

call chaos, but very sharp cyclical movements that can be enormously destructive of human values.

Mr. ADAMS. Senator, I must dissent from this proposition.

I don't think that the NRA type of price fixing got us out of the depression of the 1930's.

The problem of depression in the 1930's was an inadequacy of purchasing power, and the way to get out of that depression was to get more purchasing power into the hands of people who would use it.

It is not by Government fiat artificially to raise prices that a country can solve the problems of depression.

The NRA was a hopeless fiasco. It was certainly not an effective antidepression device and the more of that type of rigidity that we build into our economy, the more deleterious, I think, the effect would be.

I shudder at the thought that we would promote NRA types of cartels in any of our industries at any time.

Senator PROXMIRE. I am not saying we should do that. I am saying we have to recognize that if we should have this kind of vigorous, unqualified competition, which I think is most unlikely, but if we should have this kind of thing, that we might also have this kind of serious problem.

I wonder, you gentlemen are all familiar with Edward Chamberlain's book on the theory of monopolistic competition.

As I understand this book when I studied it it suggested that we have very imperfect price competition anyway, very imperfect price competition, because you don't have commodities that are precisely homogeneous with thousands of sellers selling precisely the same thing.

Under these circumstances that since almost everybody in the economy can limit their supply, whether he is the member of a labor union, a lawyer, a doctor, a big manufacturer, or a small manufacturer who moves under the umbrella of the big one you have to recognize we have this kind of an economy. Now, others in the society, to wit, farmers, if Government should step out, find themselves in a position of perfect and pure competition because what they produce is homogeneous and because there are thousands of sellers. Under these circumstances don't you have to have some protection for these people?

Without that don't you have a situation in which they are bound to be exploited, as farmers have been?

Let me just finish my statement by saying this and I would love to document if I had time how farmers have been exploited.

They work 12 hours a day in my State, they invest 40 to 50 thousand dollars per farm, they have enormously increased their efficiency three times as much as people off the farm have, they take a big risk and what do they get? Sixty cents an hour on the average, this is the average farm.

Mr. LANZILLOTTI. Senator Proxmire, I would like to comment on this statement you have made.

You touch on one thing. I would like to say I don't believe the small farmer is advantaged by the kind of farm program that is based upon high rigid price supports, as we have had in this country for quite some years.