creased subtlety, has been introduced by the guideposts. My impression is that the guideposts to date probably have constricted price increases to a small degree.

> "On the wage side, it is my considered judgment that the guideposts probably have had no independent restraining influence on wage changes in private industry. * * * I know of no person actually involved in wage setting on the side of industry, labor organizations, or as a government or private mediator or arbitrator who thinks that the guideposts have had on balance a constrictive influence; and I have discussed the issue in detail with scores of such persons in the past 6 months." [52]

We may add one more citation:

> "It seems fair to conclude that the guidelines have had some effect in restraining wage and price settlements in certain 'bellwether' industries. * * * On the other hand, wage and price increases were realized in other industries by the hundreds, and we have now reached a point where these increases are regularly exceeding the guideposts. When this is coupled with the risks entailed in further government intervention in the economy, the guideposts have outlived their usefulness." [53]

Since these statements fairly well box in the range of responsible opinion, it is evident that judgmental testimony is as uncertain as the findings of statistical studies. Both suggest on balance that the guideposts have had some effect, but probably not much.

Recent experience

Most of the statistical studies cited earlier and two of the statements of opinion relate to the period 1962–65. What of the subsequent 3 years 1966–68?

In 1966, the average hourly compensation of private employees rose 6 percent, against a guidepost target of 3.2 percent.[54] The Consumers' Price Index also rose rapidly (by 3.3 percent). By the end of the year the Council was ready to throw in the sponge on the wage guideposts, and in its January 1967 report expressly did so:

> "The Council recognizes that the recent rise in living costs makes it unlikely that most collective bargaining agreements in 1967 will fully conform to the trend increase of productivity. But it sees no useful purpose to be served by suggesting some higher standard for wage increases, even on a temporary basis." [55]

It contented itself simply with a limp plea that wage settlements should average less than the combined amount of the rise in the cost of living and the trend rise of productivity.

Although the wage guideposts have been suspended over the past 2 years, the price guides have remained nominally in effect, and the jawboning of industry has continued, but certainly with no more than the marginal influence accorded it for the earlier period. One thing is

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[52] John T. Dunlop, "Guidelines, Informal Controls, and the Market Place" (symposium), pp. 83–84. University of Chicago Press, 1966.

[53] Richard R. MacNabb, "From 'Guideposts' to 'Guideposts' to '?'," MAPI 1966 (April), p. 11.

[54] We have already explained that this figure was the estimated average increase in man-hour output for the 5-year period 1959–63. The average turned out to be the same for 1960–64. When the period moved to 1961–65, however, it was up to 3.6 percent. Nevertheless, the Council insisted, against the outraged protests of organized labor, on adhering (for 1966) to the earlier figure of 3.2 Economic Report, 1966, p. 92.

[55] Economic Report, 1967, p. 128.