GUIDELINES FOR THE PERPLEXED

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PERSPECTIVE AND SETTING

A basic assumption of this paper is that wage-price guidelines will, in one form or another, become a feature of our economic order, even if the specific venture begun in 1962 terminates first, perhaps in a whisper rather than a bang. This prospect is here considered to be part of a more general trend—the evolution of our "mixed" economy into a "monitored" one, in which a widening spectrum of erstwhile private behavior will become subject to Federal screening for social "responsibility."

Guidelines are not strictly economic, either in conception or execution, so our discussion also touches on non-economic features of price-wage monitoring that should interest readers as "interdisciplinary" citizens. From the standpoint of citizenship, those aspects of a future monitoring system that are not yet irrevocably fixed or beyond the range of popular influence merit particular attention. Among these aspects are the degree of voluntariness, the explicit legal basis for "informal" controls, the mode of establishing national target figures, and the scope allowed to private decision-makers for variation around these targets. Alternatives to guidelines also have to be given due consideration.

The outlines of a monitored economy need not long detain us.[1] In the emerging dispensation, it appears that state and local governments will be much more subservient than they already are to Federal initiative and finances, and the balance of power within the Federal government will have shifted even more strikingly from the Congress toward the President. This trend is encouraged by the pervasiveness, even the paramountcy, of public concerns for effective national security and for nearly-full employment, toward the achievement of which Federal action can make decisive contributions.[2] The scope and scale of technological change, actual and advertised,

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[1] For additional remarks, see I. H. Siegel, "Productivity Measures and Forecasts for Employment and Stabilization Policy," in *Dimensions of Manpower Policy*, ed. S. A. Levitan and I. H. Siegel (Baltimore: Johns Hopkins Press, 1966), pp. 269–288; and P. B. Kurland, "Guidelines and the Constitution: Some Random Observations on Presidential Power to Control Prices and Wages," in *Guidelines: Informal Controls in the Market Place*, ed. G. P. Shultz and R. Z. Aliber (Chicago: University of Chicago Press, 1966), pp. 209–241.

[2] International threats to our gold supply and to the strength of the dollar could provide a powerful future stimulus to adoption of public wage-price stabilization measures (especially if a satisfactory and timely reorganization of the world monetary system cannot be accomplished).

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