Mr. President, the callousness of the United States Department of State and its foreign-minded personnel has, in my opinion, reached new heights. In this instance I am referring to the State Department’s attitude toward the request of the domestic carpet industry for relief from the impact of imports of wilton and velvet carpets by implementation of the provisions of Article XXVIII of the General Agreement on Trade and Tariffs.

Article XXVIII of the General Agreement on Trade and Tariffs provides that "On the first day of each three-year period, the first period beginning on January 1958, a contracting party may modify or withdraw concessions included in the appropriate schedule annexed to this agreement". The American Carpet Institute has applied to the United States Government to modify or withdraw its concessions with regard to wilton and velvet imports, and in the future to apply the present rate of duty to imports during any calendar year up to an amount equal to 5% of domestic consumption for the 12-month period ending June 30 of the preceding year; and on imports in excess of 5% of domestic consumption, all concessions should be withdrawn or a flat duty of 40% ad valorem should be imposed. The low duty quota should be allocated among exporting countries on the basis of their history of exports to this country.

Mr. President, the wilton and velvet carpet industry is a perfect example of a domestic industry which has suffered the impact of imports for years without relief and at all times has
had its problems completely ignored by the United States Government—particularly the executive branch.

From 1948 to 1950 the duty on wilton and velvet imports was 30% ad valorem, and during this period imports were generally on the rise but averaged only about 5% of domestic consumption. From the beginning of 1951 through the middle of 1956, the duty on such imports was 25%, and during this period imports increased to approximately 12% of domestic consumption. In 1956, again in 1957, and again in 1958, the duty on such imports was reduced, and it stands today at 21% ad valorem. With each decrease in duty, imports have increased substantially. They rose 52% in 1959, and in the first quarter of 1960, they increased 60%. Imports of wilton and velvet carpets are now approximately 23% of domestic consumption.

Mr. President, the mushrooming of imports of wilton and velvet carpets does not reflect a recapture by foreign producers of the domestic American market which was lost during the war. On the contrary, there were very few imports of such carpets prior to the war, and very little foreign capacity for the production of them. In 1939 the United States imported 200,000 square yards. In 1959 these imports stood at 7,012,000 square yards. Based on the first quarter rate, 1960 imports will reach 10 million square yards.

Mr. President, the American Carpet Institute has attempted to utilize the provisions of the Reciprocal Trade Act to protect itself from the impact of this tremendous surge of imports. In 1958 proceedings were instituted before the Tariff Commission
under the "escape clause". In its decision, handed down in January 1959, the Tariff Commission, in a 3-2 decision, denied relief, and a majority of the Commission indicated that there was no imminent danger to the domestic industry from imports. Now, slightly over a year later, these imports have almost doubled, rising from 12% of domestic consumption to 23%.

On July 2, I introduced, along with a number of other Senators, S. Con. Res. 113, which would express the sense of Congress that the relief under Article XXVIII of the General Agreement on Trade and Tariffs, which has been requested by the American Carpet Institute, should be granted. This morning I received a copy of a letter from Assistant Secretary of State, William B. Macomber, to the Honorable Harry F. Byrd, Chairman of the Committee on Finance, expressing the views of the Department of State on this resolution. I ask unanimous consent that a copy of this letter be printed in the Record at this point in my remarks.

I will not take the time of the Senate to read the letter in its entirety. It is sufficient to say that it is in the usual non-pertinent and condescending language utilized by the Department of State to categorically reject any thoughts of concern over the damage to American interests and American jobs. In spite of the fact that the American Carpet Institute has been before the Tariff Commission as late as last year and obtained the usual unfavorable split decision, the State Department indicated that it would refuse relief and recommend another approach to the Tariff Commission under the "escape clause". It is true that the situation of the American carpet industry is much worse.
now than it was last year; but the majority of the Tariff Commission has made it abundantly clear that it is just as insensible to the destruction of an American industry and the loss of American jobs as is the United States Department of State and that any industry is wasting its time and money to seek relief in that quarter.

Mr. President, when will this Congress put a stop to this "Americans Last" doctrine? This matter is a Constitutional responsibility of the Congress and it is our duty to remedy this situation. It is obvious that in the field of trade the State Department and the executive branch have adopted a policy of "Foreigners First", and I sincerely hope that the American people will wake up and demand that their interests be given some consideration by the Congress.

-THE END-