

I will mention a few of the factors that have accounted for the expansion, which we document more fully in our written statement.

One is the increasing affluence of the American home owners. The second is the fashion trend toward wall-to-wall carpets.

A third is the trend in commercial and industrial uses to putting carpets into office buildings, department stores, hotels and motels.

Even 25 percent of the new schools being built in this country are being carpeted wall to wall.

This is not for reasons of luxury, but because of the lower installation and lower maintenance costs that carpet permits.

Another new development which is accounting for a substantial part of this expansion in the domestic market is the development of indoor-outdoor carpet, which can be put on patios, kitchens, bathrooms, even athletic fields.

In the face of this technological revolution in domestic manufacturing, and this tremendous expansion of the domestic market, imports constitute only a trickle of specialty products.

Imports simply do not have a significant place in the domestic carpet and rug industry.

The development of tufting has been an American phenomenon. Tufting machines are made in the United States. They were developed here. The United States is well ahead of other countries in the manufacture of tufted carpets.

The dynamic, lucrative, growing U.S. market for large volume sales, both commercial and residential, of carpets is served almost entirely by the domestic manufacturers.

What is it that is being imported? I will describe a few of the specialty products.

One is a very small quantity of the old fashioned machine woven carpets and rugs. This amounted to some \$6 million worth in 1966, which was down to less than a fifth of what it had been in 1961.

This is a declining market. There are still a few importers, some of my clients, who make a good business out of it, but what they import are high priced specialty items which do not really compete in any significant way with domestically made carpets.

Another specialty product coming in, of course, is handmade Oriental and Persian rugs, which are not made in this country at all, which appeal only to the prosperous family with a special taste for that kind of floor covering.

Another is the so-called tubular braided rug, which came in in relatively small quantities over recent years, compared with the tremendous size of this booming U.S. carpet and rug industry.

These tubular braided rugs also have a very limited appeal, because they have an oval shape. They are not a pile kind of floor covering, but are a flat surface, and look like the old American colonial rug.

They are widely advertised in the department stores, largely on a price basis, and sell to the householder who seeks a serviceable rug at the lowest possible cost, but they cannot compete with the domestically made carpets and rugs in any of the vast applications which have accounted for the prosperity of this industry.

A total of \$16 million worth of these rugs came in in 1967, and that was down 26 percent from the previous year.