



Labour Conditions in Occupied Norway

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In 1941, the Review published an account of labour conditions in Norway since the German invasion.¹ It is the purpose of the following article to bring the survey forward another two years by outlining developments in regard to the economic situation, wages and the cost of living, employment problems, and social insurance up to the end of March 1943. In every field it brings evidence of the tightening of German control and the increasing exploitation of the country for German ends.

INTRODUCTION

THE right of final decision in questions of wages and other conditions of work in Norway is still nominally vested in the Ministry of Social Affairs, but in practice the Ministry is under the supervision of a special Section in the German Commissioner's Office. On 1 February 1942 a sort of Government was formed, in which Mr. Vidkun Quisling was appointed Minister-President. Most of the members of the Government were Ministers who had previously acted as the Norwegian heads of Ministries in direct subordination to the German Commissioner Terboven. Under this new régime the Germans at first allowed the Norwegian authorities to take their own decisions rather more frequently, but after a few months they tightened their control again and insisted that various matters must be referred to them direct. The Social Section in the German Commissioner's Office is thus still responsible for the supervision of social affairs in Norway.

The process of nazifying the leadership of the trade unions² was intensified in September 1941, when members of Mr. Quisling's National Union Party—all other political parties, it may be recalled,

¹ Cf. *International Labour Review*, Vol. XLIII, No. 6, June 1941, pp. 687-700: "Labour Conditions in Occupied Norway".

² *Ibid.*, p. 697.

have been suppressed—replaced numbers of arrested trade union leaders. The new President of the Confederation of Trade Unions was President of the Party's Trade Organisation. Mr. J. A. Lippestad, Party national organiser, was made Manager of the Employer's Federation, a position he retained when he was appointed Minister of Social Affairs on 25 September 1941.

THE ECONOMIC SITUATION

The characteristic feature of the economic situation in Norway during the occupation has been the rising demand for labour coupled with the increasing shortage of goods. To this must be added the German looting of the country, partly by direct requisitions, partly by commercial agreements and the fixing of prices. The prices of goods brought from Germany to Norway have been increased substantially more than those of goods delivered from Norway to Germany. The Germans also try to get the most they can out of Norwegian trade with other countries *via* Germany. Further, several large firms have been created with German capital for the exploitation of Norway.

Owing to the blockade there has been a substantial decline in Norwegian imports of consumers' goods and raw materials. This appears from the following figures, which are taken from an official German source¹:

IMPORTS OF FOODSTUFFS, TOBACCO AND FODDER IN NORWAY

Commodity	Total imports in 1939	Imports from Ger- many, 9 April 1940 -31 December 1941
	1000 tons	1000 tons
Grain	560.9	179.8
Bread, etc.	57.9	0.2
Fruit and vegetables	54.9	0.3
Peas, beans, root crops, etc.	15.5	—
Oil seed, nuts and kernels	92.6	—
Meat and meat products	3.7	0.1
Fish and fish products	6.2	—
Dairy products	0.5	—
Sugar and sugar products	123.5	39.0
Coffee, cocoa, etc.	26.7	—
Hops	—	0.2
Animal and vegetable fats	82.6	1.7
Tobacco	3.9	—
Spirits and vinegar	7.1	1.8
Fodder	181.2	40.9
Total	1,217.2	264.0

¹ Gustaf Richter: "Die deutsch-norwegische Zusammenarbeit in der Ernährungswirtschaft und die zukünftigen Aufgaben auf diesem Gebiet", in *Das Neue Norwegen im europäischen Raum* (Oslo, 1942), pp. 45 *et seq.*

There have also been some imports of foodstuffs from Denmark and Sweden, but the greater part has come from Germany. The table shows how catastrophic the decline has been; clearly, the population would not have been able to live through the war without plentiful stocks in hand and a vigorous effort to promote self-sufficiency. Fish and potatoes have become the basis of the national diet, but even these items are at times in very short supply, owing to German requisitioning. Competent nutrition experts in Norway believe that the expansion of the area under cultivation and the change in dietary would have made the population self-supporting, but that this has been prevented by the German requisitions of meat, fish, potatoes, vegetables, fruit, berries, hay and straw, which have increased the country's dependence on German imports. The rationing of food has become steadily stricter and comprises an increasing number of articles. Moreover, it has not always been possible to obtain a sufficient quantity even of the rationed goods.

Because there has been full employment, total earnings have risen substantially. Since the principal consumers' goods are rationed, the rise in consumers' income has led to an increased demand for unrationed goods. Shortages have promoted the sale of articles that were formerly not on the market, and of second-hand articles. Price control has been introduced to keep down the prices of articles on the open market. There is an increasing business on the black market at steadily rising prices.

The Germans have financed their activities in Norway by issuing large loans (about 200 million crowns a month). The purchasing power that has thus been pumped into business has partly returned in the shape of bank deposits, owing to the shortage of goods and the regulation of prices. At the same time, the loans made by the banks have declined. The growth in the volume of deposits and of money entails a serious risk of inflation. The control of prices is therefore very strict but has not been sufficient to prevent a rise. The wholesale price index in February 1943 was 174.3 as compared with 98.4 in August 1939.

WAGES AND THE COST OF LIVING

The original aim of wage policy in Norway during the occupation was to produce a substantial fall in consumption. The Statistical Office of the Confederation of Trade Unions has calculated that the level of money wages, which in May 1940 was 15 per cent. above the level of August 1939, has been brought down to 6 per cent. above that level by a reduction of cost-of-living bonuses¹; and it has remained there since.

¹ Cf. *International Labour Review*, loc. cit., p. 689.

The following table, showing the decline in real wages, is based upon the official cost-of-living index:

INDEX NUMBERS OF MONEY WAGES, THE COST OF LIVING,
AND REAL WAGES
August 1939 = 100

Month	Money wages	Cost of living	Real wages
1939			
August	100	100.0	100.0
December	100	105.9	94.4
1940			
March	109	112.7	97.6
May	115	114.4	100.5
June	106	114.6	92.6
September	106	124.7	85.0
1941			
March	106	133.9	79.2
September	106	140.3	75.6
December	106	142.6	74.3
1942			
September	106	146.3	72.5

According to this calculation the decline in real income was 27.5 per cent. But it should be noted that the cost-of-living index does not accurately express the actual rise in the cost of living. Several of the commodities included in the index are unobtainable, or can be obtained only in insufficient quantities, and have therefore been replaced by articles which are much more expensive. It is therefore estimated that the decline in real wages has been 40 to 50 per cent.

Through their organisations the workers have repeatedly tried to obtain wage improvements, but their claims have been refused by the Germans. In a newspaper article published by Dr. Beck, head of the Wage Policy and Working Conditions Section in the German Commissioner's Office, on 10 September 1941, it is asserted that there had been no general interference with existing conditions of employment. Nevertheless, the State had been made a party to wage regulations by provisions of 23 May and 1 July 1940 amending the Industrial Disputes Act.¹ Dr. Beck went on:

The war and its consequences mean that, as was also the case in Germany, the existing wage level must in principle be retained; this involves no particular hardship.² . . . But while fundamental changes in wage policy cannot be made at the moment . . . changes where the level of wages hitherto has caused the most suffering have nevertheless been possible.

¹ *Ibid.*, p. 696. Dr. Beck could have added that the Labour and Social Questions Section of the Commissioner's Office demanded in the autumn of 1940 that all clauses of collective agreements not in conformity with the existing state of law "must be eliminated, for example, the clauses relating to strikes and lock-outs" (*Arbeidsgiveren*, 1940).

² For in his view the level of wages in Norway was too high.

Some of the lowest wages were in fact raised. For example, the Ministry of Social Affairs decided that as from 15 May 1941 the wage rates in collective agreements for agriculture should be increased by 12 per cent. In its circular on this subject, the Ministry wrote:

It is the minimum rates of the *agreement* that are to be increased by 12 per cent. According to the ordinary principle of collective bargaining, the individual wages of skilled and competent workers *must* be higher than the minimum rates. The rise in the minimum rates will therefore lead to an addition to individual wages.¹

According to statements in the daily press of 16 October 1941, wages were to be raised for the lowest paid groups in the mining industry so as to bring the miners' average wage to 1.65 crowns an hour.

In the building trades, on the contrary, piece rates were lowered in the autumn of 1940 by 15 to 20 per cent. In this case, however, the German Army tried to attract man-power to its various construction and building works, where the wages paid were well over those fixed for Norwegian works. It is therefore probable that the reduction was part of the German effort to drive man-power into essential war industries. Since then the wages in the German works have been systematically reduced. As described later in this article, voluntary labour has disappeared from the German works and compulsory requisitioning has been introduced. The wages therefore have no influence on the supply of labour and are now fixed at the ordinary rates.

As in Germany, the authorities appear to prefer the system of a minimum wage adjusted to special war conditions.² A general wage and price stop was declared because the Germans particularly feared inflation in the shape of rising prices. As the cost-of-living index shows, they have not succeeded in preventing the rise. Wholesale prices have risen even more than retail prices. The wholesale price index for February 1943 was 174.3 as compared with 99.9 for September 1939. The new leaders imposed upon the Confederation of Trade Unions in September 1941 have given way completely to the German demands and agreed to work for an equalisation of wages and not an improvement. At one time they thought of fixing a flat rate for all workers (1.65 crowns an hour), but this idea has since been abandoned.

¹ *Norsk Pristidende*, 1941.

² "The National-Socialist wage policy is determined by two basic demands: in the first place, the obligation of the community to secure a minimum income for the maintenance of life and working capacity to every member of the community who gives all his work to any part of the productive process; secondly, the principle of the *output wage*, that is to say, the idea that the level of any person's earnings must depend on what he has produced" (*Deutsche Sozialpolitik*, Berlin, 1937, p. 16).

Increases in Earnings

In spite of the wage stop, it has been possible to improve the income of the workers in various ways. In the case of wage earners, the method adopted is to change over to piece work. Increased activity in certain branches has also led to the working of overtime on a much wider scale than before. Inadequate nutrition, however, is beginning to set limits to this form of utilising man-power.

Salaried employees have also gained some improvements. Official approval has not had to be sought for increments for seniority granted according to established practice, nor for increases in pay on account of promotion, which has to some extent been more rapid than in normal conditions.

The younger employees have also received substantial improvements in their pay. In the many new public offices that have been set up in wartime, comparatively high salaries are paid, even to beginners. In consequence, private undertakings have also had to raise the pay of beginners in order to attract sufficient labour.

With the approval of the Ministry of Social Affairs, there has been an extension of the practice of paying Christmas bonuses, which are fixed at 1/50 of the wage, subject to a certain maximum limit.

Superannuation Funds

During the war, undertakings have had no opportunity to renew their stocks and machinery. The profits in many branches have been high, but a Notification of the Price Directorate, dated 15 January 1941¹, provided for a maximum limit for profits, directors' fees, etc. The surplus capital which was thus accumulated in several undertakings has been difficult to handle in the best interests of the undertaking. Several firms had already introduced a superannuation system for their employees. During the war such schemes have increased in number, scope, and benefits. They are based either on insurance or on the firms' own pension funds, and the contributions are usually paid in a lump sum.² The growth of superannuation funds was largely encouraged by the fact that under Norwegian law contributions to such funds are treated as working expenses and are therefore exempt from taxation.

The pension payments of the undertakings in fact form part of the workers' remuneration and are so regarded in Norway. It was therefore to be feared that the Germans would object to any cir-

¹ Amended on 29 December 1941.

² Thus transferring to the insurance companies and pension funds the problem of how to invest these monies.

cumvention of the wage stop by the grant of increased pension contributions. There has been no difficulty, however, in obtaining official permission for pension schemes that satisfy the prescribed conditions.

Grants in Kind

The sharp decline in real wages placed wage earners and salaried employees in an impossible situation. At the same time several articles disappeared from the market and others were on the point of disappearing. There was some fear that the Germans would requisition all stocks of food in factories and undertakings, and it was therefore sought to distribute these stocks among private individuals. Thus, as early as the autumn of 1940 some firms granted loans to their employees to enable them to lay in emergency stores. Some firms also made large purchases of foodstuffs, which they sold to their employees at cost price.

In the autumn of the next year, 1941, a great deal was done in this way to help the population to lay in a winter supply of potatoes and vegetables. But this did not prove enough. In the spring of 1942 a number of undertakings therefore set about making provision for the autumn on a large scale. They rented large areas of land, bought seed potatoes and seedlings, and arranged for expert advice in agricultural work. The employees were given some free time to work the holdings, but a good deal of the work was done outside ordinary working hours. When rations were allocated in the autumn of 1942, agricultural producers were given somewhat larger rations than other persons. Anyone who had taken part in the work on the firms' holdings for a specified period was treated as a producer. If the quantity produced was not sufficient to make up the ration for the whole year 1942-43, the firms arranged with buyers who tried to procure the necessary winter supplies.¹ All cash expenditures connected with this production and these purchases were advanced by the undertakings. Quite often no provision was made for repayment, and it is unlikely that there will be any until the war is over.

Persons employed by the State and local authorities did not receive the assistance given by many private undertakings. In their case it has been considered sufficient to advance money on wages up to a small maximum amount and to require fairly early repayment (within not more than six months).

Enquiries are being carried out at all workplaces where output has declined substantially of late. Unless the cause is found to be

¹ In addition, the firms continue to buy considerable quantities of unrationed goods (salted fish, etc.) whenever they have a chance, for purposes of distribution.

passive resistance, an attempt will be made to improve matters by a system of communal feeding¹, and the Ministry of Social Affairs has notified the undertakings belonging to the Norwegian Employers' Federation that they must be prepared to introduce communal feeding for all their workers in the near future.

There are no figures showing how inadequate nutrition and unsatisfactory wages have tended to undermine public health. It is known, however, that even though there has been no marked rise in the death rate, epidemics have been more general. The statistics of the Oslo Sickness Insurance Fund, for example, show that, whereas at the beginning of 1942 the percentage of members in receipt of cash benefit or hospital treatment was rather lower as compared with the average for the period 1924 to 1941, there was a steady deterioration from April 1942 onwards, and that by December this rate was more than 20 per cent. above the "normal".²

UNEMPLOYMENT AND EMPLOYMENT

The effects of the occupation on the employment market can be divided into several periods. The first period was from April to June 1940, when industry was paralysed by military operations and undertakings worked short time (with lower wages for the workers). In the following months there was a substantial revival, but at the same time it was feared that raw materials, semi-manufactured goods, and fuel would run short and that unemployment would increase during the winter. It was to the interest of the Germans to expand Norwegian industry for their own purposes, and they set various construction works going, primarily for the building of barracks, roads, etc., for military purposes. Forestry and agriculture also demanded man-power.

The volume of unemployment was comparatively high in the winter of 1940-41, at least in relation to subsequent conditions, even though it was not very large as compared with the years between the two wars. Among other methods of relieving unemployment, an agreement was reached in December 1940 giving Norwegian workers the right to work in Germany, but only a few hundred workers made use of this right.

Unemployment reached its maximum in the spring of 1941, and since then there has been a general tendency for it to fall. Owing to the increasing demand for labour in agriculture and forestry and in other essential work, there was, in fact, a shortage of labour, which increased during the autumn of 1941 and the spring of 1942,

¹ *Svenska Dagbladet* (Stockholm), 21 Jan. 1943.

² K. Rvg: "Utgiftene stiger", in *Sosial Trygd*, 1942, p. 329.

since comparatively large numbers were demanded for the German construction works and for "substitute" production.

From the spring of 1942 onwards, the diminution of stocks, especially in commerce, began to take effect. For fear that unemployed workers would be called up for work needed by the Germans, dismissals were avoided and the workers were kept on, working short time and in some cases for lower wages. By the autumn of 1942 the desire to deprive the Germans of man-power was strengthened by the increasing hope that the war would not last many more months, perhaps one more year, and it was therefore felt that skilled staffs must be retained in order to cope with the increase in activity expected after the war.

This period came to an end in February 1943 with the system of compulsory mobilisation introduced by the Act on general national labour service, which is described below.

In the circumstances no statistics of employment and unemployment can give a complete picture, but it may be estimated that the number of unemployed was between 30,000 and 50,000 in the winter of 1940-41. In the following summer the figure declined to under 10,000, and by the autumn of 1942 it was only about 1,000. The unemployment percentage, which in 1940-41 was about 5 per cent., is now probably as low as 0.1 to 0.2 per cent.

The Control of Man-Power

The work of extending the employment exchange service under the Order of 8 October 1940¹ has continued but is not quite completed. The principal feature of this Order is that it empowers the employment service to reduce the mobility of labour and to tie the workers, so to speak, not only to a particular locality but also to a particular occupation. Moreover, the Order specifically prohibits the transfer of workers from agriculture, forestry, shipping or fishing to other occupations. No employer may engage a worker otherwise than through or with the consent of a public employment exchange, but in practice, he advertises for labour and engages workers in the usual way, and afterwards applies for approval of the engagement, which is usually given unless it is a case of transferring workers from "essential" occupations.

By an Order of 27 March 1941, the termination of employment in certain occupations was made to depend on the approval of the employment service.²

¹ Cf. *International Labour Review*, loc. cit., p. 691.

² *Ibid.*, p. 692. By subsequent Orders of 9 July and 19 August 1941 and 23 July 1942, the list of industries and undertakings affected by the measure was extended to include building and construction (including the construction and repair of public roads, railways and ports), herring oil, herring flour and fish flour factories, dispensing chemists' shops, and motor car workshops.

Labour for Agriculture and Forestry.

The authorities have given special attention to providing labour for agriculture. It is estimated that before the war Norway produced 43 per cent. of its own food requirements. The blockade, combined with the Germans' failure to provide adequate supplies, made it necessary to extend the area of land under cultivation and to intensify cultivation. The Order of 27 May 1941 concerning man-power for agriculture and forestry empowers the local agency of the employment service to requisition able-bodied persons for temporary work in agriculture or forestry, or in any other work in place of a person required to work in agriculture and forestry. The requisitioning was to be for a specified period not exceeding three months, but an Act of 23 April 1942 allowed the requisitioning to be renewed, subject to a total of six months in the calendar year when the work is not that usually performed by the person concerned.

Undertakings employing workers who are suitable for agricultural work may be required to close down or reduce their activities temporarily in bad times, unless it is desirable in the public interest to keep the business going in its usual volume. Such orders are issued by the Ministry of Social Affairs; the undertakings affected may be granted compensation.

When labour is transferred, travelling expenses are met out of the unemployment insurance funds and refunded by the State. The work is paid at the ordinary rates fixed by collective agreements for agriculture and forestry. If the order to take up this work entails particular hardship, a grant may be made towards the maintenance of the family (wife, children under 16 years, and parents, if maintained by the worker).

Recourse to this Order became of special importance in the summer of 1941, when workers were needed for felling timber. At the same time, owing to the shortage of raw materials, textile factories were ordered to close down for six weeks, but as most of the persons employed in these factories were women, the Order did little to relieve the labour shortage in forestry. Compulsory requisitioning was therefore carried out in other undertakings. Workers were called up for periods ranging from a fortnight to three months. They were taken mainly from those larger industries which were considered of less importance from the German point of view. The system was comparatively little used, probably because farm and forestry owners were reluctant to apply for requisitioned labour, even though they urgently needed help.

On 27 April 1942, a provisional Act was issued making man-

power available for agriculture in that year. It empowered the Directorate of Employment Exchanges and Unemployment Insurance, or its appointed representative, to order any employer to set free up to one-third of his employees (wage earners and salaried employees) to do agricultural work for not less than three weeks during the period 1 May to 31 October 1942. If the employer preferred, he could set free either a larger number of workers for a shorter period, but not less than fourteen days, or a smaller portion of his staff for a correspondingly longer period, but not for more than five weeks without the worker's consent.

If an undertaking was working short time or was closed down temporarily, or there were other special reasons, the Directorate might provide that it should supply a larger working force for a longer period. During that period, the usual employer could pay the worker up to one-third of his full wage, and the worker remained insured against sickness and unemployment in his usual insurance fund and income class on his usual employer's account. The employer could not deduct the worker's share of the insurance contribution from his wages unless he paid him part of his wages during the period of his absence.

The worker could not be dismissed on account of his absence on agricultural work, nor could his holiday with pay be shortened against his will. A worker transferred for agricultural work was paid, not by his former employer, but by the farmer, at the rate of 3.50 crowns per working day with free board and lodging, the money wage to be increased to 4.25 crowns from the seventh working day onwards and to 5 crowns from the thirteenth day. Women and young persons aged eighteen to twenty years received one crown a day less. For young persons under eighteen years the money wage was fixed by agreement. In addition to the wages, the workers received a bonus from the State which, for those with dependants, was fixed at the same rate as the daily benefit and children's allowances under the Unemployment Insurance Order of 15 November 1940, and for those without dependants, at one-half the daily benefit for single persons. The Act also provided for the repayment of travelling expenses by the State.

This Act did not lead to much discontent; the people clearly understood that a special effort was needed to secure the year's supply of agricultural products. In practice, however, it had little importance, because many undertakings had rented land on which much of the work was done by their own employees, as described above.¹ Some firms had also bought standing timber and gave their employees free time to fell it.

¹ See p. 590.

A feature that helped to make the Act comparatively popular with the workers was the provision that "any person who can prove to the food board in his commune of residence that he has worked in agriculture in accordance with this Act for not less than two working weeks shall, in the event of the rationing of potatoes and vegetables, be allocated these articles for himself and his dependants at the rates fixed for producers". Wages could also be claimed in the form of these products instead of in cash, and many persons were therefore willing to take up work in agriculture in order to obtain the largest possible supply of agricultural products for the winter.

Compulsory Labour Service for Essential Work.

On 9 July 1941 the Ministry of Social Affairs issued a provisional Order freeing man-power for work of national importance, which gave the Directorate of Employment Exchanges and Unemployment Insurance authority to order any able-bodied person to do work at a specified workplace "for carrying out the tasks which the Ministry of Social Affairs considers are of special national importance and cannot be postponed". The requisition is for a specified period and must take into account the age and working capacity of the person concerned. If the work is different from his usual occupation, the period, originally fixed at not more than three months, was amended by an Act of 18 June 1942 so as not to exceed "six months, and one year for work in the mining and metal industries". The work must be paid in accordance with the collective agreement applicable to the workplace. The regulations for the administration of the Order require employers to notify their man-power requirements to the Directorate of Employment Exchanges and Unemployment Insurance; the notification is treated as an application for the requisitioning of the necessary labour. Only persons who are fit to do the work may be requisitioned. If it is doubtful whether a person can comply with an order for reasons of health, a medical certificate must be obtained. So many persons availed themselves of this provision that the Ministry for Internal Affairs issued a circular to the provincial governors on 9 October 1941 warning doctors that the issue of certificates which were not medically justified rendered them liable to a charge of sabotage.

Compulsory requisitioning under the Order was begun at once for a number of industries and activities which were regarded as essential from the German standpoint. This is said to have applied in particular to mining, metal foundries, building work for the

extension of the light metal industry, shipping, fishing, and the manufacture of herring oil and herring meal.¹

The system proved of importance chiefly in the case of persons who registered as unemployed. It was not much used for workers already employed in other undertakings. The regulation under which the employment exchanges have to approve engagements of workers made it possible for a considerable time to meet the bulk of the demand for labour in particular industries by taking over unemployed workers and workers changing their jobs. This process was found insufficient in the spring of 1942, when the Germans needed more man-power for their construction work. Owing to the larger earnings that could be obtained at the German works, it had been comparatively easy for the Germans to get labour in 1940 and most of 1941, and the course of the war was not such as to tempt workers directly to resist all German measures. But in the winter of 1941-42, the general sentiment began to change and more and more people tried to get away from work in German service. At the same time the pay at the German works declined. The result was that the Germans found they had not enough man-power for that extension of Norwegian defences which was clearly necessary to meet the growing power of the United Nations. The system of compulsory requisitioning did not come into operation until June 1942. It was at first confined to about 20,000 men, who were called up for work in widely different parts of the country. Since there was no work card system, employers received a questionnaire on which they had to show all their employees aged eighteen to forty-five years and to indicate which of them might be set free for other work. Up to one-third of the total staff could be called up at a time. The employers merely sent in the lists, leaving the employment exchange to select the workers to be called up. Exemptions were allowed on account of dependants, training, and certain diseases. The first calling up took place in July and the beginning of August and was valid for a period of three months. Some of the workers were released after the three months, but others were kept on for a further three months (Act of 18 June 1942). Their working day was fixed at 10 to 12 hours without any stoppage on Sundays or holidays. The accommodation at the work-places was bad.²

In the autumn of 1942 an attempt was made to call up unmarried women for German aerodromes in northern Norway, but persistent protest led to their recruitment on a voluntary basis.

There was no question of calling up workers for employment in

¹ *Bergens Tidende*, 27 Feb. 1942.

² This compulsory requisitioning was still in progress at the time of writing.

Germany, which would have been anomalous when Russian, Serbian, and other prisoners of war were employed in Norway. Such requisitioning as there was for this purpose related only to skilled workers.

Introduction of Work Cards for Certain Undertakings.

A system of extra ration cards had been introduced to maintain the output of certain groups of workers employed on heavy work. These cards were issued by the food board in the commune of residence of the worker concerned. The system might have worked very well, but the Germans decided to combine it with a system of work cards. Theoretically, it might have seemed reasonable to issue the supplementary ration cards through the undertakings, since this would serve as a guarantee that the worker was doing work entitling him to the card. As early as 25 November 1941 the German Commissioner made an Order providing for the issue of work cards and the distribution of ration cards on this basis. It was not until September 1942 that further details of the proposed system were made public. It was then explained that the work cards would enable the workers in particular trades to receive an extra allowance of food, drink, and tobacco, and further that workers who leave their workplace must observe special regulations to ensure that they continue to receive their food card.

This last point was of special interest to the workers. When a worker wishes to leave an undertaking, he applies for a leaving certificate. Although it might be difficult to receive permission to leave, this was usually granted, and approval of the termination of employment obtained, if the employer was Norwegian. If the parties did not agree, the worker could take up employment in agriculture, in which case the termination of his employment had to be approved under the regulations already described.¹ The position was different, however, if the employer was German. Then no permission to leave could be obtained, with the result that the workers often disappeared from German workplaces without getting a leaving certificate. It was now obviously intended to put an end to this practice.

By an Act of 27 November 1942 concerning the allocation of work cards and ration cards through undertakings, effect has been given to the German Commissioner's Order of 25 November 1941, and workers have been bound to their undertakings. Under this Act men engaged in manual work in the occupations specified by the Ministry of Social Affairs in consultation with the Ministry of

¹ See above, p. 593.

Supply are to receive their ration cards through the undertaking, and at the same time the undertaking must issue a work card drawn up in a specified form. The Act applies only to undertakings employing at least ten men on manual work, but on the application of an undertaking, the Ministry of Social Affairs may provide that the Act shall apply also to smaller undertakings in the case of a particular occupation. The undertaking is under an obligation to retain the work card and the ration card if the worker leaves the undertaking unlawfully. This prevents the worker from leaving the undertaking in bad times, unless his object is to quit the country altogether, and may largely prevent workers who have voluntarily taken up employment with the Germans from disappearing from their jobs.

The Introduction of Total Mobilisation

The legislation described above was found insufficient to provide man-power for the occupations regarded as essential by the authorities. A Compulsory Labour Act of 21 December 1942 accordingly made it possible to take more effective measures in the case of individual workers. During the preparation of detailed regulations for the administration of the Act came Chancellor Hitler's demand for the total mobilisation of the German nation. Minister-President Quisling took this as an opportunity to issue an Act on 22 February 1943 for the general national mobilisation of the Norwegian people, on the lines of the German measure.

This new Act, besides making it possible to assign individual workers to particular jobs, enables the authorities to direct the whole of industry by giving them the right to close down undertakings wholly or in part, amalgamate them, etc. Its principal provisions are as follows:

(1) The Ministry of Social Affairs is to call up all man-power which is not fully utilised or is used for non-essential work.

(2) The Ministry of Commerce may order the restriction or closing down of undertakings and industries which are not of national importance.

(3) To equalise and distribute any excessive burdens and losses resulting from the application of the Act, a relief fund is set up, to be accumulated and administered by associations of industrialists. The Ministry of Commerce may order the formation of such associations or approve them, and give them a monopoly right to act on behalf of the persons concerned.

The German Commissioner made it plain that the Act would have serious consequences for the Norwegian people. He said:

There must be no doubts on one point: the German Reich with the whole of its authority—represented by me—will stand behind any regulations which have been or will be adopted by the national Government for the purpose of increasing the contribution to Europe's fight against Bolshevism.¹

The detailed application of the National Mobilisation Act is dealt with in Acts of 23 and 25 February 1943. Men aged eighteen to fifty-five years and women aged twenty-one to forty years must register with the employment exchange for their place of residence. No age limit is fixed for persons who hold a diploma from a university, college or corresponding educational institution. Certain classes of persons are exempt from registration.² They include in particular: (1) men holding work cards who receive their ration cards through their employers³; (2) persons with businesses of their own who since 15 February 1943 at latest have provided full-time employment for more than five workers in their own undertaking; and (3) persons with full-time employment in agriculture, forestry, fishing, or shipping. The Ministry of Social Affairs may decide that certain groups of persons who would otherwise be exempt shall nevertheless be required to register, and may also provide for other exemptions than those mentioned above.

Detailed information is not available on the number of persons expected to be covered by the Act. A figure of 150,000 has been suggested, but cannot be vouched for. In Oslo, with its population of about 260,000, the authorities estimate that about 30,000 will be affected by the measure.

Registration must be effected with the employment exchanges. It had to be completed by the end of March 1943, after which the process of requisitioning was to begin. Persons registering are to specify the kind of work for which they consider themselves particularly suited. The authorities point out that there is a large demand for mechanics, repair men for motor-cars, electricians, building workers, etc. It is also desired to ascertain which persons have had experience in felling timber and cutting wood, agricultural work, the care of livestock and similar work. For women, a particular point is to find out whether they can take up work in place of men as train and tram conductors (ticket collectors), telegraph messengers, clerks, typists, and stenographers.

The registration must be effected personally, but as a check, State and local authorities, undertakings, institutions, and private individuals are bound to give the employment exchanges any other information and assistance that may be needed for the administration of the Act.

¹ *Aftenposten*, 23 Feb. 1943.

² The exemptions are, generally speaking, similar to those applied in Germany (cf. *International Labour Review*, Vol. XLVIII, No. 1, July 1943, pp. 95-96).

³ See above, p. 597.

In order to prevent workers from trying to get away from employment in which they are liable to register, it is provided that during the period 22 February to 31 May 1943 any termination of employment must be approved in advance by the competent employment exchange.

It has repeatedly been emphasised that requisitioned workers are to be used solely inside Norway, but the population has no confidence in these declarations, and there has been a general exodus across the Swedish frontier from the parts of the country where it is comparatively easy to get out. This flight from the country includes persons who are not liable to registration.

On 27 February 1943 it was announced that bars, night clubs, luxury restaurants, and similar undertakings were to close down; a separate notification was to be given in each case by the Ministry of Commerce.

Persons who are called up under the new measure are to be paid at the rates fixed in the collective agreement in force at the workplace. In the absence of such an agreement, the wages customary for the work are to be paid. In general the conditions of employment are to be those fixed by law or custom for similar work at the workplace, when the employment is based on a contract. The Ministry of Social Affairs may decide, however, that particular workers or groups of workers are to be paid according to special rules issued by the Ministry. These provisions are on the lines of those contained in earlier labour requisitioning legislation, but no mention is made of allowances paid out of public funds (as in the Act of 27 April 1942 concerning man-power for agriculture).¹ They are no doubt based on the National-Socialist theory that payment must be determined strictly by output and that there shall be no compensation for loss of income resulting from being called up.

On the other hand, an attempt is made to give some relief to undertakings which are required to restrict or close down their operations. This can be justified by the considerable powers of interference given to the Ministry of Commerce, which is entitled to order: (a) that two or more undertakings or departments of undertakings, shall operate jointly; (b) that part of a department in one undertaking shall be taken over by another; (c) that one undertaking or department of an undertaking shall hand over its plant to another (for ownership or use). To the extent that the Ministry considers necessary, it may amend or terminate the contractual relations of the undertaking, with legal effect, and trans-

¹ See above, p. 594.

fer rights and contracts other than those subject to supervision by the Ministry of Supply¹ to another undertaking.

A special Relief Fund has been set up, as already mentioned, for cases of excessive loss or burdens suffered by an undertaking whose activity has been restricted or closed down under the National Mobilisation Act or any other legislation resulting from the state of war. In addition, the moneys of the Fund may be used to meet the cost of maintaining plant and equipment if the undertaking itself is unable to procure the necessary materials or cannot reasonably be expected to do so. It is apparently not intended to cover loss of earnings, but only to provide for the subsistence of the persons in question. The Fund must also see that an undertaking which is closed down is not neglected if the owner is not in a position to provide for its maintenance himself. In some cases this provision also applies to fees for patents and the like.

An Order of 2 March 1943 provides for the payment of contributions to this Relief Fund. In principle, all persons in an independent position except those engaged in agriculture, forestry, or fishing are liable to pay the contribution, while all in receipt of wages are exempt. As already mentioned, persons employed in certain undertakings are not liable to register under the Act (*e.g.*, workers holding work cards), but the undertaking is not, as a rule, free from liability to contribute. The rate of the contribution is one per cent. of the assessed income for taxation in 1942-43, but no contribution is due if the assessed income is under 5,000 crowns. It is payable on the whole of the assessed income, even in cases where part of the income is derived from activities other than those liable to contribution. The liability ceases if an order is issued to restrict or close down the operation of the undertaking. The contribution may not be treated as a working expense for purposes of taxation.

Youth Labour Service

Plans for a compulsory labour service scheme for young men were being discussed already before the war. In the summer of 1940, voluntary labour camps, both for men and for women, were set up under the Administrative Council. The work consisted mainly in the building of roads for forestry purposes and agricultural and forestry tasks.

Early in October 1940, the Ministry for Labour Service and Athletics announced that labour service would be made compulsory

¹ The Ministry of Supply may issue regulations concerning goods or rights, or contracts for the delivery of goods, held by an undertaking or department of an undertaking which has been closed down. Similarly, it may decide as to the permits and other industrial rights possessed by the undertaking under existing regulations concerning supplies and rationing.

for men, and Orders were issued to this effect on 11 March and 17 April 1941.

All young male Norwegian nationals resident in Norway are liable to labour service. They will be called up as a rule in the calendar year in which they reach the age of twenty, but permission to volunteer from the calendar year in which they reach the age of eighteen may be obtained. Exemption may be allowed in special cases. The period of service is not less than 90 days. Young men with a higher education may be required to perform additional service in accordance with detailed regulations issued separately, but the total period may not exceed twice the fixed period of service. The original 90 days were extended to six months from 1 December 1942 onwards. The scheme is under the control of the Ministry for Labour Service and Athletics and is built up and administered partly on the same lines as the earlier military system. Short courses of training for labour service leaders have been given.

In the first year there were difficulties in obtaining houses, clothing, and equipment even for the 6,000 (out of 22,000) who were the first to be called up. The provision made for them was therefore unsatisfactory. Quotas are called up throughout the year, one relieving the other at intervals of three months. Agricultural and forestry workers have as far as possible been exempt from labour service. In addition to their work, the members of the camps do drill and gymnastics. Some political propaganda is carried on, but apparently with little effect.

In the spring of 1942, women were urged to volunteer for labour service and were promised a corresponding relief from the compulsory service that it was proposed to introduce for them. In October 1942, the head of the labour service announced that the leaders for the compulsory scheme for women were being trained.

Labour service has been performed only inside Norway. In December 1942 it was decided to send 150 men to fell timber, for use in Norway, in the neighbouring districts of Finland, but the Swedish authorities refused to allow the passage of these men and the whole matter was shelved.

Members of the labour camps and their leaders are insured against sickness and accidents under an Act of 9 April 1942, both during the service and during their journey to and from the camp. For the leaders, the insurance applies as long as they are employed in that position. The same benefits as under other sickness and accident insurance are granted, but the rates are different.

Unemployment Insurance

No important changes have been made in the Unemployment

Insurance Order of 15 November 1940.¹ The number of persons insured varies somewhat, more particularly as the insurance does not cover all workers. It may be estimated that the figure is now about 550,000, as compared with the estimate of 520,000 when the insurance came into effect. The income from contributions is deemed to be about 60 million crowns a year. If none of this money has been used to finance public works, the insurance authorities must have accumulated a substantial sum. The number of persons in receipt of benefit has varied with the economic situation, and is now very low.

The Unemployment Insurance Act of 24 June 1938² had provided for the introduction of supplementary insurance on a voluntary basis, to provide benefit after the ordinary benefit is exhausted. The Order of 15 November 1940 maintained this provision, but reduced the State subsidy from one-half to one-third of the benefit cost. The rules for supplementary insurance must, as before, be approved by the public authorities. Those trade unions, in particular, which had previously had unemployment funds were interested in maintaining their funds in conformity with the new Order. During the spring and summer they accordingly drew up new rules for their funds, together with the necessary actuarial calculations. But by a Circular issued to the funds in March 1941, the State subsidy was withdrawn, and by an Order of 13 August 1941, all legislation on this subject was suspended. Hence no new rules for supplementary insurance were approved. Those funds which had had their rules approved in time continued to pay benefits. It is not known whether such payment has been stopped since the National Union Party took over the trade unions.

SOCIAL INSURANCE

When war came to Norway on 9 April 1940, the country was preparing a large-scale social reform. A committee appointed in 1935 to unify the social insurance schemes had drafted a provisional Bill concerning assistance for the blind and crippled (Act of 16 July 1936), an Old-Age Insurance Bill (Act of 16 July 1936), and an Unemployment Insurance Bill (Act of 24 June 1938). In addition, it had drafted measures concerning pensions for the disabled, blind, and crippled (embodied in a Government Bill of 7 May 1937) which had not yet come before the Storting, and concerning sickness insurance (4 March 1939). Further, the committee had prepared an Employment Exchanges Bill, which in part was used as

¹ Cf. *International Labour Review*, *loc. cit.*, p. 693. See also I.L.O.: *Legislative Series*, 1940, Nor. 2.

² Cf. *Legislative Series*, 1938, Nor. 3.

a basis for the Order issued on 8 October 1940.¹ The committee was also working on a draft Bill for the care of the mentally diseased, and on an Accident Insurance Bill to take the place of the previous Acts of 24 June 1931 concerning accident insurance for industrial workers and for seamen and the Act of 10 December 1920 concerning accident insurance for fishermen. The draft Bill concerning the care of the mentally diseased has been completed but no legislation has yet been adopted. The committee has practically completed its draft of an Accident Insurance Bill, but it is unlikely that the matter will be taken up for final treatment until after the war.

The sickness insurance scheme is the most comprehensive of the Norwegian social insurance measures. As previously mentioned², sickness insurance and unemployment insurance are linked, inasmuch as persons liable to the former are with few exceptions also liable to the latter. In addition, the sickness insurance funds are responsible for the financial administration of the local unemployment funds. On the other hand, voluntary insurance is allowed only under the sickness insurance scheme.

Apart from a very few exceptions, insurance is compulsory for any person who has reached the age of fifteen and is employed in Norway in public or private service for wages or remuneration which consists altogether or in part of cash, provided that his total annual income does not exceed a specified limit (at present fixed at 6,000 crowns a year). Seamen in overseas trade are liable to insurance irrespective of their income, and so are all persons registered as fishermen. Thus the scheme excludes in the main persons without income, those working on their own account, and those earning wages or salaries whose total income is over 6,000 crowns. Such persons may insure voluntarily and have, in fact, made considerable use of this right. The Sickness Insurance Bill would make insurance compulsory for the whole population. Persons who become liable to insurance can fulfil their obligation by insuring voluntarily, in which case they have a right to the same benefits as other insured persons, and the State and local authorities pay the same fraction of the contribution. Since the issue by the present régime of Orders on unemployment insurance and employment exchanges in close connection with the sickness insurance scheme, more persons than before have made use of the right to insure voluntarily instead of coming under the compulsory scheme³, because they hope that in this way they may in some measure avoid the man-power restrictions; and they also save the contribution to

¹ Cf. *International Labour Review*, loc. cit., p. 690.

² *Ibid.*, p. 693.

³ Cf. F. FREDRIKSEN: "Nyttes den frivillige syketrygd som kammufasje mot a-trygd og arbeidsformidling?", in *Sosial Trygd*, 1942, p. 244.

unemployment insurance. But such a circumvention of the law is dangerous for the employer, and so cannot be widely practised. .

Sickness insurance is based mainly on local funds comprising all who are employed in a particular district (as a rule, a commune). When the scheme was introduced, however, there were in existence several funds set up by persons in a particular occupation, and these private funds were given the right to continue their activities and take the place of public insurance funds. Their rules and activities must be approved by the State Insurance Institution, the central authority for sickness insurance. At 31 December 1940, there were in Norway 759 insurance funds; 30 approved communal and private sickness funds; 8 railway sickness funds; and 142 substitute sickness funds. Proposals have been made to close down the 180 funds that act in place of public funds. The work of reform now in progress will probably make this necessary.

As in the case of local self-government, the "principle of responsibility" has been applied to the administration of the insurance funds. Formerly, an insurance fund was run by a committee elected by the commune for a term of three years, the day-to-day administration being entrusted to the permanently appointed manager. By an Act of 29 January 1942, this official has been made director of the fund and is given an advisory board of three members appointed by the State Insurance Institution. There have been no changes in the insurance benefits. But since the insurance provides for free treatment in public hospitals and covers similar expenses, the rise in the costs in question has also led to increased expenditure for the funds. In addition, the improvement in sickness rates which set in during the spring of 1939 was followed from the summer of 1941 onwards by a rise in morbidity.¹ Such epidemics as diphtheria, spotted typhus, and the like have spread more easily, and inadequate nutrition has also meant that sickness is more serious in character than it used to be. The expenditure of the insurance funds has risen in consequence. In the autumn of 1942, therefore, it was decided to raise the contributions in several funds.

In accident insurance, on the other hand, there has been an increase in the rates of compensation. By a provisional Act of 26 February 1942, concerning supplementary compensation for pensioners under the laws respecting accident insurance for industrial workers, seamen, and fishermen, the annual pensions were increased by 10 per cent. For industrial workers, etc., the increase applies to invalidity pensions of not less than 18 per cent. of earnings (30 per cent. invalidity) and to widow's and orphans' pensions. For sea-

¹ Medical expenses rose in many places by 30, 40 or 50 per cent. during 1942 as compared with the corresponding period in 1941 (*Sosial Trygd*, 1942, p. 204).

men, the increase is the same, except that it does not apply to compensation under the special regulations concerning accidents due to war or piracy. For fishermen, the compensation payable under the regulations concerning war risk insurance for the fishing fleet is not affected.

When the war broke out the Ministry was drawing up proposals for increasing old-age pensions; an increase of 10 per cent. was contemplated. But the special regulations concerning the calculation of pensions caused difficulties. Under the Old-Age Pension Act, each commune must establish a basic pension of such amount that 60 per cent. of it will be sufficient to maintain a single person with no other means during one year. For a married couple the basic pension must be not less than 50 per cent. higher than that for a single person. The old-age pension consists of 60 per cent. of the difference between the applicant's (in some cases also his family's) estimated income and the basic pension. In calculating the income no account is taken of (a) gifts and other payments to which the pensioner has no legal claim, up to an amount equal to the minimum basic pension; (b) other income up to one-third of the basic pension. The assessment of income from property is based on the value of the annuity that could be bought for the property, leaving out of account any real estate up to 6,000 crowns in value.

If the basic pension amounts to 600 crowns, for example, and the applicant has an annual income of 500 crowns, the amount not to be taken into account in calculating the pension is 200 crowns (one-third of 600 crowns); the old-age pension will then be 180 crowns (60 per cent. of the difference between 600 and 300 crowns), and the total income, therefore, 680 crowns. To improve the conditions of old-age pensioners, it was proposed that the actual pension should be increased by 10 per cent., but owing to the uncertain situation, all plans of this kind were held up. On the other hand, individual communes have decided to raise the basic pension so as to increase the income of old-age pensioners, but such decisions have not been approved by the Ministry of Internal Affairs. The few communes which have so far decided to make a provisional addition to the old-age pension itself have had the decision approved. Such additions amount to 10 to 20 per cent. of the pension.

War Pensions

In March 1940 a committee was appointed to consider the question of war pensions. It had only just begun its work when the war came, and like other committees it had to suspend its activities. In November 1940 and in March 1941 a new committee, appointed by the Administrative Council, submitted draft proposals

concerning war pensions for service men and for civilians. The Ministry of Social Affairs issued two Orders on the basis of these recommendations on 9 December 1941.¹

The Order concerning war pensions for service men covers all persons who have taken part in war under the Military Service Act or as volunteers², including also foreign volunteers fighting on the Norwegian side. (This means that soldiers belonging to foreign relief expeditions are excluded.) It does not apply to persons who have taken up residence abroad since 10 June 1940³ or to the dependants of such persons.

The Order provides compensation for the effects of wounds or sickness incurred during war service and for death on service. It covers wounds, sickness or deaths that have occurred since 8 April 1940.

The invalidity benefits comprise a pension with supplement according to rank, family supplements (children's allowances and allowance for domestic help), grant for helplessness, sickness benefit after invalidity has been confirmed, and grants for artificial limbs and orthopaedic appliances. For death resulting from injuries on service, the benefits comprise a funeral grant, widow's and orphans' pensions, and, on specified conditions, pensions to parents, brothers, sisters, and grandparents.

For full invalidity, the basic pension is 2,000 crowns a year, which is proportionately reduced for partial invalidity. The payments for rank are fixed as a percentage of the basic pension, ranging from 20 per cent. for sergeants to 50 per cent. for captains and higher ranks. Certain income from other sources is deducted from the pension, as explained below.

If the invalidity is assessed at less than 5 per cent., the service man has no claim for pension. If it is assessed at less than 20 per cent., the pension takes the form of a lump sum equivalent to six years' pension. The commutation of all or part of the pension at its actuarial cash value may also be allowed when the invalidity is greater than 20 per cent., for the purpose of providing the disabled man with a permanent occupation from which he can earn a living.

Children's allowances are granted if the invalidity is over 20 per cent. They amount to 20 per cent. of the invalidity pension (plus supplement for rank) for one child under eighteen years, with

¹ An account of the explanatory memorandum to these Orders, etc., may be found in an article by Finn ALEXANDER: "Krigspensjonering for militærpersoner og sivilpersoner", in *Forsikringstidende*, 1942, p. 45.

² During the fighting in Norway there were many persons not liable for service who joined up voluntarily.

³ Hence, under the Order, persons who have gone to Great Britain or other Allied territory to take part in the fighting under the leadership of the legitimate Norwegian Government are not entitled to war pensions.

a further 10 per cent. for each additional child, subject to a maximum of 55 per cent. of the invalidity pension. If the disabled man's wife is permanently incapable of work, or if he is a widower or divorced and has to support children under eighteen years, an allowance for domestic help may be granted at the rate of 20 per cent. of the basic pension. Applications for such allowances are decided by the State Insurance Institution.

The grant for helplessness is fixed on the merits of the case, but may not exceed 50 per cent. of the basic pension.

The funeral benefit is 300 crowns.

The widow's pension is fixed at 60 per cent. of the pension for a wholly disabled man (including the payment for rank). It is granted only if the marriage was contracted before the disablement occurred, but in special cases the Ministry of Social Affairs may allow an exception to this rule. In the event of remarriage, the widow's claim to a pension is commuted for a lump sum equal to three years' pension.

Orphans' pensions are calculated as supplements to the widow's pension, and are paid in respect of children under eighteen years of age. The rate is 40 per cent. for one child; 60 per cent. for two children; 75 per cent. for three children; 90 per cent. for four children; and 100 per cent. for five or more. If the child has lost both parents, the orphan's pension is doubled.

The Order provides for certain deductions from the above pensions. The most important deduction relates to money received from other sources on account of the invalidity or death, in particular pensions from the State Pension Fund¹ and similar funds, life insurance payments, and invalidity pensions and widow's and orphans' pensions from private life insurance companies. Income which has no connection with the invalidity or death is not deducted. The actual rules for deduction are liberal. A part of the other income, equal to one-half of the war pension itself, is left out of account.² Of what remains, only one-half is directly deducted from the pension. Further, a minimum is fixed for the pension, equal to one-half of the non-reduced war pension, and this is paid in all cases irrespective of other income.

The war pensions are substantially higher than pensions paid under social accident insurance legislation. The cost of the pensions is borne by the State.

The Order concerning war pensions for civilians divides the population into three main groups. The first comprises civilians

¹ This Fund covers persons in the permanent employ of the State and therefore also military officers.

² On the lines of the provisions of the Old-Age Pensions Act of 16 July 1936 (cf. *Legislative Series*, 1936, Nor. 4).

who have been requisitioned for service by the military authorities, civilian anti-aircraft staff, and first-aid staff in the service of voluntary associations, if they are particularly exposed to war injuries while on duty. For this group the pensions are the same as for private soldiers under the Order concerning war pensions for service men.

The second group comprises seamen and fishermen, and other civilians in active service in occupations or undertakings which the State Insurance Institution regards as particularly exposed to the hazards of war. The pensions for this group are fixed at 90 per cent. of those for private soldiers.

The third group comprises all other civilians, including persons who belong to the first two groups but whose injury has no connection with the above-mentioned service or employment. The dependants of seamen on Norwegian ships trading with Great Britain or other parts of the British Empire or with American territory receive only the ordinary compensation under the seamen's insurance regulations; compensation under the new Order is payable only to the crews of vessels trading from Norway. The benefits are the same as those provided under the Order concerning war pensions for service men (subject to the above-mentioned reductions), but sickness benefit is also granted before the invalidity has been confirmed. It consists mainly in free medical treatment, travelling expenses to and from the doctor or hospital, etc., and a daily allowance (to persons over eighteen years) paid after a waiting period of six days and equal to the invalidity pension. During treatment in hospital, the daily allowance is withdrawn. Children's supplements are the same as in the case of invalidity pensions. Seamen receive certain bonuses depending on their employment on board. The funeral benefit is 200 crowns. The rules as to deduction are much the same as in the case of service men.

The cost of war pensions for civilians is borne partly by the State and partly out of a special contribution fixed at 10 per cent. of the old-age insurance contribution. Persons under eighteen and over seventy years of age are exempt from payment. The contribution was payable for the first time for the financial year 1942-43. It is estimated to yield some two million crowns a year and is to be paid into a War Pensions Fund. Both the Orders concerning war pensions are administered by the State Insurance Institution.

ECONOMIC ORGANISATION

As a step towards the establishment of a sort of corporative State, an Act was passed on 20 August 1942 concerning organisations, associations, etc., which provides that these bodies must be

governed in accordance with the "requirements of the welfare of State and people", and that the Ministry of the Interior is to see that this rule is observed. Companies and other organisations run primarily for profit are exempt from the provisions of the Act. All organisations must be registered. Changes in the management of central federations of persons engaged in industry must be approved by the competent Ministry. Until the end of 1943, no person may resign from his position in the leadership of a federation or organisation connected with industry. The competent Ministry may require an organisation to perform certain tasks, for which purpose it may give it the necessary authority. Further, it may decide that any person who, through his occupation, employment or business interest, has a definite connection with the aims of an organisation or association must join such organisation or association.

The National Mobilisation Act of 22 February 1943 opened the way for further far-reaching changes, by empowering the Ministry of Commerce to order the formation of economic associations. Under the Act of 25 February 1943 dealing with the Relief Fund for undertakings¹, the Ministry may set up an organisation, called the "economic group", for each branch of economic activity, to act as a link between the persons engaged in the branch and the public administration. Membership of the group will be compulsory. The group will be led by a chairman, assisted by advisers, who is to be appointed and dismissed by the Ministry of Commerce, and to be subject to its supervision.

¹ See above, p. 601.