implemented. But the examples of Norway and the Netherlands indicates that where foreign trade is extremely important to an economy the balance of payments plays a prime role in providing a clear policy focus. In those countries the potential impact upon employment and real income of difficulties in the external economy is direct and large enough to be a significant influence on wage decisions at all levels. In fact, if one were to seek out the single most important reason for the continuing efforts to achieve centralized control over wages in Norway and the Netherlands it would probably be found in the desire to prevent internal economic developments from interfering with the ability to trade in world markets and conversely, to insulate the internal economy from the deleterious effects of unstable movements in external prices and demand.

Finally, it is almost tautological that the reconciliation between national and parochial interests which is implicit in any successful wage policy is possible only with a relatively high degree of social and political stability. Unless the various economic groups in the Nation are satisfied that their particular interests are adequately represented in the governmental policies being invoked in the name of the public interest, disruptive organized political and economic action is certain to result in a democratic country. The relative success of national wage policy in Norway must in large part be attributed to the confidence of the trade unions in the social and political objectives of the labor government in that country. In this sense, the whole panoply of economic measures, such as permanent price control authority, dividend limitations, price subsidies, interest rate regulation, etc., available to the Norwegian Government has formed an essential part of wage policy in Norway. And the fundamental disagreement between the trade unions and the conservative government in Britain over basic social goals has been an effective bar to cooperation on any national wage policy.

But effective national wage policy is not just a matter of achieving successful coordination of national policy decisions on the part of the major organized interests in the economy. It must depend as well upon the effectiveness with which the major economic organizations themselves are able to achieve internal coordination of their own policies. The centralization of both trade union and employer organization in Scandinavia and in the Netherlands (through the Foundation of Labor) has been a principal factor making national wage policy feasible in those countries. That it is not simply the formal concentration of organizational authority which is important in this connection may be inferred from the way the policy of the national federations has had to adjust to the exigencies of internal organizational pressures. The major source of the corrosive influence of the wage drift on any union policy of wage restraint is, in fact, the intraunion conflicts it engenders over the appropriate distribution of the wage bill. And it is significant that the improvement in economic conditions in both the Netherlands and Norway has produced movements in the direction of greater independence of action by the affiliates of the central labor and employer federations.

A related factor which perhaps merits separate mention as a condition contributing to the practicability of national wage policy in all the four countries considered so far has been the absence of serious conflicts within and between union and employer organizations over