Now maybe there, as well, I am tilting with windmills, and I do not recognize the facts of American political life, that the oil industry is sacrosanct, that we will always have an oil cartel—I am talking about a governmentally enforced oil cartel—and there is nothing we can do about it.

I think if that is true, like Dr. Barber, I would say, "What are we shouting about?" Either we want price stability or we do not want price stability. If we want price stability, some prices are going to have to be permitted to fall.

Senator PROXMIRE. I do not mean to ask one question after another, but it seems to me we have a record.

The economic indicators here show that our wholesale prices have been stable for the last 3 or 4 years, and retail prices have not been increasing very much. They have not been increasing much in at least recent historical terms.

So in spite of this situation which you accurately describe, it seems to me that one way or another, somehow, we have achieved a fair degree of price stability, better than any other comparable country in the world.

Dr. KAHN. Exactly. But our unemployment has not dipped below 5 percent, except for 1 month, so far as I know, seasonally adjusted, in the last 3 or 4 years. And so I think it is fairly clear that we can achieve price stability if we want to keep the economy running on two cyclinders.

Senator PROXMIRE. I see your point.

Dr. KAHN. The dilemma is: What happens if we really try to make a dent on this unemployment, which I think the committee itself has recognized is quite inadequately measured by the 5-percent figure?

There is all this part-time work, and there are a lot of people who just disappear from the labor force when jobs are not available. I think the committee itself estimated that probably we have something more like 8-percent unemployment than 5 percent.

Excuse me, Mr. Adams.

Dr. ADAMS. I just wanted to add a footnote.

We have maintained this price stability you talk about, Senator Proxmire, partly at the cost of significant unemployment, and partly at the cost of maintaining world markets. Now, if you examine the share——

Senator PROXMIRE. Cost of maintaining what?

Dr. ADAMS. World markets. We have priced ourselves and designed ourselves out of world markets.

If you look at the U.S. share in industry after industry in the markets of the world, you will find that the U.S. share is falling.

Senator PROXMIRE. Well. In spite of that, I just put in the Congressional Record an hour ago, when I went to the floor, the report in the Washington Post this morning that in the first half of this year our trade surplus, our favorable trade balance, went to $5 billion on an annual basis which is phenomenal, it seems to me, and it showed, the analysis of statistics shows, that much less than half of that is accountable by foreign aid and that kind of thing.

And this, it seemed to me, is an indication that we are doing pretty well, really.