policies. Certainly greater price flexibility would assist, to some extent, minimizing cyclical gyrations and in shortening their duration. Lower l concentration, and a greater degree of competition, thus would distinctly plement our other policies designed to achieve full employment and ex productive opportunities.

No sensible person expects, of course, that antitrust intervention achieve anything approaching the conditions of the classical competitive Modern technology requires large productive units and we cannot expect atomize the economy and at the same time maintain optimal efficiency. the fact is that we can have a great deal more competition, with many companies of roughly equal size in the respective markets than is now th without sacrificing economies of scale. In the automobile industry, for stance, authoritative studies demonstrate that a firm supplying about 10 of total market demand can attain minimum production costs. This is nc that an organization such as General Motors is not efficient; it is only to that a company in this industry need not be anywhere nearly as large as eral Motors to reflect maximum attainable efficiency. (I suggest that this amply demonstrated by the performance of American Motors.) In the mobile context, this would suggest that we could have perhaps as many 10 firms, about equal in size, rather than the present situation in which (General Motors and Ford) together account for about 80 percent of new sales. And a similar argument can be advanced in the case of most industries.

The inquiring observer is entitled to ask at this point, though, whether really make any difference if we had 10 auto producers rather than the 2-firm domination. No one can give a precise answer to this sort of q Nevertheless there is much evidence to suggest that the larger the number equal participants, the greater are the probabilities of something app full-scale competitive conditions.

This could at least mean a greater opportunity for product and service vations (e.g., the compact car). And it could very well generate more price competition. Where an industry is dominated by two large firms, chances of widespread price cutting are very slim; but where there are it is entirely probable that from time to time one of the group will decide its fortunes can be improved with a price adjustment. There are many i of this to be found, but a review of airline fares is illustrative. Here finds that coach rates are typically placed in effect only when the carrier fronts a rival. Moreover, the most aggressive fare offerings have been the east coast where many air carriers compete with one another. In other parts of the country, where the number of participants is less, one that fares are commonly much higher and more stable. The implication for the economy as a whole are, I think, considerable.

In my estimation the extent of competition in the American economy be greatly accentuated through vigorous antitrust action without nece any sacrifices in efficiency. The result would be more flexibility in pric better allocation of resources.

This sort of conclusion, I would hope, should not be at all surprising startling to those who are familiar with our Nation's history. We have professed our belief in competition as the best means of accomplishing ou political and economic objectives. Our Federal and State antitrust law this attitude. The Congress has been particularly concerned with insu opportunities for smaller business, and Presidents and major departme have time and again assured us that competition should be encouraged, r suppressed, and opportunities for smaller business guaranteed. In the re of this paper I propose to examine whether, in fact, our performance i up to our declarations. On the whole, I think it does not.

II. ANTITRUST ENFORCEMENT

Any adequate appraisal of the Federal Government's activities in rel to competition and monopoly must consider three facets of the question. First, what is the character of our contemporary antitrust enforcement? Second, what are the effects of the work of the various regulatory agencies? And, third, what are the implications of Government procurement? I propose to turn to each of these matters in turn.