

# *Swedish Neutrality in Transition*

MARTIN SCHIFF

SWEDEN'S TRADITION of neutrality evolved from the beginning of the nineteenth century as an expedient for a small nation anxious to stay out of costly, unrewarding wars. The neutrality tradition remained essentially devoid of moral and ideological overtones even through two world wars and the ravages of Nazism. In fact, the practice of Swedish neutrality during World War II accommodated the Nazi war machine until the Allied forces began to win the war in 1943. Government policy statements defined and defended the neutrality policy as freedom from alliances in peace, aiming at neutrality in war. Such a formulation is still used today, but it is by no means certain that the neutrality policy remains free of moral and ideological considerations and rooted in its pragmatic antecedents.

After World War II, the Swedish government headed by Tage Erlander began to emphasize that the neutrality policy was not the same as passivity or isolationism. Great stress was placed on the need for international solidarity especially through such organizations as the United Nations. Sweden pledged to participate fully in the U.N. principle of collective security and "in the event of a future conflict to give up neutrality to the extent that the charter of the organization demands."<sup>1</sup> Such a pledge, however, was inevitably qualified by the condition that there be no subdivision of the great powers into two camps within the U.N. If such a subdivision took place, the government explained, traditional Swedish

neutrality would be reasserted and Sweden would remain outside of any group or bloc formation.

With the onset of the Cold War and the breakdown of the U.N.'s collective security function, the Swedish government exercised great restraint in defining its foreign policy role. World peace and international cooperation remained the ultimate goals of Swedish foreign policy, but the government made very clear the limited role it envisaged for Sweden to these ends. In a series of government statements from 1950 through the early 1960's, Sweden stated that it was not able to play any part in bridging the gaps existing between the great power blocs. Moreover, the government explained that it must act with great restraint in making proposals involving great power differences in order not to risk exploitation of Swedish initiatives by one side or the other. Such exploitation, the government warned, could be construed as having been made in the interest of one great power bloc and lead to a loss of confidence in Swedish objectivity and neutrality.<sup>2</sup>

Instead Sweden confined its means of striving for world peace and international cooperation to foreign economic aid to the developing countries of the so-called third world of Asia, Africa and Latin America. Unlike most other European states, Sweden has no recent history of colonialism to overcome in dealing with these new states. The groundwork for official Swedish assistance

had been laid by the activities for a number of years in these countries of missionary organizations, the Swedish Red Cross, the Save the Children Organization and private individuals. After World War II, the government successfully encouraged aid programs by humanitarian, business, labor, cooperative and youth organizations. The administration and direction of the governmental aid, originally under private supervision, was turned over to a new government agency—the Agency for International Assistance (NIB)—in 1961 which was superseded by the Swedish International Development Authority (SIDA) in 1965. The stated budgetary goal of the government's assistance policy was to grant developmental aid in an amount equal to one percent of Swedish national income.<sup>3</sup> In recent years Sweden has increased its developmental aid appropriations by twenty-five percent annually, thereby approaching the one percent figure.<sup>4</sup>

Official government aid to developing nations was extended primarily through the U.N. and its specialized agencies within a multilateral framework. Sweden also took part in virtually all of the peace-keeping operations of the U.N.—in Korea, Lebanon, Kashmir, the Congo, Cyprus, etc.—inasmuch as these did not involve Swedish troops in combat with one of the Cold War military blocs. Sweden sought through the U.N. to limit the spread of local conflicts and to gain time for reaching a political solution. Sweden was first to bring up the question in the U.N. of world over-population, and Sweden also took the initiative in sponsoring the U.N. Conference on the Human Environment which was held in Stockholm in June 1972. Finally, Swedish citizens have served as high officials in the U.N., as mediators, observers and so forth.

Sweden's developmental aid programs and heavy involvement in the U.N. have been explained as an "active" interpreta-

tion of the neutrality policy as distinguished from the pre-1945 largely passive or isolationist approach. Activist neutrality is said to imply a positive, moral duty to do something to stem the tide of poverty which extends throughout the underdeveloped countries. There is consensus in the Swedish press and among political parties that the neutrality policy must actively demonstrate the nation's idealism and humanitarianism.

Such newly-discovered moral requirements of the neutrality policy are buttressed, however, by more traditional, pragmatic considerations. A 1962 government proposal, for example, pointed out how foreign economic aid in an increasingly inter-related world is in fact as realistic as it is idealistic because it strengthens Sweden's national security. A world divided between rich and poor nations was held to be dangerous for world peace and, therefore, inimical to Swedish national interests.<sup>5</sup> The Swedish press has observed that Swedish assistance can help to create new markets for Swedish exports. Sweden could improve its trade position even as it helped develop these poor countries. The conservative newspapers have pointed out that such aid was a deterrent to Communism and a means of promoting democracy. Such aid is also held to be consistent with the foreign policies of the U.S. and the U.S.S.R. who render assistance as part of their defense efforts.<sup>6</sup>

In recent years bilateral aid has assumed greater importance in the Swedish foreign aid program because it gives Sweden a more direct voice in implementing the goals of the program. It is not considered threatening to neutrality *per se* because of Sweden's obvious lack of power ambitions. What has become more controversial for neutrality, however, is Sweden's engagement with third world liberation movements and the bilateral aid and moral sup-

port given these movements. Foremost among these movements has been the Vietnamese National Liberation Front, but the Palestinian Arab refugees and the black struggle in South Africa and Rhodesia have also received significant Swedish support. The controversy over this ideological turn in the bilateral aid program reached its peak in 1969 when former Minister of Education, Olof Palme, succeeded as Prime Minister, Tage Erlander, who retired after twenty-three years in office. Palme, who the previous year had marched in a pro-Viet Cong torchlight parade with the North Vietnamese ambassador, raised the furor when he pledged forty million dollars in aid and credits to North Vietnam and acknowledged a greater sympathy for the North Vietnamese government than for the Saigon regime. The U.S. government, reacting angrily to Palme's policy statements, announced that it would consider financial reprisals against Sweden if the forty million dollar aid pledge was indeed granted.<sup>7</sup>

To many Western observers Sweden's commitment, both moral and financial, to third world liberation movements represented less a new, activist neutrality than a departure from neutrality. In fact the suspicion of Swedish neutrality in Western circles has significant antecedents. First, there was Sweden's refusal to permit French and British troops to enter Swedish territory during World War II. The troop movements, designed to aid Finland in its war with Russia and concomitantly cut off the supply of Swedish iron ore to Germany, would undoubtedly have turned Sweden into a battleground and seriously undermined both its neutrality policy and its security. Then in 1948 when the United States formulated plans for NATO, Sweden not only refused to join but proposed its own alternative, a Scandinavian defense community. The Swedish plan, which was never implemented, would have linked Swe-

den, Denmark and Norway in a neutral defense alliance. During the peak of the Cold War in the early 1950's, both President Eisenhower and Secretary of State John Foster Dulles made ill-concealed references to Sweden when castigating a nation of rampant sex, high suicide rate, excessive socialism and moral neutrality in the war between good and evil.<sup>8</sup>

To a certain extent Sweden's unwillingness to openly support the Allies during World War II and affiliate with the Atlantic alliance after the war undoubtedly contributed to a deterioration in U.S.-Swedish relations leading to the bitter disagreement over Vietnam. Almost from the inception of the U.S. involvement in Vietnam in 1960, Sweden was the foremost non-Communist critic of America's Vietnam policy. Ultimately all Swedish political parties and the whole Swedish press came to criticize this policy in varying degrees and frequencies. The basic disagreement with America's Vietnam policy has been over what Sweden considers the fallacious assumptions of that policy. Instead of a war against monolithic Communist imperialism and the consequences of the "domino" theory as the U.S. perceives it, Sweden has long considered the war as an American imperialist aggression against a genuine national liberation movement. The fact that Sweden could identify with the Vietnamese people against the American government was not perceived as a violation of neutrality; it was not the Soviet Union or Communist China which was supported but the Vietnamese people.

Notwithstanding the Swedish rationale for its steadfast and highly vocal criticism of America's Vietnam policy, there is no denying the fact that the neutrality policy has undergone a striking metamorphosis in the past twenty-five years from isolationist to activist and now apparently to ideological commitment. The dispute with the

U.S. over Vietnam is perhaps less a cause than an effect of this metamorphosis. Swedish neutrality during the 1960's has been increasingly explained in strongly moral terms especially with respect to the aspirations of the third world. Sweden's commitment to third-world liberation movements is now as important a tenet of its neutrality policy as its *economic and technical aid* to newly-independent countries. This ideological redefinition of neutrality leaves little, if any, distinction between Swedish neutrality and third world neutralism of the Indian variety.

Unlike Swiss and Austrian neutrality, Swedish neutrality is not mandated by its constitution or any treaty. Swedish neutrality is based solely on tradition which has itself been dependent on maintaining the confidence of the Great Powers in Sweden's willingness and ability to remain neutral in the event of war. Yet the ideological turn in Swedish neutrality has been allowed to erode Western, and especially American, confidence in Swedish foreign policy. Sweden has provided a haven for several hundred American war deserters and extended diplomatic recognition to the government of North Vietnam. Sweden has been the only country in Western Europe to both openly encourage such desertion and award such full diplomatic recognition to the Hanoi regime. In March 1968, irked by Swedish opposition to the Vietnam war, President Johnson recalled Ambassador William W. Heath for five weeks as an American protest against the Swedish attitude. Then in 1970 Jerome Holland, the new U.S. ambassador to Sweden, was insulted and pelted with eggs by a crowd of young Swedes upon his arrival in Sweden, an incident viewed with shock and disgust by the overwhelming majority of Swedes. Sweden has allowed the National Liberation Front of South Vietnam to open an office in Stockholm and fly its flag. Sweden

was also among the first of the non-Communist nations to recognize the government of Communist China and lobby for Communist Chinese admission to the United Nations.

Racial discrimination by whites against blacks has also been an important issue in Sweden's new ideological neutrality policy. By way of contrast, Sweden is silent about the continued prevalence of slavery and the black slave trade in such states as Saudi Arabia, Dahomey, Sudan, Upper Volta and others. Criticisms of these countries would run counter to the positive third world image Sweden tries to cultivate. Confined to criticisms of discrimination by white governments in South Africa and Rhodesia, Swedish foreign policy is much less controversial than it is on the Vietnam issue; racial discrimination in these two countries is basically devoid of Cold War connotations. The Swedish government has cited the U.N. charter and the Declaration of Human Rights as a basis for its support of U.N. recommendations directed against the racial policies of these two governments. Sweden, however, has been less decisive with respect to the implementation of any such recommendations. Sweden has abstained from General Assembly resolutions voted to boycott all trade with these two nations. Adopting a very legalistic interpretation of the U.N. charter on this question, Sweden has contended that only the Security Council may institute such a boycott with the General Assembly limited to exerting pressure.<sup>9</sup> Sweden has supported an unofficial boycott against the purchase of South African goods, yet Swedish trade with South Africa during the past decade has flourished. In 1968, for example, Sweden exported forty-five million dollars worth of goods to South Africa while importing twelve million dollars.<sup>10</sup>

Sweden's unheralded but lucrative trade with South Africa provides a clue to one

possible cause of Sweden's new ideological neutrality. In the past decade Sweden has experienced increasing economic problems. Mounting unemployment has caused a search for new markets. In the West, Sweden is faced with rising difficulties in selling its exports because of increasing costs brought about by strikes and highly inflationary wage settlements. American protective tariffs, import quotas and the recent import surcharges have further discouraged increased American-Swedish trade. Moreover, the development of the European Economic Community and the likelihood that Sweden is to be excluded from that organization has made future trade prospects with Europe doubtful. Thus, as Western trade prospects dim, Sweden is forced to seek trade elsewhere. In 1971, Sweden's trade with EEC and the U.S.A. declined while its Eastern European and third world trade increased.<sup>11</sup> Ideological neutrality viewed in this context takes on an economic orientation which permits tacit trade even with a South Africa. The ideological commitment thereby may fulfill a pragmatic economic purpose much as the postwar activist commitment did all along.

The developing countries have a negative balance of trade which provides a means for highly export-oriented countries such as Sweden to gain access to their resources as well as their markets. Even if such countries cannot afford to buy much from Sweden, they provide a tremendous potential for the application of Sweden's advanced technology to their raw materials. Trade with Communist countries, on the other hand, provides Sweden with a more immediate alternative to replacing the lost American and European trade. Sweden's advocacy of the Communist Chinese cause since 1950, for example, has now put Sweden in the forefront of Western commercial contact with China, especially Swedish engineering and metallurgical firms. China

has also announced that it will export oil to friendly countries, among which Sweden was specified.<sup>12</sup>

Sweden has substantially increased its trade with all Communist states in the last five years. There has also been a notable development in the export of technology and cooperation in production. ASEA, the big Swedish electrical concern, for example, has an agreement with Hungary to manufacture certain components on a profit-sharing basis for incorporation in goods distributed in Eastern Europe. The increase in trade with the Communist bloc nations has been accompanied by mounting and continuous criticism of such American allies as Greece, Portugal, Spain as well as South Vietnam, South Africa and Rhodesia while the dictatorial regimes and atrocities of the Soviet Union, its Eastern European satellites, its Arab client states and North Vietnam have rarely been rebuked. The Soviet invasions of Hungary in 1956 and Czechoslovakia in 1968 did meet with criticism from the Swedish government and press, but the objections were not sustained and the new *status quo* was accepted each time without further critique. Sweden never voiced more than a fleeting objection to Viet Cong atrocities or the use of North Vietnamese or Russian tanks to invade South Vietnamese villages.

Typical of the Swedish attitude in recent years is the government's solicitude for Russian feelings in the Solzhenitsyn affair and its decision to award him the 1970 Nobel Prize at a private ceremony rather than at an official ceremony in the Swedish embassy in Moscow. Such solicitude seems to signify subservience to the Soviet government's literary-political standards, implying at least partial repudiation of the judgment of the Nobel Prize committee in honoring Solzhenitsyn. No similar concern seems to have bothered the Swedish government in repeatedly denouncing the United

States on the Vietnam war and in giving haven to American deserters.

The Swedish government has repeatedly denied that its neutrality policy is in transition toward a form of ideological neutrality or neutralism.<sup>13</sup> Yet there have been signs of a shift in Sweden's traditional neutrality toward a greater affinity for the third world and even the Communist bloc since the end of World War II. One subtle indication of this shift was the increasing official usage of the very term "neutrality policy" after World War II instead of the longer term "freedom from alliances in peacetime aimed at neutrality in wartime." The Social Democratic government explained that the shorter term was used because it cleared away any misunderstanding about any presumed options Sweden might have of either going to war or remaining neutral once a major power war broke out. The opposition parties, it was explained, preferred to use their own short term, "non-alliance policy," to imply that Sweden need not necessarily be neutral in any future war between the Western powers and the Soviets but might join up with the West.<sup>14</sup> The opposition parties for their part explained their dislike of the term "neutrality policy" on the ground that it implied ideological neutrality and even pacifism.

The Hjalmarson incident in 1959 also seemed to indicate an unusual solicitude for Soviet feelings. Jarl Hjalmarson, the Conservative party leader, was removed by the Swedish government from membership on Sweden's U.N. delegation, a body traditionally multi-party in composition reflecting both government and opposition viewpoints. The removal was justified on the grounds that Hjalmarson was too pro-Western and anti-Soviet in his speeches. He had criticized the Swedish government for inviting the Soviet head of state, Khrushchev, to visit Sweden because of the 1956

Hungarian massacre. He also advocated military cooperation with the Western powers. Hjalmarson and his supporters contended, however, that "an exaggerated fear of expressing our opinion can undermine confidence in our neutrality."<sup>15</sup> The Hjalmarson episode has been analyzed as illustrative of the fact that Sweden's freedom of action in foreign policy is limited by the need to retain the confidence of the great powers. Yet, in retrospect, it was the confidence of the Soviet Union that had to be maintained.

Andrén has suggested that the natural pro-Western orientation of Sweden in history, economics, culture, and democratic traditions has necessitated "political correctives" against the West to retain the credibility of neutrality. Such an attitude to redress the balance "has been reflected in attitudes and statements which sometimes have seemed to be more critical of the Western powers than warranted by the facts of the situation."<sup>16</sup> Such "political correctives," however, may be more related to actual events in the Cold War than to theoretical speculation about the political requirements of neutrality. The Soviet Union's post-1945 satellization of Eastern Europe included a Soviet presence in the Baltic. The decisive defeat of Nazi Germany meant that only the Soviet Union, of the major European powers, would have significant influence in the Baltic. The Soviet occupation of Poland, the eastern half of Germany and the Baltic states of Lithuania, Latvia, and Estonia during the latter stages of World War II gave Russia easy access to southern Sweden across the Baltic Sea. Finland also became dependent completely on Russia from a security and military standpoint. Viewed in pragmatic terms, a pro-Soviet orientation in Swedish neutrality after 1945 was as natural as a pro-German orientation when Germany was winning World War II. The Nordic balance theory

based on Sweden's geographical proximity to the great European powers, in fact, has long been a major consideration in Sweden's traditional neutrality policy.

After 1814 when Sweden in conjunction with Russia emerged victorious in the latter phase of the Napoleonic Wars, a non-alignment or neutral posture characterized Swedish foreign policy. The neutrality policy was an open admission of the demise of Sweden as a major European power that began after 1721. The policy was practiced always with an eye on the relative power positions of Prussia, Russia and the United Kingdom. For example, when Denmark was clearly losing its war with Prussia in 1863, Sweden refused to ratify its treaty draft for a Swedish-Danish alliance and reasserted its neutrality. The creation of the German Empire and Germany's rise to power under Bismarck in 1862 seemed to create a natural pro-German orientation for Swedish neutrality thereafter. This shift toward Germany lasting generally until the middle of World War II was buttressed by religious and cultural ties between the two countries. During World War I the rules of international law permitted neutral Sweden to carry on a flourishing trade with Germany which helped the German war effort. The Allies who viewed Sweden's neutrality policy as favoring Germany subjected Sweden to an embargo which approximated the blockade against Germany. At the conclusion of World War I Sweden's neutrality and trade policies were reoriented temporarily toward the United Kingdom, the victorious Allied powers, and their creation, the League of Nations. Finally, the most obvious historical example of both the Nordic balance theory and Sweden's pro-German neutrality orientation was Sweden's concessions to the Germans during World War II including the right to use Swedish railways for transportation of troops and war materiel, the right to mine

Swedish iron ore and ship it across Swedish territory on route to Germany, and the right to use German war ships on inner Swedish territorial waters and lakes to transport oil and other strategic materials.<sup>17</sup>

The Soviet Union's overwhelming presence and proximity to Sweden after 1945 seems to have some considerable relation to the reversal in Sweden's German-oriented neutrality which took place. In October, 1946 Sweden signed a trade and credit agreement with Russia. The Soviets received a commercial credit of 1,000 million kronor (about 280 million dollars in 1946 dollars). The credit was to be used during the next five years and was to include purchases of electrical equipment, machines, and various products of heavy industry. Calculated on the first half of 1946 these purchases represented "20 to 30 percent of the total export value of the engineering industry and about 50 percent of the locomotive industry's production capacity."<sup>18</sup>

This agreement with the Russians aroused great controversy both in Sweden and abroad, especially in the United States. Sweden had never had a comparable agreement with the Soviets before. The Swedish government defended the agreement as a means of taking precautions against expected depression and unemployment during the initial postwar period. Others have explained the trade agreement in terms of Sweden's attempt to assuage its guilt feelings for helping Germany during World War II to wage war on Russia.<sup>19</sup> The opposition parties, however, denounced the agreement as an unnecessary concession to Soviet interests.

The agreement turned out to be very harmful to Sweden economically. Sweden experienced severe inflation and deflection of trade as a result of absorption of much of Sweden's export productivity by the Russians through the trade credits. On March

15, 1947 the Swedish government put a complete ban on imports in a move to fight inflation. There was also widespread dissatisfaction with the fact that Russia was sending so many engineers and other technical personnel, numbering in the hundreds, to Sweden and possibly undermining the Swedish economy.<sup>20</sup>

Another controversial indication of a subtle shift of Sweden's neutrality in the direction of Russia was the government's decision in 1945 to extradite Baltic refugees to Russia on the ground that they had been collaborators against the Soviet Union.<sup>21</sup> This action was regarded by many as a degrading political concession to Soviet pressure.

In pragmatic terms, America's involvement in Vietnam in the 1960's coupled with successful Soviet expansion and inroads in Latin America, North America, the Mediterranean Sea, the Middle East, the Indian Ocean and even the reassertion of Soviet hegemony in Hungary and Czechoslovakia may justify a less subtle, pro-Soviet orientation in the neutrality policy. Swedish support for the Vietnamese national liberation movement is, at least indirectly, support for the Soviet Union's most important Asian ally. The Soviet Union has in fact supplied about ninety percent of North Vietnam's war materiel. The third world liberation movements have characteristically been directed against the United States and its Western allies. Swedish support for these movements, therefore, with no comparable support for the multitude of minorities brutalized by Communist regimes appears to further accentuate a pro-Soviet shift in neutrality that started after 1945. Despite government denials, such a form of neutrality strongly resembles the neutralism status that has been advocated by, among others, India's Nehru, Egypt's Nasser, Indonesia's Sukarno and, currently, Yugoslavia's Tito.

It is questionable, however, whether this apparent ideological turn in the neutrality policy serves pragmatic ends even if based upon pragmatic considerations. In terms of trade, Sweden's total trade with the West—EEC, EFTA and the U.S.A.—amounts to approximately four times its total trade with the rest of the world including Eastern Europe. From an economic standpoint, the expected decline in Western trade both in the near and long terms cannot possibly be compensated for in the third world and the Soviet bloc.<sup>22</sup> Yet, from a political standpoint, Sweden's increasing isolation from the West and alignment with pro-Soviet and anti-Western elements in the third world are accelerating the trend toward national economic decline.

The Social Democratic government has argued that any economic problems Sweden must face in the future—from the world's highest income taxes and sales taxes and six percent yearly inflation to the highest unemployment in twenty-five years and declining productivity—would inevitably be the result of its unwillingness to compromise its neutrality policy by joining EEC. It is by no means certain, however, that Swedish neutrality must be renounced by membership in EEC. The Swedish Liberal and Conservative parties have been vocal since 1961 in their opposition to the government's interpretation of neutrality regarding EEC. In one of the longest and most heated foreign policy debates in recent decades, the Swedish opposition parties in 1961 presented a case for Sweden's EEC membership that specified how and why neutrality could be maintained.<sup>23</sup> Moreover, in April 1972 Sicco Mansholt, the Dutch fourth President of the EEC Commission, expressed optimism about reconciling Swedish neutrality with EEC membership.<sup>24</sup> Even if the Swedish opposition and Mr. Mansholt were overly-optimistic about the possibilities for maintaining traditional



neutrality with EEC membership, it is by no means certain that the government's alternative approach of ideologically aligning the neutrality policy with third world anti-Western forces is any less a departure from traditional neutrality.

Few public figures in Sweden call for an end to neutrality for such a move would probably cause a political uproar. The neutrality *tradition* which has kept Sweden out of war for over one-hundred-fifty years is strong enough to prevent public debate over the question of the present and future utility of the neutrality *policy*. However, the economic realities are that tacit acceptance of the presumed neutrality-EEC dichotomy would pit Sweden's eight million people in economic competition with a European Economic Community encompassing some two-hundred-sixty million people including Sweden's current EFTA trading partners, Britain, Norway and Denmark. The Conservative party press, especially *Svenska Dagbladet* and *Göteborgs Handels- Och-Sjöfartstidning*, has recently attempted to stir public awareness of Sweden's grim economic prospects and suggested "alternative definitions" of neutrality.<sup>25</sup>

In his book, *Inrikes utrikespolitik*, Gösta Bohman, a prominent Conservative party leader and legislator, contends that the ideological turn in Sweden's neutrality policy against American interests in Vietnam is intended for internal consumption.<sup>26</sup> Bohman argues that the Swedish government has purposefully catered to sensationalism in the mass media and extreme anti-Americanism particularly among the Social Democratic left-wing groups which are the most politically active. Speeches by Prime Minister Palme and other government representative fanned the flames of anti-American hatred and instigated the egg-throwing and racial abuse directed against U.S. Ambassador Holland. Bohman's argument is

not so much a defense of America's Vietnam policy as it is an attack on what he considers the unbalanced, simplified and insulting ways in which the Palme government has criticized that policy. The Social Democrats, Bohman finds, sought a party monopoly on Sweden's national indignation over the Vietnam war by adopting the most extreme anti-American positions. Bohman illustrates how Social Democratic Party campaign literature in 1970 solicited contributions with the slogan "Stand up behind Palme's and the government's protest against the war in Vietnam."<sup>27</sup> He observes how Swedish recognition of North Vietnam is an abandonment of Sweden's traditional policy of not recognizing divided states.<sup>28</sup> The Social Democratic Party program dealt very extensively with non-European problems but very little with European problems. The government's foreign policy engagement appeared to increase in direct relation to the distance from Sweden, a fact which was emphasized by Sweden's opponents in EEC. Bohman accuses the Palme government, moreover, of undermining Western confidence in Sweden's traditional neutrality and thereby Swedish national security as well in return for anticipated internal political gains. Bohman's conclusions were supported by other Swedes including, among others, Erik Boheman, a Liberal party leader, speaker in the *Riksdag's* first chamber and former Swedish ambassador to the U.S.A., in his book *Tankar i en talmanstol* (*Thoughts from the Speaker's Chair*), and the directors of the Federation of Swedish Industries, Erik Braunerhielm and Wilhelm Paues.<sup>29</sup>

Swedish public opinion remains strongly opposed to America's Vietnam policy, but other aspects of Sweden's neutrality orientation toward the third world may be less popular. For example, a 1956 public opinion poll of 1146 people on the question of

increasing Swedish governmental aid to the poor lands in Asia and Africa found 61 percent of the men and 55 percent of the women polled to be opposed to such an increase.<sup>30</sup> A similar poll conducted in 1961 by the Swedish Institute for Public Opinion (SIPO) disclosed a 64 percent figure for those who did not desire an increase in Swedish governmental aid. Moreover, the number favoring an increase dropped from about 37 percent in 1956 to 24 percent in 1961 with the remainder undecided.<sup>31</sup> In general, Swedes are not especially fond of foreigners as indicated by a 1966 SIPO poll in which 31 percent of Swedes maintained that there were too many foreigners in Sweden. This was a sharp rise from the 13 percent who felt this way in 1957.<sup>32</sup>

The 1970 election results in Sweden were a setback for Olof Palme even though the Social Democrats won the election as they had every other one since 1932. Gathering 45 percent of the total vote and 163 seats, they lost their absolute majority in the new 350-seat unicameral *Riksdag*. The decline in Social Democratic popularity from its 50.1 percent total in 1968 was attributed to an unusual rash of wildcat strikes in 1969, inflation that sent food prices up 7 percent in 1970, a worsening housing shortage, and other economic problems. Palme stated that he did not see in the election returns any disapproval of policies of his government in support of North Vietnam.

The Swedish Communist Party gained 1.8 percent more of the vote than it had in 1968, gaining a total of 4.8 percent. The stronger-than-expected showing by the Communists meant that the Social Democrats could continue to govern in an informal coalition with the Communists. The Communists have always been strongly opposed to EEC and just as strongly in favor of third world anti-Western liberation movements and increased cooperation with the Soviet bloc. In fact Sweden's Social

Democrats have ruled with Communist help before—from 1957 until 1968 when they won an absolute *Riksdag* majority. The informal coalition between Social Democrats and Communists during these years roughly corresponds with the Swedish government's criticisms of EEC and America's role in Vietnam. The Communist Party is also the strongest proponent of Prime Minister Palme's internal ideological innovations especially his New Industrial Policy which creates a larger economic role for the Swedish government, and his constitutional reform bill introduced on March 21, 1972 to remove residual powers still vested in the king when the present king dies.<sup>33</sup>

By the autumn of 1972 both Prime Minister Palme and the Social Democrats appeared to be losing still more popularity. Public opinion polls indicated that Swedes were increasingly distressed by economic problems. Public confidence in Mr. Palme had reportedly dropped even further than in his party.<sup>34</sup> Although the Social Democrats are the predominant party by far in Sweden and are likely to remain so in the 1973 parliamentary elections, the declining public confidence indicates the indirect effects of Sweden's third-world and Soviet-oriented neutrality policy. The economic repercussions of isolation from the U.S.A. and Western Europe—an isolation amounting to what has been termed here ideological neutrality—will likely prove disastrous for Sweden in the long run. The political repercussions of this isolation could reduce Sweden to the status of Finland or, even worse, an Eastern European Soviet satellite.<sup>35</sup> Sweden has tacitly assumed that the West would never permit a Soviet attack on Sweden to go unanswered.<sup>36</sup> This assumption, however, could prove dangerously unwarranted if the transition from Sweden's traditional and active neutrality to ideological, anti-Western neutrality becomes permanent.

<sup>14</sup>"Government Statement of October 22, 1945" reprinted in *Alliance-Free Policy Between the Great-Power Blocs* (Stockholm: University of Stockholm, 1963).

<sup>15</sup>See especially *Documents on Swedish Foreign Policy*, 1950-51, pp. 13-27 and *Documents on Swedish Foreign Policy*, 1960, pp. 14-18.

<sup>16</sup>Royal Ministry of Finance, *Swedish Development Assistance: A Summary of the Development Bill of 1962*, Stockholm, 1962, p. 32.

<sup>17</sup>Olof Palme, "Sweden: Neutrality Not Silence," *Vital Speeches of the Day*, vol. 36, July 15, 1970, no. 19, p. 580.

<sup>18</sup>Nils Andren, *Power-Balance and Non-Alignment*, Stockholm, Almqvist & Wiksell, 1967, p. 153.

<sup>19</sup>Kihlberg, M. and Højier, G., ed., "Press Debate over Swedish aid to the less developed countries during the 1950's," *Statsvetenskaplig Tidskrift för Politik-Statistik-Ekonomi*, vol. 63, no. 4, 1960, pp. 329-333.

<sup>20</sup>See *New York Times*, October 1, 1969 and October 14, 1969.

<sup>21</sup>John Foster Dulles, "The Cost of Peace," *Department of State Bulletin* vol. 34, no. 336, June 18, 1966, pp. 999-1000.

<sup>22</sup>See *Documents on Swedish Foreign Policy*, 1962, pp. 81-82 and *Documents on Swedish Foreign Policy*, 1968, pp. 111-112.

<sup>23</sup>*Sweden as a Trading Partner*, Skandinaviska Banken, Stockholm, 1969.

<sup>24</sup>*EFTA Reporter*, March 10, 1972, p. 1.

<sup>25</sup>"Sweden's Road to China," *New York Post*, September 13, 1971, p. 37.

<sup>26</sup>See Andrén, *op. cit.*, pp. 48-52; see also *Documents on Swedish Foreign Policy*, 1964, pp. 37-38; *Documents . . .*, 1965, p. 19; *Documents . . .*, 1962, p. 24.

<sup>27</sup>*Documents . . .*, 1957, pp. 27-28.

<sup>28</sup>*Documents . . .*, 1959, pp. 44-54 and p. 57.

<sup>29</sup>Andrén, *op. cit.*, p. 195.

<sup>30</sup>Stig Ekman and Hans Landberg of the University of Stockholm presented a paper on May 6, 1972 at the annual meeting of the Society for the Advancement of Scandinavian Studies titled *Sweden During World War II: A Presentation of a Team Research Project and its Finding* in which they outlined these conclusions as part of a nine-year computer-based project (1966-1975) undertaken with the official Swedish disclosure of hitherto top secret documents on World War II.

<sup>31</sup>E. E. Fleetwood, *Sweden's Capital Imports and Exports*, Stockholm, *Natur and Kultur*, 1947, p. 105.

<sup>32</sup>Andren, *op. cit.*, p. 36.

<sup>33</sup>*New York Times*, April 16, 1947.

<sup>34</sup>Andrén, *op. cit.*, p. 36.

<sup>35</sup>Arne Geiger, the leader of LO, the largest trade union organization in Sweden and a major influence in the Social Democratic Party, has expressed great pessimism about such compensation possibilities. See, for example, *Riksdagens Protokoll*, 1961, first chamber, No. 27, p. 42. See also *Stockholm's-Tidningen*, September 8, 1961 for a similar Social Democratic reservation.

<sup>36</sup>For an extensive analysis of the 1961 debate and of the history of Swedish foreign policy in its impact on Sweden's contemporary neutrality policy and possibilities for integration with Europe, see Martin Schiff, *Swedish Neutrality and European Integration*, unpublished Ph.D. dissertation, copyright 1969 [M. Schiff], Ann Arbor, Michigan, University Microfilms, Inc. 1969. See also Martin Schiff, "Sweden and the European Economic Community," *Scandinavian Studies*, vol. 44, winter, 1972, no. 1, pp. 43-51.

<sup>37</sup>*Time*, April 10, 1972 p. 29.

<sup>38</sup>*New York Times*, December 18, 1971, p. 3.

<sup>39</sup>Gösta Bohman, *Inrikes utrikespolitik (Internal Foreign Policy)*, Stockholm, Almqvist & Wiksell, 1970.

<sup>40</sup>*Ibid.*, p. 39.

<sup>41</sup>*Ibid.*, p. 62.

<sup>42</sup>The author interviewed Braunerhielm and Paues in Stockholm in summer, 1970.

<sup>43</sup>Poll results cited in Jerome H. Garris, "The Growth and Characteristics of Swedish Development Assistance," unpublished study, Stockholm, International Graduate School, 1965, p. 30.

<sup>44</sup>*Ibid.*, p. 32.

<sup>45</sup>Fredric Fleisher, *The New Sweden*, (New York: David McKay Co., Inc., 1967), p. 19; see also my paper *Swedish Social Welfare Policy and the Foreign Resident*, presented on May 5, 1972 at the annual meeting of the Society for the Advancement of Scandinavian Studies.

<sup>46</sup>For an analysis of the new Industrial Policy, see Ruth Link, "Society's Profit or Loss" in *Sweden Now*, pp. 40-45; David Jenkins, "Mixed Economy," in *Sweden Now*, pp. 52-53, 100-102. For an account of Swedish party differences over what royal prerogatives should remain, see *Dagens Nyheter*, March 3, 1972; *Svenska Dagbladet*, March 22, 1972; and *New York Times*, August 29, 1971, p. 4.

<sup>47</sup>*New York Times*, May 18, 1972.

<sup>48</sup>The probable decrease of U.S. troops in Europe in the future accentuates the danger of a Swedish isolation from EEC.

<sup>49</sup>See James J. Robbins, *Recent Military Thought in Sweden on Western Defense*, Santa Monica, Calif., Rand Corporation, 1955, pp. 80, 84.