Some years ago it was the custom to describe the South as the nation's "economic problem No. 1". Today, the great Southland may more aptly be described as the nation's "economic possibility No. 1".

The vast opportunity for economic development offered by the tremendous natural wealth of the southern states, coupled with the energy, friendliness, and natural ability of the southern people, are bringing about a transformation that staggers the imagination.

This is particularly true in my own State of South Carolina. In the industrial field alone, our growth is proceeding so rapidly that it leaps ahead of the ability of statisticians to keep up with it.

During the year 1938, for instance, industrial plants began production in South Carolina which represented a total of $93,000,000, and which employ 13,000 persons. In addition, construction now underway or already announced totals $137,000,000, creating thousands of additional new jobs. This means that a total of $230,000,000 in new industries either began operation, began construction, or were announced for construction last year.

The growth is most readily visible in our vast textile industry. In this field, South Carolina is maintaining a dominant position, having shown an increase of over half a million spindles in the past three years. In that period, new textile plants have been built or announced amounting to $163,235,000, representing 139 new plants. Existing plants have been expanded at a cost of $77,738,000. The total for 312 new or expanded textile plants comes to the astonishing figure of $240,973,000 in this brief space of time.
This vast expansion has been possible only because the industry recognizes the abilities and skills of our people, coupled with the friendly and cooperative attitude of the State Government. When an attempt is made to assist an industrial project, every state department from the Governor to the clerks, is happy to prepare detailed information necessary to help the prospect reach a decision.

During my first two years as Governor, I have worked hard to carry out a determination to raise the economic level of life of our people. In pursuit of this policy, I have made numerous trips to other states for personal conferences with industrial leaders, and have frequently entertained them at the Mansion in Columbia. On a recent trip to the north, the executives of one of America's greatest corporations informed me that my visit to them was the first any state Governor had ever made. Efforts of this kind require energy and plenty of hard work of the "midnight oil" variety, but they pay dividends.

It is clear that the eyes of the industrial world are turning southward. Our lower living costs, our great natural resources, and our friendly, homogeneous population are combining to attract industry. In addition, we are now on the verge of enjoying the fruits of a decade of work to break down the unfair freight rate differentials of other years.

At the December Conference of Southern Governors in Savannah, Georgia, I reported in my capacity as chairman of the freight rate committee, that while a favorable Supreme Court decision has ordered equalization of freight rates, we still have not seen it as a complete reality. I asked the Conference to continue its work by following the action of the railroads closely to encourage the rapid development of uniform rate classifications, not yet accomplished. This the Conference agreed to do, and we do not intend to rest from our labors until equal rates are in effect.
Industrial leaders planning to move to the South may feel confident that the day of uniform classification is not far distant.

The Southern people as a whole are slowly waking up to the realization that a prosperous future is in store for them. A fine illustration of the new interest our people are taking in this future may be found in recent movements to improve the efficiency of government. In South Carolina, we are striving to provide a sound, energetic, stable government as a background for economic development. We have in the past two years taken legislative steps leading toward reorganization of the State Government for greater efficiency; revision of our outmoded Constitution; reorganization and modernization of legislative procedure; increased educational opportunities, improved health facilities and conservation and development of our natural resources.

Thus we hope to provide an able, aggressive State Government capable of assuming the leadership in South Carolina's upward march toward economic well-being and social progress.

The people of South Carolina are aware that the right of local self-government through the sovereign states, guaranteed by the U. S. Constitution, is the most priceless right on earth. They have demonstrated overwhelmingly that they are willing to fight to protect that right. But they realize, too, that the greatest safeguard against Federal encroachment on state sovereignty is a vigorous people exercising their sovereignty in their domestic concerns through a self-reliant state government.

We know that we must assert and protect the rights of our State; but we also know that we must not neglect our correlative responsibilities.

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