some responsibility for creeping inflation. However, it has not been the main factor."[16]

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"It is my judgment that our collective bargaining institutions contribute, under conditions of high employment, an independent element making for a faster rise in wage rates. * * * But this independent effect is not large."[17]

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"It would strain the imagination too much to be asked to conclude that wages and supplements on average have been increased through collective bargaining at most only by as much as would have occurred anyway in a completely nonunion economy. * * * However, no one has yet determined the net contribution of collective bargaining, although there is reason to doubt that it has been large."[18]

Small wonder that the committee was cautious in its conclusions.

It is interesting that about the same time the Organization for European Economic Cooperation appointed a task force of six eminent economists to study the problem of rising prices, primarily in the European context. Thanks perhaps to the greater prevalence of unionization and collective bargaining in most countries of western Europe, the group was able to reach somewhat stronger conclusions on their inflationary impact. After reviewing the record for individual countries, it concluded:

"Summing up, we believe that wages have generally risen faster than they would have done solely under the influence of demand in a competitive market. Furthermore, while the state of the labour market has obviously had some influence on bargaining attitudes, we have not found evidence of any unique and predictable relationship between demand and the rate of increase in wages. In our view, the pressure exerted in wage negotiations and the use made of the wage negotiating machinery has been a vital factor in the equation."[19]

Both the Joint Economic Committee hearings and the OEEC report date from 10 years ago, and it is proper to ask about the trend of professional opinion since then. What has been the effect of another decade of observation and experience? It is our impression that economists are now inclined to give more weight to the role of collective bargaining in wage inflation, but it would be an exaggeration to say that there is a consensus on the subject. In the United States, at least, the spectrum of opinion is still wide.

View of the Council of Economic Advisers

Whatever may be true of economists in general, the recently retired Council of Economic Advisers appears to have entertained decided views on the role of collective bargaining in wage dynamism. Its entire discussion of wage restraint has run in terms of the moderation of negotiated settlements. The so-called guideposts, as applied to wages, were standards for such settlements. Note the following:

[16] *Hearings* on Employment, Growth, and Price Levels, 1959, pt. 8, p. 2531.
[17] *Ibid.*, p. 2739.
[18] *Ibid.*, p. 2530.
[19] OEEC, *The Problem of Rising Prices* (1961), p. 50.