

I take it that labor is such an insignificant factor in the tufting process that you still feel that acquisition of the technology abroad will not constitute any threat to the American market. Is that correct?

Mr. HERZSTEIN. That is precisely right.

In fact, this is already beginning to happen. There is tufting beginning in Germany, now, very frequently being started by some of the American companies, or licensees.

Mr. CONABLE. You didn't say much about exports. Is carpeting exported substantially?

Mr. HERZSTEIN. There are some exports, but I wouldn't characterize them as substantial, compared with domestic production.

I think the reason for this is that the shipping costs on carpet are rather high, and as tufting has come in in this country, the foreign companies who used to supply woven carpets to this country have concentrated more on their home markets and tended to take care of them, so that there wasn't too much of an export market.

That took care of things for a few years. Now tufting has begun to come into the foreign markets, also, and I think that the economies of it will be such that one will tend to find tufted carpets produced locally, and not shipped great distances.

Mr. CONABLE. This industry that you are representing here today is not concerned about retaliations in the event of some restrictive legislation affecting other parts of the imports?

Mr. HERZSTEIN. Since I am representing importers, I think that they are not themselves directly concerned about retaliation by other countries against U.S. exports.

I think that is true in terms of each individual's business. They are generally men devoted to trade. They have earned their livings on trade, and I think generally it can be said that they believe that the future lies in the direction of liberal trade.

But I wouldn't say that any one of them would be directly affected by retaliation.

Mr. CONABLE. That is all I have, Mr. Chairman.

Mr. BURKE. Thank you very much.

Our next witness is Mr. Alvin Hayim, Wilton and Velvet Carpet and Rug Importers.

Mr. HERZSTEIN. I was delivering my statement on his behalf, too. We consolidated the statements.

Mr. BURKE. They will both be in the record.

Mr. HERZSTEIN. He was not able to come, either.

Mr. BURKE. Mr. Howard Johnson.

In the interest of conserving time of the committee, Linen Thread Co. has canceled its appearance, but requests that its prepared statement be inserted at this point in the record.

Without objection, it is so ordered.

(The following statement of Howard Johnson, was received for the record:)

STATEMENT OF HOWARD JOHNSON, SALES MANAGER, LINEN THREAD CO.

Mr. Chairman and members of the committee, my name is Howard Johnson, and I am Sales Manager of the Netting Division of the Linen Thread Company of Blue Mountain, Alabama, which is the largest manufacturer of fish netting in the United States. The Linen Thread Company is a Division of Indian Head Mills, Inc., of New York. I am making this statement on behalf of eight manu-