

on their textile imports and generally they have practically just in effect almost total limitations on imports of textiles.

In many cases, of course, they even subsidize the exports. The GATT itself has documented the fact that they actually subsidize these exports in some cases and then we have heard a lot of discussion of Japan this afternoon, saying that its import policy is very, very restricted, and so on.

Mr. LANDRUM. Is it your feeling, Dr. Horne, that if H.R. 11758 were enacted or became a part of some bill that is enacted, that that could have an adverse effect on our agricultural exports other than cotton? Do you think it could?

Dr. HORNE. Well, I haven't analyzed that as closely as I have the cotton portion, but I would be skeptical. I certainly think this idea is greatly exaggerated. I wouldn't set myself up as an expert on the effect that it would have on all our agricultural exports.

Mr. LANDRUM. We have the broad general statement made to us that if we enact such legislation as is proposed in these bills it will result in retaliation insofar as our agricultural exports from this country are concerned. I wonder if you have a view on that.

Dr. HORNE. Of these agricultural exports, cotton is a great example, and we don't fear it in cotton, but I would say in general among agricultural exports is the fact that these things are necessities. We don't fear restrictions on imports of cotton because it is a necessity. You look all over the world and find virtually no limitations on the importation of cotton because it is such a basic raw material that people have to have. A lot of their survival of the country depends on getting this basic raw material.

Food is the very last thing that people would want to put under great restriction as to imports. Foods have to be imported.

Mr. BURKE. Do any one of you other gentlemen want to make a statement?

Mr. Conable?

Mr. CONABLE. Doctor, the Soviet Union is a major producer of cotton and cotton goods. Does much of its produce find its way into the world market?

Dr. HORNE. Yes, it does.

Mr. CONABLE. And it becomes a competitive factor abroad. Although probably very little of it finds its way indirectly into this country, it does go to markets that might otherwise potentially be American markets, is that correct?

Dr. HORNE. Yes. I wouldn't even say that a substantial amount doesn't enter this country because look at Japan. Japan has now begun importing a great amount of Russian cotton, and numerous other countries from which we import textiles are buying from Russia, so that the cotton that we buy in New York in a shirt may have been grown in Russia.

Mr. CONABLE. Does Russia now purchase or otherwise acquire a large part of the Egyptian cotton crop?

Dr. HORNE. Yes, sir. This is a thing dictated, I am sure, less by economics than by other considerations. They seem to import more of this very special type of cotton grown in Egypt than they need, and I am informed that they in turn place a lot of it back on the market, on the export market. They do buy extensively.