

Table 2: Tests of the Constancy of the Ex Post Real Rate (EPRR), Original Equations, Germany, 1970-2000 (after Mishkin (1981))

Dependent Variable: EPRR Estimation Method: Ordinary Least Squares n = 358 or 359, depending on adjustment for endpoints														
	Coefficient of								AdjustR^2	Std Error	Wald Test		Breusch-Godfrey Serial Correlation LM Test Probability	White Hetero- skedasticity Test Probability
	Constant	Inflation(-1)	Time	Time^2	Time^3	Time^6	Time^9	Time^12			F-Statistic	Probability		
Equation 2.1	1.745824	-0.952583							0.964226	0.079365	0.018532	0.891793	0	0.462702
t-statistics	78.45186	-0.136133												
Equation 2.2	22.2654		-35.58697	21.24483	-4.490407	0.027377	-0.000205	6.69E-07	0.373076	0.333219	36.50694	0	0	0
t-statistics	6.359204		-5.82373	5.854614	-5.921961	6.223549	-6.496497	6.601081			*219.0417	**0.000000		
Equation 2.3	22.59934	-1.310142	-36.13282	21.54956	-4.550519	0.027678	-0.000207	6.75E-07	0.36875	0.334073	30.79205	0	0	0
t-statistics	6.252239	-0.235967	-5.747568	5.789164	-5.864441	6.180505	-6.46203	6.573752			*215.5444	**0.000000		

- NOTES: 1. EPRR = the ex post real rate of interest, based (for purposes of this paper) on the log of the Frankfurt Interbank Offered Rate, minus the log of inflation.
 2. INFLATION(-1) = the log of inflation at a monthly rate, lagged one month = the German Consumer Price Index CPI divided by the German CPI for the previous period (i.e., $CPI(-1) = CPI/CPI(-1)$).
 3. TIME = a time trend running from 0.00 in 1960:01 to 4.83 in 2000:04, with superscripts indicating time raised to that power.
 4. Wald Test Probability = the significance level at which the null hypothesis that all independent variable coefficients jointly equal zero may be rejected.
 * = Chi^2 Statistic, applicable for Wald Tests for nonlinear equations. ** = Chi^2 Probability, applicable for Wald Tests for nonlinear equations.
 5. Breusch-Godfrey Serial Correlation LM Test Probability = the probability of rejecting the null hypothesis of no serial correlation.
 6. White Heteroskedasticity Test Probability = the probability of rejecting the null hypothesis of no heteroskedasticity.