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# FOIA MARKER

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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Backup Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13657  
**Folder ID Number:** 13657-005

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**Folder Title:**  
South Carolina General Assembly 2/17/89 [OA 6853] [2]

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| Stack:   | Row:      | Section:  | Shelf:   | Position: |
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2/9/89

## TALKING POINTS

### DRUGS

The President has proposed nearly \$1 billion in new outlays for anti-drug efforts -- a 21% increase over FY 89, and a nearly 50% increase over FY 88. The President is committed to ending drug abuse in America; the policy of his Administration is "zero tolerance."

1. The President's anti-drug program is based on four strategies for which the President is requesting a total of \$6.0 billion in budget authority for 1990:
  - o Education: Fundamentally, the problem is demand, and the demand must be stopped. Education of our children about the dangers of drugs must begin early and continue through college. An increase of 16% in Federal support for anti-drug education is proposed.
  - o Treatment: The President's goal is to reclaim lives, not abandon them. The Administration proposes an increase of 18% vs. FY 1989 for treatment programs.
  - o Interdiction and Enforcement: The President is committed to stopping drugs at the source -- internationally, at U.S. borders, and among drug cartels and drug runners. Funding for interdiction and enforcement measures is increased by 10% over FY 1989. This effort includes strengthened interdiction and inspections efforts for Coast Guard, Drug Enforcement Administration, Customs, and more prison space to keep drug criminals off the streets.
  - o Stronger Drug Penalties: The President is committed to strict enforcement of tough penalties for drug users and traffickers -- the death penalty for those who commit drug-related murders, and longer prison sentences.
2. The Administration's crack-down on drugs is part of an aggressive commitment to law enforcement. The Administration is requesting an 11% increase in the budget authority for law enforcement, above and beyond the increases for combatting drug-related crime.
3. The President will work with his designated Director of the Office of National Drug Control Policy, Bill Bennett. Upon confirmation he will develop a national anti-drug strategy, and help assure that the President's programs are successfully implemented.

2/9/89

## TALKING POINTS

### ENVIRONMENT

The President proposed a vigorous nine-part agenda for protecting the environment.

1. Strengthening our Commitment to Cleaner Air.

- o The President will propose legislation to reauthorize the Clean Air Act, ensuring progress toward meeting air quality standards in the Nation's major cities.
- o The Administration will ask Congress to establish an acid rain program that will obtain significant SO<sub>2</sub> and NO<sub>x</sub> emission reductions, balancing competing interests, by specified dates.
- o The President will work to achieve the worldwide ratification of the historic Montreal Protocol.

2. Preserving and Expanding Recreation Lands.

- o The President proposes funding to buy land for parks and protected areas; his request is for the FY89 level of \$206 million, beginning in 1990 and continuing through the outyears.

3. Developing Offshore Oil and Gas While Protecting the Environment:  
The President believes that oil and gas development of America's offshore areas is necessary, however, drilling will be permitted only in an environmentally sound manner.

- o The President will direct that an interagency task force be established to review environmental concerns over adverse impacts of sales in three environmentally sensitive areas. By January 1, 1990, the task force will report its recommendations concerning:
  - sale area #91 off northern California;
  - sale area #116 off southern Florida; and
  - sale area #95 off southern California.

Until that time these sales will be postponed.

4. Speeding Hazardous Waste Cleanup: The President will reinvigorate the Superfund hazardous waste program by directing EPA to take a number of actions.

- o Use its judicial enforcement authorities to collect triple damages from polluters unwilling to clean up their wastes.
- o Pursue more cost recovery cases sooner.
- o Use its emergency cleanup authority more often.

5. Fighting Ocean Pollution: The President is committed to clean oceans.
  - o The President will direct EPA to negotiate quickly compliance agreements with existing dumpers to end ocean dumping by the end of 1991.
  - o The FBI and EPA will be instructed to pursue criminal actions against illegal dumpers of medical wastes and EPA will be directed to issue major fines against ocean discharge permit violators.
6. Preserving Our Wetlands: America must better protect its wetlands, which are now recognized as being among the most productive ecological systems.
  - o The President will immediately establish a wetlands task force under the Domestic Policy Council. The task force will recommend ways to revise and strengthen the current Presidential executive order on wetlands protection. This will include establishment of no net loss as a national goal.
7. Enhancing Water Quality: Our water -- especially our groundwater -- must be protected.
  - o The President proposes an increase in funding of \$64 million for coordinated Federal water quality programs. Building on an interagency base of \$226 million, the 1990 programs will address critical needs in water quality assessment, research, and public education.
8. Reducing the Growing Volume of Waste: This country must make every effort to stem the rising tide of garbage and industrial waste.
  - o Additional EPA research funds will be used to expand the demonstration of promising pollution prevention and waste minimization technologies. EPA will vigorously enforce environmental laws restricting waste disposal.
9. Fostering International Cooperation on the Environment: The President will ensure that U.S. will take a leadership role in seeking increased international involvement in addressing environmental issues.
  - o The President will convene an international conference on the environment and will direct the Treasury Department to promote environmental considerations as a factor in lending decisions of multilateral development banks.

EPA Administrator Bill Reilly and Interior Secretary Manuel Lujan will work with the President to make sure that our nation remains America the beautiful.

2/9/89

## TALKING POINTS

### CHILD CARE

The President has proposed a comprehensive child care initiative to strengthen families and expand the ability of parents to choose the child care that is best for them.

#### 1. The President's proposals include:

- o Creating a new Child Tax Credit of up to \$1000 per child under age four in low-income families in which one or both parents work.
- o Making the Dependent Care Tax Credit refundable.
- o Providing a \$250 million increase for Head Start funding.
- o Examining barriers to employers obtaining necessary child care liability insurance.

#### 2. Fundamental principles:

- o Child care assistance should not discriminate based on the type of care selected.

Parents should be free to select care from relatives, neighbors, churches, schools, employers or other sources, without having Federal aid dependent on a particular choice.

The President believes that a family's choices for their children should be broadened with a tax credit and enhanced Head Start Program -- not constricted by Federal licensing or standards that raise child care costs and limit options like reliance on grandmothers or other relatives or neighbors.

- o Child Care assistance should not discriminate against any families with young children.

Assistance should be available to families where both parents work and to families where one parents stays home to care for children.

- o Child care benefits should be directed to the most needy.

Lower income families should receive more benefits than wealthy families. Tax credits must be fully refundable if at least one parent is employed so that poor people who pay no income tax will still receive weekly or bi-weekly benefits. As deficit pressures reduce, however, the credit will be expanded to other income groups as well.

- o All child care funds should be paid directly to parents.

Using tax credits and deductions eliminates the need for unnecessary administrative expense.

The President will look to the Secretary of Labor, Elizabeth Dole, to take the lead on implementing his plan of broadening choices for families.

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## TALKING POINTS

### EDUCATION

The President has proposed a series of new education initiatives to strengthen and encourage greater excellence throughout our education system. His initiatives are built upon four key principles, which represent his determination to follow through on his mandate to be the "Education President."

1. Excellence and success in education should be recognized and rewarded.

- o Merit Schools: This initiative provides recognition of schools whose students make significant educational progress over time. For FY 90, \$250 million is requested, with growth projected to \$500 million in FY 93.
- o Teachers' Awards: The President's Award for Excellence in Education (\$5,000 cash) will be presented to top teachers in every state.
- o National Science Scholars: Outstanding high school students in mathematics and science -- each selected by a Congressman, Senator, or the President -- will receive up to \$10,000 annually for four years in scholarship awards.
- o Experiments for Educational Achievement: The pursuit of excellence requires experimentation, innovation, and better data; support will be provided to the best innovators with the best ideas.

2. Federal funding should be targeted to those who need it most.

- o Merit Schools: This initiative provides recognition of schools whose students make significant educational progress over time. Special emphasis will be placed on schools enrolling substantial numbers of disadvantaged students who show significant educational progress.
- o Historically Black Colleges and Universities: A special fund of \$60 million -- over four years -- will be developed to build, through matching grants, the endowments of Historically Black Colleges and Universities.

3. Choice and flexibility -- for educators, parents and students -- are important to educational reform and to achieving excellence.

- o Magnet Schools: An annual fund of \$100 million in new appropriations is requested to assist in the creation and development of magnet schools which offer students and parents enriched educational choices.
- o Alternative Certification for Teachers and Principals: This initiative will assist those states interested in developing or enhancing programs to bring individuals with excellent subject area knowledge into the classroom, and proven managers into school management.

4. Greater accountability is needed in the education system to assure that students are actually receiving the highest quality education. Success should be rewarded; programs which do not work should be changed.

- o Accountability in Education Programs: The Secretary of Education will review the Federal education programs and implement improvements in accountability systems. The Federal government should be a model in assuring that its programs are successful.

Secretary of Education Lauro Cavazos will be working with the President to implement these initiatives.

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2/9/89

## TALKING POINTS

### HOMELESSNESS

The President proposed a forceful response to the tragedy of men, women, and children living without homes with a request not only for full funding of the McKinney Act, but for a new \$50 million matching program.

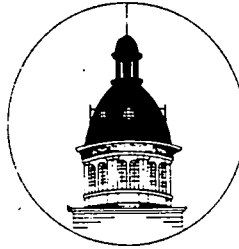
1. The President's budget request fulfills his pledge to fully fund the McKinney Act.
2. The programs supported through the McKinney Act address the needs of several different groups of homeless including:
  - o the mentally ill
  - o alcohol and drug abusers
  - o unemployed individuals
  - o families with children
3. Beyond McKinney, an incremental \$50 million is requested for a new matching program, in partnership with state and local agencies and not-for-profit and volunteer organizations.

The program will address the many facets of the homelessness problem, responding to the most promising local solutions for local problems.

4. Secretary of Housing and Urban Development Jack Kemp will -- working with states, localities, non-profit organizations, and volunteers -- develop new ideas and new approaches and lead an energetic effort to combat homelessness.

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Earle E. Morris, Jr.  
Comptroller General  
of  
South Carolina



# News Release

WADE HAMPTON STATE OFFICE BUILDING, COLUMBIA 29201

August 5, 1988

FOR RELEASE: IMMEDIATELY

State Comptroller General Earle E. Morris, Jr. has announced that 1987-88 was the best year for the State's Budgetary General Fund since he took office in 1976-77. The Budgetary General Fund ended the fiscal year with a surplus of \$107.5 million--\$87.0 million more than last year's surplus of \$20.5 million. The surplus resulted from a \$117.3 million excess of revenues over expenditures.

The State will use \$52.6 million of the surplus to fund supplemental appropriations, \$28.3 million to fund the Capital Reserve, and \$20.5 million for an early buy-out of a school bus lease agreement. The General Assembly will decide how the State will spend the remaining \$6.1 million.

The 1987-88 Supplemental Appropriation Act listed a projected year-end surplus as its primary funding source. Unlike Supplemental Appropriation Acts for many years in the past, this year's Act required cuts in supplemental appropriations if sufficient surplus funds had not been available. The surplus,

-more-

COMPTROLLER GENERAL'S OFFICE / 803-734-2121

however, was sufficient to fund all supplemental appropriations, including a one-time lump sum payment of \$365 to most State employees.

The General Assembly created the Capital Reserve to allow the State to retire its bonds faster and to help avoid increased debt and interest costs. In June, the General Assembly passed a Joint Resolution appropriating \$29.8 million from the Capital Reserve. Like this year's supplemental appropriations, the General Assembly made the Capital Reserve appropriations subject to availability of sufficient surplus funds. \$1.5 million from 1986-87 surplus and \$28.3 million from 1987-88 surplus will fund the Capital Reserve appropriations.

In February, the State entered into a multi-million-dollar five-year leasing agreement to acquire approximately 1,000 school buses. By paying off the lease early, the State will save approximately \$3.9 million in interest costs. The lease buy-out will be funded with \$20.5 million from 1987-88 surplus funds, \$6.5 million from 1988-89 revenues, and \$1.6 million from 1987-88 supplemental appropriations.

Of the Budgetary General Fund's \$207.0 million year-end balance, \$86.1 million is in the General Reserve and \$29.8 million is in the Capital Reserve. In addition, \$64.5 million will cover 1987-88 appropriations the General Assembly allowed agencies to carry forward into 1988-89, and \$20.5 million will

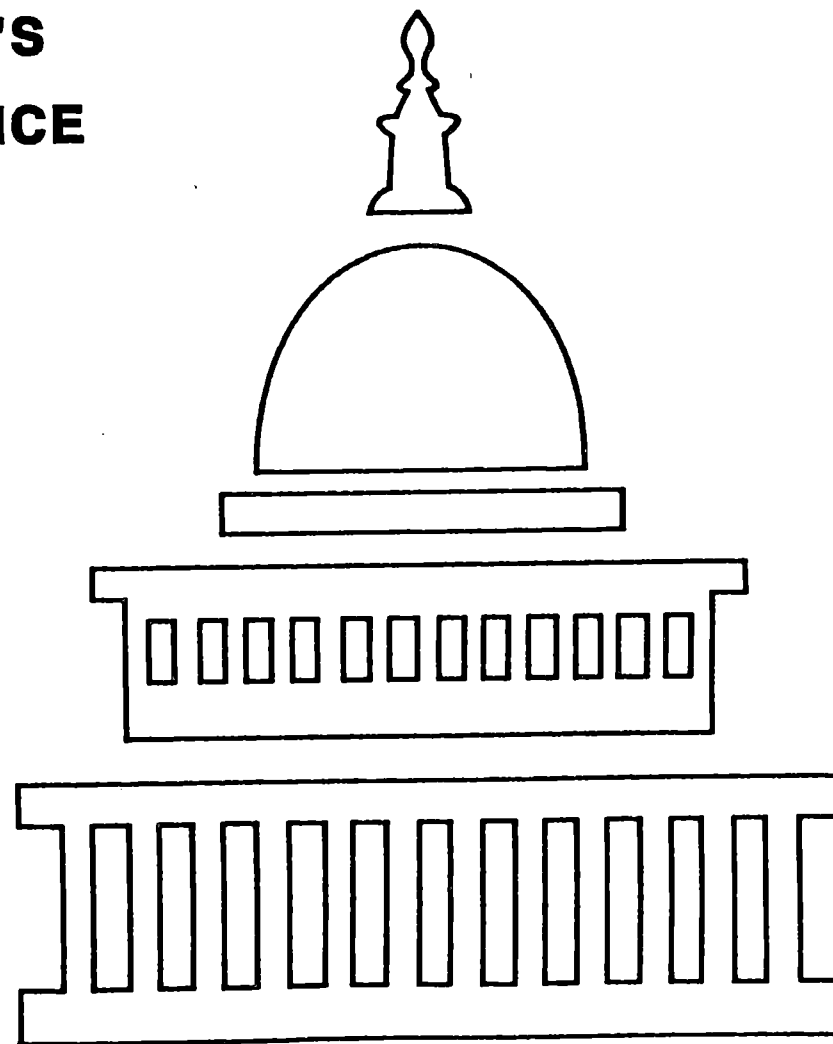
contribute to the school bus lease buy-out. The use of the remaining \$6.1 million has not yet been determined.

The Budgetary General Fund's revenue estimate at the start of 1987-88 was \$2.896 billion. The State Budget and Control Board approved \$10 million of net downward revisions in estimated revenues during the year. The year ended, therefore, with estimated revenues of \$2.886 billion. The final actual revenue collections of \$2.932 billion exceeded the estimate by \$46 million. On June 30, \$13 million of this had been recorded in the Budgetary General Fund while the remaining \$33 million was in other State accounts awaiting transfer to the Budgetary General Fund.

Original appropriations for the Budgetary General Fund in 1987-88 were \$2.854 billion. The General Assembly, however, allowed agencies to bring forward another \$11 million into 1987-88 from 1986-87. Appropriation increases, primarily to cover supplemental appropriations and the early retirement of Highway Bonds, totaled \$71 million. For the first time in many years, there were no mid-year appropriation reductions for operating agencies. The appropriated transfer to the Capital Reserve, however, was reduced by \$15 million. At June 30, 1987, therefore, total appropriations were \$2.921 billion. Of this amount, the State spent \$2.843 billion, authorized \$64 million to carry forward into 1988-89, and lapsed \$14 million in unspent appropriations.

The General Reserve, the State's "rainy day" account, began fiscal year 1987-88 with \$75.4 million. It received \$25.1 million during the year in accordance with the 1987-88 Appropriation Act. During 1987-88, the General Assembly reduced the required funding of the General Reserve from four to three percent of the latest completed fiscal year's actual revenue. The General Assembly used \$14.4 million of the resulting excess to fund the 1987-88 Supplemental Appropriation Act. This left \$86.1 million in the reserve at June 30, 1988. The full-funding amount at that date, however, was only \$80.8 million. In accordance with the 1988-89 Appropriation Act, the excess of \$5.3 million will help fund 1988-89 appropriations.

**STATE OF SOUTH CAROLINA  
COMPTROLLER GENERAL'S  
ANNUAL PRESS CONFERENCE  
FISCAL YEAR 1987-88**



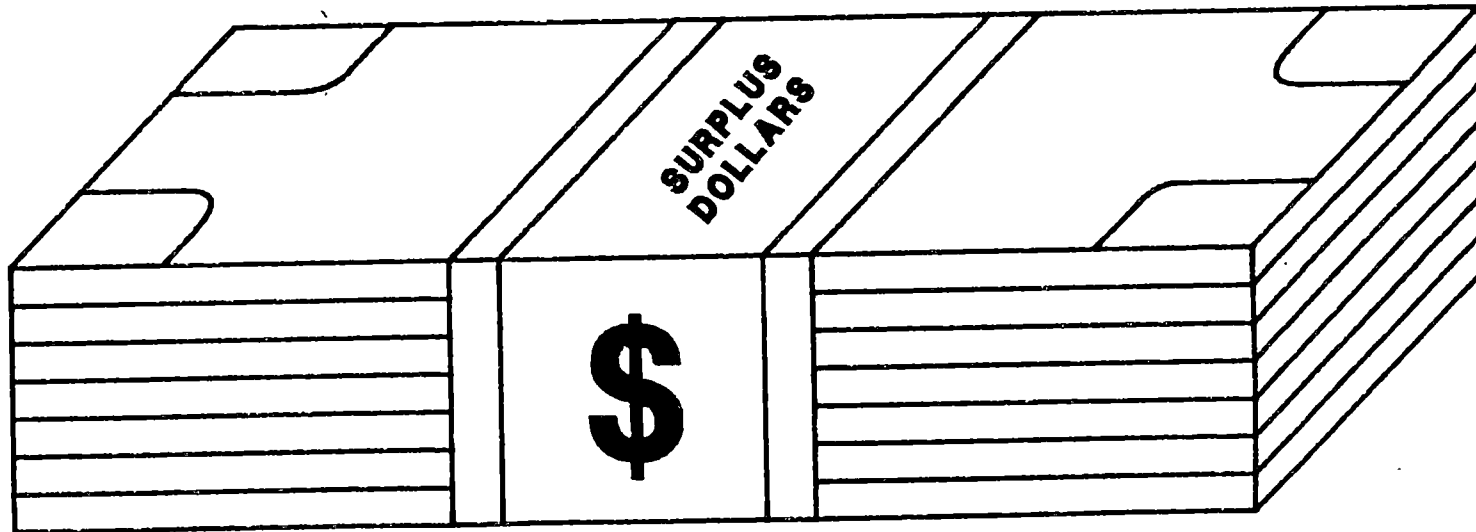


## **BUDGET & CONTROL BOARD**

The New Yorker  
August 1988

# ***BUDGETARY GENERAL FUND SURPLUS***

## ***\$107,479,716***



STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
SURPLUS AND DISTRIBUTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

|                                                        |      |
|--------------------------------------------------------|------|
| Unreserved Undesignated Fund Balance -<br>July 1, 1987 | \$ 0 |
|--------------------------------------------------------|------|

Additions:

|                                                            |               |
|------------------------------------------------------------|---------------|
| Actual Revenues                                            | 2,931,629,089 |
| Local Government Designation 1986-87                       | 2,000,000     |
| Reserve for Appropriations Brought<br>Forward from 1986-87 | 10,779,619    |
| Transfer from General Reserve of Excess<br>Balance         | 14,381,996    |

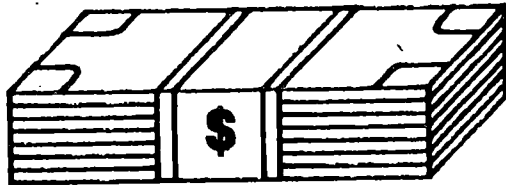
Deductions:

|                                                                                                     |                       |
|-----------------------------------------------------------------------------------------------------|-----------------------|
| Actual Expenditures (Operating)                                                                     | (2,814,306,498)       |
| Budgeted Transfer to General Reserve                                                                | (25,092,881)          |
| Reserve for Appropriations Carried<br>Forward to 1988-89 Excluding Supple-<br>mental Appropriations | <u>(11,911,609)</u>   |
| Surplus Before Distribution                                                                         | \$ <u>107,479,716</u> |

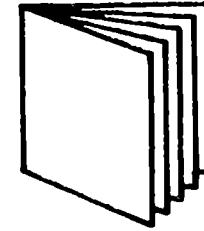
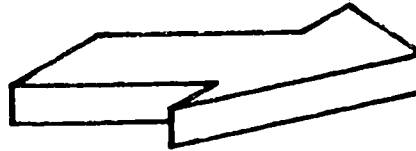
Surplus Distribution:

|                                                             |                       |
|-------------------------------------------------------------|-----------------------|
| Supplemental Appropriations<br>(Carried Forward to 1988-89) | \$ 52,566,128         |
| Transfer to Capital Reserve<br>(Budgeted as an Expenditure) | 28,303,256            |
| School Bus Lease Buyout                                     | 20,478,133            |
| Unreserved Undesignated Fund Balance -<br>June 30, 1988     | <u>6,132,199</u>      |
| Total Surplus Distribution                                  | \$ <u>107,479,716</u> |

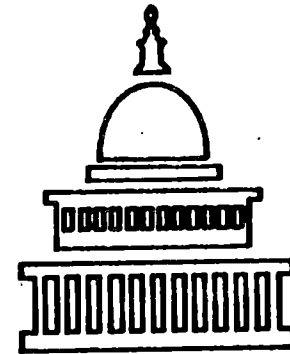
# **DISTRIBUTION OF BUDGETARY GENERAL FUND SURPLUS**



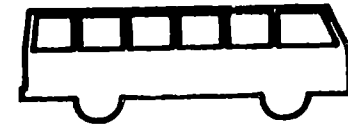
**SURPLUS FUNDS**  
**\$107,479,716**



**SUPPLEMENTAL APPROPRIATIONS**  
**\$52,566,128**



**CAPITAL RESERVE**  
**\$28,303,256**

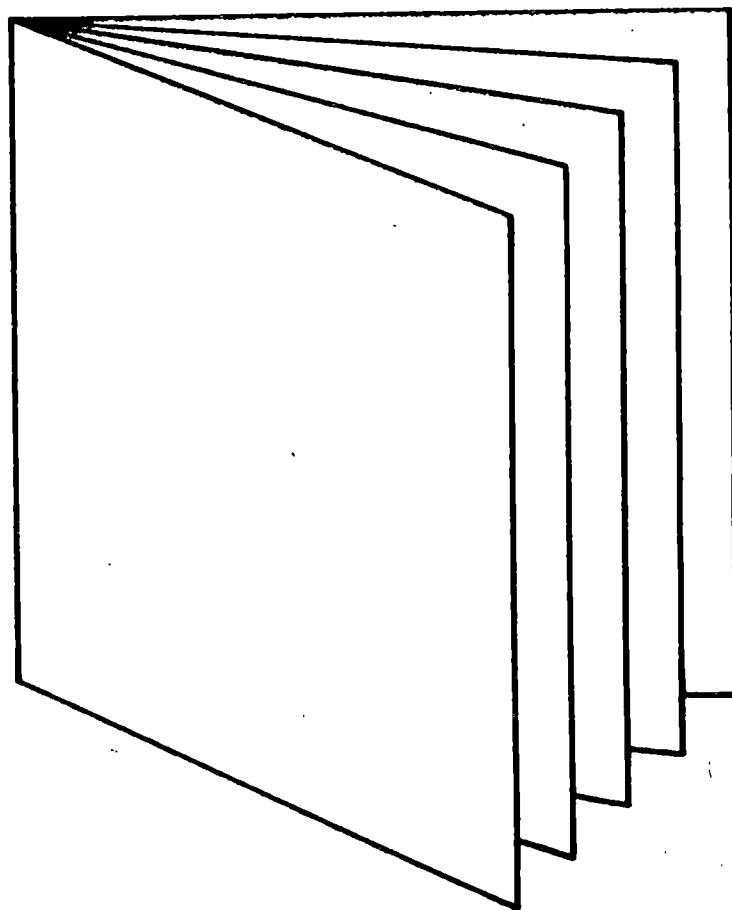


**SCHOOL BUS LEASE BUY-OUT**  
**\$20,478,133**



**UNDESIGNATED**  
**\$6,132,199**

# ***SUPPLEMENTAL APPROPRIATIONS***

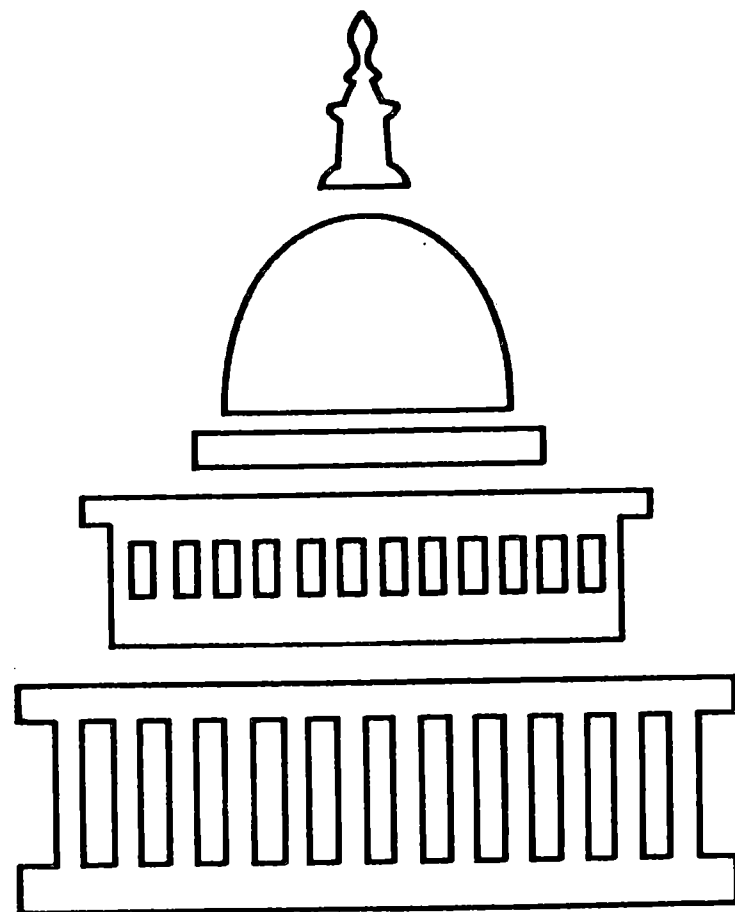


***\$52,566,128***

**STATE OF SOUTH CAROLINA  
SELECTED SUPPLEMENTAL APPROPRIATION ITEMS  
FISCAL YEAR 1987-88**

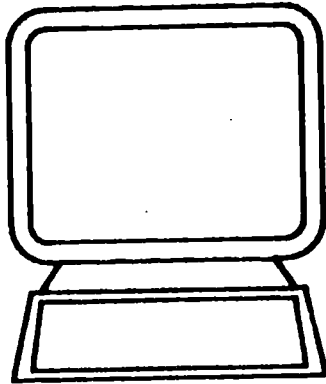
|                                                                               |                      |
|-------------------------------------------------------------------------------|----------------------|
| <b>LOCAL GOVERNMENT PROJECTS</b>                                              | <b>\$ 10,000,000</b> |
| <b>HIGHER EDUCATION</b>                                                       | <b>8,262,735</b>     |
| <b>IN-PATIENT HOSPITAL PROGRAM FOR<br/>CHILDREN'S REHABILITATION SERVICES</b> | <b>2,000,000</b>     |
| <b>JOHN DE LA HOWE SCHOOL EQUIPMENT</b>                                       | <b>243,000</b>       |
| <b>MENTAL HEALTH COMMUNITY PROGRAMS</b>                                       | <b>100,000</b>       |
| <b>DAY PROGRAMS FOR THE MENTALLY RETARDED</b>                                 | <b>100,000</b>       |

# ***CAPITAL RESERVE***

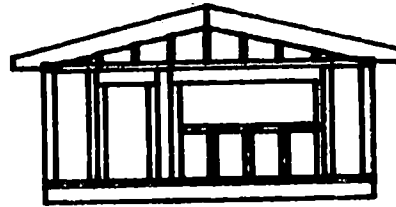


***\$28,303,256***

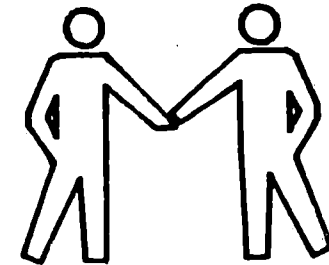
**STATE OF SOUTH CAROLINA**  
**SELECTED 1988-89 CAPITAL RESERVE APPROPRIATIONS**  
**FUNDED BY 1987-88 SURPLUS**



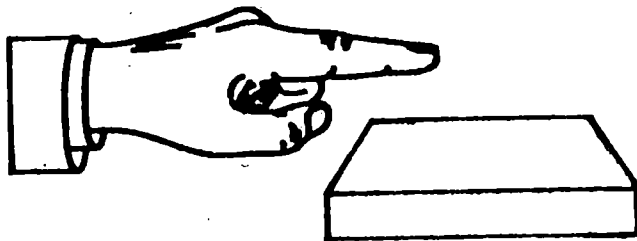
HIGHER EDUCATION EQUIPMENT—  
LIBRARY BOOKS, COMPUTERS, ETC.  
\$17,000,000



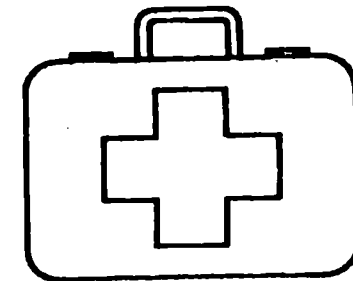
IMPROVEMENT AND EXPANSION OF  
YOUTHFUL OFFENDER FACILITIES  
\$1,700,000



DAY PROGRAMS FOR THE  
MENTALLY RETARDED  
\$1,510,000

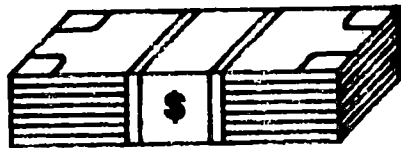


AUTOMATIC FINGERPRINT  
IDENTIFICATION SYSTEM  
\$3,500,000

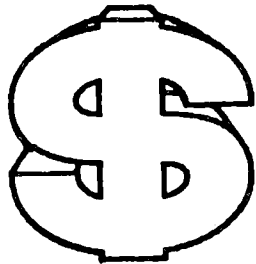


SCHOOL BUS SAFETY EQUIPMENT  
\$927,995

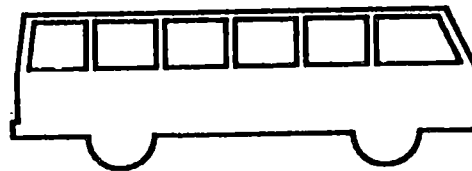
# ***SCHOOL BUS LEASE BUY-OUT***



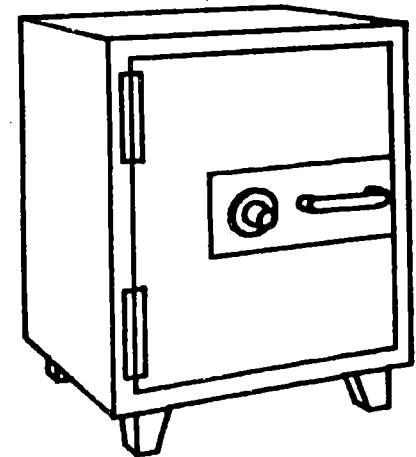
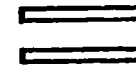
*SURPLUS FUNDS  
\$20,478,133*



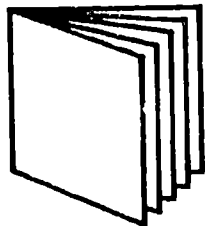
*1988-89 APPROPRIATIONS  
\$6,507,750*



*SCHOOL BUS LEASE  
BUY-OUT*

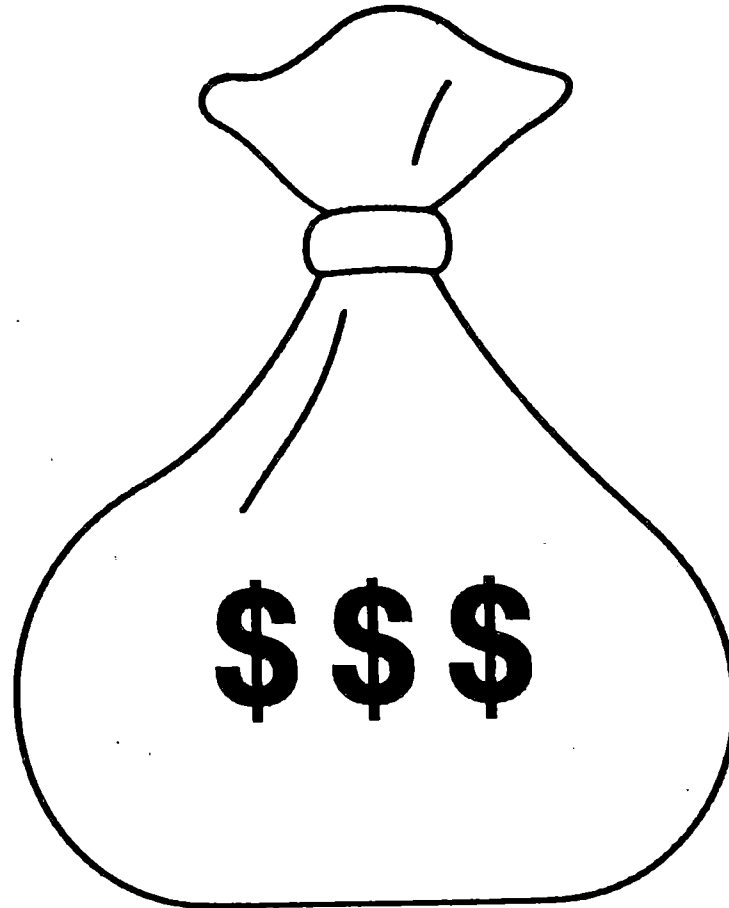


*INTEREST SAVINGS OF  
\$3,900,000  
OVER THE NEXT  
FOUR YEARS*



*SUPPLEMENTAL  
APPROPRIATIONS  
\$1,634,364*

***UNDESIGNATED***



***\$6,132,199***

**GENERAL RESERVE  
AS OF JUNE 30, 1988**



**\* During 1988-89, the General Reserve will be reduced  
by \$5,309,725 to the full-funding amount of \$80,782,623.**

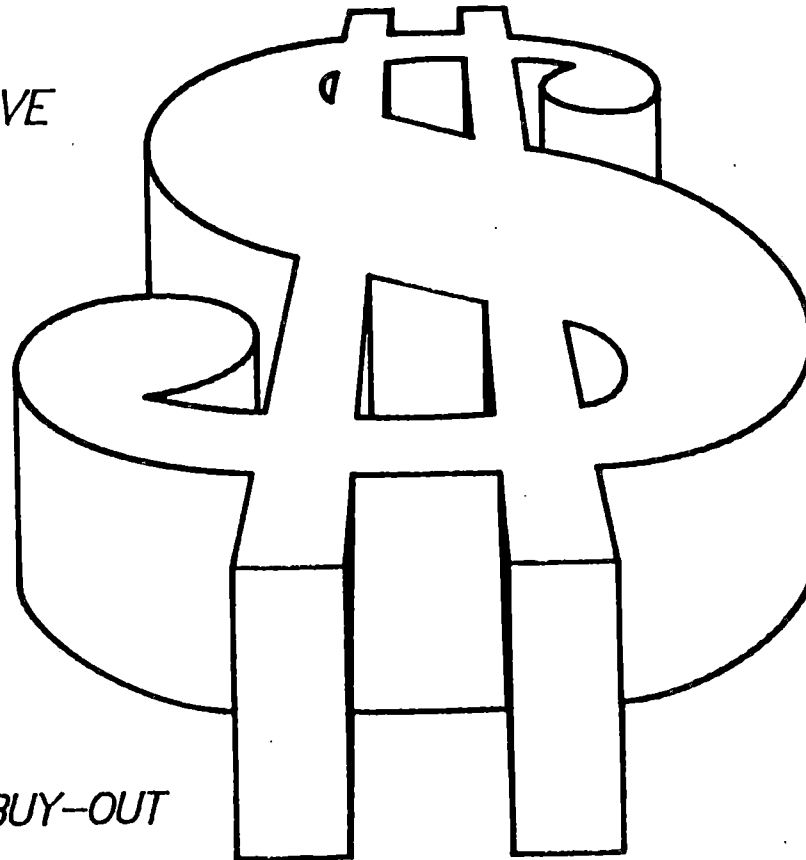
# **BUDGETARY GENERAL FUND BALANCE**

**JUNE 30, 1988**

**\$206,983,673**

GENERAL RESERVE  
\$86,092,348

CAPITAL RESERVE  
\$29,803,256



SCHOOL BUS LEASE BUY-OUT  
\$20,478,133

APPROP. FORWARD  
TO 1988-89  
\$64,477,737

UNDESIGNATED  
\$6,132,199

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**STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
TOTAL FUND BALANCE  
LAST TWELVE FISCAL YEARS**

| <b>FISCAL<br/>YEAR</b> | <b>TOTAL<br/>FUND BALANCE<br/>AT JUNE 30</b> |
|------------------------|----------------------------------------------|
| <b>1976-77</b>         | <b>\$ 30,479,181</b>                         |
| <b>1977-78</b>         | <b>94,905,811</b>                            |
| <b>1978-79</b>         | <b>136,512,937</b>                           |
| <b>1979-80</b>         | <b>136,150,115</b>                           |
| <b>1980-81</b>         | <b>80,701,729</b>                            |
| <b>1981-82</b>         | <b>25,487,865</b>                            |
| <b>1982-83</b>         | <b>57,842,271</b>                            |
| <b>1983-84</b>         | <b>153,311,012</b>                           |
| <b>1984-85</b>         | <b>149,628,838</b>                           |
| <b>1985-86</b>         | <b>66,648,294</b>                            |
| <b>1986-87</b>         | <b>89,661,082</b>                            |
| <b>1987-88</b>         | <b>206,983,673</b>                           |

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**STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
ACTUAL REVENUES  
LAST TWELVE FISCAL YEARS**

| <b>FISCAL<br/>YEAR</b> | <b>REVENUES<br/>FOR THE FISCAL<br/>YEAR ENDED<br/>JUNE 30</b> |
|------------------------|---------------------------------------------------------------|
| <b>1976-77</b>         | <b>\$ 1,109,730,542</b>                                       |
| <b>1977-78</b>         | <b>1,276,798,456</b>                                          |
| <b>1978-79</b>         | <b>1,426,842,802</b>                                          |
| <b>1979-80</b>         | <b>1,598,097,635</b>                                          |
| <b>1980-81</b>         | <b>1,709,191,279</b>                                          |
| <b>1981-82</b>         | <b>1,804,169,047</b>                                          |
| <b>1982-83</b>         | <b>1,969,930,040</b>                                          |
| <b>1983-84</b>         | <b>2,228,210,095</b>                                          |
| <b>1984-85</b>         | <b>2,393,372,198</b>                                          |
| <b>1985-86</b>         | <b>2,509,288,133</b>                                          |
| <b>1986-87</b>         | <b>2,692,754,087</b>                                          |
| <b>1987-88</b>         | <b>2,931,629,089</b>                                          |

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FINANCIAL  
SCHEDULES

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
CHANGES IN BUDGETARY GENERAL FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

|                                                                              | General<br>Reserve | Reserve for<br>Appropriations<br>Carried Forward | Capital<br>Reserve | Unreserved<br>Designated | Unreserved<br>Undesignated | Total<br>Fund Balance |
|------------------------------------------------------------------------------|--------------------|--------------------------------------------------|--------------------|--------------------------|----------------------------|-----------------------|
| Fund Balance--July 1, 1987                                                   | \$ 75,381,463      | \$ 10,779,619                                    | \$ 1,500,000       | \$ 2,000,000             | \$ -                       | \$ 89,661,082         |
| Revenues                                                                     |                    |                                                  |                    |                          | 2,931,629,089              | 2,931,629,089         |
| Expenditures:                                                                |                    |                                                  |                    |                          |                            |                       |
| Operating                                                                    |                    |                                                  |                    |                          | (2,814,306,498)            | (2,814,306,498)       |
| Transfer to Capital Reserve                                                  |                    |                                                  | 28,303,256         |                          | (28,303,256)               | 0                     |
| Appropriations Brought<br>Forward From FY 1986-87                            |                    | (10,779,619)                                     |                    |                          | 10,779,619                 | 0                     |
| Appropriations Carried<br>Forward to FY 1988-89                              |                    | 64,477,737                                       |                    |                          | (64,477,737)               | 0                     |
| Transfer of Local Government<br>Designation                                  |                    |                                                  |                    | (2,000,000)              | 2,000,000                  | 0                     |
| Budgeted Transfer to General<br>Reserve                                      | 25,092,881         |                                                  |                    |                          | (25,092,881)               | 0                     |
| Transfer of Excess General<br>Reserve over 3% of<br>Preceding Year's Revenue | (14,381,996)       |                                                  |                    |                          | 14,381,996                 | 0                     |
| Designated for School Bus<br>Lease Buyout                                    |                    |                                                  |                    | 20,478,133               | (20,478,133)               | 0                     |
| Fund Balance--June 30, 1988                                                  | \$ 86,092,348      | \$ 64,477,737                                    | \$ 29,803,256      | \$ 20,478,133            | \$ 6,132,199               | \$ 206,983,673        |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
ESTIMATED AND ACTUAL REVENUES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

|                                                   |                    |                      |
|---------------------------------------------------|--------------------|----------------------|
| Actual Revenues                                   |                    | \$ 2,931,629,089     |
| Estimated Revenues:                               |                    |                      |
| Original Estimated Revenues                       | 2,895,747,157      |                      |
| Revisions:                                        |                    |                      |
| Investment Earnings                               | \$(15,010,000)     |                      |
| Highway Bond Debt Service Transfer                | 10,080,000         |                      |
| Others                                            | <u>(4,798,571)</u> |                      |
| Total Revisions                                   | <u>(9,728,571)</u> |                      |
| Total Adjusted Estimated Revenues                 |                    | <u>2,886,018,586</u> |
| Excess of Actual Revenues over Estimated Revenues |                    | <u>\$ 45,610,503</u> |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
APPROPRIATIONS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

Appropriations:

Original Appropriations:

|                               |                     |
|-------------------------------|---------------------|
| Per 1987-88 Appropriation Act | \$2,870,646,209     |
| Governor's Vetoes             | <u>(17,112,668)</u> |

|                                             |                 |
|---------------------------------------------|-----------------|
| Total Original Appropriations               | \$2,853,533,541 |
| Appropriations Brought Forward from 1986-87 | 10,779,619      |

Open-Ended Appropriations:

|                     |                |
|---------------------|----------------|
| Aid to Subdivisions | 1,425,346      |
| National Guard      | 33,153         |
| Employee Benefits   | 3,991,852      |
| Others              | <u>804,655</u> |

|                                                 |                      |
|-------------------------------------------------|----------------------|
| Total Open-Ended Appropriations                 | 6,255,006            |
| Supplemental Appropriations                     | 52,566,128           |
| Highway Bond Early Retirement                   | 10,080,000           |
| Designation for Local Government - 1986-87      | 2,000,000            |
| Reduction of Transfer to Capital Reserve        | <u>(14,622,192)</u>  |
| Total Adjusted Appropriations                   | 2,920,592,102        |
| Less: Appropriations Carried Forward to 1988-89 | 64,477,737           |
| Less: Expenditures                              |                      |
| Operating Expenditures                          | 2,814,306,498        |
| Transfer to Capital Reserve                     | <u>28,303,256</u>    |
| Total Expenditures                              | <u>2,842,609,754</u> |
| Lapsed Appropriations                           | <u>\$13,504,611</u>  |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
ESTIMATED AND ACTUAL REVENUES BY CATEGORY  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

|                                     | Original<br>Estimated<br>Revenue | Estimated<br>Revenue<br>Adjustments | Adjusted<br>Estimated<br>Revenues | Actual Revenues         | Actual<br>Revenues<br>Over (Under)<br>Adjusted<br>Estimated<br>Revenues | % of<br>Actual to<br>Adjusted<br>Estimate<br>Revenues |
|-------------------------------------|----------------------------------|-------------------------------------|-----------------------------------|-------------------------|-------------------------------------------------------------------------|-------------------------------------------------------|
| Retail Sales Tax                    | \$ 994,830,000                   | \$ (1,200,000)                      | \$ 993,630,000                    | \$ 998,346,336          | \$ 4,716,336                                                            | 100.5%                                                |
| Excise Tax--Casual Sales            | 8,250,000                        | 0                                   | 8,250,000                         | 8,246,445               | (3,555)                                                                 | 100.0%                                                |
| Individual Income Tax               | 1,066,355,000                    | 2,245,000                           | 1,068,600,000                     | 1,142,001,970           | 73,401,970                                                              | 106.9%                                                |
| Corporation Income Tax              | 227,120,000                      | (2,800,000)                         | 224,320,000                       | 196,170,612             | (28,149,388)                                                            | 87.5%                                                 |
| <b>Total Income and Sales Tax</b>   | <b>2,296,555,000</b>             | <b>(1,755,000)</b>                  | <b>2,294,800,000</b>              | <b>2,344,765,363</b>    | <b>49,965,363</b>                                                       | <b>102.2%</b>                                         |
| Admission Tax                       | 7,000,000                        | 0                                   | 7,000,000                         | 7,064,901               | 64,901                                                                  | 100.9%                                                |
| Aircraft Tax                        | 585,000                          | 0                                   | 585,000                           | 1,356,244               | 771,244                                                                 | 231.8%                                                |
| Alcoholic Liquors Tax               | 48,598,500                       | 0                                   | 48,598,500                        | 46,462,814              | (2,135,686)                                                             | 95.6%                                                 |
| Bank Tax                            | 6,700,000                        | 0                                   | 6,700,000                         | 7,674,470               | 974,470                                                                 | 114.5%                                                |
| Beer and Wine Tax                   | 69,000,000                       | 0                                   | 69,000,000                        | 67,654,786              | (1,345,214)                                                             | 98.1%                                                 |
| Business License Tax                | 30,900,000                       | 0                                   | 30,900,000                        | 30,613,821              | (286,179)                                                               | 99.1%                                                 |
| Cable Television Fees               | 700                              | 0                                   | 700                               |                         | (700)                                                                   | 0.0%                                                  |
| Coin-Operated Device Tax            | 10,785,000                       | 0                                   | 10,785,000                        | 7,818,230               | (2,966,770)                                                             | 72.5%                                                 |
| Commercial Nuclear Waste Tax        | 8,125,000                        | 0                                   | 8,125,000                         | 5,303,745               | (2,821,255)                                                             | 65.3%                                                 |
| Contractors' Licensing Tax          | 1,320,690                        | 0                                   | 1,320,690                         | 1,335,991               | 15,301                                                                  | 101.2%                                                |
| Corporate Licensing Tax             | 32,925,000                       | (425,000)                           | 32,500,000                        | 29,216,620              | (3,283,380)                                                             | 89.9%                                                 |
| Department of Agriculture           | 6,011,200                        | 0                                   | 6,011,200                         | 6,105,493               | 94,293                                                                  | 101.6%                                                |
| Departmental Revenue                | 31,487,736                       | 10,000                              | 31,497,736                        | 39,993,872              | 8,496,136                                                               | 127.0%                                                |
| Documentary Tax                     | 18,628,571                       | (2,628,571)                         | 16,000,000                        | 17,448,540              | 1,448,540                                                               | 109.1%                                                |
| Earned on Investments               | 79,010,000                       | (15,010,000)                        | 64,000,000                        | 64,819,826              | 819,826                                                                 | 101.3%                                                |
| Electric Power Tax                  | 15,150,000                       | 0                                   | 15,150,000                        | 19,617,402              | 4,467,402                                                               | 129.5%                                                |
| Estate Tax                          | 25,600,000                       | 0                                   | 25,600,000                        | 31,842,696              | 6,242,696                                                               | 124.4%                                                |
| Fertilizer Tax                      | 220,000                          | 0                                   | 220,000                           | 149,913                 | (70,087)                                                                | 68.1%                                                 |
| Gas Tax--Counties                   | 17,800,000                       | 0                                   | 17,800,000                        | 17,156,742              | (643,258)                                                               | 96.4%                                                 |
| Gift Tax                            | 3,775,000                        | 0                                   | 3,775,000                         | 4,148,020               | 373,020                                                                 | 109.9%                                                |
| Insurance Tax                       | 78,164,485                       | 0                                   | 78,164,485                        | 76,289,433              | (1,875,052)                                                             | 97.6%                                                 |
| Motor Transport Fees                | 5,364,877                        | 0                                   | 5,364,877                         | 5,263,154               | (101,723)                                                               | 98.1%                                                 |
| Private Car Lines Tax               | 1,300,000                        | 0                                   | 1,300,000                         | 1,124,160               | (175,840)                                                               | 86.5%                                                 |
| Public Service Assessment           | 4,428,375                        | 0                                   | 4,428,375                         | 3,675,013               | (753,362)                                                               | 83.0%                                                 |
| Public Service Authority            | 3,000,000                        | 0                                   | 3,000,000                         | 4,092,368               | 1,092,368                                                               | 136.4%                                                |
| Radioactive Waste Surcharge         | 4,000,000                        | 0                                   | 4,000,000                         | 3,689,473               | (310,527)                                                               | 92.2%                                                 |
| Retailers' License Tax              | 1,360,000                        | 0                                   | 1,360,000                         | 927,651                 | (432,349)                                                               | 68.2%                                                 |
| Savings and Loan Association Tax    | 100,000                          | 0                                   | 100,000                           | 113,683                 | 13,683                                                                  | 113.7%                                                |
| Soft Drinks Tax                     | 20,850,000                       | 0                                   | 20,850,000                        | 19,563,764              | (1,286,236)                                                             | 93.8%                                                 |
| Workers' Compensation Insurance Tax | 10,595,000                       | 0                                   | 10,595,000                        | 15,281,137              | 4,686,137                                                               | 144.2%                                                |
| <b>Total Other Revenue</b>          | <b>542,785,134</b>               | <b>(18,053,571)</b>                 | <b>524,731,563</b>                | <b>535,803,962</b>      | <b>11,072,399</b>                                                       | <b>102.1%</b>                                         |
| <b>Total Regular Sources</b>        | <b>2,839,340,134</b>             | <b>(19,808,571)</b>                 | <b>2,819,531,563</b>              | <b>2,880,569,325</b>    | <b>61,037,762</b>                                                       | <b>102.2%</b>                                         |
| Circuit and Family Court Fines      | 1,875,000                        | 0                                   | 1,875,000                         | 2,107,824               | 232,824                                                                 | 112.4%                                                |
| Debt Service Transfer               | 14,393,649                       | 10,080,000                          | 24,473,649                        | 23,650,387              | (823,262)                                                               | 96.6%                                                 |
| Housing Authority Reimbursement     | 456,841                          | 0                                   | 456,841                           | 451,463                 | (5,378)                                                                 | 98.8%                                                 |
| Indirect Cost Recoveries            | 17,222,481                       | 0                                   | 17,222,481                        | 14,328,047              | (2,894,434)                                                             | 83.2%                                                 |
| Mental Health Fees                  | 4,800,000                        | 0                                   | 4,800,000                         | 3,847,568               | (952,432)                                                               | 80.1%                                                 |
| Nonrecurring Revenue                | 7,500,000                        | 0                                   | 7,500,000                         |                         | (7,500,000)                                                             | 0.0%                                                  |
| Probation and Parole Fees           | 2,800,000                        | 0                                   | 2,800,000                         | 3,064,603               | 264,603                                                                 | 109.1%                                                |
| Unclaimed Property Fund             | 7,025,000                        | 0                                   | 7,025,000                         | 3,233,385               | (3,791,615)                                                             | 46.1%                                                 |
| Waste Treatment Loan Repayment      | 334,052                          | 0                                   | 334,052                           | 376,487                 | 42,435                                                                  | 112.7%                                                |
| <b>Total Miscellaneous Sources</b>  | <b>56,407,023</b>                | <b>10,080,000</b>                   | <b>66,487,023</b>                 | <b>51,059,764</b>       | <b>(15,427,259)</b>                                                     | <b>76.8%</b>                                          |
| <b>Total Budgetary General Fund</b> | <b>\$ 2,895,747,157</b>          | <b>\$ (9,728,571)</b>               | <b>\$ 2,886,018,586</b>           | <b>\$ 2,931,629,089</b> | <b>\$ 45,610,503</b>                                                    | <b>101.6%</b>                                         |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
APPROPRIATIONS AND EXPENDITURES BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

| Function                                           | Original<br>Appropriations | Adjusted<br>Appropriations | Expenditures           | Appropriations<br>Carried Forward<br>to 1988-89 | Lapsed              |
|----------------------------------------------------|----------------------------|----------------------------|------------------------|-------------------------------------------------|---------------------|
| Legislative                                        | \$ 24,008,759              | \$ 27,872,257              | \$ 23,268,002          | \$ 4,178,238                                    | \$ 426,017          |
| Judicial                                           | 22,390,553                 | 22,904,869                 | 22,367,339             | 114,378                                         | 423,152             |
| Executive and Administrative                       | 192,612,243                | 179,474,156                | 148,662,920            | 29,133,974                                      | 1,677,262           |
| Educational                                        | 1,473,094,809              | 1,507,245,515              | 1,492,451,984          | 13,100,628                                      | 1,692,903           |
| Health                                             | 387,721,921                | 397,802,226                | 392,621,192            | 4,499,358                                       | 681,676             |
| Social Rehabilitation                              | 98,853,988                 | 101,183,429                | 95,502,519             | 958,422                                         | 4,722,488           |
| Correctional                                       | 173,286,402                | 177,658,322                | 175,303,293            | 2,098,341                                       | 256,688             |
| Conservation, Natural Resources<br>and Development | 101,408,346                | 107,483,020                | 100,953,932            | 4,740,809                                       | 1,788,279           |
| Regulatory                                         | 61,132,235                 | 62,729,169                 | 60,984,198             | 173,739                                         | 1,571,232           |
| Transportation                                     | 2,515,056                  | 4,178,321                  | 2,492,937              | 1,474,562                                       | 210,822             |
| Debt Service                                       | 109,388,519                | 119,468,519                | 119,414,427            | 0                                               | 54,092              |
| Aid to Subdivisions and Miscellaneous              | 205,879,980                | 211,349,669                | 207,344,381            | 4,005,288                                       | 0                   |
| Highway Department                                 | 1,240,730                  | 1,242,630                  | 1,242,630              | 0                                               | 0                   |
| Totals                                             | <u>\$2,853,533,541</u>     | <u>\$2,920,592,102</u>     | <u>\$2,842,609,754</u> | <u>\$64,477,737</u>                             | <u>\$13,504,611</u> |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
APPROPRIATIONS AND EXPENDITURES BY CATEGORY  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

| Category                      | Original<br>Appropriations | Adjusted<br>Appropriations | Expenditures           | Appropriations<br>Carried Forward<br>to 1988-89 | Lapsed              |
|-------------------------------|----------------------------|----------------------------|------------------------|-------------------------------------------------|---------------------|
| Personal Services             | \$ 768,890,429             | \$ 753,417,640             | \$ 747,798,020         | \$ 1,765,999                                    | \$ 3,853,621        |
| Contractual Services          | 79,511,760                 | 79,698,843                 | 75,065,335             | 3,719,244                                       | 914,264             |
| Supplies and Materials        | 53,143,459                 | 58,225,873                 | 56,610,838             | 1,193,752                                       | 421,283             |
| Fixed Charges & Contributions | 39,478,930                 | 41,633,765                 | 40,956,165             | 522,352                                         | 155,248             |
| Travel                        | 14,151,849                 | 15,350,772                 | 13,811,281             | 1,087,910                                       | 451,581             |
| Equipment                     | 18,797,903                 | 25,442,927                 | 17,962,441             | 6,626,406                                       | 854,080             |
| Permanent Improvements        | 0                          | 1,000,829                  | 500,829                | 500,000                                         | 0                   |
| Debt Service                  | 111,367,606                | 121,398,141                | 121,343,997            | 2                                               | 54,142              |
| Case Services                 | 143,170,305                | 144,229,652                | 137,474,586            | 2,294,863                                       | 4,460,203           |
| Aid and Allocations           | 1,110,085,159              | 1,125,593,782              | 1,123,700,477          | 1,397,934                                       | 495,371             |
| Miscellaneous                 | 41,568,589                 | 43,756,462                 | 42,727,811             | 886,923                                         | 141,728             |
| Special Items                 | 65,895,975                 | 92,490,680                 | 47,391,464             | 43,518,450                                      | 1,580,766           |
| College & Highway Withdrawals | 407,471,577                | 418,352,736                | 417,266,510            | 963,902                                         | 122,324             |
| Totals                        | <u>\$2,853,533,541</u>     | <u>\$2,920,592,102</u>     | <u>\$2,842,609,754</u> | <u>\$64,477,737</u>                             | <u>\$13,504,611</u> |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
GENERAL RESERVE  
LAST TEN FISCAL YEARS

| Fiscal<br>Year<br>Ended<br>June 30 | Beginning<br>Balance | Additions<br>(Reductions) | Ending<br>Balance |
|------------------------------------|----------------------|---------------------------|-------------------|
| 1979                               | \$63,865,291         | \$ 7,476,849              | \$71,342,140      |
| 1980                               | 71,342,140           | 8,562,742                 | 79,904,882        |
| 1981                               | 79,904,882           | (3,406,226)               | 76,498,656        |
| 1982                               | 76,498,656           | (55,369,241)              | 21,129,415        |
| 1983                               | 21,129,415           | 18,882,104                | 40,011,519        |
| 1984                               | 40,011,519           | 58,484,983                | 98,496,502        |
| 1985                               | 98,496,502           | (9,368,098)               | 89,128,404        |
| 1986                               | 89,128,404           | (37,353,727)              | 51,774,677        |
| 1987                               | 51,774,677           | 23,606,786                | 75,381,463        |
| 1988                               | 75,381,463           | 10,710,885                | 86,092,348        |

Article III, Section 36 of the South Carolina Constitution establishes requirements relating to the General Reserve, a reserve primarily designed to prevent Budgetary General Fund deficits. Prior to November 4, 1984, the Reserve was considered fully funded whenever it equaled five percent of the Budgetary General Fund revenue of the latest completed fiscal year. On November 4, 1984, a Constitutional amendment was passed changing the funding requirement from five to four percent of the Budgetary General Fund revenue of the latest completed fiscal year. Provisions of the amendment also allow the percentage to be reduced to three or increased to five percent by a special vote of the General Assembly. In July 1987, \$25,092,881 was transferred to the General Reserve in accordance with Section 128 of the 1987-88 Appropriation Act. During fiscal year 1987-88, the percentage was reduced to 3% leaving an excess of \$19,691,721 in the Reserve over the full funding amount of \$80,782,623 for fiscal year 1987-88. Per Section 1 of Part III of the 1988-89 Appropriations Act, \$14,381,996 was transferred out to fund fiscal year 1987-88 supplemental appropriations. The remaining excess of \$5,309,725 will be transferred in fiscal year 1988-89 to fund fiscal year 1988-89 appropriations.

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
SCHEDULE OF SUPPLEMENTAL APPROPRIATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

| Agency Name and Line-Item Description                                    | Amount     |
|--------------------------------------------------------------------------|------------|
| House of Representatives Security                                        | \$30,000   |
| Joint Legislative Committee on Children                                  | 20,000     |
| Governor's Office Executive Control Travel for<br>Regional Chairmanships | 90,000     |
| Governor's Office - SLED                                                 |            |
| Lab Training Equipment                                                   | 195,564    |
| Implied Consent Equipment                                                | 2,500      |
| Agent Equipment                                                          | 30,000     |
| Governor's Office - OEPP                                                 |            |
| Council on Small and Minority Business                                   | 5,000      |
| Community Action Agencies                                                | 500,000    |
| Governor's School for the Arts Outreach Program                          | 50,000     |
| Comptroller General Equipment                                            | 125,000    |
| Attorney General                                                         |            |
| State Litigation-SLED Programming                                        | 10,000     |
| State Litigation-Equipment                                               | 15,000     |
| Litigation for Lake Russell Pump Storage                                 | 40,000     |
| Equipment                                                                | 31,300     |
| Appellate Defense Death Penalty Resource Center                          | 4,950      |
| Election Commission General Election Expenses                            | 1,120,000  |
| B & C Board - Executive Director Management                              |            |
| Development Training                                                     | 58,500     |
| B & C Board - Financial Data Systems Equipment                           | 40,000     |
| B & C Board - Budget Division Renovation Brown Building                  | 35,000     |
| B & C Board - Research And Statistics                                    |            |
| Geographic Information System                                            | 325,000    |
| Truck Mounted Drill Rig                                                  | 80,000     |
| B & C Board - General Services                                           |            |
| State Engineer Equipment                                                 | 10,080     |
| Alamo Monument                                                           | 20,000     |
| Supreme Court Parking Lot and Renovation                                 | 900,000    |
| B & C Board - State Fire Marshall                                        |            |
| Remote Render Safe and X-Ray Unit                                        | 57,500     |
| Prevention Program                                                       | 50,000     |
| Fire Safety Program Equipment                                            | 4,420      |
| B & C Board - Local Government                                           |            |
| Equipment                                                                | 20,000     |
| Aid to Entities-Rural Development                                        | 6,000,000  |
| Economic Development Administration Match Funds                          | 4,000,000  |
| B & C Board - State Auditor Equipment                                    | 47,000     |
| B & C Board - Employee Benefits                                          |            |
| Classified Employee Payment                                              | 12,196,500 |
| Retiree Bonus                                                            | 1,000,000  |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
SCHEDULE OF SUPPLEMENTAL APPROPRIATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

| Agency Name and Line-Item Description                  | Amount    |
|--------------------------------------------------------|-----------|
| Higher Education Commission                            |           |
| Cutting Edge                                           | 5,000,000 |
| Desegregation Plan                                     | 1,295,000 |
| Nonrecurring Formula Funding                           | 298,985   |
| Teacher Recruitment Benedict College                   | 50,000    |
| Higher Education Tuition Grants Scholarships           | 850,000   |
| College of Charleston Public Service Activities        | 50,000    |
| Francis Marion College Public Service Activities       | 50,000    |
| Lander College Public Service Activities               | 50,000    |
| S C State College                                      |           |
| Office of Small and Minority Business                  | 50,000    |
| Desegregation Program                                  | 300,000   |
| Business Program Enhancement                           | 200,000   |
| University of South Carolina Cardiac Rehabilitation    |           |
| Program Equipment-Cholesterol Determination            | 18,750    |
| Winthrop College Public Service Activities             | 50,000    |
| Education Department                                   |           |
| Governor's School for Math and Science                 | 230,000   |
| Bus Routing/Shed/Heaters                               | 99,450    |
| Comprehensive Health Education-Textbooks and Materials | 950,000   |
| School Bus Lease/Purchase                              | 1,634,364 |
| Educational Television School Reception and            |           |
| Engineering Department Equipment                       | 147,200   |
| Wil Lou Gray Opportunity School Furniture & Fencing    | 75,000    |
| Deaf and Blind School Braille System, Books, and       |           |
| Equipment                                              | 58,000    |
| Archives and History Computer                          | 22,139    |
| State Library                                          |           |
| Library Books                                          | 100,000   |
| State Aid to Counties                                  | 160,000   |
| Arts Commission                                        |           |
| Greenville Cultural Exchange                           | 10,000    |
| Penn Center                                            | 30,000    |
| Museum Commission Store Inventory                      | 100,000   |
| Health and Environmental Control                       |           |
| Reinstate In-Patient Hospital Program for Children's   |           |
| Rehabilitation Services                                | 2,000,000 |
| Prenatal/Perinatal Care Program                        | 55,000    |
| Fire Academy Contamination Study                       | 179,350   |
| OSHA-Hepatitis B Immunization                          | 100,000   |
| Mental Health                                          |           |
| Community Programs                                     | 100,000   |
| FY 87-88 Operating Deficit                             | 947,000   |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
SCHEDULE OF SUPPLEMENTAL APPROPRIATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

| Agency Name and Line-Item Description                 | Amount  |
|-------------------------------------------------------|---------|
| Mental Retardation                                    |         |
| Day Programs-Emergency Repairs and Renovations        | 100,000 |
| Equipment                                             | 200,000 |
| Alcohol and Drug Abuse Office Facility for Union      |         |
| County Commission On Alcohol and Drug Abuse           | 125,000 |
| Social Services                                       |         |
| Equipment-County Facilities                           | 428,000 |
| Nationwide Outreach Center                            | 10,000  |
| Contractual Services                                  | 100,000 |
| John de la Howe School Equipment                      | 243,000 |
| Blind Commission Maintenance/Repair Concession Stands | 25,000  |
| Human Affairs Commission Equipment                    | 50,847  |
| Commission on Women Supplies                          | 7,000   |
| Parole and Community Corrections Board Electronic     |         |
| Surveillance Equipment                                | 138,000 |
| Water Resources Commission Contractual Services       | 89,000  |
| Land Resources Commission Flood Control Projects      | 150,000 |
| Forestry Commission Radio Equipment                   | 118,922 |
| Agriculture Department Mobile Hay Analysis Computer   | 60,280  |
| Clemson - Public Service Activities                   |         |
| Wood Chemistry Research Equipment                     | 56,500  |
| Equipment                                             | 72,000  |
| Wildlife and Marine Resources                         |         |
| Meeting/Training Facility                             | 300,000 |
| Marine Research Vessel                                | 350,000 |
| Conservation Equipment                                | 94,000  |
| Magazine Equipment                                    | 23,500  |
| Mechanical Oyster Harvester                           | 118,000 |
| Infra-Red Night Time Search Equipment                 | 120,000 |
| Coastal Council Radio Equipment                       | 30,000  |
| Sea Grant Consortium Vehicle                          | 13,500  |
| Parks, Recreation and Tourism                         |         |
| Equipment                                             | 250,000 |
| Calhoun Mansion-Clemson Campus Permanent Improvement  | 50,000  |
| Governor's House-Charlestowne Landing Furniture       | 50,000  |
| Abbeville Opera House                                 | 100,000 |
| Tourism Advertising                                   | 100,000 |
| Lawton Park                                           | 10,000  |
| Grand Army Hall                                       | 30,000  |
| Cayce Museum                                          | 35,000  |
| Recreation Land Trust Fund                            | 100,000 |
| Gilland Memorial Park                                 | 75,000  |

STATE OF SOUTH CAROLINA  
BUDGETARY GENERAL FUND  
SCHEDULE OF SUPPLEMENTAL APPROPRIATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988

| Agency Name and Line-Item Description                                                                        | Amount                     |
|--------------------------------------------------------------------------------------------------------------|----------------------------|
| Development Board                                                                                            |                            |
| Marketing Study                                                                                              | 100,000                    |
| Enterprise Development                                                                                       | 200,000                    |
| Computer Equipment                                                                                           | 64,500                     |
| Special Events                                                                                               | 230,000                    |
| Rural Initiative                                                                                             | 250,000                    |
| S C Jobs Economic Development Authority Equipment                                                            | 5,500                      |
| Savannah Valley Authority Savannah River Basin Project                                                       | 50,000                     |
| Old Exchange Building                                                                                        |                            |
| Marketing Materials                                                                                          | 5,000                      |
| Store Inventory                                                                                              | 5,000                      |
| Building Improvements                                                                                        | 4,000                      |
| S C Worker's Compensation Commission Equipment                                                               | 15,085                     |
| Insurance Department Printers                                                                                | 34,828                     |
| Financial Institution Bd - Bank Examining Contractual Service                                                | 31,200                     |
| Financial Institution Bd - Consumer Finance Contractual Service                                              | 12,000                     |
| Tax Commission Contractual Service                                                                           | 8,360                      |
| Alcoholic Beverage Control Commission Equipment                                                              | 49,800                     |
| State Ethics Commission Equipment                                                                            | 10,537                     |
| Auctioneers' Commission Equipment                                                                            | 1,279                      |
| Contractors' Licensing Board Equipment                                                                       | 10,000                     |
| Funeral Services Board Equipment                                                                             | 650                        |
| Aeronautics Commission                                                                                       |                            |
| Bell Long Range 206L Helicopter                                                                              | 1,065,000                  |
| Fuel Truck                                                                                                   | 53,000                     |
| Radio and Computer Equipment, Engine Overhauls, Building Renovation and Repair                               | 159,000                    |
| Dues and Contributions                                                                                       |                            |
| Town Theater                                                                                                 | 25,000                     |
| City of Columbia, for fiftieth anniversary commemoration of "Big Apple" and "Little Apple", the apple dances | 4,800                      |
| Aid to Subdivisions Inventory Tax Phaseout                                                                   | <u>3,975,488</u>           |
| Totals                                                                                                       | <u><u>\$52,566,128</u></u> |

STATE OF SOUTH CAROLINA  
CAPITAL RESERVE APPROPRIATIONS  
FISCAL YEAR 1988-89  
FUNDED BY FISCAL YEAR 1987-88 SURPLUS

| <u>AGENCY NAME</u>                                                  | <u>PURPOSE</u>                                                         | <u>AMOUNT</u> |
|---------------------------------------------------------------------|------------------------------------------------------------------------|---------------|
| Department of Education                                             | School Bus Safety Equipment                                            | \$ 927,995    |
| Commission on Higher Education                                      | Formula Distribution<br>- Library Books                                | 11,000,000    |
|                                                                     | Formula Distribution<br>- Computer Equipment                           | 2,700,000     |
| USC - Columbia                                                      | Library Data System                                                    | 1,000,000     |
| Winthrop College                                                    | On-Line Catalogue<br>System for Library                                | 400,000       |
| State Board for Technical<br>and Comprehensive Education            | Education Equipment                                                    | 1,900,000     |
| Tax Commission                                                      | Equipment                                                              | 1,761,861     |
| State Law Enforcement<br>Division                                   | Automatic Fingerprint<br>Identification System                         | 3,500,000     |
| State Budget and Control<br>Board - Division of General<br>Services | Supreme Court Building<br>Renovations and Park-<br>ing Lot Acquisition | 600,000       |
| Election Commission                                                 | Voting Systems                                                         | 1,000,000     |
| Department of Mental<br>Retardation                                 | Day Programs - Replace<br>Physical Facilities                          | 1,200,000     |
|                                                                     | Day Programs - Capital<br>Needs                                        | 310,000       |

STATE OF SOUTH CAROLINA  
CAPITAL RESERVE APPROPRIATIONS  
FISCAL YEAR 1988-89  
FUNDED BY FISCAL YEAR 1987-88 SURPLUS

(Continued)

| <u>AGENCY NAME</u>                    | <u>PURPOSE</u>                                    | <u>AMOUNT</u>       |
|---------------------------------------|---------------------------------------------------|---------------------|
| Department of Corrections             | Equipment                                         | \$ 803,400          |
| Department of Youth Services          | Horry-Georgetown<br>Marine Institute              | 400,000             |
|                                       | Piedmont Marine<br>Institute                      | 400,000             |
|                                       | Pee Dee Marine<br>Institute                       | 400,000             |
|                                       | Recreational Equip-<br>ment Facility              | 254,000             |
|                                       | Vehicles                                          | 246,000             |
| Forestry Commission                   | Fire Fighting<br>Equipment -<br>Ground Units Only | <u>1,000,000</u>    |
| TOTAL CAPITAL RESERVE APPROPRIATIONS: |                                                   | <u>\$29,803,256</u> |

Code § 12-37-220(8) does not show intent to limit exemption to one parsonage per church; assuming it did, constitutional language in Article 10 § 4, which uses plural, would prevail. Re Marlow (1977) 269 SC 219, 237 SE2d 57.

shall be levied in pursuance of law.

established, fixed, laid or levied, under consent of the people or their representatives shall be levied shall distinctly state the basis of the tax shall be applied. (1976 (59)

of this section are similar to former § 3B of Article X present provisions of the second sentence of this Article X as it existed prior to the 1977 revision.

79, 132-134.

e; Local Government. 29 SC L Rev 47.

## E NOTES

tution applies only to tax levies, and not to legislation which creates no new tax. Accordingly, the Tax Increment Financing Law, §§ 31-6-10 to 31-6-120, which created no new scheme of taxation but rather authorized the increased increments of an existing tax to be designated for redevelopment purposes, would not be held unconstitutional under Article X, § 5 on the basis that the Act would cause ad valorem taxes to be diverted to a purpose not envisioned or authorized by the tax levy. Wolper v City Council of Charleston (1985) 287 SC 209, 336 SE2d 871.

### 20. Particular acts

The General Assembly may not, consistent with Art X, § 5, delegate the unrestricted power of taxation to an appointive body. Therefore, the delegation to the Marlboro County Board of Education of the power to fix and determine the amount of tax to be levied for school operations is unconstitutional since the Board is composed exclusively of appointed members. Crow v McAlpine (1981, SC) 285 SE2d 355.

axes in political subdivisions.

he power of assessing and collecting taxes of the State. Property tax levies shall be property within the jurisdiction of the body on properties located in an area receiving lected, special levies may be permitted by type of political subdivision throughout the shall specify the precise condition under sessed.

overnments authorized under Section 12 of

Article VIII, tax districts may be created, based upon the services rendered in each district, but tax levies must be uniform in respect to persons and property within each such district. (1976 (59) 2217; 1977 (60) 90.)

## Research and Practice References—

71 Am Jur 2d, State and Local Taxation §§ 596 et seq.

84 CJS, Taxation §§ 349 et seq., 640 et seq.

Quirk, Taxpayer Remedies in South Carolina. 37 SC L Rev 489, Spring, 1986.

## CASE NOTES

An ordinance establishing, operating and maintaining a water and sewer system in an unincorporated area and placing an assessment on all unincorporated areas of the county was unconstitutional, as it enhanced property values of those who would not be paying for the system, and levied against some who would not use the system, and was therefore, a tax rather than an assessment, violative of South Carolina Const Art X, § 6 requiring county taxes to be uniformly levied. Casey v Richland County Council (1984) 282 SC 387, 320 SE2d 443.

Requirement that taxes be uniformly imposed was not violated where charge imposed was clearly assessment, because to be an assessment, improvement must confer benefit on property distinguishable from general benefit enjoyed by surrounding area, and charge imposed did not become tax merely because general public obtained health benefit from elimination of sewage problem. Robinson v Richland County Council (1987) 293 SC 27, 358 SE2d 392.

## ATTORNEY GENERAL'S OPINIONS

If two separate special purpose districts exist whose service areas are identical, two different tax millages can constitutionally be imposed so long as each is uniformly imposed within its service area. 1976-77 Op Atty Gen, No 77-291, p 221.

Municipalities may not use tax revenues to support local, non-profit corporations as part of the GREAT TOWN program. 1976-77 Op Atty Gen, No 77-49, p 50.

The State Constitution prohibits the pledging of the State's credit against the bonds issued by the State Education Assistance Authority, and therefore, § 425(b)(1)(C)(ii) of Public Law 94-482 would be applicable to the loans made by the South Carolina Student Loan Corporation 1976-77 Op Atty Gen, No 77-72, p 67.

It would be unconstitutional for the General Assembly to require a county or municipality to levy and collect a tax solely for the benefit of the other. 1979 Op Atty Gen, No 79-56, p 74.

An amendment to a Bill that prohibits property tax increases by municipalities and counties and substitutes a sales tax levy therefor does not offend Article X of the South Carolina Constitution. 1981 Op Atty Gen. No 81-22, p 38.

Proposed performing arts center would serve public purpose and corporate purpose of county, and contributions of funds by county to assist in construction of such project would generally be permitted even if county technically maintained no interest or control in center of its operation. 1985 Op Atty Gen, No. 85-5, p 32.

Provision which exempts or taxes assessed value of inventory based upon value of inventory possessed by each merchant for 1984 tax year would be unconstitutional, since it treats differently like inventory of same merchant and/or differently taxes or exempts inventory of merchants in business in 1984 and of those first entering business after 1984. 1985 Op Atty Gen, No. 85-40, p 129.

## § 7. Limitation on annual expenditures of state government and number of state employees; annual budgets and expenses of political subdivisions and school districts.

(a) The General Assembly shall provide by law for a budget process to insure that annual expenditures of state government may not exceed annual state revenue. (1985 Act No. 10, § 1, eff February 26, 1985).

(b) Each political subdivision of the State as defined in Section 14 of this article and each school district of this State shall prepare and maintain annual budgets which provide for sufficient income to meet its estimated expenses for each year. Whenever it shall happen that the ordinary expenses of a political subdivision for any year shall exceed the income of such political subdivision, the governing body of such political subdivision shall provide for levying a tax

## Art. X, § 7

## SOUTH CAROLINA CONSTITUTION

in the ensuing year sufficient, with other sources of income, to pay the deficiency of the preceding year together with the estimated expenses for such ensuing year. The General Assembly shall establish procedures to insure that the provisions of this section are enforced. (1976 (59) 2217; 1977 (60) 90.)

(c) The General Assembly shall prescribe by law a spending limitation on appropriations for the operation of state government which shall provide that annual increases in such appropriations may not exceed the average growth rate of the economy of the State as measured by a process provided for by the law which prescribes the limitations on appropriations; provided, however, the limitation may be suspended for any one fiscal year by a special vote as provided in this subsection.

During the regular session of the General Assembly in 1990 and during every fifth annual regular session thereafter, the General Assembly shall conduct and complete a review of the law implementing this subsection. During such session, only a vote of two-thirds of the members of each branch present and voting shall be required to change the existing limitation on appropriation. Unless that is done, the existing limitations shall remain unchanged.

Upon implementation of the provisions of this subsection by law, such law may not be amended or repealed except by the special vote as provided in this subsection.

The special vote referred to in this subsection means an affirmative vote in each branch of the General Assembly by two-thirds of the members present and voting, but not less than three-fifths of the total membership in each branch. (1985 Act No. 10, § 2, eff February 26, 1985).

(d) The General Assembly shall prescribe by law a limitation on the number of state employees which shall provide that the annual increase in such number may not exceed the average growth rate in the population of the State measured by a process provided for in the law which prescribes that employment limitation; provided, however, the limitation may be suspended for any one fiscal year by a special vote as provided in this subsection.

Upon implementation of the provisions of this subsection by law, such law may not be amended or repealed except by the special vote provided in this subsection.

The special vote referred to in this subsection means an affirmative vote in each branch of the General Assembly by two-thirds of the members present and voting, but not less than three-fifths of the total membership in each branch. (1985 Act No. 10, § 3, eff February 26, 1985).

### Effect of Amendment—

The 1985 amendment substantially reworded subdivision (a), and added subdivisions (c) and (d).

### Cross references—

For statutory limitation on imposition of additional or increased taxes, see § 11-33-80.

## CASE NOTES

**Provision of § 76 of Act 178** of Joint Acts and Resolutions of 1981, to effect that Chief Insurance Commissioner shall assess every automobile insurer transacting automobile insurance in the State for quarterly costs incurred by

rate division in acting as statistical agent for such insurers, does not violate Article X, § 7(a) of State Constitution, notwithstanding contention that it calls for quarterly rather than annual tax period, since obligation that § 76 im-

## FINANCE AL

poses on insurer is to pay operating costs of rate division incurred during fiscal year, to be collected as they accrue in quarterly install-

## ATTORNEY GEN

A county area (the county and all municipalities therein) that receives the minimum amount of revenue from the accommodations tax is excluded from complying with the requirements of § 12-35-720, and revenue and

## ATTORNEY GEN

## UNDER FORMER CONST

(Article

If a deficit should occur in the State budget the General Assembly is required by the State Constitution to make good such deficit in the

## § 8. Payments from treasuries.

Money shall be drawn from the treasury of its political subdivisions only in part (1976 (59) 2217; 1977 (60) 90.)

### Editor's Note—

The provisions of this section are somewhat to the 1977 revision.

### Research and Practice References—

63 Am Jur 2d, Public Funds §§ 45 et seq.  
81 CJS, States §§ 160 et seq.

## ATTORNEY GEN

The offices of the State Treasurer and the Comptroller General should disburse funds appropriated to Richland County to the County Treasurer and not to the County Finance Department. 1979 Op Att'y Gen, No 79-86, ¶ 118.

Comptroller General should not issue warrant for payment for expenses incurred in pro-

## § 9. Statement of receipts and expenditures.

An accurate statement of the receipts shall be published annually in such form (1976 (59) 2217; 1977 (60) 90.)

### Editor's Note—

The present provisions of this section are similar to the 1977 revision.

## § 10. Claims against State.

The General Assembly may direct that the State may be established and adjusted.

### Editor's Note—

The provisions of this section are identical to

### Research and Practice References—

72 Am Jur 2d, States, Territories, and Dependencies  
81 CJS, States §§ 194 et seq.

Annual Survey of South Carolina Law: Sovereignty

# opinion



The Sun News

14-A Tuesday, Feb. 23, 1988

## Editorial responsibility

J. Michael Pate  
President and Publisher  
Gil Thelen  
Vice President and Editor  
Jerry C. Ausband  
Editorial Page Editor

## EDITORIAL

# State budgeting: Who's balanced?

**G**ov. Carroll A. Campbell Jr. and the House Ways and Means Committee have a difference of opinion: Whose budget should start the spending process for 1988-89?

The question is rooted in pure politics. The answer, however, lies right at the feet of the voters: Who's budget is in balance?

Campbell broke precedent and proposed the next fiscal year's budget. No governor had ever done that before. The Budget and Control Board endorsed the governor's proposals. However, House Ways and Means Committee members wish the governor had stuck to precedent. Their own spending practices belie their ability to draft a budget the fiscal equal of the governor's.

The committee chucked the governor's budget and overspent available money by \$71 million. The governor had presented a balanced budget, albeit using a fulcrum of \$34 million taken from reserves. But a \$71 million deficit? . . . that's hardly the stuff of fiscal responsibility. Instead, it's typical of what happens in the legislative process: To balance the budget, legislators will inflate estimated state revenues. But cut spending? Hardly.

"You've got a hard attempt by a few to tear down our effort . . .," Campbell explained, ". . . to find a reason not to do something." In return, the House committee challenged the governor's budget. One legislative argument was that Campbell's proposal to cut administrative budgets of agencies by \$3.8 million was unreasonable. Typically, the legislators thereby refused to challenge the bureaucracy. The governor's budget, however, uses pay increases as alternatives to increasing employees.

If taxpayers had their druthers, they would prefer to adopt the governor's budget. It's in balance, without new taxes or blue sky revenue estimates. It reasonably proposes to build upon educational progress with innovation. The legislators? So far, the best they can do is spend \$71 million the state doesn't have.

# Voting regs

**H**ere's the word from an Horry County elections official:

If you're already registered to vote — the deadline is Feb. 5 for the March 5 Republican presidential primary, then you can vote in the primary. And you can also let participate in the March 8 Democratic caucuses. Political parties mean nothing.

The attorney general has opined that the GOP presidential primary is not binding. That means the state's national important primary is advisory only. That, in turn, means rules that would prevent participation in two parties' nominating processes have been rendered legally inoperative.

That is, when the state/local primaries come up in June, no voter can cast ballots in both primaries. Participation then will be limited to one primary or the other.

However, because the Republican presidential primary has been ruled informal, Democratic voters can cast ballots and cannot legally be banned from their precinct caucuses a week later. Republican voters can cast ballots and participate in the other party's caucuses, too.

Party lines have not mattered much in recent years, any event. This state does not register voters by party. That's a reflection of the independence of South Carolina voters who often vote Democratic at the local and/or state level and Republican at the state and/or federal level. Here we really don't want to make a party choice, nor do we want to be typecast by political party.

However, ethics and party practice are the stuff of individual decisions. Democrats may decide — and they could — to ban from caucuses those who voted in the Republican primary. That could be embarrassing for ticket-splitter who want to mark their ballots on both sides. Republican voters could be ushered out of Democratic caucuses. In theory, Republicans could also ban known Democrats from the presidential primary. In practice, South Carolina Republicans probably won't do that, since they want converts. That's how they have survived as a party. Yet, because their number is being buoyed by in-migration, Republicans can begin to become choosy, too.

Let's put it this way: Republicans should vote in the primary, and Democrats should attend their caucuses. And never the twain should meet.

61. Aid To Subdivisions  
Inventory Tax Phaseout 3,975,488  
Total General Fund \$52,566,128

Section 2 of this Part takes effect August 1, 1988.

SECTION 3. Any unexpended balance at June 30, 1988 of the amounts appropriated in this Part may be carried forward into Fiscal Year 1988-89 and expended for the same purposes.

SECTION 4. In the event the amounts constituting the sources of funds as contained in Section 1 of this Part are less than estimated, then the State Budget and Control Board shall first reduce to the extent necessary, on an equal percentage basis, the appropriations contained in Section 2 of this part that are not hereinafter identified in priority order to eliminate the deficiency. In the event the reduction of appropriations for items not hereinafter identified in priority order is not sufficient to eliminate the deficiency, the State Budget and Control Board shall reduce to the extent necessary each item in the order listed below beginning with priority item number 10.

| Priority Item          |                              |              |
|------------------------|------------------------------|--------------|
| Number                 | Agency-Item                  | Amount       |
| 1. Election Commission | General Election Expenses    | \$ 1,120,000 |
| 2. B & C Board         | Classified Employee Payments | 12,196,500   |
| 3. Aid to Subdivisions | Inventory Tax Phaseout       | 3,975,488    |
| 4. Comm on Higher Educ | Desegregation Pgm            | 1,200,000    |
| 5. Comm on Higher Educ | Cutting Edge                 | 5,000,000    |
| 6. DHEC                | Children's Rehab Services    | 2,000,000    |

7. Aeronautics  
Comm Bell Long Range  
206L Helicopter 1,065,000

8. B&C Bd-Local  
Gov't Aid to Entities-  
Rural Development 6,000,000

9. B&C Bd-Local  
Gov't Aid to Entities-EDA 4,000,000

SECTION 5. If there are surplus Fiscal Year 1987-88 general fund revenues in excess of the amount required to fund the appropriations contained in SECTION 2 of this part, the excess funds must be used for the school bus lease/purchase agreement buyout or to purchase school buses. If funds available for school buses under this section, in Part I of act and in the joint resolution making appropriations from the Capital Reserve Fund for Fiscal year 1987-88, in total, are sufficient to buy out the school bus lease/purchase agreement, using funds available under this appropriations act first, the agreement must be bought out. If these sources of funds are insufficient for a buyout, then all amounts appropriated or available for school buses in excess of what is appropriated for the lease/purchase payment for Fiscal year 1988-89 in Part I of this act must be used to purchase up to five hundred new school buses or to make accelerated payment on the school bus lease/purchase agreement, or both, as may be determined by the State Budget and Control Board.

#### END OF PART III

All acts or parts of acts inconsistent with any of the provisions of Part I or Part III of this act are hereby suspended for the Fiscal Year 1988-89.

All acts or parts of acts inconsistent with any of the provisions of Part II of this act are hereby repealed.

departments, institutions, commissions, and agencies, and to require and enforce the adoption of such policies as are deemed necessary to accomplish these purposes; and to survey, appraise, examine and inspect, and determine the true conditions of all property of the State, and what may be necessary to protect it against fire hazard or deterioration, and to conserve its use for State purposes, and to make and issue and to enforce all necessary, needful, and convenient rules and regulations for the enforcement of this provision and to approve the destruction or disposal of records of no value to the State. The State Budget and Control Board may require that all plans and specifications for permanent improvements of any nature by any State department or institution shall be submitted to the said Board for approval prior to the awarding of any contract therefor, or prior to construction by any other means. The State Budget and Control Board shall have the authority to approve blanket bonds for each of the several departments, agencies and institutions of the state government, which bonds shall include coverage requirements by law for particular officials and employees and any others who, in the opinion of the Board, should be bonded. Such blanket bonds shall be subject to approval as to form and execution by the Attorney General.

The Division of General Services may contract to develop an energy utilization management system for state facilities under its control and to assist other agencies and departments in establishing similar programs following all applicable laws and regulations, but no capital expenditures are authorized hereby.

129.14. Notwithstanding any other provision of law, the State Treasurer may enter into contracts whereby the agency or institution may accept credit cards as payment for goods or services provided.

129.15. Any appropriations made herein or by special act now or hereafter, are hereby declared to be maximum, conditional and proportionate, the

purpose being to make them payable in full in the amount named herein, if necessary, but only in the event the aggregate revenues available during the period for which the appropriation is made are sufficient to pay them in full. The State Budget and Control Board shall have full power and authority to survey the progress of the collection of revenue and the expenditure of funds by all departments and institutions. If the Budget and Control Board determines that a deficit may occur, it shall utilize such funds as may be available to avoid a year end deficit and thereafter take such action as necessary to restrict the rate of expenditure as provided in Section 129.6 of this Act. No institution, activity, program, item, special appropriation, or allocation for which the General Assembly has provided funding in any part of this Act shall be discontinued, deleted, or deferred by the Budget and Control Board. Any reduction of rate of expenditure by the said Board, under authority of this Act, shall be applied as uniformly as may be practicable except that no reduction shall be applied to funds encumbered by a written contract with an agency not connected with the State Government; and in making such reductions any amounts of State Revenues allocated by law to Counties and Municipalities (commonly referred to as Aid to Subdivisions) shall be subject to reduction the same as appropriations. Counties and Municipalities shall be immediately notified of any such action by the Board. No such reduction shall be ordered by the State Budget and Control Board while the General Assembly is in session without first reporting such necessity to the General Assembly.

The expenditure of funds, heretofore or hereafter provided, by any State Agency, except the Department of Highways and Public Transportation for permanent improvements as defined in the State Budget, shall be subject to approval and regulations of the State Budget and Control Board. The Board shall have authority to allot to specific

projects from funds made available for such purposes, such amounts as are estimated to cover the respective costs of such projects, to declare the completion of any such projects, and to dispose, according to law, of any unexpended balances of allotments, or appropriations, or funds otherwise provided for such projects, upon the completion thereof. The approval of the Budget and Control Board shall not be required for minor construction projects (including renovations and alterations) where the cost does not exceed an amount determined by the Joint Bond Review Committee and the Budget and Control Board.

In all construction, improvement and renovation of State buildings, the applicable standards and specifications set forth in each of the following codes shall be followed: The Standard Building Code 1988 Edition; The Standard Plumbing Code 1988 Edition; the Standard Gas Code 1988 Edition; The Standard Mechanical Code 1988 Edition as adopted by the Southern Building Code Congress International, Inc.; The National Electrical Code NFPA 70-1987; The National Electrical Safety Code ANSI-C2-1987 Edition and Pamphlet 58 of the National Fire Protection Association 1986 Edition. Appendices A, G, K and M of the Standard Building Code 1988 Edition shall not be followed.

129.16. (A) Transfers of appropriations herein provided may be made within departments upon written justification to the State Budget Division and upon the unanimous approval of the State Budget and Control Board.

(B) No such transfer may exceed twenty percent of the program budget. Upon request, details of such transfers may be provided to members of the General Assembly on an agency by agency basis.

(C) The Board shall also maintain a record of disallowed transfer requests and use all transfer activity data to assist in analyzing agencies' budget requests. A report on transfer activity shall be made quarterly to the Ways and Means Committee and the Senate Finance Committee.

129.17. Subsection (a). The Budget and Control Board is hereby directed to assess and collect a rental charge from all departments and agencies of the State Government occupying space in State-controlled office buildings. The amount charged each department or agency shall be calculated on a square foot, or other equitable basis of measurement, and at such rates as will yield sufficient total annual revenue to cover, in priority order, both (1) the annual principal and interest due on the Capital Improvement Obligations authorized by Act No. 829 of the 1964 Acts, Act No. 1273 of the 1970 Acts and Act No. 508 of the 1971 Acts and Act No. 1377 of the 1968 Acts as amended for projects administered by the Division of General Services and (2) maintenance and operation costs of State-controlled office buildings in the City of Columbia. The amount so collected which is applicable to the payment of principal and interest due on obligations authorized by Act 1377 of the 1968 Acts as amended shall be paid into the State's General Fund to apply on debt service appropriations under the Section 122 of this Act.

Subsection (b). All departments and agencies against which rental charges are assessed and whose operations are financed in whole or in part by Federal and/or other nonappropriated funds are directed to apportion the payment of such charges equitably among all such funds, so that each shall bear its proportionate share. All appropriations in this Act applicable to the rental of space in State-controlled buildings (exclusive of the Department of Highways and Public Transportation), shall be available only for payment of that portion of rental charges applicable to State-appropriated operations.

Subsection (c). Rental collections shall be deposited by the Budget and Control Board in the State Treasury in a special account and shall be expended only for (1) payment of principal and interest due on the obligations referred to in Subsection (a) above and (2) maintenance and

ON

al electric cooperatives does not violate the uniformity of taxation section and § 5 of this due process or the equal protection of the Fourteenth Amendment. *the Federal Constitution* *ue Ridge Rural Electric, Inc.*, 215 F.2d 542, 348 U.S. 915, 75 S.Ct. 1717 (1955).

c cooperatives serve a public purpose, and their taxation is accordingly sustained. *Byrd v Blue Electrical Cooperative*, 342 U.S. 100, 72 S.Ct. 342 (1954), cert. denied, 350 U.S. 915, 75 S.Ct. 295, 99 L.Ed. 717.

NS

Att'y Gen., No 2672, p

ower to exempt.—The bly can exempt from ad on the property of a so-charitable or eleemosynary association or corporation if the organization is nonprofit and the property and income of the re to be used for eleemosynary purposes. 1968-69 Ops. Att'y Gen., No 2755, p 234.

of manufactory from ad may be for periods in years.—The General Assembly provide for the exemption from taxation of the property of a manufacturer for periods in years and the county governed thereby. 1968-69 Ops. Att'y Gen., No 2748, p 221.

and dollar property tax on elderly citizens held unconstitutional.—A statute enacted to tax citizens a \$5,000 property tax on the market value of property would undoubtedly be unconstitutional as it does not come within the provisions of this section, and that any property ex-

empted from taxation be for municipal, educational, literary, scientific, religious or charitable purposes. 1969-70 Ops. Att'y Gen., No 2838, p 67.

Assessment and abutment tax levied by Charleston County would be invalid.—The legislature has delegated its taxing authority to Charleston

County to the extent permitted by the Constitution, but an assessment and abutment tax levied by Charleston County would be invalid in that it conflicts with the constitutional provisions that assessment and taxation be uniform and equal. 1968-69 Ops. Att'y Gen., No 2672, p 95.

## § 2. Expenses of State government.

The General Assembly shall provide for an annual tax sufficient to defray the estimated expenses of the State for each year, and whenever it shall happen that the ordinary expenses of the State for any year shall exceed the income of the State for such year the General Assembly shall provide for levying a tax for the ensuing year sufficient, with other sources of income, to pay the deficiency of the preceding year together with the estimated expenses of the ensuing year.

### Editor's Note—

For similar provisions in Constitution of 1868, see Const 1868, Art IX, § 3.

### Cross references—

As to bills for revenue, see SC Const, Art 3, § 15.

As to style of laws, see SC Const, Art 3, § 16.

As to requirement that bill contain one subject, see SC Const, Art 3, § 17.

As to formalities of Act, see SC Const, Art 3, § 18.

As to legislative provisions pertaining to state finances, generally, see §§ 11-9-10 to 11-9-90.

As to general legislative provisions pertaining to taxation, see §§ 12-1-10 to 12-1-130.

### Research and Practice References—

A Constitutional History of the Property Tax in South Carolina. 26 SC L Rev 397.

## CASE NOTES

1. In general.
2. Object of provision.
3. Debts and deficits.
4. Acts not in violation of provision.
5. Acts in violation of provision.
6. —Appropriation of gasoline taxes for deficit.

and this section is not a limitation on that power. *Cox v Bates*, 237 SC 198, 116 SE2d 828 (1960).

General Assembly is empowered to provide for funding of indebtedness incurred for ordinary and current business of State. *Lott v Blackwood*, 166 SC 58, 164 SE 439 (1932).

Continuing appropriations.—The inability of the legislature to make appropriations except for the expenses of the fiscal year for which the revenues are imposed does not prevent the making of so-called continuing appropriations, such as are made in the legislation providing for the payment of highway certificates of indebtedness out of

### 1. In general

This section does not limit legislative power.—The full and complete legislative power is vested in the General Assembly, including that of taxation except as limited by the Constitution;

**REMARKS FOR SOUTH CAROLINA GENERAL ASSEMBLY  
COLUMBIA, SOUTH CAROLINA  
WEDNESDAY, FEBRUARY 15, 1989**

**THANK YOU VERY MUCH, GOVERNOR CAMPBELL. LIEUTENANT GOVERNOR THEODORE, SPEAKER SHAHEEN [SHAY-IN]. MEMBERS OF CONGRESS, LADIES AND GENTLEMEN, THANK YOU ALL. IT IS A GREAT HONOR TO BE ADDRESSING THIS JOINT SESSION OF THE GENERAL ASSEMBLY. THIS IS A CHAMBER RICH IN HISTORY AND TRADITION, AND I AM GRATEFUL FOR THE PRIVILEGE OF JOINING YOU IN THIS HALL TODAY.**

**2**

**ONE VERY CONCRETE WAY I PLAN TO EXPRESS MY APPRECIATION IS BY NOT TALKING TOO LONG. IF I EXCEED MY LIMIT AND WE START TO PRESS UP AGAINST LUNCHTIME, I EXPECT THAT THE SPIRIT OF THE LATE SPEAKER BLATT [BLOT] WILL RISE UP, AND THIS CHAMBER WILL ECHO WITH THE WORDS: "IT'S CORNBREAD AND BUTTERMILK TIME."**

NOW, I SPEAK TO YOU TODAY WITH GREAT RESPECT AND IN ACCORDANCE WITH THE PLAN OUR FOUNDING FATHERS DESIGNED TWO CENTURIES AGO: AS A PRESIDENT OF THE UNITED STATES ADDRESSING THE FREELY-ELECTED GOVERNMENT OF A SOVEREIGN STATE. AND I SPEAK TO YOU IN THE SPIRIT OF BIPARTISANSHIP: I REALIZE THAT SOME OF YOU PEOPLE FAVOR THE TIGERS AND OTHER PEOPLE FAVOR THE GAMECOCKS -- AND, OF COURSE, SOME PEOPLE FAVOR ONE OR ANOTHER SET OF BULLDOGS. BUT AS PRESIDENT I MUST REMAIN NEUTRAL; I STAND WITH THE PEOPLE.

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AND THIS MORNING, IN THAT SAME SPIRIT OF NEUTRALITY, LEE ATWATER, AS FAR AS I'M CONCERNED, WILL BE THOUGHT OF SIMPLY AS ONE NATIVE SON OF SOUTH CAROLINA WHO HAPPENS TO BE A FAMOUS RHYTHM AND BLUES GUITARIST.

BUT I DON'T HAVE TO BE NEUTRAL NOW IN RECOGNIZING AND CONGRATULATING THE DIVISION I-AA [ONE-DOUBLE-"A"] NATIONAL FOOTBALL CHAMPIONS: THE FURMAN PALADINS [PAL-A-DINS]. WE ARE ALL PROUD OF THAT TEAM.

A PRESIDENT CANNOT STAND HERE WITHOUT NOTING THAT THE GREAT STATE OF SOUTH CAROLINA HAS ONE OF THE OLDEST HISTORIES IN OUR REPUBLIC, SPANNING NEARLY FIVE CENTURIES.

BUT WITH ALL OF SOUTH CAROLINA'S GREAT SENSE OF TRADITION, THIS HAS ALSO IN RECENT YEARS BEEN THE SITE OF DYNAMIC ECONOMIC GROWTH THAT HAS SO GREATLY IMPROVED THE LIVES OF THE PEOPLE OF THIS STATE. I BELIEVE THAT SOUTH CAROLINA IS PROOF THAT AN ABIDING RESPECT FOR TRADITIONAL AMERICAN VALUES IS NOT A HINDRANCE TO SUCCESS IN A MODERN ECONOMY, BUT, IN FACT, IT IS ESSENTIAL TO IT.

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AND I WANT TO KEEP THE ECONOMY EXPANDING SO THAT IT REACHES EVERY PERSON IN SOUTH CAROLINA AND IN THE NATION.

THERE ARE A NUMBER OF VERY SOUND PROVISIONS SOUTH CAROLINA USES IN ITS BUDGET PROCESS WHICH I THINK OUR NATION AS A WHOLE WOULD BENEFIT FROM. I THINK IT IS LONG OVERDUE FOR THE FEDERAL GOVERNMENT TO CATCH UP WITH SOUTH CAROLINA BY GIVING THE CHIEF EXECUTIVE A LINE-ITEM VETO AND BY ADDING A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES.

THESE ARE ESSENTIAL INSTRUMENTS FOR CONTROLLING GOVERNMENT SPENDING: YOU HAVE THEM, YOU USE THEM, THEY WORK, AND THEY HELP PROTECT THE POCKETBOOKS OF THE WORKING PEOPLE OF SOUTH CAROLINA. I BELIEVE THAT THE REST OF THE AMERICAN PEOPLE DESERVE THE SAME AT THE FEDERAL LEVEL, AND THEY DESERVE A BUDGET PROCESS THAT THEY CAN POINT TO WITH PRIDE. AND I WILL WORK FOR THE BUDGET REFORMS WE NEED.

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YOUR GOVERNOR, CARROLL CAMPBELL, HAS BEEN AN INNOVATIVE LEADER WHO HAS SET AN EXAMPLE THAT IS BEING ACKNOWLEDGED AROUND THE COUNTRY. HE AND YOU, WORKING TOGETHER, HAVE MADE SOUTH CAROLINA A MODEL OF WHAT CAN BE ACCOMPLISHED WITH SOUND POLICIES AND WISE LEADERSHIP. I PARTICULARLY WANT TO RECOGNIZE AND APPLAUD YOUR GOVERNOR'S PLAN FOR PROMOTING EVEN GREATER ECONOMIC GROWTH BY MODERNIZING THE TAX CODE AND BY CUTTING THE STATE CAPITAL GAINS TAX.

OUR EXPERIENCE AT THE NATIONAL LEVEL IS CLEAR: REDUCING THE CAPITAL GAINS RATE HAS RESULTED IN MORE TAX REVENUE, NOT LESS. IT SPURS INVESTMENT. INVESTMENT MEANS MORE JOBS. JOBS MEAN OPPORTUNITY. AND OPPORTUNITY IS THE FOUNDATION OF AMERICAN PROGRESS. AND A LOWER CAPITAL GAINS RATE HELPS OUR INTERNATIONAL COMPETITIVENESS -- ALL OF OUR BIGGEST TRADING PARTNERS, INCLUDING JAPAN AND WEST GERMANY, TAX LONG-TERM CAPITAL GAINS MODESTLY IF AT ALL.

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EVEN AS YOU ARE TAKING UP THIS ISSUE IN SOUTH CAROLINA, MY PROPOSAL AT THE FEDERAL LEVEL IS TO CUT THE CAPITAL GAINS RATE DOWN TO 15 PERCENT FOR INVESTMENTS HELD FOR THREE YEARS OR MORE.

NOW, AS YOU KNOW, LAST WEEK I PROPOSED A BUDGET PLAN FOR THE FEDERAL GOVERNMENT. YOU MAY HAVE HEARD ABOUT IT. IT'S GETTING SOME ATTENTION. AND I'M PLEASED TO SAY NO ONE HAS SAID IT'S D.O.A. IF ANYONE DOES, I'LL INTERPRET THAT AS: "DEFINING OPPORTUNITY FOR AMERICANS."

BUT WHEN IT COMES TO THE WASHINGTON BUDGET PROCESS, SO MUCH OF THE RHETORIC IS, AS YOU KNOW, A BIT EXTRAVAGANT. ONCE IN THE HEAT OF BUDGET POLITICS, A FORMER MEMBER OF THIS CHAMBER, GOAT LEAMOND [LA-MOND], STEPPED BACK FROM THE FRAY TO UTTER THE IMMORTAL WORDS: "WHEN IN DOUBT, RUN IN CIRCLES, SCREAM AND SHOUT."

BUT IN WASHINGTON, WITH ALL THE SHOUTING THAT SOMETIMES OCCURS, THE WORDS DON'T MEAN THE SAME THINGS THAT MOST PEOPLE THINK THEY MEAN.

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WHEN THEY TALK ABOUT BUDGET CUTS IN WASHINGTON, THAT USUALLY DOESN'T MEAN THAT SPENDING IS GOING DOWN, WHICH WOULD SEEM TO BE THE OBVIOUS MEANING. NO, IT USUALLY MEANS THAT SPENDING IS GOING UP, BUT AT A SLOWER PACE.

SENATOR RUDMAN SAID THIS: WASHINGTON IS THE ONLY TOWN WHERE A MAN MAKING \$20,000 CAN ASK HIS BOSS FOR A \$10,000 RAISE; AND, THEN, WHEN THE BOSS GIVES HIM INSTEAD A \$5,000 RAISE, THE STORY COMES OUT: "MAN'S SALARY CUT BY \$5,000."

ON THE REVENUE SIDE, I HAVE TAKEN A PLEDGE TO THE AMERICAN PEOPLE, AND I AM GOING TO KEEP IT: NO NEW TAXES. THAT'S WHAT THE PEOPLE OF THIS STATE AND THE AMERICAN PEOPLE AS A WHOLE VOTED FOR. AND THE BOTTOM-LINE IN THE FEDERAL BUDGET IS THAT IT'S NOT MY MONEY, IT'S NOT THE CONGRESS'S MONEY, IT'S THE AMERICAN PEOPLE'S MONEY.

ONE GROUP IN WASHINGTON, CITIZENS FOR A SOUND ECONOMY, COMMISSIONED THE ROPER ORGANIZATION TO CONDUCT A POLL ON TAXES, SPENDING, AND THE BUDGET DEFICIT.

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THREE OUT OF FOUR AMERICANS SURVEYED SAID THAT THE WAY THEY WANT US TO REDUCE THE DEFICIT IS BY HOLDING DOWN SPENDING. ONLY 5 PERCENT WANTED TO DO IT BY RAISING TAXES.

MY BUDGET IS BASED ON A FLEXIBLE FREEZE WITH NO NEW TAXES. THIS BUDGET RECOGNIZES THAT THERE ARE THREE WAYS GOVERNMENT MUST SERVE THE PEOPLE: FIRST, BY NOT TAKING ANY MORE OF THEIR HARD-EARNED MONEY THAN IS ABSOLUTELY NECESSARY.

SECONDLY, BY CREATING THE ENVIRONMENT THAT PERMITS ECONOMIC GROWTH, NEW JOBS, AND GREATER OPPORTUNITY. AND FINALLY, BY DOING THE VERY BEST TO HELP PEOPLE WITH THE MONEY THAT IS SPENT BY GOVERNMENT, CARING FOR THOSE IN NEED, PROTECTING WHAT WE HOLD IN COMMON, AND SERVING THE PEOPLE WITH EFFICIENCY AND COMPASSION.

EVEN IN TIMES WHEN REDUCING THE DEFICIT MEANS TOUGH CHOICES, WE MUST STILL SET PRIORITIES.

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AND MY BUDGET IS A REALISTIC PLAN THAT DOES MORE FOR EDUCATION, MORE FOR THE ENVIRONMENT, AND MORE FOR THE SPACE PROGRAM. IT MAKES A LARGER INVESTMENT IN SCIENTIFIC RESEARCH, TO HELP KEEP AMERICA COMPETITIVE INTO THE NEXT CENTURY. IT SPENDS MORE ON THE HEAD START PROGRAM TO HELP MAKE AMERICA STRONG INTO THE NEXT GENERATION. AND THERE IS ANOTHER \$1 BILLION IN OUTLAYS TO FIGHT DRUGS, BECAUSE WE CANNOT LET THIS MENACE ROB OUR CHILDREN OF THEIR FUTURE.

**WE PROPOSE A NEW CHILD CARE INITIATIVE, TARGETED AT LOW-INCOME FAMILIES, AND DESIGNED TO GIVE REAL CHOICE TO FAMILIES. THE FAMILY UNIT IS VITAL TO THE VERY FABRIC OF OUR SOCIETY. GOVERNMENT MUST NOT DISCOURAGE PARENTAL CHOICE AND FAMILY INVOLVEMENT.**

**IN THIS BUDGET, WE ALSO RESTORE AND DOUBLE THE TAX DEDUCTION FOR ADOPTING SPECIAL NEEDS CHILDREN. AND WE COMMIT A BILLION DOLLARS TO DEAL WITH THE PROBLEMS OF THE HOMELESS.**

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**WE DO NOT TOUCH SOCIAL SECURITY -- THAT'S OFF-LIMITS. AND WE KEEP OUR DEFENSES STRONG. DEFENDING AMERICA IS ONE TASK WHICH IS AN ABSOLUTE RESPONSIBILITY FOR THE FEDERAL GOVERNMENT. THIS BUDGET ENABLES OUR NATIONAL DEFENSE TO KEEP UP WITH INFLATION. WHEN OUR YOUNG MEN AND WOMEN MAKE THE COMMITMENT TO JOIN OUR ARMED SERVICES, THEY HAVE THE RIGHT TO KNOW THAT WE WILL GIVE THEM THE TOOLS TO DEFEND THEMSELVES AND TO DEFEND AMERICA.**

**THIS BUDGET HELPS ASSURE A SOUND ECONOMY BY NOT RAISING TAXES AND BY CUTTING THE FEDERAL DEFICIT BY MORE THAN \$75 BILLION. THAT WILL NOT ONLY MEET THE GRAMM-RUDMAN-HOLLINGS DEFICIT LIMIT, BUT IT DOES EVEN BETTER THAN THAT. THIS BUDGET WILL BRING THE DEFICIT AS A PERCENTAGE OF G.N.P. TO ITS LOWEST LEVEL SINCE THE 1970'S.**

**NOW ALREADY SOME PEOPLE HAVE ASKED ME HOW IS IT POSSIBLE TO DO ALL THIS WITHOUT RAISING TAXES. THE ANSWER IS STRAIGHTFORWARD, AND IT NEEDS TO BE EMPHASIZED AGAIN AND AGAIN.**

**BECAUSE OF ECONOMIC GROWTH, TAX REVENUES ARE GOING UP WITH NO NEW TAXES. OUR PROJECTIONS SHOW THAT WITHOUT RAISING TAXES, THE FEDERAL GOVERNMENT WILL GET AN ADDITIONAL \$80 BILLION TO SPEND. THE CONGRESSIONAL BUDGET OFFICE, USING THEIR OWN SET OF ECONOMIC ASSUMPTIONS, PREDICTS -- NOT MY ESTIMATE, BUT THEIRS -- THAT FEDERAL TAX REVENUES WILL INCREASE NEXT YEAR BY EVEN MORE, BY \$86 BILLION.**

I THINK OUR NUMBER IS CLOSER, BUT WHETHER YOU USE THE CONGRESS'S NUMBER OR THE O.M.B. NUMBER, THAT'S ENOUGH MONEY TO REDUCE THE DEFICIT DOWN TO THE LEVELS REQUIRED BY GRAMM-RUDMAN-HOLLINGS AND TO SPEND MORE MONEY ON PRIORITY PROGRAMS.

BUT TO DO THIS DOES REQUIRE THAT CHOICES BE MADE, WHICH IS WHAT THIS BUDGET DOES. AND I AM PREPARED TO WORK WITH THE CONGRESS TO MAKE THOSE HARD CHOICES.

WE WEREN'T SENT TO WASHINGTON TO SIT ON OUR HANDS -- EITHER TO PASS THE COST OF INDECISION ONTO WORKING AMERICANS BY RAISING THEIR TAXES, OR TO FAIL TO REDUCE THE DEFICIT, WHICH WILL CAUSE THE CUTS TO BE DONE AUTOMATICALLY UNDER THE LAW.

THAT'S WHY WE MUST MAKE CHOICES THAT KEEP THE ECONOMY GROWING, PRESERVE OUR NATIONAL DEFENSE, AND ALLOW GOVERNMENT ADEQUATELY AND COMPASSIONATELY TO PERFORM THE SERVICES WHICH IT SHOULD. IF WE DO, WE CAN GET THE JOB DONE -- BUT NOT WITH BUSINESS AS USUAL.

ONE OF THE GREAT UNITED STATES SENATORS, JOHN C. CALHOUN, ONCE SAID, "THE VERY ESSENCE OF A FREE GOVERNMENT CONSISTS IN CONSIDERING OFFICES AS PUBLIC TRUSTS, BESTOWED FOR THE GOOD OF THE COUNTRY, AND NOT FOR THE BENEFIT OF AN INDIVIDUAL OR A PARTY." AND IT IS IN THAT SPIRIT THAT I WILL SEEK TO WORK WITH THE UNITED STATES CONGRESS -- NOT AS MEMBERS OF COMPETING POLITICAL PARTIES, BUT AS COOPERATING PUBLIC SERVANTS.

AND THE MEMBERS OF THIS LEGISLATURE HAVE A VITAL ROLE TO PLAY. YOU ARE CLOSER TO THE PEOPLE THAN THOSE OF US UP IN WASHINGTON. YOU NOT ONLY SERVE YOUR CONSTITUENTS -- YOU ARE THEIR NEIGHBORS. AND YOU SPEAK WITH THE AUTHORITY OF PEOPLE WHO KNOW GOVERNMENT FIRST HAND. AS WE FORM THE FEDERAL BUDGET AND REDUCE THE DEFICIT, I WANT YOUR VOICES TO BE HEARD. WE NEED YOUR LEADERSHIP. AND WORKING TOGETHER WE CAN MAKE A GREAT DIFFERENCE FOR ALL OF AMERICA.

YOU KNOW, I'VE VISITED SOUTH CAROLINA ENOUGH TIMES TO LEARN THAT YOUR STATE FLOWER IS THE YELLOW JESSAMINE [JAZZ-MIN]. I'VE BEEN TOLD THAT IT WAS SELECTED NOT JUST FOR ITS FRAGRANCE, BUT BECAUSE OF ITS RESILIENCE. THE BUDGET DEBATE IS IMPORTANT, BUT EVEN MORE IMPORTANT IS THE KNOWLEDGE THAT AMERICA IS STRONG AND SHE IS GREAT AND RESILIENT. WE ARE THRIVING AS A NATION IN THE WORLD AND WE ARE PROVIDING FOR OUR PEOPLE.

AS AMERICANS, WE DO NOT SEEK A WORLD WITHOUT CHALLENGES, BUT, RATHER, A CHANCE TO OVERCOME THE CHALLENGES THAT ARE BEFORE US AND TO LEAVE THIS NATION THAT WE LOVE A LITTLE BETTER FOR OUR HAVING PASSED THIS WAY. I AM GLAD THAT YOU AND I ARE PASSING THIS WAY TOGETHER.

THANK YOU VERY MUCH, AND GOD BLESS YOU ALL. AND GOD BLESS AMERICA.

# # #

(Klugmann)  
February 13, 1989  
1:30 p.m.

PRESIDENTIAL REMARKS: SOUTH CAROLINA GENERAL ASSEMBLY  
COLUMBIA, SOUTH CAROLINA  
FRIDAY, FEBRUARY 17, 1989

Thank you very much, Governor Campbell. Lt. Governor Theodore, Speaker Sheehan. Members of Congress, ladies and gentlemen, thank you all. It is a great honor to be addressing this joint session of the General Assembly. This is a chamber rich in history and tradition, and I am grateful for the privilege of joining you in this hall today.

One very concrete way I plan to express my appreciation is by not talking too long. If I exceed my limit and we start to press up against lunchtime, I expect that the spirit of the late Speaker Blott will rise up, and this chamber will echo with the words: "it's cornbread and buttermilk time."

Now, I speak to you today with great respect and in accordance with the plan our Founding Fathers designed two centuries ago: as a President of the United States addressing the freely-elected Government of a Sovereign State. And I speak to you in the spirit of bi-partisanship: I realize that some of you favor the Tigers and others favor the Gamecocks, but as President of all the people I must remain neutral. And this morning, in that same spirit of neutrality, Lee Atwater, as far as I'm concerned, will be thought of simply as one native son of South Carolina who happens to be a famous rhythm and blues guitarist.

But a few minutes ago, I did not have to be neutral -- and I don't have to be neutral now in recognizing and congratulating

the N.A.I.A. national football champions: the Furman Paladines. We are all proud of that team.

A President cannot stand here without noting that the Great State of South Carolina has one of the oldest histories in our Republic, spanning nearly five centuries. In fact, the first Colonial Governor -- under the Spanish -- was the son of Christopher Columbus. Personally, I join with the people of this great State in saying that I much prefer Carroll Campbell.

And with all of South Carolina's great sense of tradition, this has also in recent years been the site of dynamic economic growth that has so greatly improved the lives of the people of this State. I believe that South Carolina is proof that traditional American values are not a hindrance to success in a modern economy, but, in fact, they are essential to it. And I want to keep the economy expanding so that it reaches every person in South Carolina and in the Nation.

There are a number of very sound provisions South Carolina uses in its budget process which I think our Nation as a whole would benefit from. I think it is long overdue for the Federal Government to catch up with South Carolina by giving the chief executive a line-item veto and by adding a balanced budget amendment to the Constitution of the United States.

These are essential instruments for controlling Government spending: you have them, you use them, they work, and they help protect the pocketbooks of the working people of South Carolina. I believe that the American people deserve the same, and they

deserve a budget process that they can be proud, and I will work for the reforms we need.

I also want to recognize and applaud your Governor's plan for promoting even greater economic growth by modernizing the tax code and by cutting the State capital gains tax.

Our experience at the National level is clear: reducing the capital gains rate has resulted in more tax revenue, not less. It helps produce the investment that means more jobs for working people. And it helps our international competitiveness -- some of our biggest trading partners, such as Japan and West Germany, have a capital gains rate of zero-point-zero. My proposal is to cut the rate down to 15 percent for investments held for three years or more.

Cutting the top marginal personal income tax rate, as we have, has not only restored incentives and brought in more revenue, it has also shifted the tax burden onto the wealthier segment of society, with those who are better off paying a much larger share of total taxes than they did under the high rates of the past.

As you know, last week I proposed a budget plan for the Federal Government. You've probably heard widely conflicting accounts of it. But when it comes to the Washington budget process, so much of the rhetoric is in the words of a former member of this chamber, Goat Leamond, "fantastic, fantastic." Once in the heat of budget politics, Goat Leamond stepped back from the fray to utter the immortal words: "When in doubt, run in circles, scream and shout."

But in Washington, with all the shouting that sometimes occurs, the words don't mean the same things that most people think they mean. When they talk about budget cuts in Washington, that usually doesn't mean that spending is going down, which would seem to be the obvious meaning. No, it usually means that spending is going up, but by less than had been previously projected. Some programs have gone up in spending each year, and will go up again next year, but all that you ever hear is that they are being cut.

On the revenue side, I have taken a pledge to the American people, and I am going to keep it: No new taxes. That's what the people of this State and the American people as a whole voted for. And the bottom-line in the Federal budget is that it's not my money, it's not the Congress's money, it's the American people's money. And the people made their position clear in the election last November.

One group in Washington, Citizen's for a Sound Economy, commissioned the Roper Organization to conduct a poll on taxes, spending, and the budget deficit. Three out of four Americans surveyed said that the way they want us to reduce the deficit is by holding down spending. Only 5 percent wanted to do it by raising taxes.

For those of us who hold elected office, I think it is our job, when the American people speak so clearly, to read their lips. That's why my budget is based on a flexible freeze with no new taxes. This budget recognizes that there are three ways Government must serve the people: First, by not taking any more

of their hard-earned money than is absolutely necessary. Secondly, by creating the environment that permits economic growth, new jobs, and greater opportunity. And finally, by doing the very best to help people with the money that is spent by Government, caring for those in need, protecting what we hold in common, and serving the people with efficiency and compassion.

My budget does more for education, more for the environment, and more for the Space program. It makes a larger investment in scientific research, to help keep America competitive into the next century. It spends more on the Head Start program to help make America strong into the next generation. And there is another \$1 billion in outlays to fight drugs, because we cannot let this menace rob our children of their future.

We introduce a new child care initiative, targeted at low-income families, and designed to give real choice to working families. We also restore and double the tax deduction for adopting special needs children. And we commit a billion dollars to deal with the problems of the homeless.

We do not cut Social Security or support for farmers. And we keep our defenses strong. After seeing two years of real cuts in our National defense, this budget enables defense to keep up with inflation. I believe that defending America is one task which is an absolute responsibility for the Federal Government. And when our young men and women make the commitment to join our armed services, I think they have the right to know that we will give them the tools to defend themselves and to defend America.

And my budget helps assure a sound economy by not raising taxes and by cutting the Federal deficit by \$76 billion. That will not only meet the Gramm-Rudman-Hollings deficit limit, but it does even better than that. This budget will bring the deficit as a percentage of G.N.P. to its lowest level in \_\_ years.

Now already some people have asked me how is it possible to do all this without raising taxes. The answer is straightforward, and it needs to be emphasized again and again.

Because of economic growth, tax revenues are going up with no new taxes. Our projections show that without raising taxes, the Federal Government will get an additional \$80 billion to spend. The Congressional Budget Office, using their own set of economic assumptions, predicts -- not my estimate, but theirs -- that Federal tax revenues will increase next year by even more, by \$86 billion. I think our number is closer, but whether you use the Congress's number or the O.M.B. number, that's enough money to reduce the deficit down to the levels required by Gramm-Rudman-Hollings and to spend more money on priority programs.

But to do this does require that choices be made, which is what my budget does. And I am prepared to work with the Congress to keep on making those hard choices. We weren't sent to Washington to abdicate our responsibility -- either to pass the cost of indecision onto working Americans by raising their taxes, or to fail to reduce the deficit, which will cause the cuts to be done automatically under the law.

That's why we must make choices that keep the economy growing, preserve our national defense, and allow Government to adequately and compassionately perform the services which it should.

One of the great figures in American history, John Calhoun, once said, "The very essence of a free Government consists in considering offices as public trusts, bestowed for the good of the country, and not for the benefit of an individual or a party." That is also my personal view. And it is in that spirit that I will seek to work with the United States Congress -- not as members of competing political parties, but as cooperating public servants.

You know, I've visited South Carolina enough times to learn that your State flower is the yellow jessamine [JAZZ-min]. I've been told that it was selected not just for its fragrance, but because of its resilience. The budget debate is important, but even more important is the knowledge that America is strong and she is great. That we are thriving as a Nation in the world and we are providing for our people.

As Americans, we do not seek a world without challenges, but, rather, a chance to overcome the challenges that are before us and to leave this Nation that we love a little better for our having passed this way.

Thank you very much, and God bless you all.

THE WHITE HOUSE  
WASHINGTON

FEBRUARY 13, 1989

**REVISED**

February 13, 1989

MEMORANDUM FOR THE CHIEF OF STAFF  
BRENT SCOWCROFT  
DAVID BATES  
RICHARD BREEDEN  
ANDREW CARD  
JAMES CICONI  
DAVID DEMAREST  
MARLIN FITZWATER  
BOYDEN GRAY  
FRED McCLURE  
BONNIE NEWMAN  
ROGER PORTER  
STEPHEN STUDDERT  
CHASE UNTERMEYER

JOE HAGIN  
ED ROGERS  
ROBERT GUTTMAN  
SUSAN PORTER ROSE  
PATTY PRESOCK  
TIM McBRIDE  
LAURIE FIRESTONE  
ANTONIO LOPEZ  
DAVID VALDEZ  
JEAN LAMB  
LANNY GRIFFITH  
USSS/PPD  
WHCA AUDIO/VISUAL  
WHCA OPERATIONS  
SPEECHWRITING OFFICE

THROUGH: STEPHEN M. STUDDERT  
  
FROM: JOHN G. KELLER, JR. *JK*  
DEPUTY ASSISTANT TO THE PRESIDENT AND  
DIRECTOR OF PRESIDENTIAL ADVANCE  
  
SUBJECT: TRIP OF THE PRESIDENT TO COLUMBIA, SOUTH CAROLINA,  
WEDNESDAY, FEBRUARY 15, 1989

For your use and planning purposes, the attached are the scenarios and outline schedule for the Trip of the President to Columbia, South Carolina on Wednesday, February 15, 1989.

State Capitol Scenario

The President arrives State Capitol and proceeds to brief holding, to await the Joint Escort Committee of the House and Senate. The President proceeds up one set of stairs with the Joint Escort Committee to the House Chamber. Upon arrival at the House Chamber, the President will be led into the Chamber by the Sergeant at Arms and proceeds to Podium. The President arrives at the podium and is introduced by TBD and makes remarks. Upon conclusion of speech, the President is thanked by TBD and departs the House Chamber en route the Motorcade. The President will depart the State Capitol en route the Governor's Mansion for a Gubernatorial Luncheon. Upon conclusion of the Luncheon, the President will depart the Governor's Mansion en route Motorcade.

## SCHEDULE

WEDNESDAY, FEBRUARY 15, 1989

9:05 am MARINE ONE departs White House en route Andrews Air Force Base.

9:15 am MARINE ONE arrives Andrews Air Force Base.

9:20 am AIR FORCE ONE departs Andrews Air Force Base en route Columbia, South Carolina.

Flying Time: 1 Hour 10 Minutes  
Time Change: None  
Interchange: None  
Food Service: TBD

10:30 am AIR FORCE ONE arrives Columbia Metropolitan Airport, Columbia, South Carolina.

10:35 am MOTORCADE departs Columbia Metropolitan Airport en route South Carolina State Capitol.

10:50 am MOTORCADE arrives State Capitol.

- \* Group Photo with Republican Legislators  
- CLOSED PRESS
- \* A staff photo for 15 staff who volunteered during the campaign.  
- CLOSED PRESS
- \* Furman University has won the National Championship, Division 2, in football. The team will present the President with a team jacket and football.  
- POOL PRESS
- \* Address to South Carolina State Legislature  
- OPEN PRESS

11:50 pm MOTORCADE departs State Capitol en route Governor's Mansion.

11:55 pm MOTORCADE arrives Governor's Mansion.

- \* Gubernatorial Luncheon  
Participants - Governor and Mrs. Carroll Campbell, Senator Strom Thurmond, Congressman Floyd Spence, Governor Sununu, Mr. Lee Atwater, and Mr. Warren Tompkins  
- PRESS POOL ONLY (at beginning)

1:00 pm MOTORCADE departs Governor's Mansion en route Columbia Metropolitan Airport.

1:15 pm MOTORCADE arrives Columbia Metropolitan Airport and proceeds to board AIR FORCE ONE.

1:25 pm AIR FORCE ONE departs Columbia, South Carolina en route Andrews Air Force Base.

2:30 pm AIR FORCE ONE arrives Andrews Air Force Base and proceeds to board MARINE ONE.

2:35 pm MARINE ONE departs Andrews Air Force Base en route White House.

2:45 pm MARINE ONE arrives White House.

## RHODE ISLAND/SOUTH CAROLINA 1071

### Key Votes

|                      |     |                    |     |                   |     |
|----------------------|-----|--------------------|-----|-------------------|-----|
| 1) Lmt Cln Water Act | —   | 5) Retain Gun Cont | FOR | 9) Aid Angola Reb | AGN |
| 2) Rpl Tobac Sub     | FOR | 6) Contra Aid      | AGN | 10) Tax Reform    | FOR |
| 3) Grm-Rdmn Def Red  | —   | 7) Lmt Text Imp    | FOR | 11) S Africa Sanc | —   |
| 4) Ban Polygraph     | FOR | 8) Limit SDI       | FOR | 12) Immig Reform  | FOR |

### Election Results

|              |                                  |         |       |             |
|--------------|----------------------------------|---------|-------|-------------|
| 1986 general | Claudine Schneider (R)           | 110,524 | (72%) | (\$325,052) |
|              | Donald J. Ferry (D)              | 43,149  | (28%) | (\$67,685)  |
| 1986 primary | Claudine Schneider (R) unopposed |         |       |             |
| 1984 general | Claudine Schneider (R)           | 135,151 | (68%) | (\$236,111) |
|              | Richard Sinapi (D)               | 64,357  | (32%) | (\$44,184)  |

### Campaign Contributions and Expenditures

| 1985-86  |           | Direct Cont. 1985-86 |           | PACS Breakdown 1985-86 |          |
|----------|-----------|----------------------|-----------|------------------------|----------|
| Receipts | \$365,759 | Indiv.               | \$175,403 | Corp.                  | \$38,825 |
| Expend.  | \$325,052 | Party                | \$9,326   | Labor                  | \$62,295 |
| Unspent  | \$123,222 | PACS                 | \$157,612 | Ideo.                  | \$20,287 |
|          |           |                      |           | T/M/H                  | \$32,005 |
|          |           |                      |           | Agr.                   | \$250    |
|          |           |                      |           | CWOS                   | \$3,950  |

## SOUTH CAROLINA

Settled by slave-driving sugar planters from Barbados, ruled by a handful of large landholders with hair-trigger tempers always jealous of their honor, South Carolina has been most of its history an oligarchy on the democratic North American continent. Its leading political theorist, John C. Calhoun, distilled his principles rigorously and came up with a philosophy more akin to steely capitalism than agrarian communalism; his followers, in their fierce opposition to any act that restricted or reflected negatively on slavery, were maneuvered into firing on Fort Sumter and starting the Civil War. After the war many were ruined and South Carolina's economy was in tatters. Yet the community leaders reasserted their control over the black majority and were firmly back in power by the 1870s.

Through most of South Carolina's history there is an eerie continuity, of control by a very small number of its richest citizens. This was the only state in which presidential electors were still chosen by the state legislature as late as 1860, and as late as 1948 only 142,000 South Carolinians voted for President in a state of more than two million people. This was a state and a colony of a very few rich people and of a much larger mass—at some points in history, mostly black—without very much to show for their labors at all. Behind the fierceness of the oligarchy was of course fear. The planters of Barbados and early South Carolina were outnumbered 100 to 1 by their slaves, and through the antebellum period a frisson of fear ran up South Carolinians' spines when they recalled the Denmark Vesey slave rebellion of 1822. A century later white supremacists felt queasy when they remembered the time during the 1870s when South Carolina's blacks controlled the state legislature and the congressional delegation. The blacks did nothing more to oppress the whites than insist on being treated equally. But slavery and then segregation, based on force, would always raise the specter that force would be used in return, for liberation or just revenge.

After 280 years of oligarchy, South Carolina has had 40 years of democracy, as the franchise was extended, first to poor whites starting in the late 1940s, then to blacks after the Voting Rights Act of 1965. Interestingly, this coincides with a period of rapid economic growth. As late as World War II South Carolina's income, education, and health statistics were among the worst in the nation, more typical of a banana republic—or of its original West Indian model—than of

most American states. Today South Carolina's income levels, discounted for a somewhat lower cost of living, are close to national levels; health standards are similar to the rest of the nation; education levels, though low, are now not far from the national average.

The South Carolina that emerged from World War II is today scarcely recognizable. That was a state where hundreds of thousands lived off subsistence agriculture and many up through the 1960s—when Ernest Hollings discovered them and made a federal case of it—were malnourished or even starved. For some years South Carolina saw as its economic salvations the naval bases that clustered around Charleston (helped along by Mendel Rivers, chairman of the House Armed Services Committee) and the textile mills that dotted the hilly upcountry landscape around Greenville and Spartanburg. More important, South Carolina by the 1970s had become perhaps the most aggressive state in the South in attracting new industry. It has gone over to Europe and enticed French and German firms to set up major operations in the Piedmont and the Lowlands. It advertised its business climate (translation: one of the lowest rates of unionization), its taxes (very low), and its willingness to meet local employers' needs (very high). Gradually, it saw its standard of living moved up toward the national average, even as that average was itself rising rapidly. And it has used some of that increase in affluence to upgrade the quality of its local work force, through public expenditures on schools as well as highways, teachers as well as policemen.

This dramatic change occurred gradually as another, more dramatic change occurred, suddenly: the end of racial segregation. The massive outmigration of blacks from the lowlands in the years after World War II stopped around the time civil rights were established and the state's economy took off. South Carolina long since has had a white majority: 30% of its residents were black in 1980; and it has long since stopped practicing white supremacy: 28% of its registered voters were black in 1986. Now, since these blacks are younger than whites and tend to have more children, the long-term prospect is for the black percentage to increase.

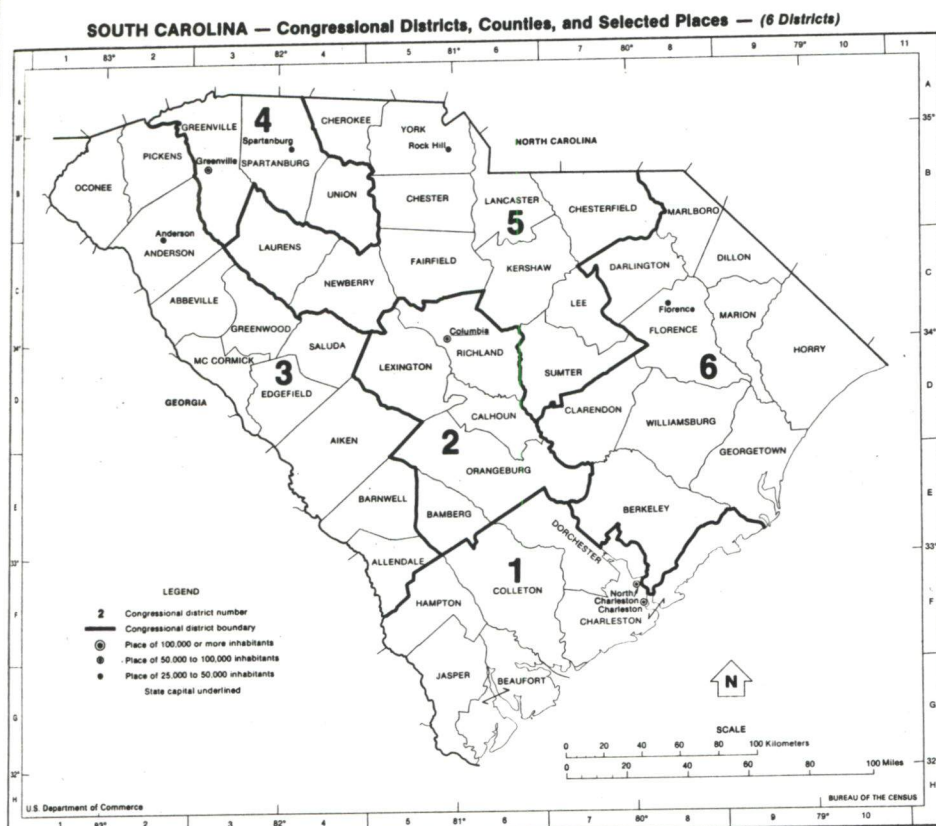
The old South Carolina was solidly Democratic for years: 88% for Franklin Roosevelt in 1944. But it was also the leading Dixiecrat state: Strom Thurmond, then South Carolina's governor, was the Dixiecrat ticket-bearer against Truman in 1948, and he carried his own state easily. The civil rights revolution; the expansion of the electorate to include first lower income whites and, after the Voting Rights Act of 1965, blacks; the increased prosperity of the state—all these changed the tone and substance of South Carolina politics. For a time it seemed the state might be going Republican: its newly prosperous and anti-civil rights whites went heavily Republican in state as well as national races in the 1960s, and Strom Thurmond became a Republican in 1964. But that Republican surge peaked as long ago as 1966. Discontented whites went for George Wallace in 1968, and blacks provided a large vote base for national and state Democrats.

By the early 1970s South Carolina had the politics it has today, with an electorate split almost precisely equally between three groups. One are the blacks, who remain heavily Democratic. The second are the country-club whites, who are solidly Republican in national and most state contests. The third are what used to be called textile-mill whites. They are the swing vote in South Carolina, the bloc that determines the outcome of just about every election. They are people at one and the same time exhilarated and terrified by the changes they have seen around them, and in their own lives, in South Carolina in the last generation. They live in affluence beyond their dreams, and if their pleasant subdivisions and small houses amid strip-development highways look quite ordinary to visiting intellectuals and journalists, they represent an undreamed-of comfort for many South Carolinians who grew up without indoor plumbing or electricity or, often enough that they can remember it, enough to eat. They are leery of policies—and institutions, like labor unions—that seem to threaten the economic order which has proved so bountiful. At the same time, there is an underlying appreciation among textile-mill whites, as there is not among country-club whites, that government has made some contribution to this bounty and to their affluence. Social Security is seen not just as a drain on one's paycheck or an added cost of household help, but as a vital supplement to income for old age.

But like most people who move upward, they also have a nostalgia for—and tend to

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# SOUTH CAROLINA 1073



Congressional districts established April 30, 1982; all other boundaries are as of January 1, 1980.

sentimentalize—what they left behind. There is little yearning left to return to racial segregation, though there are nasty incidents occasionally like the hazing of black cadet at The Citadel in Charleston in 1986. Many others surely have an uneasy sense that old rules—however unjust they now seem—are no longer in force. More disturbingly, the affluent South Carolina they inhabit, so different from the underdeveloped country they grew up in, also is a land of divorce and abortion, of places where traditional moral values are flouted and even patriotism seems to be mocked. South Carolina, hotblooded enough to have started our only civil war, is perhaps the most bellicose of states, the least inclined to support a conciliatory foreign policy. The textile-mill whites' political legacy is Democratic, and for a time in the 1970s their concern for economic security and the attractiveness of candidates like Jimmy Carter moved them away from the Republicans they had flirted with after the civil rights revolution and toward the Democrats. When Carter appeared at the Firecracker 400 stock car race in 1976, he seemed to be speaking their language. But once in Washington, he seemed to be talking the language of public policy entrepreneurs and malaise merchants, and textile-mill whites began moving back to the Republicans. That movement has continued in the 1980s, as the textile-mill whites move into better jobs and more pleasant subdivisions. They will still vote for Democrats like Senator Ernest Hollings and Governor Richard Riley. But they will also vote for Republicans like Ronald Reagan, Strom Thurmond, and the Republican governor they helped to elect in 1986, Carroll Campbell.

**Governor.** South Carolina elected a Democratic governor, Richard Riley, in 1978 and 1982,

who has been hailed as the nation's best and who retired with great popularity. Yet it replaced him with a Republican. Why? It becomes easier to understand if you remember the legacy of oligarchy and realize that voters here resent the way that tiny gaggles of men have controlled the state's politics. Edgar Brown, elected to the legislature in 1920, chaired the Senate Finance Committee from 1942 to 1972, when he retired at 84; Sol Blatt, elected in 1932, was Speaker of the House for all but four years from 1937 to 1972 and served in the House until he died in 1986. Riley campaigned in 1978 to "declare war on the Good Old Boy system," and bucked it in the legislature, failing on tax reform in 1983 but putting through in 1984 a thoroughgoing education reform, complete with higher taxes to pay for it. It included merit pay and pay raises for teachers, a building program, remedial education, cash bonuses to schools that improve; it was passed after Riley convinced businessmen and voters that the state needed a better educated work force if it is to enjoy further economic growth.

In 1986 Republican Representative **Carroll Campbell**, like Riley before him, promised to throw out the "good ol' boy system" of the entrenched politicians. The theme had some credibility because the Democratic nominee, Lieutenant Governor Mike Daniel, was a Columbia veteran who had beaten outsider Phil Lader in the primary (Lader, for the sake of party unity, declined a runoff which he was entitled to) and was quick to get defensive about Riley's record and Campbell's charges that the state was not doing well. During the campaign Campbell called for cutting insurance rates, reorganizing state government, and lowering taxes. He did well against the folksy Daniel in debates. In September he volunteered to take a urine test, while Daniel emotionally refused to do so; in the last week he charged that prominent Democrats had gotten "sweetheart contracts" from the state, and won 51%-49%. His margins came in urban and suburban areas, especially in his home base of Greenville, and he may have been helped by increased turnout upcountry; most rural counties went for Daniel.

Once in office, Campbell took the high road, stressing the same education and economic development themes Riley did. Campbell has the blow-dried look of so many young Republicans, but is an experienced and aggressive politician who has been mentioned as a possible Senator or maybe more. He ran unsuccessfully for lieutenant governor in 1974, served as an aide to Governor James Edwards, who did a better job than almost anyone expected, won his House seat in 1978, and won seats first on Appropriations and then on Ways and Means. Some Democrats claim that in the 1978 race Campbell encouraged a minor candidate to attack the Democrat Max Heller on the ground that, as a Jew, he did not believe in Jesus, and noted that a Campbell poll asked two questions about religion; Campbell denied that he had anything to do with the third candidate and said the questions were asking voters which descriptions would best describe each candidate ("a Christian man," "Jewish," among others) and which qualities would make them more or less likely to vote for a candidate ("a Jewish immigrant," "a native South Carolinian," among others). In 1986 he not only showed talent but enjoyed good fortune: his House colleague Tom Hartnett bowed out of the race for governor and ran for lieutenant governor as part of a team with Campbell. But they were on separate lines and Hartnett lost 50%-49% to Democrat Nick Theodore. Campbell owes him one.

Unlike Edwards and so many other Republicans who by good fortune stumble into governorships, Campbell had to work hard to win his and seems to be building an effective Republican party. South Carolina had four special elections in early 1987 to fill vacancies in the state legislature; Republicans won four of four, including the seat formerly held by Democratic Representative Liz Patterson and one in rural and heavily black Edgefield County. "We're cutting them off at the grass roots," one Republican exulted, perhaps prematurely; but Republicans here are doing a better job than in most southern states of generating candidates able to win local elections in all kinds of constituencies.

**Senators.** For a long time South Carolina's Senate seats have in effect been the political reward of the most politically formidable of its governors: Burnet Maybank (first elected governor in 1938 and Senator in 1940), Olin Johnston (1934, 1944), Thurmond (1946, 1954), and Hollings (1958, 1966). The current Senators are formidable men who rose from humble

beginnings, made their careers in the courtrooms, and ran unsuccessfully for President of the United States. They have proved to be two of the most durable and forceful members of the Senate today—or maybe ever. Strom Thurmond's career goes back more than 50 years now: he was first elected to the legislature at 29, in 1932, and was reelected senator at 81 in 1984. Hollings won his first election at 26, in 1948.

Thurmond has combined a reputation for firmness and steadfastness with a flexibility and adroitness that has enabled this onetime symbol of racial segregation to prosper politically in an era of integration. Thurmond was elected governor in 1946 and won 39 electoral votes as the States' Rights—i.e., anti-civil rights—Democratic candidate for President in 1948. In 1954 he was elected to the Senate, stunningly, as a write-in candidate; he promised the voters that if he won he would resign and seek election in the ordinary manner, and in 1956 he did. During the 1964 campaign he switched to the Republican Party and supported Barry Goldwater for President; in 1968 he was the key power broker at the Republican National Convention, when he held the South for Richard Nixon.

This was his peak of national influence, but it was also a moment of peril: South Carolina's blacks were getting the vote, and for a moment Thurmond seemed to be in trouble. But he reacted to the enfranchisement of South Carolina's blacks by working as doggedly for them as he had for others: he hired black staffers in the early 1970s, pushed through the appointment of black federal judges, helped black local officials and citizens' groups with federal projects. He has ended up voting for renewal of the Voting Rights Act and the Martin Luther King holiday. He probably gets few black votes, but he has softened black voters' hostility; they don't turn out in large numbers to vote against him or form a strong political base for a possible opponent.

Thurmond as the senior Republican Senator was president pro tempore of the Senate for six years, a ceremonial post he enjoyed, and which put him in the theoretical line of succession to the Presidency. He also served as chairman of the Judiciary Committee, having taken care in the 1970s to use his seniority to outrank the liberal Charles Mathias. As chairman Thurmond was courteous, cooperative, conciliatory, but ready to move fast when he had the votes. He seems to have a pleasant working relationship with Joseph Biden. In his middle 80s, he remains in excellent health, though his hearing isn't good, and if he doesn't seem attentive to detail to some observers, those who think he might overlook some legislative detail or particle of procedure may find him alert and ready if the matter is something he cares about.

Thurmond is a retired Army general, an unabashed enthusiast for things military, and a supporter of an aggressive and assertive foreign policy. But in 1987 he did not exercise his option of becoming ranking Republican on the Armed Services Committee, declining to elbow aside Virginia's John Warner as he had Mathias. He is also a member of Veterans' Affairs and, as of 1985, Labor and Human Resources Committees. Thurmond has surprised some observers by not aggressively pursuing conservative causes. Instead he has worked on consensus measures like stopping cop-killer bullets, reforming the antitrust laws, outlawing designer drugs, and keeping South Carolina from getting more nuclear waste. He wants to bar former federal officials from lobbying for foreign countries. He did push the death penalty when he could and stoutly backed all Reagan judicial nominations. But one gets the impression that some time around 1970 Thurmond got tired of being a controversial figure widely hated, and decided to seek maximum acceptance and to make himself a consensus national leader instead. Not many then would have guessed he could do it, but he has.

Thurmond's seat came up in 1984, and he was reelected with scarcely any fuss. He has a solid bedrock of support in South Carolina that is well over 50%; he showed that in 1978 when he beat back a strong challenge by Democrat Charles Ravenel. There's been speculation about a possible Thurmond successor for nearly 20 years now. Should the seat become vacant, Governor Carroll Campbell might appoint Nancy Thurmond, whom the Senator married in 1968 when he was in his late 60s and she in her early 20s; she and their four children are a feature of every Thurmond campaign. But Thurmond shows no sign of retiring: in March 1985 he registered with the Federal Election Commission as a candidate for reelection in 1990. The span of his career is

awesome; Thurmond knew Pitchfork Ben Tillman, the South Carolina governor and Senator who was born in 1847, and his children have a good chance of living into the 2050s.

South Carolina's other Senator, Ernest Hollings, ran for President in 1984 and made less impact than he wished—and less than his talents and program might seem to have warranted. Then in 1985 on the same issue he had emphasized in his campaign for the Presidency with such dismal results he made a great impact indeed. The issue was the federal deficit, and while he won few votes with the budget freeze he proposed on the stump and on the Senate Budget Committee, he was successful in proposing the Gramm-Rudman-Hollings deficit-cutting bill. Hollings has been tussling with budgets for a long time, as chairman of the Senate Budget Committee in 1980 after Edmund Muskie resigned to become Secretary of State, and as ranking Democrat on the committee in 1981 and 1982, when the groundwork for the deficits was laid by the Reagan budget and tax cuts.

Now, however, Hollings is devoting much attention to his duties as chairman of the Senate Commerce Committee. He was careful to relinquish the ranking seat on Budget and take it on Commerce in 1983; for Commerce, which has jurisdiction over most federal regulation, is much the better place from which to raise funds for campaigns, presidential or otherwise. As chairman, Hollings is well-informed and aggressive. He is dubious about some deregulation of communications, and backs the fairness doctrine in broadcasting. As a young lawyer he made his living as a plaintiffs' lawyer in negligence cases (he looks like a Charleston aristocrat, but has a modest background) and is not likely to back federal law limiting tort claims. He is skeptical about airline deregulation. For the first time in the 1980s Commerce seems to have a regulator as chairman.

Why did Hollings fall flat as a presidential candidate? One reason is the times: appeals for shared sacrifice fall flat in a peaceful, prosperous America. Another reason is the constituency. The Democrats' selection process is geared to mostly liberal party activists, and Hollings failed some of their litmus tests. He may have been the Senate's leading opponent of the MX missile in 1983, for example, but they recognized, accurately, that on most military and foreign issues he is an unreconstructed hawk. He may have been the Senate's most effective fighter against hunger in the 1960s and 1970s, when he was spurred to action by discovering how poorly many people were eating in South Carolina, but he expressed a not-at-all-veiled scorn for schemes of income redistribution and job guarantee programs.

But Hollings, like many politicians, was the victim of his successes. Successful in getting himself elected governor at age 36 in 1958, steering this bellicose state calmly toward complying with court desegregation orders, Hollings had faced his most difficult tests years before in an utterly different political world. This man who beat an incumbent Senator in 1966 and then established himself as a Senate insider betrayed on the campaign trail what he has shown in the committee room: a tendency to speak too quickly and too cruelly, a tendency to pounce on the weaknesses of others in a way that ends up hurting him. He won only 11% of the votes of the relatively few Maine Democrats eligible to vote after criss crossing their state; his weak showing days later in New Hampshire was anticlimactic.

Not that any of this hurt much when Hollings came up for reelection in 1986. There was a primary between two serious Republicans, but both had liabilities; the nominee, U.S. Attorney Henry McMaster, was stiff and lifeless; he emphasized drugs. Hollings worked hard in Washington and campaigned hard in South Carolina and won 63%–36%.

**Presidential politics.** South Carolina, more than most southern states, has been tilting Republican in presidential contests—more than can just be explained by the Reaganward movement of textile-mill whites. One explanation is changing demography: the growth of Hilton Head-like developments up and down the coast and even inland has brought Republican voters here from the suburbs of the Midwest and South. There is also evidence, in sharply rising turnout in Greenville and surrounding upcountry counties in 1984 and 1986, of a successful effort to register and turn out evangelical and fundamentalist Christians in the homeland of Bob Jones University. In contrast, there is little evidence of an increase in black turnout, despite the

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## SOUTH CAROLINA 1077

much publicized efforts of South Carolina native son Jesse Jackson, who took the trouble of registering to vote in Greenville in 1984 and then has played no role in the state's public life.

South Carolina, with its oligarchic traditions, has not been particularly hospitable to presidential primaries. Oddly enough, the Republicans had one in 1980, and it turned out to be notable, if only as the endpoint of John Connally's electoral career. Even though Connally had the strong support of Senator Strom Thurmond, faithful even when it was apparent that the cause was lost, and even though it was a manageable country-club electorate (only 145,000 votes cast), Connally still got only 30% of the votes to Ronald Reagan's 55%. The Republican contest in 1988 could be very important: the party is caucusing the weekend before most of the other southern states vote in primaries. Evangelicals turned out in force for the 1987 Republican county conventions (there's no party registration to prevent former Democrats from doing so) and were expected to have a near-majority of the state convention; it's not clear whether this can be duplicated and whether such votes would go to Pat Robertson. George Bush strategist and South Carolina native Lee Atwater surely hopes that South Carolina will give his man a boost, and may have the inside track here.

**Congressional districting.** South Carolina's congressional districts were changed only slightly in redistricting; the Democratic legislature gave only minor help to Democrats. Two districts, the 4th and the 6th, have changed partisan hands in the 1980s, and the 1st and the 2d have seen close races.

**The People:** Est. Pop. 1986: 3,378,000; Pop. 1980: 3,121,820, up 8.2% 1980-86 and 20.5% 1970-80; 1.40% of U.S. total, 24th largest. 13% with 1-3 yrs. col., 14% with 4+ yrs. col.; 16.6% below poverty level. Single ancestry: 19% English, 5% Irish, 4% German, 1% French, Scottish. Households (1980): 78% family, 46% with children, 63% married couples; 29.8% housing units rented; median monthly rent: \$133; median house value: \$35,100. Voting age pop. (1980): 2,179,854; 27% Black, 1% Spanish origin. Registered voters (1986): 1,305,330; no party registration.

**1986 Share of Federal Tax Burden:** \$7,842,000,000; 1.04% of U.S. total, 30th largest.

### 1986 Share of Federal Expenditures

|                 | Total    |         | Non-Defense |         | Defense  |         |
|-----------------|----------|---------|-------------|---------|----------|---------|
| Total Expend    | \$9,944m | (1.20%) | \$7,208m    | (1.20%) | \$2,736m | (1.19%) |
| St/Lcl Grants   | 1,322m   | (1.17%) | 1,319m      | (1.17%) | 3m       | (2.70%) |
| Salary/Wages    | 2,170m   | (1.80%) | 400m        | (0.68%) | 1,770m   | (2.86%) |
| Pymnts to Indiv | 4,552m   | (1.25%) | 4,108m      | (1.18%) | 443m     | (2.49%) |
| Procurement     | 1,784m   | (0.87%) | 1,263m      | (2.27%) | 521m     | (0.35%) |
| Research/Other  | 117m     | (0.44%) | 116m        | (0.44%) | 0m       | (0.38%) |

**Political Lineup:** Governor, Carroll A. Campbell, Jr. (R); Lt. Gov., Nick A. Theodore (D); Secy. of State, John T. Campbell (D); Atty. Gen., Travis Medlock (D); Treasurer, Grady L. Patterson, Jr. (D); Comptroller General, Earle E. Morris, Jr. (D). State Senate, 46 (35 D and 9 R); State House of Representatives, 124 (91 D and 33 R). Senators, Strom Thurmond (R) and Ernest F. Hollings (D). Representatives, 6 (4 D and 2 R).

### 1984 Presidential Vote

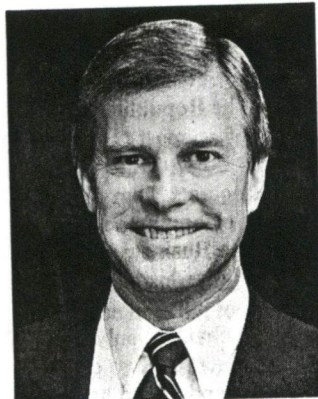
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|-------------------|---------------|
| Reagan (R) .....  | 615,539 (64%) |
| Mondale (D) ..... | 344,459 (36%) |

### 1980 Presidential Vote

|                    |               |
|--------------------|---------------|
| Reagan (R) .....   | 441,841 (49%) |
| Carter (D) .....   | 430,385 (48%) |
| Anderson (I) ..... | 14,071 (2%)   |

## GOVERNOR

## Gov. Carroll A. Campbell, Jr. (R)



Elected 1986, term expires Jan. 1991; b. July 24, 1940, Greenville; home, Greenville; **U. of SC**, American U., M.A. 1985; Episcopalian; married (Iris).

**Career:** Real estate and farming; SC House of Reps., 1970-74; Exec. Asst. to Gov. James B. Edwards, 1975-76; SC Senate, 1976-78; U.S. House of Reps., 1978-86.

**Office:** P.O. Box 11369, The State House, Columbia 29211, 803-734-9818.

## Election Results

|            |                                        |         |       |
|------------|----------------------------------------|---------|-------|
| 1986 gen.  | Carroll A. Campbell, Jr. (R) . . .     | 384,565 | (51%) |
|            | Mike Daniel (D) . . . . .              | 361,325 | (49%) |
| 1986 prim. | Carroll A. Campbell, Jr. (R) unopposed |         |       |
| 1982 gen.  | Richard W. Riley (D) . . . . .         | 468,819 | (70%) |
|            | William D. Workman, Jr. . . . .        | 202,806 | (30%) |

## SENATORS

## Sen. Strom Thurmond (R)



Elected 1956, seat up 1990; b. Dec. 5, 1902, Edgefield; home, Aiken; **Clemson Col.**, B.S. 1923; Baptist; married (Nancy).

**Career:** Teacher and coach, 1923-29; Edgefield Cnty. Supt. of Educ., 1929-33; Practicing atty., 1930-38, 1951-55; SC Senate, 1933-38; Circuit Judge, 1938-42; Army, WWII; Gov. of SC, 1947-51; States Rights candidate for Pres. of U.S., 1948; U.S. Senate, 1954-56.

**Offices:** 218 RSOB 20510, 202-224-5972. Also 1835 Assembly St., Ste. 1558, Columbia 29201, 803-765-5496; 334 Meeting St., Rm. 600, Charleston 29493, 803-724-4282; 211 York St., N.E., Ste. 29, Aiken 29801, 803-649-2591; and 401 W. Evans St., Florence 29501, 803-662-8873.

**Committees:** *Armed Services* (2d of 9 R). Subcommittees: Conventional Forces and Alliance Defense; Readiness, Sustainability and Support; Strategic Forces and Nuclear Defense (Ranking

Member). *Judiciary* (Ranking Member of 6 R). Subcommittees: Antitrust, Monopolies and Business Rights (Ranking Member); Courts and Administrative Practice. *Labor and Human Resources* (4th of 7 R). Subcommittees: Aging; Children, Family, Drugs, and Alcohol (Ranking Member); Education, Arts, and Humanities. *Veterans' Affairs* (3d of 5 R).

## Group Ratings

|      | ADA | ACLU | COPE | CFA | LCV | ACU | NTU | NSI | COC | CEI |
|------|-----|------|------|-----|-----|-----|-----|-----|-----|-----|
| 1986 | 5   | 0    | 10   | 27  | 8   | 91  | 46  | 100 | 78  | 71  |
| 1985 | 0   | —    | 11   | 0   | —   | 91  | 61  | —   | 97  | —   |

# SOUTH CAROLINA 1079

## National Journal Ratings

|          | 1986 LIB — 1986 CONS |   |     | 1985 LIB — 1985 CONS |   |     |
|----------|----------------------|---|-----|----------------------|---|-----|
| Economic | 0%                   | — | 84% | 0%                   | — | 86% |
| Social   | 13%                  | — | 85% | 0%                   | — | 83% |
| Foreign  | 0%                   | — | 86% | 0%                   | — | 88% |

## Key Votes

|                  |     |                     |     |                    |     |
|------------------|-----|---------------------|-----|--------------------|-----|
| 1) Ease Gun Cont | FOR | 5) Grm-Rdmn Def Red | FOR | 9) Rehnquist Nom   | FOR |
| 2) Immig Reform  | FOR | 6) Contra Aid       | FOR | 10) Tax Reform     | FOR |
| 3) Lmt Text Imp  | FOR | 7) SDI Funding      | FOR | 11) Drug Death Pen | AGN |
| 4) Aid Tobac Ind | FOR | 8) Lmt PAC Contrib  | FOR | 12) S Africa Sanc  | AGN |

## Election Results

|              |                          |         |       |               |
|--------------|--------------------------|---------|-------|---------------|
| 1984 general | Strom Thurmond (R)       | 644,815 | (67%) | (\$1,682,962) |
|              | Melvin Purvis (D)        | 306,982 | (32%) | (\$9,023)     |
| 1984 primary | Strom Thurmond (R)       | 44,662  | (94%) |               |
|              | Robert H. Cunningham (R) | 2,693   | (6%)  |               |
| 1978 general | Strom Thurmond (R)       | 351,733 | (56%) | (\$2,013,431) |
|              | Charles D. Ravenel (D)   | 281,119 | (44%) | (\$1,134,168) |

## Campaign Contributions and Expenditures

| 1979-84  |             | Direct Cont. 1983-84 |             | PACS Breakdown 1979-84 |           |                 |
|----------|-------------|----------------------|-------------|------------------------|-----------|-----------------|
| Receipts | \$2,038,457 | Indiv.               | \$1,346,556 | Corp.                  | \$373,374 | T/M/H \$157,940 |
| Expend.  | \$1,682,962 | Party                | \$15,457    | Labor                  | \$5,000   | Agr. \$1,000    |
| Unspent  | \$364,686   | PACS                 | \$596,785   | Ideo.                  | \$22,973  | CWOS \$9,250    |

## Sen. Ernest F. (Fritz) Hollings (D)



Elected 1966, seat up 1992; b. Jan. 1, 1922, Charleston; home, Charleston; The Citadel, B.A. 1942, U. of SC, LL.B. 1947; Lutheran; married (Peatsy).

Career: Army, WWII; Practicing atty.; SC House of Reps., 1949-54, Speaker Pro Tem, 1951-54; Lt. Gov. of SC, 1955-59; Gov. of SC, 1959-63.

Offices: 125 RSOB 20510, 202-224-6121. Also 1835 Assembly St., Columbia 29201, 803-765-5731; and 112 Custom House, 200 E. Bay St., Charleston 29401, 803-724-4525; 126 Fed. Bldg., Greenville 29304, 803-585-3702; 233 Fed. Bldg., Florence 29503, 803-662-8135.

Committees: Appropriations (5th of 16 D). Subcommittees: Commerce, Justice, State, and Judiciary (Ranking Member); Defense; Energy and Water Development; Interior; Labor, Health and Human Services, Education. Budget (2d of 13 D). Commerce, Science, and Transportation (Chairman of 11 D). Subcommittees: Communications; Foreign Commerce and Tourism; Surface Transportation. Select Committee on Intelligence (5th of 8 D).

## Group Ratings

|      | ADA | ACLU | COPE | CFA | LCV | ACU | NTU | NSI | COC | CEI |
|------|-----|------|------|-----|-----|-----|-----|-----|-----|-----|
| 1986 | 35  | 28   | 56   | 67  | 67  | 52  | 48  | 80  | 32  | 40  |
| 1985 | 45  | —    | 55   | 60  | —   | 52  | 37  | —   | 55  | —   |

to plant our banner on the surface of the Moon.

"Instead we work and we build and we create to give all mankind its last great heritage. We are truly reaching for the stars."

By his vision and his work and his support, Lyndon Johnson drew America up

closer to the stars, and before he died he saw us reach the Moon—the first great plateau along the way.

NOTE: As enacted, S.J. Res. 37, approved February 17, 1973, is Public Law 93-8 (87 Stat. 7).

The statement was released at Key Biscayne, Fla.

## 51 Remarks to a Joint Session of the South Carolina General Assembly. February 20, 1973

*Governor West, Mr. Speaker, Mr. President, Senator Thurmond, Senator Hollings, my colleagues from the House of Representatives in Washington, D.C., all of the distinguished members of the Senate and the House of Representatives of the State of South Carolina:*

I had not realized until the Governor had introduced me so eloquently that this is the first time that a President of the United States has stood in this place. I am honored to be here for that reason, and I am also honored to be here because this is the first State legislature in the Nation which passed a resolution supporting the peace settlement in Vietnam.

Before speaking of that settlement, I would like to refer briefly to some of the distinguished people who are here in this chamber today, and first, to one of the truly great First Ladies of America, Mrs. James Byrnes.

All of you know of the friendship that I was privileged to have with Governor Byrnes. You will remember that I mentioned the fact on his death that no man in the whole history of this country had held more offices and more high offices at both the State and Federal level than he had held during his long and distinguished career. He was also a very wise and farsighted man who was willing to

give good counsel on occasion when he was asked.

I remember when I was defeated when I ran for President in 1960, I asked Governor Byrnes whether I should run for Governor of California. He thought a moment and said, "Yes, you should." I ran for Governor. I lost, but the advice was very farsighted because if I had not run for Governor and had not lost, I wouldn't be standing here today.

I also want to pay tribute on this occasion to Speaker Blatt. It was interesting for me to note, and I note it now for the whole Nation, that he has been Speaker in this House longer than any man has held that position in the whole history of America, and I pay a tribute to him for having that high position today.

I am also very proud today that Secretary Dent, Secretary of Commerce, is present with us. He is the first man from South Carolina to serve in a President's Cabinet since James Byrnes was Secretary of State.

And then, too, I wish to pay my respects on this occasion to the delegation from Washington, D.C. I could say much about them in terms of their very strong support of policies that we believe are best for America. I will simply say that on this occasion, under the very strong leader-

ship of Senator Strom Thurmond, there is no delegation from any State in the Union that has given more firm support to the policies that made the achievement of a peace settlement possible.

It is interesting to note that the delegation in the Senate is half and half, Republican and Democratic. The delegation in the House of Representatives is about half and half, Republican and Democrat. But as the late Mendel Rivers used to say, when the defense of America and the honor of America is involved, we are not Republicans, we are not Democrats, we are Americans, and that is the spirit which has motivated the delegation from South Carolina always in the House of Representatives and the United States Senate.

Now I would like to turn to the settlement which has been discussed at considerable length, probably, on the floor of this chamber when the resolution was passed, and also throughout the country since that settlement was announced. I should like to speak to you quite candidly about the settlement in terms of what it really means—what it means to America, what it means to the people of South Vietnam, and what it means to the world.

In referring to that settlement, I think it is important for us to note that I have often used the term "peace with honor." What does peace with honor mean? And here we go back into the long history of this terribly difficult war, the longest in this Nation's history.

Because the war has been so long and because it has been so difficult, there is a tendency for us to forget how the United States became involved, and why. It would be very easy now, looking back, to point out the mistakes that were made in the conduct of the war, to even question whether or not the United States should

have become involved in the first place. But let us get one thing very clear: When, during the course of President Kennedy's Administration, the first men were sent to Vietnam for combat, when, during the course of President Johnson's Administration others were sent there to continue the activities in the military area, they were sent there for the most selfless purpose that any nation has ever fought a war.

We did not go to South Vietnam, and our men did not go there, for the purpose of conquering North Vietnam. Our men did not go to South Vietnam for the purpose of getting bases in South Vietnam or acquiring territory or domination over that part of the world. They went for a very high purpose, and that purpose can never be taken away from them or this country. It was, very simply, to prevent the imposition by force of a Communist government on the 17 million people of South Vietnam. That was our goal, and we achieved that goal, and we can be proud that we stuck it out until we did reach that goal.

Now the question, of course, will be raised by historians—the instant historians of the present and those who look at it in the future and attempt to evaluate this long and difficult war—was the purpose worth it? Was the sacrifice worth it?

Only historians in the future, perhaps, will be able to judge that accurately, but we, at this time, and, I know, you, as you passed your resolution, must have considered the alternatives.

We had alternatives. I recall when I first became President there were those of my own party who suggested that, after all, I had not made the decision that involved the United States with combat troops in Vietnam in the first place and,

1 INTRODUCED

2 February 23, 1988

H. 3822

7 Introduced by Ways and Means Committee

9 S. Printed 2/23/88--H.

10 Read the first time February 23, 1988.

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## A BILL

TO AMEND SECTION 11-11-310, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE GENERAL FUND RESERVE, CAPITAL EXPENDITURE FUND, AND OTHER FISCAL MATTERS, SO AS TO REDUCE FROM FOUR TO THREE PERCENT OF GENERAL FUND REVENUE OF THE LATEST COMPLETED FISCAL YEAR THE AMOUNT WHICH MUST BE MAINTAINED IN THE GENERAL FUND RESERVE, AND TO PROVIDE THAT THE PROVISIONS OF THIS ACT ARE NOT EFFECTIVE UNTIL THE GENERAL ASSEMBLY APPROVES BY A JOINT RESOLUTION THE AMENDMENT TO ARTICLE III OF THE CONSTITUTION OF THIS STATE WHICH ADDS SECTION 38 REQUIRING A CAPITAL EXPENDITURE FUND EQUAL TO TWO PERCENT OF GENERAL FUND REVENUE OF THE LATEST COMPLETED FISCAL YEAR AND PROVIDING WHEN AND THE PURPOSES FOR WHICH THE MONIES FROM THE FUND MAY BE EXPENDED.

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

SECTION 1. The second and third paragraphs of Section 11-11-310 of the 1976 Code are amended to read:

"The Budget and Control Board shall provide for a General Fund Reserve. Funds accumulating in excess of the annual operating expenditures ~~shall~~ must be transferred to the General Fund Reserve and the transfer must continue to be made in succeeding fiscal years until the accumulated total in this reserve reaches an



## A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE III OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, BY ADDING SECTION 38, SO AS TO REQUIRE A CAPITAL EXPENDITURE FUND EQUAL TO TWO PERCENT OF GENERAL FUND REVENUE OF THE LATEST COMPLETED FISCAL YEAR, AND PROVIDE WHEN AND THE PURPOSES FOR WHICH THE MONIES FROM THE FUND MAY BE EXPENDED.

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

SECTION 1. It is proposed that Article III of the Constitution of this State be amended by adding:

"Section 38. (A) The General Assembly shall provide for a Capital Expenditure Fund equal to two percent of the general fund revenue of the latest completed fiscal year.

(B) If, before March first of a fiscal year, the general fund does not attain the amount which is projected, monies from the Capital Expenditure Fund may only be expended to offset budget reductions resulting from the failure of the general fund attaining its projected amount.

(C) After March first of a fiscal year, monies from the Capital Expenditure Fund may be appropriated by the General Assembly for the following purposes and in order of priority and each must be accomplished in separate legislation:

(1) to finance in cash previously authorized capital improvement projects;

(2) to retire bond principal on bond issues of higher interest rates;

(3) for capital improvements or other nonrecurring purposes which must be accomplished in separate legislation.

SECTION 2. The proposed amendment must be submitted to the qualified electors at the next general election for representatives. Ballots must be provided at the various voting precincts with the following words printed or written on the ballot:

"Must Article III of the Constitution be amended by adding Section 38 to require a Capital Expenditure Fund equal to two percent of the General Fund Revenue of the latest completed fiscal year, and provide that before March first the fund may be used to offset mid-year budget reductions and after March first monies from the fund may be appropriated in separate legislation by the General Assembly to finance in cash previously authorized capital improvement projects, retire bond principal on bond issues of higher interest rates, and for capital improvements or other nonrecurring purposes?"

Yes ☐

No ☐

Those voting in favor of the question shall deposit a ballot with a check or cross mark in the square after the word 'Yes' and those voting against the question shall deposit a ballot with a check or cross mark in the square after the word 'No'.

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1 amount equal to ~~four~~ three percent of the  
2 General Fund Revenue of the latest completed  
3 fiscal year.

4 In the event of If there is a year-end  
5 operating deficit, so much of the Reserve Fund  
6 as ~~may be~~ is necessary must be used to cover  
7 the deficit. The amount so applied must be  
8 restored to the Reserve Fund out of future  
9 revenues as provided in Section 36 of Article  
10 III of the Constitution of this State and out of  
11 surpluses as herein provided in this section  
12 until the ~~four~~ three percent maximum is again  
13 reached and actually maintained."  
14

15 SECTION 2. This act takes effect upon approval  
16 by a joint resolution of the General Assembly of  
17 an amendment to Article III of the Constitution  
18 of this State which adds Section 38 requiring a  
19 Capital Expenditure Fund equal to two percent of  
20 General Fund Revenue of the latest completed  
21 fiscal year and providing when and the purposes  
22 for which the monies from the fund may be  
23 expended.  
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February 9, 1989

MEMORANDUM

TO: Mark Kluggman

FROM: Stephanie Blessey

RE: South Carolina General Assembly Speech

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BALANCED BUDGET

There are requirements to balance the budget in the South Carolina Constitution.

COMPONENTS OF A RESPONSIBLE BUDGET PROCESS

To ensure that the budget is balanced there is a Reserve Fund (5% of the budget) that is used:

1. To cushion cutbacks of expenditures
2. In event of a year-end shortfall

The Budget Control Board which appropriates the Reserve Fund is also required to cut expenditures if revenues decrease substantially.

Line Item Veto -- After six months in office, the Governor used the line-item veto 277 times on an appropriations act. The House sustained all of the vetoes. The cuts included:

1. Eliminating \$17 million from the appropriations act.
2. Cutting out two existing agencies.

SURPLUS

FY88 there was a surplus of over \$100 million, and this year revenues are currently greater than expenditures. FY87 budget cuts were necessary in February but by yearend the budget was balanced.

## TAX REFORM

The Governor proposed three different tax cuts this year. They are:

1. Cutting the the income tax rate by raising the top bracket from \$10,000 (which hasn't been changed since 1959).

2. Cutting the capital gains rate from 7% to 4% over 4 years (decreasing 1% per year).

3. Eliminating the auto premium tax which would cut insurance rates.

Campbell has proposed the first cut in income tax rates in the state's history. He wants to improve the fairness in the tax code.

## FOOTBALL

U.S.C. Gamecocks' record: 8-4

Clemson Tigers' record: 10-2

away in days, weeks, or months, but they will go away." After a shaky start, necessitated by the sorry state of the economy in 1980, we now have a peacetime economy entering an unprecedented 7th year of expansion. The length, strength, and resilience of this expansion are ample testimony to the wisdom of the policies that we have pursued.

During this expansion, real GNP has risen by more than 4 percent a year, nearly double the growth rate of the previous 8 years. The growth in employment and jobs has been phenomenal; nearly 19 million nonagricultural jobs have been created during this period, with nearly 3.5 million new jobs created in the first 11 months of 1988. Furthermore, this remarkable expansion has benefited all segments of the population. While civilian employment has increased by more than 17 percent, Hispanic employment has grown by more than 45 percent, black employment by nearly 30 percent, and female employment by more than 20 percent. The decline in unemployment rates is equally dramatic—the overall unemployment rate has been cut in half, down to levels not seen in 14 years. And, assertions to the contrary, the jobs created are good ones; over 90 percent of the new jobs are full-time, and over 85 percent of these full-time jobs are in occupations in which average annual salaries exceed \$20,000.

Unlike previous experiences, this expansion has been accomplished without simultaneously fueling inflation. The average inflation rate during this period, as measured by the GNP deflator, has been barely one-third the rate of inflation that prevailed in 1980. The scourge of inflation, which served as a hidden tax on the American people and diverted productive resources to unproductive uses, has been brought under control here and in our major trading partners. This, in turn, has led to a dramatic decline in interest rates, which, while still high by historic standards, are far lower than they were in January 1981. In short, we have achieved the objectives that eluded us during the 1970s—rapid economic growth and declining inflation rates.

This record has been achieved not through alchemy, but by using that good old-fashioned recipe of reducing the role of government. Too often the government has sought to solve problems best left to the private sector; and too often these solutions have had devastating side effects. We have at last learned that more government is not the solution to our problem; often it is the problem.

Our New Beginning has restored personal incentives through a series of tax reforms and tax cuts. These reforms have reduced the top Federal marginal income tax rate to less than one-half the level that prevailed when we took office and decreased tax liabilities at all income levels. The Tax Reform Act of 1986 improved efficiency by eliminating many tax preferences that distort private decision-

*Economic Report of the Pres. 1989*

making. By reducing tax rates and tax loopholes, we have encouraged people to make money the old-fashioned way—by producing goods and services that people want, not by finding new ways to avoid taxes. The tax reforms have increased equity as well, as an estimated 4 million low-income individuals and families have been removed from the income tax rolls by 1988. If imitation is the sincerest form of praise, then the fact that many other major industrial powers have also cut their tax rates is praise indeed.

These tax reforms, combined with regulatory reforms that will result in billions of dollars of saving over this decade, have helped spur productivity growth. Since 1981, manufacturing productivity has grown at an average annual rate exceeding 4 percent, triple the rate for the preceding 8 years and nearly 50 percent faster than that for the period 1948-73. This productivity growth, combined with exchange-rate changes, has led to a surge in U.S. exports that puts to rest the notion that U.S. industry is no longer competitive.

We have also made progress in reining in government expenditures, but much still needs to be done. We have reduced the rate of growth of Federal spending, and over the past 5 years government spending as a percent of GNP has fallen from 25.1 to 23.2 percent. Significant progress has also been made in reducing the budget deficit, both in absolute terms and as a percent of GNP, but further progress can be made only by reducing government spending. Tax increases would only threaten the enormous progress that has been made so far.

Our successes extend to the international sphere as well. The strong U.S. recovery, coupled with a weaker recovery abroad, helped create a sizable U.S. trade deficit. While the trade deficit has been significantly reduced during the past year as a result of our surging exports, it has served as an excuse for those seeking protection from foreign competition. Protectionism, like most forms of government intervention in the economy, serves only to enrich the few at the expense of the many. We have successfully resisted this protectionist pressure, while pursuing major trade liberalization efforts abroad.

The Israel-United States Free-Trade Agreement was the first such agreement entered into by the United States. The recently implemented Free-Trade Agreement with Canada represents an historic step forward for two staunch allies. In addition to creating the world's largest free-trade area between two countries and generating large benefits for both countries, it serves as a model of what can be accomplished in other negotiating forums. The United States remains committed to full multilateral liberalization, as reflected in the fact that we are the driving force behind the current Uruguay Round of multilateral negotiations under the General Agreement on Tariffs

## Sports:

Clemson - Tigers

U.S.C. - S.C. Gamecocks

Both basketball teams are doing well - split the two games against each other.

Furman - Paladines - won the N.A.I.A. the National Championships of small schools. After the President's visit, the school will be honored.

U.S.C. football coach died Sunday night (heart ~~attack~~ attack) Joe Morrison was a retired N.Y. Giant.

10/87 G.B. went to a U.S.C. football game.

## State hogos:

### Nicknames:

Rice State

Swamp State

Keystone of the South Atlantic Seaboard

Iodine State

Palmetto State (tree)

Moths:

Animis Opiherque Forat;

- Prepared in Mind & Resources

Dem Spire Speed

- While I breath I hope

State sons:

"Carolina"

"South Carolina on My Mind"

# G.D. Visits

10/30/87 Charleston

10/11/86 Charleston

THE VICE PRESIDENT  
OFFICE OF THE PRESS SECRETARY

FOR IMMEDIATE RELEASE  
Friday, October 30, 1987

CONTACT: 202/456-6772

EXCERPTS OF REMARKS FOR  
VICE PRESIDENT GEORGE BUSH  
CHARLESTON BOARD OF REALTORS  
CHARLESTON, SOUTH CAROLINA  
FRIDAY, OCTOBER 30, 1987

Thank you very much.

Earlier this month I announced my candidacy for the Presidency of the United States. I mean to run hard, to fight hard, to stand on the issues. And I mean to win.

I am following a great Presidency -- and a great President. Ronald Reagan returned dignity and good sense to the high office he holds. Seven years ago, a nation that needed to trust again turned to him -- and refound its spirit. I am proud to have been his partner; I am proud to have been part of his great work.

We've had triumphs and we've had setbacks. But I learned something in combat years ago, when I was flying under enemy fire -- when the going gets tough, the wingman doesn't pull away from the squadron leader.

Now I've begun a new challenge -- running for the biggest job in America. Now it's time to define my own agenda.

There is still concern about the financial markets, but the economy remains fundamentally strong.

It is important to note that the sudden drop in stock prices has not spilled over into other markets -- for instance, bond prices have remained stable. Even stock prices have remained above the level at which they started the year.

We are in the midst of the longest peacetime economic expansion in our history. Unemployment is down to 5.9 percent, with 13.7 million new jobs created in the past five years. Interest rates are down. Inflation is down and staying down. Personal income is up.

However, two key concerns remain unresolved -- the budget and trade deficits are far too large. To sustain our prosperity and extend it to all Americans, we must remove these barriers to further economic growth.

On the budget, I'll match my commitment -- and the President's -- against anyone's in Congress. But the solution is not to raise taxes; it is to restrain the growth in federal spending.

The people of this country backed tax reform on the promise that if we removed their shelters, we would not then turn around and raise their rates. And I am not going to betray that trust. I am not going to raise your taxes.

We must reject misguided calls for counterproductive tax and trade policies. These proposals have already taken their toll on investor confidence. But if we steer a steady and responsible course, the U.S. will continue to be an engine of economic growth for the entire world.

We face a watershed election next year. We can continue and build on the progress that we have made, or we can return to the stagflation and malaise of the '70s.

As we look to the 1990s, we must prepare for unprecedented competition -- not just militarily, from our adversaries, but also economically, from our friends and allies. Our future depends on our ability to meet that challenge.

We need new technologies, new businesses, and new jobs. We need men and women willing to take a risk. We need to increase our long-term savings and investment.

It is savings and investment that finance new businesses, and it is new businesses that create new jobs. Indeed, 80 percent of all new jobs come from small business.

I once started a business, and I know how tough it is. In order to get the savings and investment that we need, I support cutting the capital gains tax to 15 percent on investments held for at least a year.

Experience has shown that such an incentive would not cost the government money -- it would provide additional revenue by stimulating growth. I want to spark that growth in the textile towns of South Carolina and in hard-pressed areas throughout the nation.

And while we insist that everyone pays his fair share of taxes, it's time to protect the taxpayer from IRS harassment. You've heard, as I have, horror stories about

When I was  
here in Oct '87  
I said, ....  
and I will  
remain  
true to that  
commitment.

capital  
gains  
tax  
reduction

homes improperly seized and salaries stopped. We need to spell out the limits of IRS power. We need a Taxpayers' Bill of Rights.

All of these things, these domestic concerns, mean a great deal. But for any President, one single issue overwhelms the rest, and that is the national security of the United States.

Today, we are on the verge of an historic arms agreement with the Soviets. If this treaty is finalized, we will, for the first time in the nuclear age, actually reduce -- not just limit, but reduce -- the number of nuclear weapons in the world. It is a new beginning -- and it was born of the stability and strength we have shown for nearly seven years.

In the years ahead, we must build on the progress that we have made through negotiation. We must reduce the number of strategic weapons -- the intercontinental missiles that can destroy the Earth. We must regain a balance in conventional forces in Europe, where the Soviet bloc has a huge advantage. And we must eliminate chemical and biological weapons altogether. These are steps we must take for peace.

In doing so, we must act with high resolve as well as high hopes -- with a strength that is not only real, but is recognized by the world as real.

There is a long, proven record of what works with the Soviets. I am one who firmly believes in talking with our adversaries -- of airing our differences across a table. But a President must never negotiate from a position of weakness. And I never will.

The Democrats would cut back defense unilaterally and leave us little to bargain with. You can be sure of this -- I will deal from strength or I won't deal at all.

I was once Director of Central Intelligence, and I saw the reality of Soviet intentions -- and how they are cloaked by disinformation and propaganda. Andrei Gromyko, the Soviet foreign minister for many years, accurately characterized Mr. Gorbachev at the time he took power. Gromyko said: "Comrades, this man has a nice smile, but he's got iron teeth."

Strength and steadiness are what brought the Soviets to the bargaining table to negotiate seriously. And they are just what we will need to continue our research on the Strategic Defense Initiative -- SDI. The Soviets have been

working on strategic defenses, including SDI-type technologies, much longer and harder than we have -- indeed, well before my time at the CIA in the mid-'70s.

They don't like the fact that the United States has an SDI research program of its own. They want to keep a monopoly on strategic defense, and they have made a major effort to accomplish that at the negotiating table. But they will not succeed. I strongly support this research -- because it will give us a defensive shield that puts weapons at risk, not people.

In the years ahead, we will face challenge and change in our dealings with the Soviets. If Gorbachev can succeed in transforming Soviet society, we will be waiting for him, at the door of a new century, ready to move from an era of confrontation to one of cooperation. In a peaceful competition between our economies and ideologies, I am confident we will prevail. In the meantime, we must keep our eyes wide open.

We must also remember that the interests of the world and the cause of peace are best served not merely by containing communism, but by spreading freedom and democracy.

This message of hope and liberation is thundering across the globe, as freedom fighters everywhere battle the forces of oppression -- from the jungles of Nicaragua to Angola to the rugged mountains and unconquerable people of Afghanistan. We must never betray their cause. And we must help the Contras win democracy.

And so we have much ahead of us -- a triumph to complete, challenges to meet, and the essential question of who will lead.

I'm a doer, not a dreamer. I'm a man who 40 years ago threw everything he had into a red Studebaker and set off for Texas. I learned what it takes to start a business and make a profit and meet a payroll in the real world -- in the world outside Washington.

I'm a man who fought in the great and noble battle against tyranny called World War II. I learned what it takes to do your job under fire -- and I learned the value of peace, and the importance of friends and family and faith.

I'm a man who took charge of the CIA at its darkest hour and turned it around. I learned to see the world as it is and not as we might want it to be -- a dangerous place,

where accurate intelligence saves lives and protects our country's interests.

And finally, I'm a man who has worked side by side with the President for the past seven years. I know what crosses his desk. I have seen the unexpected crises that arrive in an urgent cable. I have seen the problems that simmer on for decades and suddenly demand a resolution.

The Presidency isn't like anything else. It isn't like the Senate, and it isn't like a governorship. A presidency can shape an era -- and it can change our lives. A successful presidency can give meaning to an age; a failed presidency can give us problems that take generations to undo.

And so I know that what it all comes down to, this election -- what it all comes down to, after all the shouting and the cheers -- is the man at the desk -- who should be.

I love my country too much -- I love my children and my grandchildren too much -- to run for the job if I didn't think -- if I didn't know -- that I am the best man for it. I ask each and every one of you to help me reach that goal.

Join me -- and we'll do it together, with trust in the future, with trust in each other -- together -- as one nation -- under God.

Thank you very much.

# # # #

the Rocky Mountain grape or the holly-leaf barberry, is a low trailing shrub. Its spherical berry, about 3 inches in diameter, is blue or purple.<sup>68</sup>

### Pennsylvania

The mountain laurel, *Kalmia latifolia*, was adopted as the state flower of Pennsylvania by that state's legislature in 1933.<sup>69</sup> Blooming in June, the laurel's soft pink color is so popular that Tioga County celebrates an annual laurel festival where hundreds attend to soak up its beauty.<sup>70</sup>

### Rhode Island

The violet, *Viola palmata*, was designated the state flower of Rhode Island by legislative act in 1968.<sup>71</sup> Also called the early blue violet and Johnny-jump-up, this violet-purple member of the abundant violet family is found from Massachusetts to Minnesota and south to Florida.<sup>72</sup>

### South Carolina

In 1924 the General Assembly adopted the yellow jessamine as the official state flower of South Carolina. Reasons given for its selection include its fragrance and resilience. Growing throughout the state, the golden flower's reawakening in the spring has been considered a sign of its constancy and loyalty to the state of South Carolina.<sup>73</sup>

### South Dakota

The American pasque flower, *Pulsatilla hirsutissima*, with the motto "I Lead" was made the floral emblem of South Dakota by legislative act in 1903.<sup>74</sup> Also known as the May Day flower, the wild crocus, the April-fools, the rock lily, the badger, and the wind flower, its lavender blooms appear in early spring.<sup>75</sup> It grows best in the arid prairie soil of South Dakota and other midwestern states north to British Columbia.<sup>76</sup>

### Tennessee

Tennessee has two state flowers, a wild flower and a cultivated flower. The passion flower, *Passiflora incarnata*, officially became the state wild-flower in 1973 by act of the General Assembly.<sup>77</sup> In 1919 a resolution was passed providing that a vote by the state's school children would determine which flower was chosen. In 1933, however, the

finally rectified by the 1973 act that made the passion fl wildflower and the iris the state cultivated flower.<sup>78</sup>

The passion flower, also called the maypop, the wild a Indian name *ocoee* grows in southern United States and Early South American Christian missionaries gave the flowe seeing such crucifixion symbols as the crown of thorns an within the flower.<sup>79</sup>

### Texas

The bluebonnet, *Lupinus subcarnosus*, was adopted as th Texas by legislative act in 1901.<sup>80</sup> A member of the pea f bonnet is one of the over 100 species in this mostly herbac

### Utah

The sego lily, *Calochortus nuttalli*, was declared to be th Utah by the legislature in 1911.<sup>82</sup> This slender stemmed me family has white, lilac, or yellow flowers which bloom in n native from South Dakota to Nebraska and California.<sup>83</sup>

### Vermont

The red clover, *Trifolium pratense*, was designated the Vermont by legislative act in 1894.<sup>84</sup> The red clover, not na was brought to the United States from Europe.<sup>85</sup> A perer the pea family, it grows wild in fields and meadows. It is grass, sugar plum, and honeysuckle clover.<sup>86</sup>

### Virginia

The American dogwood, *Cornus florida*, was declared th of Virginia by legislative act in 1918.<sup>87</sup> The flowering dog also as boxwood, white cornel, Indian arrowwood, and r The dogwood is a small tree or large shrub, with greenisl and scarlet fruit. Found from Maine to Florida and froi Texas, it spruces up the landscape in the fall with its red l

### Washington

The Pink Rhododendron, *Rhododendron macrophyllum*

705. Politics and Politicians;  
724. Presidency; 756. Public Opinion

1. Nowadays, for the sake of the advantage which is to be gained from the public revenues and from office, men want to be always in office. ARISTOTLE, *Politics* (4th c. B.C.), 3.6, tr. Benjamin Jowett.

2. It is not easy for a person to do any great harm when his tenure of office is short, whereas long possession begets tyranny. ARISTOTLE, *Politics* (4th c. B.C.), 5.8, tr. Benjamin Jowett.

3. Nominee, n. A modest gentleman shrinking from the distinction of private life and diligently seeking the honorable obscurity of public office. AMBROSE BIERCE, *The Devil's Dictionary* (1881-1911).

4. The very essence of a free government consists in considering offices as public trusts, bestowed for the good of the country, and not for the benefit of an individual or a party. JOHN C. CALHOUN, speech, Feb. 13, 1835.

5. It is an easy and a vulgar thing to please the mob, and not a very arduous task to astonish them; but essentially to benefit and improve them is a work fraught with difficulty and teeming with danger. CHARLES CALEB COLTON, *Lacon* (1825), 1.453.

6. A man ain't got no right to be a public man, unless he meets the public views. CHARLES DICKENS, *Martin Chuzzlewit* (1844), 34.

7. The conduct and opinions of public men at different periods of their careers must not be curiously contrasted in a free and aspiring society. BENJAMIN DISRAELI, speech, High Wycombe, Dec. 16, 1834.

8. He that puts on a public gown must put off a private person. THOMAS FULLER, M.D., *Gnomologia* (1732), 2257.

9. The public official must pick his way nicely, must learn to placate though not to yield too much, to have the art of honeyed words but not to seem neutral, and above all to keep constantly audible, visible, likable, even kissable. LEARNED HAND, speech, Washington, D.C., March 8, 1932.

10. A situation in a public office is secure, but laborious and mechanical, and without the two great springs of life, Hope and Fear. WILLIAM HAZLITT, "On the Conduct of Life," *Literary Remains* (1836).

756. Public Opinion

11. Offices are as acceptable here as elsewhere, and whenever a man has cast a longing eye on them, a rottenness begins in his conduct. THOMAS JEFFERSON, letter to Tench Coxe, May 21, 1799.

12. When a man assumes a public trust, he should consider himself as public property. THOMAS JEFFERSON, remark to Baron von Humboldt, 1807.

13. The best servants of the people, like the best valets, must whisper unpleasant truths in the master's ear. It is the court fool, not the foolish courtier, whom the king can least afford to lose. WALTER LIPPMANN, "Some Necessary Iconoclasm," *A Preface to Politics* (1914).

14. In government offices which are sensitive to the vehemence and passion of mass sentiment public men have no sure tenure. They are in effect perpetual office seekers, always on trial for their political lives, always required to court their restless constituents. WALTER LIPPMANN, *The Public Philosophy* (1955), 2.4.

15. Shrewdness in Public Life all over the World is always honored, while honesty in Public Men is generally attributed to Dumbness and is seldom rewarded. WILL ROGERS, *The Autobiography of Will Rogers* (1949), 9.

16. In our democracy officers of the government are the servants, and never the masters of the people. FRANKLIN D. ROOSEVELT, speech, Hollywood, Calif., Feb. 27, 1941.

17. As soon as public service ceases to be the chief business of the citizens, and they would rather serve with their money than with their persons, the State is not far from its fall. ROUSSEAU, *The Social Contract* (1762), 3.15, tr. G. D. H. Cole.

18. Your public servants serve you right; indeed often they serve you better than your apathy and indifference deserve. ADLAI STEVENSON, speech, Los Angeles, Sept. 11, 1952.

756. PUBLIC OPINION

See also 649. Opinion

1. There is nothing that makes more cowards and feeble men than public opinion. HENRY WARD BEECHER, *Proverbs from Plymouth Pulpit* (1887).

2. Your representative owes you, not his

That's the world we face. Tremendous opportunities for greater economic growth are coming our way, and tremendous risks if our policies are wrong. The United States -- with the largest and freest market, the greatest concentration of talent and capital -- can and must seize the future. We will determine our own economic destiny, through action or inaction. My bias is toward action.

I intend to discuss economic issues throughout this campaign. But my economic plans share this in common: They will be guided by four principles that will put our economy on the road to greater economic growth for all Americans.

The first principle is the most important: No Tax Increases. We cut taxes in 1981, and it worked. 17.8 million new jobs in this recovery. Productivity up. Factories at near capacity. Give people the incentive to work and they will. This summer, help wanted signs hung all over this country. When the other party was in power, black teenagers had a hard time getting a summer job -- now employers have trouble finding kids for summer work.

The surest way to kill the recovery is to raise taxes. That will stifle everything from investment and personal savings to consumer spending. It will clamp down on growth. It will invite a recession.

Yet that's exactly what many in the other party want to do -- raise taxes.

There is no reason why the government has to take an ever increasing share of our resources. Americans are not undertaxed. Taxes are about 19.4 percent of GNP, close to the record for the past 40 years and still higher than the 18.3 percent they were in the 1970's. But spending is 23 percent of GNP, also near the record high.

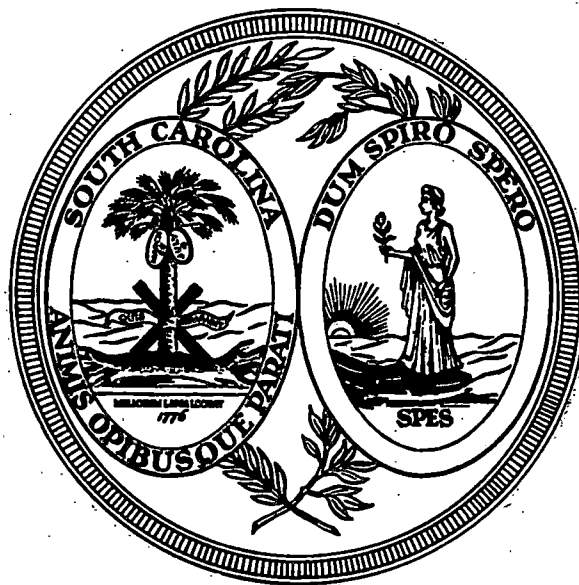
So let's not fool ourselves. We've got to work that deficit down the old-fashioned way, by controlling government spending.

I've proposed a flexible freeze, under which total government spending can increase, but only at the rate of inflation. Social security, which is a solemn bond between the generations, and interest payments would be exempt. Put on that freeze and the deficit will come down.

It can be done, as shown by the fact that, with the help of Gramm-Rudman, the increase in all government spending has been held to an annual average of about 4 percent from 1986-1988 -- and the deficit has come down.

Principle No. 2: Spread Economic Growth. That means jobs and more jobs -- productive, well paying jobs.

**GOVERNOR'S  
VETO MESSAGE**



**Monday, June 22, 1987**



# State of South Carolina

## Office of the Governor

CARROLL A. CAMPBELL, JR.  
GOVERNOR

POST OFFICE BOX 11369  
COLUMBIA 29211

June 22, 1987

The Honorable Robert J. Sheheen  
Speaker  
House of Representatives  
State House  
Columbia, S.C. 29211

Dear Mr. Speaker and Members of the House:

I am returning H.2590, the 1987-88 Appropriations Bill, with my vetoes. I have vetoed \$4,853,571 in tax increases and a corresponding amount of expenditures. I have vetoed an additional \$12,323,497 in expenditures because I believe the revenue projected in the Bill is overly optimistic, and could lead once again to mid-year budget cuts. The total amount of expenditures vetoed is \$17,177,068.

I have vetoed three tax increases:

1. The documentary tax increase of 20 cents per \$500 on instruments of conveyance of realty, for a total amount of \$2,628,571.
2. The corporate income tax processing fee of \$60, with a projected revenue of \$1,800,000.
3. The corporation license fee increase from \$5 to \$15 on annual licenses and \$15 to \$25 on the minimum annual fee, for a total of \$425,000.

I have not vetoed the increase in the fire insurance tax because Section 38-5-1250 of South Carolina Code of Laws, 1976, as amended, requires that the revenue generated from that tax be sufficient to defray the expenses of certain investigations and inspections conducted by the State Fire Marshall's office. The \$3.2 million raised by the tax, however, is greater than the cost of those investigations and inspections. Consequently I will encourage the General Assembly next year to reduce the tax to the amount necessary to offset those costs.

The tax conformity package included in the Bill anticipates a substantial increase in revenue from the corporate income tax. By adopting the three business taxes that I have vetoed on top of the tax conformity package we would be sending a negative signal to those companies we are encouraging to locate and expand in South Carolina. We need to insure that we foster a healthy business climate that enhances our economic development efforts.

I am also concerned that the revenue estimates projected in the Bill are overly optimistic. The attached table on our recent general fund revenue history shows that revenues in the 1985-86 fiscal year increased by only 4.8 percent, despite \$75 million in projected new revenues. Actual revenues collected that year fell \$91 million short of those projected in the Appropriations Act, leading to a painful round of mid-year budget cuts.

In the current fiscal year, revenues will increase by 5.9 percent if we make the revised revenue estimate, a prospect that is not assured given the disappointing May revenue collections. Already this year revenues have fallen \$122 million below those projected in the Appropriations Act, and could fall further if we do not make the estimate.

The 1987-88 Appropriations Bill projects an increase in revenues of 8.9 percent over the current year. Given the 4.8 percent increase in revenues last year, and the 5.9 percent increase if we make the estimate this year, I believe it is unrealistic to expect revenues to increase by almost 9 percent next year.

Analysis of individual "revenue enhancers" gives additional cause for concern. The Bill anticipates an increase of \$28 million in the corporate income tax as a result of conformity to the federal tax code. That particular tax has been one of the most volatile and least predictable sources of revenue in recent years, and relying on such a substantial increase is risky.

The Bill projects \$7.675 million in new revenue as a result of improvements at the Tax Commission. While investing reasonable amounts of money in more efficient procedures is an excellent use of our resources, appropriating all the anticipated increase before it is realized constitutes speculative budgeting.

The same logic applies to the \$1.5 million in revenue anticipated from increased advertising in the Department of Parks, Recreation, and Tourism. Advertising our State's attractiveness for tourism promotes economic development, but normally a lag occurs between advertising and the response. To meet the revenue projected in the Appropriations Bill, the \$1.5 million in new advertising would have to generate \$30 million in new retail sales in the same fiscal year in which the advertising occurs, an unlikely prospect.

General Fund Revenue Summary  
In Millions of Dollars

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|                                                                    | <u>1984-85</u> | <u>1985-86</u> | <u>1986-87</u> | <u>Conference Report<br/>1987-88</u> |
|--------------------------------------------------------------------|----------------|----------------|----------------|--------------------------------------|
| New Taxes and<br>Revenue Projected                                 | 41             | 75             | 44             | 98                                   |
| Total Actual Revenue<br>Collected/Projected                        | 2393           | 2509           | 2656*          | 2892**                               |
| Percentage Increase<br>Over Previous Year                          | 7.4%           | 4.8%           | 5.9%           | 8.9%                                 |
| Surplus/Deficit From<br>Revenue Projected in<br>Appropriations Act | + 12           | - 91           | -122           |                                      |

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Sources: Board of Economic Advisors for new taxes and revenue projected, 1983-84 to 1986-87 and revenue estimates for 1986-87 and 1987-88  
 Budget Division, Budget and Control Board for total revenue projected for 1987-88  
 Comptroller General's Office for total actual revenue collected, 1983-84 to 1985-86  
 Ways and Means Committee for surplus/deficit from revenue projected in Appropriations Act

\* Board of Economic Advisors 2/10/87 estimate

\*\* Board of Economic Advisors 2/10/87 estimate of \$2794 Million (a 5.2% growth rate over the current year's projection) plus revenue enhancements. This figure does not include \$3.5 Million in anticipated lapsed funds from FY 1986-87 that were conditionally appropriated in the FY 1987-88 Conference Report.

Finally, the Conference Committee increased the Treasurer's estimate of earnings on investment from \$49 million to \$79 million. The \$30 million in addition is designated for the Capital Expenditure Fund, the only cushion available to avoid disruptive mid-year cuts in agency budgets. I commend the General Assembly for making every effort to fully fund the sole line of protection against mid-year cuts.

The Board of Economic Advisors, however, has not agreed with the revised estimate. While it appears reasonable to expect somewhat higher investment earnings, it is not at all certain that this additional revenue will fully fund the Capital Expenditure Fund.

These four "revenue enhancers" are projected to generate a total of \$67,175,000 in new revenue. I believe it is unrealistic to expect to receive more than about four-fifths of that projection. Consequently I have vetoed an additional \$12,323,497 in expenditures that equal approximately one-fifth of this problematic revenue.

I am not enthusiastic about reducing agency budgets. But government officials throughout South Carolina have repeatedly told me that they would prefer lower appropriations at the start of the year rather than overly optimistic appropriations that produce mid-year cuts. Given five mid-year cuts in the past seven years, I feel an obligation to reduce expenditures to be more in line with the revenues that can reasonably be expected.

In general I have used the following guidelines in recommending reduced expenditures:

1. One percent was taken from most agencies' budgets. However, if an agency received a cut in general fund appropriations between this fiscal year's actual spending (the current year's appropriation minus the mid-year budget cuts) and next year's appropriation, I am not asking the agency to take any additional cuts. Moreover, if an agency received only a small increase in appropriations over the current year's spending, I am recommending a reduction of only one-half of the increase. Phrased another way, I am asking most agencies that received general fund increases to take a cut of one percent or one-half of the increase, whichever is less.
2. Two-thirds of one percent reduction was applied to agencies with particular problems such as the Department of Mental Health.
3. One-half of one percent was vetoed from educational agencies, in keeping with our State's commitment to make

education the top spending priority. This reduced percentage was applied not only to the Department of Education but also to other educational agencies such as the Wil Lou Gray Opportunity School and Educational Television. Moreover, in keeping with my belief that we should place priority on all levels of education, I have applied the reduced percentage to higher education and technical education as well.

A few agencies, principally the Department of Youth Services, can sustain no reduction at all, so they received a complete exemption. In addition I have not recommended vetoes for those budget lines that are normally exempted during mid-year budget cuts: employee salaries and benefits, constitutional officer salaries, debt service, and the regulatory boards and commissions that return more money to the general fund than they receive.

I have not vetoed any money out of the Capital Expenditure Fund for two reasons. First, the point of these vetoes is to guard against mid-year budget cuts, and the Capital Expenditure Fund provides our only cushion for revenue shortfalls. Second, the Capital Expenditure Fund is listed as only one line in the budget, and I can only eliminate, not reduce, a line with my line item veto.

In addition to the various categories of reductions, I have vetoed larger amounts from a few agencies in special situations. I have explained my reasoning for reductions larger than one percent in the list of vetoes.

I have vetoed specific lines throughout Part I of the budget in keeping with the requirement of a line-item veto. Except where I have indicated otherwise, however, it is not my intention to eliminate the activity funded by a particular line. I do intend to reduce the agency budget overall by choosing a line or set of lines that approximate the desired amount. Agencies can request approval for the transfer of funds from other places in their budgets to fund these activities if they so desire. I will encourage my fellow members on the Budget and Control Board to approve any necessary budget transfers to accomplish that result.

#### Vetoes

I have vetoed all of the following lines according to the guidelines and reasons explained above, except where noted.

The references in this veto message are to the appropriate items as they appear in the report of the Committee of Free Conference on H. 2590 (the General Appropriations Bill for 1987-88) dated June 3, 1987. I have followed this practice for the convenience of the members of the General Assembly, who are more likely to have

access to a Free Conference Report than the final Bill as printed by the Legislative Council. My intent is to veto the lines in the final Bill that correspond to those in the Free Conference Report.

VETO 1 - Section 3H, State Reorganization Commission,  
Page 3-027, Line 14, Travel, \$5,000

VETO 2 - Section 5A, Governor's Office, Executive Control  
of the State, Page 5-001, Line 18, Transportation, \$1,500

This cut is in addition to a cut of \$4,335 in actual spending from FY 86-87 to FY 87-88.

VETO 3 - Section 5B, Governor's Office, State Law Enforcement  
Division, Page 5-005, Line 36, Contractual Services, \$25,840

VETO 4 - Section 5B, Governor's Office, State Law Enforcement  
Division, Page 5-005, Line 11, Equipment, \$63,887

VETO 5 - Section 5B, Governor's Office, State Law Enforcement  
Division, Page 5-005, Line 40, Equipment, \$10,000

VETO 6 - Section 5B, Governor's Office, State Law Enforcement  
Division, Page 5-003, Line 17, Library Books, Maps and  
Films, \$500

VETO 7 - Section 5B, Governor's Office, State Law Enforcement  
Division, Page 5-005, Line 39, Travel, \$4,000

VETO 8 - Section 5C, Governor's Office, Office of  
Executive Policy and Programs, Page 5-007, Line 17,  
Transportation, \$12,080

This cut is in addition to a \$205,170 decrease in actual spending from FY 1986-87 to FY 1987-88.

VETO 9 - Section 6, Lt. Governor's Office, Page 6-001,  
Line 13, Fixed Charges and Contributions, \$300

VETO 10 - Section 6, Lt. Governor's Office, Page 6-001,  
Line 14, Travel, \$1,411

VETO 11 - Section 7, Secretary of State's Office, Page  
7-001, Line 11, Equipment, \$4,984

VETO 12 - Section 7, Secretary of State's Office, Page  
7-001, Line 10, Travel, \$4,224

VETO 13 - Section 8, Comptroller General's Office, Page  
8-003, Line 4, Contractual Services, \$37,513

VETO 14 - Section 8, Comptroller General's Office, Page  
8-001, Line 16, Transportation, \$1,000

VETO 15 - Section 9, State Treasurer's Office, Page  
9-001, Line 14, Travel, \$27,399

VETO 16 - Section 9, State Treasurer's Office, Page  
9-001, Line 28, Temporary Positions, \$2,408

VETO 17 - Section 9, State Treasurer's Office, Page  
9-001, Line 31, Contractual Services, \$2,926

VETO 18 - Section 10, Attorney General's Office, Page  
10-001, Line 8, Temporary Positions, \$18,000

VETO 19 - Section 10, Attorney General's Office, Page  
10-001, Line 33, Contractual Services, \$2,680

VETO 20 - Section 11, Commission on Appellate Defense,  
Page 11-001, Line 16, Library Books, Maps and Films, \$9,105

VETO 21 - Section 13, Adjutant General's Office, Page  
13-002, Line 13, Equipment, \$29,200

VETO 22 - Section 13, Adjutant General's Office, Page  
13-002, Line 12, Travel, \$9,000

VETO 23 - Section 13, Adjutant General's Office, Page  
13-004, Line 23, Transportation, \$1,500

VETO 24 - Section 15, State Election Commission, Page  
15-001, Line 38, Supplies and Materials, \$12,535

VETO 25 - Section 15, State Election Commission, Page  
15-001, Line 16, Per Diem, \$2,450

VETO 26 - Section 15, State Election Commission, Page  
15-003, Line 3, Fixed Charges and Contributions, \$650

VETO 27 - Section 16A, Budget and Control Board, Office of  
Executive Director, Page 16-001, Line 24, Departmental  
Printing, \$50,008

VETO 28 - Section 16A, Budget and Control Board, Office of  
Executive Director, Page 16-001, Line 17, Supplies and  
Material, \$8,934

VETO 29 - Section 16A, Budget and Control Board, Office of  
Executive Director, Page 16-002, Line 7, Total Lead  
Poisoning, \$1,000

VETO 30 - Section 16B, Budget and Control Board,  
Budget Division, Page 16-004, Line 9, Contractual  
Services, \$5,506

VETO 31 - Section 16B, Budget and Control Board, Budget  
Division, Page 16-004, Line 10, Supplies and  
Materials, \$2,070

VETO 32 - Section 16B, Budget and Control Board, Budget  
Division, Page 16-004, Line 32, Travel, \$3,500

VETO 33 - Section 16C, Budget and Control Board, Research  
and Statistical Services Division, Page 16-006, Line 39,  
Fixed Charges and Contributions, \$9,250

VETO 34 - Section 16C, Budget and Control Board, Research  
and Statistical Services Division, Page 16-009, Line 3,  
Supplies and Materials, \$21,360

VETO 35 - Section 16D, Budget and Control Board, Information  
Resources Management, Page 16-011, Line 11, Contractual  
Services, \$3,700

VETO 36 - Section 16D, Budget and Control Board, Information  
Resources Management, Page 16-011, Line 12, Supplies and  
Materials, \$5,378

VETO 37 - Section 16D, Budget and Control Board, Information  
Resources Management, Page 16-011, Line 14, Travel, \$12,000

VETO 38 - Section 16D, Budget and Control Board, Information  
Resources Management, Page 16-011, Line 25, Telecommunications  
Specialist III, From Total Funds \$30,257

VETO 39 - Section 16D, Budget and Control Board, Information  
Resources Management, Page 16-011, Line 26, 1 FTE

VETO 40 - Section 16D, Budget and Control Board, Information  
Resources Management, Page 16-011, Line 27, Telecommunications  
Specialist I, From Total Funds \$58,956

VETO 41 - Section 16D, Budget and Control Board, Information  
Resources Management, Page 16-011, Line 27 3 FTE

I have a number of concerns about the State's management of  
its telephone system. The addition of any new positions is  
precipitous at this time.

VETO 42 - Section 16E, Budget and Control Board, General  
Services Division, Page 16-019, Line 11, Fixed Charges  
and Contributions, \$16,100

VETO 43 - Section 16E, Budget and Control Board, General  
 Services Division, Page 16-019, Line 12, Travel, \$15,000

VETO 44 - Section 16E, Budget and Control Board, General  
 Services Division, Page 16-019, Line 25, Fixed Charges  
 and Contributions, \$24,235

VETO 45 - Section 16F, Budget and Control Board, State Fire  
 Marshal, Page 16-027, Line 39, Supplies and  
 Materials, \$1,525

VETO 46 - Section 16F, Budget and Control Board, State Fire  
 Marshal, Page 16-028, Line 3, Library Books, Maps and  
 Films, \$1,100

VETO 47 - Section 16F, Budget and Control Board, State  
 Fire Marshal, Page 16-028, Line 25, Supplies and  
 Materials, \$23,994

VETO 48 - Section 16G, Budget and Control Board, Motor  
 Vehicle Management Division, Page 16-030, Line 15, Supplies  
 and Materials, \$2,617

VETO 49 - Section 16H, Budget and Control Board, Human  
 Resource Management, Page 16-032, Line 17, Travel, \$11,600

VETO 50 - Section 16H, Budget and Control Board, Human  
 Resource Management, Page 16-032, Line 18,  
 Equipment, \$12,144

VETO 51 - Section 16H, Budget and Control Board, Human  
 Resource Management, Page 16-032, Line 37, Travel, \$5,000

VETO 52 - Section 16J, Budget and Control Board, State  
 Auditor, Page 16-038, Line 14, Contractual Service, \$10,008

VETO 53 - Section 16J, Budget and Control Board, State  
 Auditor, Page 16-038, Line 32, Supplies and  
 Materials, \$24,300

VETO 54 - Section 17, Commission on Higher Education,  
 Page 17-001, Line 10, Per Diem, \$6,658

VETO 55 - Section 17, Commission on Higher Education,  
 Page 17-001, Line 17, Equipment, \$15,403

VETO 56 - Section 18, Higher Education Tuition Grants  
 Committee, Page 18-001, Line 8, Temporary Positions, \$1,000

VETO 57 - Section 18, Higher Education Tuition Grants  
 Committee, Page 18-001, Line 9, Per Diem, \$1,050

|                                                                                                                        |           |
|------------------------------------------------------------------------------------------------------------------------|-----------|
| VETO 58 - Section 18, Higher Education Tuition Grants Committee, Page 18-001, Line 12, Fixed Charges and Contributions | \$16,315  |
| VETO 59 - Section 18, Higher Education Tuition Grants Committee, Page 18-001, Line 13, Travel                          | \$4,000   |
| VETO 60 - Section 18, Higher Education Tuition Grants Committee, Page 18-001, Line 14, Equipment                       | \$9,216   |
| VETO 61 - Section 18, Higher Education Tuition Grants Committee, Page 18-001, Line 17, SC Student Legislature          | \$8,000   |
| VETO 62 - Section 19, The Citadel, Page 19-005, Line 40, Supplies and Materials,                                       | \$23,530  |
| VETO 63 - Section 19, The Citadel, Page 19-007, Line 6, Supplies and Materials,                                        | \$33,810  |
| VETO 64 - Section 19, The Citadel, Page 19-002, Line 10, Supplies and Materials,                                       | \$400     |
| VETO 65 - Section 20, Clemson, Page 20-008, Line 14, Supplies and Materials,                                           | \$221,058 |
| VETO 66 - Section 20, Clemson, Page 20-008, Line 15, Fixed Charges and Contributions,                                  | \$59,649  |
| VETO 67 - Section 20, Clemson, Page 20-002, Line 32, Fixed Charges and Contributions,                                  | \$10,716  |
| VETO 68 - Section 21, College of Charleston, Page 21-001, Line 17, Supplies and Materials,                             | \$45,186  |
| VETO 69 - Section 21, College of Charleston, Page 21-006, Line 21, Supplies and Materials,                             | \$26,748  |
| VETO 70 - Section 21, College of Charleston, Page 21-002, Line 34, Contractual Services,                               | \$7,552   |
| VETO 71 - Section 21, College of Charleston, Page 21-006, Line 22, Fixed Charges and Contributions,                    | \$1,094   |
| VETO 72 - Section 22, Francis Marion College, Page 22-004, Line 29, Contractual Services,                              | \$17,409  |
| VETO 73 - Section 22, Francis Marion College, Page 22-004, Line 30, Supplies and Materials,                            | \$29,561  |

VETO 74 - Section 23, Lander College, Page 23-003, Line  
 4, Fixed Charges and Contributions, \$330

VETO 75 - Section 23, Lander College, Page 23-003, Line  
 6, Equipment, \$2,881

VETO 76 - Section 23, Lander College, Page 23-004, Line  
 16, Equipment, \$30,153

VETO 77 - Section 24, SC State College, Page 24-001, Line  
 21, Equipment, \$64,500

VETO 78 - Section 24, SC State College, Page 24-008, Line  
 14, Equipment, \$17,106

VETO 79 - Section 24, SC State College, Page 24-007, Line  
 10, Equipment, \$3,100

VETO 80 - Section 25A, University of South Carolina,  
 Page 25-008, Line 2, Supplies and Materials, \$265,576

VETO 81 - Section 25A, University of South Carolina,  
 Page 25-011, Line 5, Fixed Charges and  
 Contributions, \$230,605

VETO 82 - Section 25A, University of South Carolina,  
 Page 25-005, Line 37, Fixed Charges and  
 Contributions, \$21,842

VETO 83 - Section 25B, University of South Carolina Medical  
 School, Page 25-017, Line 20, Equipment, \$50,000

VETO 84 - Section 25B, University of South Carolina  
 Medical School, Page 25-016, Line 32, Supplies and  
 Materials, \$20,000

VETO 85 - Section 25C, USC Aiken, Page 25-022, Line 17,  
 Supplies and Materials, \$5,543

VETO 86 - Section 25C, USC Aiken, Page 25-022, Line 38,  
 Supplies and Materials, \$10,211

VETO 87 - Section 25C, USC Aiken, Page 25-026, Line 7,  
 Fixed Charges and Contributions, \$7,382

VETO 88 - Section 25C, USC Aiken, Page 25-023, Line 16,  
 Temporary Positions, \$4,000

VETO 89 - Section 25D, USC Coastal Carolina Campus,  
 Page 25-032, Line 33, Supplies and Materials, \$27,184

|                                                                                                                 |          |
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| <u>VETO 90</u> - Section 25D, USC Coastal Carolina Campus,<br>Page 25-031, Line 7, Supplies and Materials,      | \$9,972  |
| <u>VETO 91</u> - Section 25E, USC Spartanburg Campus, Page<br>25-038, Line 26, Equipment,                       | \$30,246 |
| <u>VETO 92</u> - Section 25E, USC Spartanburg Campus, Page<br>25-041, Line 25, Fixed Charges and Contributions, | \$3,339  |
| <u>VETO 93</u> - Section 25F, USC Beaufort Campus, Page 25-047,<br>Line 18, Fixed Charges and Contributions,    | \$2,179  |
| <u>VETO 94</u> - Section 25F, USC Beaufort Campus, Page 25-047,<br>Line 20, Equipment,                          | \$3,127  |
| <u>VETO 95</u> - Section 25F, USC Beaufort Campus, Page 25-047,<br>Line 16, Contractual Services,               | \$445    |
| <u>VETO 96</u> - Section 25G, USC Lancaster Campus, Page 25-058,<br>Line 18, Supplies and Materials,            | \$8,169  |
| <u>VETO 97</u> - Section 25G, USC Lancaster Campus, Page 25-056,<br>Line 12, Supplies and Materials,            | \$919    |
| <u>VETO 98</u> - Section 25H, USC Salkehatchie Campus, Page<br>25-063, Line 8, Contractual Services,            | \$4,911  |
| <u>VETO 99</u> - Section 25H, USC Salkehatchie Campus, Page<br>25-063, Line 9, Supplies and Materials,          | \$499    |
| <u>VETO 100</u> - Section 25I, USC Sumter Campus, Page 25-071,<br>Line 10, Supplies and Materials,              | \$10,188 |
| <u>VETO 101</u> - Section 25I, USC Sumter Campus, Page 25-068,<br>Line 19, Equipment,                           | \$2,836  |
| <u>VETO 102</u> - Section 25J, USC Union Campus, Page 25-076,<br>Line 30, Temporary Positions,                  | \$1,767  |
| <u>VETO 103</u> - Section 25J, USC Union Campus, Page 25-076,<br>Line 34, Contractual Services,                 | \$715    |
| <u>VETO 104</u> - Section 25J, USC Union Campus, Page 25-076,<br>Line 36, Fixed Charges and Contributions,      | \$743    |
| <u>VETO 105</u> - Section 26, Winthrop College, Page 26-001,<br>Line 20, Supplies and Materials,                | \$37,761 |
| <u>VETO 106</u> - Section 26, Winthrop College, Page 26-001,<br>Line 21, Fixed Charges and Contributions,       | \$22,796 |

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| <u>VETO 107</u> - Section 26, Winthrop College, Page 26-005,<br>Line 29, Equipment,                                                    | \$18,864  |
| <u>VETO 108</u> - Section 26, Winthrop College, Page 26-006,<br>Line 24, Fixed Charges and Contributions,                              | \$1,708   |
| <u>VETO 109</u> - Section 27A, Medical University of SC,<br>Page 27-007, Line 1, Contractual Services,                                 | \$326,947 |
| <u>VETO 110</u> - Section 27A, Medical University of SC, Page<br>27-002, Line 29, Equipment,                                           | \$8,005   |
| <u>VETO 111</u> - Section 27B, Medical University of SC Hospital,<br>Page 27-012, Line 9, Temporary Positions,                         | \$65,453  |
| <u>VETO 112</u> - Section 27C, SC Consortium of Comm. Teaching<br>Hospitals, Page 27-015, Line 15, Supplies and<br>Materials,          | \$62,914  |
| <u>VETO 113</u> - Section 27C, SC Consortium of Comm. Teaching<br>Hospitals, Page 27-015, Line 16, Fixed Charges and<br>Contributions, | \$2,217   |
| <u>VETO 114</u> - Section 27D, Charleston Higher Education<br>Consortium, Page 27-017, Line 4, Classified Positions,                   | \$66,200  |
| <u>VETO 115</u> - Section 27D, Charleston Higher Education<br>Consortium, Page 27-017, Line 5,                                         | 3 FTE     |
| <u>VETO 116</u> - Section 27D, Charleston Higher Education<br>Consortium, Page 27-017, Line 6, Unclassified<br>Positions,              | \$67,622  |
| <u>VETO 117</u> - Section 27D, Charleston Higher Education<br>Consortium, Page 27-017, Line 7,                                         | 2 FTE     |
| <u>VETO 118</u> - Section 27D, Charleston Higher Education<br>Consortium, Page 27-017, Line 9, Temporary Positions                     | \$5,000   |
| <u>VETO 119</u> - Section 27D, Charleston Higher Education<br>Consortium, Page 27-017, Line 10, Overtime and Shift<br>Differ.          | \$2,000   |
| <u>VETO 120</u> - Section 27D, Charleston Higher Education<br>Consortium, Page 27-017, Line 11, Total Personal<br>Service,             | \$140,822 |

The Commission on Higher Education is charged with the responsibility for coordinating the efforts of our colleges and universities. Maintaining an additional regional

coordinating consortium constitutes partial duplication with the Commission and an unnecessary layer of bureaucracy. I intend this reduction to be the first step in the phase-out of the Consortium.

VETO 121 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-004, Line 7, Fixed Charges and Contributions, \$90,245

VETO 122 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-003, Line 26, Supplies and Materials, \$62,130

VETO 123 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-001, Line 15, Supplies and Materials, \$32,975

VETO 124 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-003, Line 7, Supplies and Materials, \$21,526

VETO 125 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-003, Line 27, Fixed Charges and Contributions, \$4,506

VETO 126 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-001, Line 18, Equipment, \$1,314

VETO 127, Section 29.7, St. Bd. for Technical and Comprehensive Education, Page 29-006, Lines 20-27:

This proviso allows the State Board for Technical and Comprehensive Education to "increase the teaching faculty salaries up to twenty percent (20%) in addition to any other increases provided in" the Appropriations Bill.

I am vetoing this proviso for two main reasons. First, in a tight fiscal year in which classified state employees are limited to total salary increases of 3%, blanket permission for allowing raises of up to 20% for these faculty members is inappropriate.

Second, we already have established procedures by which salaries may be raised by more than the 3% if such raises can be justified. I see no compelling reason to deviate from normal procedures which have proven effective when the need arises for making extraordinary salary adjustments.

VETO 128 - Section 30, State Education Department, Page 30-003, Line 39, Supplies and Materials, \$4,218,974

VETO 129 - Section 30, State Education Department, Page 30-003, Line 11, Contractual Services, \$301,966

VETO 130 - Section 30, State Education Department, Page  
30-003, Line 38, Contractual Services, \$159,461

VETO 131 - Section 30, State Education Department, Page  
30-003, Line 15, Equipment, \$45,820

VETO 132 - Section 30, State Education Department, Page  
30-005, Line 28, Equipment, \$1,250

VETO 133 - Section 30.98, State Department of Education,  
Page 30-024; Line 13-38:

This proviso requires 10% of the total state dollars appropriated for gifted and talented programs to be set aside for serving artistically gifted and talented students. It also states that, "any funds allocated to a school district that has identified a lesser number of artistically gifted and talented students than the number permitted by their proportionate share of the ten percent (10%) shall be redistributed on a proportionate share basis to those districts that have identified a greater number of artistically gifted and talented students than permitted by their proportionate share of the ten percent (10%)."

This language clearly allows some school districts to receive more than their proportionate share of gifted and talented funds. While this may be beneficial for districts which have well-developed arts programs, other districts will lose their proportionate share of these funds. It is possible that some of the school districts which would lose funds under this proviso are poor districts. I believe these are the very districts which need funds for gifted students, and that we would be making a mistake to allow this diversion of money to other, wealthier districts.

Based on this reason, I am vetoing Section 30.98.

VETO 134 - Section 31, Educational Television Commission,  
Page 31-001, Line 18, Travel, \$20,000

VETO 135 - Section 31, Educational Television Commission,  
Page 31-001, Line 22, Transportation, \$58,975

VETO 136 - Section 32, Wil Lou Gray Opportunity School, Page  
32-003, Line 9, Equipment \$13,835

VETO 137 - Section 34, School for the Deaf and Blind,  
Page 34-001, Line 22, Travel \$33,741

VETO 138 - Section 35, Department of Archives and History,  
Page 35-002, Line 20, Contractual Services, \$24,650

VETO 139 - Section 35, Department of Archives and History,  
 Page 35-002, Line 6, Supplies and Materials, \$6,261

VETO 140 - Section 35, Department of Archives and History,  
 Page 35-002, Line 23, Travel, \$4,150

VETO 141 - Section 35, Department of Archives and History,  
 Page 35-002, Line 10, Library Books, Maps and Films, \$745

VETO 142 - Section 35, Department of Archives and History,  
 Page 35-003, Line 26, Supplies and Materials, \$700

VETO 143 - Section 36, Confederate Relic Room,  
 Page 36-001, Line 14, Library Books, Maps and Films, \$500

VETO 144 - Section 37, S. C. State Library, Page 37-001,  
 Line 28, Contractual Services, \$21,686

VETO 145 - Section 37, S. C. State Library, Page 37-002,  
 Line 32, Equipment, \$20,790

VETO 146 - Section 37, S. C. State Library, Page 37-003,  
 Line 11, Library Books, Maps and Films, \$5,000

VETO 147 - Section 37, S. C. State Library, Page 37-002,  
 Line 6, Travel, \$1,500

VETO 148 - Section 37, S. C. State Library, Page 37-001,  
 Line 17, Travel, \$1,500

VETO 149 - Section 38, S. C. Arts Commission, Page 38-001,  
 Line 17, Temporary Positions, \$6,589

VETO 150 - Section 39, State Museum Commission, Page 39-001,  
 Line 26, Personnel Specialist, \$21,730

VETO 151 - Section 39, State Museum Commission, Page 39-001,  
 Line 27, 1 FTE

VETO 152 - Section 39, State Museum Commission, Page 39-001,  
 Line 28, Purchasing Coordinator, \$15,478

VETO 153 - Section 39, State Museum Commission, Page 39-001,  
 Line 29, 1 FTE

VETO 154 - Section 39, State Museum Commission, Page 39-001,  
 Line 30, Staff Assistant, \$15,478

VETO 155 - Section 39, State Museum Commission, Page 39-001,  
 Line 31, 1 FTE

VETO 156 - Section 39, State Museum Commission, Page 39-001,  
Line 34, Administrative Specialist B, \$10,193

VETO 157 - Section 39, State Museum Commission, Page 39-001,  
Line 35, 1 FTE

VETO 158 - Section 39, State Museum Commission, Page 39-001,  
Line 38, Publications Editor, \$9,286

VETO 159 - Section 39, State Museum Commission, Page 39-001,  
Line 39, 1 FTE

VETO 160 - Section 39, State Museum Commission, Page 39-002,  
Line 18, Store Manager II, \$9,660

VETO 161 - Section 39, State Museum Commission, Page 39-002,  
Lines 22 and 23, Postal Supply Clerk, \$11,010

VETO 162 - Section 39, State Museum Commission, Page 39-002,  
Lines 30 and 31, Building Services Supervisor, \$15,671

VETO 163 - Section 39, State Museum Commission, Page 39-003,  
Line 30, Assistant Art Curator II, \$13,930

VETO 164 - Section 39, State Museum Commission, Page 39-003,  
Line 30, 1 FTE

VETO 165 - Section 39, State Museum Commission, Page 39-004,  
Line 10, Audio/Visual Specialist, \$24,216

VETO 166 - Section 39, State Museum Commission, Page 39-004,  
Line 10, 1 FTE

VETO 167 - Section 39, State Museum Commission, Page 39-004,  
Line 33, Education-Program Specialist, \$8,706

VETO 168 - Section 39, State Museum Commission, Page 39-004,  
Line 33, 1 FTE

VETO 169 - Section 39, State Museum Commission, Page 39-004,  
Line 35, Education-Study Visit Specialist, \$10,447

VETO 170 - Section 39, State Museum Commission, Page 39-004,  
Line 35, 1 FTE

VETO 171 - Section 39, State Museum Commission, Page 39-004,  
Line 37, Education Program Training Specialist, \$10,447

VETO 172 - Section 39, State Museum Commission, Page 39-004,  
Line 37, 1 FTE

The Free Conference Bill includes 29 new positions to open the Museum in July of 1987. I believe that this is an excessive number of new employees in a tight budget year. I also believe that the Museum will have difficulty recruiting and hiring 29 people by July. Consequently these vetoes reduce the number of new positions, by 13 people.

VETO 173 - Section 40, State Health and Human Services Finance Commission, Page 40-004, Line 16, Swing Beds, \$213,680

VETO 174 - Section 40, State Health and Human Services Finance Commission, Page 40-002, Line 36, Contractual Services \$110,381

VETO 175 - Section 40, State Health and Human Services Finance Commission, Page 40-002, Line 37, Supplies and Materials, \$61,243

VETO 176 - Section 40, State Health and Human Services Finance Commission, Page 40-006, Line 17, Travel \$8,532

VETO 177 - Section 40, State Health and Human Services Finance Commission, Page 40-004, Line 30, Family Planning, \$238,112

VETO 178 - Section 40, State Health and Human Services Finance Commission, Page 40-001, Line 11, Contractual Services, \$313,516

VETO 179 - Section 40, State Health and Human Services Finance Commission, Page 40-001, Line 28, Supplies and Materials, \$978

VETO 180 - Section 41, Department of Health and Environmental Control, Page 41-018, Line 26, Scholarships-Non-State Employees, \$279,000

VETO 181 - Section 41, Department of Health and Environmental Control, Page 41-009, Line 33, Contractual Services, \$63,814

VETO 182 - Section 41, Department of Health and Environmental Control, Page 41-028, Line 14, Supplies and Materials, \$174,542

VETO 183 - Section 41, Department of Health and Environmental Control, Page 41-027, Line 15, Equipment, \$85,024

VETO 184 - Section 41, Department of Health and Environmental Control, Page 41-009, Line 36, Travel, \$78,082

VETO 185 - Section 41, Department of Health and Environmental Control, Page 41-008, Line 19, Travel, \$59,413

VETO 186 - Section 41, Department of Health and Environmental Control, Page 41-029, Line 13, Equipment, \$35,000  
VETO 187 - Section 42, Department of Mental Health, Page 42-001, Line 17, Contractual Services, \$500,000  
VETO 188 - Section 42, Department of Mental Health, Page 42-001, Line 18, Supplies and Materials, \$250,000  
VETO 189 - Section 42, Department of Mental Health, Page 42-001, Line 20, Travel, \$50,000  
VETO 190 - Section 42, Department of Mental Health, Page 42-001, Line 21, Equipment, \$100,000  
VETO 191 - Section 42, Department of Mental Health, Page 42-002, Line 29, Supplies and Materials, \$25,000  
VETO 192 - Section 42, Department of Mental Health, Page 42-002, Line 32, Equipment, \$25,000  
VETO 193 - Section 43, Department of Mental Retardation, Page 43-001, Line 19, Equipment, \$93,557  
VETO 194 - Section 43, Department of Mental Retardation, Page 43-004, Line 15, O. T. & Shift Differential, \$293,190  
VETO 195 - Section 43, Department of Mental Retardation, Page 43-001, Line 15, Contractual Services, \$304,897  
VETO 196 - Section 44, S. C. Commission on Alcohol and Drug Abuse, Page 44-003, Line 18, Travel, \$20,542  
VETO 197 - Section 44, S. C. Commission on Alcohol and Drug Abuse, Page 44-003, Line 16, Supplies and Materials, \$12,970  
VETO 198 - Section 44, S. C. Commission on Alcohol and Drug Abuse, Page 44-003, Line 19, Equipment, \$12,180  
VETO 199 - Section 44, S. C. Commission on Alcohol and Drug Abuse, Page 44-003, Line 15, Contractual Services, \$38,904  
VETO 200 - Section 45, Department of Social Services, Page 45-002, Line 30, Equipment, \$773,785  
VETO 201 - Section 45, Department of Social Services, Page 45-012, Line 18, Contractual Services, \$120,743  
VETO 202 - Section 46, John De La Howe School, Page 46-003, Line 29, Contractual Services, \$13,474

VETO 203 - Section 53, Department of Veterans Affairs,  
Page 53-001, Line 14, Contractual Services, \$12,000

VETO 204 - Section 55, Department of Corrections, Page  
55-001, Line 21, Transportation, \$34,535

VETO 205 - Section 55, Department of Corrections, Page  
55-005, Line 5, Fixed Charges and Contributions, \$888,433

VETO 206 - Section 55, Department of Corrections, Page  
55-005, Line 31, Inmate Earnings, \$19,163

VETO 207 - Section 55, Department of Corrections, Page  
55-005, Line 36, Fixed Charges and Contributions, \$56,692

VETO 208 - Section 55, Department of Corrections, Page  
55-006, Line 1, Transportation, \$445,000

VETO 209 - Section 55, Department of Corrections, Page 55-006,  
Line 23, Equipment, \$7,833

I do not intend to reduce the basic operating expenses of the Department of Corrections. The House anticipated opening the new Broad River Road institution on April 1, 1988. The Senate added 2.9 million dollars to open the new prison three months earlier. The action I am taking with this set of vetoes splits the difference on the opening date between the House and Senate Bills and would allow the Department of Corrections a reasonable construction timetable to ensure opening of the new Broad River Road prison facility by February 15, 1988. This date would be 45 days before the contract date and, along with recent Budget and Control Board actions relocating the Central Correctional Institution, clearly indicates the State's commitment to address the prison overcrowding problem while living within the financial resources at our disposal.

VETO 210 - Section 60, Water Resources Commission, Page 60-003,  
Line 15, Administrative Specialist A, \$11,800

VETO 211 - Section 60, Water Resources Commission, Page 60-003,  
Line 16, 1 FTE

VETO 212 - Section 60, Water Resources Commission, Page 60-003,  
Line 23, Engineering Associate II, \$23,911

VETO 213 - Section 60, Water Resources Commission, Page 60-003,  
Line 24, 1 FTE

VETO 214 - Section 60, Water Resources Commission, Page 60-002,  
Line 14, Supplies and Materials, \$55,816

VETO 215 - Section 60, Water Resources Commission, Page 60-002,  
Line 15, Fixed Charges and Contributions, \$22,603

VETO 216 - Section 60, Water Resources Commission, Page 60-002,  
Line 16, Travel, \$31,300

VETO 217 - Section 60, Water Resources Commission, Page 60-002,  
Line 17, Equipment \$13,450

The Free Conference Bill includes a total of \$315,000 and four new positions for the creation of two regional offices for the Commission. A tight budget year is not the time to be opening two new offices. The reduction I have recommended would reduce this appropriation in half and eliminate one of the regional offices.

VETO 218 - Section 61, Land Resources Conservation Commission,  
Page 61-001, Line 30, Supplies and Materials, \$19,000

VETO 219 - Section 61, Land Resources Conservation Commission,  
Page 61-002, Line 33, Equipment, \$4,874

VETO 220 - Section 61, Land Resources Conservation Commission,  
Page 61-003, Line 38, Supplies and Materials, \$2,525

VETO 221 - Section 62, State Forestry Commission, Page 62-001,  
Line 13, Contractual Services, \$73,460

VETO 222 - Section 62, State Forestry Commission, Page 62-001,  
Line 14, Supplies and Materials, \$49,049

VETO 223 - Section 62, State Forestry Commission, Page 62-001,  
Line 18, Light/Power/Heat, \$25,200

VETO 224 - Section 62, State Forestry Commission, Page 62-002,  
Line 40, Contractual Services, \$1,644

VETO 225 - Section 63, Department of Agriculture, Page 63-002,  
Line 2, Travel, \$16,750

VETO 226 - Section 63, Department of Agriculture, Page 63-003,  
Line 1, Transportation, \$7,200

VETO 227 - Section 64, Family Farm Development Authority, Page  
64-001, Lines 1-40; Page 64-002, Lines 1-40; Page 64-003, Lines  
1-18 \$330,155

I have serious doubts about the viability of the proposed "credit union" and the assistance it can offer to farmers. Changes in the 1986 federal tax law made the credit union proposal less attractive to banks and therefore less likely to succeed. In

addition, serious questions have been raised about management of the agency, and it has been the target of investigations by the State Auditor's Office and the State Law Enforcement Division. I intend for this veto to lead to a complete elimination of the Authority.

VETO 228 - Section 65, Clemson University - Public Service  
Activities, Page 65-002, Line 1, Supplies and  
Materials \$107,553

VETO 229 - Section 65, Clemson University - Public Service  
Activities, Page 65-002, Line 39, Supplies and  
Materials, \$ 73,685

VETO 230 - Section 65, Clemson University - Public Service  
Activities, Page 65-001, Line 18, Travel, \$51,100

This cut represents only two-thirds of one percent of the agency's budget.

VETO 231 - Section 67, Wildlife and Marine Resources, Page  
67-002, Line 18, Supplies and Materials \$53,400

VETO 232 - Section 67, Wildlife and Marine Resources, Page  
67-003, Line 21, Fixed Charges and Contributions, \$60,282

VETO 233 - Section 67, Wildlife and Marine Resources, Page  
67-004, Line 23, Contractual Services, \$1,560

VETO 234 - Section 67, Wildlife and Marine Resources, Page  
67-002, Line 20, Travel, \$5,000

VETO 235 - Section 68, Coastal Council, Page 68-001, Line 22,  
Temporary Positions, \$2,000

VETO 236 - Section 68, Coastal Council, Page 68-001, Line 31  
Library Books, Maps and Films, \$800

VETO 237 - Section 68, Coastal Council, Page 68-001, Line 32,  
Light/Power/Heat, \$1,000

VETO 238 - Section 68, Coastal Council, Page 68-001, Line 33,  
Transportation, \$3,000

VETO 239 - Section 70, Department of Parks, Recreation and  
Tourism, Page 70-004, Line 15, Fixed Charges and  
Contributions, \$133,007

VETO 240 - Section 70, Department of Parks, Recreation and  
Tourism, Page 70-004, Line 16, Travel, \$50,000

VETO 241 - Section 70, Department of Parks, Recreation and  
Tourism, Page 70-004, Line 17, Equipment, \$19,000

I believe that reasonable increases for tourism advertising are sound investments, and I have advocated them consistently. However, I believe that the increase for that purpose in this department's budget is too much at one time in a tight budget year.

VETO 242 - Section 71, State Development Board, Page 71-002, Line  
5, Contractual Services \$50,000

VETO 243 - Section 71, State Development Board, Page 71-002, Line  
7, Travel, \$72,000

I intend for the amount on the last two vetoed lines to be taken from the film office within the State Development Board. I would be willing to support future requests for funding such an office if it is reorganized to serve the State effectively.

VETO 244 - Section 72, Jobs Economic Development Authority, Page  
72-001, Line 8, Manager Program Developer \$15,000

VETO 245 - Section 72, Jobs Economic Development Authority, Page  
72-001, Line 9, 1 FTE

VETO 246 - Section 75, Clarks Hill - Russell Authority of S. C.,  
Page 75-001, Line 15, Travel, \$10,000

VETO 247 - Section 75, Clarks Hill - Russell Authority of S. C.,  
Page 75-002, Line 5, Equipment, \$6,000

VETO 248 - Section 75, Clarks Hill - Russell Authority of S. C.,  
Page 75-002, Line 4, Fixed Charges and Contributions, \$400

VETO 249 - Section 76, Old Exchange Building Commission, Page  
76-001, Line 12, Supplies and Materials, \$1,000

VETO 250 - Section 77, Public Service Commission, Page 77-003,  
Line 31, Supplies and Materials, \$35,077

VETO 251 - Section 77, Public Service Commission, Page 77-001,  
Line 14, Supplies and Materials, \$20,900

VETO 252 - Section 77, Public Service Commission, Page 77-001,  
Line 30, Equipment, \$4,710

VETO 253 - Section 81, Department of Insurance, Page 81-001,  
Line 16, Equipment, \$23,680

VETO 254 - Section 81, Department of Insurance, Page 81-002,  
Line 12, Travel, \$5,000

VETO 255 - Section 83, Department of Consumer Affairs, Page  
83-001, Line 33, Contractual Services, \$17,000

VETO 256 - Section 85, Department of Labor, Page 85-005, Line 27,  
Travel, \$34,000

VETO 257 - Section 85, Department of Labor, Page 85-005, Line 13,  
Fixed Charges and Contributions, \$3,218

VETO 258 - Section 85, Department of Labor, Page 85-006, Line 28,  
Supplies and Materials, \$31

VETO 259 - Section 86, Tax Commission, Page 86-002, Line 13,  
Supplies and Materials, \$695,780

VETO 260 - Section 86, Tax Commission, Page 86-002, Line 31,  
Fixed Charges and Contributions, \$302,000

As a general principle I agree that enhancing our ability to collect revenue efficiently is a wise investment of the State's resources. The House approved 20 new positions for this effort, but the Senate included an additional 46 new employees. I believe that this large an increase is not justified in a tight budget year. After deducting the amount that I have vetoed, the Commission still retains an increase of \$2,269,006 over the current years spending, an increase of 8.1 percent.

VETO 257 - Section 87, Alcoholic Beverage Control Commission,  
Page 87-001, Line 17, Transportation, \$6,500

VETO 258 - Section 87, Alcoholic Beverage Control Commission,  
Page 87-001, Line 29, Fixed Charges and  
Contributions \$11,740

VETO 259 - Section 87, Alcoholic Beverage Control Commission,  
Page 87-002, Line 6, Equipment, \$15,000

VETO 260 - Section 120, Aeronautics Commission, Page 120-001,  
Line 13, Fixed Charges and Contributions \$15,000

VETO 261 - Section 120, Aeronautics Commission, Page 120-001,  
Line 36, Transportation \$10,000

VETO 262 - Section 125, Aid to Subdivisions, Page 125-002, Line  
36, Aid to Planning Districts, \$725,521

Because of the difficulties facing our local governments as the result of declines in federal aid, the reduction in aid to

subdivisions is limited to approximately one-half of one per cent.

VETO 263, Section 126.21, Department of Highways, Page 126.001, Lines 8, 9, 10:

This provision is identical to a provision of R-166, S.397. Since the purpose of this provision was accomplished when the Act became effective on June 2, 1987, this provision is unnecessary and is therefore vetoed.

VETO 264, Section 126.28, Page 126-012, Lines 16-26:

This provision is identical to a provision of R-166, S.397. Since the purpose of this provision was already accomplished when the Act became effective on June 2, 1987, this provision is unnecessary and is therefore vetoed.

End of Part I

VETO 265, Part II, Section 11, Page II-004:

The provisions of this section are identical to the provisions of R-117, S.425. Since the purpose of this provision was accomplished when that Act became effective on May 14, 1987, this provision is unnecessary and is therefore vetoed.

VETO 266, Part II, Section 14, Page II-005:

Because of the delay in rate reduction for corporations in South Carolina in the Tax Conformity Provision (Section 39 of Part II) there is anticipated to be a substantial revenue increase to the general fund. Although I reluctantly agreed to the phase out of the six percent (6%) rate rather than an immediate reduction, I did so in the hope that this temporary delay would result in no additional tax burden on our corporate citizens. To agree to this provision which operates as a minimum corporate tax of \$60 per corporation would send a wrong signal to any potential corporate investors in South Carolina. I also am opposed to this because it is a tax increase, something I will always view with great concern, especially when it is levied in this manner. This tax is on corporations that do not make a profit, and they can ill-afford such a tax.

Based on the foregoing, I am vetoing this provision.

VETO 267, Part II, Section 16, Page II-006:

This provision is another example of a continuation of the increasing burden of State Government on the people of this state. This burden, through an increase in instruments of conveyance of realty, is another small addition that will add to the cost of buying a home or any other property in this state. I view this provision as a tax increase and thus worthy of my veto.

VETO 268, Part II, Section 17, Page II-006:

Because of the delay in rate reduction for corporations in South Carolina in the Tax Conformity Provision (Section 39 of Part II) there will be a substantial revenue increase to the general fund. Although I reluctantly agreed to the phase out of the six percent (6%) rate I did so in the hope that there will be no additional tax burden on our corporate citizens. To agree to this provision which operates as an increase tax on corporations would again send a wrong signal to those potential corporate investors in South Carolina.

Based on the foregoing, I am vetoing this provision.

VETO 269, Part II, Section 27, Page II-009:

This section relates to cost of living adjustments in benefits paid to retired members of the S. C. Retirement System. It replaces the current definition of consumer price index, which means the "CPI for Wage Earners and Clerical Workers," with the CPI for "all items -- United States city average."

In conversations with both the Atlanta, Georgia and Washington offices of the U.S. Department of Labor, Bureau of Statistics, my staff has been informed that there is no single index for "all items -- United States city average." The Bureau of Statistics states that this category is composed of two separate indices -- (1) "Wage Earners and Clerical Workers" (current definition); and (2) "all urban consumers."

The proviso is accordingly ambiguous and unclear. If "all items -- United States city average" is interpreted to mean the published index for "Wage Earners and Clerical Workers" then there is no need for the change.

If "all items -- United States city average" is interpreted to mean "all urban consumers" then I am concerned about the fiscal impact of the change although I applaud the idea of bringing the various retirement systems into conformity. While these two indices vary from month to month, and it is accordingly impossible to tell what the exact future fiscal impact will be, I note that the "all urban consumers" index has had a higher rate of growth than "wage earners and clerical workers" index in every year since 1981. The State Retirement System has informed this office that it would cost an additional \$600,000 if the new index had been used in 1986.

Based on the foregoing two reasons, I am vetoing Section 27.

VETO 270, Part II, Section 34, Page II-011:

Article III, Section 17 of the South Carolina Constitution requires that every Act or resolution which has the force of law must relate to but one subject.

In the 1985 case of Ex Parte Georgetown County Water and Sewer District, 284 S.C. 466, the South Carolina Supreme Court applied the foregoing requirement of Article III, Section 17, to an appropriations bill passed by the General Assembly. The Court said, "The subject of an appropriations bill is solely to make appropriations to meet the ordinary expenses of state government and to direct the manner in which the funds are to be expended." The Supreme Court indicated that, "The test to be applied to provisions of an appropriations act is whether the challenged legislation reasonably and inherently relates to the raising and spending of tax monies."

Part II, Section 34 amends current law concerning the qualifications for teaching. On its face, this section is not germane to the appropriations bill since it clearly fails to meet the test of whether it "reasonably and inherently relates to the raising and spending of tax monies."

I am, therefore, vetoing Part II, Section 34.

VETO 271, Part II, Section 55, Page II-034:

Article III, Section 17 of the South Carolina Constitution requires that every Act or resolution which has the force of law must relate to but one subject.

In the 1985 case of Ex Parte Georgetown County Water and Sewer District, 284 S.C. 466, the South Carolina Supreme Court applied the foregoing requirement of Article III, Section 17, to an appropriations bill passed by the General Assembly. The Court said, "The subject of an appropriations bill is solely to make appropriations to meet the ordinary expenses of state government and to direct the manner in which the funds are to be expended." The Supreme Court indicated that, "The test to be applied to provisions of an appropriations act is whether the challenged legislation reasonably and inherently relates to the raising and spending of tax monies."

Part II, Section 55 changes the academic requirements for participation in interscholastic activities by students in grades nine through twelve. On its face, this section is not germane to the appropriations bill since it clearly fails to meet the basic test of whether it "reasonably and inherently relates to the raising and spending of tax monies."

I am, therefore, vetoing Part II, Section 55.

VETO 272, Part II, Section 57, Page II-37:

Article III, Section 17 of the South Carolina Constitution requires that every Act or resolution which has the force of law must relate to but one subject.

In the 1985 case of Ex Parte Georgetown County Water and Sewer District, 284 S.C. 466, the South Carolina Supreme Court applied the foregoing requirement of Article III, Section 17, to an appropriations bill passed by the General Assembly. The Court said, "The subject of an appropriations bill is solely to make appropriations to meet the ordinary expenses of state government and to direct the manner in which the funds are to be expended." The Supreme Court indicated that, "The test to be applied to provisions of an appropriations act is whether the challenged

legislation reasonably and inherently relates to the raising and spending of tax monies."

Part II, Section 57 relates to conditions for the purchase of a pistol during a 30 day period by individuals, law enforcement agencies or private security companies. On its face, this section is not germane to the appropriations bill since it clearly fails to meet the basic test of whether it "reasonably and inherently relates to the raising and spending of tax monies."

I am, therefore, vetoing Part II, Section 57.

Respectfully submitted,  
Carroll A. Campbell, Jr.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 9, 1989

REMARKS BY THE PRESIDENT  
TO THE JOINT SESSION OF CONGRESS

The Capitol  
Washington, D.C.

9:07 P.M. EST

THE PRESIDENT: Mr. Speaker, Mr. President, and distinguished members of the House and Senate, honored guests, and fellow citizens. Less than three weeks ago, I joined you on the West Front of this very building -- and looking over the monuments to our proud past -- offered you my hand in filling the next page of American history with a story of extended prosperity and continued peace. And tonight, I'm back to offer you my plans, as well. The hand remains extended, the sleeves are rolled up, America is waiting, and now we must produce. Together, we can build a better America.

It is comforting to return to this historic Chamber. Here, 22 years ago, I first raised my hand to be sworn into public life. So tonight, I feel as if I'm returning home to friends and I intend -- (applause.) And I intend, in the months and years to come, to give you what friends deserve: frankness, respect, and my best judgment about ways to improve America's future.

In return, I ask for an honest commitment to our common mission of progress. If we seize the opportunities on the road before us, there'll be praise enough for all. The people didn't send us here to bicker. And it's time to govern.

And many presidents have come to this Chamber in times of great crisis. War and depression, loss of national spirit. And eight years ago, I sat in that very chair as President Reagan spoke of punishing inflation and devastatingly high interest rates and people out of work, American confidence on the wane. And our challenge is different.

We're fortunate -- a much changed landscape lies before us tonight. So I don't propose to reverse direction. We're headed the right way. But we cannot rest. We're a people whose energy and drive have fueled our rise to greatness. And we're a forward-looking nation -- generous, yes, but ambitious, as well -- not for ourselves, but for the world. Complacency is not in our character -- not before, not now, not ever. (Applause.)

And so tonight, we must take a strong America and make it even better. We must address some very real problems. We must establish some very clear priorities. And we must make a very substantial cut in the federal budget deficit. (Applause.)

Some people find that agenda impossible. But I'm presenting to you tonight a realistic plan for tackling it. My plan has four broad features: attention to urgent priorities, investment in the future, an attack on the deficit, and no new taxes. (Applause.)

This budget represents my best judgment of how we can address our priorities. There are many areas in which we would all like to spend more than I propose; I understand that. But we cannot until we get our fiscal house in order.

MORE

Fathers looked at America. They didn't talk about themselves. They talked about posterity. They talked about the future.

And we, too, must think in terms bigger than ourselves. We must take actions today that will ensure a better tomorrow. (Applause.) We must extend American leadership in technology, increase long-term investment, improve our educational system, and boost productivity. These are the keys to building a better future.

And here are some of my recommendations:

I propose almost \$2.2 billion for the National Science Foundation to promote basic research and keep us on track to double its budget by 1993. (Applause.)

I propose to make permanent the tax credit for research and development. (Applause.)

I've asked Vice President Quayle to chair a new Task Force on Competitiveness. (Applause.)

And I request funding for NASA and a strong space program -- an increase of almost \$2.4 billion over the current fiscal year. We must have a manned space station; a vigorous, safe space shuttle program; and more commercial development in space. The space program should always go "full throttle up" -- and that's not just our ambition; it's our destiny. (Applause.)

I propose that we cut the maximum tax rate on capital gains to increase long-term investment. (Applause.) History is clear -- history on this is clear; this will increase revenues, help savings, and create new jobs. (Applause.) We won't be competitive if we leave whole sectors of America behind. This is the year we should finally enact urban enterprise zones and bring hope to the inner cities. (Applause.)

But the most important competitiveness program of all is one which improves education in America. When some of our students actually have trouble locating America on a map of the world, it is time for us to map a new approach to education. (Applause.)

We must reward excellence and cut through bureaucracy. We must help schools that need help the most. We must give choice to parents, students, teachers, and principals; and we must hold all concerned accountable. In education, we cannot tolerate mediocrity. (Applause.)

I want to cut that dropout rate and make America a more literate nation. (Applause.) Because what it really comes down to is this: the longer our graduation lines are today, the shorter our unemployment lines will be tomorrow.

So tonight I'm proposing the following initiatives:

The beginning of a \$500-million program to reward America's best schools -- "merit schools."

The creation of special presidential awards for the best teachers in every state -- because excellence should be rewarded. -- (Applause.)

The establishment of a new program of National Science Scholars, one each year for every Member of the House and Senate, to give this generation of students a special incentive to excel in science and mathematics. (Applause.)

The expanded use of magnet schools, which give families and students greater choice; and a new program -- to encourage "alternative certification" which will let talented people from all fields teach in our classrooms. (Applause.)

MORE

send to you shortly legislation for a new, more effective, Clean Air Act. It will include a plan to reduce, by date certain, the emissions which cause acid rain -- (applause) -- because the time for study alone has passed, and the time for action is now. (Applause.)

We must make use of clean coal. My budget contains full funding, on schedule, for the clean coal technology agreement that we've made with Canada. (Applause.) We've made that agreement with Canada and we intend to honor that agreement.

We must not neglect our parks. So I'm asking to fund new acquisitions under the Land and Water Conservation Fund. We must protect our oceans. And I support new penalties against those who would dump medical waste and other trash into our oceans. (Applause.) The age of the needle on the beaches must end. (Applause.)

And in some cases, the gulfs and oceans off our shores hold the promise of oil and gas reserves which can make our nation more secure and less dependent on foreign oil. And when those with the most promise can be tapped safely, as with much of the Alaska National Wildlife Refuge, we should proceed. (Applause.) But we must use caution. We must respect the environment.

And so tonight I'm calling for the indefinite postponement of three lease sales which have raised troubling questions -- two off the coast of California, and one which could threaten the Everglades in Florida. (Applause.) Action on these three lease sales will await the conclusion of a special task force set up to measure the potential for environmental damage.

I'm directing the Attorney General and the Administrator of the Environmental Protection Agency to use every tool at their disposal to speed and toughen the enforcement of our laws against toxic waste dumpers. (Applause.) I want faster cleanups and tougher enforcement of penalties against polluters.

In addition to caring for our future, we must care for those around us. A decent society shows compassion for the young, the elderly, the vulnerable, and the poor.

Our first obligation is to the most vulnerable -- infants, poor mothers, children living in poverty -- and my proposed budget recognizes this. I ask for full funding of Medicaid -- an increase of over \$3 billion -- and an expansion of the program to include coverage of pregnant women who are near the poverty line. (Applause.)

I believe we should help working families cope with the burden of child care. Our help should be aimed at those who need it most -- low-income families with young children. I support a new child care tax credit that will aim our efforts at exactly those families -- without discriminating against mothers who choose to stay at home. (Applause.)

Now, I know there are competing proposals. But remember this -- the overwhelming majority of all preschool child care is now provided by relatives and neighbors and churches and community groups. Families who choose these options should remain eligible for help. Parents should have choice. (Applause.)

And for those children who are unwanted or abused or whose parents are deceased, we should encourage adoption. I propose to reenact the tax deduction for adoption expenses, and to double it to \$3,000. (Applause.) Let's make it easier for these kids to have parents who love them.

We have a moral contract with our senior citizens. And in this budget, Social Security is fully funded, including a full cost-of-living adjustment. We must honor our contract.

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And this freeze will apply for only one year, and after that, increases above inflation will be required. I will not sacrifice American preparedness, and I will not compromise American strength. (Applause.)

I should be clear on the conditions attached to my recommendation for the coming year:

The savings must be allocated to those priorities for investing in our future that I've spoken about tonight.

This defense freeze must be a part of a comprehensive budget agreement which meets the targets spelled out in Gramm-Rudman-Hollings law without raising taxes, and which incorporates reforms in the budget process.

I have directed the National Security Council to review our national security and defense policies and report back to me within 90 days to ensure that our capabilities and resources meet our commitments and strategies.

I'm also charging the Department of Defense with the task of developing a plan to improve the defense procurement process and management of the Pentagon -- one which will fully implement the Packard Commission report. (Applause.) Many of these changes can only be made with the participation of the Congress -- and so I ask for your help.

We need fewer regulations. We need less bureaucracy. We need multiyear procurement and two-year budgeting. And frankly, -- and don't take this wrong -- we need less congressional micromanagement of our nation's military policy. (Applause.) I detect a slight division on that question, but nevertheless -- (laughter.)

Securing a more peaceful world is perhaps the most important priority I'd like to address tonight. You know we meet at a time of extraordinary hope. Never before in this century have our values of freedom, democracy, and economic opportunity been such a powerful and intellectual force around the globe.

Never before has our leadership been so crucial, because while America has its eyes on the future, the world has its eyes on America.

And it's time of great change in the world -- and especially in the Soviet Union. Prudence and common sense dictate that we try to understand the full meaning of the change going on there, review our policies and then proceed with caution. But I've personally assured General Secretary Gorbachev that at the conclusion of such a review we will be ready to move forward. We will not miss any opportunity to work for peace.

The fundamental facts remain that the Soviets retain a very powerful military machine, in the service of objectives which are still too often in conflict with ours. So let us take the new openness seriously. But let's also be realistic. And let's always be strong. (Applause.)

There are some pressing issues we must address: I will vigorously pursue the Strategic Defense Initiative. (Applause.) The spread and even use of sophisticated weaponry threatens global security as never before.

Chemical weapons must be banned from the face of the Earth, never to be used again. (Applause.) And, look, this won't be easy. Verification -- extraordinarily difficult. But civilization and human decency demand that we try.

And the spread of nuclear weapons must be stopped. And

MORE

agricultural products. (Applause.)

And to the parents of America, I ask you to get involved in your child's schooling. Check on the homework. Go to the school, meet the teachers, care about what is happening there. It's not only your child's future on the line, it's America's.

To kids in our cities -- don't give up hope. Say no to drugs. Stay in school. And yes, "Keep hope alive."

To those 37 million Americans with some form of disability -- you belong in the economic mainstream. We need your talents in America's workforce. Disabled Americans must become full partners in America's opportunity society. (Applause.)

To the families of America watching tonight in your living rooms: Hold fast to your dreams, because ultimately America's future rests in your hands.

And to my friends in this Chamber, I ask your cooperation to keep America growing while cutting the deficit. That's only fair to those who now have no vote -- the generations to come.

Let them look back and say that we had the foresight to understand that a time of peace and prosperity is not the time to rest, but a time to press forward -- a time to invest in the future.

And let all Americans remember that no problem of human-making is too great to be overcome by human ingenuity, human energy, and the untiring hope of the human spirit. I believe this. I would not have asked to be your President if I didn't.

And tomorrow, the debate on the plan I've put forward begins, and I ask the Congress to come forward with your own proposals. Let's not question each other's motives. Let's debate. Let's negotiate. But let us solve the problem. (Applause.)

Recalling anniversaries may not be my specialty in speeches -- (laughter and applause.) -- but tonight is one of some note. On February 9, 1941, just 48 years ago tonight, Sir Winston Churchill took to the airwaves during Britain's hour of peril. He'd received from President Roosevelt a hand-carried letter quoting Longfellow's famous poem: "Sail on, oh Ship of State! Sail on, Oh Union, strong and great! Humanity with all its fears, with all the hopes of future years, is hanging breathless on thy fate!"

And Churchill responded on this night by radio broadcast to a nation at war, but he directed his words to Franklin Roosevelt. "We shall not fail or falter," he said. "We shall not weaken or tire. Give us the tools, and we will finish the job."

Tonight, almost half a century later, our peril may be less immediate, but the need for perseverance and clear-sighted fortitude is just as great.

Now, as then, there are those who say it can't be done. There are voices who say that America's best days have passed; that we're bound by constraints, threatened by problems, surrounded by troubles which limit our ability to hope. Well, tonight, I remain full of hope. We Americans have only begun on our mission of goodness and greatness. And to those timid souls, I repeat the plea -- give us the tools, and we will do the job.

Thank you. God bless you and God bless America.  
(Applause.)

END

9:56 P.M. EST

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THE WHITE HOUSE  
WASHINGTON

Defining Opportunity  
for Americans

Charge for  
~~\*Krugman~~

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