coupled the appeal with regulations limiting dividends and an increase on taxes on company profits. When the trade-union federation was unable to withstand the pressure of the national unions for further wage increases, the Government responded with increases in excise taxes which, together with a continuing rise in prices, largely nullified the wage raises in real terms. In the following year the central federation was more successful in obtaining extension of contracts with only negligible wage rate changes and agreement on a policy of further extension into 1950 was reached, with the Government undertaking to offset the effects of the September 1949 devaluation through increased subsidies. However, under the impact of the Korean war boom, and also because of the discrepancies in the wage structure resulting from the upward drift of earnings during the period of the wage rate freeze, the Government and the unions abandoned the policy of wage restraint. The resulting wage explosion saw both wages and prices rise by over 20 percent by the end of 1952. In 1952, a national settlement, centrally negotiated between the trade-union federation and the employers association, attempted to limit wage increases to 8 to 10 percent but by the end of the year contractual agreements had increased wage rates by about 12 percent while the wage drift had added some 6 percent to earnings.

The policy of wage restraint was reinstituted during 1953–54 but without attempting a general freeze on wage rate revisions and supported by an easing of inflationary pressure. The quickening of demand during 1954 and the continuing effects of the wage drift created the circumstances for another wage explosion of somewhat smaller dimensions. Separately negotiated increases in 1955 were high (averaging over 8 percent) but somewhat unevenly distributed. Centralized bargaining began again in 1956 with a settlement between both union federations and the employers association providing for an average increase of around 4 percent. The pattern of centrally regulated agreements has been continued in 1957 (when the union and employer federations recommended a contract duration of 2 years) and 1959 and rate increases have been moderate—amounting to about 2 to 3 percent a year. The slackening of strain in the labor market and reasonably stable prices, however, has probably been a greater moderating influence than trade-union restraint.

United Kingdom

Circumstances in the United Kingdom have been even less favorable to the development of any sort of formal coordination between a national wage policy and general economic policy than in Sweden. The British experience, therefore, is perhaps best considered as an illustration of governmental failure to find any direct method of coordinating collectively bargained wage settlements with its own policy objectives and decisions despite much discussion of the need and one actual attempt to implement a national wage policy.

Collective bargaining in the United Kingdom lacks the centralized structure provided by the Scandinavian union and employer federations and the Netherlands Foundation of Labor. While the general council of the Trade Union Congress has considerably greater influence in wage negotiations than the AFL–CIO does in this country, the national unions are the centers of trade-union power in bargaining. The Bristol Employers' Confederation likewise lacks the cen-