This is a question I put to you: Do you know of any time in the entire history of the United States when so small a percentage of consumer disposable income is required to buy food for that consumer's family?

Chairman PROXMIRE. Mr. Graham?

Mr. GRAHAM. Not only in the history of the United States but in the history of the world. The production miracle of all time is here in the United States. It is the result of our technology. We have literally made cheap food available. It is not a cheap food policy, necessarily. It is a cheap production policy on the part of farmers and, thank God, they can do it.

The only problem is whether they should get paid on what they produce. The consumer never had such a break in all the history of the world. They have the highest quality of food, in the greatest variety, and at the cheapest prices that they have ever had and, frankly, I do not think the average consumer would raise very many objections to farmers getting a decent price, either.

Senator JORDAN. Mr. McDonald?

Mr. McDONALD. Well, I am completely—I am just trying to think of what to add to Harry's statement. I am in enthusiastic approval of what he has said.

I might add that food could be even cheaper if the middleman was not taking such a huge slice, and if you did not have, as you have in every market area in the United States, just about, the control of wholesale food prices by food chains.

Here in Washington, six chains control 90 percent of the food that is sold, and I am told that the direct buying now is taking the place of competitive terminal markets all over the United States. So that if the farmer had some kind of bargaining power, the consumer need not suffer.

The farmer could get a better price for his product, and slice off a little of this unnecessary middleman profit.

Chairman PROXMIRE. Mr. Shuman?

Mr. SHUMAN. I think you did hit on something we could all agree on and brag about, and that is the fact that in terms of the purchasing power of the consumer, in other words, measured on the basis of factory wages, average factory workers' weekly wages, the consumer spends less of his take-home income on food today than any time in the history of the country. I think it is around 17 or 18 percent. It has been dropping steadily.

I would want to point out that this is due primarily to the increased research and efficiency, due to the fact we have stayed competitive. There is no question but what the law of supply and demand still operates despite attempts to nullify it or do something else.

In fact, when programs are used to try to establish prices arbitrarily, whether by bargaining or by Government, you destroy markets, and the consumer will determine the price.

We might think as farmers that the housewife ought not to worry about a little increase in price of butter or milk or cotton goods, but when those prices do increase she looks for substitutes, and if we are going to continue to produce for consumers, we are going to have to meet competition. You cannot arbitrarily fix a price.

The cotton industry has lost about a third of its market because it decided to price cotton through Government edict without regard to