

at 8 days a month, roughly at eight-thirtieths of their capacity, which has the effect not only of holding up prices, but protecting inefficient high-cost producers from a deserved competitive extinction, and also, by the way, encouraging the drilling of a grossly excessive number of wells, the costs of which are estimated to run to hundreds of millions of dollars each year.

I refer to the whole complex of controls by which our various regulatory agencies, especially in the transportation fields, keep the companies under their charge from competing with one another.

I refer to invoking heightened barriers against imports under the escape clauses of our reciprocal trade agreements.

I refer to fair trade, and so on.

I do not suggest that the problems with which these various policies attempt to deal are susceptible of easy solutions, but I do suggest that they are far too often resolved in the easy way, from the standpoint of the interests directly involved, by protection and insulation, and the wrong way, if the Government is to give adequate heed to the broader public interest in economic growth and general price level stability.

A third important step would be the enactment of trade agreement legislation that the President has requested. I refer, as Professor Adams does, to the fact that probably nothing has been more important and effective in recent years in halting the wage-price spiral in automobiles, and to a lesser extent in steel, than imports.

We must expose our industries to the competition of the burgeoning and aggressive industries of the Common Market, as well as offer them the opportunity of participating in the growth of that market.

Fourth, I do not want to conclude without mentioning an entire additional area of Government policies that seems to me of at least equal importance. And this is my last point. There is much also that the Government can and must do on its own initiative to promote growth. I refer here not merely to the importance of reconsidering our taxes, our procurement, and our monetary policies, and considering how they might better be adapted to assist rather than hamper small, growing companies.

In addition, I would emphasize the desirability of growing Government assistance to research, both pure and applied, and—let me emphasize this—particularly to research in areas like housing, and the services, which on the one hand have made a disproportionately large contribution to price level increases since World War II, and on the other hand, like agriculture, are far too dispersed and small scale in their organization to be able to conduct research themselves.

I refer to increased governmental efforts in the areas of education, in retraining and improving the skills of our growing labor force, and improving the mobility of displaced workers; and direct intervention in such areas as urban transport.

All these would not only make a major direct contribution to economic growth, but would, in my judgment, impose dynamic limitations on entrenched market power and improve the effectiveness with which our private competitive economy meets the challenges of the 1960's.

Senator PROXMIRE (presiding). Thank you very much.