Indeed it is embarrassed by it. The story in the Wall Street Journal of several months ago (April) indicated, that pushing up to 58 percent this year was giving the corporation great concern.

Well, they themselves are conscious of their enormous power and their influence in this industry. I purposely raise it as a general question, leaving the presumption of illegality of this type to be rebuttable with appropriate kinds of evidence; namely, if there were impelling technological and technical reasons why a given company had to have that particular percentage share of the market, then I think we face another question.

If the technology of an industry is such that only one firm or two firms can most efficiently supply the market then we have another policy, and another philosophy which governs that situation; namely, public utility status.

That is the public utility philosophy. If there is a natural monopoly, technologically speaking, then this kind of an industry is a public utility.

It is affected with the public interest. That is why we have the regulated industries in our midst today. It is a very unsatisfactory solution, I might add, and I am very happy that the technological considerations are such in the industries of which we are speaking here this afternoon that it is not necessary, technically speaking, to have firms of such size that they supply persistently over half of the market.

Senator BUSH. I would just like to comment on this.

You have emphasized the importance of competition.

Mr. LANZILLOTTI. Yes, sir.

Senator BUSH. I can recall as long ago as in the twenties, that the question of mergers, mergers were inhibited at that time by the Department of Justice on the basis that they wouldn't approve a merger if it resulted in giving the larger company or the merged company more than 50 percent of the market.

That was a rule of thumb that was good at that time, I believe, and it stopped many mergers from taking place.

In other words, if Procter & Gamble wanted to buy a smaller soap company, but it had enough business to put it up over the estimated 50 percent of the market the Department simply wouldn't approve of it.

Now, I think that is all right and as far as I know that is still their policy.

Do you gentlemen know that?

Mr. LANZILLOTTI. Well, I am very glad, Senator Bush, that you brought this up. I know some of the other members of the panel——

Senator BUSH. Let me finish my point.

Let's assume it is still their policy and I think it is a sound policy, generally speaking, but once you have got a merger, and let's say you come up to 47 percent through a merger which may be a desirable merger because of any reason, let's say, let's say it is a good reason, I don't think you ought to set up any limit that would inhibit the growth of that merged company to where it might go on to get 54 percent or even 56 or 57 percent.

One of the things we want to stimulate is growth in this country, in industry.