regarding the behavior that should have been expected in the absence of the guideposts. Given all the open questions, it is impressive that the majority of the investigations come as close to agreement as they do.

For wholesale industrial prices, the lower estimates of the net effect of greater restraint for the period 1961-65 suggest a reduction of about 0.8 percentage points per year in the rate of increase. These estimates indicate little or no significant change from expected behavior for 1962 or 1963, but a pronounced rise in the degree of restraint in the next two years. The actual rate of increase in wholesale industrial prices, averaging 0.4 percent per year, was less than half of what would have been expected from relationships which existed in the 1950's.

For wages in manufacturing, the guideposts seem to have had little effect on behavior in 1962-63, but a substantial effect in 1964-66. A particularly thorough study of George Perry suggests a downward deflection averaging 1.8 percentage points per year for these last three years. A more conservative estimate by Simler and Tella shows an average deflection of 0.9 percentage points per year for 1964-66.

The change in wage behavior seems to have been concentrated in the better organized sectors of manufacturing, leaving other sectors of manufacturing and the service industries relatively untouched. Exceptions to this generalization are the successful use of guideposts to limit wage increases for government employees and in the maritime industry.

None of the statistical tests of wage and price behavior *prove* that the differences observed were caused by the guideposts. Many other changes occurred between the 1950's and the 1960's which could have accounted for all or part of the improvement. There was an improvement, and the tests are all consistent with the hypothesis that the guideposts contributed to it, but no one can be completely sure of what would have happened to prices and wages if they had not existed.

Other Influences

The reasons for the greater stability of price and wage behavior in the early 1960's go well beyond the guideposts. More intensive competition from imports almost surely helped, and a lessening of inflationary expectations probably did, too. There was some tendency to re-ignite expectations of inflation when the Kennedy Administration began to adopt more expansionary policies, and the guideposts may have played a