prizes flexibility in private decisions and variation in results, the discouragement of (*a*) and (*b*) may require additional machinery for discussion and reporting to supplement macropreachment, the use of monopsony and other power, and the issuance of wage-deferment bonds. Macropreachment should be broadened to include insistence on hard bargaining by management; franker acknowledgment of the special difficulties posed by union power and union rivalries; recollection of the relevance of marginal productivity to regional, intercompany, and interindustry pay differentials, even for the "same" work or occupation; and assertion that improvement in the outlook for income security itself warrants moderation in the quest for higher remuneration by business and labor.

Another suggestion under the fifth point is easy to implement, would simplify guideline discussion in general, and would assist administration from the national level down to the company level. It requires: *Restatement of the wage-productivity-price relationship in an algebraically equivalent way that focuses on totals—thus, the percentage payroll rise should be no more rapid than the expected rise in real output.* Such a revision makes clear the wide latitude that exists, not only in the economy at large but also in individual industries and companies, for flexibility within the guidelines. Only the totals have to be kept in balance: hills that pile up in some places should also mean hollows elsewhere. A wage "creep" or "drift" reflecting, say, the transfer or upgrading of employees can be adjusted in the job mix. The grant of an unusually high pay increase to certain classes of workers should mean a more modest average increase for the rest. If part of a payroll rise represents a deliberate cost-of-living adjustment, the same funds cannot, of course, be available for compensation on other grounds in addition—even productivity.

In the reconsideration of guidelines, additional attention should be given (1) to the width of the sector in which productivity performance is relevant and (2) to the scope of the incomes to be covered. As for the width, one may wonder why, say, agriculture should be taken into account as well as the non-agricultural industries in the establishment of a pay-rise criterion intended to apply to only some workers engaged in only a part of the latter sector. As for the scope, perhaps it is desirable *to seek a total "incomes policy," rather than just a wage-moderation policy, stipulating, say, that the rise in total value added, expressed in current dollars, should not exceed the expected gain in real net output.* This standard would emphasize, for example, that since blue-collar workers are not responsible for the total output of a firm, attention should not be confined to their compensation only. Furthermore, if the cost-push mechanism is deemed plausible, then "irresponsible" profit inflation has to receive as much attention when it occurs as "irresponsible" wage inflation does when it is *not* occurring but is only feared. Incidentally, our total-income criterion need not imply a constant division between wage and other income.

Finally, a restatement of the national wage-productivity, or income-productivity, objective in terms of aggregates should facilitate coordination of