

Mr. DONOHUE. I would say that probably it did affect the Studebaker Co.

Mr. BURKE. Probably.

Mr. DONOHUE. And probably it affected General Motors, but I would say that the combined effect of General Motors, Chrysler, and Ford was more injurious to Studebaker than import competition.

Mr. BURKE. Your argument seems to indicate that this increase in imports has very little effect upon the domestic footwear industry and, when imports went up to 21 percent as they did in 1967, and it looks like they may go from 30 to 35 percent this year, how high would you say that percentage of import should reach before you think it might affect the domestic industry?

Mr. DONOHUE. I would say that imports are affecting the footwear industry now. I don't know that anyone can fix a level and say, "This is as high as it should go and beyond this it is critical and up to that point it is not critical." I think no such level can be arbitrarily fixed. I would say that the shoe industry is feeling the effect of import competition now. The shoe industry is nevertheless a prosperous industry, on the statement of its own people.

Mr. BURKE. Mr. Battin.

Mr. BATTIN. One of the names that you mentioned was Genesco. I don't think you really meant to leave the impression with the committee that Genesco was in the shoe business, that that is where they are making their profit. They happen to be one of the companies which has led the way in segregating all the way up, on down. They were trying to buy Garfinkel's in the District of Columbia, earlier this year. They have bought other department stores throughout the United States, and unless you can give me and the committee what percentage of the shoe business—and that is what we are talking about—they are involved in and how that affects their profit, why, I don't think the testimony would be in itself very fair.

Mr. DONOHUE. My brief gives that percentage. I have here the annual statement which of course gives the breakdown, and I should have before now asked the committee to receive these annual statements and other exhibits for the record.

Mr. BATTIN. I would like to ask just one other question.

Could you recite to me an instance where any company, whether it be in the oil industry or textiles or shoes, that is out bidding for capital and investment in their company is going to give out to the press a rather weak picture of their prospects or isn't it pretty well accepted even in trade journals that people who are in an expansion program are going to use the best methods they know how, including public relations, to make their picture a good one. Isn't that pretty well accepted as a business practice?

Mr. DONOHUE. It is pretty well accepted, Congressman, that annual statements speak optimistically. I have quoted in our brief specific figures of increases in sales and earnings, and I think that is valid substantial testimony.

Mr. BATTIN. And this is broken down between their shoe operation, their imports, their capital investment in foreign countries, the whole bit?

Mr. DONOHUE. No.

Mr. BATTIN. Oh, it isn't?