share of any growth which actually does occur in the domestic market for textile products, so that our own raw cotton people will be able to plan and work and invest for future production with some confidence that their efforts will not be undermined by unfair import competition and that they themselves will participate equitably in any future expansion of their domestic market.

### THE EXPORT MARKET

Now let me turn finally to the relationship which all this holds to our export market for raw cotton. It is sometimes said that the cotton which we import in textile form is really our own cotton, which has been exported in raw form, made into textiles abroad, and reshipped here. There was merit to this argument years ago, but it has little merit today. For decades we have seen the ratio of our cotton exports to the foreign consumption of cotton trend down and down. Today foreign cotton consumption fluctuates around 40 million bales or so, but our exports this year will be only about a tenth of that figure. For the ten countries which sent us the largest amount of cotton textiles last year, we have analyzed the figures on the sources of their raw cotton supplies, and we found that as a group those countries get less than 14 percent of their cotton from the United States.

If our cotton textile imports actually provided any significant boost for raw cotton exports, we might expect to find some evidence in the trend of such exports. But we certainly find none in Exhibit B. While the imports are trending strongly upward, the exports are trending strongly downward. That is a kind of "help" that our exports could do without.

As a matter of fact, the most striking of all our increases in cotton textile imports during recent years have come from countries which grow their own cotton. This is set out graphically in Exhibit D and in the accompanying table giving figures for individual countries. (These figures are only available in terms of equivalent square yards.) To summarize the recent trends, we have consolidated the last nine years into three-year periods, and we have grouped certain countries together.

Notice especially the heaviest line in Exhibit D. Here we have the imports from ten cotton-growing countries: Brazil, Colombia, Greece, India, Israel, Mexico, Pakistan, Portugal (which has its colonial supply), Spain, and the United Arab Republic. Here we have the most important sources of the increases which have occurred in recent years. The average annual increases across the period of this chart came to 6.9 percent for Japan, 7.8 percent for Hong Kong, and 8.5 percent for the group of six European countries; but they were 25.6 percent per year for the ten countries which grow all or most of their own cotton. Clearly this is where the greatest threat for the future lies, and there is nothing but sheer market loss for us in imports from this source.

### "RETALIATION" AND REALITY

It is also argued that if we place greater restraints on textile imports, the exporting countries will retaliate by refusing to buy our cotton. Such arguments would hardly seem to come from people who realize that over the past 15 years we have allowed cotton textile imports to rise ten-fold to a million bales or more. The arguments sound as if we want to cut back all these imports rather than placing them under a system which gives the foreign textile exporters a share of the future growth.

Who would have a right to be offended at that? In actual fact, many of the raw cotton importing countries have brought less and less of their fiber from us over the very period when our textile imports have been rising so rapidly, and they have bought more and more of their raw cotton from countries which have incomparably stricter controls on their own textile imports than we have.

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 as in the past the foreign manufacturers will place their orders where they find it most advantageous to place them.

### THE BIGGEST EXPORT PROBLEM

Rather than spending our time on theoretical and imaginary fears, we ought to be looking at our real problems in the export market. Cotton has plenty of them, but the biggest of all is the one that I would like to mention in conclusion.