

Senator PROXMIRE. I have a Chevy, too.

Senator BUSH. Would the research and development program of General Motors be affected adversely by the kind of action that you suggest.

Mr. KAHN. Since I had made a note earlier, I have General Motors "research" and I put research in quotes, I think that the automobile industry is one of the best examples of the lack of necessity for giant-sized business for effective research and innovation.

I should ask Mr. Lanzillotti to support me after I make the general statement because he is the one who has done some writing on automobiles; but I have consulted people who work in the automobile industry and are acquainted with it and they have great difficulty in showing anything of major significance that has come out of General Motors research laboratory.

The development of the gas turbine, one has heard talked about for 20 years, so far as I know, it still is very far from realization, and if it is going to come at all, apparently, it is going to come from Chrysler and not General Motors.

I gather that something like automatic transmission systems was developed by an independent company in the industry, one of the parts manufacturers.

The rear engine, Europe. Air-cooled engines, Europe.

So far as I can see, in automobiles, at least, we don't get any significant innovation from the major companies.

All they do is devote their attention to putting mustaches on the backs of cars or then taking them off.

Truly, they have fallen into this insane cost-increasing method of competition in a way that you couldn't say that was true in electronics where obviously research was important and we might want to raise your question about drugs or chemicals but automobiles, I think, is a poor example of the necessity for centralized companies of the size of General Motors.

Mr. ADAMS. And the same thing is true in steel. In terms of technological progress, certainly, United States Steel, the largest company in the industry, has lagged and not led.

It is not the paragon of virtue in the field of research or innovation.

Moreover, if we can accept the testimony of T. K. Quinn, who used to be a vice president of the General Electric Co., in charge of the appliance division, the same holds true in the electrical field. He, at one time, sat down and detailed each invention in his particular division and showed that these inventions did not come out of the GE laboratories, but came from independent sources, which later became captives of General Electric through corporate acquisition.

Mr. LANZILLOTTI. I must correct you on that, Professor Adams, Mr. Quinn did indicate that the garbage grinder was developed in the General Electric laboratories.

Senator BUSH. That is pretty good, I will say, for that.

Mr. ADAMS. I will accept that footnote, thank you.

Mr. LANZILLOTTI. But not refrigeration and all the important developments—

Senator PROXMIRE. Why don't you have them all finish this question?