

forcement of what we have got, let alone get into a concept where we wouldn't let a firm grow beyond what you would call an optimum minimum of production facilities.

How do you prevent it?

What do you do if it is an efficient firm and—

Mr. BARBER. As a practical matter, I suppose, if we were to start on any such program today, that, first of all, we would want to prevent increases in concentration that would exceed estimates of this efficiency point, and secondly, begin to roll back to this efficiency point in those industries that are, (a) the most important, and (b), the most highly concentrated.

Well, as an example, I would think that if we were to adopt some such standard perhaps simply as a statement of policy, that a move in the automobile industry to break General Motors into four or five pieces would be entirely consistent with that standard, and would be entirely feasible and leave us entirely efficient operative units.

Senator PROXMIRE. May I just move ahead?

Senator BUSH. Yes.

Senator PROXMIRE. Did you want to comment?

Mr. LANZILLOTTI. I wonder if I could generalize this particular suggestion that Mr. Barber is making in the form of a question to the committee.

Would it be very rash or radical, do you believe, for us to have a working policy or amendment or philosophy, if you wish, that there would be a presumption of illegality, a violation of section 2 of the Sherman Act, if you will, if for a period of 5 years or longer, a single company persistently supplied more than 50 percent of a market or where, let us say, four firms supplied as much as 80 percent.

Now, that is a specific kind of question.

Do you gentlemen believe that any company should persistently supply more than 50 percent of a market?

This would take care of your cyclical factor, Senator.

Senator PROXMIRE. I would say a couple of things on that.

In the first place, I would say this is fine. It is good to get a specific suggestion because then we can really begin to discuss what we can practically do about it.

But you are getting away from the technological concept, which I think is a very sound one, into something else. I can envision a situation in which the market for some limited kind of commodity might be such that the technologically optimum production might be more than 50 percent.

Furthermore, it would seem to me that if you have this presumption, all GM does is they come to 50 or 49 percent, and they just tell their dealers, "You are out of luck, you won't get another shipment until January 1st," and this isn't very efficient, it is not very satisfying to anybody, especially those of us who like Chevrolets.

Mr. LANZILLOTTI. Senator, I am sorry that we are discussing this completely in the framework of General Motors.

I don't believe there is any desire to discuss the problem only in terms of this particular company.

But even General Motors, as much as it tries, its influence is so persuasive that it pushes over the 50-percent mark.