



Labor-Management Relations in Scandinavia

Bulletin No. 1038

UNITED STATES DEPARTMENT OF LABOR

Maurice J. Tobin, *Secretary*

BUREAU OF LABOR STATISTICS

Ewan Clague, *Commissioner*



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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., July 15, 1951.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on labor-management relations in Scandinavia, prepared by Jean A. Flexner under the direction of Faith M. Williams, Chief of the Bureau's Division of Foreign Labor Conditions. The principal sources used were interviews by Miss Flexner with officials of government, labor, employer organizations, in the three Scandinavian countries, and the reports of Oliver A. Peterson, Edward J. Rowell, and Walter Galenson, U. S. Labor Attachés, respectively, in Stockholm, Copenhagen, and Oslo.

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EWAN CLAGUE, *Commissioner.*

HON. MAURICE J. TOBIN,
Secretary of Labor.

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Labor-Management Relations in Scandinavia

Centralized Collective Bargaining

Free collective bargaining in Scandinavia, modified but not superseded by State controls, presents some similarities to American and also to British experience. Yet the labor and employer organizations of Scandinavia differ in many important respects from their British and from their American counterparts. Both the similarities and the differences are worth study.

For two decades (1930-50) Sweden, Norway, and Denmark have been comparatively free of industrial strife. Institutions developed during the first quarter of this century have been adapted and enlarged to deal successfully with problems arising out of World War II. These problems were met by the continuing machinery which had been devised for settlement of disputes and, still more important, by the habit which had developed of negotiating important issues between the central federations of unions and employers at the national level.

Federations of Unions and of Employers

In all three countries, the central federations of trade-unions and of employers' associations are the leading instruments for preservation of industrial peace, the settlement of disputes, and the negotiation of collective agreements covering major segments of the economies. They have set the pattern of labor-management relations. Since 1939, they have assisted the governments in restraining inflation by promoting wage-stabilization policies and by providing an orderly method of adjusting wage rates to compensate in whole or in part for changes in the retail price level. The success of these joint dealings at the highest level is attested by comparative freedom from time lost in industrial disputes (except for one prolonged strike in the Swedish metal industry), the moderate rise in retail prices, and the preservation of the level of real earnings for most Scandinavian workers despite economic dislocations between 1939

and 1949. Admittedly, a pronounced but temporary decline occurred during the war years. The full effects of devaluation in September 1949, and of post-Korean price increases may yet cause another drop in real earnings.

The usually troublesome problems connected with union recognition, union security, and seniority rules were solved at an early date in all three countries by agreements between the central federations of unions and employers granting mutual freedom to organize. Recognition of unions was guaranteed by employers in return for giving management a free hand in the employment, dismissal, and allocation of labor in the interest of efficiency. No large scale conflicts over union recognition or the closed or the open shop occurred after the conclusion of these agreements.

Nor did the unions of production workers suffer from making these concessions and foregoing the closed shop.¹ Collective agreements were widely adopted and union strength steadily increased. In this connection, account must be taken of the favorable environment created by homogeneous populations and moderate industrialization, the mutual assistance rendered each other across national boundaries by the labor movements of the three countries, and the close link between the economic and political wings of the Scandinavian labor movements. After World War II, the proportion of nonagricultural wage and salary workers organized in the three countries was approximately 53 percent in Denmark, 60 percent in Norway, and 77 percent in Sweden. This compares with 45 percent in the United Kingdom, and about 33 percent in the United States. So far as industrial establishments are concerned, organization is almost complete in the Scandinavian countries.

¹ The closed shop was banned only in contracts with federated employers. In Sweden the Labor Court ruled in 1948 that an employee's freedom of association was violated by an employer's threat to discharge him for refusal to join a union having a closed shop contract; but in 1950 it upheld the requirement that a prospective employee join such a union.

TABLE 1.—Extent of labor organization, post World War II

Item	Denmark	Norway	Sweden	United Kingdom	United States
Total population	4,290,000	3,281,000	7,050,000	50,800,000	152,271,000
Total labor force	1,950,000	1,518,000	3,000,100 ¹	23,558,000	64,453,000
Nonagricultural:					
Employees	1,178,875	815,600	1,943,000	20,079,600	45,000,000
Trade-union members ²	628,667	490,400	1,504,000	8,947,640	15,000,000
Percent organized ²	53	60	77	45	33

¹ For Great Britain only.

² Later figures appear on pp. 6, 14, and 21.

Organization on the employers' side followed organization on the workers' side, except in Denmark; there, the Employers' Association, formed in 1896, preceded the Trade Union Federation by 2 years. However, in all three countries, the employer federations were not, even at the outset, designed merely to fight the unions but to negotiate with them. Perhaps this was just another manifestation of the impulse, so common in Europe, to form combinations for mutual advantage. Just as the legal framework favored business cartels (instead of attempting to prevent them, or break them up), so it favored, or at least did not hamper, the organization of the labor market. The principal organizations (of labor and employers) are affiliated with these central federations, although there are in each country a few and sometimes powerful independent organizations, which generally follow the lead of the central federation.

True, the development of strong central organizations, with centralized strike funds and a disciplined membership behind them, holds the threat of widening the scale of industrial conflict. Actually, the formation of these central organizations did not immediately put an end to industrial conflicts, chiefly over wage issues, which recurred at intervals up to World War II. With every swing in the business cycle, unions strove to raise, or employers sought to lower, the wage level. But in Scandinavia, a threat of this magnitude eventually produced its own remedies: (1) the negotiation of basic agreements between the central federations on principles and procedures, and (2) the federations' entrance into the field of collective bargaining.

Control and influence over member organizations, exercised by the central labor and employer organizations of Scandinavia, is greater than the

practice accepted either in the United States or in Great Britain by trade-unions or employe associations. Thus, in Norway, under a constitution adopted in 1949, approval of the Executive Council of the National Federation of Trade Unions is required before any member union may terminate a wage agreement, raise a wage demand, or give strike notice. If approval is obtained, the National Federation will assist the striking union with its own central strike fund—as is true also in Denmark, if the strike lasts more than 7 days. In Sweden, a similar provision applies to strikes involving more than 3 percent of a union's membership. Employers' organizations also enforce uniform rules and assist their members in approved conflicts. The Swedish organization for example, requires its members to give bonds which are forfeited if a rule of the association is violated (e. g., if a member employer signed a closed-shop agreement); it may also impose fines; and it levies a central strike and lock-out fund and pays benefits to member firms involved in work stoppages.

Basic Agreements

Dominant in Scandinavian industrial relations are the agreements concluded from time to time by the central or nation-wide federations of unions and employers.

Denmark. The first such agreement, negotiated in Denmark in September 1899 after a bitter and protracted lock-out, laid down basic principles and procedures which are still incorporated into every Danish collective bargaining agreement. Therein, the right to organize was recognized as well as the right to strike and to lock-out, provided that a three-fourths vote in favor was cast at a competent meeting of the organization concerned. The giving of notice of an intended stoppage, and the manner of terminating wage agreements were spelled out. The agreement guaranteed the employer's freedom to distribute the work and to use labor as he deemed suitable, and barred salaried foremen from joining unions of production workers. Workers were protected from arbitrary changes in piece rates (a clause invoked chiefly in the building trades).

The signatory organizations were held responsible for assuring that agreements concluded between them were carried out by the member organizations on each side; breaches of this basic agreement had to be referred to a permanent arbitration court. The central federations also pledged themselves to develop rules for the arbitration of disputes arising under collective bargaining agreements in the several trades. Such standard rules were centrally negotiated in 1908; and mediation committees were set up, with final resort to arbitration. Disputes arising over the interpretation and application of collective agreements have not been permitted to cause stoppages in Denmark.

Uniform rules for the negotiation and for renewal or amendment of collective bargaining agreements in the various trades were agreed to by the central federations in 1936, and have been altered from time to time. Two-year contracts, most of them terminating simultaneously and all requiring 3 months' notice, have become the general pattern. The Danish Federation of Trade Unions convenes union representatives in advance to agree upon demands. Negotiations are begun at the trade or industry level. After about 6 weeks, the Danish Federation of Trade Unions and the Danish Employers' Association intervene to settle any issues that remain outstanding; if they fail, the State mediators take over.

The September Agreement, concluded in Denmark in 1899, created the forerunner of Scandinavian labor courts. The Danish Labor Court, initiated by this agreement, was established by law in 1910; it was copied in slightly altered form by Norway in 1915, and by Sweden in 1928. All three Labor Courts are now part of the judicial systems. They are composed of lay representatives selected by the central labor and employer federations and have independent presiding judges.

The distinctive function of the Labor Courts in the three countries is the settlement of all disputes arising under existing contracts and involving either breach or interpretation of agreement (i. e., conflicts of law, or jural disputes). In all three countries strikes and lock-outs over such disputes are illegal. The Labor Courts may impose fines against whichever party engages in an illegal strike or lock-out, or otherwise violates the agree-

ment, e. g., by underpayment of wages, discharge of a shop steward, refusal to work stipulated overtime, etc. They are not, however, authorized to arbitrate disputes arising out of the negotiation or renegotiation of agreements.

Sweden. The question of requiring arbitration to avoid strikes in these conflicts over interests was fully debated in Sweden in the 1930's, and was ultimately settled by the parties themselves in top-level negotiations. Between 1920 and 1934 an average of more than 3 million man-days had been lost annually in work stoppages. The Swedish Parliament debated Government regulation but neither unions nor employers would agree to compulsory arbitration of all disputes. A Government commission, after several years' study, in 1935 recommended that the parties themselves—aided by Government representatives—devise machinery for the peaceful settlement of disputes. At the invitation of the Swedish Federation of Trade Unions, representatives of labor and management held a series of meetings, without Government participation, extending over 2 years, at which the Basic Agreement of 1938 was drafted. It was subsequently ratified by the member organizations.

It established a uniform procedure for negotiating and renewing collective bargaining agreements, and a code of rules governing some of the most troublesome problems in the field of industrial relations: the protection of neutral third parties from unfair pressure tactics by parties engaged in labor disputes, and lay-offs and dismissals. An interfederation agreement in 1906 had barred the closed shop but exacted a pledge from employers not to fire workers for union membership; except for this limitation Swedish employers had preserved their freedom to hire, fire, and lay off at will, and the unions do not enforce seniority rules.

The Basic Agreement set up a joint Labor Market Board to settle differences arising under these general provisions. It has chiefly dealt with cases of individuals involving lay-offs and dismissals.

But the chief interest of this document centers on the preamble which sets forth a basic philosophy in regard to the responsibilities of the two sides:

The preamble of the 1938 Basic Agreement states the basic philosophy as follows:

The central organizations of the Swedish labor market do fully realize how important it is to have their disputes solved as far as possible without resort to open conflicts. . . . However, losses resulting from such conflicts . . . cannot be regarded as sufficiently important to justify the present freedom of collective bargaining being substituted by compulsory public control. . . . Nor from other points of view should the State be justified—aside from the proper sphere of social welfare legislation—in forcing upon Swedish employers and workers a regulation of working conditions, either in general or in specific instances. *So long as the organizations in the labor market are prepared to look also to the general public interest involved in their activities*, the measure reasonably called for in the interest of labor peace should most naturally and appropriately rest with the organizations themselves.

The Labor Market Committee . . . has deemed it requisite in the first place to make more effective existing methods of collective bargaining and of settlement between the parties, as well as to further a general release of tension in industrial relations. . . .

In the activities conducted by trade organizations in the past for asserting their interests, certain methods of direct action have sometimes been employed which cannot be regarded as legitimate for trade organizations having reached the maturity and strength of the Swedish organizations.

Because any conflict, if of sufficient scope, might affect the public interest, it was provided that such cases should be referred directly to the joint Labor Market Board, but other special measures were not deemed practicable in view of the difficulty of defining and limiting the public interest. Only two cases have ever come before the Labor Market Board, both referred by a public authority, but neither eventuated in action. Although in 1945 the metal workers' strike shut down an important industry for 5 months, it was allowed to run its course without invoking these provisions.

The joint Labor Market Committee which formulated the 1938 Agreement has continued from time to time to explore new problems. A 1942 agreement supplemented the law on industrial safety by requiring the appointment of workers' delegates in plants employing from 10 to 100 workers and of joint safety committees in larger establishments. Later agreements provided for labor-management Plant Councils to discuss production problems, and for the introduction of time and motion studies by a method acceptable to the unions.

Norway. The first interfederation agreement in Norway was concluded in 1902. It provided for the arbitration of "jural" disputes, when requested by one of the parties, and "nonjural" disputes, when requested by both. Although it was not renewed after its expiration in 1905, similar terms were included thereafter in most industry agreements. When the Labor Court was set up by law in 1915, it exercised a power to adjudicate all jural disputes, which had long been accepted by Norwegian management and labor.

A Basic Agreement, negotiated between the two top federations in 1935, was renewed with amendments in 1947. It dealt principally with the rights, duties, and functions of shop stewards, but also regulated the voting on proposed collective agreements and sympathetic actions by members of the two federations. A 1945 agreement, modified in 1950, provided for advisory plant production committees.

State Intervention in Strikes

As indicated, in all three countries work stoppages have long been banned where agreements are in force (i. e., over disputes arising out of the application or interpretation of these agreements). Furthermore, top level negotiations resulting in basic agreements have reduced the likelihood of stoppages over new issues. Nevertheless, in all three the possibility remains that negotiation of contracts may end in a strike or lock-out. At present there is no general legal prohibition against strikes or lock-outs over conflicts of interests in any of the three countries, provided that the requirements of the mediation statutes are observed. However, in Denmark the Parliament from time to time has passed special acts to terminate particular disputes; in Norway a 1944 emergency regulation, adopted by the Government-in-exile with the concurrence of labor and management leaders, imposed compulsory arbitration of all disputes, but this has been relaxed in important respects. In Sweden the parties are, and have been during the entire period, legally free to pursue their own interests.

In all three countries, State conciliation services are made available to the negotiating parties. Laws prescribe their methods of operation step by step. A period of notice to the other party and to the mediator is required by law in each of

the three countries; in Norway and Denmark, the mediator may, at his discretion, impose waiting periods of short duration (the longest time being 2 weeks) to allow for the completion of the mediation proceedings.

The mediator's proposals are usually submitted to a vote of the interested union and employer memberships in all three countries. The mediator may formulate either single or collective proposals so as to include one or more unions in the voting; in collective proposals the acceptance or rejection is decided by the total votes cast. The balloting is regulated by law, by agreement, or by the constitutions of the central federations, in order to prevent a minority precipitating a stoppage. Where a fairly complete poll is obtained of the membership involved, the matter is decided by simple majority. Failing this, the final decision (at least as to rejection), is placed in the hands of responsible union leaders.

If the mediator's proposal is rejected—or if he has decided not to submit one—the question of whether a legal stoppage of work may take place is handled somewhat differently in the three countries. In Denmark, when the dispute threatened to have a sufficiently adverse effect on the public welfare, the Parliament, by special act, required the parties to accept the mediator's proposal or an amended version of it. This practice obtained both before and after World War II.

Norway followed a somewhat similar course in the interwar period. After World War II, by agreement between the top representatives of employers and labor during the Government's London exile, a Wage Board with compulsory powers was established to settle disputes over wages. Its jurisdiction was later extended to other matters. This Board still exists, although its powers were curtailed in February 1949 by exempting from its jurisdiction any union or

employer demands endorsed by the central federations. Thus full freedom of collective bargaining, including the right to engage in strikes and lock-outs, was restored to these federations—whose sense of responsibility for the national economic welfare is counted on to avoid stoppages that would damage the economy.

Relation of Unions to Labor Parties

The pattern of industrial relations in Scandinavia has been influenced by the close link existing from the very outset between the trade-union federations and the Labor or Social Democratic Parties. In Norway and Sweden the political party was formed first and assisted in federating the unions. In each of the three countries the party and the trade-union federation maintain either an organizational tie or a close advisory relationship. Trade-union leaders frequently have been elected to the Parliaments, and have sat in the Cabinets. Since the 1930's these parties have held office in the three countries, either as minority or majority governments.

On the one hand political victories placed the trade-union movements in a very strong bargaining position vis-à-vis the government, because trade-unionists provide the bulk of the funds and the votes of the Labor or Social Democratic Parties. But on the other hand, the participation of trade-union leaders in discussions of national policy during years of economic and political stress, necessitated a very comprehensive review of collective bargaining objectives, particularly wage and hour demands, in the light of the overall public interest, and resulted in modifications of those demands. Thus, the federations of labor have restrained their member unions from pressing postwar demands for shorter hours; and have in some years accepted less than full compensation in wage rates for increases in living costs.

NOTE.—This section appeared in the May 1951 issue of the Monthly Labor Review entitled Labor-Management Relations in Scandinavia.

Sweden

Swedish Trade-Unions

The Swedish labor market is strongly organized, with an employer's federation and two union federations, one representing manual workers in private, municipal, and State enterprises, and the other representing salaried employees in government and industry. Membership in these two federations totaled 1,550,216 in 1950, or 65 percent of a total wage and salary-earning labor force of about 2.4 million. However, at least 80 percent of all manual workers in Sweden, excluding farm workers, had been organized by 1945.

Swedish Federation of Trade-Unions. The central federation of manual workers, the Landsorganisation i Sverige (LO), is composed of 44 national unions and 328 local central councils. Most of the unions are organized on an industry basis. The central councils are geographical units as in the United States. The Federation's membership in 1950 was 1,278,409. The local unions, of which there are 8,886 may be affiliated with both a national union and, where it exists, the local central council for the area.

The program of LO, as set forth in its constitution, is to strengthen the Swedish trade-union movement; to promote the amalgamation of existing trade-unions into suitable industrial federations; to establish trade-unions in unorganized sections of the economy; to unify policy with respect to employers, including wage policies; to give financial aid to member organizations; to coordinate action in disputes; to supply economic and statistical data on labor market conditions to its members; to support educational programs; and to maintain international relations with worker organizations abroad.

Although for many years after its formation in 1898, the LO was a loose federation of autonomous bodies, it exercised leadership within the trade-union movement, and secured the adoption of general wage policies and some tactical coordination. Each year before collective bargaining negotiations began it convened a conference of national unions representatives in order to hear top-ranking economists and usually the Minister

of Finance, and to discuss probable business trends, general economic and market conditions. In 1941 and 1946, its constitution was revised to give the federation greater central authority over member unions in order better to coordinate collective bargaining and to control strikes.

Under the revised constitution, member unions are required to keep LO informed of important wage movements, and of all labor disputes, strikes, and lock-outs. LO has maintained firm control over work stoppages by member unions since 1941 by the provision that a national union may not involve more than 3 percent of its membership in a strike, without LO approval. Upon approval LO pays benefits to members involved in work stoppages. Individual unions may grant strike benefits to their members from their own funds according to their own rules.

As a consequence of this increased centralization—enhanced by the self-imposed discipline of the individual unions—LO prevailed upon all member unions in 1948 and again in 1949 to agree to a prolongation of agreements with few changes. The Government, too, had impressed on the organizations representing employers, farmers, and unions the need for continued stabilization.

A close relationship has existed throughout the years between the LO and the Social Democratic Party of Sweden. LO owes its formation in 1898 to action taken the preceding year by a Social Democratic Party meeting. Although the two organizations together constitute the labor movement, each preserves a well-defined division of functions. The present President of LO is leader of the Social Democratic group in the First—or upper Chamber.

The strength of the Social Democratic Party depends largely upon its trade-union backing. An important element of party strength is the collective affiliation of trade-union members. At its first congress LO voted that each local union must affiliate with the Party within 3 years. When, however, a referendum revealed strong rank-and-file objection, the second congress changed the "must" clause to a provision that the federation should "work for" affiliation of member locals with the Party. At present each local trade-union may

affiliate by majority vote, and its members automatically become members of the Party, except those individuals expressly requesting exemption. About 400,000 or 25.8 percent of LO's members were collectively affiliated with the Social Democratic Party at the end of 1950.

Central Organization of Salaried Employees. This organization, Tjänstemännens Centralorganisation (TCO) with a membership of 271,807 in 1950, was formed in June 1944 by the merger of two white-collar federations; the Central Organization of Private Employees, operating since 1931 in private industry, and the Central Organization of State Employees, operating since 1937 in municipal and national governments. In 1949, 36 percent of the TCO membership was in the State employees section, and 64 percent in the private employment section. The latter includes a union of foremen, who are not eligible to join LO.

About 80 percent of all salaried employees in private industry and 90 percent in municipal and State services are organized, but not all of them are in TCO. About 146,000 government employees in lower grades belong to a State Employees Inter-Union Section of LO; 20,610 higher-ranking officials belong to an independent National Association of State Employees; and 5,000 State employees belong to still another independent organization, the Swedish Professional Workers' Federation (total membership 18,000).

TCO—although less centralized than LO—performs functions for its member unions analogous to those of LO, including assistance in collective bargaining, leadership in wage policy, and potential financial assistance in disputes. The TCO guarantee fund, however, has not yet been drawn upon. Some individual unions have their own strike funds. The unions bargain independently but are under obligation to keep TCO informed on matters of general concern to the white-collar workers. TCO is politically neutral, although its members and officials may be individually active in various parties. Some of its leaders, including its president and general director, are prominent Social Democrats.

TCO and LO cooperate in many fields. Both TCO and LO are represented in conferences with Government whenever the interests of both groups are involved. Jurisdictional disputes involving their member unions are generally settled by a

joint committee of the two central federations. In general, jurisdictional disputes have not created much tension between unions, or between employers and unions in Sweden.

National Unions. Swedish unions are craft, industrial, or mixed. The industrial type predominates, partly a result of deliberate encouragement by LO to prevent jurisdictional disputes. When unions in a given industry did not merge in response to LO's recommendations, compromise arrangements were developed between them, coordinating their membership drives and their collective bargaining negotiations. Some very large unions have national industry subdivisions for collective bargaining purposes. For example, 40,000 steelworkers form such a unit among the 215,000 members of the Metal Workers Union.

Questions not covered in the national agreement are settled by local bargaining. Some industrial unions have locals based on small industrial subdivisions, for example, the Transport Workers' Union has separate locals which negotiate for dockers, for teamsters and truck drivers, for inland freight workers, coal carriers, and newsboys.

Employers have preferred to sign a single agreement for an entire industry, in order to eliminate the possibility of successive work stoppages resulting from the presentation of demands by various craft groups at different times. Both sides thus worked toward industry-wide organization and bargaining.

Employers' Organizations

The Swedish Employers' Federation, Svenska Arbetsgivareföreningen (SAF), was founded in 1902, a few years after LO, to promote cooperation among all Swedish employers who were faced with the growing power of organized labor; to advise them in negotiating collective agreements with unions; and to assist them in strikes and lock-outs. SAF confines itself to labor-market problems. It has never opposed union recognition or collective bargaining, but has assisted its members in maintaining certain principles, including a refusal to sign closed-shop agreements.

The Federation is composed of 40 trade associations of employers and a general group combining firms belonging to several trades. Most of the associations are composed of manufacturing

firms. In 1950 member firms employed 693,000 workers. Thirty associations, employing 350,000 workers, remain outside SAF, the most important being associations of shipowners, hotel and restaurant owners, and employers in commerce, agriculture, and forestry. These generally follow the line set by SAF or cooperate with it. All together the associated employers employ over 80 percent of the nonagricultural wage earners.

SAF general policies are determined by the constituent groups, who elect representatives to the annual general meeting, the general council, and executive board. A permanent official, the managing director, is chosen by the general council in consultation with the executive board. The managing director and two other board members constitute the executive committee, who, in practice, decide many important questions between meetings. SAF approval of the constitution of its member associations is required.

All member employers are required to adhere to the rules of their associations and of SAF, and to agreements entered into by SAF with its members. SAF has power to enforce its rules by the imposition of fines and damages, denial of privileges, and, on occasion, forfeiture of bonds. For example, should a member conclude a closed-shop contract in contravention of the anti-closed-shop rule, he may forfeit a guarantee bond (which he has been required to post). It is apparent that SAF has more power directly over its members than does LO over its affiliated unions. In fact, SAF's high degree of centralization has been one of the chief reasons for LO's development in the same direction.

SAF maintains an insurance fund to aid members involved in strikes and lock-out, provided they have observed SAF rules and agreements. Bonds posted by members may be drawn upon to finance emergency situations or long conflicts. Work stoppage benefits to management amount to 2 kroner per day per worker, with the possibility of additional sums being voted by SAF. At the end of 1946 the guarantee fund totaled 188 million kroner, and "funded assets" totaled 52 million kroner. The contributions required of an SAF member are so heavy as to discourage the affiliation of some associations of employers.

In its original constitution SAF required its member associations to include in all collective agreements a clause stipulating that the employer

has the right: (a) to engage and dismiss workers at his discretion; (b) to direct and allocate the work; and (c) to employ workers regardless of union membership. This clause still stands, although in December 1906 SAF and LO agreed that "the right of association shall be left inviolate on both sides," and SAF recognized the union's right to protest a discharge which seemed to infringe upon the worker's right to organize. In 1936 the right to organize was given statutory protection, chiefly in order to assist the white-collar workers. Machinery for dealing with these protests was set up by the central federations in 1938. The right to dismiss was further modified by the 1946 agreement on Enterprise Councils.

Closed-shop union contracts have been signed by some independent employers; i. e., not belonging to SAF. The issue has been brought to the Labor Court in several cases by workers who were members of small syndicalist unions in plants having LO union contracts. The Court originally held that the worker's right to organize was infringed, if he was dismissed or threatened with dismissal for refusal to join the union with which his employer had signed an agreement. Between 1945 and 1948, the labor-employer majority of the Court countenanced the theory that a worker might hold membership in the two unions simultaneously, retaining membership in the union of his choice while being required to join the union having the closed-shop contract. The public members of the Court dissented, and in 1948 the Court returned to its former position as regards persons already on the payroll. In 1950, it permitted different treatment of a prospective employee; in such a case it held the employer might require membership in a particular union as a prerequisite of employment.

Negotiations and Disputes Settlement

Although in Sweden workers were not hindered by the courts from combining to raise wages and improve their conditions, and injunctions were unknown in labor disputes, a provision was inserted in the Penal Code in 1899 (the Aakarp law, repealed in 1938), forbidding any person to coerce another to take part in a work stoppage, or to hinder one from returning to or applying for work.

In spite of the law, unions resorted to picketing

to prevent strikebreakers from going to work. Industrial disputes were less severe after the repeal of the law, but this probably resulted not from the repeal but from growing cooperation between LO and SAF.

Negotiation of collective bargaining agreements between unions and associations of employers has been common in Sweden since the early part of this century. The number of employers and workers covered by agreements has steadily increased (table 2) and the number of agreements concluded without a work stoppage also increased (table 3). At the end of 1948, there were 19,643 agreements in force covering 89,314 employers and 1,178,269 workers. It was still higher in 1951.

TABLE 2.—Extent of collective bargaining agreements in Sweden, 1908-48

Year	Agreements in effect at end of year	Number covered by agreements	
		Employers	Workers
1908-10.....	1,916	10,545	274,605
1911-15.....	1,449	8,315	237,964
1916-20.....	1,963	10,372	330,578
1921-25.....	2,056	11,958	383,482
1926-30.....	3,448	17,538	518,801
1931-35.....	5,947	24,857	648,974
1938.....	11,592	48,663	1,015,486
1939.....	12,511	52,731	1,047,771
1940.....	13,231	55,650	1,056,949
1941.....	13,286	57,907	1,066,798
1942.....	14,346	57,355	1,116,570
1943.....	15,175	61,745	1,129,107
1948.....	19,643	89,314	1,178,269

Source: Statistisk Aarsbok för Sverige, 1949 (p. 241), for 1908-43; for 1948, LO, Verksamhets Berättelse, 1948 (p. 282). (Based on reports of unions.)

Usually negotiations take place on an industry basis, with LO and SAF representatives sitting in to assist their members in obtaining certain standard provisions. Since 1939 both LO and SAF have played a more decisive part in influencing the wage adjustments of the several trades. Neither LO nor SAF will back up a strike or lock-

TABLE 3.—Workers affected by wage changes made through negotiations and after work stoppages in Sweden, 1920-48

Year	Through negotiations	After work stoppages
1920-24.....	74.0	26.0
1925-29.....	74.6	25.4
1930-34.....	76.8	23.2
1935-39.....	95.6	4.4
1940-44.....	99.7	.3
1945.....	84.7	15.3
1946-48.....	99.9	.1
1940-48.....	98.1	1.9

Source: LO, Verksamhets Berättelse, 1948 (p. 275).

out by member organizations unless the demands are consistent with the general program adopted by the respective central organizations for that particular negotiating season.

Conciliation Service. Since 1906 the Government has placed qualified conciliators (one for each of seven districts) at the disposal of the parties when negotiating new contracts.

If the parties are unable to agree they must either apply to the Conciliation Service or serve notice that negotiations have been suspended, and they must do so at least 7 days prior to any stoppage of work. Such notice must be accompanied by a statement setting forth the reasons for resorting to strike or lock-out. The State conciliator may then summon the parties to reopen negotiations.

The parties are required to comply promptly with the summons of the conciliator and to supply him with documentary and statistical material. They are not required to accept his proposals, or to refrain from direct action. The parties may, by agreement, substitute their own machinery or may resort to an impartial chairman appointed by the Social Board of the Department of Social Affairs. If the dispute is subsequently referred for arbitration with the consent of the parties the conciliator cannot act as arbitrator. In serious disputes, the Government may appoint a special expert commission to investigate.

The Swedish conciliators are part-time officials, combining this work with other official positions in the national or provincial governments, or with careers as judges or lawyers. Employer and union recommendations are considered in appointing conciliators. A secretariat is maintained in the Social Board. If a dispute affects two or more districts, the Social Board decides which conciliator is to intervene. The State conciliators have been increasingly successful in proposing acceptable compromises between the interests of labor and management.

When a conciliation proposal on a wage matter is accepted by the negotiators for both unions and employers, it is customary to take a referendum of workers and occasionally, of employers, although this is not required by law or mandatory under the statutes of the two parent organizations. The rules governing the voting in the workers'

referendum are laid down in the statutes of the individual unions. The referendum is advisory only, the final decision resting with the individual unions' executive boards.

If a dispute arises under a national contract at the local level, the parties negotiate without the aid of a conciliator. If agreement is not reached, the dispute is then referred, under the usual procedures, for negotiation between the union and the employer's association.

Collective Industry Agreements

Of all Swedish workers covered by union contracts about two-thirds are under national agreements concluded by industry-wide bargaining between the national union and the employers' association. This is true in the following fields: engineering, textiles, tanneries, shoes, clothing, printing and bookbinding, pulp and paper, sawmills, building materials, steamship operations, hotels and restaurants, railways, sugar, flour mills, and several other food-processing industries. (The railways are State-owned but are still covered by an agreement.) Local agreements may supplement the national ones. Agreements with independent employers generally include the same basic terms as those with federated firms. The agreement applies to all workers, organized or not, employed by the firm.

Collective agreements fix wage rates and other conditions of employment, including: (1) Hourly or weekly wage rates for men, women, and young workers in various occupations, though these differ by cost-of-living area; (2) guaranteed time rates; (3) the percentage above the time rate which piece rates should yield a worker of average competence; (4) details on working hours—which are 48 by law, except for 3-shift workers in underground mining and iron works who have a 42-hour week; (5) overtime rates of pay; (6) time for dismissal notice; (7) sick leave; (8) accident insurance; (9) negotiation and arbitration procedures; (10) duration of the agreement; and (11) notice for cancellation or change. Practically all national agreements are for terms of 1 year, and expire at the same time, so that negotiations for their renewal proceed simultaneously.

Legislation and collective bargaining overlap on some topics. Although there are no minimum wage laws in Sweden, there are laws on hours of work, vacation, and sickness insurance. A law

of 1920 sets 48 hours as the legal maximum work-week. Overtime up to 200 hours a year may be permitted by the State Labor Council. There are special laws regulating the hours in coal mines, agriculture, retail trade, domestic service, and on board ship. The union agreements fix overtime rates ranging from time and a quarter to double the regular rate of pay, the higher rates applying to Sunday, holiday, and night work, and to overtime exceeding 2 hours on regular workdays. Groups not covered by any hours' legislation include forestry workers, fishermen, teachers, hospital, and welfare workers.

Vacations were regulated by collective agreements up to 1940, when a law took effect setting 2 weeks as the normal vacation period. It will be extended to 3 weeks in 1952. In addition, there are paid statutory holidays.

Similarly, in the field of sickness and industrial-injuries insurance, union agreements frequently require employers to pay benefits during the waiting period specified in the workmen's compensation law, and to contribute to sickness insurance funds or to pay medical expenses during illness.

The unions of salaried employees won recognition somewhat later than the unions of wage earners, assisted by the passage of a 1936 law on collective bargaining enforceable by the Labor Court. The salaried employees' unions bargain with individual employers in private enterprise, and with governmental bodies. Negotiations cover conditions of employment, pay during sickness, and notice prior to lay-off or dismissal. Salary scales have been included only recently in certain national agreements; namely, those in the fields of insurance, banking, the merchant marine, aviation, some sections of the hotel and restaurant industry, and in government employment.

In 1928 a law was passed defining what provisions a legally binding collective agreement must contain. At that time a substantial proportion of Swedish wage earners were already covered by such agreements, and their legally binding character had been established by court decisions. In accordance with the law, a Swedish collective agreement defines certain rights and duties of employers and unions. It declares its terms binding even upon individuals who join the association or union after the date the agreement becomes effective, or who resign from their re-

spective organizations before it expires. The law prohibits any form of direct action during its term if undertaken for the purpose of altering the contract terms. It requires the signatory organizations to use their best efforts to prevent a member from undertaking illegal action. It permits sympathetic action in support of a party who is legally free to take direct action. Thus if one party has violated the contract the other party may engage legally in strike or lock-out and may gain the support of his fellow workers or employers.

Labor Court. The Labor Court was also established by a law of 1928. Its functions are: (1) to enforce and interpret collective agreements; (2) to hear cases of alleged violations of the collective contract act; (3) to arbitrate disputes over the meaning or application of the agreements but not disputes over "interests" or collective bargaining issues; and (4) to award damages to an injured party. The law expressly precludes court action until all other peaceful methods provided for in the union contracts have been utilized. Most disputes are settled by the usual negotiation procedures. The importance of the Court rests in its availability as much as in its actual case load.

Agreements Between LO and SAF

Basic Agreements were concluded in 1906 on the subject of the right of association, 1938 on procedures and principles for collective bargaining negotiations, rights of neutrals in a labor dispute, and lay-offs and dismissals, and 1946 on Enterprise Councils.

The issues of lay-offs and dismissals were treated in the 1938 Basic Agreement because they were deemed "especially important for promoting an easing of tension." Except for the 1906 agreement not to fire workers for union membership, Swedish employers had remained free to hire, fire, and lay-off at their own discretion. There were no union seniority rules. A Labor Market Board was therefore created, to deal primarily with cases involving individual lay-offs and dismissals. This Board consists of six members, three appointed by the Federation of Employers, and three by the Federation of Trade Unions, serving for 3 years each. Special members may be co-opted to represent an association concerned in

a particular case. An impartial chairman, chosen by the federations to serve for 3 years, is subject to call whenever the Board is deadlocked.

The 1938 Agreement requires the employer to give 2 weeks' dismissal notice to the worker, and to negotiate with the union on complaints and questions of reemployment after lay-offs. The Labor Market Board is instructed to take into account both the dependence of production on skill and suitability of labor, and the worker's security, length of service, and family obligations.

The Basic Agreement of 1946 concerning Enterprise Councils (or labor-management plant committees) requires the employer to notify the workers' representatives on the councils of proposed lay-offs or discharges in the case of workers with at least 9 months' service. In case of inability to agree, the matter is to be referred to the union which may refer it to the Labor Market Board. The Board's decision is communicated to the union and employer association concerned, which then adopts appropriate measures after consultation with the top federations.

The Labor Market Board has the further duty of interpreting and applying the 1938 Basic Agreement provisions concerning limitation of strikes, lock-outs, and other forms of direct action. Enterprises using only family labor, and independent artisans are to be protected from direct action. The exaction of "illegitimate favors" and direct action on religious or political grounds are prohibited. Secondary boycotts and sympathetic actions are prohibited in labor disputes when directed against *neutral* third parties.

The agreement on Enterprise Councils concluded between LO and SAF provided for the creation of labor-management councils or committees in plants where 50 percent of the workers belonged to an LO union which had ratified the agreement, if desired by either the union or the employer. An annexed agreement with TCO provided for the participation of the salaried and technical employees in these plants provided the TCO union had also ratified. The councils were to concern themselves "with questions of technique, organization, planning and development of production, with a view to making use of the experience and insight of the employees." Training courses for representatives on the councils were subsequently organized by SAF and LO.

Index Wage Agreements. In view of the strong leadership exercised among employers and unions, respectively, by SAF, LO, and TCO, the Government found it unnecessary to adopt wage regulation by law in Sweden during the emergency created by World War II.

Faced with an alarming prospect of war-caused scarcities in the fall of 1939, the central federations of unions and employers met to consider means of preventing a wage-price spiral. Five consecutive annual agreements were negotiated by the federations which provided for supplements to wage rates based on changes in the official cost-of-living index, and which compensated in part, but not in full, for the increases in living costs; the compensation varied from 50 to 75 percent of the rise in the index in different years. However, some increases were also negotiated in basic rates.

After the end of the war both manual and white-collar workers hoped to regain the losses in real wages sustained during the war period, and therefore the escalator clauses were not renewed in the contracts of 1946-47. Instead adjustments were negotiated which tended to raise the general level of wage rates somewhat more than the current rise in the index would have justified.

In 1948, 1949, and 1950 the automatic wage adjustment clause was again suspended, this time in order to achieve something nearer to a wage freeze. However, in 1948 some modest adjustments were made in basic rates and in January 1948 children's allowances were introduced, publicly financed, which in effect provided a supplement to the wages of workers with families. Every effort was made by the Government during these years to keep the index steady by the use of subsidies and other devices.

Trend of Real Earnings. During the early war years, average real hourly earnings reached a low point, about 10 percent below the 1939 level. This latter level was slowly regained by 1945.

Factors responsible for the accelerated rise in real wages after 1942 included the price freeze of 1943, negotiated increases in some basic and minimum wage rates, greater piecework output, and greater compensation by cost-of-living index wage increases. By May 1950 real average hourly earnings were reported between 40 and 45 percent above prewar. However, this figure must be taken with caution because of admitted deficiencies in the cost-of-living index.

Increases were especially marked for women and other low-paid workers. This resulted in part from the application of the "solidaric" wage policy, fostered by LO, and indeed by the national trade union federations in all three Scandinavian countries. It means that particular attention is paid to raising the wage level of the lowest-paid workers, and that higher-paid groups will assist, if strategically necessary, by refraining from pressing their own demands. The policy first appeared in the depression of the

TABLE 4.—Average hourly earnings, real earnings, and earnings index for all industrial workers in Sweden, 1939-50

Year	[1939=100]			
	Average hourly earnings		Cost-of-living index ²	Index of real average hourly earnings ³
	Kroner ¹	Index		
	(1)	(2)	(3)	(4)
1939.....	1.18	100	100	100
1940.....	1.28	108	113	96
1941.....	1.39	118	128	92
1942.....	1.52	129	138	93
1943.....	1.59	135	139	97
1944.....	1.64	139	139	100
1945.....	1.73	147	139	106
1946.....	1.87	158	139	114
1947.....	2.15	182	143	127
1948.....	2.34	198	150	132
1949.....	2.48	210	152	138
1950.....	2.60	220	156	141

¹ The value of the krona in United States currency was as follows:

	Cents
1939.....	21.32
1940-46.....	23.81
1947-Sept. 18, 1949.....	27.78
After Sept. 19, 1949.....	19.30

² Without taxes. This is the series used for purposes of wage adjustment. The series including taxes runs 3 to 4 points higher.

³ Column 2 divided by column 3. If deflated by the index which includes taxes, the real earnings would be about 3 points lower.

⁴ Weighted average for May and November 1950, adjusted upward by 6 percent to cover payments for vacation and sick pay, overtime, and payments in kind, which are not included in monthly earnings statistics, but are included in the annual averages.

Source: Swedish Royal Social Board.

nineteen-thirties, and was used to strengthen trade-union organization among agricultural and forestry workers and the unskilled, where it was weak. During the war it helped control inflation by raising the purchasing power of groups spending their income chiefly on necessities, which were strictly rationed and controlled as to price.

Time Lost in Industrial Disputes

There was a marked decline in the number of man-days lost in industrial disputes in Sweden after 1935, when LO and SAF began their joint yearly conferences. The year 1945 was unusual in this respect because of the 5 months' metal workers' strike (table 5).

TABLE 5.—Average annual man-days lost as a result of industrial disputes in Sweden, 1903-49

[In thousands]

Period	Annual average
1903-08.....	1,042
1910-14 ¹	345
1915-19.....	1,080
1920-24.....	4,479
1925-29.....	2,408
1930-34.....	2,187
1935-39.....	706
1940-44.....	108
1945.....	11,321
1946-49.....	81
1946.....	27
1947.....	125
1948.....	151
1949.....	21

¹ Omitting 1909, year of general strike.

Source: A Survey of Labor and Social Conditions in Sweden, (p. 31), published by the Employers Association, 1947; Statistik Aarsbok, Sweden, 1949, (p. 239).

Norway

Norway has attained a high degree of industrial peace and stability through a combination of centralized guidance of collective bargaining, legislation on industrial disputes, and cooperation between the Government and the organizations representing all productive sectors of the economy. The Federation of Labor and the Federation of Employers have dealt with each other and concluded agreements from time to time since 1902. A basic agreement negotiated in 1935 and amended in 1947 was in force as of December 1950. Prior to the liberation, the Norwegian Government-in-Exile obtained an agreement between the representatives of the Labor Federation and the Employers' Federation, which formed the basis of a 1944 Provisional Act regulating the settlement of wages and other disputes. This law banned strikes and lock-outs.

Since liberation, the Government consults a joint council representing the Federation of Labor, the Employers' Federation, the farmers, and the fishermen, whenever legislation affecting labor and employers is to be considered (e. g., wage and price stabilization). The economy of Norway is more precariously balanced than that of the other two Scandinavian countries and it suffered a greater shock from the devaluation of the currency. Economic controls have therefore been continued. The Labor Party has a large majority in the Riksdag (the Parliament) and there is close cooperation between it and the Federation of Trade Unions.

Many of the features of industrial relations found in Sweden and Denmark are found also in Norway, including the labor court, which settles disputes arising out of the application and interpretation of contracts (jural disputes), and compulsory conciliation in disputes over new issues which the parties involved are unable to settle. The arbitration of wage disputes has been imposed by legislation in postwar Norway as in Denmark. The Norwegian Federation of Trade Unions pursues the now familiar Scandinavian "solidaric" wage policy—favoring larger increases for low-paid than for high-paid workers. However, piece rates are applied more widely than in the other two

countries, resulting in a wider range of individual earnings. The Trade Union Federation has also negotiated over-all wage agreements with the Employers' Federation since 1939.

Norwegian Federation of Labor

Over half of all Norwegian wage earners were organized by mid-1951, nearly all of them—494,699—being in unions belonging to the Norwegian Federation of Labor or LO (Arbeidernes Faglige Landsorganisasjonen). The percentage was considerably higher in manufacturing industries and among production workers—85 to 90 percent. Some civil servants, technical employees, and the molders are organized independently. Occasional friction arises between the so-called non-political and LO unions. There is no separate federation of white-collar workers as in Sweden.

There has been a separate union for foremen, but not all foremen joined it. In 1951 LO organized its own foremen's union. Employers objected to bargaining with a federated union. The dispute was referred to a tripartite committee to consider legislation.

Norwegian unions do not insist upon closed-shop contracts. The Federation of Trade Unions still adheres to the policies enunciated at its 1934 congress disapproving the closed union and the closed shop. The Employers' Federation adheres to open shop principles, although unions are now generally recognized and union-security provisions have not been a vital issue in labor-management disputes since the 1930's.

Workers' organization is substantial in manufacturing, and is complete on the Government-owned railways, and in shipping, inland transport, and construction. Important nonunion groups are found in the lumber industry—among handicrafts, and in small manufacturing establishments. Between 1935 and 1939 the unemployed were directly affiliated with LO in 104 societies having a total of 9,761 members in 1935, and 68 societies, having 4,317 members in 1939.

The structure of the 40 trade-unions affiliated with LO is similar to that of the Swedish and is

not dissimilar to that of American unions. Craft, industrial, and mixed types are included. The industrial form dominates, with 12 industrial type unions constituting 75 percent of LO's 1948 membership.

LO wields more authority in Norway than its counterpart in Sweden or Denmark, in the determination of trade-union policy. The Federation requires each affiliate to allocate 20 kroner¹ per year per member to a centrally controlled strike fund. At its 1950 convention, LO adopted model rules for national unions and their locals. The member national unions are required to adopt certain basic principles, but each of them votes upon the question of adapting its own constitution to the recommended model. The national unions determine the constitution of the locals, and closely supervise them. There are over 4,000 local unions in Norway.

Amalgamation of craft into industrial unions was adopted as a principle at conventions of the LO, after a long fight between opposing wings. However, a referendum vote revealed the strength of the opposing factions to be so evenly matched that the program could not be carried through. Negotiations (interrupted by World War II) proceeded, industry by industry, for the purpose of grouping related organizations. In addition, industrial departments have been set up in LO to promote cooperation between unions in a single industry, e. g., graphics, metals, food, woodworking, leather, and shoes.

Most collective bargaining agreements expire together and are renegotiated at the same time in Norway. Certain over-all demands are formulated by LO for consideration and bargaining with the Employers' Federation at industry level. Particular unions may decide to press for further concessions, with or without the support of LO. Basic agreements negotiated by LO are generally incorporated into the agreements of the separate trades.

About 20 trade councils unite local unions on a geographical basis for educational, welfare, and other noneconomic purposes. These councils made an early bid for power, seeking to displace the national unions as basic units of the labor movement. However, they were firmly put in their

place and subjected to financial and other controls by LO.

LO is closely connected with the Norwegian Labor Party (a moderate Socialist Party), which has formed the Government of Norway since 1935. The Party won its first straight majority in the Storting, or Parliament, in 1945, the year of the first postwar election. In the 1949 elections the Communist Party lost its few seats. "The Labor Party," in the words of the Prime Minister in 1946, "aims at a planned economy, but not at the nationalization of industries or of going concerns." LO and the Labor Party consult on matters of common concern in a joint advisory committee. However, mutual representation on the respective central executive boards of the Party and the Federation was discontinued after some years. Local trade-unions, which may affiliate collectively, provide about 45 percent of the Party's membership. Individual members may exempt themselves from the payment of dues allocated to the Party. A large number of Labor Party officials are former trade-unionists, and national trade-union leaders generally belong to the Labor Party.

Persons who had belonged to Nazi organizations were barred from membership in LO unions after the liberation. However, the ban was lifted in 1949 though they still were barred from holding union offices. If workers refuse to work with, or under the supervision of, former "quislings," the dispute is referred for negotiation to the central federations. If no agreement is reached, the case goes to the Labor Court.

Norwegian Employers' Federation

The Norwegian Employers' Federation, founded in 1900, was composed of 16 trade or industrial associations and a few independent firms in 1946. Total membership included 4,400 firms employing about 160,000 workers, or about 40 percent as many as the LO controlled. Independent associations in maritime, paper and pulp, lumber industries, and in commerce and banking are consulted and usually follow its lead on labor matters of general concern.

On joining the Federation and its constituent associations, members delegate to it power: (1) to bargain and conclude agreements with unions; (2) to decide the termination of a dispute; and

¹ Prior to devaluation 1 kroner=20 cents. After devaluation on September 19, 1949, 1 kroner=14 cents, U. S.

(3) to give support to other employers by financial aid and sympathetic lock-outs. All members—associations and individual firms—are bound by the Federation's decisions. The Federation controls a central fund which is available for the support of members in any lock-out or strike approved by the Federation. Norwegian employers maintain that such a high degree of centralization is necessary to counter the combined strength of the unions in their federation.

The Employers' Federation maintains five industrial departments, each staffed with specialists designated as bargaining agents by the member associations. Agreements once negotiated are submitted to the appropriate members for approval, and are rarely rejected. Should an affiliated association or firm reject or terminate an agreement without the approval of the Employers' Federation, its financial assistance normally would be withheld.

Negotiations and Disputes Settlement

In the words of Paal Berg, chairman of the Norwegian Labor Court for 25 years, "the best way to avoid conflicts is to have effective negotiating machinery standing ready at all times." This Norway has.

Conciliation Service. The State conciliator and assistant district conciliators (appointed by the Crown) are instructed by law to "watch conditions of employment throughout the country" for signs of disturbance to industrial peace. Negotiations for the conclusion, renewal, or amendment of a collective agreement generally take place at the industry level. The workers are represented by the union concerned and by LO—the employers by their bargaining agent in the Federation. Some issues are disposed of in basic or "master" agreements signed by LO and the Employers' Federation, and are then incorporated in the industry agreements. However, the separate trades also negotiate on other matters peculiar to the trade or supplemental to the master agreement. Parties negotiating or renegotiating a collective agreement are required to give notice to the conciliator of a break in negotiations or of an intended stoppage of work. A strike or lock-out cannot be declared in any case until 4 days after the receipt of this notice by the conciliator. Failure to enter

into negotiations may cause the conciliator to institute conciliation proceedings and to require the parties to furnish him information.

As soon as the break in negotiations is made known to the conciliator, he is required by law to prohibit a work stoppage until the conciliation proceedings have been completed if he considers the public interest may be prejudiced by the dispute. He then summons the parties to meet with him. His suite of offices includes a meeting room regularly designated for the use of LO, another for the Employers' Federation, and a joint meeting room. Authorized representatives cannot include lawyers without the conciliator's consent. Like the Labor Court, he may require the attendance of witnesses, though he cannot require sworn testimony. He may appoint expert investigators. Sessions are private, but a full record must be kept.

If no agreement is reached, the conciliator formulates a proposal which is submitted to both sides, who then take a written ballot of their members. The conciliator may formulate a proposal for a group of unions after consultation with the national organizations concerned. The question of acceptance or rejection is then decided for the whole group by a majority of the combined votes instead of by the separate vote of each union.

A party who has cooperated with the conciliator may demand termination of conciliation proceedings after 10 days have elapsed since the prohibition was issued. The conciliator then has 4 days in which to wind up the proceedings. A strike or lock-out could legally take place at this point under the act as it stood prior to World War II. However, modifications were introduced by legislation agreed to by LO and Employers' Federation when the Government of Norway returned from exile, and the normal procedure has not yet been fully restored. The present procedure, set forth in an act of February 25, 1949, allows freedom of action to the parties after the conclusion of conciliation proceedings, provided the demand has been endorsed by the top federations (LO, in the case of workers' demands). The conciliator ascertains the respective Federation's approval or disapproval. If approved, the government agencies step aside and the parties may engage in a legal strike or lock-out.² If the demand is disapproved

² If a stoppage occurs it is customary for the conciliator to intervene again after 30 days.

by the appropriate Federation, the conciliator notifies the Minister of Labor who may then refer the case for compulsory arbitration to a National Wages Board, which also handles nonwage questions.

The Wages Board, created by the Provisional Act of 1944, is composed of seven members (three independent, two representatives for labor, and two for employers). It renders final and binding decisions. Since the Wages Board decisions often embody a compromise, unions are encouraged to present demands which will be disapproved by LO, in order to reach the Board, in the hopes of gaining something.

Freedom of collective bargaining, including the right to strike, was restored to the central organizations in 1949. It was felt that the close alliance with the party in power would deter LO from giving approval in a time of economic crisis to demands which might lead to extensive strikes. The legislation of February 1949 achieved, in effect, the freeing of the central federations from the compulsory jurisdiction of the Wages Board, but not from the moral obligation to the nation, which both sides deeply feel. In fact, both the Employers' Federation and LO have come to accept arbitration as a last resort in disputes which would adversely affect the national interest.

Table 6 shows how effectively strikes and lock-outs have been controlled since 1945.

TABLE 6.—Average annual man-days lost as a result of industrial disputes in Norway, 1930-50

Year	Man-days lost (in thousands)
1930-34.....	1,764
1935-39.....	601
1940-44.....	(¹)
1945-49.....	76
1945.....	65
1946.....	79
1947.....	41
1948.....	92
1949.....	105
1950.....	42

¹ Not available.

Source: Norway, Central Statistical Bureau. Statistiske Meldinger No. 3, 1950 (p. 87).

Collective Industry Agreements

There are about 50 major national agreements between federated employers and their employees in Norway. Independent employers generally

sign separate agreements with almost identical provisions. The general form and content of a collective agreement, to be valid and enforceable, must meet specifications laid down in a law originally passed in 1915 (Labor Disputes Act of 1927 as amended.) This law antedated the Swedish act of the same type, by a decade. It requires that agreements: (1) are to be in written form; (2) are to contain provisions regarding date of expiration and length of notice requisite to termination; (3) are to run for 3 years and are automatically renewed for 1 year unless otherwise specified—most agreements specify 2 years; (4) resignation from the signatory employer or labor organization does not relieve a member of liabilities and obligations under the contract.

The provisions of collective agreements which are negotiated for an industry, a district, or a plant, resemble those of Sweden. In general, the postwar agreements still provide for a basic 48-hour workweek. However, office employees' contracts specify 42 hours a week, and store clerks 45. Overtime rates are usually time and a quarter for the first 2 hours, time and a half thereafter, with double time for work on Saturday afternoons, Sundays, and holidays. Portal-to-portal pay is generally required in mining and large establishments. Paid vacations for 2-week periods were generally required in union contracts until 1947 when a law was passed requiring a 3-week paid vacation.

Closed shop agreements are banned by the Employers' Association, and are disapproved of by LO.

Labor Court. The 1927 law prohibits strikes or lock-outs as a means of settling disputes regarding the validity, interpretation, or existence of collective agreements or claims based thereon. All such disputes must be referred to private arbitration or to the Labor Court, whose decisions and awards are final and binding. As in Denmark, the agreement between the LO and the Employers' Federation to submit all such disputes to arbitration preceded by some years the adoption of the law. Appeals are allowed only in cases involving fines imposed by the Labor Court for contempt of court or for failure to observe secrecy with respect to confidential matters produced in Court, and against the Labor Court's dismissal of a case.

The Labor Court consists of a chairman and 6 members, with 12 substitutes. Officials and employees of unions and employers' associations cannot sit on the Court. However, 4 members (2 a side) are appointed from nominations submitted by unions and employers' associations having at least 10,000 members or employees, to the Minister of Labor and Communal Affairs. Two members and the chairman are to be impartial; the chairman and one of these public members must have the qualifications prescribed for judges of the Norwegian Supreme Court.

Basic Agreements

After the initial agreement of 1902 between LO and the Employers' Federation (see p. 4) a second basic agreement was negotiated in 1935 to replace a law on voting procedure. It was renewed with amendments in 1947 and 1950. The present basic agreement (as amended in 1947) provides for: (1) Explicit recognition of the right to organize; (2) recognition of the workers' right to elect shop stewards; (3) definition of stewards' duties, and of management's obligation to consult stewards prior to taking certain kinds of action, e. g., alteration of working rules or conditions, reductions in force, and transfers of personnel.

In addition, (4) in case of lay-off or discharge of a shop steward the employer is required to confer with the other stewards if they request it; (5) steps in grievance procedures were specified, including negotiation at the plant level between management and shop steward, to be followed by negotiation between management and union officials in the presence of a representative of the LO and the Employers' Federation. If not settled, the national union or the LO were to be consulted; (6) as a final step, the dispute must be referred to the Labor Court. The agreement established (7) rules for voting on collective agreements or mediation proposals and (8) permitted sympathetic work stoppages if the consent of the LO or the Employers' Federation was obtained.

In December 1945, the top federations concluded an agreement providing for plant production committees composed of management and labor representatives in plants employing 20 or more. These committees were to improve working conditions in the plants, promote vocational training,

and increase output. About 1,000 such committees had been organized by early 1949, some more and others less active. About 80 percent of them dealt with safety and welfare matters, but relatively few discussed technical suggestions. A National Council for Production Committees was established to receive from each committee a semiannual report on activities and to coordinate and guide their activities.³

The agreement was renewed in amended form for 2 years in the fall of 1950. The minimum size of establishments in which committees were to be set up was raised from 20 to 50 employees. The agreement requires management to furnish the committees with an annual balance sheet and a statement concerning its economic and trade position. The agreement further required management to discuss plans for new techniques and changes in plant operation with the committees. The committees may give advisory opinions only. After December 31, 1952, the agreement is to be automatically renewed each year, subject to denunciation by either party 6 months prior to the annual renewal date.

The joint labor-management approach to productivity has been carried a step further in the metalworking industry where a 2-day national conference on productivity was held in February 1951 by 30 representatives of the union and the industry employers' association. The conference urged the establishment or activation of plant production councils, cooperation in the rationalization and revision of piece rates, and measures to reduce absenteeism and improve the flow of work. District and local conferences are to be held, to plan to carry out the recommendations.

In two Norwegian towns, local union presidents and shop stewards have met with local managements to stage municipal production drives to raise output in the town's leading industries.

Index Wage Agreements. The principle of periodic wage adjustments geared to changes in the cost-of-living index was incorporated into many trade-union agreements in Norway during the interwar period. After 1939 the master agreements negotiated by the central federations provided for semiannual adjustments, yielding partial rather than full com-

³ Industry councils composed of labor, management, and government representatives have been established under a law of May 1947.

pensation for price increases. These provisions were incorporated into the fifty-odd industry agreements. In June 1949, the Trade Union Federation agreed to reopen the wage clauses for negotiation once a year, in January, if the index had registered a rise or fall of 7 points, instead of automatic adjustment twice a year if the index moved 5 points.

The Norwegian cost-of-living index for wage-earner families moved upward—about 3 percent from 1945 through most of 1949. This stability was due in large measure to subsidies applied to food prices. However, after devaluation in September 1949 Norway experienced the general rise in prices of imports from hard currency areas. The rise so greatly increased the burden of subsidies that the Government in March 1950 prevailed on employers and labor to agree to a curtailment of subsidies, and to a change in the escalator clause of the agreement. It was then agreed that the wage clauses could be reopened in September 1950 (instead of in January 1951) if by September the index had risen by 7 points. Actually by September it had risen almost 21 points.

In October, LO and the Employers' Federation negotiated a settlement which added 18 øre an hour for adults and 9 øre for young workers to the existing cost-of-living allowances.⁴ This gave compensation for the rise in retail prices attributable to cut-backs in subsidies, but not for the full rise in prices. In effect, the agreement shifted the burden of compensation from government to industry. Should the index rise or fall by 5 more points on or after March 15, 1951, the agreement permits an increase or decrease of 2.6 øre per hour for each point. Should the index rise another 5 points on or after September 15, 1951, the question of further allowances could be reopened.⁵ All other agreement provisions were to be extended to December 31, 1952. The agreement was endorsed in a nation-wide ballot of both sides—the first comprehensive ballot taken since 1940. Less than 30 percent of LO's membership voted, 71 percent of these voting in favor of the proposal.

⁴ Average hourly earnings, including cost-of-living allowances in the first quarter of 1950 had been as follows:

	United States	
	Kroner	cents
Men.....	3.10	43.4
Women.....	2.02	28.3

1 krone=14 United States cents.

The 18 øre supplement (2.52 cents) was equivalent to a 6-percent increase for men, 9 percent for women.

⁵ Both of these steps were taken, in March and September 1951.

On November 17, 1950, the Price Directorate announced that increases in ceiling prices based on higher labor costs would not be sanctioned, thus attempting to hold the stabilization line and to stimulate increased productivity.

Trend in Real Earnings. Table 7 illustrates how well LO succeeded in carrying out the "solidaric" wage policy. It also indicates that other factors besides increases in basic rates and cost-of-living supplements, contributed to improving the workers' position.

Even allowing for the fact that the cost-of-living index understated the actual rise in living costs, real earnings in the postwar period maintained a level well above prewar until the effects of devaluation began to appear (table 7). The skilled independent craftsmen were slowest to regain their prewar position, lagging behind the employees in manufacturing and mining (particularly women). In other branches of the economy and in unorganized plants, earnings are believed not to have advanced as much as for these groups. A marked reversal of the trend, however, occurred in early 1950. The collective agreement concluded in the last quarter of 1950 mitigated but did not halt the decline in real earnings, although it gave workers more compensation for rising living costs than even spokesmen for the Labor Government thought wise, under the general economic circumstances.

TABLE 7.—Index of real earnings for occupational groups in Norway, 1945-50

Year	Index of real earnings [1939=100]		
	Skilled crafts ¹ (nonmanufacturing) men	Manufacturing and mining ²	
		Men	Women
1945.....	76	100	90
1946.....	87	99	102
1947.....	94	109	116
1948.....	101	116	126
1949.....	107	122	132
First quarter.....	103	119	129
Second quarter.....	107	123	132
Third quarter.....	106	121	131
Fourth quarter.....	110	124	135
1950:			
First quarter.....	100	116	127
Second quarter.....	105	122	133

¹ Printers, bakers, building tradesmen, slaughterers, and sausage makers.
² Adult men and women, all grades of skill.

Source: Computed from earnings data in Statistiske Meldinger, Central Statistical Bureau, Oslo, various issues. These figures are based on wages paid in establishments covered by collective agreements.

In winning as much as it did from employers and government, the trade-union movement appears to have steered a skillful middle course. It gained rank-and-file acceptance in the face of

bitter Communist attacks and demands for "full compensation," and it assured industry 2 years of peace by the extension of agreements for this period.

Denmark

Denmark pioneered among the Scandinavian countries in developing institutions for reconciling the conflict between labor and employers; namely the first of the Labor Courts and the first basic agreement between national federations of employers and workers. Compulsory arbitration has been imposed only in serious disputes by occasional special legislation, except during the war years when it was the required procedure. This ended at liberation. Conciliation procedures, on the other hand, are "compulsory." The trade-union federation adheres to a "solidaric" wage policy (i. e., favoring low-paid workers), to the adjustment of wages to changes in the official cost-of-living index, and to the process of centralized collective bargaining with the Danish Employers' Association—much as in Sweden and Norway.

Federation of Trade-Unions

Unions have been freely formed in Denmark since 1862, when the guild system was abolished by statute. There was no special legislation guaranteeing or protecting the right to organize, except that the right of association and negotiation was guaranteed to employees of the State by legislation of 1927 (amended in 1931). The unions in private industry are federated into a single organization, the *De samvirkende Fagforbund*, or D. s. F., which was founded in 1898 and is closely allied with the Social Democratic Party.

In 1950, the D. s. F., with a membership of 656,406 in 70 unions composed of 3,541 locals, embraced 96 percent of all trade-unionists in Denmark. In 1949, there were 663,667 organized workers representing about 46 percent of the total wage and salary workers and 56 percent of the non-agricultural wage and salary earners in Denmark. Organization is general among industrial workers, State employees, and agricultural workers paid on a daily basis, but is limited among salaried employees.

By far the largest union in D. s. F. is the General Workers' Union. It is composed of unskilled workers, and cuts across all industry lines as does the much smaller Women Workers' Union.

Obviously, given two such organizations, the rest of the organized workers could scarcely be grouped in industrial unions, and, indeed, the craft union predominates. However, federations have been formed in certain industries for collective bargaining; e. g., the Central Organization of Metal Workers, which groups 22 unions and has a combined membership of 96,800. State employees have their own federations for bargaining purposes. However, municipal workers and employees of the State-owned railways belong to D. s. F.

The D. s. F. has shown a steady growth—uninterrupted even by the German occupation of World War II. As in Sweden and Norway, the Federation has assumed increasing authority, especially in the field of wage negotiations. This was necessary to offset the high degree of centralized authority wielded by the Danish Employers' Association, and to coordinate the large number of small craft unions which might be ineffective or might involve the whole trade-union movement in costly strikes and lock-outs.

Unlike Sweden and Norway, the immediate postwar Government of Denmark was a coalition of which the Social Democratic Party was a leading member. It formed a minority government in 1947. The tie between the party and the trade-union federation is strong, although unions do not affiliate with the party collectively. However, by decision of a D. s. F. congress a small sum is set aside each week from the union dues of each member for the support of the Social Democratic press, and the D. s. F. owns the leading party and union paper (*Social Demokraten*). It generally has given financial support to the party in election campaigns, and has elected a number of leading trade-unionists to the *Rigsdag*. This alliance has brought important social gains in the form of legislation. At times it has caused the unions to moderate demands or restrain strikes which might prove embarrassing to the party. In the postwar period, D. s. F. leaders have yielded to arguments that the national economy could not afford a general reduction in weekly hours, and this demand was postponed in order to assist the Government's reconstruction program.

Employers' Association

The Dansk Arbejdsgiverforening, formed in 1896, 2 years before the D. s. F., includes practically all sizable employing firms. It is divided into trade groups that share a large headquarters building in Copenhagen. Negotiations over general wage increases and broad questions are carried on by the officials and staff of the central association. The negotiation of piece rates and subsidiary matters are left to the trade groups.

Basic Agreements

The September Agreement of 1899, the agreement of 1908 on standard rules, and the agreement of 1936 on uniform rules for the negotiation of agreements, all concluded between D. s. F. and the Danish Employers' Association, determine the pattern for Danish industrial relations. By 1950, collective bargaining had become so highly centralized that both sides agreed on the need for amending the rules in order to eliminate a mass of technical detail from the general contract negotiations. In addition, the trade-union federation proposed a change to permit a revision of demands after the commencement of negotiations.

In August 1947 a basic agreement was signed between the top organizations of unions and employers defining the scope and activities for joint production committees in industry and handicraft, similar to the Swedish enterprise councils.

Index Wage Agreements. As in Norway, and less consistently in Sweden, the central organizations of trade-unions and employers, by agreement, have adjusted the general level of wages to changes in the cost of living during the period 1939 to 1950. In October 1939, prior to the establishment of a Labor and Conciliation Board with compulsory powers, the D.s.F. and the Employers' Association agreed to an extension of contracts until March 1941, provided that, during the interval, wages were to be adjusted quarterly whenever the cost-of-living index changed by three points. Independent unions and employers accepted the same adjustment.

In May 1940, at the time of the occupation, the Government ordered a wage stop. The implied promise was given that prices would remain stable. Actually, a rapid rise in prices followed, especially of agricultural products.

In September a small wage supplement known as "bread bonus" was granted. Subsequently, annual cost-of-living adjustments were granted by the Labor and Conciliation Board, based on a semiannual index of prices of prime necessities. In addition, the wage rates of the lowest paid workers were raised by collective agreements of December 1942 and August 1944.

In March 1946, the D.s.F. and the Employers' Association again agreed to semiannual index wage adjustment. The wage rates are raised by 5 øre an hour for men and by 3.3 øre for women for each 6-point rise in the cost-of-living index.

Trend of Real Earnings. At its lowest point, in 1941 and 1942, the Danish index of real wages (hourly earnings divided by cost-of-living index) stood at 83 percent of 1939. Thereafter the situation gradually improved. The prewar level was restored in 1945 and was exceeded by 9 percent in 1946. The rate of increase then slowed down but the upward trend was maintained. In the third quarter of 1950 real earnings were 24 percent above 1939. (See table 8.)

TABLE 8.—Average hourly earnings, real earnings, and earnings index for all industrial workers in Denmark, 1939-50.

Year	Average hourly earnings ¹		Cost-of-living index	Index of real average hourly earnings
	Kroner ²	Index		
1939.....	147	100	100	100
1940.....	164	112	125	90
1941.....	176	120	145	83
1942.....	184	125	150	83
1943.....	197	134	152	88
1944.....	209	142	154	92
1945.....	225	153	156	98
1946.....	248	169	155	109
1947.....	262	178	160	111
1948.....	283	193	163	118
1949.....	295	201	165	122
1950.....	311.5	212	175	122.5
First quarter.....	299	203	168	121
Second quarter.....	312	212	172	123
Third quarter.....	314	214	172	124
Fourth quarter.....	321	218	178	122

¹ Average hourly earnings are based on straight time and piece work for all industrial workers, and include cost-of-living wage supplements, which constitute almost one-third of the earnings of the average industrial worker. Excluded are supplements for vacation pay (4 percent of annual earnings prior to 1950, 4½ percent since then), overtime, shift work and special allowances for dirty work, use of own tools, and for work clothes.

² The official rate of exchange since 1939, in terms of United States cents per Danish krone:

1939.....	20.3
1940-41.....	19.3
1942-45.....	20.9
1946-September 1949.....	20.8
Since September 1949.....	14.45

Source: Statistisk Aarbog, Statistiske Departement af Danmark, various issues; and Statistiske Efterretninger, 1951, various issues.

The situation of agricultural workers and women workers improved more than the general average over the period as a whole. The differential between the wages of males in the provinces and in the capital also narrowed. These changes resulted in part from the "solidaric" wage policy.

Collective Industry Agreements

There were about 2,000 collective bargaining agreements in effect in 1948, some national and others local in scope. They cover employment conditions both for industrial workers and agricultural day laborers. Such agreements cover wage rates and normal working hours by day and week, overtime, night work, Sunday and holiday work, shift rates of pay, and arrangement of shifts. Some wage rates are fixed on a piece basis, others on a time basis. Some collective agreements provide for election of shop stewards, and for vacations in excess of those provided by law.

The collective agreement for farm workers is divided into two parts, one for the permanently employed, and one for workers paid by the day. Permanent farm workers have the right to free housing and 3-months' notice prior to termination of service. Minimum wages are specified for all groups of agricultural workers, as are weekly hours, overtime rates, and shift work. The agreement provides for payment of wages up to 13 weeks in case of injury, at which time the worker becomes entitled to workmen's compensation benefits. The agreement contains detailed provisions concerning the use of house and garden, the use of employer's equipment on payment of a fixed fee, the right to purchase livestock and foodstuffs produced on the farm, etc. The rental of additional land or buildings by the farm worker is regulated in order to avoid the development of sharecropping and to protect the worker from onerous financial impositions. The employer is protected against work stoppages, and the employee is required to perform overtime when needed. Permanently employed farm workers receive paid vacations of 12 days a year (or 6 days, if employed on a semiannual contract) by Government decree of 1941. Practically all agricultural workers are covered by a single agreement. Nearly all farms of medium size or larger are included in the contract. Almost 90 percent of day workers

(who constitute an essential auxiliary part of the labor force) are trade-union members.

Settlement of Disputes

An agreement was negotiated in 1908 by D. s. F. and the Employers' Association, setting standard rules for the settlement of disputes arising out of the application or interpretation of agreements. These rules were ratified by the member organizations. A law of 1934 made mandatory the inclusion of the standard rules in all contracts. Such disputes are not permitted to cause a strike or lock-out but must be referred to a Mediation Committee meeting at the place where the dispute occurs. If the dispute is not settled by such a committee, further negotiation between the signatory organizations takes place, and, in the last resort, the dispute must be referred to arbitration. For this purpose, each industry ratifying the rules agreement, created an industrial arbitration board consisting of an equal number of arbitrators (at least 4) chosen by each side and a chairman, usually a lawyer, chosen by the other arbitrators.

Labor Court. The Permanent Court of Arbitration, set up by law in 1910, is empowered to decide, on complaint of either party (union or employer's organization), whether a strike or lock-out constitutes a breach of agreement and is therefore illegal. This court also has the authority to render judgments on matters concerning the validity of agreements, and to settle disputes, if requested by the parties, concerning the interpretation of agreements. However, the latter type of case would normally be handled by the industry's own arbitration board. The court settles questions whenever possible by mediation. It does not act as a court of appeal.

The Permanent Court of Arbitration is composed of 6 regular and 16 deputy members chosen in equal proportions by the Federation of Trade Unions and the Employers' Association, a chairman and vice chairman selected by the court, and a secretary nominated by the Minister of Labor and Social Affairs. The federation and association members are often officials of unions or employer organizations; the chairman and vice chairman are usually judges. The present chairman is a

judge of the Supreme Court. Although it is a legal arm of the State, the court's members are actually elected directly by the employers' and workers' organizations.

The court meets in Copenhagen for 1 or 2 days every week. Cases are generally discussed informally and heard in the same week. Decisions are handed down the following week. Workers have access to the court only through their organizations. Danish labor law has not developed into a profession, and only a limited group of persons is familiar with the precedents developed by the court.

Fines may be imposed on individuals—either employers or workers—as well as on organizations. Damages may be awarded to the injured party, and the court may, in lieu of imposing fines, order the payment of moneys owed. A strike contrary to union instructions may result in the levy of a fine upon individual strikers. At times, such heavy fines have been imposed on some unions in the past as to result in bankruptcy.¹ In 1946 the court ruled a strike of brewery workers illegal, ordered the strikers to return to work, and levied fines of 15 kroner per strike-day per worker.

Conciliation Service. The Conciliation Service was established in 1910 and initially consisted of three mediators nominated by the Permanent Court of Arbitration and appointed by the Ministry of Labor. Twelve subconciliators were added later. The conciliators choose their own administrative chief. The conciliators generally are high government officials who assume these duties on a part-time basis. In 1949 the three principal posts were held by the State Attorney-General, a provincial Governor, and the Chief of the Factory Inspection and Labor Standards Bureau, the chief of this latter agency being head mediator.

The conciliator may enter a dispute at any time at the request of the parties or on his own motion at any time after a strike or lock-out notice has been served. He may request voluntary postponement of a proposed strike or lock-out. If and when the negotiating parties reject any further voluntary postponement of the strike, the conciliator may postpone the strike or lock-out for 7 days beyond the date on which it would go

into effect. He can make only one such postponement. After the postponement period has ended, a legal strike or lock-out may come into force. If the conciliator decides against formulating a proposal, his activity is then at an end and the parties may proceed with their own negotiations or with the work stoppage. If he does submit a proposal, it must be accepted or rejected in a referendum vote within a specified time limit by the memberships affected.

If rejected by either party a strike or lock-out may legally take place, unless the National Parliament enacts special legislation resolving the dispute. Such legislation has been enacted on a few occasions, most recently in 1950. The Parliament occasionally has required referral of the dispute to arbitration. At other times it has enacted the mediator's proposal, or a modified version of it, into law. Except in these instances and for a brief period during World War II, Denmark has not enacted compulsory arbitration of disputes over interests or issues.²

An agreement reached by the negotiators or a mediator's proposal is voted on by the individual members concerned on both sides, in accordance with rules in the Conciliation Act of 1945. The mediator may formulate a collective proposal, grouping trades according to his own discretion. He may require independent and federated employers or unions to vote together as one group. In the case of a collective proposal the total votes cast must equal at least 75 percent of the eligible voters. When the number of votes cast is less than 75 percent either officials or "competent meetings" of the unions involved are empowered to cast a bloc of votes equal to the difference between this minimum and the number of actual votes. This throws considerable influence into the hands of the responsible leadership, and helps to implement the policies adopted by D. s. F. Voting in the elections must be secret and in writing.

² In 1940, after the occupation, the Federation and the Employers' Association recommended that compulsory arbitration be applied in any dispute over wages and working conditions in which the parties could not reach a collective agreement. Strikes and lock-outs were prohibited by the Act of September 1940 establishing a tripartite Labor and Conciliation Board to hear disputes which could not be settled by a joint committee, composed of representatives of the D. s. F. and the Employers' Association. Both the loss of the right to strike and many of the Board's decisions were bitterly resented by the workers. As a result, the Board's effectiveness appears to have suffered a decline, since man-days lost in industrial disputes rose sharply after 1942. The emergency legislation expired in November 1945 and was replaced in December 1945 by the former act on conciliation with some amendments.

¹ ILO Studies and Reports A-30, Freedom of Association, Geneva, 1928 (p. 208).

If the unions vote separately the leadership has no right to amend the results of the direct membership vote by casting a bloc of votes. Instead, as the percentage of members voting declines, the proportion of votes required for a rejection rises. If fewer than 75 percent of the members vote, the majority necessary to secure a rejection must rise by 0.5 percent for each 1 percent of the shortfall. Thus, if 65 percent vote, a rejection requires 55 percent, instead of a mere majority; if only 60 percent vote, the negative side must muster 57.5 percent in order to win.

In December 1950, the trade-unions were discussing the advisability of limiting the prerogative of the State conciliation service to group trades for voting purposes. Although the system prevents minority groups from forcing legal strikes, it has the disadvantage of retarding voluntary negotiation and complicating the conciliation processes.

Time Lost in Industrial Disputes. Although the arrangements described have, in most years, kept down the losses from labor-management disputes,

major disputes have not been eliminated entirely. In 5 different years, since 1899, the year of the lock-out preceding the September agreement, more than 1 million man-days were lost because of work stoppages—the most recent such year being 1946. Except for 1946 and 1947 the period after World War II has been unusually quiet, as is shown in table 9.

TABLE 9. *Average annual man-days lost as a result of industrial disputes in Denmark, 1899-1949*

Period	Annual average (in thousands)
1899-1909.....	390
1910-14.....	239
1915-19.....	309
1920-24 ¹	896
1925-29.....	866
1930-34.....	128
1935-39.....	617
1940-44.....	(?)
1945-49.....	388
1945.....	66
1946.....	1,389
1947.....	467
1948.....	8
1949.....	10

¹ Figure for 1920 excludes man-days lost in the general strike in April 1920.

² Not available.

Source: Statistisk Aarbog—various issues. Dansk Arbejdsgiverforening data for 1946-49.