

Governor McNair Oral History Project
South Carolina Department of Archives and History

Interview

with

Robert E. McNair

Interviewer:

Cole Blease Graham

Date:

August 9, 1982

CBG: This is Tape 8, Side 1, an interview with Governor Robert E. McNair as a part of the McNair Oral History Project of the South Carolina Department of Archives and History. Today's date is August 9, 1982. Governor, in assuming office and finding a structure of state government intact, how did you go about either maintaining that structure or reorganizing it? In other words, were there major gaps that occurred originally as you began to find yourself running the office of governor?

REM: Well, we were coming into a whole new period, really, with the onset of federal funds for planning and for programming, and also we were moving into a whole new period in our history, I suppose. We found, yes, that nobody had really taken a look at it in a long, long time and that some of the areas that we wanted to concentrate on weren't appropriately staffed or weren't in the proper agency to focus on that. Others, like you would expect, were so set in their ways and had been so accustomed to doing certain things a certain way that they weren't receptive to taking on new programs or to doing things in a little different way. So there were problems in that.

CBG: Was a lot of the change from the outside, say, from the federal level or was it more from the inside?

REM: Well, it was sort of both. I think it was stimulated, I have to say, from the outside. There were considerable federal monies beginning to flow for planning, more than for programs at that time, and there were demonstration grant funds coming along with that to encourage the states to take a look at doing things a little differently. Thus program money was for what they referred to as demonstration programs.

CBG: Did this strike you as being a unique opportunity, let's say, for a southern governor, to be on the cutting edge of change, given the fact that most governors, say, for at least seven or eight decades before had tried to maintain things as they were, as opposed to even thinking about a new period?

REM: Yes. We looked on it in that way and determined that we were going to take full advantage of it. So we moved as quickly as we could, once we began to discover what was there and what was possible under all the new programs that were available. We began to try to gear up for that, and I think one of the first things we did was to establish what we referred to then as the Planning and Grants Division. That was a division focusing on helping the state agencies and local governments find out what was available and then helping them with their applications and all of that sort of thing so that they could get funds. At the state level, we looked at state planning for the first time to see what we were doing and how we were doing it and what we needed to do and how we might approach accomplishing those things that we thought were priority in nature.

CBG: How did you go about devising a strategy for doing things like setting up a Planning and Grants Division or developing a Personnel Division? Was it more of reaction to a specific federal or consultant suggestion?

REM: I'm sure it was reacting because all of us had come along as part of the system, and we were reacting to problems as they developed to new ideas as they came forward from conferences with others around the country. You know, there was a lot going on then with different states, and everybody trying different approaches. At the same time, I have to admit there was a lot of incentive coming from the federal level, both in people and ideas as well as the funds to do it. Where they found a responsive governor, for instance, or one who was receptive and indicated an interest in trying to take advantage of this, they then were most responsive. So we determined to try to do this. [Robert L.] Bob Alexander, as I've mentioned before, had come from Washington and had a strong interest in it and really worked at it and was the one who normally would come back and say, "You know, there's a fund available if we want to look at this. There's some money available to do a study." Through that we were able to get those extra monies that we never had before. The state had never budgeted miscellaneous funds for studies. Everything was pretty well itemized in the budget up until that time and still fairly well is. So there were funds to look at the various things that we had a concern with.

CBG: Along these lines were you encouraged mostly by civil servants, or did political leaders like, let's say, for example, President [Lyndon] Johnson call you into conference or take time out at some point to talk with you and maybe give you a little pat on the back to suggest you were at least going in the right direction?

REM: Well, he had his people in all the conferences tell us what was available, and encouraged us to take advantage of all of this and what we needed to do. At that time, state governments were really under assault.

CBG: Yes.

REM: We'd gone through the [John] Kennedy period when political subdivisions and political subdivision lines meant very little. [R. Sargent] Shriver had come along, you recall to start the OEO [Office of Economic Opportunity] program and really felt that the states sort of stood in the way. He just didn't like the idea of having these sovereign state governments, as we referred to them, and wanted to break down the political lines between the states and political subdivisions. So with all of that, the states were really under assault. I think you remember Terry Sanford, the former governor of North Carolina, wrote his book, *Storm*

Over the States, and several others were writing. We recognized that we were being challenged, and we had to do something. We couldn't just sit and wait for somebody else to come along and do it for us.

Yes, in getting into all of this, we indicated an early interest that we wanted to be a progressive state, that we wanted to take advantage of it. We were willing to study and to look at planning and look at creative or innovative ways of doing things. As a result of that, we were sort of singled out or targeted as one of those that wanted to get out front and almost became a demonstration in and of itself. I've forgotten the precise federal title they operated under where the money was available for state planning, comprehensive state planning. We became one of the first states to qualify for that and as a result became eligible for more of the funds that were available than otherwise would have been available.

CBG: I remember, South Carolina was the fifth state in the nation to be officially approved along with states like Minnesota, which typically had much more experience of this kind.

REM: Yes.

CBG: Would you say then that a general theme was to develop a positive approach in a contemporary state to demonstrate that state governments can work in an era of sensitivity to civil rights as opposed to the negative ideas of state sovereignty under dual federalism?

REM: That's what we were trying to do. I think we were changing our whole approach from one to the other, and that was part of the underlying reason behind it. It was very simple. We just couldn't do it ourselves. We'd run our course going in one direction, and we had to look to literally change direction. When we changed direction, then we had to do everything we could to not only to prepare the people but to carry on all the various things that we needed to do to build on what we thought was a more modern state government, one that was more in tune with the times, one that was geared up to meet the needs of the times.

CBG: I've got two questions now. With that kind of a change in politics, was there bound to have been some kind of a political reaction? My other question is a part of the recipe that we've not discussed. How in the old form, in which the governor is historically weak, could you pull off some of these things, given the legal authority of the Governor's Office in a potentially hostile political environment? That's a very involved question. What about the politics first?

REM: I think the politics apparently had run its course earlier. You know, we had been through the total resistance program just like everybody else had, and thus I came at a time when we were sort of at the end of that.

CBG: Kind of drained.

REM: Everybody realized we had run the course. We'd fought the good fight, and it was time now for us to get on with what we knew had to be done and to do it ourselves. We didn't want federal troops integrating our schools. We didn't really want federal registrars in South Carolina registering the black voters. We preferred to do it ourselves and to get on with it. So I really found a surprising--well, just like myself and those who had come along during that post-World War II period--acknowledgement that we had to do things differently and we had to get on with it. We had people, new people, young people, progressive people, coming into the General Assembly. Senator [Edgar] Brown--we've talked about him before--really changed with the times more than anybody I know and became a leader in helping us move forward in this. Not all of them were willing to make that kind of transition. At the same time, you know, they recognized it, and I think they were willing to let us do it, is the best way to describe it.

CBG: So that generally you could feel support and a kind of guarded optimism.

REM: Yes. And I think we had really remarkable support in the General Assembly. We had the John Drummonds and the Isadore Louries, and [Richard N.] Dick Riley came along, too--too numerous to mention all the new faces.

CBG: And the old timers began to lose in elections.

REM: Yes. I think people recognized that that didn't work anymore, and we just weren't going to accomplish anything by continuing to follow that course. So having that kind of support and then pulling more of the people into what was going on, with conferences, discussion sessions, particularly getting your board and commission people involved because they'd never really been included--they'd been appointed and then sort of let loose to go their own way. To get outside help from the business community was really valuable also. That's something we worked at, was pulling them in through various meetings and sessions to get them to be knowledgeable and aware of what was going on and to get their support. The business community was a strong supporter of the transition period that we went through.

CBG: In this context then, would you say that the major power of the Governor's Office was the power to persuade people that these new policies were the right course of state?

REM: I think so and also that there was a little more to the Governor's Office than we had been led to believe. We'd heard so much, again, from that negative standpoint that the governor has no power in South Carolina. His hands are tied on everything that he tries to do. We began to look at that a little bit and discovered that perhaps he had a little more authority and a little more power and, of course, as we say, a lot of persuasive power. We found some areas where we needed to move, and we opted to use the executive order to get things started. Our approach to the Attorney General during that time--we laughed about it--was not the normal question, "Can I do this?" It was phrased a little differently, "Can you tell me if there's anything that prevents me from doing this?" And I got about as many responses back, "No, I don't find anything that says you can't do it," as we used to get, "No, I don't find anything that says you can do it."

So we used the executive order to get things started, such as Water Resources. We'd been wrestling with that. I had been in the legislature when we'd looked at water resources and what we were going to do about it, and we couldn't pass a law; we couldn't set up anything. We decided we needed--once again, there was some federal seed money available. We, by executive order, set up a Water Resources Commission with the federal money to get the program started. We brought a fellow Clair Guess who was from Denmark, South Carolina, nationally recognized, head of the national association in Washington, but wanted to come back home. We were fortunate. We couldn't have done that, I don't believe, if we had to follow the normal course that we'd been trying to follow. As a result we established a program that was later put into the law. We were able to bring home a native, but a nationally recognized authority who brought us instant credibility and instant national recognition because he was a person everybody recognized. [William B.] Bill Workman, who was then editor of the [Columbia] *State* paper had written, as he did on many things, editorial after editorial that we had to do something like this. That helped create the climate and helped get the kind of support we needed to be able to establish a program and to follow through on it.

CBG: What is an executive order, and where does one come from?

REM: Well, it's something that governors hadn't used a whole lot prior to that except in emergencies of some kind. It's the power of the governor to issue an executive order and to get some things done. You had to issue an executive order if you wanted to declare an emergency, say, in some of the trouble spots because of the civil rights demonstrations or riots if you wanted to put a curfew on. If you wanted to get the National Guard and utilize them, you had to declare an emergency. Well, we determined we could use the executive order to establish some programs that we had the funds to establish. The arts council was the product of an

executive order. We had funds in at the national level to start programs in the state, so we formed by executive order an advisory council on the arts. Terrell Glenn, who's now my law partner, was made chairman of it, and a group who'd been interested, been trying to get things going, we made them eligible in that way for the federal funds that were available, and they then could hire a staff and get started. Now we have a very strong and viable Arts Commission.

CBG: So the executive order has the force of law and was basically the legal authorization to obligate these federal monies?

REM: Yes, what you had was the federal money was all then made available, and the governor, I think, in most instances had the power to designate the state agency or entity that that money would go to. So that gave us the authority, under the executive order, to set up an entity, give it sort of the effect of law, and then designate it as the one entitled to receive those funds. They had to develop a plan, but there was money available to develop a plan.

This is where I think so much good came from the early federal funding that people still don't recognize. I think there's a lot of criticism of the way the federal government got in--and a lot of that's justified--but they always came and the first thing you had to do, was develop a plan. That told us that we had to plan, that we had to develop a planning agency, we had to have a professional staff to do this, and the ones who had the best staff people and did the best planning were going to get the most money. So we opted early to take full advantage of that and we--you know, for a lot of the funds, we would designate state agencies where it was appropriate. In some instances, we felt the money should go to cover a broader scope than one agency, so we would form an interagency council, again by executive order, and put the directors and the chairmen of the boards and commissions of those various agencies that were part of that on it, and we'd designate that council as the recipient. In some instances we'd designate an agency or a department as the recipient but impose an interagency council over them, and that council would plan and develop the plan for the use of the funds, which would flow through the agency but go into that plan.

CBG: Would this have the effect of insulating some of these new programs from politics as usual and, therefore, give them a better chance to take root and grow?

REM: Yes. That was the real purpose in it, to do that. If we had just designated everything to the agency, it would have flown through doing the same thing in the same old way, and we wanted to approach some new things and do some things in a different way. Adult education started coming along, the adult education funds. We recognized early that just putting people through the eighth grade wasn't adequate. Most of the

new industry coming in wanted the high school diploma or the equivalent of that. We had federal funds to support the program, the literacy program, through the eighth grade. Well, we determined that not only did we need to offer that in the public schools, you know, in the afternoons and evenings, but we need to do it everywhere in South Carolina, to make it available in the TEC [Technical Education] centers, for instance. And we needed to take it through grade twelve. So we were able to get the legislature to go along with funds to go through grade 12. I think we were the first state in the country to make adult literacy education available through grade twelve, or the equivalent of that, statewide in every area of South Carolina, and then we put it into the technical education system. So we used the interagency group of TEC, the Department of Education, Vocational Education, and all of those working together. The money came through the Department of Education, but we channeled it out to these others in order to have a very comprehensive program.

CBG: One of the interesting conditions a lot of people speculate about with federal monies is managing the personnel function. Did you find that the state needed to modernize its management of people?

REM: Yes. [chuckles] That was something. Again, having been in the legislature, one of the things we had every year was state employees coming wanting a state personnel system. We never could agree on how we would do it, what authority the personnel board or committee would have, whether it would be similar to civil service or whether it wouldn't be. I recall working on proposal after proposal that we never could get through the General Assembly. We determined early to start looking at personnel. In the research we discovered that the Budget and Control Board had been given the authority to manage personnel. Well, I assumed that that gave it the authority to set up some sort of management system. So we began to look and discovered that, yes, we could do that, that we didn't need legislation. It was better not to have a whole new separate legislative system set up. We really weren't ready for a civil service and all and didn't particularly want it. But we wanted a classification and compensation system. That was what we wanted, where people were classified according to job responsibility and their own ability and compensated accordingly. As a result of that, we set up a personnel system, and then the Budget and Control Board adopted that and created the Division of Personnel under the supervision of the Budget and Control Board. The total cost was one Personnel Division director. Then we brought in a consulting firm to work with that personnel director to establish what has become the state personnel system now. It stayed under the board until later the legislature did come along and pass legislation creating it, establishing it, making it sort of an agency still working under the Budget and Control Board.

CBG: One thought that prompts. Can executive orders be rescinded by subsequent governors?

REM: Yes. We always took the position that an executive order did not survive the end of a governor's term, and I think that's legally true. So anything that you created by executive order, you either let it die, or you put it into legislation so that it would survive. One or two things carried on over and were continued by executive order by succeeding governors.

CBG: Was part of the hope to give these programs a chance to perform, to see how they would respond or what results they might have and use that as a base for enhanced persuasion of the legislature?

REM: Yes, and we felt, too, that we would set them up better in some instances this way and avoid the politics of politics.

CBG: Yes.

REM: Everybody having somebody whom they wanted to get in on the program; and the first thing you know you had more personnel than you had money to carry on. This way we started quite often with one person and normally tried to get a highly professional person and just let it grow from there. At the same time, we felt we could give the kind of supervision we wanted to better that way, too.

CBG: So that while the merit system can be insulated and kept somewhat aloof from politics, there is a problem of politics diluting it, weakening it.

REM: That's right.

CBG: A new effort.

REM: And we weren't ready for a total merit system. We didn't want to start with that. That was too big a bite. That's why the legislature could never pass anything, and we found this a good beginning point. We did some of it before we even created this. We did it in Corrections and the Wildlife Department. We discovered, working with the chairman of the Wildlife Commission, that they had terrible problems. They couldn't recruit wildlife officers. They often had small farmers who were doing part-time wildlife work, and they wanted to upgrade and professionalize the wildlife conservation officer, the game warden, at that time. He came in, and we discussed it at great length, and I persuaded the Budget and Control Board to allow them to develop a classification and compensation system within that department. They did, and that's where they

started, by classifying the conservation officers and compensating them at different levels. They were able to do a lot more with the funds available than they could do under the old system where everybody got the same salary.

CBG: There were some merit system agencies already.

REM: That's right; only those that had to have them to qualify for federal funds, like the Department of Health.

CBG: Voc Rehab [Vocational Rehabilitation], I believe, may have been one.

REM: Yes, right.

CBG: Social Services.

REM: Social Services was one. Welfare. I don't know about Mental Health. I don't think so at that time, but . . .

CBG: Did you find many inequities on your first look at this across the board?

REM: Yes, really all the way across. At one stage, before we got into this, the legislature set the salaries.

CBG: Yes.

REM: And there would naturally be [chuckles]. . .

CBG: The squeaky wheel approach.

REM: . . . preferential treatment given to certain people.

CBG: Yes. [chuckles]

REM: There were instances where somebody would be paid a lot more than somebody else, and that created a lot of problems, when they were doing the same job. We were trying to get away from that. We had, you

know, some rocky roads and bumps in the road when we first started with this, and I recall the first year after we had brought in the Personnel Division director, who, by the way, again was a South Carolinian, Earl Ellis.

CBG: I'm just going to ask how in the world you could have persuaded one person to take on this responsibility.

REM: Well, Earl Ellis had been in personnel at DuPont and had left DuPont to go to Monsanto and moved up to number two or three in Monsanto in personnel. He was working in New York and living in New Jersey and had been with them for while, and he was, I think, anxious to get back to South Carolina. Fortunately, you know, his family was from here. I had known Earl, known about him, pleasantly, had continued communications with him when I'd go to New York, being governor and all. So we immediately approached him about his interest. First, we got some free advice from him and counsel on what we were getting into, you know, and what we were doing. I think that whetted his appetite. Then when we set it up, we said, would you have an interest in coming in and doing this thing? Well that was a challenge to any personnel person because we didn't have anything. We didn't have guidelines, we had to develop the whole plan and implement it. So that was interesting to him, and Earl agreed to do it.

By pure coincidence, he had just been through a total study and revision of the Monsanto personnel system with Cresap, [McCormick, and Paget] the consulting firm that we wanted to use. So we brought the same people in to work with him here. The General Assembly--you asked how responsive they were. It was interesting, and it amazes me looking back and seeing how they'd operated before and seeing how they operate today. When we did this, we asked them to lump sum appropriate all personnel monies for the next session.

END OF SIDE ONE; BEGIN SIDE TWO

CBG: This is Tape 8, Side 2, an interview with Governor Robert E. McNair as a part of the McNair Oral History Project of the South Carolina Department of Archives and History. Today's date is August 9, 1982. Governor, we just mentioned a lump sum appropriation for personnel.

REM: Yes, when you look back, it's amazing that the General Assembly would go along with that. Their history had been that they wanted to itemize everything. With the new system in place, we asked them for a lump sum. They did it. In fact, they appropriated one lump sum for personnel and allowed us, through the Personnel Division, to then apply those funds and implement completely the personnel compensation and classification system that year. From there on, it functioned sort of that way with personnel being

appropriated for each department or agency and applied then in accordance with the system we had. You know, that was a whole new day for everybody because then if you wanted to recommend a friend for a job, he had to be qualified and there had to be a slot available. It was different from what we'd been accustomed to. So we went through some rocky times getting everybody adjusted to it.

CBG: Were most of the rocks from elected officials or civil servants?

REM: Well, both. I think the department heads discovered that it had taken away some of the freedom and latitude they'd previously had. So we had some difficulties there. Members of the General Assembly discovered that it took away some of the freedoms they had to recommend for a job an old friend who couldn't meet the qualifications.

CBG: Yes.

REM: Some people in state government, who had gotten some favored treatment, discovered that they were locked into their slot for a long, long time and there wasn't anywhere to go. So we had those kinds, but, by and large, it was extremely well received by the personnel in state government and endorsed and supported by the General Assembly.

CBG: So that what upset them was perhaps mostly personal and individual?

REM: Incidental, isolated instances more than anything else.

CBG: What about the budget side? Did you find similar kinds of needs in accounting, automation, budgeting?

REM: We did. We found it in, you know, everything. Again, we were growing up, times were changing, we were becoming industrialized, and we were experiencing pretty rapid economic growth in the state.

END OF TAPE