

reliance on jawbone "yak-tion" has obviously become the rule, even though the dramatic exceptions have a lingering psychological impact.

On Statistics and Education. The fourth point relates to needs for information and knowledge (we shall skip T. S. Eliot's third category, wisdom) respecting productivity and other concepts pertinent to wage-price stabilization. The universal tolerance of low-grade "verbal" algebra tends to obscure an unfortunate gap in our statistics: the lack of structurally unbiased index numbers of productivity, wages, and prices meeting the rigorous requirements of "literal" algebra.¹¹ Such measures are not easy to construct, especially because of their data demands; but how many people interested in guidelines even know about their conceptual relevance and would care about their unavailability? The relatively few technically-informed people are too busy, as a rule, worrying about more conspicuous gaps or theoretical flaws in the supply of relevant statistics; or they are engaged in advocacy and have necessarily accepted for their purposes the information that is at hand; or they believe, or for other reasons may be willing to assure their principals, that available series, including indexes based on crudely deflated aggregates, are good enough as "first approximations" (second ones never seem to be made!) and that variant measures usually yield tolerably similar numbers.

The general shift of professional interest since the 1930s from micro-economics toward gross economic phenomena, toward national economic accounts, toward other aggregate measures, and toward Federal fiscal policy has also tended to deflect attention from needs for better statistical building blocks. If productivity, price, and wage statistics were available for more industries, even if they did not meet the rigorous requirements of "literal" algebra, both government and private decision-making would surely be benefited. In principle at least, such information would facilitate average compliance with national price-wage criteria despite deliberate interindustry variation.

The continuing wide diffusion of decision-making capability in economic affairs would be favored by the availability not only of more and better industry statistics but also of more and better company indexes. If companies had batteries of measures concerning their own productivity, price, and wage performance, they could make nimbler explorations of the opportunities for wage-bargaining and price-setting around any formulated national targets. If the construction of such measures could also take account of the principles of "literal" algebra, then companies would acquire precision tools for decision.

It may be feared, of course, that the systematic development of company measures would enhance the danger that Federal finesse of existing private power to make economic determinations will occur. Our thought,

¹¹ See I. H. Siegel, "Systems of Algebraically Consistent Index Numbers," 1965 *Proceedings of the Business and Economic Statistics Section of the American Statistical Association*, pp. 369-372. A later Upjohn Institute publication will present matched formulas that are particularly appropriate for guideline measurements and analysis.