

There is pending in this committee a special bill on these rugs, these tubular braided rugs, to reclassify them in a category which would increase the tariff.

I am not going into the details of that now.

As I say, it is a very specialty item compared with the rest of the carpet and rug industry.

Mr. Chairman, before these hearings end, we would hope to submit a separate statement on that, addressed to that bill that is pending.

Mr. BURKE. We will keep the record open for you to submit the statement, but submit the statement as soon as you can. (See p. 2618.)

Mr. HERZSTEIN. Thank you.

Then there are miscellaneous other rugs which are really so insignificant that they are not worth describing at this point.

Well, in terms of economics, the results of the above technical developments and market growth can be summarized as follows:

The domestic manufacturers are going through a period of rapid growth. U.S. production in 1966 was 441 million yards, about \$1.4 billion worth of carpets and rugs. This was double the national production in 1961.

Profits of the domestic carpet and rug companies are at record levels.

The appendix A which we have submitted for the record contains summaries of earnings statements of a number of the domestic companies, and articles that appear in the trade journals, describing the condition of these companies, and their market.

Prices are lower than in 1932, at the depth of the depression, because of these new manufacturing techniques, and yet, in spite of these low prices, the companies are achieving record levels of profits.

Future growth for this industry is estimated at 8 to 10 percent a year.

In the face of all this, imports account for approximately 3.4 percent of the U.S. market.

In conclusion, imports don't, and can't conceivably, pose a threat to the dynamic and growing U.S. carpet and rug industry.

The United States has the largest, strongest, and most efficient carpet industry in the world. Through automation and mass production, it has conquered the problem of high labor costs that bothers many other American industries.

Through new and even better products, and more effective marketing techniques, it has opened up expanding markets, and the end is certainly not in sight.

Mr. Chairman, as I indicated earlier, we don't believe there is any need for quotas on any textile products, but in your determinations concerning the textile industry, we respectfully suggest that you should first exclude the carpet and rug industry, as being irrelevant to these determinations.

Thank you.

(Mr. Rostov's prepared statement and appendix referred to follow:)