by split decisions, put great stress on the fact that the textile industry was also involved, and appeared to be swayed by the thought that a favorable ruling for cotton would also give relief to the textile industry and that this would be outside of the intent of the legislation.

It should somehow be made clear that raw cotton itself is vitally concerned with this import problem. This is over and beyond the fact that the textile industry is also concerned. Both industries, both of which are mainstays for millions of people and for billions of dollars in investment, are vitally concerned.

Even if it were possible today to go back once more to the Tariff Commission and get a reversal of its earlier positions, this would no longer solve the problem for American cotton, because of the enormous upsurge which has occurred in the imports of textiles made from man-made fibers just in the last few years. These textiles compete with cotton products on our home market. In Exhibit C we have repeated the curve showing cotton imports in textile form, and for comparison we have a curve for the imports of man-made fiber in such form. The Department of Agriculture publishes figures for the imports of these man-made fiber products converted into the pounds of fiber which they contain, and we have converted those figures by a crude method into their estimated cotton equivalent. Again the figure for the present year is a simple projection based on the first four months.

Just within the past four years our imports of these man-made fiber products have had a net increase of nearly half a million cotton bale equivalents. These imports plus the cotton product imports are already at a level of nearly 1¾ million cotton bale equivalents, and rising very steeply. This new development of man-made fiber product imports is also weighing down upon us in our efforts to increase the domestic consumption of cotton. It adds a terrific new dimension to the whole cotton problem that we have been reviewing here. The whole problem clearly goes beyond what we can hope to solve under the provisions of Section 22. It needs to be looked upon in its entirety, as your Committee is doing.

THE LONG TERM ARRANGEMENT

The Long Term Arrangement for international trade in cotton textiles provides a certain amount of restraint upon such imports, but experience has proven this device to be very, very inadequate, for three reasons:

First, the Arrangement itself provides a *minimum* increase of 5 per cent *each year*, which is virtually automatic, in each import quota. This in itself seems highly excessive when we consider that our domestic mill consumption of cotton has had no upward trend at all.

Second, the import increases which have actually occurred have been far in excess of that 5 per cent figure. We saw the record in Exhibit A. The actual trend of these imports, as shown by the moving average, has risen 55 per cent in the last four years, with the Long Term Arrangement in force throughout. The reasons why this system permits such increases may be arguable, but the fact that it actually does so is documented in Exhibit A.

The terms of each quota arrangement, as well as the decision whether to have a quota at all, are essentially matters for individual negotiation. While the negotiators are governed by a stipulated minimum increase of 5 per cent each year, they work under no stipulated maximum whatever. Under this system it is hardly surprising that the exporting countries gain one concession or another again and again. One of the most striking examples came in connection with the latest extension of the Long Term Arrangement, which occurred last year. As a price for getting quite a few countries to agree to the extension at all, our country gave them special "bonuses" or sweeteners in the form of additional quota increases. But it was only a three-year extension. Now within another year or so we presumably will be negotiating for the next extension and bargaining off additional parts of our market as the price of cooperation.

The third reason is simply that the man-made fiber product imports are entirely outside the Long Term Arrangement. They come into the country under no quota restraints whatever, and this clearly explains the remarkable upsurge of these imports in the last few years, which we observed in Exhibit C.

THE NECESSITY FOR NEW LEGISLATION

Against this background of experience, the National Cotton Council recognizes the very urgent need for new legislation which will place all these textile imports under a reasonable degree of restraint. The Council favors the principle that the increases in such imports should be limited to a reasonable and clearly defined