market power and would lessen the need for consideration of public intervention on prices and wages. Yet it is unlikely that developments of these types will go far enough to prevent the existence of inflationary concentrations of market power. Since this is true, the means of restraining the use of market power toward inflationary ends has now begun to be considered. Some would warn, "Beware beginnings"; others would advise, "Begin now to acquire knowledge and experience on the problem."

If a beginning toward public consideration of prices and/or wages which may have inflationary effects is desired, the following lines of policy may be the most feasible for effective administration and hence the ones on which consideration should be focused.

(1) Establishment of a study center in the executive branch of the Government to analyze the effects of concentrated market power on prices and wages, to pinpoint the centers of concentrated power which have the largest potential for starting inflationary chain movements, and to recommend to the President and to the Congress policies for avoiding inflationary moves from centers of market power.

(2) Requirement of notice of prospective changes in prices, or of wages which would lead to price increases, where such changes would issue from positions of power and would have a serious inflationary effect. The selection of industries, companies, or products for which this requirement would be imposed would need to be made carefully so as to limit the burden on Government and on economic organizations. It would probably be desirable for Congress to retain control over the selection, either through strict definition of categories to be included, or through approval or veto powers over executive determinations on inclusion of specific industries, companies or products, or categories of these. In an area of evolving policy, continued congressional participation and executive-congressional cooperation may be both desirable and necessary.

(3) Authorization to the President to set up fact-finding and hearing boards to study prospective price and/or wage increases and issue advisory statements or recommendations. A study center, on the basis of information obtained from notices or otherwise, could advise the President on the need for fact-finding and hearing boards and could be authorized also to present facts and arguments to the boards. Whether the burden imposed upon the President by such requirements would be so large as to require consideration of establishment of other administrative arrangements would be revealed as the scope and frequency of public intervention was determined by experience or further policy decisions.

(4) Development of a policy for the steel industry. Because of the inflationary record and potential of steel prices and wages, a policy for the steel industry alone could be considered as an alternative to requirements for a number of industries or products, such as our outlined under paragraphs 2 and 3 above. A policy for the steel industry might have the dual objective of avoiding inflationary effects of concentrated market power and of preventing stoppages of production. The alternatives of policy which could be considered extend over the whole range of possibilities discussed in this paper, including notice, fact finding, hearings, advisory opinions, and public determination in case of serious threat to the public interest.