

Industries such as autos and rubber that turned in a good profit performance in the fourth quarter expect to do still better now \* \* \*.

Clearly, the increase in car prices is just another example of corporate greed on the part of the auto industry.

#### PRICE-WAGE REVIEW BOARD NEEDED

To counter such abuses of economic power, the UAW has long advocated the establishment of a Price-Wage Review Board. It would operate essentially as follows:

Whenever any corporation controlling, say, 25 percent or more of the sales of a major industry or product wished to raise its price, it would first have to notify the Board, and appear at a public hearing if the Board thought necessary.

The Board would hold public hearings, would have power to obtain all the pertinent facts, and would issue a report. The corporation would then be at liberty to raise prices, up to the limit of its proposal, if it saw fit. But if the facts were such as to persuade any reasonable man that a price increase was not justifiable, and if the public had access to those facts, we do not think any increase would take place. In most such cases, the mere existence of the hearings procedure would probably mean that the price increase would never be proposed.

#### CONSUMER COUNSEL WOULD WORK WITH BOARD

The Price-Wage Review Board machinery could be given added strength by the creation of a separate Office of Consumer Counsel, whose function it would be to represent the interest of consumers in hearings before the Board. He should also be given the authority to initiate hearings before the Board when a *prima facie* case could be made that prices charged by a corporation covered by the system were already too high in relation to costs. In such a situation, the Consumer Counsel, after making his own preliminary investigation, would lay the facts before the Board. If it agreed that there was substantial reason to believe that prices charged by a corporation covered by the law were unduly high, it would then notify the corporation and make arrangements for a public hearing.

Unions would also be subject to the hearings procedure. Whenever a corporation subject to the hearings procedure claimed that acceptance of any union demand would require it to raise prices, both the corporation and the union would be summoned to a hearing and required to produce the facts relevant to their claims. As the Council of Economic Advisers has acknowledged, there are, of course, situations where wage increases are justified even though they may require price increases. Where that was the fact, the hearing would reveal it. On the other hand, if the union's demands were not justifiable, the facts would show it. Or if the company's profit position were such that it could well afford to meet the union's demand without a price increase, the facts would show that. The parties would resume negotiations with the knowledge that an informed public was prepared to pass judgment on the outcome.

In a free society we must find a middle ground between a reckless, socially irresponsible, *laissez-faire*, "public be damned" attitude and