

Senator PROXMIRE. They were very good, but we adjourned at 20 minutes to 1.

Senator BUSH. I hope my questions don't provoke any repetition.

But going back to Mr. Adams, the question that kept recurring to my mind during your presentation, and especially towards the end, is what do we do about these things?

What is the antidote, what is the cure for the problems that you discussed in here?

For instance, you speak of the decline in American automobile exports, and the increase in imports from abroad, and no wonder that the percentage share of American automobile exports declined radically not only in Europe and the world at large, but also in the Latin American market at our back door.

What is your observation about those facts, and why did this happen, and is there anything we should do about that?

That is rather a pinpoint question and I want to get into the broader question in a moment; but I would like to have your comment on that particular matter because we are faced with this trade bill very soon up here; and this sort of ties into that in a way.

Is it your thought, Mr. Adams, that we should limit the export of capital so as to prevent further development of American industries in Common Market countries, for instance?

It seemed to me from watching this development over the past, I would say, 6 years, or 7 years, I remember making two speeches on the Senate floor, one a year after the other, I think, going back to 1956, in which I pointed out that unless the American manufacturers got busy and produced a small automobile to meet the demand that really existed here, that we were going to have serious trouble in the automobile business.

They took the view at that time that they couldn't do it. They said, "We can't do it" and "We just can't make a car to compete with them."

But after the large influx of foreign cars was stepped up as high as 800,000, at its peak, I believe, they did do it, and they have produced a pretty satisfactory answer to that problem and got it priced down to around \$2,000, and produced a very satisfactory car, made cars available to a lot of people who couldn't afford them before.

Also smaller cars relieved congestion in garages and highways and everywhere else so it shows they can do it.

But what is your feeling about this tendency on the part of that industry and others to go to the Common Market countries, particularly those countries, and establish plants over there?

Have you any comment about that?

**STATEMENT OF ROBERT F. LANZILLOTTI, ALFRED E. KAHN,
WALTER ADAMS, AND RICHARD J. BARBER—Resumed**

Mr. ADAMS. Well, Senator, I should preface my remarks, and I don't want to make a speech here, by saying that I may be tilting at windmills but I am sufficiently old-fashioned to believe in the feasibility and the practicality of competition in American industry.

I think again, if we stick to the automobile industry, in 1909, Henry Ford sold some 12,000 automobiles at \$950 apiece.