

the anti-inflationary program; at the same time, though, the Government has been making loans of considerable magnitude to finance housing construction. In the years of the fifties building controls have gradually lessened in their importance as an instrument of policy.

Profits taxation and dividend limitation

Corporate taxation has been tailored mainly to the desire for a high level of investment in recent years. Depreciation policy has been used as encouragement here, with its impact being reduced when necessary for countercyclical purposes. The Norwegian Price Act of 1953 empowers the Government to regulate profit levels by industry to correspond with the desired level of investment in the industry. In part this is done through selective price control. Another device is the limitation of dividend payments to 6 percent on capital holdings, except in special cases where exemption is granted. The limitation is intended to encourage internal finance. In the cases where there is a need to attract with outside funds, the dividend limitation is waived; in the fiscal year 1955-56 firms not subject to the limitation paid an average dividend of 11 percent.

SWEDEN

Unions

There are two union federations: the Confederation of Swedish Trade Unions (LO), composed mainly of manual laborers, and the Central Organization of Salaried Employees (TCO). In 1950, the LO had 1.3 million members and the TCO had 272,000. Sixty-five percent of the 2.4 million labor force has been organized, including over 80 percent of the industrial manual laborers.

The LO is made up of 44 national unions, most of which are organized on an industrial basis, and 328 local central councils. It is a stronger organization than its formal powers over its affiliates would seem to indicate. Member unions may not involve more than 3 percent of their membership in a strike without LO approval, but the LO cannot expel a member union for an unauthorized strike (it may, however, cut off strike benefits). The LO supervises the policies of affiliated unions and attempts to harmonize them and encourage "solidarity," a prime union goal. All member unions of the LO have absolute power vested in their executive councils to call strikes and sign agreements and membership votes on these matters are advisory only. A close relationship exists between the LO and the Social Democratic Party, though feeling for the party within the LO is not unanimous (as witnessed by the failure of a resolution that all local unions must affiliate with the party).

The TCO is less centralized than the LO and its members bargain independently. Strike funds are generally collected at the national union rather than the federation level. The TCO is politically neutral, though some of its leading figures are prominent Social Democrats. In 1949 36 percent of its membership was employed in the public sector. It frequently cooperates with the LO, often holding joint conferences with it and the Government. Organization of salaried employees has been greatly stimulated in recent years by a desire to maintain traditional differentials over manual workers.

Employers' associations

The Swedish Employers' Association (SAF) is composed of 43 associations of employers organized along industry or handicraft lines. At the end of 1954 the firms affiliated with the SAF employed 597,000 wage earners and 155,600 salaried employees. Some 30 associations (centered in shipping, hotels, and restaurants, commerce, agriculture, and forestry), employing 350,000 persons, remain outside the SAF, but generally follow its lead.

The industrial associations maintain strict discipline among member firms, requiring all to act together in bargaining and strikes. The SAF pays strike benefits to member firms on the basis of employment. No association may conclude an agreement without SAF approval and fines may be levied if this provision is violated (though it has never been necessary to do so because the influence of the SAF is brought to bear during bargaining and the end result usually accords with its views). The great power centralized in the hands of the SAF has been one reason for the centralized development of the LO.

Collective bargaining

The important negotiations take place on an industry basis, with the LO and the SAF representatives present to aid their respective member organizations in obtaining certain standard provisions. The various industry negotiations take