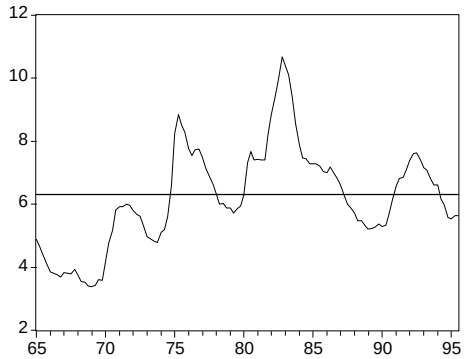
CHARTS

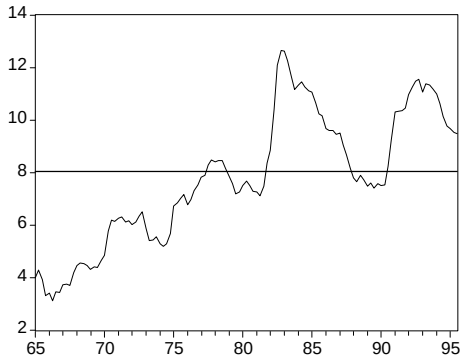
CONSTANT NAIRU SPECIFICATION

CHART 1: UNEMPLOYMENT AND ESTIMATED NAIRU.

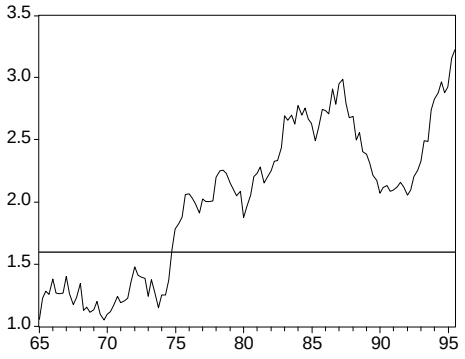
USA



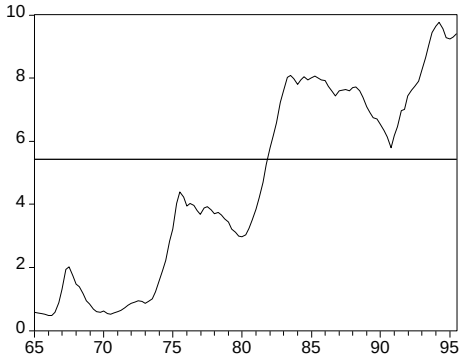
Canada



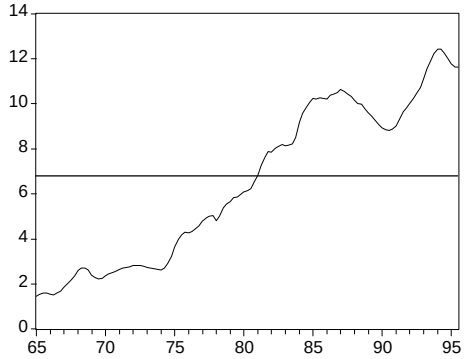
Japan



Germany

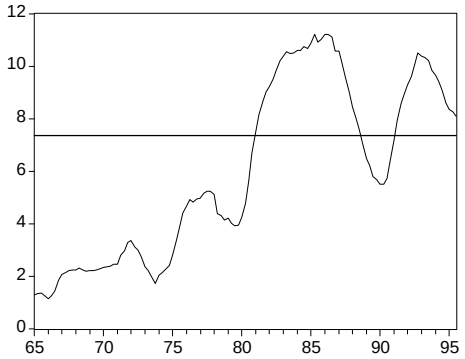


France



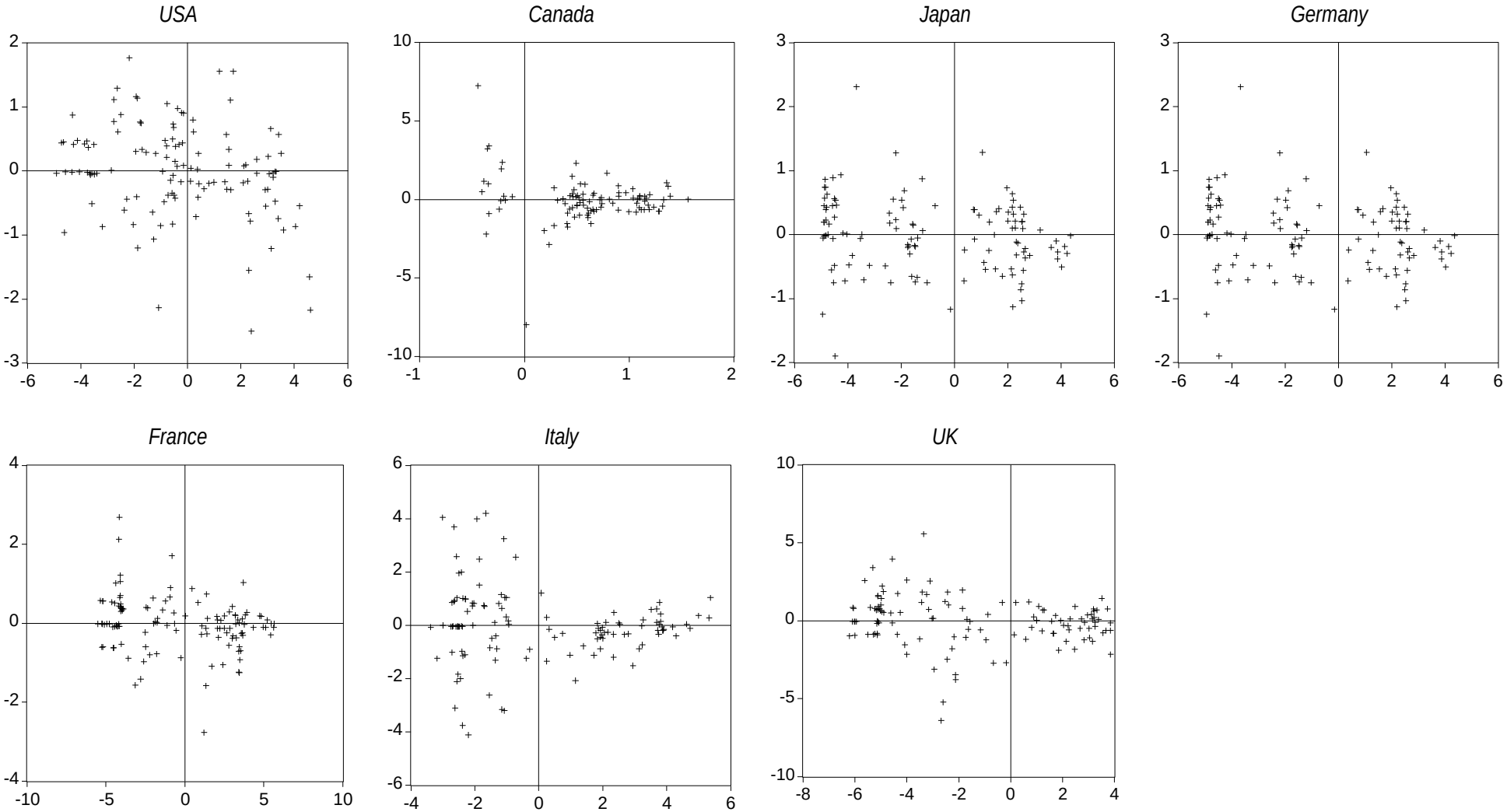
Italy

UK



CONSTANT NAIRU SPECIFICATION

CHART 2: $\Delta^2 P_t$ against U_{t-1}-U*

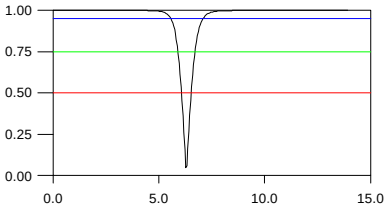


CONSTANT NAIRU SPECIFICATION

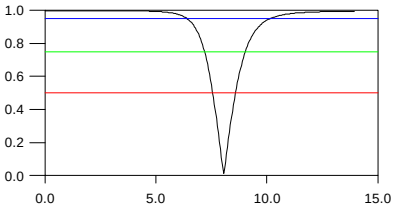
CHART 3: F-TEST REJECTION PROBABILITY

In each case the value of the NAIRU under the null hypothesis is indicated on the horizontal axis and the rejection probability is shown on the vertical axis.

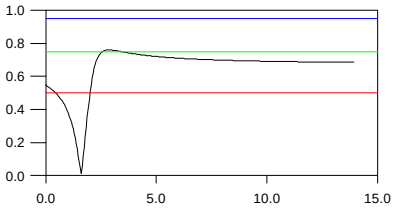
USA



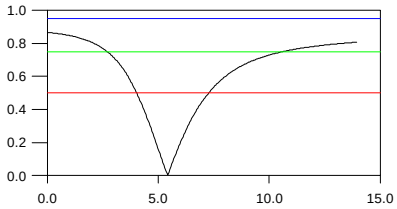
Canada



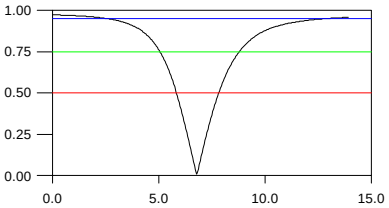
Japan



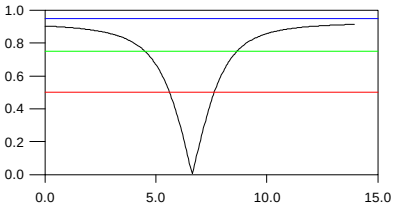
Germany



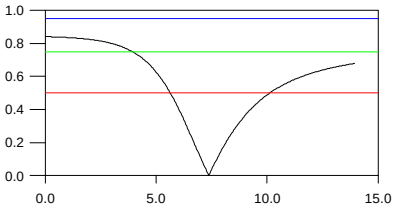
France



Italy



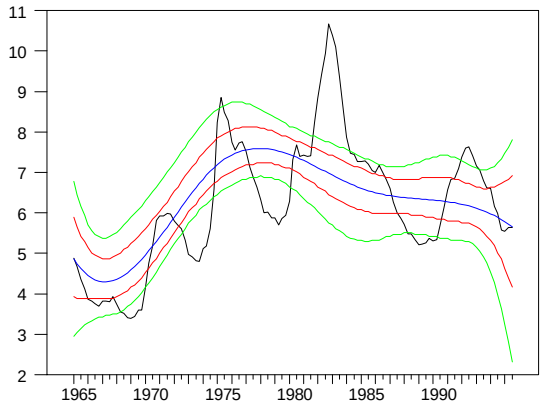
UK



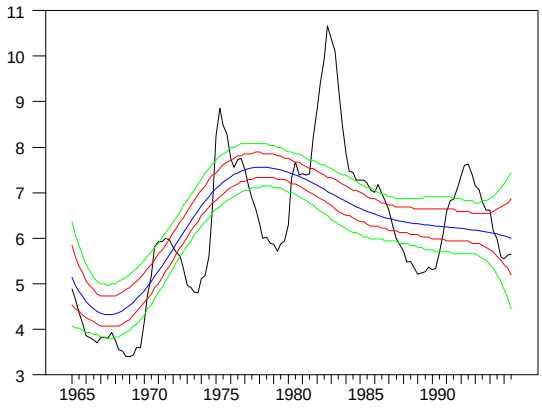
2 KNOT CUBIC SPLINE AND PEFERRED SPECIFICATIONS

CHART 4: UNEMPLOYMENT AND THE ESTIMATED NAIRU WITH CONFIDENCE INTERVALS

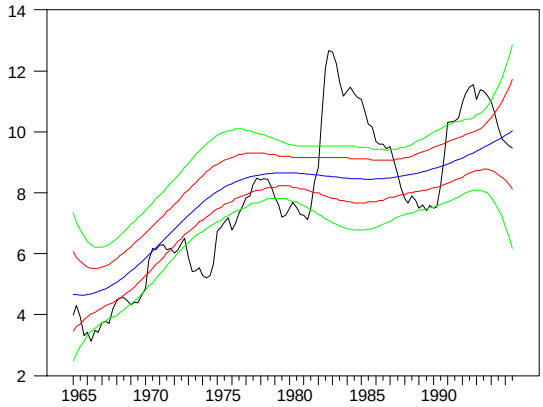
USA 2 knot spline
(Staiger, Stock & Watson specification)



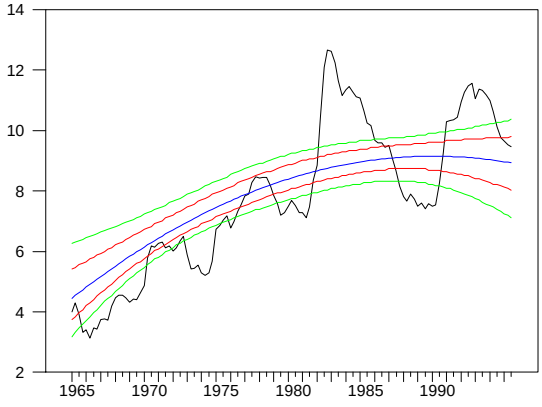
USA 2 knot spline
(Preferred specification)



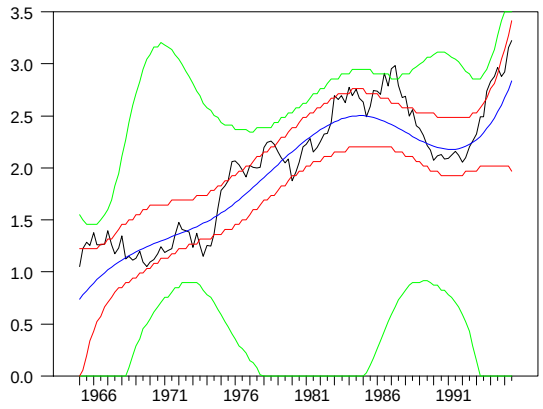
Canada 2 knot spline



Canada preferred
(Quadratic)



Japan 2 knot spline



Japan preferred
(Quadratic)

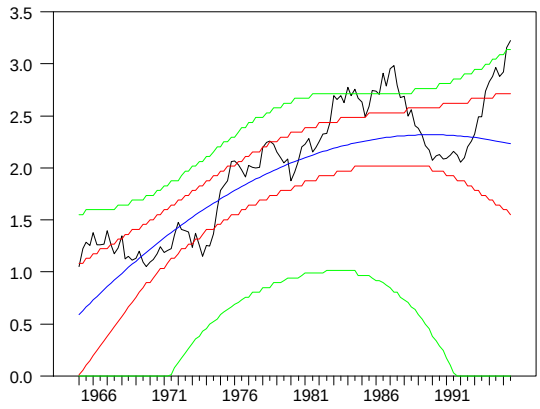
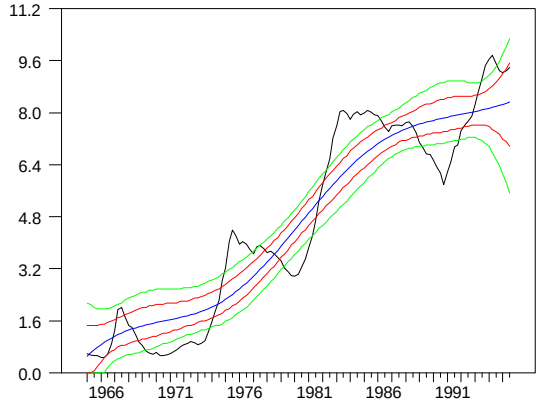
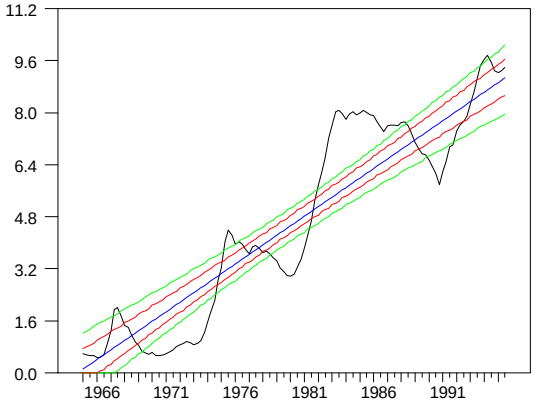


CHART 4: CONTINUED

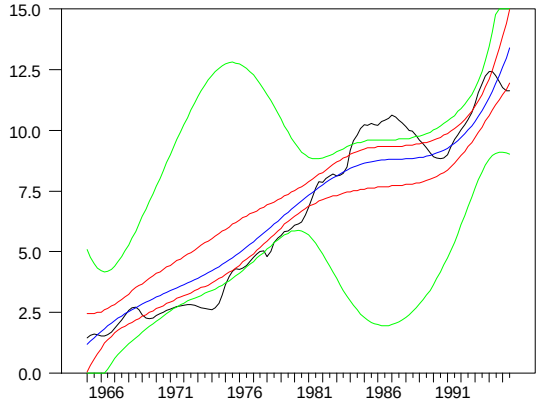
Germany 2 knot spline



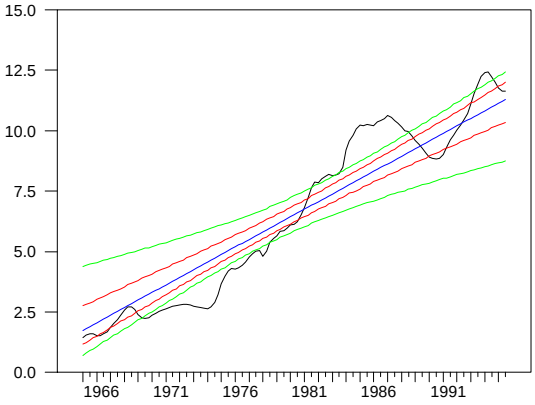
Germany preferred (trend)



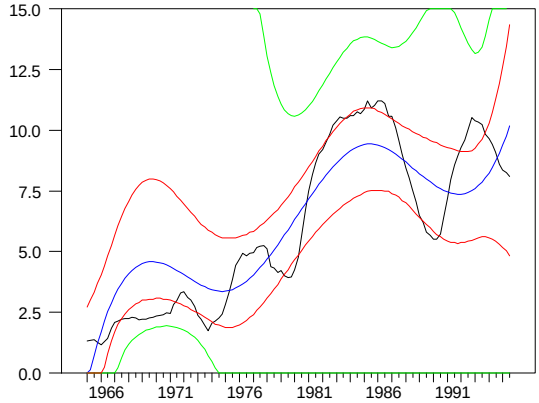
France 2 knot spline



France preferred (trend)



United Kingdom 2 knot spline



United Kingdom preferred (mean shift)

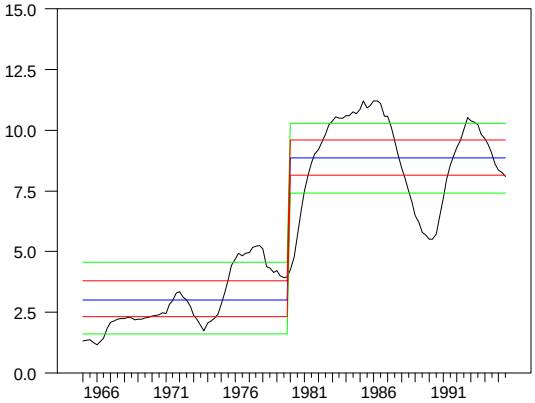
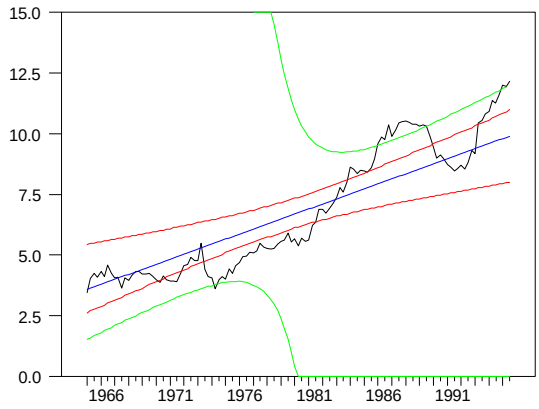


CHART 4: CONTINUED

Italy preferred (trend)



Notes

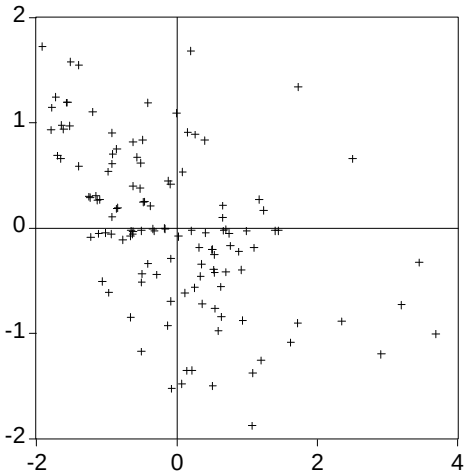
(i) The "jagged" line shows the actual unemployment rate. The central smooth line shows the estimated NAIRU, the inner two smooth lines the 75% confidence interval and the outer two smooth lines the 95% confidence interval. The *x*% confidence interval gives the maximum and minimum values of the NAIRU which cannot be rejected at the *x*% level of significance.

(ii) A two knot spline is not given for Italy since an adequate equation could not be estimated (see text for further explanation).

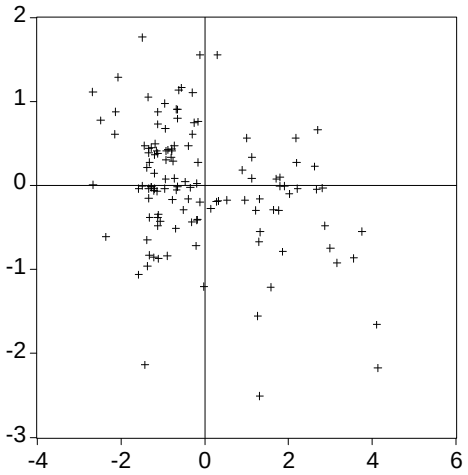
2 KNOT CUBIC SPLINE SPECIFICATION

CHART 5: $\Delta^2 P_t$ against $U_{t-1}-U_t^*$

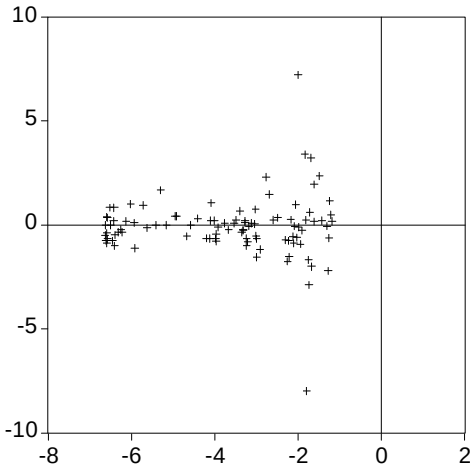
USA



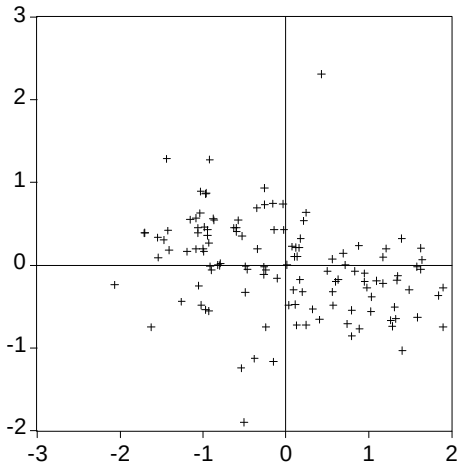
Canada



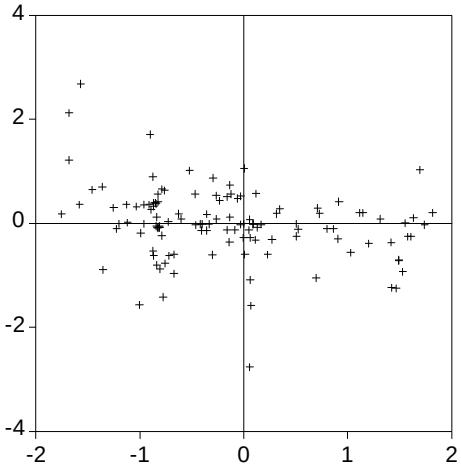
Japan



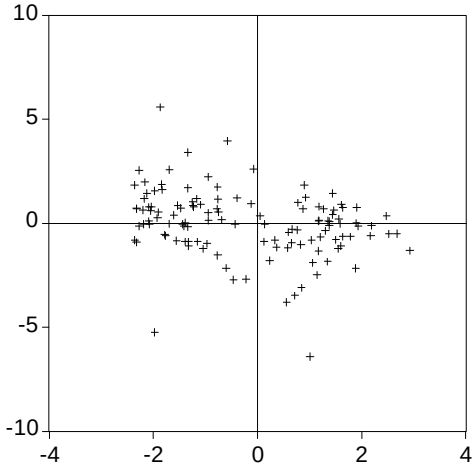
Germany



France



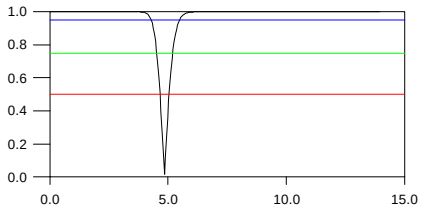
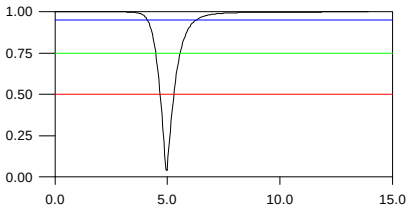
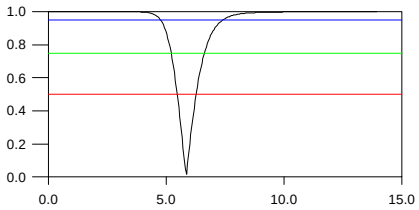
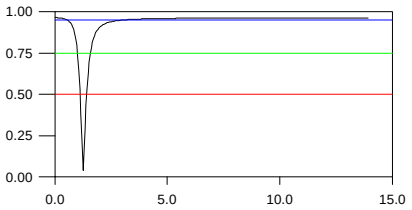
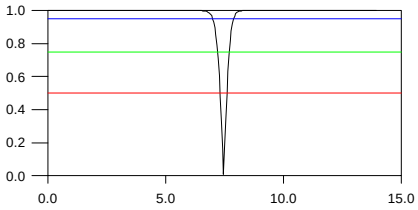
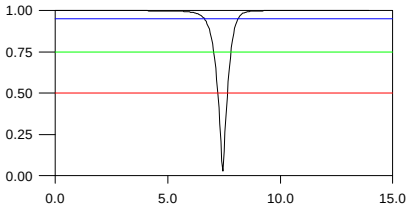
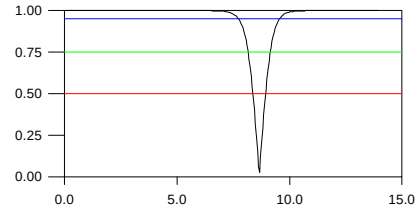
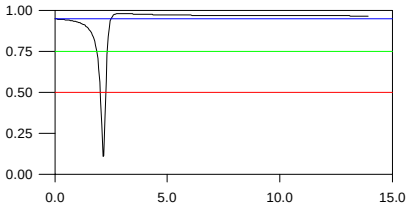
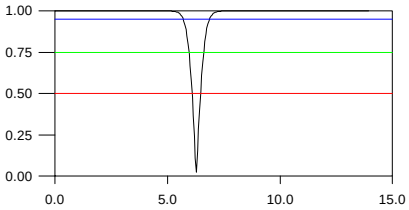
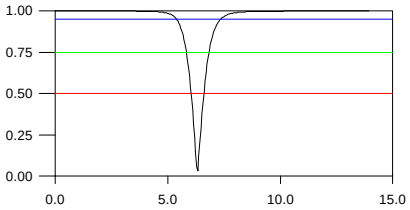
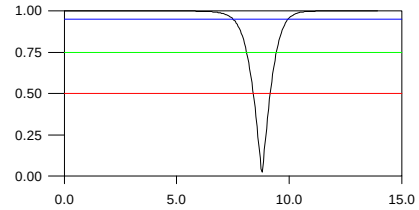
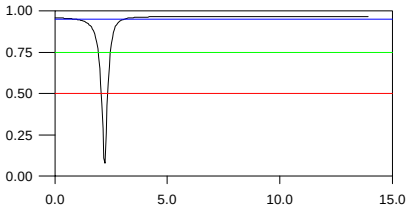
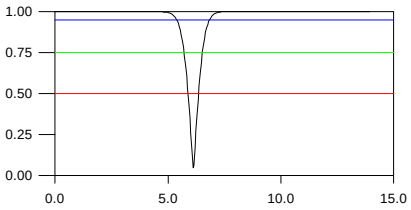
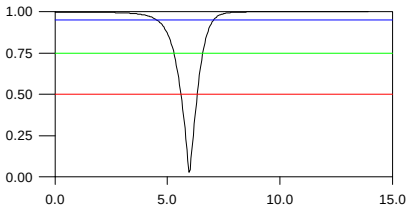
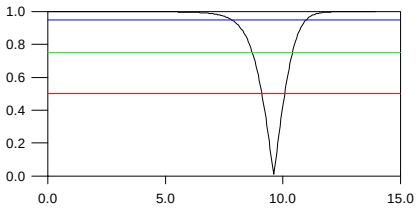
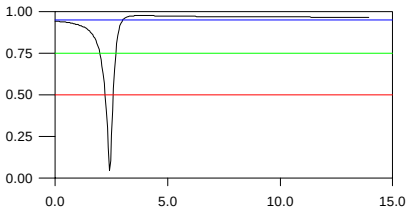
UK



2 KNOT CUBIC SPLINE SPECIFICATION

CHART 6: F-TEST REJECTION PROBABILITIES SELECTED DATES

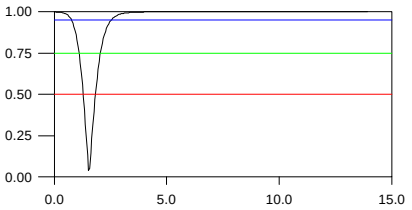
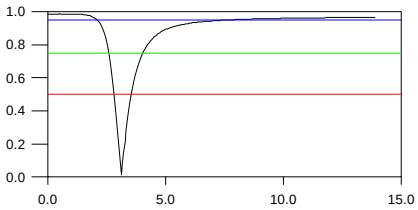
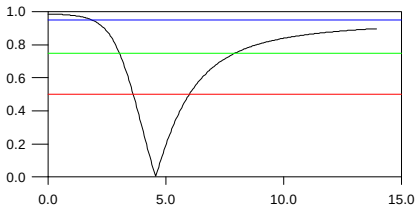
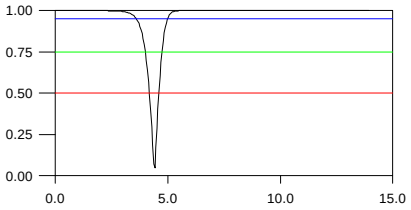
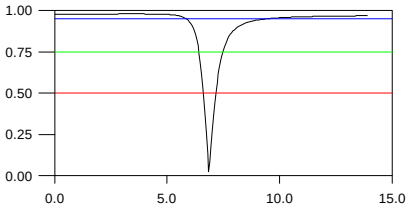
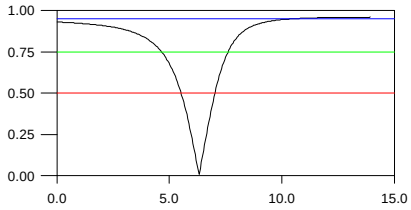
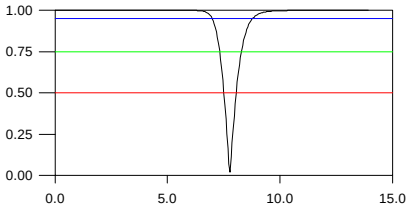
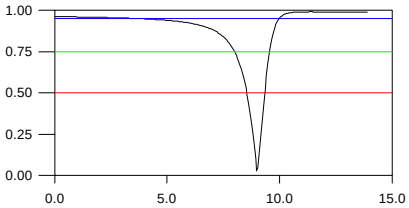
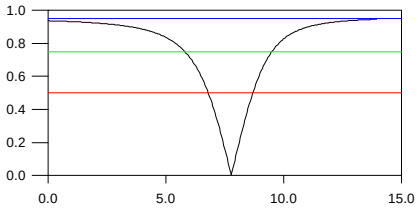
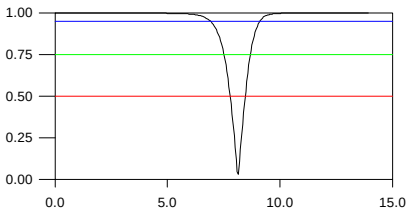
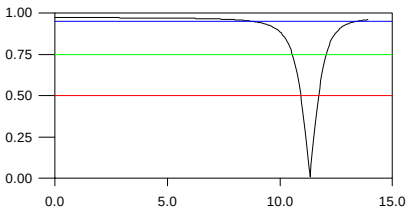
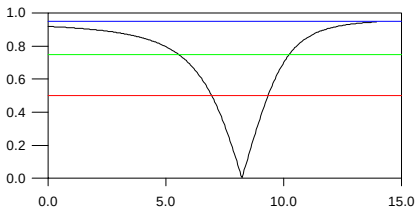
In each case the value of the NAIRU under the null hypothesis is indicated on the horizontal axis and the rejection probability is shown on the vertical axis.

	USA	*USA"*	*Canada*	*Japan*
1970:1				
1980:1				
1990:1				
1994:1				

2 KNOT CUBIC SPLINE PREFERRED SPECIFICATION

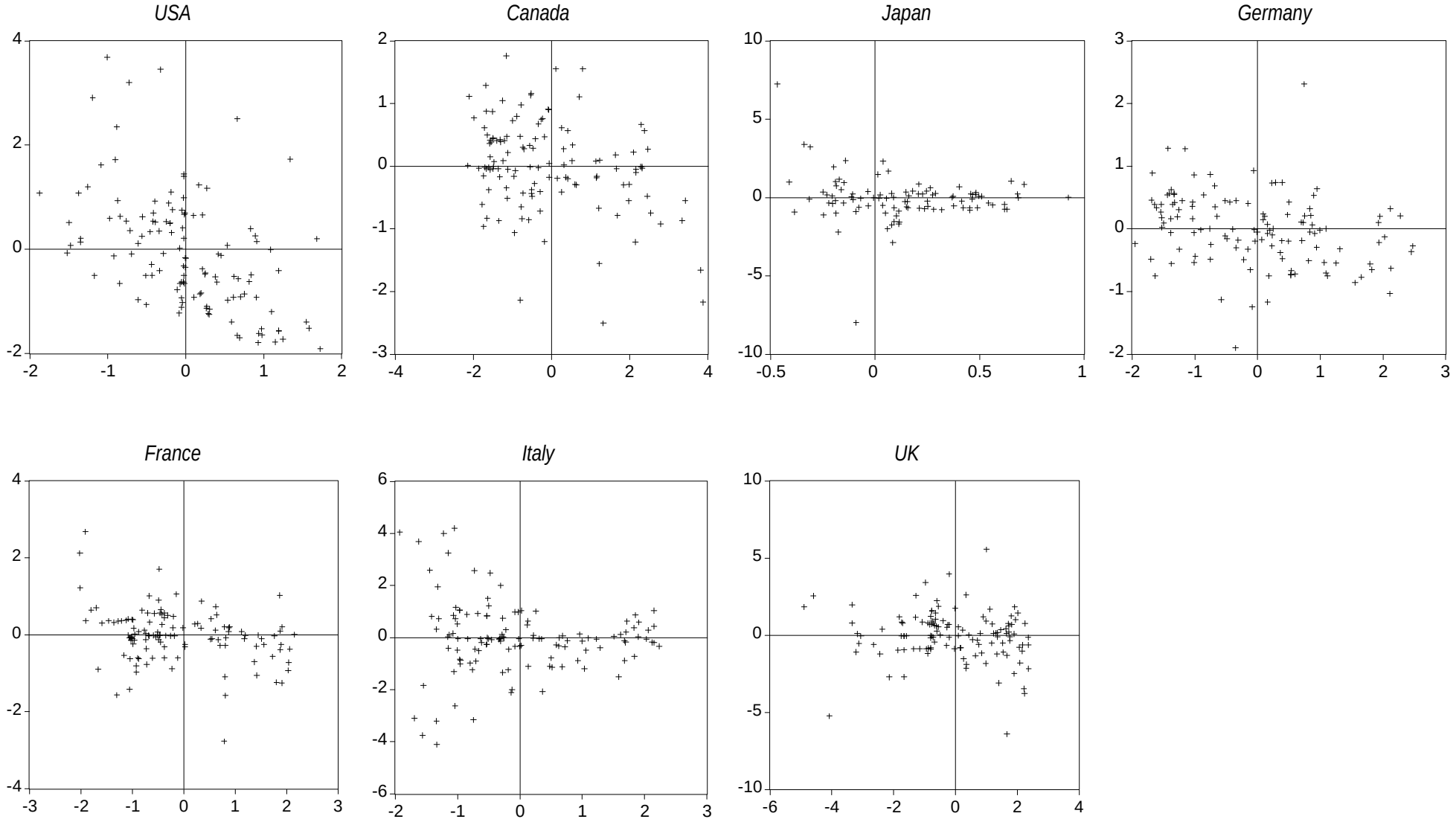
CHART 6: F-TEST REJECTION PROBABILITIES SELECTED DATES (continued)

In each case the value of the NAIRU under the null hypothesis is indicated on the horizontal axis and the rejection probability is shown on the vertical axis.

	Germany	*France*	*UK*
1970:1			
1980:1			
1990:1			
1994:1			

PREFERRED SPECIFICATIONS

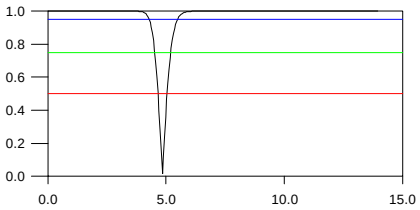
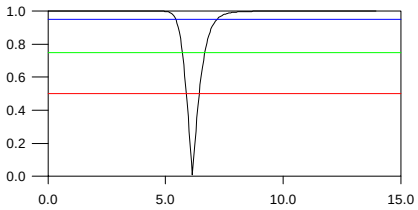
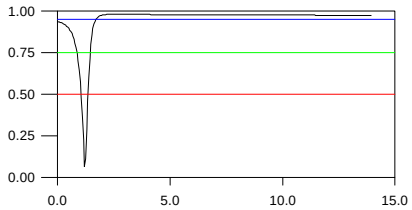
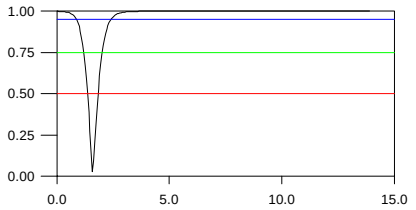
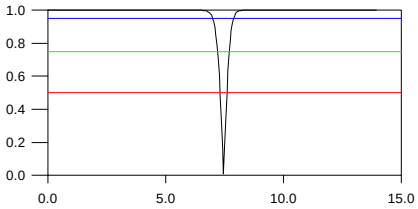
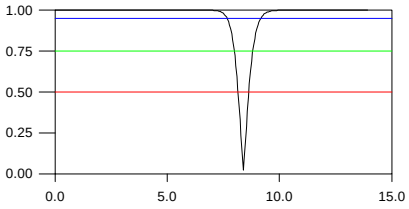
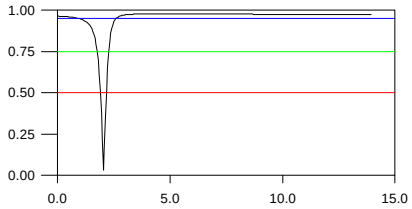
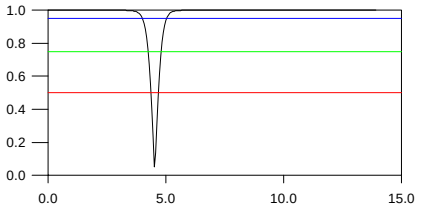
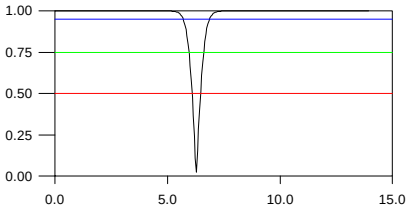
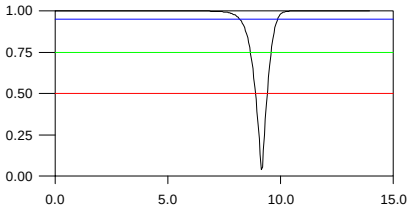
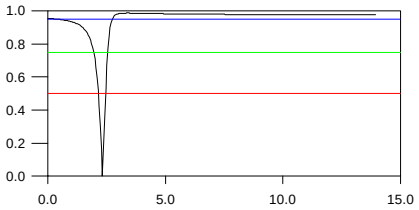
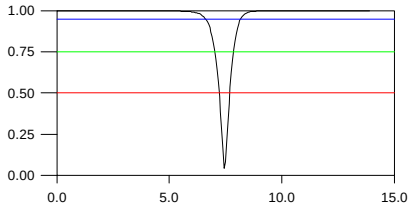
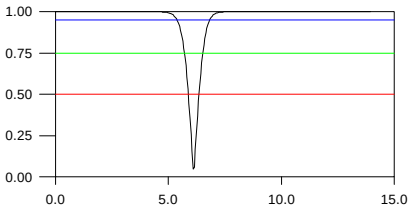
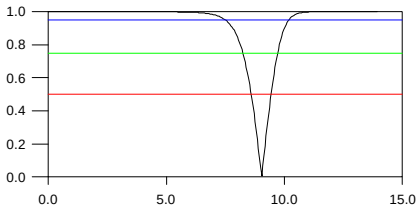
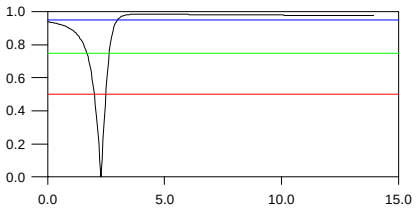
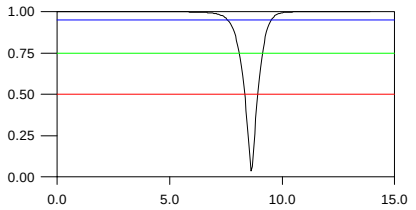
CHART 7: $\Delta^2 P_t$ against $U_{t-1}-U_t^*$



PREFERRED SPECIFICATIONS

CHART 8: F-TEST REJECTION PROBABILITIES SELECTED DATES

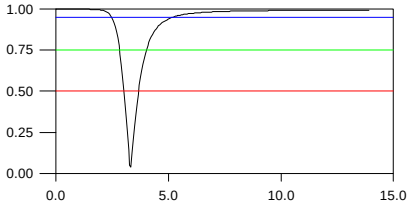
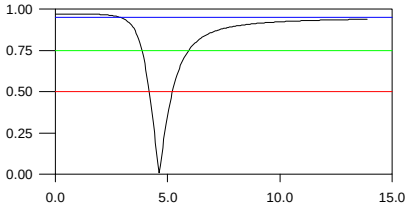
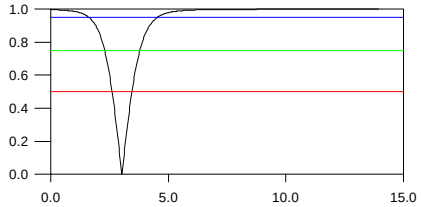
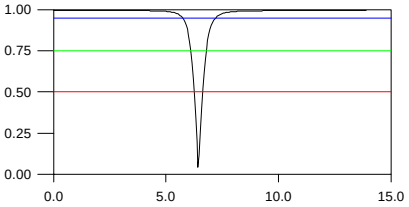
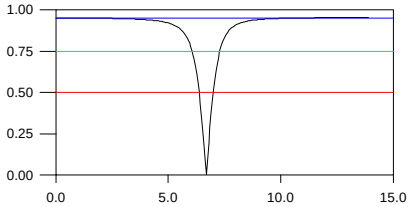
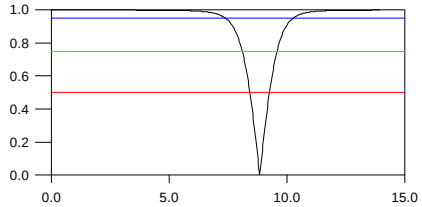
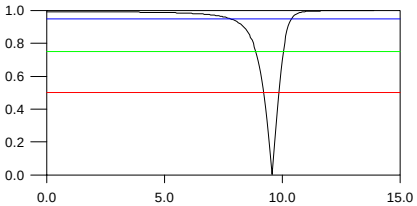
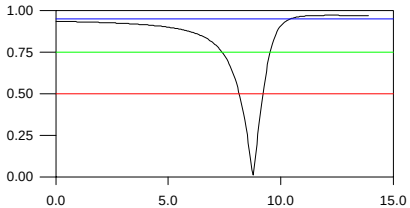
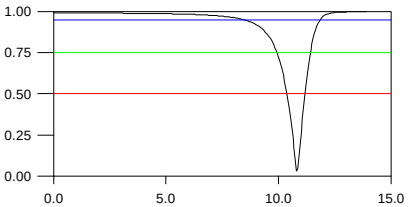
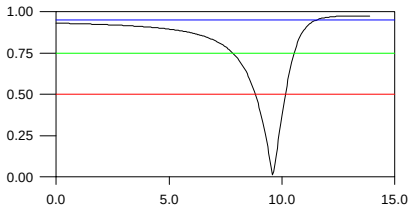
In each case the value of the NAIRU under the null hypothesis is indicated on the horizontal axis and the rejection probability is shown on the vertical axis.

	USA	*Canada*	*Japan*	*Germany*
1970:1				
1980:1				
1990:1				
1994:1				

PREFERRED SPECIFICATIONS

CHART 8 (CONTINUED): F-TEST REJECTION PROBABILITIES SELECTED DATES

In each case the value of the NAIRU under the null hypothesis is indicated on the horizontal axis and the rejection probability is shown on the vertical axis.

	France	*Italy*	*UK*
1970:1			
1965:1 - 1979:4			
1980:1			
1980:1 - 1995:3			
1990:1			
1994:1