

Even in Latin America, again, an area in which we enjoy massive advantage, and which by geography and tradition is so closely tied to the United States, the U.S. market share declined from 81 percent in 1954 to 65 percent in 1960, while the shares of the other countries, like the United Kingdom, Germany, and the OEEC countries, kept going up.

Put differently, the "short fall" in U.S. automobile exports between 1954 and 1960 amounted to some \$656 million. That is, if American exporters had been able to command the same share of world markets in 1960 as they held in 1954, the United States would have earned an additional \$656 million through automobile sales abroad. This is the largest "short fall" of any manufactured commodity group—followed by iron and steel, industrial machinery, agricultural machinery, and tractors; again, highly concentrated industries.

Clearly, then, the Big Three have priced and designed themselves out of world markets on the one hand, and have made the conscious decision to supply oversea markets from their foreign subsidiaries, on the other. The impact of these private corporate decisions on domestic production, employment, and growth require no elaboration.

Now, Mr. Chairman, by using General Motors and the Big Three in the auto industry, as an example—and no more than an example—I have tried to illustrate the existence of the vast discretionary power in the hands of some large corporations.

That power—
as Justice Douglas once said—

can be used with lightning speed. It can be benign, or it can be dangerous.

In a democracy, dedicated to free competitive enterprise, such power should not exist. It should be decentralized.

It should be scattered into many hands, so that the fortunes of the people will not be dependent on the whim or caprice, the political prejudices, the emotional stability, of a few self-appointed men.

The fact that they are not rapacious robber barons, but respectable and social minded, is irrelevant. The fact that they are imbued with the "corporate soul"—a sense of social responsibility—may qualify them to decide what is good for General Motors; it does not entitle them to determine what is good for Detroit or good for the United States.

Such decisions, in a democratic economy, are the function of the competitive marketplace. And when a corporation or group of corporations become so big that they are immune from the regulation of competition—so big that they constitute what amounts to a private government—then those corporations are too big for their own good, and certainly too big for society's good. They then become an instrument of private socialism which is incompatible with both free enterprise economics and political democracy.

I shall have specific recommendations what to do about that situation in the question period, Mr. Chairman.

Chairman PATMAN. Thank you, Dr. Adams.

Dr. Alfred E. Kahn is next, I believe.