

Reed
4-26-57

Dear Bill

Reflecting on concentration of economic power--Cellophane, du Pont--in preparation for talking to interested groups, leaves me something like this.

Everyone from Brandeis down wants organizations large enough for efficient production. No one wants organizations that monopolize an industry or any part of interstate trade or commerce.

O'Mahoney's committee is still struggling with undesired concentrations--mergers--of non-competitive industries going on; e.g., Sperry-Rand, so as to get benefits for stockholders of expert management or large resources. There is also the expansion of companies into new fields--GE into fission.

What do you think can be done to clarify the limits? We need to be interested only in those companies or people who want to produce and sell all they can for the benefit of the community or even for their own benefit?

Could Congress set up an economic arbiter whose consent would be required for the production of any new commodity by a particular company? We do that for transportation routes. Or is that too socialistic?

Could Congress say that no company should produce more than 20% of any of the following materials or commodities, or more than X pounds or numbers like we do with sugar or corn or tobacco?

Think it over and tell me your views--not for quotation.

R