

Why did they love them? Because United States Steel held a high price umbrella under which the more efficient firms could enjoy fat profit margins and could grow more rapidly. It was the consumer who suffered.

That is why I think that the primary emphasis must be on market power.

Do we have the conditions for effective competition?

The technological consideration should be a way of rebutting, this is precisely what Mr. Lanzillotti has said, a way of rebutting the presumption.

The same thing about a merger. I would certainly say I can't think of a case by which a company could, by a merger, rise from 40 to 50 percent of the market and give me a convincing explanation that would be justified.

If it is so efficient let it grow and build plants but let it not grow the easy way by exchanging its stock with another company.

Mr. LANZILLOTTI. Please note in the other case you have new investments rather than mere transfer of ownership.

Senator PROXMIRE. I would like to ask you gentlemen, the myth and the reality here in this country is we believe in competition.

In Europe they follow a cartelized monopolistic approach. We have at least one distinguished U.S. Senator, a very, very able man, who has argued we have been too vigorous in the enforcement of our antitrust laws, and far more vigorous than Europe has been and this is one of the reasons why Europe is moving ahead, expanding, growing more rapidly, the standard of living growing, increasing more rapidly than ours.

I don't happen to agree with that, but I think that this does seem to be the case that they have not had a Sherman Act or a Clayton Act or antitrust policy generally as we have had it, and yet they have had a very remarkable growth, particularly in the last 10 years.

What is the answer?

Mr. Adams, I think you were talking about our position vis-a-vis Europe.

How about that?

Mr. ADAMS. I am always the leadoff man, and these gentlemen have more time to think.

Mr. LANZILLOTTI. We are just good counterpunchers. [Laughter.]

Mr. ADAMS. Well, I would point out that until about 10 years ago, the United States was unique as a country in basing its national policy on the antitrust philosophy.

We were the only country in the world that consciously tried to promote competition. It was 10 years ago that the Europeans decided that the cartel philosophy was the thing that held them back, and I think many souls over there have been saved by the productivity teams that came to the United States under the auspices of the Marshall plan and saw precisely the growth element implied in competition.

Senator PROXMIRE. Do you have any studies that indicate the degree of concentration in European countries as compared with this country in industry?

Mr. ADAMS. No. But you see, Senator, the mere creation of the Common Market has broadened the area within which competition