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ANNUAL MESSAGE  
*of*  
I. C. BLACKWOOD  
GOVERNOR

To the General Assembly  
of South Carolina



Regular Session, Beginning January 12, 1932

PRINTED UNDER THE DIRECTION OF THE  
JOINT COMMITTEE ON PRINTING  
GENERAL ASSEMBLY OF SOUTH CAROLINA

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STATE OF SOUTH CAROLINA  
EXECUTIVE CHAMBER  
COLUMBIA

*Gentlemen of the General Assembly:*

In recognition of the obligation imposed by the Constitution of the State and in conformity with time honored procedure, I submit my annual message as Governor of South Carolina. You have just commenced what will probably be one of the most difficult and important sessions of the General Assembly ever held in this State. You are confronted by difficult situations that have been in process of formation for a number of years. You will find it necessary to treat the State for past ills and present afflictions while you make more secure the conditions that must control the future. The present task will exact of you patient thought and charitable sympathy.

The purpose that prompts us should be that of working and thinking together with our fellow members and our official leaders for the best interest of South Carolina and her people. Whatever is done for the best interest of the people will be for the best interest of the State. At this particular time, we have arrived at a most critical juncture in our economic concerns. The people of our State are burdened by taxes and depressed by general conditions. The standard of wages and living has been lowered and we are afflicted by many factors and agencies that we do not entirely understand. However, our soil responds readily to the production of abundant crops and our people, with a smile, seek remunerative employment that they cannot find, in an effort to earn sufficient money with which to buy and possess the ordinary necessities of life. It will be necessary for us, in dealing with this serious situation, to dismiss from our thoughts and motives all personal, political and partisan sentiment that would hinder us in harmonizing our efforts for the common good. If we, as South Carolinians representing South Carolina, will commandeer the resources of thought and power that are at our disposal, submerging other purposes and designs, we can weather the storm and emerge from our apparently overwhelming difficulties a stronger and happier people and enjoy the assurance that South Carolina is a greater State and more

secure in her fundamental wealth and grandeur. If we approach this trying situation with divergent and uncompromising opinions, we shall experience an unhappy and fruitless session of the General Assembly, and shall not face this hour of opportunity and duty with the courage and heroism that should be expected of worthy South Carolinians. With thousands of people clamoring for an opportunity to earn an honest living and with a multitude of boys and girls looking to the State for educational advantages and with all the complex problems that have become entangled about our social, spiritual and economic life, we cannot afford to trifle with our serious opportunities to contribute to the relief of an embarrassed and depressed commonwealth.

First, we should resort to all the means that we have in hand to bring about reasonable reductions in public expenditures. We should omit no wise effort immediately to put our governmental house in order. It is my judgment that the members of this General Assembly are largely in accord in respect to this important matter. We may reasonably hope, by determined effort, to relieve the present situation to some extent by immediate reductions of public expenditures and the elimination of worthless functions. Our greater hope, however, is to be found in correcting our operating methods so as to render it impossible to repeat the mistakes of the past and to make secure our future progress.

### AGRICULTURAL RELIEF

For many years South Carolina has enjoyed the distinction of being an agricultural State and, when agriculture suffers, the entire citizenship must necessarily experience a depression. As rapidly as we can recover from our erroneous methods of the past and, by thrift and better business, accumulate a surplus, such surplus should be applied to the relief of taxes upon real estate until the levy against such property has been completely retired.

The goal that should be kept constantly before us is the abolition of tax upon farms and homes.

We should rally to the support and promotion of the program and enterprises fostered by the Natural Resources Commission. In this claim for the superiority of South Carolina vegetables,

fruits and dairy products in their iodine content lies much hope for our State and, when the clouds have lifted, this will be one of the brightest spots in our economic history. I commend to your consideration the work which has been accomplished and the progress which has been made by this Commission, with the promise held out to the agriculture of the State by its program. In a time of world depression, national attention has been focused upon South Carolina as upon no other State, and it is significant that during the past year several concerns of national importance have taken definite steps toward developments here.

The findings of the State's Food Research Laboratory have been acknowledged and accepted by the highest authorities, and the fame of our food products has gone abroad and is spreading throughout the country. The significance of the movement is far greater than may be measured by the establishment in South Carolina of food processing plants. These enterprises are looking this way because they are assured of something in our products which it has not been demonstrated is elsewhere in such large degree, and the vital importance of the development is the meaning which it has for a new agriculture not dependent upon cotton, and the building up of a great live stock and dairying industry.

#### COTTON RECEIPTS AS PUBLIC SECURITY

The law relating to the deposit of State funds requires that all such funds deposited by the State Treasurer shall be secured and that the depository bank may furnish as security for the deposit surety bonds, United States government bonds, Federal Land Bank bonds, Joint Stock Land Bank bonds, bonds or other obligations of the State of South Carolina or any political subdivision thereof. During these times of financial stress and strain, it should be comforting to the taxpayers to know that all State funds deposited in banks are secured as required by law. In my opinion, this law should be amended so as to provide for the acceptance by the State Treasurer of any note or other obligation which is secured by receipts for cotton stored in a bonded warehouse.

It may be well to require that, in the case of acceptance of notes or other obligations secured by cotton warehouse receipts, the State Treasurer shall at all times require a margin of fifteen

(15%) percent. above the market price of cotton. Enactment of this proposed law would bring immediate benefits to the farmers of the State in that it would enable them to finance their operations without being forced to sell their cotton regardless of price. In addition to the direct and immediate benefits offered to the farmers, the State as a whole would be generally benefitted by this law. The banks of the State receiving State funds for deposit would not have to buy bonds in New York or other foreign markets to secure the deposits, but, in my opinion, they could and would purchase bonded warehouse cotton receipts and thereby the money involved in such a security transaction would be kept at home.

I urge and recommend to the General Assembly the passage of the law making bonded warehouse receipts preferential collateral for the deposits of State funds.

### COTTON REDUCTION LEGISLATION

Pursuant to the steps already taken at the recent Special Session of the General Assembly and in view of the action of other states in passing or expressing their firm intent to pass cotton reduction measures, I would earnestly urge the passage of such a Bill as will be in substantial conformity with the plan adopted by Texas, Mississippi and Arkansas. This will be consistent with our effort to procure cotton legislation in all of the cotton growing states. We need not to be told further that the one crop plan of growing cotton is a failure. When the price is up, boll weevil and other agencies reduce our production and, when production is successful, the price is lower than the cost of production. When we make a good crop, we almost wish that we had the boll weevil and it has been our recent experience that some calamity, such as the boll weevil or adverse seasons, is necessary for us to hope for a fair price. So why not take the situation in hand and regulate production and have a hand in controlling the price?

Reason as we may concerning cotton agriculture, we can never escape the conclusion that we must regulate production in order to hope for a reasonable degree of prosperity. We have abundant power reserved unto us by the Federal and State Constitutions whereby we may regulate our serious affairs and, if we do not employ these privileges intelligently when the neces-

sity and opportunity demand, we will become a weak and helpless people by virtue of our inaction. If we decline to regulate our own affairs, we cannot complain when others regulate them to our disadvantage.

### EARLY PASSAGE OF APPROPRIATION BILL

I would respectfully urge the passage of the Appropriation Bill at the earliest possible day during the early part of the present session of the General Assembly and, with it, the local County Supply Bills. This is desirable from many points of view, not the least of which is to abbreviate the session within the forty day limitation. A lengthy session of the General Assembly has always been productive of impatient criticism and apprehension from the public and, for the general welfare, it is seriously important that the present session be not extended beyond the fixed time for adjournment. There are other good reasons for the early passage of these Bills. It will afford an opportunity to take care of emergencies that might result from omissions and inadvertences, whereas, it often happens that these circumstances are discovered at the close of a session, wherein the Supply Bills were passed during the closing hours of the Legislature, when it is too late for correction.

### THE STATE DEFICIT

It matters not how great may be the wealth of a State fundamentally, it will find it necessary from time to time to negotiate temporary loans to meet unforeseen emergencies and for the purpose of financing the State, it is exceedingly important to be clear of a deficit. We have a deficit of \$5,000,000.00 that was accumulated over a period of years before the beginning of this administration. With other responsibilities, we accept the duty of ridding the State of this deficit. We need not hesitate to debate the wisdom of creating the deficit for it in reality exists and must be discharged to protect the honor and credit of the State. We could not avoid paying it if we had a desire so to do and there will, under no circumstances, ever be a time when it will not appear as a binding obligation upon the State until it is discharged. To permit it to continue in its glaring form and present itself at the threshold of every financial negotiation

on behalf of the State will, in the course of a few years, cost the State by way of excessive interest charges and other financial disadvantages, millions of dollars.

I find that, apart from Highway bonds and local County and School District obligations, the State is bonded in the sum of \$4,500,000.00 and this represents the State's capital debt. I am gratified by way of comparison to observe that South Carolina has a smaller capital debt than almost any of the states, and I would recommend that the deficit be bonded, the maturities of which shall begin not later than five years hence and extend over a period of ten years, thus avoiding the necessity of increasing the tax burden for the immediately succeeding five years and distributing it over a period of ten years thereafter and, in that event, I would suggest that the strictest possible legislation be had to prevent the repetition or the existence of a future deficit. It is impossible for intelligent economy and a deficit to exist in the same governmental dwelling. South Carolina, notwithstanding her necessity to economize and resort to wise business methods, is in as sound a financial condition fundamentally as any State in the Union and, when her entangled status is smoothed out and her erroneous methods adjusted, there will be no just reason for serious apprehension concerning her credit.

### THE FISCAL YEAR

I would recommend a change of the fiscal year from January 1st to July 1st and such auxiliary enactments as may be necessary to conform to the change. This will render it possible and comparatively easy to enact laws regulating the school system and other departments of the State without the imposition of hardship.

### DISCOUNT AND INSTALMENT TAX PAYMENTS

Everything within the range of possibility should be done to encourage taxpayers and I therefore recommend a liberal premium or discount to such taxpayers as make advance payments and would also recommend that the taxpayers be permitted to pay their taxes in four different instalments and that no extension of time for the payment of taxes be permitted with-

out penalty, for this habit and method have greatly demoralized the revenue system of the State.

### STATE CONTROL OF LOCAL BOND ISSUES

I would repeat the recommendation, submitted to the General Assembly of 1931 in my Inaugural Address, that the State assume control of the issue and sale of bonds by subordinate units such as counties, townships, school districts and other divisions, and that the power be lodged with the Sinking Fund or some other group or combination of State officials to pass upon applications and requests for the issuance and sale of bonds and with the further power of compelling such counties, districts and municipalities to levy sufficient taxes to discharge the maturities with interest promptly. When once this system has begun to function properly, it will result in the saving of millions of dollars to the various local communities and will reflect itself in a direct saving to the taxpayers of such communities. The people of the various communities have a right to this protection and the State, as the mother of subordinate divisions, has the right and the duty to see that the credit of the State is not impaired and that the taxpayers of the communities are not imposed upon by ill-advised bond issues and improvident financing. Local pride in self-government should yield to this wise provision and it should become easy to pass this Bill.

### PUBLIC SCHOOL ECONOMY

There is such diversity of opinion concerning our public school system that I would respectfully recommend the enactment of any legislation that will effect an economy without materially injuring or destroying our present system. The State has permitted various school districts to increase their expenditures by leaps and bounds in their ambitious programs to have fine school structures and large attendance sheets and this feature, with salaries and transportation, largely constitute the field of possibility for such economy as may be effected in the public school system.

There is a growing sentiment favoring the proposition of having the State take over the public schools entirely and assume the responsibility and the authority of operating them. This,

in my opinion, involves the necessity of considerable preliminary work and could not be wisely undertaken without mature thought and preparation. In any event, it could not be practicably accomplished before the 1933 session of the General Assembly.

The public school system is an institution that means much to the people of all classes in South Carolina and will perhaps be the greatest influence in the building up and rehabilitation of home life and home sentiment. The decadence of our home virtues will strike a terrific blow at the foundations of our social structure and I urge upon you, with great earnestness, the importance of safeguarding our system of common school education. I recognize that it is most desirable that all possible economy may be exercised in your school legislation and see a prospect of effecting a large saving without inflicting material injury to the efficiency of the system.

### THE HIGHWAY DEPARTMENT

The State Highway Department, under the State Highway Commission, is doing a fine work in the construction and maintenance of the State Highway System. The administrative, business, and financial affairs of the Department are handled with honesty, economy and efficiency. Remarkable progress has been made in the construction of the Highway System since 1929, at which time was enacted the Highway Bond law providing for the issuance of bonds. The amount of obligations that can be issued is based upon the sufficiency of the gasoline tax and the motor vehicle license tax and authority for the determination of the amount of bonds to be issued rests upon the State Highway Commission, the State Treasurer and the Governor. Suggestions have been made proposing further restriction upon the issuance of bonds and changes in the organization of the Commission and the Department but I do not believe that these suggestions are for the public good. On account of reduced construction cost, it now appears that the Highway System can be substantially completed by the issuance of not more than \$45,000,000.00 of bonds, and should it later appear that it can be completed for less, the issuance of bonds will be kept within the amount determined to be necessary to complete the system. This condition obviates the necessity for any legislation limiting the amount of bonds restricting the Highway program. The High-

way System must be completed ultimately as a matter of public necessity, and as a question of fairness among the counties and sections of the State.

There has been for some time a growing sentiment for the idea of placing all county roads under the State Highway Department. It can hardly be questioned that the county roads could be constructed and maintained by the Highway Department for considerably less money than is being used for this purpose by the 46 county units, but the transfer of this activity and financial burden from the counties to the State should not be hastily considered. An engineering survey, reporting the mileage and cost by counties, would be an essential prerequisite to the adoption of such a plan. The State system, as now established by law, should first be completed and, when this is done, the State will be in position to take over a secondary system of county roads.

## WORKMEN'S COMPENSATION

For several years South Carolina has made a gesture toward the enactment of a Workmen's Compensation Act. This State is one of the four remaining States in the Union that have not enacted this law. South Carolina is an important and appropriate field for the operation of this law. Our State is becoming more complex in the relationships of its people each year and, for the purpose of promoting good will and confidence between employers and employees and further for the purpose of accelerating the settlement of claims for injuries and grievances, it is important that this measure be adopted.

I quote from my Inaugural Address of 1931:

"I would recommend to the favorable consideration of the General Assembly an Act providing for a fair and just Workmen's Compensation Law. I would, however, suggest that it be thoroughly studied and carefully considered before adoption so as to make it adaptable and workable under the diverse conditions that obtain in this State and which will be fair and equitable to both employer and employee. It is apparent that such a law would mutually promote the interest of employer and employee and work for harmony and good will. Toil is the destiny of the human race and those who engage in honest labor justly demand our respect and commendation, and the State could have

no higher interest than to contribute to the welfare, happiness and progress of the vast multitude of our fellow mortals who do their part of the work of the world and at the same time, in order that we may the more largely contribute to the working man's welfare, we must protect and encourage those institutions that furnish him employment. Just in this connection, I would suggest that the corporate interests of this State, particularly railroads and textile corporations, are being taxed to the limit of their endurance and that we should reckon carefully before imposing any additional burdens upon these two classes."

In those States where the Workmen's Compensation Act has been demonstrated, both employers and employees find that it works very satisfactorily. It is an important piece of legislation and should be speedily enacted in South Carolina.

### THE UNEMPLOYMENT PROBLEM

The State should lend its most earnest consideration to the adoption of ways and means to prevent unemployment among her people. No more pathetic situation can be experienced than for a vast number of our people who, from no fault of theirs, find it impossible to be honestly employed. Employment is not only a means of livelihood but it constitutes a large part of the happiness and contentment of the people who must gain a livelihood by labor. We could no more effectively exert ourselves in the suppression of crime and social disorders than by affording every honest individual within the borders of our State an opportunity to work.

I am pleased that I can report to the General Assembly that there is very much less suffering from the lack of employment than once I apprehended there would be. Our industrial and textile managers deserve commendation for the unselfish efforts that they have exerted in the interest of relief for the poor and unemployed. However, there is yet much to be done before we have a satisfactory situation in this respect. This constitutes a large and profitable field of endeavor for service. When other agencies concerned fail to create favorable conditions for the life and pursuit of so large a percentage of our people, the State should not hesitate to interfere. Just what may be done does not clearly appear but it is certain that the State should do all within its power to encourage those enterprises that employ people to work

and should likewise invite and encourage the establishment of new industries for the purpose of employing more labor and having more wealth to contribute to the payment of the tax burden of the people.

One thing is quite certain and that is that, if our people are to be employed, we must have industries to employ them and, if we are to have industries, we must maintain conditions that are advantageous to the operation of industries. I would suggest that the General Assembly seriously consider such possible tax exemption as may be extended to new developments of an industrial character to such extent and for such lengths of time as would be consistent with sound government. It will be one of the greatest stimulants that we could administer to our general ailment to be able to furnish wholesome and profitable employment to the thousands of our people who are clamoring in vain for an opportunity to perform honest labor. Direct charity or a dole is not desirable but the great field of future achievement for Congress and Legislative assemblies will be in the enhancement of conditions for individual members of society. It matters not how ingeniously we legislate to preserve and promote business and financial institutions, the Nation and the State will be a failure if we do not provide for the great multitude of individuals who perform the work and constitute an important factor in the volume of trade.

### BIENNIAL SESSIONS

As an aid to our general program of economy, I would recommend the ratification of the Constitutional Amendment authorizing Biennial Sessions of the General Assembly. The people of South Carolina have endorsed this proposition on several different occasions herebefore. Not only will it be in the interest of economy but it will be in the interest of peace and good will for the people to remain undisturbed by political agitation until they can become adjusted to the most recent legislation.

### PENAL AND CHARITABLE INSTITUTIONS

The penal and charitable institutions of this State have, as ever in the past, been engaged in the performance of a most difficult task. No greater charge can be committed to the hands of one

of our fellow-citizens than to make him the supervising custodian of our unfortunate friends, neighbors and loved ones who find it necessary, because they have been touched by mental affliction, to spend their days in the gloomy walls of confinement. No man or woman in this State is so circumstanced as to be immune from the prospect of having a member of his family or some of his near relatives or a representative from the circle of his warm personal friends to become an inmate of the State Hospital. I have had occasion to visit this Institution a number of times during the last few years and I have yet to leave this dreary habitation without becoming more solemnly impressed that the greatest mission that one can have, who enjoys health and happiness, is to administer to those who are afflicted.

Analogous to this situation is the State Penitentiary or the prison home of those who have been overtaken in crime and shame. The State is under great obligation to see that the wards of the State, both prisoners and inmates of the State Hospital, receive the greatest possible degree of charitable solicitude. We cannot escape the responsibility that comes to those of us who are strong to make life comfortable and tolerable for those who are weak. I would respectfully request that the members of the General Assembly visit our charitable and penal institutions generally and particularly the State Hospital and the Penitentiary. It will be a few hours well spent, if you will avail yourself of first hand information relative to these important institutions.

#### OTHER MESSAGES

I shall at some early subsequent date address the General Assembly on a number of other important features, among them being the banking situation generally and the features developed by the report of the South Carolina Power Rate Investigating Committee.

#### CONSTITUTIONAL AMENDMENTS

I would recommend that such Constitutional Amendments be proposed as will be necessary to rid the foregoing suggested legislation of any conflict with the Constitution as it now exists.

In conclusion, I appeal to the members of the General Assembly to lay aside every possible hindrance that we may assemble

ourselves on common ground in common thought and purpose to use all of our energy and ability to do great things for the State in her hour of affliction. Her afflictions are not incurable and do not present to her sons and worthy citizens an impossible task, but there is in this hour of necessity much opportunity for courageous endurance and heroic achievement. The South Carolinian who sulks in his tent or traffics in personal or political expediences at this hour should be known of all men as unworthy of public trust and public honor.