Table 1 UNITED STATES 1953–1986
$\Delta c_y = \mu + \lambda \Delta y_t$

Row	Instruments	First-stage regressions Δc equation	Δy equation	λ estimate (s.e.)	*Test of restrictions*
1	None (OLS)	—	—	0.316 (0.040)	—
2	$\Delta y_{t-2}, \ldots, \Delta y_{t-4}$	−0.005 (0.500)	0.009 (0.239)	0.417 (0.235)	−0.022 (0.944)
3	$\Delta y_{t-2}, \ldots, \Delta y_{t-6}$	0.017 (0.209)	0.026 (0.137)	0.506 (0.176)	−0.034 (0.961)
4	$\Delta c_{t-2}, \ldots, \Delta c_{t-4}$	0.024 (0.101)	0.045 (0.028)	0.419 (0.161)	−0.009 (0.409)
5	$\Delta c_{t-2}, \ldots, \Delta c_{t-6}$	0.081 (0.007)	0.079 (0.007)	0.523 (0.131)	−0.016 (0.572)
6	$\Delta i_{t-2}, \ldots, \Delta i_{t-4}$	0.061 (0.010)	0.028 (0.082)	0.698 (0.235)	−0.016 (0.660)
7	$\Delta i_{t-2}, \ldots, \Delta i_{t-6}$	0.102 (0.002)	0.082 (0.006)	0.584 (0.137)	−0.025 (0.781)
8	$\Delta y_{t-2}, \ldots, \Delta y_{t-4}$, $\Delta c_{t-2}, \ldots, \Delta c_{t-4}$, $c_{t-2}-y_{t-2}$	0.007 (0.341)	0.068 (0.024)	0.351 (0.119)	−0.033 (0.840)
9	$\Delta y_{t-2}, \ldots, \Delta y_{t-4}$ $\Delta c_{t-2}, \ldots, \Delta c_{t-4}$, $\Delta i_{t-2}, \ldots, \Delta i_{t-4}$, $c_{t-2}-y_{t-2}$	0.078 (0.026)	0.093 (0.013)	0.469 (0.106)	−0.029 (0.705)

Note: The columns labeled "First-stage regressions" report the adjusted R^2 for the OLS regressions of the two variables on the instruments; in parentheses is the p-value for the null that all the coefficients except the constant are zero. The column labeled "λ estimate" reports the IV estimate of λ and, in parentheses, its standard error. The column labeled "Test of restrictions" reports the adjusted R^2 of the OLS regression of the residual on the instruments; in parenthesis is the p-value for the null that all the coefficients are zero.