

MAR 26 1945

Pace Committee Stymied on Cotton

Opposition to Competitive World Price Major Point of Agreement

(Bureau of Journal of Commerce)

WASHINGTON, March 25.—The maze of complications involved in the problem of what to do about the cotton surplus has stymied the Pace committee in its efforts to draft a report on its investigation into the matter.

The only major point on which there seems to be committee agreement thus far is the committee's opposition to the return of a competitive world price for cotton.

After lengthy discussions, the committee became bogged down in its consideration of the matter, has not met in recent weeks and is not likely to meet again until after recess, members disclosed. Some feel that when the full House Agriculture Committee, of which this is a subcommittee, meets next week, Representative Stephen Pace (Dem., Ga.) may be asked for a report on his committee's progress and, if so, that should prod the subcommittee to renewed efforts to draft its report.

Finds Problem Too Large

Mr. Pace would be able to report that his committee has reached conclusions regarding only minor aspects of the problem on which it held extensive hearings during its investigation. The impasse is said to be due to the magnitude of the problem rather than to disagreement within the committee over possible solutions to it.

The committee's aim is to make recommendations for greater consumption rather than reduced production of cotton. Its considera-

tions of such recommendations are complicated by the prospect of large expansion of the synthetic textile industry after the war, uncertainty of future world prices, reluctance to suggest any program that would be dependent on Government appropriations — because Congressional tendency now is toward reduced appropriations — and other similar factors.

One feature that seems certain to be included in the report when it is finally ready, members say, is a strong recommendation for a research program to establish additional uses for cotton. There is feeling in the committee that the cotton interests themselves have not given as much attention as they should have to that type of research.

Lower Costs Sought

Recommendations for reducing the cost of cotton also are expected to be included, although at this point there is no certainty as to what the recommendations will be.

The committee does not agree with William L. Clayton, Assistant Secretary of State, that there should be one world price for cotton. And Mr. Clayton's lengthy discussion of the world cotton situation at the recent Mexico City conference has complicated the Pace committee's problem, one committee member declared. That member said the cotton problem also will be affected by whatever happens to the Bretton Woods agreement and the Johnson Act.

The impossibility of determining now what will be the postwar size of the synthetic fabric industry makes it extremely difficult to recommend specific measures for

future handling of the cotton program for obvious reasons, another committee member said.

The committee is expected to advocate continuance of the cotton export subsidy plan which, while it has not been used to any great extent so far because of war conditions, is viewed as a potentially important factor in reducing the cotton surplus when shipping space and foreign markets again are available—perhaps not too long after the close of the European war.