

output per man-hour reveals that the latter has probably exercised a much stronger influence. This relationship is particularly striking in the cases of Germany and Italy and stands out even more in the case of France.

TABLE 5.—Average annual changes in manufacturing output, output per man-hour and wage costs, by country, 1950-56¹

[Percent]

	Output per man-hour	Wage cost per unit of output	Output
France.....	7.0	5.6	7.3
Norway.....	3.0	5.7	5.6
Sweden.....	2.8	9.8	2.8
United Kingdom.....	1.2	7.4	3.5
Netherlands.....	2.6	3.8	7.0
Denmark.....	1.5	3.0	2.2
Italy.....	8.9	-1.6	10.5
Germany (Federal Republic).....	6.7	1.5	16.5
Belgium.....	² 4.4		.0

¹ For Denmark, 1951-55; for Netherlands, Norway, and Sweden, 1950-55.

² Output per man.

Source: United Nations, "World Economic Survey," 1957, p. 37.

What, then, may we conclude from this sketchy statistical survey of increases in prices and certain cost components in Western European countries?

As a first approximation, the pattern of movements lend some validity to a classification of countries into three groups: (1) Norway, Netherlands, Sweden, and the United Kingdom, countries with a very low rate of unemployment and comparatively high rates of increase in price levels and labor costs; (2) Belgium, Germany, Italy, and Switzerland, with appreciably higher rates of unemployment and lower rates of cost and price increases; and (3) Austria, France, and Denmark, which seem to represent in one sense or another "mixed" or "borderline" cases. This grouping corresponds in the main to the classification of countries according to characteristics of national economic policy developed in the following sections. But there is no intention of drawing the general conclusion that the pattern of wage, price, output, and employment movements are to be explained solely in terms of differences in national economic policies. These inevitably reflect differences in the nature of fundamental social and political goals, in the basic structure of economic resources, and in the structure of economic relations with other countries. The point of departure is rather that the structure and organization of economic policies and institutions, and hence wage-price setting mechanisms, tend to be adaptive to these underlying factors as well.

III. WAGE-PRICE STABILITY AND THE COORDINATION OF ECONOMIC POLICY

There is at least one respect in which the economies of Western Europe resemble the U.S. economy—they do not readily lend themselves to analysis in terms of "pure types" of economic systems. The traditional distinction between collectivistic and individualistic or market economies is virtually meaningless in the face of the complex