Senator PROXMIRE. Thank you very much, Dr. Lanzillotti.

Our next witness is Professor Richard Barber, of Southern Methodist University.

We are very happy to have you here, sir. You are a professor of law?

STATEMENT OF DR. RICHARD J. BARBER, PROFESSOR OF LAW, SOUTHERN METHODIST UNIVERSITY

Dr. BARBER. Yes, sir.

My statement is rather long, and I do not propose to burden the committee by reading it.

Senator PROXMIRE. Then, without objection, it will be printed in the record, and you can summarize it.

Dr. BARBER. Thank you, Mr. Chairman.

(Statement referred to follows:)

STATEMENT BY RICHARD J. BARBER, ASSISTANT PROFESSOR OF LAW, SOUTHERN METHODIST UNIVERSITY

My remarks are limited principally to a consideration of current public policies as they relate to the problem of industrial organization. In outline, these are my conclusions as I review the activity of the Federal Government in this area:

(*a*) That in spite of our professed interest in antitrust activity, the fact is that the antitrust laws have been and are being enforced with neither vigor nor imagination;

(*b*) That the administrative agencies, charged with the regulation of such key industries as transportation and communications, continue to flaunt the competitive standard and to encourage monopoly; and

(*c*) That in its transactions with the private sector of the economy, the Government, particularly the Department of Defense, aids and abets concentration and denies to smaller firms fair business opportunities, particularly insofar as research and development is concerned.

Each of these points will be developed more fully as this paper progresses.

I. ECONOMIC ASPECTS OF CONCENTRATION

Let me at the outset, however, comment very briefly on some of the economic implications of industrial concentration—matters which my fellow panelists have already discussed at greater length.

As I survey the domestic economic scene, I am struck by several features that are of immense significance in considering our public policy toward competition. Most important, in my estimation, is to note the simple fact that while few of our manufacturing markets are clearly dominated by a single firm, typically a very small number of firms account for most output in our key industries. The 1954 Census of Manufactures showed that of 426 four-digit product categories, in 112, 4 companies, or fewer, accounted for at least half of the total value of shipments. And actually this grossly understates the matter, for it fails to allow for the relative importance of the various products and segregates those which are really competitive (e.g., cane and sugar). In a recent study Professors Kaysen and Turner attempted to compensate for these kind of deficiencies; they concluded that of 147 manufacturing and mining industries with national markets, 104 were "concentrated" (in the sense that the 8 largest sellers account for at least 33 percent of total market sales). Included in this grouping, as the following list indicates, are such vital industries as autos, steel, most of the other metals, chemicals, rubber tires, flat glass, synthetic fibers, cigarettes, electrical machinery, computing machines, diverse other transportation equipment, etc.