In general, in the early 1950's the increase in output prevailed almost everywhere, and generally the rise of prices was much larger than the rise of output. In this respect the U.S. record was remarkably good compared to that of other countries. Output rose almost as much as prices in the United States during these early years in the 1950's, but in the United Kingdom the rise of prices was almost three times as great, in Japan almost 1,900 times as great, in Norway 5 times as large, in the Netherlands 4 times as large, in Italy almost 200 times as large; in Sweden the record was unusually good with an increase in output almost equal that of prices, and the increase of output was no less than 50 percent. In Denmark the rise of prices was about four times as large as that in output.

These statistics suggest again how difficult it is to draw any very clear conclusions on the relationship between prices and output over long periods of time, even if these statistics extend over many countries. One important explanation of this fact is that there are so many other relevant variables. In the latter part of the 19th century, for example, despite the depressing effects of falling prices, a large increase in output prevailed, in part because of the tremendous gains of productivity associated with the rising industrialization of the country and the movement into more productive industries and in particular the shift from the farms to the factories. In these years, also, in many countries the rise in population was relatively large. In some of these countries, the industrialization had just begun. For example, in Japan the largest industrialization began in the latter part of the 19th century.[13]

Again one might compare, for example, some countries in Latin America. One would find, for example, in a country like Bolivia and Chile, the price rises have been tremendous in recent years and on the whole the increase of output not spectacular. Here it is difficult to say whether the explanation of the slow rise of output and the decline of exports, for example, should be explained by the increase of prices or primarily by the exhaustion of important sources of raw materials.

PRICES AND PER CAPITA OUTPUT IN RECENT YEARS

The above discussion centers largely around the relation of prices and total output. Since during these years, the rise of population varies among countries and also from period to period, a better approach might well be to study the relation between price rise and in-

[13] See Joint Economic Committee, "Compendium on Relationship of Prices to Economic Stability and Growth," 1958, especially pp. 361 and 362.