

Senator JAVITS. So you feel we have adequate machinery as we are going to consider the trade bill; and it is a very important question, only 5 percent of American companies engage in export trade.

Do you feel we have the legal machinery then which is necessary to enable small business to cooperate for that purpose in the export field, but it hasn't used it?

Would that be your answer?

Mr. LOEVINGER. I wouldn't want to go so far as to say the machinery is wholly adequate, Senator Javits. I have not studied the Webb-Pomerene Act to see whether or not it can't be improved or changes made in it without saying this is so; it may be so. We would have to examine it to say that.

Senator JAVITS. Would you be good enough to do that. I don't want to tax you too much, but it is important, as you can see, because we are going to pass, I hope, a new trade bill tremendously expanding, we hope, American trade.

(The material referred to appears in the appendix at p. 952.)

Yet we know that only 5 percent of American companies actually participate in export trade, and certainly if we can give a legal help to expanding it, and broadening the participation, this is very good.

Now, the Export-Import Bank under Harold Linder is doing a magnificent job in making financing and credit guarantees available. If we have any hesitations on the legal side, let us at least know what they are; and if Congress looks to act, our Small Business Committee or even this committee might very well be induced to make some recommendations to the subject.

Mr. LOEVINGER. Let me say this, Senator, basically what is needed, in my judgment, is not less but more competition.

The Webb-Pomerene Act, whether in its present or in a revised form, is a means for establishing what the Europeans call export cartels.

Now, there is some feeling in Europe that we should be moving away from rather than toward the encouragement of export or import cartels.

As you are undoubtedly aware, within the last 10 years there has been a tremendous movement within the European community itself in the direction of our form of competitive economy, rather than toward the 19th century European cartel economy.

It seems to me that this is an inappropriate time for the United States to start leading the way back toward the cartel economy of 19th century Europe. Europe is now moving toward the competitive economy of 20th century America. And I think we should encourage this and lead the movement in that direction.

I think that a movement toward restriction or limitation, toward more cartels, toward more combination is a backward movement.

Senator JAVITS. Judge Loevinger, you will forgive me if I disagree with you 100 percent for this reason. You are truly living in the past. Ninety-five percent of American small business is excluded from the export trade. The cartel is in the 5 percent which is included. We have got to find techniques to let the small fellow get into it. That is real competition.

You are not restraining competition today, you are allowing a monopoly because you are not allowing the small fellow to have some of