

reluctance to employ direct and quantitative controls if such are deemed necessary to economic well-being and stability, there has been a trend in both countries toward the progressive dismantling of the systems of direct regulation which were in force during the period of reconstruction following World War II. Moreover, there has been no great emphasis in either the Netherlands or Norway on nationalization as a means of establishing control over the use and allocation of economic resources. Instead efforts have been directed toward methods of implementing national economic policy without either a drastic diminution of the private sector or the elimination of powerful and autonomous private economic organizations. Under these circumstances the formulation of wage-price decisions have tended to become centralized in an essentially tripartite series of negotiations against the background of the total national economic situation and the whole structure of government economic policy.

The Netherlands

This process of national economic bargaining has been more formally institutionalized in the Netherlands than in Norway. Since 1945 wages have been subject to a system of comprehensive wage control. Under the terms of an extraordinary decree on labor relations of that year a board of Government conciliators was established with power to (1) fix general rules and principles of wage determination; (2) set specific wage rates; (3) approve, disapprove, or modify the terms of collective agreements (which are not valid until approved by the board); (4) extend the provisions of contracts to parties outside the bargaining unit; and (5) grant specific exceptions to established wage rates. The board, in the exercise of these powers, was made generally responsible to the Minister of Social Affairs, on the one hand, and specifically directed to obtain the advice or opinion of the Foundation of Labor—an organization of union and employer representatives set up in May 1945 to seek ways of improving labor-management relations.

In practice, the Labor Foundation—ostensibly only an advisory body—has played a key role in the formulation and execution of wage policy. The recommendations of the foundation with respect to changes in collective agreements, representing as they do the agreed position of both unions and employers in the light of the general economic situations, have only occasionally been rejected by the board of conciliators. Another consultative body—the Social and Economic Council—was created by the Industrial Organization Act of 1950 as part of a general effort to strengthen the representation of labor and management in the regulation of economic affairs. This council, made up of 15 appointees each from labor, management, and the Government, was designed to supervise a system of joint labor-management “product” and “industry” boards to be established under the terms of the act. In addition the law stipulated that the Cabinet consult with the council on all-important social and economic proposals. It was expected that the council would supplant the Foundation of Labor as the principal advisory body on wage policy, but the Foundation has continued to serve as the focus of national negotiations between labor and management and has gradually tended to act in an advisory capacity to the council.