

connected with its development plan will make these payments less necessary in the future.

Profits taxes and dividend limitations

Tax policy has been investment-stimulating, particularly in regard to foreign investment and in selected areas of the economy. The main devices in this program at present are: (1) a 50 percent concession on the transactions tax on materials and machinery used for the installation of new plant or the enlargement or improvement of present facilities, (2) income tax exemptions for 10 years on income from newly established industrial plants, (3) income tax exemptions for increases in income resulting from the enlargement or improvement of industrial plants, and (4) a concession of up to 50 percent from the income tax for profits committed to investment in southern Italy. Investment-favoring exemptions have also been granted on customs duties, registry taxes, mortgage taxes, and regional taxes. Tax policy has stimulated investment indirectly, also; the great revenue needs of the Government after the war led to heavy reliance on easily collected indirect taxes, thus discouraging consumption.

Nationalization

Direct state ownership is fairly limited, including the usual services, all public utilities, and state monopolies in salt, quinine, tobacco, and lotteries. Some 1.2 million persons work for public services and monopolies (these total almost 9 percent of total employment in the economy). Indirect Government influence, stock ownership, and control, however, cover a much broader field. This influence is exercised through the Institute for Industrial Reconstruction (IRI), which goes back to 1933 and now operates on an autonomous investment trust. The IRI dominates heavy industry and in effect gives the Government a very large measure of control.

NETHERLANDS

Unions

There are three major trade union federations, split along ideological and denominational lines: (1) the socialist and nondenominational Netherlands Federation of Trade Unions (NVV), (2) the Catholic Workers Movement (KAB), and (3) the Protestant Labor Federation (CNV). There is also the Communist Ednheidsvakcentrale (EVC) which is not recognized by the Government, the employers' associations, or the other labor federations and thus takes no part in collective bargaining. The membership of the first three federations in 1956 were 500,000, 350,000, and 200,000 respectively; no membership figures exist for the Communist organization. Total union membership was in 1953 about 1.1 million. The three federations cut indiscriminately across industry lines, being tied together by religious and social principles rather than common economic interests.

Employers' associations

As is true of the unions, there are three employers' associations, split along ideological and denominational lines. There is not, though, so much division among employers as among workers; whereas the combined membership of the denominational labor federations is larger than that of the NVV, the two denominational employers' associations are very small. The liberal and nondenominational Central Employers' Association (CSWV) represents about 80 percent of all employers. Various small miscellaneous employers' associations also exist. All the major and minor associations are represented in the Council of Employers' Organizations, which provides representation of the employers on the Labor Federation.

Collective bargaining

During the war, employer and union groups in exile in London and underground negotiated with each other and decided to form a bipartite body, the Labor Foundation, after occupation ended. This body was actually formed in 1945 and collective bargaining has centered around it ever since. Bargaining is thus highly centralized; it is also closely connected with the Government. The Board of Government Conciliators (see below) possesses sweeping powers to decide labor matters. In practice, however, it does nothing which does not meet with the approval of the Labor Foundation, whose opinions, in turn, have been reached by bargaining and compromise of the interests of the main economic groups at the national level. National bargaining can also take place