

than formal controls, encourage personification of pertinent economic forces, the identification of these forces with "good guys" and "bad guys?" Do they not facilitate overconcentration on the wage-price events of a few industries and companies that supposedly have unbridled market power, while prices rise elsewhere with little notice?

Guidelines may have temporary or local staying effects, and they do have an educational potential not yet effectively developed, but foreign experience with them over a number of years still offers little reassurance for us. In U.S.S.R., where guideline principles were well understood in the 1920s and where central planning has from the start been a basic reality of economic life, both exhortation and rigid controls have generally failed to halt impressive price-wage-productivity distortions.⁸ Experience in Western Europe, furthermore, does not encourage confidence in the efficacy of guidelines,⁹ and the Gilbert-and-Sullivan denouement that is now being enacted in Britain and elsewhere may reinforce earlier doubts.

Most important for us, however, is the fact that formal controls, resting on a basis of explicit law, afford certain advantages to aggrieved citizens—and also to the public at large. They do not necessarily prejudice the outlook for the American style—a continuing wide diversity in economic thought and action. We should be impressed that formal controls fit into a vaunted tradition of "laws rather than men," are supposed to be uniformly enforced, and are generally regarded as irksome. The last clause is especially important. Admittedly objectionable, formal controls are more likely to be amended or repudiated as they prove inadequate; and they are also more likely to be repealed when they have served their announced purpose, or when the circumstances that inspired their adoption have essentially changed.

This kind word for legislated controls should not be misconstrued as a recommendation—and surely not as a judgment that their imposition has been warranted in recent circumstances. Rather, this word is offered as a caution against the easy assumption that "whatever is, is right" and adequate, that guidelines once they have been invoked can really contain intense or prolonged inflationary pressure and would naturally be accepted as equitable despite uneven compliance. Living, as we do, in the most possible of all worlds instead of the best possible one, we have too few policy instruments to rule out formal controls in advance.

On Exhortation. With respect to the second of our five points, a kind word

⁸ See I. H. Siegel, *Soviet Labor Productivity* (ORO-T-125, Baltimore: Johns Hopkins Press, 1952), pp. 19–20; and Isaac Deutscher, *Soviet Trade Unions: Their Place in Labour Policy* (London: Royal Institute of International Affairs, 1950), pp. 100–109.

⁹ See, for example, M. Edelman and R. W. Fleming, *The Politics of Wage-Price Decisions* (Urbana: University of Illinois Press, 1965); Economic Council of Canada, *Third Annual Review: Prices, Productivity and Employment* (Ottawa: Queen's Printer, November, 1966); and D. C. Smith, *Incomes Policies: Some Foreign Experiences and Their Relevance for Canada* (Ottawa, Queen's Printer, October, 1966).