

we should have the freest possible trade, and you are opposed to restriction.

Mr. GRAHAM. Yes.

It depends on how much markup there is on the farm products. If we could get a markup on the basis of the actual increase in cost, there would be some increase in the cost of living, there is no question on this. But what is happening is that when we increase the price of milk by 3 cents, we increase the price of milk to the consumer by 5 cents, because the markup is on a percentage of the total instead of on the basis of the increase in cost. This is a traditional markup system on the part of most industries. Everybody uses it but agriculture, and we cannot do it very well.

The question really becomes more acute when we ask the question as to whether the rest of the increases in wages and profits are going to be based on any productivity standard whatsoever.

If we could have this kind of a relationship like the Council tried to have before where wage increases were tied somewhere to productivity, then this would not necessarily be extremely bad.

But, where we get into trouble is, each segment of the economy wants not to have equality but wants to have an advantage, and as long as this happens, then we are in trouble. If we go up to get any kind of equality, and labor and industry both are increasing their wages and their profits, then we just go around and around in a spiral. How we can do this is the great question in the world.

I listened in the FAO to the 120 nations reporting, and if there was one single thing they said over and over again it was that the major question was how do the farmers in their countries gain an equitable income in countries with expanding economies. Over and over the same thing is said.

Chairman PROXMIER. Do you find, Mr. Graham, an inconsistent situation in which labor is organized, militant, effective, experienced and able to negotiate for a good wage; business, with some exceptions, is organized, effective, powerful politically, is able to get a price; the farmers are not organized at all, and one of the things—the impression that I got and, perhaps Senator Jordan did to some extent—while you gentlemen do agree on two points, you disagree on just about everything else, and we find this is so common among farmers. It is hard to get agreement, and if you do not get agreement it is hard to get organization, and if you do not have organization it is hard to have effective power, and if you do not have that it is hard to get a price.

Mr. GRAHAM. We have more agreement than this, really, with one exception, and all of us are out of step but Mr. Shuman.

Mr. SHUMAN. And we have got more members than all the rest of you combined.

Mr. GRAHAM. They may have better insurance salesmen than we have.

Mr. SHUMAN. That is part of it.

Mr. GRAHAM. But the fact is that we are in agreement. All the rest of the farm organizations, as far as I know, are in agreement with the continuation of the present farm program. We are all in agreement for a reserve, even to the point of agreeing on the exact language of the bill, and this is something when you get that kind of agreement, and agreement with the administration at the same time.