

condition which gives rise to relatively substantial inputs and, consequently, outputs, whereas a period of slow economic activity will produce inputs and outputs of a somewhat smaller and probably somewhat different nature. As I see it, the labour market acts to establish the minimum inputs and outputs whereas the product market establishes a ceiling. Also, monetary and fiscal policies, inasmuch as they operate to speed up or slow down economic activity, will likewise act as factors affecting the inputs of the industrial relations system. Technological change, by determining the kind of job hierarchies, the skills required and productivity changes, has its impact on the inputs of the industrial relations system through its effect on manpower requirement and the power of the actors in the system and the goals they attempt to achieve. Ideally it would be desirable to have summary variables representing the impact of the economic system on the inputs - and consequently the outputs - of the industrial relations system. As you probably know, Eckstein and Wilson use unemployment and profit rates as summary variables of the labour market and product market respectively in their analysis of money wage changes in American industry. (2)

The political system operates to influence the inputs of the industrial relations system in a variety of ways. First of all, the executive branch of the political system may play a direct role by taking action to see that the public interest is protected. This has been used frequently in the United States