Carolina. Our loss of man hours by reason of industrial disputes in manufacturing enterprises during 1949, amounted to one ten-thousandth of 1% of the total man hours worked, a record which, I am told, is better than that of any state in the union.

Almost every week our people read in their papers that another industry has been established here, or is planning to establish here. The resurgent spirit of the South is finding full expression in South Carolina, evidenced by a new faith in the future which we are determined shall be ours.

As Governor, it has been my duty from time to time to make recommendations regarding measures which I thought would improve our state government and make it an instrument more serviceable to the people. Some 75 of the recommendations which I have made have been carried out. There are a number of other matters which I feel the General Assembly at this session should consider and take action on, and I wish to discuss them briefly with you.

The State Reorganization Commission has submitted a plan which combines eight state agencies handling the State's finance, property and personnel affairs into a State Budget and Control Board, and instituting central purchasing of supplies and equipment for state departments and institutions.

The new Board, composed of a majority of officers who
are elected state-wide, will amount to a department of finance. It should increase efficiency in the administration of fiscal affairs, and bring about substantial savings, especially through central purchasing.

In formulating this plan, which I hope will be immediately approved, the Commission has started at the core of the State government. This is the forerunner of other plans which are to be submitted to streamline our government in the interest of efficiency and economy.

In my Inaugural Address, I had this to say:

"Honest elections, expressing the will of the people at the ballot box, are the foundation of our representative form of government. The time has come when we should modernize our general election laws, and thereby encourage our people to take more interest in such elections. Our present system has served its purpose and outlived its usefulness. We should replace our present ten-year registration of qualified voters with a system of permanent registration. We should put into effect the Australian, or secret-type ballot in general elections. We should give those counties which wish to use voting machines the legal authority to do so. We should remove the poll tax as a qualification for voting. Capacity, in accordance with the other constitutional provisions, to exercise the right of franchise should be the only qualification of an elector. I recommend to the
General Assembly the passage of the constitutional and statutory changes required to accomplish these objectives."

The people are to vote next November on repealing the poll tax as a voting prerequisite. Your favorable consideration of the other recommendations is again urged.

In addition, we should without delay enact legislation regulating party primaries, and punishing fraud and corruption therein. The courts have held that our primaries are an integral part of the State's election machinery, and their honesty and fairness must be safeguarded as effectively as the general elections.

South Carolina has reached the highest level of educational opportunity in its history. Notable among advances have been the program of teacher certification and the adoption of the twelfth grade. As a result of the former, we have made rapid strides toward making teaching a preferred profession. As a result of the latter, we have made good progress toward adapting the school program to the needs of our youth.

Much remains to be done, however, to complete our educational program. The survey of public schools a year ago revealed a lack of organization which greatly limits educational opportunities in many communities. An unnecessarily large number of school districts, for example, complicates the problems both of administration
and of finance. We should bring about consolidation of school districts and better organization.

Many school districts are hard pressed to provide new buildings needed to meet greatly increased enrollments. The General Assembly should devise ways and means of providing state aid for school house construction to help solve this problem.

We now have the best teacher salary scale in the State's history. Nevertheless, our teachers are being attracted to other states and other callings by higher pay. The teacher shortage remains acute, and we must take steps to attract an adequate supply of trained teachers. It is vital to the efficiency of our educational system that teachers' salaries be made comparable with other states and other callings, and a further increase is necessary to do this.

The State appropriation for school transportation should be apportioned to counties on a formula basis, uniformly applied to all counties, with control left to county authorities.

We should provide teacher scholarships on a loan basis, expand in-service training, and restore sick leave for teachers. Free textbooks should be provided our school children, and our rural library service should be expanded. The Opportunity School has done a magnificent job in building good citizenship, and deserves full support. We should continue the development of our Area Trade School system.
inaugurated in 1947, which will give instruction to more than 2,700 persons by the end of the next fiscal year. It is meeting a vital need in our educational and industrial life.

To eliminate wasteful duplication of services, I again recommend that consideration be given to the coordination of educational programs and facilities of our State colleges.

Through the Southern Regional Education plan, we now provide training in medicine, dentistry, and veterinary science for our people, white and colored, where it was not available heretofore. Other essential courses will be added from time to time, and I strongly recommend that this program be continued.

In years past many of our people have felt that because of our unique problems in the South, we should seek financial aid from the Federal government in improving our standards of public education. We believed that the Federal government would aid needy states to provide educational opportunities without attempting to nationalize the public schools as the price of such assistance. In my Inaugural Address I advocated our support of Federal aid to education, on condition that control of our schools be left entirely in the hands of state and local authorities.

What is now transpiring in Washington has made it perfectly obvious that our assumption was wrong, and that not only will
Federal aid be dangerous to local control of our schools, but also that restrictions will be applied under which South Carolina cannot lawfully receive any such aid under the provisions of the State Constitution commanding separate schools for the races. We would have to pay our share as taxpayers, but could not get any of the money unless we repealed our State Constitution and laws requiring separation of the races.

We are all familiar with the advocacy by the present regime in Washington of programs which would violate the Constitution of the United States by giving the Federal government control over our elections, over our police, over employment, over local business, over separation of the races, over our National Guard, and over other matters in which the Constitution forbids Federal interference. Only recently we have seen what happened in the field of public housing. The political pressure of minority blocs has become so powerful that almost every Federal aid proposal in Congress is threatened with a provision withholding such aid where racial separation exists. Such a provision was defeated in Congress when the housing bill was passed at the last session, but subsequently a bureaucratic edict, inspired from the White House, withheld funds for housing in which racial separation prevailed, despite the refusal of Congress to enact such a condition.

Although the pending legislation for Federal aid to
education purports to safeguard local control of schools, we must not forget that one Congress cannot bind another, and that apparently the action of Congress does not bind the present executive in the allocation of Federal aid funds. Even if Congress should resist the pressure, everyone knows that the same executive fiat that was applied to housing aid will be applied to educational aid, and that it will not be given where separation of the races exists. And once the Federal camel gets his nose under the tent of public school education in this country, the day will not be distant when some bureaucrat in Washington will tell us who can attend our schools, who can teach in them, what books our children shall study, and what our children shall be taught.

Let us resolve to provide whatever is necessary to educate our children through the marshalling of our State resources behind our public school system, and keep that system free from Federal regimentation and the intermeddling of Federal bureaucrats.

Control of the liquor traffic has been a continuing problem. The liquor law passed and approved in 1935 amounted to a wide open liquor bill. It promoted nefarious practices and encouraged consumption. Under it, a liquor ring sprang up in South Carolina which commanded powerful political influence.

The 1935 liquor law permitted profits so fabulous and liquor dealers so prosperous that clean and honest government in South
Carolina was threatened. In my Inaugural Message I called on the General Assembly to join with me in cleaning up the abhorrent conditions that existed, and in removing this cancer from the body politic.

In response to this appeal, a portion of my six-point program was enacted. The graduated surtax on liquor dealers, passed in 1947, drastically reduced profits of the liquor traffic, and curbed the growth of the liquor ring. Consumption of liquor has decreased almost 50% since that time. This tax has been enacted from year to year, but should be made a permanent part of our statutes, and I so recommend.

Despite this tax, relatively large profits are still made from the sale of liquor, and the exemptions of $25,000 to wholesale dealers and $5,000 to retail dealers should be reduced 50%. This will decrease the number of stores in the State, and will also add more than one million dollars to the State's revenues.

Although liquor consumption has been decreased, liquor still remains a legal and moral problem of the first magnitude in South Carolina. Its evil effects may be seen on every hand -- in fatal accidents caused by excessive drinking, in numerous violations of the law including horrible sex crimes, in juvenile delinquency, and in broken homes. It would be a constructive step for the General Assembly to provide for an inquiry to determine the economic cost to our State...
from crime, poverty, and mental disorders resulting from the use of liquor.

Specific measures should be enacted, including the requirement that liquor dealers should devote their own time in their stores when open, the permanent revocation of licenses of dealers who are convicted of violating the law, and restrictions on display of alcoholic beverages in public view and the advertising of liquor.

Counties and municipalities which do not want liquor stores should be allowed to prohibit them, and I again recommend the adoption of a local option measure.

The working men and women in our State have made a splendid record of production. Our State has led the nation in industrial peace -- a magnificent contribution to our program of increasing the State's industries, employment and payrolls.

We have now passed an occupational disease compensation measure, as part of the Workmen's Compensation Law. Our textile workers enjoy the benefits of what amounts to a state wage and hour law. We should enact a State wage and hour law applicable to the thousands of business and industrial employees who are not employed in interstate commerce; we should modernize our laws on the hours of labor of women in mercantile and service establishments; we should provide an industrial safety program, including temperature and humidity
control in industrial plants; and we should create a committee representing labor, management and the public, to study labor-management problems arising from time to time.

Last year I recommended that study be made of the Workmen’s Compensation Law with a view of bringing about a reduction of rates charged by insurance companies and also of increasing statutory benefits provided injured workers under that law. It is gratifying to me that the committee set up by the General Assembly to study the problem of compensation insurance rates has worked on this important task with marked success. I feel that the final result will be highly beneficial to our industrial development. I again recommend that amendments be made to bring the compensation of disabled employees more in line with present day living costs.

Agriculture in South Carolina has made great strides in recent years. We were set back last year in some sections because of unfavorable weather conditions and boll weevil infestation. But this is only temporary. By reason of the progress we are making in diversification, especially with livestock, our farmers are attaining a better balanced income and a higher standard of living.

South Carolina farmers are successfully adjusting their operations to the use of machinery, new labor saving equipment and agricultural science. Our teachers of vocational agriculture and our
agricultural extension, research and regulatory workers are making a vital contribution to the State's agricultural progress, and their pay scale should be increased to a level more commensurate with their importance.

Continued support should be given the program for development and dissemination of high quality crop seed, including seed certification and the Foundation Seed Growers' Association. The availability and widespread use of high quality seed will add greatly to the income of our farmers.

More adequate soil testing laboratories should be provided, in order that farmers may have the basic information with which to more fully practice scientific management of the soil, which is our greatest natural resource.

Rather than abusing our land, we are taking better care of it. We are planting more cover crops and carrying out soil-building practices. South Carolina is getting green again, and our streams are returning to their natural color.

While we are well down the road of a balanced economy for our farmers, much remains to be done. South Carolina is an untapped market for a great volume of South Carolina farm products if our farmers diversify and produce them.

It may seem incredible, but it is true, that for our needs
in South Carolina we are importing 1 out of every 3 quarts of milk, 4 out of every 5 pounds of butter, 45% of the eggs, 30% of the pork and 33% of the beef we consume. I want to see our farmers supply this market and keep this money at home.

With our mild climate, long growing season, and year-round pastures, we are in a better position to produce these products than the states from which they are shipped.

The system of Farmers Markets should be rapidly expanded, not only by constructing new facilities but by coordinating our existing markets.

A well-balanced, prosperous agriculture, along with our growing industrial development, is moving South Carolina up the ladder of economic success and stability. Let's keep our state moving up that ladder.

Law abiding citizens of South Carolina can now go to bed at night knowing that when they wake in the morning they will not see, walking their streets, a hardened criminal given his freedom by the stroke of a Governor's pen.

Upon my recommendation the General Assembly submitted a constitutional amendment removing from the Governor's office the power of clemency except in capital cases. Our people promptly approved the amendment, knowing that thousands of murderers, robbers, burglars.
rapists, and thieves had been turned back on society by reason of corrupt political and financial influence. They all now know that they must earn their freedom by good behavior and that no undercover influence can swing the penitentiary door for them.

By putting an end to the pardon racket in South Carolina we have greatly strengthened respect for law, which is the bedrock of organized society.

We are improving our penal institutions in order that we may better care for prisoners and, wherever possible, rehabilitate them. Great progress has been made in our new penitentiary building program, and I urge that proper steps be taken to insure its successful conclusion.

The increasing number of sex crimes challenges our attention. I again recommend that a detention clinic be established in which sex criminals may be given medical attention leading to their cure, and that an adequate registration system be created for listing sexual offenders. We should not delay treating this problem in a straightforward and effective manner.

To further strengthen law enforcement in South Carolina I again urge the General Assembly to carry out my recommendation that a State Bureau of Investigation be created to take the place of the present Constabulary.
With the limited funds and personnel available to it, the Constabulary has done and is doing an outstanding law enforcement job. I call to your attention the annual report of the State Constabulary which shows the extent and thoroughness of the operation of this agency. Because of the magnitude of the problem, the constabulary force of 40 men must work in cooperation with the sheriff and local law enforcement officers in the various counties. From time to time special cases arise where it is necessary for State Officers to act independently, and they have not hesitated to do so. With rare exceptions, however, the State Constabulary, the Sheriff and the Chief of Police have worked as a team in law enforcement. I commend the Sheriffs and Chiefs of Police of our State for the splendid cooperation they have given the State Constabulary, and working together we shall continue to rigidly enforce the laws of our State, with the objective of bringing about the highest standards of law enforcement possible. No locality and no class shall be above the laws of South Carolina so long as I am Governor.

The creation of a State Bureau of Investigation in South Carolina along the lines of my recommendations, will be a forward step in dealing with what appears to be an ever present problem in crime and law violations.

Our natural resources form a major part of our total economy.
Only in recent years have we begun to appreciate fully the value of forests and forest products as an important source of income. Over a 10 year period cutting has exceeded growth by 10%. Our forest products industry cannot be maintained, much less expanded, unless we require better cutting practices, reduce fire losses, plant our 1,500,000 acres of unproductive forest land, and set up an educational program in forest conservation.

The state's program of seaport development has been an essential factor in our effort to interest industry and business in establishing new plants in South Carolina. This program should receive continued support in its growth and expansion, for it benefits every section of our state in its effect upon our transportation services.

The decline in our wildlife has reached alarming proportions, and our people are rightfully demanding a more efficient program of conservation. Our fisheries laws are badly in need of clarification and modernization. The pending game commission bill, backed by an overwhelming majority of those interested in the preservation of our game, should be immediately passed, as a practical means of saving and building up our wildlife.

South Carolina still lacks a program of water management, and our drainage laws need clarification and modernizing. Last summer I appointed a committee composed of representatives of the General
Assembly, the Soil Conservation Service, Clemson College, the Farm
Bureau and the Grange to study this problem and recommend adequate
legislation. This committee visited Louisiana and made a thorough
investigation of that State's modern water management system. They
also inspected a drainage project in Jasper County, South Carolina.
Their findings showed that new agricultural wealth is being created
from formerly idle land through proper drainage and management. I
recommend that a program of water management be instituted to increase
our agricultural resources by reclaiming many thousands of acres now
useless.

Our expenditures for public health have been increased
by nearly $1,000,000 in three years, and we have set aside more than
$6,000,000 since 1947 to aid counties in providing hospital and health
centers, bringing adequate medical care nearer the people.

We must continue to its conclusion the program of
enlarging and equipping the Medical College to increase the number of
doctors, nurses, and technicians it can educate. We now have only 1
doctor for every 1,659 persons, while the minimum should be 1 for
every 1,000. The new teaching hospital to be constructed soon will
help train more medical personnel, and will also provide for treatment
of unusual diseases for which facilities are not available in this
State today.

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Permanent improvements to the State Hospital plant are critically needed to enable that institution to perform its vital and humane work; clinical facilities for the treatment of alcohol and narcotics addicts should be provided; and it is imperative that a training school for feeble-minded Negroes be established.

In addition, I wish to renew my recommendations for the following: An increase in funds allocated for health work in the counties; a state-wide provision for county health departments and health boards; further reorganization of the State Board of Health to include representation of the public at large.

A long-range health program will contribute powerfully toward building a better state.

South Carolina is meeting its obligations to the needy and unfortunate as never before. However, more adequate appropriations are needed to provide a reasonable degree of security for these dependent citizens. Legislation should be enacted to provide better care and protection for orphan children, including regulation of child placing and adoption; proper standards for agencies charged with custody of children; and provision for regular inspection of custodial institutions. The duties and functions of the courts in South Carolina should be clarified in relation to their specific jurisdiction over children. The statute permitting parents to dispose of the custody and tuition
of their children by deed or will should be repealed.

The development of more and cheaper public and private power, rural electrification, and rural telephone service should be encouraged with every means at the State's command. Every part of our State should have the benefit of these facilities.

South Carolina is proud of her road system. During the past 3 years, we have paved 3,912 miles of roads, of which 3,645 miles are rural roads, over 90% of the total paved. The most urgent highway need today is to speed up the farm-to-market road program. Our farmers need these roads now, and they should not be forced to wait.

I am glad to report that we have reduced our traffic death rate by approximately 35% in the past 3 years. Traffic accidents still take a death toll of more than 500 South Carolinians a year, and every effort should be made to extend our safety program.

Stability, efficiency, and fairness in State government will be strongly served by the enactment of a merit personnel system. A committee representing the State employees and the general public has prepared a merit personnel bill, and I urge you to give this highly important matter your prompt attention.

As I have repeatedly recommended, women should be permitted to serve on juries in this State and in more positions of
importance in government. The wholesome influence of our good
women in public service will have a salutary effect on our progress.

Our Sinking Fund public insurance program would be
greatly improved by amending the law to provide for more adequate
protection for public buildings, by adding "extended coverage,"
to modernize this service.

We should eliminate the present undemocratic and
wasteful system of county government, and restore home rule to the
counties. In 1949, the General Assembly enacted 633, or 88% purely
local measures, as compared to only 88, or 12%, state-wide acts.
The State Legislature should be freed from the burden of enacting
purely local laws, to bring about shorter legislative sessions and
more efficient State and County government.

At my request, a committee representing our various
veterans' organizations has studied the need for veterans' legislation
and made the following recommendations: Continued appropriation of
$15,000 to aid service organizations in their work with veterans and
their dependents in the preparation of benefit claims; and secondly,
exemption from automobile property and license taxes of veterans who
have lost one leg or the use of one leg. These modest requests would
be an expression of gratitude to those who have given so much to their
country.
The National Guard strength for the entire United States is 399,500 officers and men, of which South Carolina has been allotted 12,445 for Army National Guard and Air National Guard. All units allotted us have been activated, and now aggregate about 10,000 men. Our National Guard is the first line of defense for the State. Full support should be given it.

At a time when disaster in the form of atomic or biological warfare may strike any community without warning, it is the clear responsibility of our State to cooperate in providing a civil defense organization which can be mobilized in an emergency.

Some months ago, I requested the South Carolina Adjutant General to assume temporary responsibility for civil defense planning. More recently, I conferred with the 3rd Army Commanding General. Subsequently, a conference was held in the Governor's office with the Commanding Officer of the South Carolina Military District and the Adjutant General. All present concurred that the Adjutant General should head the civil defense activities of the State, and he will present a bill for your consideration authorizing an adequate civil defense set-up. I hope the General Assembly will take prompt action on this important legislation.

Equalization of freight rates and removal of the South's 39% handicap in competing with Northern shippers has been a primary
objective of the Southern Governors' Conference through its Freight Rate Committee, of which I served as Chairman for two years. The last major obstacle to rate equality was removed recently when the Interstate Commerce Commission refused to permit Western railroads to reopen the entire case. The road to equal rates is now open, and as Chairman of the Southern Governors' Conference this year, I shall leave no stone unturned in bringing the matter to a successful conclusion.

Since I have been Governor, South Carolina has operated on a balanced budget, accumulating surpluses annually.

Out of surplus funds, $9,800,000 has been set aside to pay off the entire general debt of the State. To our institutions of higher learning we have allotted $8,800,000 for plant improvement. $4,837,000 has gone to penal and welfare institutions for permanent additions to facilities. $6,244,000 has been appropriated to the counties for construction of hospitals and health centers and to permit reduction in county tax levies.

On June 30, 1949, there remained in the General Fund a surplus of $3,922,000. The State now owes no money not covered by funds laid aside to pay it, except some highway obligations, to which the gasoline tax is pledged and will pay. Our credit rating in financial circles has been raised to the unusually high level of
Double A (Aa), and no state has made more progress in this respect. Our State Government rests on a sound fiscal policy. We must keep it that way.

While we in South Carolina have followed the principle that government must operate on a balanced budget, the Federal government has taken a different course. Although the Second World War ended over four years ago, the Federal operating deficit this year is estimated at more than five and one-half billion dollars, and another huge deficit is blandly recommended for the coming year. With our people already overburdened with taxes, more and more programs are proposed by an administration already operating the government "in the red." Special excise taxes levied as war revenue measures still remain in force. There is small wonder that so many of our people are viewing with increasing alarm what is going on in Washington.

We may as well face the facts of life. The idea that money which comes from Washington costs us nothing must be exploded. The money the Federal government spends comes from the pockets of the taxpayers of South Carolina, just as does the money we spend for State and local government. In one year, the federal taxes collected in South Carolina amount to approximately three times the total of our general appropriations for State government, including the amounts sent to the counties by the State.

With the federal government strained to provide for the