

The State Budget Commission met in the Senate Finance Committee room on October 9, 1941, all members of the Commission being present.

The following appropriation transfers were approved by the Commission:

From the 1940-41 Appropriation

Governor's Office - Mansion & Grounds

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| From Telegraph and Telephone | \$43.00 | to Household Equipment |
| From Water, Heat, Light and Power | 57.39 | to Household Equipment |
| From Supplies (General) | 222.00 | to Household Equipment |

From the 1941-42 Appropriation

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| From Defense Council of S. C. | 5,000.00 | to Governor's Office, Law Enforcement Division, Defense Maneuvers |
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State Auditor's Office

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| From Travel | 49.35 | to Insurance |
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S. C. Schoolbook Commission

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| From Salaries - Bookkeeper | 270.00 | to Clerical Help |
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Secretary of State

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| From Office Supplies | 82.40 | to Travel |
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Commissioner of Labor

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| From Travel | 200.00 | to Telegraph and Telephone |
| From Office Equipment | 300.00 | to Clerical Help |

The question of a transfer of \$15,000.00, to cover the expenses of the general election of September 30, 1941, to the Comptroller General's office from some other department was considered by the Commission. After some discussion it was decided to defer consideration of the matter to a subsequent meeting.

Mr. Hunter A. Gibbes, attorney of Columbia, appeared in behalf of a claim of the Gulf Oil Company against the South Carolina Industrial Commission

in the amount of \$373.59. The Secretary was instructed to advise Mr. Gibbs that the Budget Commission was without jurisdiction in the matter.

A letter from Messrs. Pinckney Cain and C. T. Graydon of Columbia requesting the payment of fees of the four attorneys employed by the Governor in connection with the case of G. B. Edwards et al versus Rut L. Osborne et al concerning the diversion of highway funds was considered by the Commission. The Secretary was directed to take up this matter with the Chief Highway Commissioner and the Attorney General in order to ascertain whether or not these fees could be legally paid from State Highway funds and to report to the Commission at a subsequent meeting.

Upon the written request of the State Health Officer, the following employees of the State Board of Health were authorized to receive salaries from Federal funds supplementing their State salaries:

Dr. Ben F. Wyman - \$600.00 per year and \$600.00 for the year 1940-41

William Weston - \$600.00 per year

Mrs. Frank George - \$300.00 per year

Dr. George A. Bunch - \$900.00 per year

James R. Cain - \$700.00 per year

A request from Carroll Moton Leevy, colored, for a contribution of \$483.50 to assist in defraying the cost of attending the Michigan University Medical School was considered by the Commission. The Secretary was instructed to advise him that the Commission was without jurisdiction in the matter.

Attorney General John M. Daniel appeared on invitation and discussed with the Commission the status of the suit sponsored by the Budget Commission, as constituted on January 10, 1941, against the South Carolina Electric and Gas Company.

Mr. George P. Callison and others appeared requesting the sum of \$1,000.00 to supplement other funds to be offered as a reward for the apprehension of the murderer of Mr. Davis Timmerman of Edgefield County. The Commission agreed to recommend to the General Assembly that the sum of \$500.00 be provided by appropriation for this purpose.

The Commission authorized incoming Governor J. Emile Harley to employ a secretary and stenographer for one month prior to his inauguration at salaries in line with the regular salaries for these positions.

The following allotments were made by the Commission from the Civil Contingent Fund:

From the 1940-41 Fund

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| Industrial School for Girls | \$315.00 |
| To carry out contract with school principal upon the advice of the State Penal Board | |
| Mrs. L. C. Garrett | 180.00 |
| T. M. Alexander | 145.00 |
| P. F. Cone | 108.95 |
| Gladys Thompson | 40.00 |
| L. C. Garrett | 10.50 |
| Dr. Josiah E. Smith | 5.00 |
| These warrants in payment of claims in connection with the school teachers' accident in Spartanburg County of October, 1940. | |

From the 1941-42 Fund

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| Governor's Office, Law Enforcement | 5,000.00 |
| For additional men needed in connection with the war maneuvers | |
| J. M. Lyles | 38.50 |
| Expense to Atlanta, Georgia, to represent the Governor in connection with rural electrification | |
| Miss Margaret McFaddin | 15.00 |
| For services as court stenographer | |
| J. M. Smith, Treasurer | 165.85 |
| General election ballots | |

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| Governor's Office - Extra Clerical Help | 200.00 |
| To assist in putting the files in the Governor's office in order. | |
| State Board of Health - Bureau of Vital Statistics | 61.28 |
| Extra Clerical Help | |
| Expense of Legislative members of the Commission, this meeting | |
| R. M. Jefferies | 16.26 |
| Winchester Smith | 12.90 |

A request of the Department of Education for an allotment of \$1,000.00 to partly defray the expense of a committee to further investigate the recertification of teachers was carried over by the Commission for consideration at a future meeting.

A request of the State Board of Health for an allotment of \$1,000.00 for temporary help in the Bureau of Vital Statistics was carried over by the Commission for further consideration at a future meeting.

A request of the South Carolina Commerce Development Board presented in person by Mr. Frank T. Hamlin for an allotment of \$5,000.00 was carried over by the Commission for consideration at a future meeting.

A request for Miss Ellen Alexander of Woodruff that the Commission reimburse her for the destruction of her car in the school teachers' accident in Spartanburg County in October, 1940, was carried over by the Commission for consideration at a future meeting.

Mr. Thornwell McMaster and Barnard B. Evans appeared before the Commission concerning their contract with the Budget Commission in connection with the suit against the South Carolina Electric and Gas Company.

It was developed in the discussion that immediately after the dismissal of the suit filed by Messrs. Page, Evans and McMaster in the

United States District Court for the Eastern District of South Carolina, a notice of pendency of action was filed by them in the Court of Common Pleas of Richland County. Mr. Evans stated that before any suit was instituted, an attempt was made to bring the same in the original jurisdiction of the State Supreme Court but that court declined to take jurisdiction. It was admitted by Mr. Evans that the case instituted by Messrs. Page, Evans and McMaster had been dismissed in the United States Court and that the Supreme Court of the State had refused to accept jurisdiction.

Mr. Evans further stated that the attorneys in the case would abide by the directions of the State Budget Commission concerning any suits now pending or any further suits to be brought under the terms of the contract and that the attorneys would see that all suits were dismissed if the Budget Commission so requested.

After Messrs. Evans and McMaster retired, the Commission passed a motion that Messrs. Page, Evans and McMaster be instructed to withdraw all suits and that all litigation be brought to an end, and all power and authority vested in these gentlemen by the contract of January 10, 1941, was formally revoked by the Commission and the Secretary was instructed to so advise them. As to payment of further fees claimed by these three gentlemen, the Commission voted that they be requested to file statements.

The Secretary was authorized to write a letter to these three gentlemen advising them of the decision of the Commission, a copy of which letter as written and dispatched by registered mail, return receipt requested, is made a part of these minutes.

"October 10, 1941

"Mr. Cordie Page, Conway, S. C.
Mr. Barnard B. Evans, Columbia, S. C.
Mr. Thornwell McMaster, Columbia, S. C.

"Gentlemen:

"I am directed by the State Budget Commission, as such, and upon whom have been devolved all the duties of the Contingent Fund Committee of South Carolina, at a meeting held in Columbia, South Carolina, on October 9, 1941, to write you this letter relating to litigation in connection with the Columbia Canal properties under the agreement entered into by you and the members of the Budget Commission and the Contingent Fund Committee.

"On yesterday, Mr. Evans and Mr. McMaster conferred with the Budget Commission. In the course of the conference it was developed that immediately after the dismissal of the suit filed by you gentlemen in the United States District Court for the Eastern District of South Carolina, a notice of pendency of action was filed by you in the Court of Common Pleas for Richland County. Mr. Evans stated that before any suit was instituted, an attempt was made to bring the same in the original jurisdiction of the State Supreme Court but that court declined to take jurisdiction. The status now is that the case brought by you gentlemen has been dismissed in the United States District Court for lack of jurisdiction and that the Supreme Court of the State has refused to accept jurisdiction.

"Mr. Evans further stated that the attorneys in the case would abide by the directions of the State Budget Commission concerning any suits now pending or any further suits to be brought under the terms of the contract and that the attorneys would see that all suits were dismissed if the Budget Commission so requested.

"It appears to the Commission that since the Supreme Court of South Carolina has refused to take jurisdiction of the case and that any appeal from the Court of Common Pleas of the State would necessarily be to the Supreme Court, which has declined to take jurisdiction, and the United States District Court having already dismissed the suit brought there, everything reasonably possible has been done to protect the interests of the State, and that further litigation over this matter would be fruitless and would not be for the best interests of the State.

"Furthermore, the question of the legality of the contract of January 10, 1941, with you was raised in the suit in the United States District Court but that issue has not been determined. From conferences with the Attorney General, the Commission is satisfied that he, if called upon for a ruling, would hold that the Budget Commission has no right to institute such actions and that no such suit could be brought

in the name of the State without the approval of the Attorney General, which approval has not been sought nor given for the present litigation.

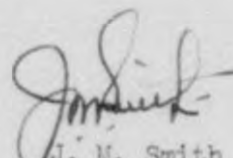
"In view of all the facts and circumstances surrounding this matter, the Budget Commission has directed me to request and instruct you gentlemen to have all litigation which you have brought involving the Columbia Canal dismissed promptly and marked "ended" on all court calendars, in which any action or lis pendens has been filed, and that you advise the Commission forthwith that all actions have been dismissed and all lis pendens have been duly cancelled. The Commission has formally revoked all power and authority vested in you by said contract of January 10, 1941, and has instructed me to so advise you.

"The Commission understands that you are claiming additional compensation in the sum of \$500.00 each for services in connection with this litigation. If you care to make such claim, the Commission will be glad to have you file with it a statement covering such services, in order that the Commission may take prompt steps to make a proper settlement.

"Very truly yours,

"J. M. Smith
State Auditor
Secretary Budget Commission"

The Commission then adjourned.


J. M. Smith
Secretary

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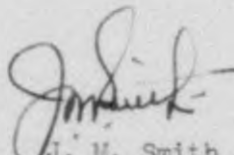
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