regulatory bodies, such as the Federal Trade Commission or the Packers and Stockyards Administration in the U.S. Department of Agriculture.

The essential thrust of the antitrust approach would be to balance economic power at as low level of intensity as possible consistent with efficiency and progressiveness. To the extent that greater information and education would lead to decentralized decisionmaking and diffusion of power, emphasis on antitrust approaches might be correspondingly reduced.

I'll turn now to the second approach, which would be legislation to restrict farm size or land ownership. Direct restriction of farm size by limiting the number of acres or volume of sales per farm might be an effective way to control farm size and keep a large number of farms. Laws could also be passed to prohibit absentee or non-farm corporation ownership of land.

An indirect method of discouraging large scale operations would be to alter income tax schedules so that small size would be encouraged and large size discouraged. Tax allowances and treatment of capital gains might also be changed to make agricultural land less attractive to outside investors. A low limit could be set on the amount of Government payments per farm, or Government payments could be graduated, becoming less liberal as size of business increased.

It might be argued that restricting farm size would retard efficiency and technological progress. However, certain types of restrictions would seem to be essentially neutral in these respects. Where restrictions would enhance family farm agriculture but would impose little, if any, restraint on efficiency or progress, society could choose this pattern of agricultural organization, if it desires to do so, with insignificant economic loss. Furthermore, in addition to satisfying certain social and organizational preferences of society, substantial positive values could accrue to other groups, such as farmers, business firms, and service institutions that make up an integral part of the family farm structure.

Senator NELSON. What kind of restrictions are you talking about?

Professor FARRIS. I was thinking about restrictions on a conglomerate firm or the investment in land—of capital in land—as a tax writeoff.

Senator NELSON. You used the phrase, "However, certain types of restrictions would seem to be essentially neutral."

Professor FARRIS. Yes. My feeling there is that we have no evidence that large-scale farming is more efficient than family-type farming. In the absence of such evidence, it would seem that if we prevent such types of investments to occur, we would not be sacrificing efficiency, but yet we would have the choice of maintaining the family-farm type structure without giving up anything, perhaps other than the desires of certain groups to invest in land.

Also, strengthening this structure would also help avoid some population mobility and adjustment costs and perhaps ameliorate population pressures in urban centers.

But it should be recognized that various techniques and government programs for restricting farm size or land ownership would not necessarily assure that the management and risk-taking functions