

L.5.2.

RFD 225

Board of Governors of the Federal Reserve System

Division of International Finance

REVIEW OF FOREIGN DEVELOPMENTS

September 22, 1953

Price and Wage Stabilization in Norway

Frederick R. Dahl

18 pages

NOT FOR PUBLICATION

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Price and Wage Stabilization in Norway

Of all Continental western European nations, Norway probably had the most comprehensive system of controls during the postwar period and has been most reluctant to return to a freely operating market economy. Rationing has been abolished and foreign trade has been liberalized according to the OEEC program, but most phases of economic activity are still subject to direct government regulations. In contrast to other western European countries, traditional monetary techniques have not been restored to a major policy role in place of the existing system of direct controls and fiscal measures. Recently, the passage of a new price control act has institutionalized a portion of these direct controls into the permanent structure of the Norwegian economy. These controls were utilized as part of the Norwegian policy of repressing inflation in the postwar period. This paper reviews the operation of that program and points out its consequences upon domestic economic conditions such as wages, employment, and production.

The price stabilization program

At the end of World War II, Norway faced a dangerous inflationary situation: the financing of the German occupation had resulted in an expansion of the money supply while there was a general shortage of goods. Price stabilization was part of a policy to repress this inflation until production could be restored and the money supply reduced through fiscal measures. This program was also intended to help stabilize wages. It was expected that, by maintaining a stable relationship between prices and wages, labor peace would be encouraged and economic recovery thus accelerated. Furthermore, with wages linked to the cost-of-living index, it was feared that rising prices would result in a wage-price-cost spiral that would undermine the ability of Norwegian export industries to compete in world markets. It was also believed that the upward pressures on domestic prices arising from external sources in the early postwar period were of a temporary cyclical nature.

The major weapons in the price stabilization program were price controls and subsidies, but the measures also included curtailing demand through taxation; rationing of consumers' goods; and allocating the supply of productive resources by means of import-export controls, building permits, and selective credit controls.

Price control legislation had been in existence in Norway since World War I but, prior to World War II, price controls had been used very rarely and primarily for the purpose of regulating trusts and monopolies. Postwar price control legislation -- notably the Price Law of 1947 -- aimed at more comprehensive regulation of prices, production and trade to further economic recovery. A new Price Law, passed on June 12, 1953, is similar to the 1947 legislation although the powers of the administrators are more

clearly and closely defined. Under the new law, the Government and the Price Directorate may issue regulations governing the setting of prices, the calculation of profits, the distribution of dividends, the terms and conditions of sale, the quality of production, and the activities of associations regulating or restricting production. The law makes great use of terms such as "unfair", "unjustifiable", and "unreasonable" in dealing with prices, profits, and certain economic activities; the effects of the law will therefore be more dependent upon its administration than upon the statutory provisions themselves. With the subsiding of inflationary pressures, price controls in Norway will probably revert to their original primary role of regulating restrictive business practices. However, such practices may have been strengthened and extended during the postwar period by the reliance placed on the trade associations by the Price Directorate in setting prices.

The system of price controls was made workable by the extensive use of subsidies. Aggregate subsidy payments, 80 per cent of which were for price stabilization purposes, averaged from 1946 through 1952 over one-third of total central government expenditures. The importance of these subsidies to the stabilization program has been emphasized by official estimates which noted that, without them, the cost-of-living would have risen by forty points. Although subsidies could have been increased at various times without resort to deficit financing, the resulting reduction in budgetary surpluses would have limited the anti-inflationary impact of the country's fiscal policy. It was because of this consideration that subsidy payments were limited in 1950. (See Appendix -- Table 2).

#### Stabilization of the cost-of-living, 1946-1952

In the master wage agreements of 1946, wages were linked to the cost-of-living index and this pattern was followed in subsequent wage negotiations until 1951. Under these agreements, stabilization points (so-called "red lines") were set for the cost-of-living index. Thus, if the cost-of-living index exceeded the "red line" on a certain date, wage adjustments would be permitted on an automatic or semi-automatic basis for each point rise in the index since the conclusion of the previous agreement. If the index was below the "red line" on that date, wage rates would be maintained at the existing levels.

In 1946, the first stabilization point of the cost-of-living index was set at 160.8 (1938 = 100) for August 1947. Constantly rising import prices during this period, however, necessitated stringent measures on the part of the authorities to prevent the index from exceeding this point. Subsidies were increased; changes in the prices of wines and liquors were excluded from the index (with trade union consent); the general sales tax was reduced from 10 to 1 1/4 per cent; and a price freeze was introduced.

These measures were successful in keeping the cost of living index below the "red line" and thus forestalling any wage increases during 1947. Increased subsidy payments on goods specifically important in making up the index maintained this stability through 1948. (See Appendix -- Table 1).

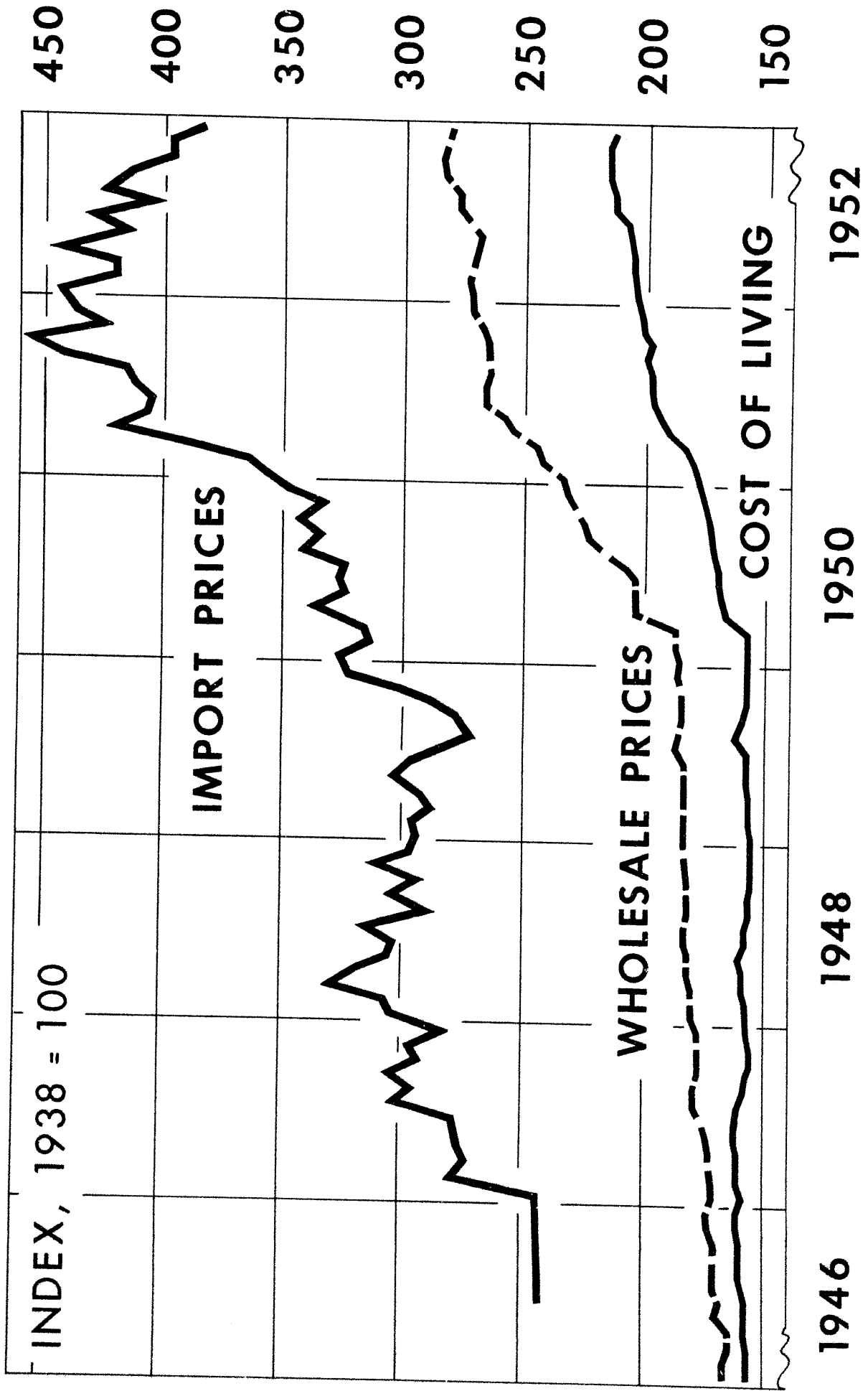
In the wage negotiations of 1949, the trade union leaders were fearful that the decline in import prices foreshadowed a downturn in the trade cycle. In their view, such an event would have undermined their bargaining position under the old agreement possibly leading to a decline in wage rates. Therefore, in return for the maintenance of the going wage rates, the "red line" was raised to 165.6 and the wage agreements were extended for two years.

The devaluation of the Krone in September 1949 quickly reversed the downward trend in import prices, placing new pressures on the cost-of-living index. The Price Directorate immediately ordered another price freeze and prescribed that existing stocks be sold at prices based on original rather than replacement costs. These moves explain in part the continued stability in Norwegian prices through the first quarter of 1950. Despite this success, the Government soon realized that some adjustment of internal prices was inevitable; otherwise, the increasing subsidy payments would have undermined its fiscal policy of reducing the excess money supply through budgetary surpluses. However, in return for limiting subsidy payments, the Government had to agree to reopen the wage contracts in September 1950, nine months before their original expiration date.

As import prices continued to rise during 1950 and 1951, the decision to limit subsidies meant that the "red line" points agreed upon for those years would be consistently exceeded. 1/ Accordingly, wage adjustments were made in September 1950 and again in March and September 1951. 2/

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- 1/ Other factors in the price rises of 1951 were the increase of the general sales tax from 6 1/4 to 10 per cent and the practice of tying agricultural incomes to rises in industrial wages. The latter system arose under the agricultural price agreements of 1950 which provided that, for each öre increase in industrial wage rates, total agricultural incomes would be raised by 4.25 million kroner. Two such adjustments were made in 1951 by means of increased prices and/or increased subsidies. The increase in the sales tax was to help finance additional defense expenditures.
- 2/ The wage agreements of September 1950, which upset the stabilization program, so incensed the Price Directorate that it declared that increased costs arising out of this agreement would not be considered valid grounds for applying for price increases. This decision was a conspicuous failure: the Price Directorate was deluged with petitions for relief and finally had to give way.

CHART I



The wage agreements of September 1951 ended the postwar practice of tying wages to the cost of living index. 1/ Since that time, collective bargaining has operated under conditions of greater freedom and on a more decentralized basis for both the employers and the unions. The Government, however, has continued its stabilization efforts, as illustrated by the reduction of import duties on sugar and coffee in December 1951 for the express purpose of lowering the cost of living index.

Developments in import prices, wholesale prices, and the cost-of-living are set out in Chart I. From this chart, it will be seen that from 1946 through the first quarter of 1950 the cost-of-living index was nearly constant while the rise in wholesale prices was smaller than in most other countries. Consequently, no basic wage increases took place during this period and the number of labor disputes was small. The impact of external developments following the devaluation of the Krone and the outbreak of the Korean conflict necessitated some internal adjustment and a small wage-price spiral did ensue. However, the extent of the adjustment was limited since considerable restraint on the part of trade union leaders resulted in wage increases not fully compensatory for the rise in the cost of living. 2/

#### Wage stabilization

The postwar economy of Norway may be characterized as one of overfull employment. Additions to the labor force have been small in the postwar years, reflecting the low birth rates of the 'thirties, while demands for labor arising out of the reconstruction program have been exceedingly high. The resulting tight labor market has been the underlying factor in attempts at wage stabilization -- that is, to prevent the bidding up of labor costs to an extent undermining the competitive position of Norwegian goods in world markets.

As indicated above, there were no major wage adjustments in Norway from 1946 until September 1950, the period in which the cost-of-living was stabilized. Changes in wage rates that did take place through collective bargaining during this period favored the lowest paid workers. Yet, as is

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- 1/ The wage negotiations of September 1951 almost resulted in the only general strike of the postwar period. A new agreement was reached only through the creation of a special Wage Board by the Government to settle the issue.
- 2/ It was estimated that the September 1950 wage increases offered two-thirds of full compensation for the rise in the cost-of-living. Similarly, the September 1951 increase was estimated to compensate for three-fourths of the rise in the cost of living.

shown by Table 1 of the Appendix, average hourly earnings increased steadily. This development is attributable to higher piece work rates and individual increases, reflecting rising production and the labor shortage. The trend continued after 1950 but was masked by the general wage increases awarded in this later period.

The structure of wages, employment, and production -- As a result of the general shortage of manpower, the allocation and direction of labor has been one of the most pressing problems of Norwegian recovery. A law was passed in 1947 permitting the Government to allocate labor among the various sectors of the economy, but its use has been negligible. Instead, the Government has sought to direct the demand for labor through its controls over investment and production resources.

In a period of full employment and high demand for labor, wage differentials as a means of shifting resources may take on a greater importance than would be the case in a period of depression. Some investigation of the structure of wages may therefore be of value. While full analysis is precluded by the lack of sufficient statistical data, the material available furnishes certain indicators from which preliminary conclusions may be drawn.

In Norway, as in the rest of western Europe, wage differentials narrowed considerably during the postwar period. The differences in wage rates between skilled and unskilled workers or between male and female employees are now much smaller than before the war. Apart from reasons of social policy, this development mirrors the competing demands for labor resources in a period of full employment. In the case of women, for example, the more rapid rise in their wages has been the consequence of attempts to draw women from household and service occupations into industry. (See Appendix -- Table 3).

In the various sectors of the economy, the wage structure has also changed considerably from the prewar pattern. (See Appendix -- Table 4). Wages in agriculture and forestry have increased at a faster rate than those in industry although industrial wage rates are still appreciably higher. However, this relative improvement has not retarded the movement of the rural population into industrial and commercial employment. In particular, employment in forestry has failed to return to prewar levels and this failure has hampered the restoration of lumber output and exports. The improvement in forestry wages relative to other occupations has therefore not been sufficient to move labor into the forests; special inducements have had to be provided, such as free transportation to forest areas and improved living conditions in the logging camps.

Efforts to increase Norwegian industrial exports may also have been impeded by the shortage of labor. Since Norwegian statistics do not distinguish between employment in industries producing for export and in those

producing for domestic consumption, it is impossible to determine the movements of labor into the export industries. Nevertheless, it may be noted that not until 1949 did wage rates in the export industries exceed average wage rates for industry as a whole. Also, it was not until that year that production for export recovered to prewar levels. These two developments, however, need not be causally related: the export industries suffered the greatest destruction during the war and the restoration of production as well as of employment in these industries was bound to be dependent on the reconstruction of capacity. Only after the ability to produce had been largely restored would a wage differential have been essential to draw labor resources into production for export. Still, the absence of such a differential prior to that time may have kept employment and production even below the then existing capacity.

As among industries working mainly for domestic consumption, employment statistics indicate that, in general, labor did move in the directions sought; but it may be doubted whether these shifts in employment were at the most desirable rate or of sufficient magnitude to bring about the desired increases in production. The narrowing of wage differentials in Norway, as elsewhere, through "blanket" increases in the wage agreements has been criticized for lessening the incentives to make shifts or to acquire the skills necessary to make changes in employment. (See Appendix -- Table 5).

Real wages and consumption -- Since money wage differentials offer production incentives only to the extent that they represent additional command over goods and services, an investigation of "real" wages is needed to indicate the effectiveness of such differentials. Also, developments in "real" wages give an indication of how wage earners fared under the price and wage stabilization program in Norway.

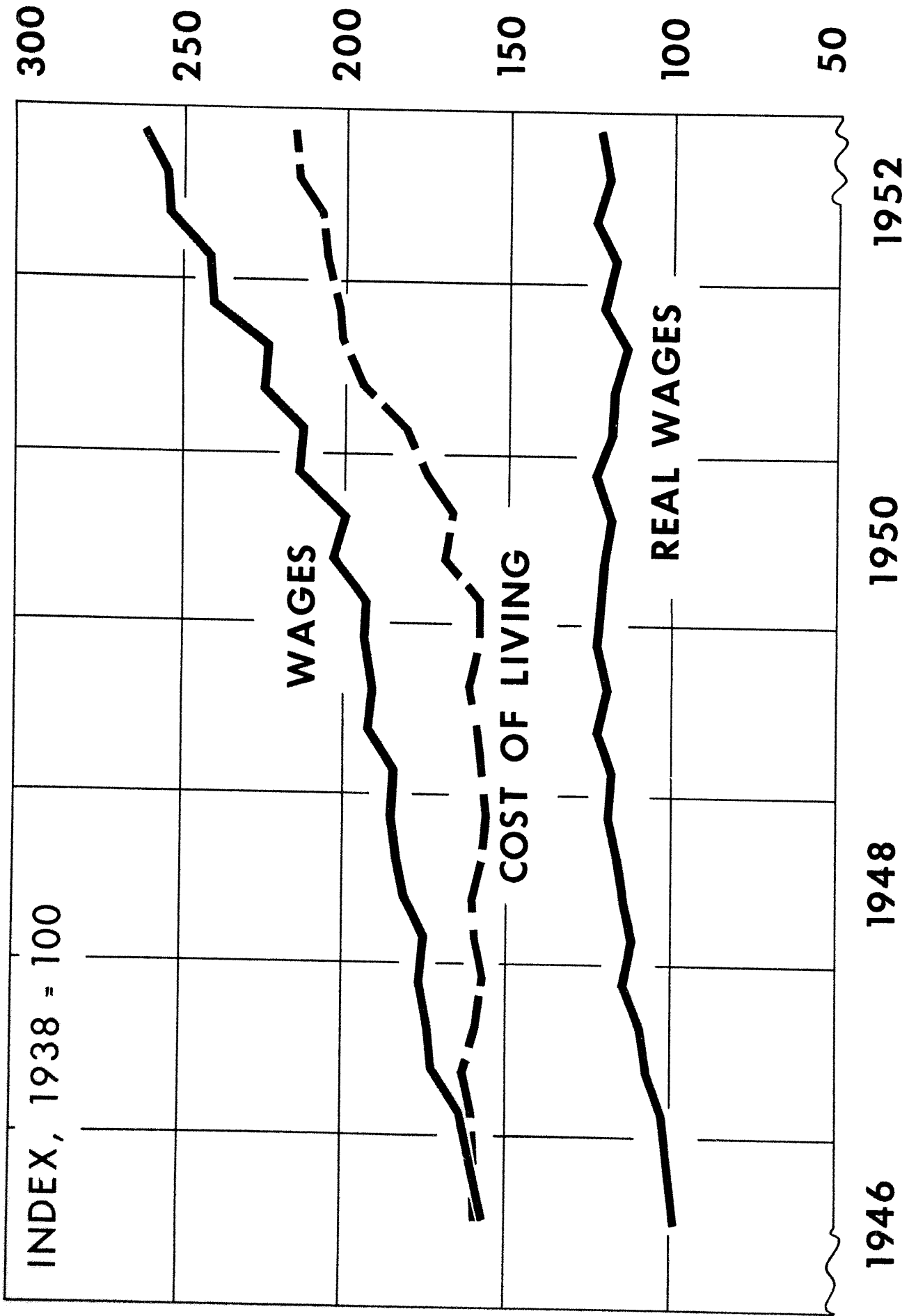
In Chart II, changes in wage rates are compared to movements in the cost of living index and, from this relationship, an index of "real" wages has been constructed. From this chart, it will be seen that the rise in wages from 1946 to 1949, during the period in which the cost-of-living was stabilized resulted in an increase in "real" wages to a level 20 per cent above that of 1938. They have remained at that level since that date save for a small decline during 1951. 1/

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1/ Wages in this chart are measured by the average hourly earnings of adult male workers in industry. Since wages in agriculture and forestry, wages for women, etc. have increased at a faster rate than those for men in industry, it would seem probable that the average increase in wages for all wage earners was slightly higher than indicated by this index. However, the cost-of-living index may also be understated since (as indicated in the text) it was deliberately juggled upon at least one occasion in order to avoid wage negotiations. Similar "adjustments" may have been made at other times during the postwar period, but it is likely that they were of an equally minor nature because of trade union objections. Since the possible understatement of the cost-of-living index would to some extent offset the possible understatement of the wage index, it seems likely that the "real" wage index used here may be reasonably correct.



CHART II



The use of the "real" wage concept as a measure of "real" income is in part dependent on the availability of goods for consumption. If a rise in real wages is to mean an improved standard of living for the wage earner, goods must be available to the extent that increased consumption is possible and desired. To the degree that shortages or rationing of goods were prevalent, the rise in "real" wages did not indicate a corresponding improvement in the satisfaction of consumers' wants. Whether or not, therefore, the rise in "real" wages in Norway meant an improvement in the "real" income of the wage earner, may perhaps be best analysed by means of an investigation of the level and pattern of consumption.

An index of consumers' expenditures on goods and services at constant prices is set out in Table 6 of the Appendix together with indices of population, gross national product, and "real" wages. Comparing consumption per capita and changes in "real" wages, it would seem that the rise in "real" wages was, on the whole, accompanied by a proportionate increase in consumption. The lagging of "real" wages behind per-capita consumption in 1946 and 1947 may indicate that dissaving took place (for personal restocking purposes, for example) through the running-down of previously accumulated liquid assets. <sup>1/</sup> After 1947, developments in consumption paralleled closely those of "real" wages; in 1951, the correlation between the decline in "real" wages and in consumption was almost perfect.

One limitation to the level of consumption as a measure of "real" income is the composition of this consumption. Consumption habits are often altered through time for reasons of changes in taste, income levels, or product, but major deviations in the pattern of consumption may be taken as indicating either a shortage of certain goods or a loss of "real" income with which to purchase those goods. Thus, in the table already mentioned, it will be seen that food and clothing consumption, for example, lagged behind the changes in "real" wages and population in the early postwar period. These goods were subject to price control and their consumption was limited by shortages and rationing. A breakdown of per-capita food consumption reveals this more clearly: consumption of meat, eggs, cheese, sugar, coffee, and flour was considerably below prewar levels while consumption of milk, butter, fish, potatoes, and bread had increased substantially. (See Appendix -- Table 7). The inability to expend income on basic necessities such as food and clothing accounts in part for the spilling over of expenditures onto other items such as beverages and tobacco, entertainment, travel, and miscellaneous services. This change in the pattern of expenditures as well as the dissaving of 1946-1947 are also indicative of the extent of repressed inflation in the Norwegian economy.

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<sup>1/</sup> This is corroborated by estimates of personal savings for the years 1946-1948. These indicate that dissaving on the part of persons took place in each of those years. See U. N. Statistical Office, National Income Statistics, 1938-1948.

Measured by the pattern of consumption, the rise in "real" wages during the early postwar period did not result in as great an increase in "real" income as was indicated by changes in the over-all level of consumption. A somewhat opposite conclusion, however, might be reached for the period of 1949-1951. During this time, "real" wages were relatively stable but the increased availability of certain goods changed the composition of consumption more in the direction of its pre-war pattern. Hence, the wage earner may have been somewhat better off than previously even though "real" wages were stabilized or even showed some decline as in 1951. 1/

The rise in total consumption in the postwar period was, in part, the result of increased "real" wages. Had the rise in "real" wages gone into saving rather than into consumption, inflationary pressures might have been lessened internally and the balance of payments problem might have been mitigated. However, another relationship between "real" wages and consumption bears mention. Wage incentives, as a means of increasing production and productivity as well as allocating labor resources, would seem to be effective only if they can be used for increased consumption. If, say, a wage earner was able to satisfy his minimum requirements at low prices under a system of price controls but was unable to spend the remainder of his income on other wants because of rationing, shortages, etc., there would be little incentive to gain a larger income. 2/ Thus, a shifting of labor resources or increased production would be retarded by a failure to provide certain "goods" incentives. 3/ In such a situation, even large money wage differentials would have little value for allocating manpower. A rise in the production of goods for domestic consumption, therefore, might very well have been, in the case of Norway, a prerequisite for increasing production and productivity in the export industries.

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- 1/ Other qualifying factors to these indicators are the absence of measurements of changes in quality and of movements in relative prices. An index showing these relative price movements, while diminishing the absolute value of the figures used here, is not so divergent from these figures as to affect the conclusions reached. See Statistisk Sentralbyraa, Nasjonalregnskap 1930-1939 og 1946-1951.
- 2/ The high rate of absenteeism and turnover in employment in Norwegian industry during the early postwar years points out this possibility. The wage earner may of course wish to save for future consumption. However, such a desire would be strongly dampened by uncertainties such as fear of war, fear of inflation, etc. This was probably the case in Norway during much of the postwar period.
- 3/ Note the necessity of providing non-monetary incentives to move labor into forestry occupations (page 5 above).

Conclusion

While the Norwegian price stabilization program was generally effective until early in 1950, the adjustment necessitated by post-devaluation developments has been somewhat more severe and more prolonged than in other similar western European economies. In comparison with the other Scandinavian countries and with Belgium and the Netherlands, Norwegian wholesale prices rose more rapidly between 1950 and 1952; and, in contrast to these same countries, they failed to decline in 1953. Measured over the entire postwar period, however, Norwegian wholesale prices have not risen to the levels reached in Denmark and Sweden. The cost-of-living, which has been stabilized in Denmark, Belgium, and the Netherlands, has continued to rise in Norway and Sweden. Using 1946 as a base, however, the increase in the cost of living has not been as great in Norway as in Sweden and the Netherlands.

"Real" wages and "real" payrolls have been fairly stable in Norway since 1950 while, with the exception of Belgium, they have risen in these other countries. However, in 1952 the large rise in "real" wages in Sweden (the only country in this group where real wages have risen more than in Norway during the entire postwar period) resulted in a cost inflation with employment and production suffering accordingly. In contrast to Sweden, Norway's industrial production recovered in 1953 from the relative stagnation of early 1952 to an extent comparable to that of the Netherlands, the country whose production has increased the most since Korea.

In terms of production and employment, therefore, Norway's economy has not developed unfavorably since 1950 in comparison with similar economies in northwestern Europe. The adjustment of the Norwegian price structure, however, has taken longer than elsewhere. This fact may be the result of the relative inflexibility of Norwegian prices prior to 1950 and of the more tardy relaxation of price and other direct controls than in these other countries. It may also account for some of the balance of payments difficulties which Norway is currently experiencing.

Price and Wage Stabilization in Norway

APPENDIX

Table 1

Prices and Wages  
(1938 = 100)

Year	Import prices <u>1/</u>	Wholesale prices	Cost of living	Wage rates <u>2/</u>	"Real" wage rates <u>3/</u>
1946	241	169	159	157	99
1947	283	175	160	171	107
1948	304	181	159	182	114
1949	294	184	159	191	120
1950	332	209	167	202	121
1951	412	258	194	226	117
1952	415	276	211	253	120

1/ Excluding ships.

2/ Constructed from average hourly earnings of adult males in industry listed in Table 3.

3/ Wage rate index divided by cost-of-living index.

Source: → Statistisk Sentralbyraa, Statistisk Aarbok 1952, Statistiske Meldinger.

Price and Wage Stabilization in Norway

APPENDIX

Table 2

Central Government Budgets - 1946 - 1952 <sup>1/</sup>  
(In millions of kroner)

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u> p/	<u>1952</u> p/
Expenditure:							
Defense	464	331	307	361	347	593	854
Other goods and services	555	579	572	593	619	580	666
Subsidies of which:							
Price subsidies	567 (408)	852 (649)	1,104 (868)	1,086 (873)	1,010 (805)	1,022 (n.a.)	974 (n.a.)
Other transfer payments	451	518	569	791	733	627	654
Total expenditure	2,037	2,281	2,553	2,831	2,709	2,822	3,148
Total revenues	2,046	2,720	3,169	3,750	4,216	4,277	4,412
Surplus	9	439	616	919	1,507	1,455	1,264
Subsidies as per cent of total expenditures	28	37	43	38	37	36	31

p/ Preliminary

n.a. - not available

<sup>1/</sup> National accounts basis. Calendar years

Source: — Statistisk Sentralbyraa, Nasjonalregnskap 1930-1939 og 1946-1951.  
Økonomisk Utsyn over Aaret 1952.

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Price and Wage Stabilization in Norway

APPENDIX

Table 3

Wages by Type of Worker 1/

	Industry		Handicrafts	
	<u>Adult males</u>	<u>Adult females</u>	<u>Skilled</u>	<u>Unskilled</u>
		(In kroner)		
1938	1.62	.94	---	---
1946	2.54	1.52	2.95	2.72
1947	2.80	1.75	3.20	2.78
1948	2.96	1.88	3.39	2.97
1949	3.04	1.98	3.71	3.63
1950	3.22	2.12	3.82	3.84
1951	3.67	2.49	4.21	4.18
1952	4.09	2.82	4.67	4.65

Index Numbers (1946 = 100)

1938	64	62	---	---
1946	100	100	100	100
1947	110	115	109	102
1948	117	124	115	109
1949	120	130	126	134
1950	127	140	130	141
1951	145	164	143	154
1952	161	186	158	171

1/ Average hourly earnings.

Source: — Statistisk Sentralbyraa, Statistiske Meldinger

Price and Wage Stabilization in Norway

APPENDIX

Table 4

Wages by Sector 1/  
(In kroner)

	Daily Wages 2/		Average Hourly Earnings								Iron & Steel	Construc- tion
	Agricul- ture 3/	Forestry 4/	All industry	Export industry	Mining	Food processing	Textile	Paper	Chemicals			
1938	5.68	5.41	1.64	1.54	1.46	—	1.36	1.42	1.75	—	2.16	
1946	15.06	15.63	2.54	2.46	2.47	2.40	2.20	2.30	2.75	2.63	3.05	
1947	17.08	17.60	2.80	2.76	2.76	2.57	2.53	2.59	3.07	2.86	3.45	
1948	18.44	19.10	2.96	2.92	2.93	2.70	2.68	2.77	3.20	3.02	3.73	
1949	19.25	19.63	3.04	3.12	3.08	2.77	2.83	2.94	3.26	3.11	3.97	
1950	20.59	21.39	3.22	3.25	3.41	2.91	3.03	3.18	3.40	3.26	4.11	
1951	22.98	24.80	3.67	—	4.01	3.21	3.45	3.79	3.84	3.69	4.61	
1952	25.11	26.66	4.09	—	4.46	3.72	3.80	4.14	4.22	4.15	5.18	

Index Numbers (1946 = 100)

	38	35	65	63	59	62	62	64	71
1938	100	100	100	100	100	100	100	100	100
1946	113	113	112	112	112	115	113	112	113
1947	122	122	117	119	119	122	120	116	122
1948	128	126	120	127	125	129	128	119	130
1949	137	137	127	132	138	138	138	124	135
1950	153	159	145	—	162	157	165	140	151
1951	167	171	161	—	181	173	180	154	170
1952									

1/ Adult male workers only

2/ Board paid by worker

3/ Crop years. Summer harvest rates

4/ Crop years. Winter cutting rates

Source: -- Statistisk Sentralbyraa: Lønstatistisk 1950, Statistisk Aarbok 1952, Statistiske Meldinger



Price and Wage Stabilization in Norway

APPENDIX

Table 5

Employment by Sectors 1/  
(In thousands of man-years)

	<u>1938</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>
Agriculture	382	351	347	335	331	323	316
Forestry	36	28	31	33	33	33	36
Fishing	53	51	51	51	50	50	53
Mining	12	8	9	9	9	9	10
Manufacturing	241	280	309	330	341	348	356
Construction	80	127	134	133	141	144	140
Public utilities	9	11	12	12	13	13	14
Wholesale & retail trade	121	120	125	129	130	133	135
Banking & insurance	12	14	15	16	16	16	16
Transport & communications	112	108	120	131	135	138	141
Government & business services	98	156	152	147	150	152	158
Personal services & building ownership	166	136	134	136	133	132	129
Total	1,330	1,394	1,444	1,469	1,489	1,499	1,509
Index of employment	100	105	109	110	112	113	113

Note: Totals may not agree with sum of components because of rounding.

1/ Estimates of full-time equivalent employment. Norwegian employment statistics are admittedly not too reliable and should be used with caution.

Source: Statistisk Sentralbyraa, Nasjonalregnskap 1930-1939 og 1946-1951.

Price and Wage Stabilization in Norway

APPENDIX

Table 6

Consumers Expenditures on Goods and Services

at 1938 prices

(1938 = 100)

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>
Food	103	109	114	126	131	128
Beverages and tobacco	147	147	144	144	136	124
Rents, light and fuel	115	118	120	124	130	138
Durable household goods	93	118	121	131	144	148
Clothing and footwear	90	118	107	120	148	136
Personal hygiene and medical care	123	126	126	128	137	143
Travel and transportation	134	145	150	163	172	174
Education, literature & entertainment	144	161	167	159	169	171
Hotel and restaurant services	121	123	126	134	135	131
Other	127	135	134	140	140	155
Total consumption	109	120	122	131	141	137
Population	106	108	109	110	111	112
Gross national product	108	122	127	135	142	145
Real wages <u>1/</u>	99	107	114	120	121	117
Consumption per capita	103	111	112	119	127	122

1/ See Table 1.

Source: → Statistisk Sentralbyraa, Nasjonalregnskap 1930-1939 og 1946-1951

Price and Wage Stabilization in Norway

APPENDIX

Table 7

Food Consumption  
Per capita

(1939 = 100)

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>
Milk	129	140	150	146	141
Cheese	57	66	74	107	122
Butter	60	105	105	126	130
Fats	91	94	87	102	111
Meat	62	68	60	77	83
Eggs	45	61	78	97	106
Domestic fruit	112	81	114	92	114
Imported fruit	54	52	19	28	22
Sugar	65	64	64	69	69
Coffee	70	72	74	74	74
Flour	78	88	76	76	76
Bread and cakes	124	122	121	119	119

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Note: These figures fail to note the offsetting increases in consumption of other basic foods such as fish and potatoes.

Source: -- Nasjonalbudsjettet 1950, St. Meld. No. 1, 1950