

Swedish Way to Fascism II

(IPS) — Europe and North America are tottering from political instability and the ravages of the oil hoax into economic collapse, but Sweden thinks the Swedish social democratic worker has characteristically managed to remain an exception to this process.

So it would seem. After all, he reasons, haven't we still a strong labor movement as the backbone of a social democratic government? And the government, unlike some of the foolish "big powers," has taken certain precautions, albeit at a price. We have a large state pension to make the future secure. Even in chronically depressed Lapland, the state is once more providing jobs. The Swedish Social Democratic Workers Party (SAP) has taken care of the working man for more than 40 years.

The social democratic worker who is still naive enough to trust his party to act in his best interests is in for a terrifying shock. His leaders have been laying a death trap for him over recent years and months. Sweden **today** is in most respects the formal model being used by the Rockefeller faction for fascist social policies introduced under the cover of "progressive" social policy.

A Model for Social Fascism

In recent weeks, Prime Minister Palme, labor head Nilsson and others have proclaimed Sweden's emergence into the future "post-industrial society" of zero economic growth. In the reality of world economic depression, they are setting up a de-industrialized society, through a process of controlled collapse that is ruthlessly thorough. The following steps have already been taken: In May, the Palme government rammed through Parliament a \$1 billion state development project, "Steelworks 80," for the desolate Lapland region above the Arctic circle. It is the largest industrial project in Swedish history.

This spring social democrats passed a measure by which the immense resources of the state pension fund (ATP) are used for the first time to purchase stock in private companies, a step which has been hotly debated for several years. The fund has the potential capital to buy up every firm listed on the Stockholm Stock Exchange.

In July, the state became the largest commercial banker in Scandinavia, with the creation of the Post-Credit Bank (PK Bank). This bank will process the

payroll of 50 per cent of all Swedish companies.

Last week the social democratic labor movement proposed that union dues be paid not by the union members, but by a direct state tax on employers. This prompted the conservative business paper *Svenska Dagbladet* to rally to the "defense" of unions. They attacked trade union leaders for "transforming the unions to an even greater degree into part of the company ... a development in the direction of corporativism."

Ironically, the conservatives are right as far as they go. The designation "corporativism," used by Mussolini to describe the relation of business and the state under a fascist regime, is appropriate to the Swedish economic structure. But the conservatives can take the point no further, because they pose no programmatic alternative to the social fascist-controlled collapse of Palme and the social democracy. The SAP has moved step by methodical step to close the options.

In the coming period, extension of credit in the export-oriented economy of the country will be accompanied by a hangman's rope. The Swedish state has been set up as the lender of last resort. It will extract credit from the population through taxes, lowered wages, population resettlement, and massive retraining. The conservative opposition can only dream that an alternative solution will come from an upturn in the world capitalist economy — a dream from which they will soon be rudely awakened.

Rise of the "State Within the State"

The foundation of the Swedish corporative "state within the state" has been carefully built over decades of social democratic rule. During World War II the state created the NJA steelworks, on which "Steelworks 80" will be built. After the war the SAP began assembling and organizing what today has become the international model for industrial population resettlement, the Labor Market Board (AMS). The government originally created the AMS in the late 1940s as a small but institutionalized agency which drew on wartime experience with population resettlement, enlisting women in the workforce and setting up public works projects. During the next decade AMS was primarily active in channelling a pool of *gastarbeiter* from Eastern Europe, Italy, Finland and Norway to selected areas of Swedish industry.

This state intervention was escalated as the 1957-9 recession signalled the end of postwar stability. In 1959, after months of maneuvering and debate, the SAP, with the support of the Swedish Communist Party, passed the economic act that became the prime vehicle for state control of the entire credit market. The Public Supplemental Pension fund, ATP, was set up, supposedly as a pension security for workers in later years. The fund, a colossal fraud, has nothing to do with providing pensions, though a nominal amount is paid out. In actuality it is a ruse to tax employers according to a percentage of employee wages. The tax goes into the ATP fund and is then written off by the employer as a wage cost in collective bargaining. The Worker's Organization (LO), associated with the Confederation of Trade Unions, goes along with this swindle. The miserable worker, who supposedly benefits from all this, in fact loses both at the bargaining table and at retirement. During the debate in 1959 the Conservative party howled about "spiderweb socialization." Today about 33 per cent of the entire credit market is held by the mammoth ATP.

The next major move occurred in 1969 when Olaf

Palme became Prime Minister in the midst of a growing international monetary crisis. The Palme government, using the SAP's 1940s rhetoric, introduced the New Industrial Program [*Naeringspolitik*]. While simultaneously fostering the eventual destruction of the labor movement through Tavistock Volvo-type co-participation experiments [*foertagsdemokrati*], Palme consolidated the future apparatus of state control. Coopting the easily duped potential left opposition by talking about socialization, the Palme regime created a massive state holding company, Statsforetag AB, laying the groundwork for a future *Kraft durch Freude* (strength through joy) Nazi Labor Front organization. The State created a giant conglomerate, centralizing control of the state iron ore mines, LKAB; the NJA steelworks; a major ship-building operation; forest industry, tobacco, hotel and restaurant facilities; and various development companies.

To oversee this entire holding company, as well as state and private fission power and electric power operations, Palme created a cabinet-level Department of Industry in 1969 with Krister Wickman, one of Palme's



"new breed," as its first Minister. During Wickman's two year tenure the "Steelworks 80" and other basic industrial redevelopment blueprints were laid out. By 1973 Wickman had been appointed to the critical position of head of the state *Riksbank* (Central Bank), where he exercised life and death control over the flow of credit to the economy.

The economy is now reaching the critical point. The main role of state economic intervention until now has been to subsidize and stabilize an increasingly bankrupt capitalist debt structure. The statist military economy emerging under social democratic cover since the war has supported a relatively highly skilled labor force in order to maintain markets in export of machine tools, wood, and precision instruments through constant technological innovation. Now, along with the collapse of German machine tool and heavy industry, Danish agriculture, and the entire economy of Britain, the illusion of prosperity is over. No longer will AMS push unemployment into ever-growing retraining programs, supported by taxes on employed workers.

The *Svenska Dagbladet* conservatives, whose base is the numerous small industrialists, technicians, and administrators, appear to have only the most naive perception of the chamber of horrors that is now virtually an operational capacity. The state is in a position to selectively bankrupt and subsidize entire industrial sectors. Textile has already gone through this process and (to a lesser extent) agriculture and forestry during the last decade. Through AMS, the desperate workforce can be re-tooled and recycled at ever lower wages to selected industrial development projects in the desolate regions of Lapland. Whole towns and villages bled dry through local taxes can be bankrupted in a process supervised by the state services.

The deepest fear of the Swedish working man, driven by the brutal ravages of the last depression, is fear of a violent upheaval of his daily routine life. This fear will be pushed beyond the breaking point. At that point the agencies of AMS will step in and make certain the hell he is subjected to is carefully controlled. This is the Zero Growth workers' paradise, the Swedish way to fascism.