their overseas factories and also on the profits that they enjoy as a result of the imports that they sell in their retail outlets.

You realize that what we are discussing here is imports and the domestic industry and you just can't take and lump one company together that is participating in imports and also has a factory overseas and has a domestic factory.

Mr. DONOHUE. While some of these companies may have some foreign interests, the extent of these interests I cannot accurately describe. It is nevertheless true, Mr. Chairman, that these are the big domestic manufacturers.

Mr. BURKE. What about the family-owned factories that Senator Muskie discussed today, located up in these small towns where they might be the main industry of the small town of 2,000 or 3,000 population and they employ 250 or 300 people? What do you have to say about them?

Mr. DONOHUE. I don't have anything to say about them. I think I am correctly quoting one of the trade papers when I state that about 53 percent of all the shoes in the United States are produced by 80 companies.

Now, there are some hundreds of these little shoe companies and so as in other industries a handful of big companies produce the volume of domestic material. So it is here. The smaller companies, larger in number, produce less volume. But I suspect, and in the inquiry before the Tariff Commission it was developed that many of the financial problems of those smaller companies are chargeable not so much to the competition from imports as to the competition from these larger shoe companies.

Mr. BURKE. In other words, you feel it would be helpful to them and certainly not injurious to them, according to your testimony, that in 1955 imports of footwear represented 1.3 percent of domestic production and in 1967 it went up to 21.4 percent of domestic production and that this tremendous increase has no impact whatsoever on these small firms throughout the country? Is that what you are saying?

Mr. DONOHUE. No, sir.

Mr. BURKE. It helps them out by having this tremendous increase.

Mr. DONOHUE. I did not mean to give the impression, Mr. Chairman, and I believe I did not make the statement that any shoe manufacturer, large or small, was immune to the impact of competition. No seller of merchandise ignores competition. The automobile industry of the United States is developing and progressing year after year. It is not unaware of import competition, but in the overall it cannot be said that the import competition is seriously injuring that industry.

Mr. BURKE. What about Studebaker?

Mr. DONOHUE. I think it would be unrealistic to attribute the decline in Studebaker fortunes to import competition. I would say quite certainly that Studebaker suffered from domestic competition.

Mr. BURKE. Not from the foreign imports of small cars.

Mr. DONOHUE. I don't think that Studebaker suffered primarily from the competitive effect of small cars.

Mr. BURKE. I don't want to fool around with semantics. I am just asking, did the tremendous import of small cars affect the Studebaker Co., in your opinion?