

Senator BUSH. I was hoping that these gentlemen would comment on the general question.

Mr. LANZILLOTTI. The general point which Professor Adams is making is one I would like to support: That he believes we do have within the framework of section 2 of the Sherman Act the tool to do the job. My friend and colleague, on my right here, Dr. Barber, has said we haven't brought the imaginative suits under section 2 that might be brought.

Part of the difficulty, I assume, on the part of the antitrust authorities who might proceed via section 2 of the Sherman Act, or section 7 of the Clayton Act, is that the courts are not prepared to deliver the kind of divestiture, dissolution, and divorcement of which Professor Adams speaks.

If this is true, and I am not sure that it is, I believe that the Alcoa decision indicates that it is possible, if you give a sufficiently broad interpretation to monopoly power, then it would be possible to bring General Motors under that interpretation.

They are very close to that particular situation, in my view.

If the language of the law is not sufficiently specific as to cover this particular kind of situation, the conglomerate bigness of which Dr. Adams speaks, then I think we should have an amendment to section 2 which would run along the lines that any corporation, or "person" which has dominant power of the type that is being described here this afternoon, that has anticompetitive effects shall also be in violation of the Sherman Act.

In other words, what we would be driving at here is dominant power with anticompetitive effect.

That language is not now embodied in the Sherman Act.

We might specifically amend the statute along these lines. That is the kind of specific thing that I think we could talk about. I am sure there are other things, but I don't wish to monopolize the time and I will pass for the moment, if I may.

Mr. ADAMS. You see in the conglomerate field—I am sorry.

Mr. BARBER. I am confident we could attain a great deal more competition within our basic industries if we simply defined, as our objective, the attainment of individual concerns of the minimum size necessary to attain full technological economies.

Some research has been done on this question, because, of course, it is a fundamental one. I think none of us, certainly not I, want to, in some way, harm efficiency. If we need big companies or a company of a certain size to be optimally efficient, then I don't wish to go below that. But even accepting this as our standard, we could do a great deal more than we are without giving up efficiency.

Professor Joe S. Bain has studied a number of industries and he has reached conclusions consistent with this hypothesis.

A good argument, for example, can be made that in the automobile industry you could have 10 firms of about equal size producing automobiles under fully efficient conditions.

Now, I think that if we were to attain that sort of a situation in the automobile industry we would have a great deal more competition, more opportunity for innovation and I think we would find, based upon observations of similarly less concentrated industries in other parts of the economy, a good bit more price competition—not the sort