

changes at this stage would in many, perhaps almost all, cases be futile.

The requirements of notice would constitute no real problem as far as wage increases are concerned. The Labor Management Relations Act now requires 60 days notice to the other party in a collective bargaining contract of intent to seek changes in the contract and notice thereafter to the Federal Mediation and Conciliation Service of the existence of a dispute. It would be a relatively simple matter to modify these requirements to include notice to an agency responsible for surveillance on wage and price increases.

It would also be relatively simple to require industry to give notice that wage increases would require price changes. As for price changes made independently of wage increases, the problems presented are more difficult. The volume of changes to be listed would be much greater than in the case of wages. Industry would complain that the requirement was burdensome and that notice with a waiting period was infeasible in all cases. The argument has also been made that industry would be hesitant to make price decreases if it knew that increases to former or new levels were to be subject to public scrutiny.¹⁹

Notice appears to be essential for any effective public consideration of inflationary increases in prices arising from market power. Yet the requirement could not be imposed without careful consideration of certain problems respecting it: First, is the problem of determining the width and criteria of inclusion and of applying the criteria of inclusion. Second, is the problem of defining the requirement: What is to be the period of notice? What is included in the requirement: elimination of discounts, elimination of services and allowances, change in form and quality of product so as to supply less to the consumer at the same price, etc? What exceptions shall be granted—on grounds of infeasibility of reporting, seasonal or other temporary changes, or other factors? Except for the period of notice, such determinations would need to be vested in an administrative agency, which in its turn would encounter extremely vexing problems.

Surveillance, following notice, could take many forms. A first step might be staff analysis of notices to determine which increases carried sufficient inflationary threat to justify further public consideration. It would not be feasible or desirable to take followup action on every proposed price increase. It could be expected that the agency would have some standards which could be applied by the staff, or by the agency on staff recommendation, for winnowing through listed price increases to determine which called for further consideration. The number of price increases proposed would be too numerous—even in a single industry or product line—to allow for hearings on all.

This preliminary step could be taken with good judgment only with the aid of a well-informed staff. There would be need for a staff with knowledge of trends in the economy, conditions in particular markets, and pricing practices in industries and companies from which reports were received.

¹⁹ See testimony of Roger Blough and others before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, "Administered Prices," pt. II, April and May 1959.