

system that gives the foreign textile exporters a share of the future growth. Who would really have a right to be offended at that?

In actual fact, many of the raw cotton importing countries have bought less and less of their fiber from us, of their cotton from us over the very period when our textile imports have been rising so very rapidly, and they have bought more and more of their raw cotton from countries which just have incomparably stricter controls on their own textile imports than we have on ours.

Cotton is a basic raw material upon which a great deal of the world's industrial employment turns. As long as countries need and can pay for it, they are going to buy it, and it seems very likely that in the future and in the past the foreign manufacturers will place their orders where they find it most advantageous to place them. Rather than spending our time on theoretical and imaginary fears, we ought to be looking at our real problems in the cotton export market, and in my concluding half-minute I will mention what we look on as the biggest and most basic of them all.

We have quite a few problems in export, but the biggest one of all is this: We need fair protection against textile imports so that we will have a fair chance to show here in this country that cotton can meet the competition of synthetic fibers.

If this can be demonstrated on our domestic market, it can by our leadership and example be done also in the foreign cotton importing countries, Western Europe, Japan, Canada, and so on, so that our export market can begin growing again. I developed that in considerably more detail in our full statement.

Mr. Chairman and gentlemen, we thank you for the the opportunity to be heard, and we respectfully urge that this great problem have your careful consideration.

(Mr. Horne's prepared statement follows:)

STATEMENT OF M. K. HORNE, JR., CHIEF ECONOMIST, NATIONAL COTTON COUNCIL
OF AMERICA

The National Cotton Council is the central organization of this country's raw cotton industry. It exists to represent and serve the seven branches of this industry, reaching as they do across the whole length of our country from east to west. They are the cotton growers, the ginners, the merchants, the warehousemen, the cooperatives, the manufacturers, and the cottonseed crushers. Accordingly this testimony will be from the standpoint of American raw cotton.

Cotton, as you know, is a great world commodity, and this country has long been the world's leader in the amount produced, the amount consumed domestically and the amount sold in exports. Over the past ten years, on average, about two-thirds of our cotton has been sold for use in our domestic mills and about one-third of it has moved into exports. Our industry depends vitally upon realistic policies toward both markets.

One of our foremost concerns is the export market. It has been in a declining trend for the past ten years. There can be no sound future for cotton unless this trend is checked and turned upward. A large part of the Cotton Council's energy is directed toward that objective. We certainly appreciate our export customers. It is essential that our export market be saved and expanded.

It is likewise essential that the domestic market for cotton be saved and expanded. One of our greatest problems in this market is the rapidly rising trend of textile imports which displace the consumption of cotton in our domestic mills. It is sometimes argued that when we ask for reasonable restraints upon textile imports we are doing unreasonable harm to cotton exports. Those arguments are largely fallacious, and I would like to deal with them in the latter portion of this statement. As a matter of fact, as I shall undertake to show, if we do not get reasonable restraints upon textile imports, we are very likely to lose our cotton