

STATEMENT OF ROBERT E. HERZSTEIN, COUNSEL, FLOOR COVERING GROUP, AMERICAN IMPORT ASSOCIATION; AND WILTON AND VELVET CARPET AND RUG IMPORTERS

Mr. HERZSTEIN. Mr. Chairman, my name is Robert Herzstein. I am a partner in the Washington law firm of Arnold and Porter. We are counsel to the floor covering group of the American Import Association, and also to the Wilton and Velvet Carpet and Rug Importers.

I informed the committee staff earlier that both of my clients are out in Chicago this week. This is one of the 2 weeks in the year when they write most of their orders, and so they all felt it would be a great penalty on their business to appear.

Mr. BURKE. If you want to skip any part of your statement, you may, and the entire statement will appear in the record.

Mr. HERZSTEIN. Thank you.

My plan was, in fact, just to orally summarize it, especially in view of the hour.

Mr. BURKE. Do you want Mr. Rostov's entire statement submitted for the record.

Mr. HERZSTEIN. Yes.

We also submitted an appendix A.

Mr. BURKE. The statement and appendix will be received for the record.

Mr. HERZSTEIN. Thank you.

Mr. Chairman, as we indicate in the statement, we don't believe any quota on textile imports is needed, but our facts and arguments are set forth in the statement, and you heard a great deal on that topic today, so that I won't go into that at this point.

Our particular interest is in making clear to this committee the special circumstances of the carpet and rug industry.

There has been little or no mention of the carpet and rug industry or carpet and rug imports in the Senate Finance Committee import quota hearings that were held last fall or in the lengthy and numerous congressional speeches that have appeared on this subject.

We believe it is a fair inference that the proponents of textile import quotas do not view them as encompassing carpets and rugs.

We also feel it likely that they would not care to have carpets and rugs associated with their testimony, because of the phenomenal prosperity that the domestic carpet and rug manufacturers have been enjoying in recent years.

In essence, we feel we have a particular specialty situation, which we think it is important for you to know about.

We feel that carpets and rugs are in issue here only because the draftsman of the textile quota bill used an unduly broad pen when referring to something called textile products, which happens to include these things in a technical way.

We feel that economically the considerations are quite different. Whatever considerations this committee may feel are applicable in the textile industry, it is fair to say they don't govern the carpet and rug industry.

The health of this industry, the domestic part of it, in recent years, is little short of phenomenal. The industry has enjoyed record sales and profits, and imports have been almost insignificant.