

January 6th, 1965

Committee on Foreign Trade,
National Cotton Council

Gentlemen:

As the chairman of the Committee on Foreign Trade, I would like to bring to your attention some of the subjects that probably will come up for discussion at our Committee sessions prior to the Houston annual meeting. I hope that this listing will help you get your thoughts lined up on all significant subjects so that we can have detailed but concise discussions before drafting the recommendations that the Committee will submit for consideration by the Delegate Body of the Council.

According to the Council's established custom and practice, policy resolutions are for one year only. Consequently, recommendations for past years must be reaffirmed by the Delegate Body in order to remain in effect and be carried forward as the Council's policy for 1965.

The Committee probably will want to recommend that the Council reaffirm its position on :

- (a) Necessity for high level of international trade;
- (b) Maximum use of private trade channels;
- (c) Elimination by other countries of restrictions against U. S. exports;
- (d) Maximum use of self-liquidating dollar credits in U. S. aid programs;
- (e) Undesirability of barter;
- (f) Stimulation of exports of U. S. cotton, cotton textiles and cottonseed products through continuing research, analyses, and promotion; through support of Cotton Council International program to promote consumption of cotton and cotton products in foreign countries; and, through support of use of reasonable amounts of government funds for market development abroad;
- (g) Sound long-range price and production program for cotton;
- (h) Efficient and effective functioning of cotton futures markets;
- (i) Improvement of U. S. bale package;
- (j) Proper differential of support prices for cottonseed and soybeans;
- (k) Recipients of U. S. aid being authorized to purchase fats and oils of their choice;
- (l) Development of foreign markets for U. S. cottonseed products;
- (m) Reasonable protection against excessive imports of textile products;
- (n) Equitable treatment and reasonable regulations for cotton under U. S. Aid programs;
- (o) Opposition to any international commodity agreement for cotton that would commit U. S. to limit exports;
- (p) Development of expanding markets for extra long staple cotton;
- (q) Additional processing of P. L. 480 cotton in U. S. as long as cotton processing in third countries is authorized under P. L. 480 program;
- (r) Concept that U. S. share of world market be determined on basis of expanding consumption abroad;

- (s) Authorization of aid funds directly by U. S. Government rather than through international organizations;
- (t) Restoration of East-West trade to extent consistent with over-all U. S. policy;
- (u) Seeking to insure that the marketing of government stocks of cotton be conducted under a predetermined and preannounced formula, said formula to remain unchanged during each cotton season; and
- (v) Continuing studies to determine methods to expedite the return of cotton to a free market with a true one-price system.

In addition, the Committee might want to consider recommending that the Council :

- (a) Oppose any efforts of the government to establish price-checking and sampling procedures for cotton exported from the U. S. ;
- (b) Urge the U. S. Government to continue to cooperate in the establishment of an international organization for financing cotton promotion abroad; to join and/or support any organization that is established for such purposes; and, to contribute financially toward such an organization in relation to U. S. interest in international trade in raw cotton; and,
- (c) Urge that U. S. cotton be made competitive in the world market.

It is anticipated that the Committee probably will want to discuss all the items listed above. In addition, the Committee undoubtedly will want to discuss the present cotton program and all of its ramifications. In case there are additional subjects that you consider should be discussed by the Committee, please let me know and I will include them on the agenda. For your information, enclosed is a copy of the Committee's recommendations for 1964 as approved in Biloxi by the Council's Delegate Body.

By separate mail you will receive a copy of the Foreign Trade Division's Mid-Season Report, giving up-to-date information on the cotton situation. If you desire clarification of any of the information contained in this report the staff will be happy to discuss the matter during the Committee's sessions at Houston.

The main concern of everyone in the industry continues to be the necessity for making American cotton competitive both at home and abroad. I anticipate that the Committee will want to carefully study ways and means of accomplishing this objective and to adopt recommendations toward this end.

Sincerely,


Jack J. Stoneham, Chairman
Committee on Foreign Trade

P. S. Under separate cover, a copy of a study by the National Cotton Council entitled "How A Major Cut In Cotton Acreage Could Affect the American Agricultural Economy" is being sent you. I hope each of you gentlemen will take the time to read this report.