

**Table 4: Tests of the Constancy of the Ex Post Real Rate (EPRR), Final Equations, Germany, 1970-2000 (after Mishkin (1981))**

Dependent Variable: EPRR Estimation Method: Ordinary Least Squares n = 346 or 347, depending on adjustment for endpoints													Breusch- Godfrey Serial Correlation LM Test Probability	White Hetero- skedasticity Test Probability	
	Coefficient of								AdjustR^2	Std Error	Wald Test		Probability	Probability	Probability
	Constant	Inflation(-1)	Time	Time^2	Time^3	Time^6	Time^9	Time^12			F-Statistic	Probability			
<b>Equation 2.1</b>	1.689356	0.607752							0.964226	0.079365	0.453184	0.501295		0	0.364675
<b>t-statistics</b>	10.96918	0.673189													
<b>Equation 2.2</b>	35.25715		-55.10639	31.30801	-6.32975	0.034762	-0.000243	7.56E-07	0.964307	0.079223	3.626767	0.001691		0	0
<b>t-statistics</b>	0.997859		-0.988639	1.035024	-1.086528	1.266089	-1.457832	1.6248			*21.7606	**0.001338			
<b>Equation 2.3</b>	32.70535	0.61537	-51.24608	29.29555	-5.95627	0.033157	-0.000234	7.32E-07	0.964213	0.07938	3.070391	0.003811		0	0
<b>t-statistics</b>	0.8402	0.673202	-0.841557	0.893044	-0.94866	1.135596	-1.330941	1.501334			*21.49273	**0.003105			

- 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<sup>2</sup> Statistic, applicable for Wald Tests for nonlinear equations. \*\* = Chi<sup>2</sup> 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.