. W. S. Lynch—Parole—During Good Behavior
Henry Rowell—Pardon—To Restore Citizenship
Frank Shuler—Pardon To Restore Citizenship
James Turner—Pardon—To Restore Citizenship
Tom Whittley—Pardon— To Restore Citizenship

For the Period, 1939-40.

MONTHLY REPORT OF GOVERNOR'S OFFICER

Summary of work under Governor Maybank beginning January 17, 1939 and ending December 31, 1940.

(This report, and Gas Mileage Report, must accompany monthly expense account, and reach the Chiefs' Office not later than the second of each month.)
Number of stills destroyed, 4,426
Gallons of whiskey destroyed, 33,288
Gallons of Mash (still beer) destroyed, 1,750,490
Automobiles confiscated, 427
Punch Boards seized, 380
Slot Machines seized, 719
Number of arrests, 6,208

J. H. JEANES,
Chief Governor’s Officer.