attained in this suggested type of program it may be that both independence and Presidential connection would be desirable, and that to this end factfinding or hearing should be by panels in whose impartiality the public would have full confidence but that these would act because the President or an agency serving for him believed that a threat to the public interest was involved.

IV. Conclusions

It is essential to view the consideration of the problem of sellers' inflation and the proposals with respect to its prevention with perspective. To do so, several factors must be kept in mind.

(1) Price stability is one but not the sole, or even chief, economic objective in public policy. Economic growth, high employment levels, and fair distribution of returns are dominant objectives for the economy, and price stability has significance as it is related to these objectives.

(2) Sellers' inflation is only one of the possible manifestations of the power of large private organizations in our society. These organizations may be able to exert great political influence, to influence the thinking of the public through nationwide communications, to stop production in vital sectors of the economy, to resist innovations in production and distribution and changes in policy to accord with movements in the economy, as well as use market power to obtain a larger benefit, at least temporarily, than could be obtained in a market-controlled economy. This view of the potentials of large organizations does not deny that large organization has been the means of introducing new products, increasing production, and facilitating mass distribution at lowered cost; it only recognizes that the development of large organizations has also brought some serious problems, of which the potentiality for the exercise of market power with inflationary effects is one.

(3) Current proposals seek to meet only a part of the problem of use of market power to control price and wage levels. These proposals deal only with price or wage increases, leaving untouched the problem of price rigidity, that is, the failure of prices to move downward with declines in demand or improvements in production.

(4) The administrative difficulties to be faced in public effort to prevent the use of market power to produce inflationary increases in prices and wages would be tremendous. Over what industries, companies, or products would surveillance be necessary? Could the public effort be successful without surveillance over a wide range of American industry? Could public effort be pinpointed at the strategic centers from which new inflationary pressures would arise? Could public attention be brought to these centers in time to prevent the beginning of new inflationary chain effects? What type of public action would be needed. Would notice of prospective price and wage increases be necessary? If so, would exceptions to the requirements for notice be required to meet special situations in industry? What follow-up action would be taken after receipt of notice? Could the consideration of filings and the making of fact studies or holding of hearings be completed in the brief period within which judgment would be required? Would factfinding, report on hearings, and advisory recommendations carry real weight with the companies or