

their accustomed profit margins as percent utilization of capacity declined.

The fact that this attempt was not completely successful does not mean that it was healthy for the economy for the attempt to have been made.

This is precisely the kind of unenterprising, unaggressive, uncreative price policy, high margins at low volumes, that defeats the purposes of economic growth, and that defeats the purposes of having larger profits as well.

I will turn now to my concluding page, and say only a few words about what possible routes one may take to try to eliminate these impediments to economic expansion.

Let me say at the outset: I know of no simple answers. I know of no policies that can be suggested that promise both to be practicable and obviously and satisfyingly completely successful.

And it is for this reason, incidentally, that I emphasized at the beginning of my statement the importance also of monetary and fiscal policies. Sure, it would be wonderful if another White House Conference on Labor-Management Problems—and I attended the last conference and can speak with some knowledge about its limitations—it would be wonderful if another such conference or 10 more such conferences solved the wage-price problem. I think the conferences are useful. I think we must continue to have them. But I think we delude ourselves if we think that we can fundamentally change the processes of price and wage making in our economy by such conferences or indeed by anything that Congress can do. And for this reason I think it inevitable that this committee also give heed to what the Government can do, not merely with respect to market power, but by direct use of fiscal and monetary policies.

To come back to my text, there is no reason, however, to believe that the various kinds of policies that I will suggest, briefly, would prove insufficient if they were resolutely applied.

First, look at the antitrust laws. They are useful. I do not have anything very novel to say about them. The laws could be reframed to make them stronger in dealing with the things they cannot now handle, noncollusive oligopoly and union influences on wages.

But as I stated to the committee several years ago, and here I am sure I will disagree with Mr. Adams, I do not really believe we are going to get such a change in the antitrust laws. And I am frankly uncertain that we would get much better behavior of our economy if we did make the antitrust laws more stringent in dealing with oligopoly or with big unions. They might have the opposite effect. I do not believe one can really establish the efficacy or the need. And I do not want to waste my time tilting with windmills.

Second, and more important, the Government should—whether it can find the will to do so is another matter—stop its all too prevalent practice of resolutely stepping in to prevent competition every time a price threatens to decline, every time a profit margin threatens to be squeezed, every time a job threatens to be lost.

I refer to such steps, most of them uncomfortably reminiscent of NRA, as the mandatory import quotas put on crude oil in the last couple of years, and the cutbacks of production by State authorities. For month after month flowing wells in Texas have been producing