

America Becomes a Sw

By Alfred Friendly

Washington Post Foreign Service

STOCKHOLM—Frugal, like the nation as a whole, Sweden's governing party has not let a strong national feeling against America's role in Vietnam go to waste but has put it to work for its own political use.

The Social Democratic Party cannot really be blamed for capitalizing on Sweden's current wave of high moral purposes by making the United States the fall guy. The party has nothing very much else going for it.

It has been in power 34 years, it is tired, it has run out of goodies to hand around, it took a terrible beating in recent election and it presides over a painful economic situation predestined to grow worse. So it is accusing America of endangering world peace, aggressing against a nonwhite race and denying democracy and self-determination in what is portrayed as a civil or even anticolonialist war.

This is not to say that the Social Democrats are denouncing American policy in Vietnam out of sheer political cynicism. They sincerely fear that the conflict may grow to a global war and doubtless disagree quite honestly with America's reading of the situation. They see it inhibiting a U.S.-U.S.S.R. detente. But they seem to be making into domestic political virtue what is not all that much of a necessity.

Appeal to Left

THE DENUNCIATION of American action in Vietnam appeals to Swedish youth and to the nation's New Left and tends somewhat to abate a strong trend of Sweden's intellectuals to desert their party and join the Communists, newly garbed in appealingly innocent clothes.

Two developments set the present stage:

- After having created the welfare state par excellence with abundant social security, free medical care, free tuition through the university, old age pensions and sensationally high yearly wage increases, the Social Democrats have run out of new benefits to award.

A fierce housing shortage and the highest inflation rate in Europe are other major reasons for dislike of the party. And, in more psychological terms, it is felt to have failed to achieve the high ideological hopes of earlier, bright-eyed days.

Such, at any rate, is the explanation given here for the staggering 8.2 per cent drop from 1962 in votes the party received in municipal elections three months ago. Unless something changes, the Social Democrats face the prospect of losing to a coalition of parties to the right of them, the so-called

"bourgeois parties," in national elections two years from now.

- Meantime, as elsewhere in the world, a New Left has come to Sweden. It is predominantly Marxist, although not a part of the Russian apparatus. In no way monolithic, consisting of several different groups, its principal yearnings appear to be toward what it fancies as a kind of independent national communism in Poland. Within the groups, however, there are Russian and even Chinese influences.

It also resembles the New Left elsewhere—restless, rejecting the Establish-

edish Political Football

ment, seeking change and movement, intensely concerned with social justice. Its first target was racial injustice in white southern Africa. Today, American action in Vietnam fills its sights.

A Powerful Group

IN THIS SITUATION, Sweden's intellectuals, mostly in their mid-30s or younger, are casting about for a sympathetic home. They seem to hold a lock on critical spots in the state television system and in all Stockholm's daily papers with one notable exception, Svenska Dagbladet.

Also in this situation, the small Swedish Communist Party (6.6 per cent of the votes in last September's election) has not been idle. It is busy re-vamping itself into a national party purportedly without ties to Russia (thus removing some of the previous curse on it in Swedish eyes) and professing precisely those ideals the young intellectuals espouse.

The prospect that they would lose the most talented, vigorous and creative of their flock to the Communists seems to have stirred the Social Democrats to get on the popular side of the biggest moral issue. The signal came in a sharply anti-American speech July 31, 1965, by Olof Palme, the personable heir apparent picked by aging Prime Minister Tage Erlander to succeed him.

The party's charm-boy, a graduate of Kenyon College, he talks gently and reasonably to Americans, declaring that he disagrees only on the nature of the war and does not assess any blame. But his speeches to New Left audiences rip the United States up one side and down the other.

The line goes over well. Opposition politicians confess that they could not win a debate before any Swedish audience if they tried to defend the American position in Vietnam.

Built-In Inflation

MEANWHILE, the inflation that helped jolt the Social Democrats in the September elections is going to get worse over the next two years because wage increases of at least 10 per cent each year have already been contracted for.

The situation is not catastrophic in the sense that it is likely to smash the economy or destroy its extraordinary fabric, which is perhaps the most capitalistic in the world in its business and the most completely social welfare-ized in the care of its citizens. But the inflation is particularly going to hurt Sweden's foreign trade, which is to say one-quarter of its economy, and the crucial one-quarter. Sweden risks pricing itself out of its foreign markets.

Economic theoreticians of the clas-

sical capitalist persuasion can argue that the price Swedish employers paid for some 35 years of almost complete freedom from strikes was wage increases that the economy could not afford. But considering the benefits, the price may not have been too high.

Sweden enjoys the second highest per capita income in the world (not counting the statistically deceiving situation in some oil shiekhdoms) and its industry is probably also next only to that of the United States in technological sophistication. The trouble in this social Valhalla comes from its system of wage negotiations.

Economic Standoff

EVERY TWO YEARS, the great Confederation of Production Workers Unions, representing about 1.5 million of the nation's 7 million people, sits down with the Federation of Industrial Employers and bargains a basic wage pattern which is ultimately followed by almost all the rest of the economy. Both sides are too powerful to take each other on in industrial war.

Last year, mediation over many months resulted in a settlement for wage increases of about 10 per cent for each of the three succeeding years. Coming on top of similar increases in two preceding years and a "wage drift" even above the contract figures, these presage a wage increase of 56 per cent over five years. Yet productivity grows at the rate of only about 3½ per cent a year.

The inevitable consequences has been inflation. Higher taxes and tighter credit are doing something to dampen the demand, but for two more years, nothing much can be done to prevent further rises in costs. The results have already shown themselves in reduced exports and a sharp downward turn in Sweden's balance of payments, with a deficit this year and more to come.

Meanwhile, prices go rocketing—the increase in the last 12 months was 7.5 per cent—and the realization dawns that even the middle way is not without its potholes.



The Swedish Communists are trading on opposition to U.S. policy in Vietnam. Here a policeman grabs

a demonstrator who pulled down an American flag in Stockholm Stadium last May Day.

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