Mr. HELLER. Yes, we would not necessarily go back to one specific figure. We would probably have to go back to a range. Nor would it necessarily be done by administrative fiat, but perhaps by bringing in management, labor, the Congress, and so forth. This is a dilemma that every free economy faces, especially at full employment, and we can't just run away from it. In spite of the fact that I regret that we don't have a firmer standard on which to judge the wage increases at the present time, I think that the administration has taken a sensible middle position for the current period.

Senator PROXMIRE. I want to follow that up, Dr. Heller, because I am very disturbed with the present recommendation on wage-price guideposts, and I want to refer to your book. I consider you the one who had done more to educate us on the desirability of the wage-price guideposts than anyone, and I am not a Monday morning quarterback on this. I have spoken many times in favor of the wage-price guideposts last year and the year before. You say:

> The wage-price guideposts fit well into the heading of education because they rely for much of their effectiveness on their informational content, their specification of responsible wage-price behavior.

Then further on you say:

> The major thrust then has been the process of informing labor-management and the public of explicit ways which wage and price decisions should be geared to productivity.

Further on you say:

> The public now has a better yardstick for determining whether particular wage and price decisions are economically defensible.

You use the term "yardstick".

Then later, when you sum up the advantages of the guideposts, you say:

> First though they have been a poor instrument of consensus, they have been a good instrument of education.
>
> Second, judged by both privately expressed opinions of business and labor and by careful comparative studies of wage and cost trends, they have gotten results.
>
> And third, what would wage guideposts haters have us do? Simply accept cost-push and price-push inflation, impose a wage and price ceiling, hold wages and prices down to keep the economy slack?

And so on.

I think this is a devastating defense. I think it is extremely logical. But I can't come to any other conclusion—although you make the most persuasive defense I have heard—but that the administration is just kissing this off.

You say they are sitting out the dance for one round, but they are sitting it out at the very time when we need this more than any other. Now I know it is difficult and it is unrealistic and would be grossly unfair to say 3.2 percent. On the other hand, I am not so sure that a 5-percent level, for example, would be so unacceptable.

It would mean that labor would get a real increase in wages, not quite to match their productivity increase, but a real increase. It would mean there would be a standard you could judge by. It seems to me it is a modest and a moderate point at which we could zero in.

After all, if you are going to abandon wage-price quideposts now, it means that any time you have inflation they are no good. As long as you don't have inflation and prices don't rise, they are all right.