QUESTION: It has been suggested that one of the reasons for this proliferation of multinational companies has been frustration with the antitrust laws on attempts to merge or to establish new businesses in the United States. To what extent do you think this is true?

DR. BROWN: Let me preface my answer with a comment, that when I talk about the multinational corporations I am not talking just about companies with home offices in the United States which are putting affiliates abroad. I am talking about the Italian companies that are coming to the United States with affiliates and the British companies that are going to Latin America, or the German companies, or whatever country it is. It is not just the United States that develops these multinational corporations. As a matter of fact, some earlier ones were developed in other countries.

With regard to our own investment commitments abroad, the antitrust laws may have some influence. I do not know how to measure how much. I do not think it is the primary influence. Since you have brought up the question of the antitrust laws, perhaps I ought to relate them to some of the things we were talking about earlier. The antitrust laws are designed initially to maintain competition in the free market and to avoid monopoly. Today they have become a bit confused. On one end of the spectrum you have the Robinson-Patman and the Miller-Tydings, and that sort of thing, or the fair trade practice laws, which encourage the bringing together of the interests of a lot of the small businesses to avoid competition, in other words, to protect against the ravages of competition.

So on that end of the line they are at a 180-degree angle from what they started out to be. On the other side we have developed a large number of criteria through judicial law as well as through legislative law and, indeed, administrative law, that are beginning to look a little bit anachronistic. As you move from the scarcity situation to one of surplus and of surfeited markets, some of the opinions that are now being rendered in the field of antitrust may in a very few years begin to look somewhat ridiculous.

This is an area that needs a great deal of rethinking and ventilation, it seems to me.