

new lines might be required if the problem of market power was to be fully dealt with through this method.

Even more baffling are the issues presented by the proposals to solve the wage-push problem by expansion of antitrust prohibitions with respect to labor organizations. These proposals take two forms. One is to prevent the exercise of labor power to control product markets, as for example through maintenance of prices or prevention of entry of new employers. There is much argument for clarification and expansion of legal restriction on such exercises of labor power, but the practical problems in definition of types of action to be covered are difficult and this form of public action would in all probability not materially affect the potentialities for wage-push inflation. The second form of the proposals is for limitation on the market power of unions in negotiating wages and other labor benefits. Insofar as such proposals relate to labor practices, such as secondary boycotts and "hot cargo" clauses, the established approach in Government legislation is to seek to deal with these under the basic labor regulatory statute (Labor Management Relations Act) rather than the basic business regulatory statutes (antitrust laws); Congress has already given considerable attention to problems of this kind. The plain fact is, however, that legislation on labor practices may have little effect upon the bargaining power of most big unions. Moreover, insofar as such proposals encompass limitation of industrywide or multiple-unit bargaining there are many problems. Some think marketwide bargaining is desirable. Some think it is preferable to whipsaw tactics through which a union threatens each employer in turn with a strike; a ban on multiple-unit bargaining would probably not be effective without a limitation on multiple-unit union organization. So drastic a step is not likely, for it runs counter to traditional public policy with respect to unionization and would meet powerful political opposition. There may, it may be concluded, be need for study of the applicability of the antitrust approach to new types of market power, but it is not likely that the problem of wage-push inflation will be met adequately by this approach.

WITHDRAWAL OF GOVERNMENT SUPPORT FOR MARKET POWER

Another approach would be to retreat from governmental measures which have the effect of supporting or protecting private market power. This could include retreat from a considerable number of Government price-prop and price-protective measures.

Not all Government price-prop actions have the effect of strengthening market power. Thus, a minimum wage, or an increase thereof, though it may have an inflationary effect, may also compensate the weak for the disadvantage they suffer from the exercise of market power by the strong. To abandon the maintenance of minimum wages, or to fail to adjust them in line with increases in the cost of living or increases in production, would accentuate the imbalances created by the existence of market power. Similarly, price supports for agriculture may be inflationary, but they are not usually supports for private market power, for agriculture is an area of the economy where market power in the hands of producers has usually failed to materialize.