

REMARKS BY GOVERNOR JAMES B. EDWARDS  
SOUTH CAROLINA INTERNATIONAL TRADE CONFERENCE  
THURSDAY, MAY 20, AT 1:15 P.M.

DURING WORLD WAR II, I SERVED WITH PRIDE IN THE U. S. MERCHANT MARINE. WE WERE A PROUD SERVICE THEN /- AMERICA WAS FIRST AMONG THE SEA POWERS OF THE WORLD. AMERICA RULED THE SEAS, /AND WE SAILED ON AMERICAN SEA POWER TO GREATNESS AND WORLD SUPREMACY.

SINCE WORLD WAR II, THE AMERICAN SEA STORY HAS BECOME A SAD AND INFURIATING TALE. IN THE PAST 30 YEARS, /THE AMERICAN MERCHANT MARINE HAS FALLEN FROM ITS TOP SPOT /AMONG THE WORLD'S MARITIME POWERS /TO SEVENTH PLACE. WHAT IS THE CAUSE? I CAN TELL YOU IT'S NOT BECAUSE AMERICANS HAVE FALLEN OUT OF LOVE WITH THE SEA. WE HAVE NOT FORGOTTEN THE GLORIOUS HERITAGE /THAT INCLUDES JOHN PAUL JONES AND THE CONFEDERATE BLOCKADE RUNNER.

THE REAL CAUSE IS A NATIONAL POLICY OF NEGLECT AND IN-  
DIFFERENCE. IT HAS BEEN EXPRESSED WELL IN THE TELLING COMMENT OF THE FREEDOM-LOVING RUSSIAN WRITER ALEXANDER SOLZHENITSYN: "THE WEST GIVES EVERYTHING AWAY." DETENTE IS OPENING THE DOORWAY TO DECLINE FOR AMERICA. THE SOVIETS HAVE BEGUN A TRADE WARFARE, /AND THEIR MERCHANT MARINE IS BECOMING THE GREATEST WEAPON IN THE ARSENAL. AS ONE OBSERVER PUT IT: "THEY ARE GAINING ECONOMIC STRENGTH AND POLITICAL INFLUENCE. AND <sup>their</sup> /TRADE WARFARE HAS BEEN THE MOST SUCCESSFUL IN HISTORY."

WHY DO I SAY THIS? SINCE WORLD WAR II, WHILE AMERICAN POLICY HAS BEEN DRIVING <sup>our</sup> SHIPPING STRENGTH DOWN, THE SOVIETS HAVE BEGUN A SPECTACULAR MARITIME EXPANSION. THEY HAVE CLIMBED FROM 23RD IN THE WORLD MARITIME STANDING ABOUT AS LOW AS THEY COULD GO TO SIXTH PLACE IN TOTAL TONNAGE, JUST AHEAD OF THE UNITED STATES. THEY ARE FIRST PLACE IN CONVENTIONAL CARGO VESSELS.

THE RUSSIANS KNOW WHAT OUR GOVERNMENT APPEARS TO HAVE FORGOTTEN. THE NATION THAT CONTROLS WORLD TRADE CONTROLS THE WORLD. AND WORLD TRADE WILL ALWAYS TRAVEL IN SHIPS.

THOSE OF US FAMILIAR WITH COMINGS AND GOINGS IN CHARLESTON HARBOR KNOW FIRST HAND THAT THE SO-CALLED SOVIET-CIVILIAN FLEET HAS MILITARY POTENTIAL. FISHING EXPEDITIONS BY SOVIET TRAWLERS OFF THE PORT OF CHARLESTON ARE TROLLING FOR MORE THAN ~~THEIR FISHING CATCH~~ <sup>just fish</sup>. THE RUSSIANS HAVE VIRTUALLY STOPPED TRYING TO HIDE THE FACT THAT THESE SHIPS CARRY ELECTRONIC SPY EQUIPMENT. IN THE SAME WAY, SOVIET TANKERS CAN SERVE AS MILITARY SUPPLY SHIPS, AND THEIR FREIGHTERS CAN CARRY AIRCRAFT, TANKS AND HEAVY GOODS OF WAR. THE RUSSIAN MERCHANT FLEET CAN FIGHT BOTH ECONOMIC AND MILITARY BATTLES.

RUSSIA IS ADDING 80-90 SHIPS TO ITS FLEET EACH YEAR. UNDER THEIR LATEST FIVE-YEAR PLAN, GROSS TONNAGE ROSE BY ALMOST 30 PERCENT BETWEEN 1970 AND 1975. TODAY THE SOVIET UNION HAS 16 SHIPPING COMPANIES OPERATING 7,000 SHIPS ON 65 TRADE ROUTES.

A MAJOR GROWTH COMPONENT OF THE SOVIET MERCHANT MARINE POWER IS THEIR CONTAINER FLEET, /WHICH DID NOT EVEN EXIST IN 1970. BY 1980, RUSSIA WILL BE THE LARGEST INTER-MODAL OPERATOR IN THE WORLD, /WITH MORE THAN 300 CONTAINER VESSELS. IT IS ESTIMATED THAT THEIR FLEET WILL BE LARGE ENOUGH BY 1980 /TO MONOPOLIZE THE ENTIRE U. S.-ATLANTIC OR PACIFIC FOREIGN TRADE TONNAGE. IN ADDITION, THE SOVIET UNION ALSO CONTROLS THE COMMUNIST COUNCIL OF ECONOMIC AND MUTUAL ASSISTANCE, /WHICH CONSISTS OF POLAND, CZECHOSLOVAKIA, HUNGARY, RUMANIA, BULGARIA, EAST GERMANY AND CUBA. THIS ORGANIZATION PROVIDES A COMBINED FRONT /FOR COMPETING WITH THE FREE WORLD MERCHANT MARINE, /AND SERVES THE LONG-RANGE SOVIET GOAL FOR COMPLETE DOMINATION AND CONTROL OF THE WORLD'S OCEAN TRADE LINES.

THIS IS ESPECIALLY FRIGHTENING WHEN ONE CONSIDERS THE DECLINING STATE OF THE AMERICAN MERCHANT MARINE. OUR LINER FLEET CONSISTS NOW OF ONLY 302 VESSELS OF WHICH <sup>only</sup> ~~140~~ ARE MODERN, /TECHNOLOGICALLY-ADVANCED /INTERMODAL SHIPS SUCH AS CONTAINERSHIPS.

WHAT DOES THIS MEAN TO AMERICA? IN THE NAME OF DETENTE, WE NOW PERMIT THE RUSSIANS TO PUT-IN TO 40 AMERICAN PORTS. THEY ALLOW OUR SHIPS AT TWO RUSSIAN PORTS. THEIR BUSINESS IS BOOMING /AND THE TRADE OF THE AMERICAN-FLAG SHIPPING COMPANIES IS CONTINUING TO DECLINE. THE LONG-RANGE PROSPECT IS AN EFFECTIVE CRIPPLING OF THE AMERICAN MERCHANT MARINE. EVENTUALLY, THE RUSSIANS WILL BE IN A POSITION TO SET UP A TRADE EMBARGO SIMILAR TO THE ARAB OIL EMBARGO <sup>much</sup> BUT MORE SERIOUS.

AFTER THEY DRIVE EVERYONE ELSE OUT OF BUSINESS/ THEY CAN  
CHARGE WHAT THEY PLEASE/ AND WHO CAN COMPLAIN? THE RUSSIANS  
ARE ALREADY UNDERCUTTING THE GOING RATES BY AS MUCH AS 50%.  
ON PACIFIC ROUTES, /RUSSIA'S FAR EASTERN SHIPPING COMPANY/ CUT  
RATES FOR HAULING ELECTRONIC GOODS BY TWELVE PERCENT. WHEN  
COMPETING LINES LOWERED THEIR RATES TOO, FESCO THEN CHOPPED  
ANOTHER <sup>12</sup> TWELVE PERCENT OFF ITS CHARGES.

THE IMPACT ON THE WEST/ OF THE COMMUNIST COMPETITION HAS  
BEEN STATED MOST FORTHRIGHTLY, /NOT BY AN AMERICAN SHIP  
OPERATOR, /BUT BY KARL-HEINZ SAGER, /PRESIDENT OF THE EUROPEAN  
COMMON MARKET SHIPPING ASSOCIATION. HE WARNS/ THAT THE  
PRACTICES OF THE COMMUNIST MERCHANT FLEETS /REPRESENT THE  
MOST SERIOUS THREAT TO THE VIABILITY OF THE WESTERN CARGO  
LINE OPERATORS. SINCE SOVIET COMPETITION CANNOT BE FOUGHT  
WITH COMMERCIAL MEANS, /STATE REGULATORY MEASURES ARE NECESSARY, /  
HE SAID. FOR THE HEALTH OF THE AMERICAN SHIPPING INDUSTRY/  
AND FOR THE ECONOMIC STABILITY OF OUR NATION, <sup>of the world</sup> /WE MUST PREVENT  
THE ESTABLISHMENT OF A RUSSIAN MONOPOLY ~~POWER~~ IN TRADE. IT  
IS CLEAR THAT THE RUSSIANS INTEND TO USE THEIR MERCHANT  
FLEET AS AN INSTRUMENT OF NATIONAL POLICY, /AIMED AT DESTROYING  
THE ECONOMIC STRUCTURE OF THE FREE WORLD.

THE RUSSIAN SHIPPING COMPANIES ARE <sup>armed or</sup> BRANCHES OF THE  
SOVIET GOVERNMENT. AS SUCH, /THEY DON'T HAVE TO MAKE A  
PROFIT. THEY DON'T HAVE TO WORRY ABOUT COVERING THEIR  
COSTS. TO TAKE OVER AND MONOPOLIZE WORLD TRADE, /ALL THESE  
SOVIET LINES HAVE TO DO IS UNDERCUT THE SHIPPING LINES OF  
OTHER COUNTRIES UNTIL THEY HAVE GATHERED IN THE MAJORITY OF  
THE CHOICE CARGOES. THEY LEAVE THE LOWER PAYING, /THE LESS  
DESIRABLE CARGO, /THE LEFTOVERS, /TO OTHER CARRIERS. THEN THEY

WILL HAVE THE POWER TO CREATE AN ECONOMIC BOYCOTT THAT WILL MAKE THE ARAB OIL EMBARGO LOOK LIKE CHILD'S PLAY.

AMERICA CANNOT COMPETE COMMERCIALY AGAINST COMMUNIST SLAVE LABOR/AND CUT-THROAT PRICE GOUGING. WE MUST <sup>awaken</sup> ~~WAKE~~ OUR GOVERNMENT ~~UP~~ TO PROTECT AMERICA'S INTERESTS. A START WOULD BE LEGISLATION KNOWN AS THE "THIRD-FLAG BILL"/NOW PENDING IN CONGRESS. THE THRUST OF THIS BILL WOULD BE TO REQUIRE STATE-OWNED CARGO LINES,/LIKE THE RUSSIANS,/TO ABIDE BY THE MINIMUM RATES CHARGED BY A NATIONAL FLAG CARRIER/UNLESS AN ANALYSIS OF THE LOWER RATE SHOWS THAT IT FULLY COVERS ALL THE COSTS INCURRED BY THE THIRD FLAG LINE. THIS WOULD EFFECTIVELY PREVENT THE STATE-OWNED LINES FROM CUT-THROAT PRICING,/AND GIVE A BOOST TO THE SHIPPING INTERESTS OF AMERICA AND THE REST OF THE FREE WORLD.

THE CHARGE THAT AMERICA IS GIVING EVERYTHING AWAY IS NO EXAGGERATION. THE FEDERAL MARITIME ADMINISTRATION RECENTLY TRIED TO SELL TO THE RUSSIANS/ITS PLANS FOR A SOPHISTICATED CARGO CARRIER. THESE PLANS HAD BEEN DEVELOPED UNDER A FEDERAL SUBSIDY--AND,/UNBELIEVABLY-/THE MARITIME ADMINISTRATION WAS GOING TO CHARGE THE RUSSIANS HALF THE PRICE IT WANTED TO CHARGE THE U. S. NAVY. I THINK IT'S TIME FOR US TO WAKE UP TO WHAT IS <sup>really</sup> GOING ON. *in Washington - + State Dept - Suez Canal Panama Canal*

THE SOVIETS ARE PUSHING INTO THE WORLD SHIPPING ROUTES WITH A CUT-THROAT SINGLEMINDEDNESS. THEY WILL WIN THE TRADE WAR~~RE~~/UNLESS AMERICA TAKES ACTION. WE NEED PATRIOTIC SUPPORT <sup>for</sup> ~~for~~ THE AMERICAN MERCHANT MARINE. AMERICANS MUST STAND UP TO THE SOVIETS/TO PRESERVE AMERICAN POSITION IN WORLD TRADE. WE CANNOT LET OUR <sup>American</sup> ECONOMIC <sup>lifeblood</sup> ~~STRENGTH~~ SAIL OFF ON RUSSIAN SHIPS.

*Solzgenitoyin - "in America - Need a renewed resolve, a new dedication - a date & destiny"*