United States Steel were broken up, I see no prospect of accomplishing it, either under the antitrust laws as they now are formulated, or as I see any prospect of them being reformulated. So to that extent I do agree.

It was for that reason that I made a number of other kinds of suggestions, which fall really into two parts.

One kind of suggestion, with which I think you do have some disagreement, and I know Professor Adams, too: that is, those suggestions among the many which would bear most heavily on small businesses and on agriculture.

And I want to say just one word about that, and then mention the second, that there are many of the other suggestions that I think are essentially neutral as between what they will do to small business on the one hand and big business on the other.

Taking the easier ones first, I do not see any excuse for a tariff on automobiles at all. Now, we do not have much of a tariff. It is pretty low. As I understand it, it is 7 or 8 percent.

Dr. Adams. 8½ percent.

Dr. Kahn. 8½ percent. Well, it ought to be zero.

The same thing is true of many chemical tariffs. In many cases you can get an argument, you see, on national defense grounds, and so on, but shifting to the case of quotas on oil, I see virtually no relationship at all between the explicit statements of the military about the extent to which we have to protect our domestic oil industry, and what, in fact, we have done.

The Defense Establishment used to say, "We need something like one million barrels a day of shut-in capacity in the oil industry, protected." We have over 3½ million barrels a day of shut-in capacity now.

We have massive overinvestment in the industry, as you are well aware, encouraged by our tax laws, as well as by these import quotas.

I think, therefore, that if you admit or realistically realize that you are not likely to break up these larger concentrations of power, then it makes it extremely important to pay attention to these other methods of holding the power in check.

And I would think the reciprocal trade agreements program, and especially what the President is asking for, becomes terribly important in dealing not only with our dispersed textile industries, but also with our highly concentrated industries, like steel, automobiles, chemicals, and oil.

Senator Proxmire. In your judgment, would the President's trade bill help us in meeting the problem of concentration in the oil industry to any significant extent? Would it enable us to get more competition, so that oil companies would not pump 8 days a month and hold their prices up as they have, the most profitable industry in America?

Dr. Kahn. The President's program, I think, will have no effect whatever on the oil industry, because that seems to be handled under the ODM authority in the interest of national defense. And of course the trade agreement power that the President is asking for is power to negotiate with the Common Market countries, and our principal oil imports are from Venezuela and the Middle East and Canada. So I do not see much prospect that it will have any effect in that direction.