EGYPT ACTS TO AID EXPORT OF COTTON
Special to THE NEW YORK TIMES.
*New York Times (1857-Current file);* Feb 19, 1952; ProQuest Historical Newspapers The New York Times (1851 - 2003)
pg. 42

# EGYPT ACTS TO AID EXPORT OF COTTON

## Price Control Abolished, Limit Is Placed on Futures Market to Stabilize Trade Balance

Special to THE NEW YORK TIMES.

CAIRO, Feb. 18—The Government published four decrees today to remove legal minimum price rules which had maintained the prices of cotton, Egypt's principal article of commerce, at artificial levels. The decrees at the same time provided a brake to prevent too sudden fall.

The measure, according to economists, has long been necessary in order to bring Egyptian economy into balance and make it possible to combat high prices. It is expected to restore normal export of cotton, which produces by far the greater part of Egypt's foreign exchange income and accordingly is the basis for maintaining a normal supply of imported necessities.

The measure is a vital element in the program of occasionally unpopular but essential economic reforms which the Government has undertaken to restore the country to normal.

### Jan. 16 Decree Reversed

The first decree abolishes the minimum price for long staple and medium staple cottons provided in the decree of Jan. 16, which was merely a continuation of the previous price support policy. The second decree provides that prices on the Exchange can fall only 3 per cent daily, providing an increasing pressure of brakes as the price drops.

The other two decrees are concerned with technical control of the futures market to ease the position of traders and to promote the export of cotton.

Mahmud Aly Alluba Bey, Undersecreary for Cotton Affairs in the Ministry of Finance, who is the Government's principal functionary dealing with cotton questions, said the decrees are intended to solve certain vital problems. He said:

"Prices have remained unchanged at the same minimum price and transactions were interrupted completely at a moment when the market was habitually most active and transactions for establishment of price and hedging operations heaviest."

### Minimums Blocked Trading

The Undersecretary added:

"Given such a situation of the futures market, the cultivator was no longer in a position to obtain a fair price for cotton which he desired to sell, as the minimum prices were unchanged and blocked completely any transaction on the Exchange."

The result of this situation Alluba Bey explained as follows:

"Movement of exportations was slow and figures for exportation were substantially below figures for corresponding periods in previous years. There was reason to fear that state income would suffer as a result of dimunition in returns from cotton exports. There was reason to fear also the repercussions of this situation on commercial balance or balance of payments which depends in a country such as Egypt on cotton exports.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.