Mr. LANZILLOTTI. Within a competitive framework.

Senator BUSH. Yes. That is right. But it seems to me that if a company is going to increase its position, let's say, from 47 to 55 percent, it is doing it competitively and somebody else is losing the business while they are getting it in a competitive market.

Senator PROXMIRE. I see Mr. Kahn and Mr. Adams are very anxious to get into this on growth.

Mr. Kahn, do you want to go ahead?

Senator BUSH. Everybody wants to get into it.

Mr. KAHN. Yes.

I, probably of the four people around this table, have been more concerned about the danger that you have raised about having the antitrust laws so set up that they will condemn a firm merely because of its share of the market, and it has seemed to me that this might inhibit competitive effort, in just the way that you are mentioning.

Senator BUSH. And growth?

Mr. KAHN. Yes, sir; precisely.

Not wanting to overstep the 50-percent boundary, I say that as a preface to establish the cleanness of my credentials.

Senator BUSH. Yes.

Mr. KAHN. Because it seems to me there is really an important offsetting consideration.

The people at General Motors themselves claim that they are constantly inhibited today in competing strenuously by their fear that they will get and maintain more than 50 percent of the market, and that, therefore, they will become targets of an antitrust attack.

Now, it seems to me that the answer to that contention is that General Motors really would be better off and the cause of really intensive competition would be served if the constituent companies of General Motors would be broken up.

There would be no hesitation in saying to Chevrolet, the Chevrolet Division of the company, "go out and compete as strenuously as you can; you only have 25 percent of the market; don't turn around and say to me, 'I am terribly embarrassed by my high-profit margins'."

This is just what the General Motors people say, "It really pains me terribly to charge so high a price, I could charge a lower price but the nasty old Department of Justice will get on my tail if I cut prices."

It seems to me the only way to free these companies to compete effectively is to cut them down so they don't fall afoul of this prohibition.

Now, the case of United States Steel is a perfect one.

Senator BUSH. So they can't cut prices?

Mr. KAHN. It is exactly what I want General Motors to do and they are not doing it. The tendency is when you have a very small number of firms dominating an industry and particularly if you have one firm with 50 percent, as you well know, to hold an umbrella over the industry, to hold an umbrella over prices. This was, of course, the historic policy of Judge Gary in the steel industry and from his point of view it was a great success because it is what saved United States Steel in the 1920 decision.

When the U.S. Government brought a monopoly suit against United States Steel, all United States Steel's competitors came in and said, "They are not hurting us, we love United States Steel."