This study is an attempt to see what light may be thrown on the general problem of wage-price stability by a survey of recent experience in Western Europe with particular emphasis on the interaction between Government policy and private economic organizations important in wage-price determination. Being ambitious in scope, it must necessarily be more modest in its ultimate objectives. A thorough analysis of economic developments within all the individual countries is obviously impossible within the confines of a brief monograph. Moreover, it will be necessary to concentrate principally upon the wage determination side of the wage-price problems.

But a more fundamental limitation of this kind of survey stems from the inherent difficulties of making overall comparisons between countries. These inevitably do violence to the diversity and complexity within any single national economy. There is no gainsaying the validity of the argument that "international comparisons of industrial relations systems may be less fruitful, or even misleading, if confined solely to countrywide systems."[1] Nevertheless, such comparisons may not be completely useless provided sufficient care is taken not to impute to any conclusions reached greater precision and applicability than can be justified given the high level of generalization involved.

There remains the question of how relevant European experience is for the United States. Certainly there can be no expectation of deriving simple lessons from the struggles against inflation in Western Europe. The profound differences in economic structure, and in social and political organization are sufficient to preclude any easy conclusions regarding the effectiveness, for example, of different types of economic policy measures. Since our observations of economic policy developments in Europe cannot be carried out under the controlled conditions of a laboratory, the judgment of how important the differences between countries are to any interpretation of events can never be wholly objective.

Furthermore, any conclusions regarding the effectiveness of different types of policy measures can only be stated relative to some system of underlying social and economic values and cannot generally yield definitive determinations of the objective efficiency of policy instruments. For it is advances in resource utilization, technological progress, and deliberate institutional change which lie at the center of the problems of economic growth and stability rather than questions concerning the efficient operation of a particular economic system with unchanging technological horizons and given political and economic institutions. Consequently comparisons of differing approaches to the problem of reconciling wage-price stability with full employment economic growth must take into account the constellation of

[1] John T. Dunlop, "Industrial Relations Systems," New York; Henry Holt & Co., 1958, P. 25.