

THE PROBLEM OF ORGANIZATION

A number of possibilities with respect to organization for combatting sellers' inflation can be distinguished.

(1) The minimum proposal for public intervention presents few organization problems. This is the proposal for Presidential establishment of ad hoc hearing or factfinding boards at his discretion. The only problem would be a Presidential source of information on need for establishment of such boards. This might be advisers in the Executive Office of the President, or these aided by the executive departments and the Federal Trade Commission and possibly the Federal Reserve Board. Or the President or the Congress might desire the establishment of some new study center to make recommendations to him on need for and advisability of action.

(2) The proposal for a utility type of control for one or a few industries revives some old problems of organization. These center around the issue of whether the traditional system of commission organization should be used for new activities, or whether modifications of that system would insure more effective regulation. As to possible modifications there is division of opinion as to the desirable ends to be sought, some believing that new steps should be taken to insure judicial independence, others believing that changes should aim toward more aggressive representation of the public interest and more attention to development of policy standards. Consideration of these trends in criticism would be desirable before determining a form of organization for a new regulatory function.²⁰

(3) If action different from the two suggested above is contemplated, then special problems of organization are presented. The first possibility would be establishment of a continuing study center. Such a center might have two responsibilities. The first would be to assemble and analyze information on the extent of the threat of inflation through concentrations of market power and on the locations of power through which any such threat might materialize. The second would be to make recommendations to the Congress and the President on feasible public policies for meeting dangers to the economy arising from inflationary concentrations of power.

(4) Another possibility would be a study and action center. Such a center, in addition to the few functions stated in the preceding paragraph, could have these action responsibilities: First, it could receive notices of proposed price and wage increases and analyze these for the purpose of determining which increases deserved further study. Second, it could make preliminary investigations or studies on those increases with the objective of determining whether the proposed increase should be suspended and a full-scale investigation through factfinding or hearing proceedings should be initiated. Third, it could present the case against an increase, or for modification or limitation of an increase, at factfinding or hearing proceedings.

²⁰ For recent discussion see Louis J. Hector, "Problems of the CAB and the Regulatory Commissions," Memorandum to the President, Sept. 10, 1959; Ferrel Heady, "The New Reform Movement in Regulatory Administration," *Public Administration Review*, vol. XIX (spring, 1959), pp. 89-100; Emmette S. Redford, "The Regulatory Commissions: The Need for a New Look" (Bureau of Public Administration, University of Maryland, 1959); and "Independent Regulatory Commissions," report of the Special Subcommittee on Legislative Oversight of the Committee on Interstate and Foreign Commerce, H. Rept. No. 2711, 85th Cong., 2d sess., Jan. 3, 1959.