

A Model of Swedish Security Policy: Deconstructing “the Swedish Paradox”



100 years ago, Cirkus in Stockholm was the location for a major debate about Swedish militarism.

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1. Introduction: The Social Democratic Debate about Military Commitments

This paper analyzes military production as a military, economic and political issue in Sweden. The goal is to understand the extent to which the development of the military economy reflected five central kinds of arguments or principles corresponding to different forms of power or different political factions. These five factors correspond to both ideological constructions as to what desired policy should have been as well as material realities that reflected threats, power configurations, interests, or costs and benefits. The five factors include: realism, neutrality, accumulation, solidarity and disarmament.

I am principally interested in the debate within the Social Democratic Party on which principles should have governed the Swedish international relations and arms production system. I have three principal research questions. First, I explore how the debate can be framed in terms of these five arguments. Second, I examine which arguments dominated or shaped the debate and why, with the dominant arguments constituting political victories. Third, I analyze the consequences of these political victories for the problem of what I call “military externalities” (or what some have referred to as “militarism”). My principle hypothesis is that arguments framed in terms of neutrality, realism, and accumulation eventually dominated the outcome of debates in the time periods examined, but the victories OFTEN came at the expense of disarmament and solidarity.

While not neglecting the potential merits of neutralist, realist or accumulation arguments, I show that the displacement of disarmament and solidarity arguments created social costs. The right in the Social Democratic Party often promoted the previous kinds of arguments, whereas the left favored the latter arguments. This conclusion should be tempered by the fact that the very meaning of these terms was often contested, e.g. Swedish neutrality meant different things to different persons at different times. Moreover, particular individuals on the right or left shifted their emphasis regarding the relative merits of these concerns. In my last case study, exploring Swedish security policy during the Vietnam era, I am less interested in the debate within the Social Democratic Party than in exploring how the five key security policy factors related to one another in supporting or constraining disarmament and solidarity.

2. Background: The Contemporary Relevance of the Historical Debate

With Sweden becoming one of the world's most significant arms exporters per capita, questions remain about the social costs attached to Swedish arms production. At the same time the quality of the debate regarding Swedish arms exports and production has been limited. On the one hand, technocratic arguments have been made about how Swedish weapons production contributes to growth and the technological base (cf. Ingelstam, 2012). These arguments have not explored how military-to-civilian spinoffs in defense firms are limited by the power structures within the firm or by procurement policies which don't encourage such spin-offs (cf. Feldman, 1999A; Feldman 1999B). In other words, the technocratic debates have not adequately considered the problem of conversion. On the other hand, the media and politicians have often focused on bribery scandals and legal transgressions rather the potential civilian casualties and jobs/profits system created by Swedish exports. While the media has sometimes addressed the kinds of political regimes receiving Swedish arms, they have not questioned the larger system promoting these exports. This system can be classified as "the permanent war economy" of Sweden or "the permanent arms export economy."¹ These classifications and the potential role of disarmament and conversion of military capacity correspond to arguments raised by earlier critics of Swedish militarism. These critics include figures like Zeth Höglund, Fredrik Ström and Inga Thorsson.

The potential gap between the arguments of these critics and contemporary realities can be explained in several ways. First, one could argue that the earlier critics were naïve or simply wrong, hence they lost their debates regarding the problems of militarism and the need for disarmament and solidarity with peoples in other nations. Second, one could argue that these critics were essentially correct in their arguments, but simply lacked political power to always successfully promote them. Finally, one could argue that even if these critics were not entirely correct (or that their arguments needed to be balanced by other concerns), the social amnesia (cf. Jacoby, 1975) attached to their views has come at a cost, e.g. the contemporary problems of arms exports and their detrimental impact on the countries receiving them or even the lost civilian spin-off capacities of companies like Saab. Essentially, the burying of the economic critique of militarism associated with various critics—a form of *displacement*—has helped sustain militarist outcomes.

As a result of these considerations, it is essential to review the Swedish debate on security policy. It is important to examine the merits of the military critics in order to assess their potential relevance, the extent to which their arguments were correct, and the extent to which their defeats were the byproduct of inadequate knowledge, power or some combination of both. My general argument is that certain aspects of the critics' arguments were essentially correct, but that the merits of these arguments have been lost by either a selective reading of the historical record (including "sins of omission") or because historians and analysts have played up the limits of their arguments without adequately addressing the strengths. On top of all this, there are still some looming questions. These center on the extent to which a company like Saab serves to promote Swedish neutrality, addresses real military threats or serves as a profit, employment and technological center. My previous research (Feldman, 1999B) has shown that Saab could, under very specific circumstances, generate successful civilian spin-offs, i.e. by converting its military engineering and production capacities to civilian uses. One reason why was that the Swedish government created civilian incentives for such diversification (although these were often weak). Thus the idea that Saab could not diversify was a myth perpetuated by various interests. Whether Saab should diversify or convert is another question. This paper partially addresses this question, but is more concerned with examining the politics of peace.

3. Theory: Foreign Policy Frames, Political Regimes and Military Externalities

Introduction

In this paper I will use three kinds of theories. The first kind of theory explains the content of debates and practices of Swedish security policy. I refer to these debates and practices as *foreign policy frames*. This kind of theory corresponds to various intellectual positions in the larger academic field of international relations as well as peace and security studies (cf. Herman and Chomsky, 1988). In addition, I will refer to theories of militarism and anti-militarism corresponding to a specific discourse that gained currency in countries like Germany and Sweden, with related arguments later emerging related to problems of military economy (cf. Liebknecht, 1973). Frames are embodied in critical conjunctures, with key international relations episodes providing us with a window to examine how these different frames relate to one another, with agency more possible in "unsettled times" (cf. Katznelson, 2003).

The second kind of theory explains how and why certain debates may have won or lost. I will describe these theories as *political regimes* and *problems of political engagement* (Schalk, 1979). These kinds of theories correspond to the interplay between intellectuals, activists and social movements on the one hand and economic or political structures on the other. Theories of social construction suggest that actors are motivated by how they interpret the world, somewhat independently of actual conditions (Engelbrekt, 2009). For example, ideas about what a threat is either gain or fail to gain political currency. The definition of specific threats comes to depend less on realities than the power to define such threats. Such social constructionism potentially suffers from reductionism, i.e. ignoring the material realities of actual military threats when and if they do occur. On the other hand, threats themselves can be exaggerated or based on false information (Feldman, 1995). In any case, the larger point of these theories is to emphasize who wins an argument rather than who was correct in their argument. Problems of political engagement relate in part to the resource scarcities that can plague isolated intellectuals and social movements.

The third kind of theory explains the consequences of the policy victories or losses. I explain these consequences in terms of *military externalities*, given that I am most concerned with the negative consequences of military spending, arms production and weapons exports. A classic definition of this term relates to the larger problem of militarism and its social and economic costs (Liebnecht, 1973; Melman, 1988). This kind of theory builds in part on literature like “the security dilemma,” “the limits of military power,” and opportunity costs (Melman, 1986).

Foreign Policy Frames

I will examine different frames that correspond to ways of viewing the world and material realities in the international relations system. For the purposes of this paper, my analysis of these frames will be considerably abbreviated. Each frame is analyzed by looking at critical foreign policy conjunctures, time periods allowing us to see how each frame operated in terms of advocacy positions, debates and material realities. I now explain the frames used in this paper.

First, *realism* corresponds to the idea that foreign policy should be conducted in terms of nations having more or less power (Morgenthau, 1960). There is also a concern with military threats, particularly coming from nations regarded as stronger or more belligerent. The relevant

material realities concern the actions of more powerful or belligerent nations. Debates concern both the appropriate means to secure defense against such threats and the political maneuverability in the face of potential threats, i.e. when is a realist constraint based on the balance of power present? One problem is how one would measure such constraints.

Second, *neutrality* corresponds to a specific policy goal in Sweden, related to the idea that Sweden should not be aligned with any power (Goldmann, 1991). The relevant material reality and debates concern whether or not Sweden actually was aligned with any particular country. This debate relates to how neutrality is measured, with stronger or weaker measures available.²

Third, *accumulation* corresponds to policies to encourage industrial development, growth and jobs, with particular reference to activities related to military firms, their transnational relations, and exports. Scholars have referred to these patterns as “military Keynesianism” (Mintz and Hicks, 1984) or “Pentagon capitalism” (Melman, 1970). These policies have been part of a larger Social Democratic policy goal attached to growth in general as well as certain ways of framing both realist constraints and neutrality. The relevant debates correspond to the social or economic costs of military accumulation, conflicts with neutrality policy, and the necessity of a military-driven growth model. Another consideration is whether the exaggeration of realist constraints even justify the existing pattern and policy of military accumulation.

Fourth, I use the frame of *disarmament* rather broadly to correspond to debates about military spending levels, conscription rates, arms exports, and the need for various treaties or agreements. This frame corresponds to the material commitments made to military investments or agreements. Disarmament can be contrasted with “arms control,” the idea of managing the arms race without eliminating it. Another important distinction is between unilateral and multilateral disarmament, i.e. does a nation link arms reductions to reductions in other nations or simply reduce weapons independently of other states’ actions? (cf. Melman, 1988). Swedish security policy has been defined by its support for “international law, the United Nations, disarmament and foreign aid.” Some argue that the strengthening of international law has been “a fundamental principle of Swedish foreign policy” (Goldmann, 1991: 127).

Finally, I look at the frame of *solidarity* to examine how arguments were made about the impact of Swedish weapons development on peoples in other nations. This frame corresponds to solidaristic actions of socialist, women’s, peace or labor groups as well as attempts to think of

the consequences of Swedish policies for persons in other nations. The material correlate of this frame is an assessment of what these policies actually were. More generally, Swedish foreign policy has been described as “internationalist.” Sweden’s concern for the Third World has been viewed “as an extension of its domestic welfare state experience” (Goldmann, 1991: 127-128).

Political Regimes and Problems of Political Engagement

The theory of political regimes can help us understand why ideas related to realism, neutrality and military O’Co often gained greater hegemony vis-à-vis ideas related to disarmament and solidarity. My central question regarding hegemony or power is the degree to which the state engaged in the regulation of the military economy, arms control, military budget reductions or disarmament. A regime is a structure of power that combines “*capital, labour, the state and popular forces*” which are “bound together by hegemonic ideologies and practices.” These elements collectively constitute “a changing ‘field of power’ whereby each element is related to the other.” The state “includes the government, the parties, the military and the state as an employer at different levels of jurisdiction.” The “popular forces” include “large-scale or widely-backed social movements such as the environmental movement, the peace movement or the women’s movement in Sweden” (Clement, 1994: 374).

An alternative way to conceive of a regime is to describe it in terms of the dominant policies aligned with the dominant factions running an organization. In other words, the regime is defined by the alignment of knowledge and power on behalf of a particular project (cf. Feldman, 1999A). In the cases studied here, the regime refers to states and the projects specific foreign, economic or political policies. Theories of intellectuals’ political engagement concern whether intellectuals align themselves with the established state interests (Schalk, 1979) or whether intellectuals lack access to power so that they are unable to gain political support for their critical views (Mills, 1963).

I will also make use of the literature from the “regulation school” and “social structures of accumulation.” Here, the growth regime (or way growth is promoted) can be aligned with the economic policies, e.g. industrialization, internationalization, etc. (cf. Kotz, 1990). Of particular interest is how specific constituencies hold or gain power because of developments in the economy and society. Of greatest interest are the role played by farmers, peace, labor, religious and potentially student groups.

Military Externalities

Finally, I will consider the problem associated with “the negative externalities” associated with domestic arms production and Sweden’s permanent arms economy.³ These so-called “externalities,” inherent in the system of domestic weapons production, have both an economic and political side. On the economic side, there is the question of the cost of weapons production to the countries that make and receive weapons. On the political side, there is the problem of how arms production contributes to both the “cycle of violence” and leads to insecurities by other states, the so-called “security dilemma.”⁴ With the holocaust and era of New Wars (or at least persistent civil wars), we see how the security dilemma can be recast, i.e. security for one state and people potentially leads to insecurity among the people in another state. Alliances or trade among states and firms in different countries may harm third parties, e.g. by helping to arm militaries that can be used against the domestic population or other states. I refer to these economic and political costs as “military (political-economic) externalities” or “militarism.”

Some Links between Variables

Economic accumulation may shape decisions of political regimes. Political support for a given foreign policy may change, as elites view that policy as being more costly, e.g. elites in the U.S. turned against the Vietnam War because of its growing costs such that the logic of economic accumulation influenced political commitments (cf. Stone, 2007). Economic accumulation may also shape definitions of neutrality and can be linked to realist constraints. For example, “the Swedish model of security policy” has not “included... ‘economic’ neutrality.” At one point “more than 80 per cent of Sweden’s trade” was “with Western Europe and North America.” Such trade was viewed as a way to increase Sweden’s ability to resist pressures from other states, “an economy integrated in that of the West is seen as a condition for the maintenance of the strength requisite to a credible neutrality policy.” Solidarity with the third world has also been linked to realist security concerns (Goldmann, 1991: 126, 128). Solidarity, neutrality and realist security were linked during the U-137 crisis when a Soviet submarine entered Swedish waters: “Sweden’s relatively high profile role in the international community, neutral status, and identification with the Western European cultural community

made it likely that any Soviet use of violence against Sweden would raise an international outcry” (Stern and Sundelius, 1992: 228).

While the multiple factors discussed here can support one another, they can also contradict each other. A comprehensive view by Kjell Goldmann noted that “one dimension” of Swedish security policy could undermine “the credibility, or respectability, of the other.” As Goldmann explained, “Sweden sells arms to support a national weapons industry thought to be essential for maintaining the credibility of its neutrality policy; this may seem difficult to reconcile with its preaching of peace and disarmament” (Goldmann, 1991: 134). My analysis uses some of Goldmann’s categories to explain Swedish security policy, but does so by exploring how these synergies and conflicts have operated over time.

4. Methodological Note

For reasons of space, I will focus on two key time periods: (a) the period prior to the First World War, where a group of anti-militarist arguments came into focus and (b) the period between the First and Second World Wars (the 1920s and 1980s), when Social Democratic ascendancy, certain forms of military industrial development came into play. I will also examine Sweden’s security policy during the Vietnam War in abbreviated fashion. A visual representation of the heuristic used to drive the analysis in this paper appears in Figure 1. The basic idea is that these various factors influenced one another, with some factors or concerns dominating others. In the future, I intend to do further research using more Swedish sources.

This research is based on a review of secondary sources in Swedish and English, including books and newspaper articles.

**Figure 1: Five Aspects of International Relations:
The Inter-Related Puzzle**



5. Historical Conjuncture I: Prior to the First World War

Political Engagement

In 1907, a voting reform gave men the universal right to vote. This created the possibility for criticism regarding Swedish military commitments to become a political matter. The period leading up to the First World War led to the development of a politics that offered an early critique of the military accumulation model, promotion of solidarity, and Swedish appeasement. This politics was represented by individuals like Zeth Höglund and Fredrik Ström. An explicitly anti-militarist or pro-disarmament politics also existed in other elements of the Social Democratic party. Eventually Höglund, succumbed to the realist logic of Swedish defense, but not without criticizing the moral ambiguity of Swedish neutrality. Höglund's trajectory covered many tendencies, with an evolution from a being Social Democratic radical pacifist, to becoming a supporter of revolution and detractor of Social Democracy and then a return to Social Democracy and a fierce critic of the Soviet Union (Högström, 2011: 26).

Realism

In 1871, Germany, Great Britain, France, Austria-Hungary, Russia and Italy were the dominant powers in Europe. Sweden-Norway was among “eleven lesser powers” and also part of a smaller subset of “fully sovereign” powers that included Turkey, Spain and Denmark

(Hinsley, 1963: 249-250). Among the key developments in the years leading up to the war was growing German military, economic and political power and Norwegian independence from Sweden in 1905.

Neutrality

Sweden's neutrality stance paralleled the diminishment of Sweden as a central power in terms of projecting military forces. The Social Democratic party establishment reacted to a left push for disarmament in the early 1900s by promoting a "neutrality defense." This meant that "in the event of war internationally," Sweden would act to safeguard its "frontiers without assuming the unrealistic task of repelling an isolated attack by a great power." The defense budget was reduced as was the length of time for conscripts' service. In 1911, the party establishment of Hjalmar Branting and his foremost supporter, F. V. Thorsson, reacted to a motion calling for "the complete abolition of military force" by threatening to resign. This strategy was repeated, winning support against the left position (Molin, 1992: 379-380).

Accumulation

Sweden engaged in a period of industrialization, beginning around the late 1800s and early 1900s. In 1800, manufacturing and handicrafts represented only 11% of GDP, by 1900 it represented 23% (Edvinsson, 2005: 152). Swedish imports were higher than exports, "in the decades prior to the First World War (Edvinsson, 2005: 207). The rise of manufacturing paralleled the diminishment of agriculture and the development of an industrial proletariat and also contributed to the rise of the Social Democratic Party (Table 1).

Bofors became a leading Swedish producer of steel by the early 1870s. The company opened its first cannon workshop in 1884, the year Alfred Nobel took over the firm: "Nobel played the key role in reshaping the former iron and steel producer to a modern cannon manufacturer." In 1898, AB Bofors Nobelkrut was created as a wholly owned subsidiary and powder manufacturer which later made explosives. In 1911, "AB Bofors-Gullspång had outcompeted, bought and closed down its Finspång Swedish competitor in cannon manufacture" ("Bofors," 2012).

Table 1: The Nominal Ratios (in percent) of gross value added of different types of activities to GDP, and GDP per capita in current basic prices (in SEK)

Year	Agriculture and ancillaries	Manufacturing and handicrafts	Other	Dominant Political Parties
1800	47	11	42	
1850	36	13	51	Liberal, Independent, Lantmanna (1876-1900)
1900	31	23	46	Latnmanna, Independent, Liberal Coalition, Social Democrats (1900-1950)
1950	14	33	53	Social Democrats, Center Party (1950-2000)
2000	2	25	73	Social Democratic Party, Moderate Party (2000-Present).

Source: Edvinsson, 2005: 152; “List of Prime Ministers of Sweden,” Wikipedia, 2012.

Disarmament

Zeth Höglund opposed what he saw as the “bourgeois adaption of Social Democracy.” After Norway demanded independence from Sweden in 1905, some Swedes advocated military intervention. Höglund opposed these advocates, writing a manifesto called *Down with your weapons!* (in Swedish, *Ned med vapnen!*). He argued that Swedish workers should not to take up arms against the Norwegians. He not only urged a refusal to mobilize troops, but also a strike if war were declared against Norway. In fact, Höglund suggested that weapons should be used against the Swedish ruling class (Thelander, 2006; Höglund, 2011: 12). This led to a prison sentence because the court held that Höglund had encouraged mutiny (Thelander, 2006).

Höglund was one of Per Albin Hansson’s early competitors, beginning in the period after the Höglund headed the Social Democratic youth group in 1908: “Over the next decade he was engaged in a tough struggle with a more radical faction headed by Zeth Höglund for the allegiance of younger party members” (Tilton, 1991: 125). The 1905 conference on the Social

Democratic Party platform debates discussed “the struggle against militarism” together with the idea of “a people’s defense system.” By 1908, disarmament ideas were framed as “Struggle against militarism. Successive reductions of military burdens leading to disarmament.” Some formulations addressed “arbitration agreements and international cooperation against war,” such that “political and juridical peace guarantees should be established before commencing disarmament.” These proposals represented “a move to the left,” even accepted by Hjlamar Branting, the party leader (Molin, 1992: 378). These turns appeared to represent a turn from unilateral disarmament to multi-lateral disarmament.

After the 1908 Social Democratic party conference, a debate emerged regarding how much the parliamentary group reflected this move to the left. Höglund argued that the parliamentarians were “treating the conference decision nonchalantly.” He said that party leadership was involved in “degrading compromises.” In October 1909, he said “the group’s position was a scandal, and the conference demanded that the party’s representatives uphold the disarmament line and refuse all allocations of funds to the existing defense establishment.” Värner Rydén gave a speech in parliament that supported the left Social Democratic line. He supported disarmament because he believed that Sweden could not really defend itself against the great powers (Molin, 1992: 378).

Military Externalities

In 1906, the Social Democratic Youth Association (with which Höglund was associated), attacked military expenditures “on the grounds that the money thus wasted could be used for the benefit of ‘the small agricultural concerns, for the education of the people and for insurting the workers’” (Liebknecht, 1973: 101). The antimilitarist left argued that Sweden’s military investments came at a high domestic, social cost. In 1913, Höglund co-authored a pamphlet, *The Fortified Poorhouse: Antimilitarist and Socialist Handbook* (in Swedish, *Det befästa fattighuset - Antimilitaristisk och socialistisk handbok*) with Fredrik Ström and Hannes Sköld (Höglund et al., 1913). This Socialist Youth League pamphlet argued in favor of socialism as a way to peace, criticizing Sweden as a fortress and poorhouse, arguing against investments in militarism. The pamphlet was despised by “bourgeois” politicians and media (“Zeth Höglund,” 2012; Fogelström, 1983: 135).

These debates came into focus when Höglund's co-author, Fredrik Ström, participated in a December 1913 meeting about "military defense" held at Cirkus in Stockholm. The Social Democratic women's confederation organized the meeting. Ström was joined by Sven Hedin and K. P. Arnoldson as speakers.⁵ The large Cirkus hall was sold out in advance, turning away many." Ström began his talk with the slogan "struggle against militarism." He addressed the huge cost of armaments and workers' abysmal conditions. He argued that armaments never have benefited peace but well war, a statement met with "strong shouts of agreement." Ström said: "We fight capitalism with all its essence and its essence belongs also to modern militarism—Gradual reduction of the military burden toward disarmament—that is the path we want to go. We do not wish our country to become a fortified poor house" (Fogelström, 1983: 135). Here was a clear critique of the military accumulation model and a statement of on behalf of disarmament as a gradual planning process. The more established Social Democrats also played a role in disarmament efforts, although these efforts had a changing character when it came to Sweden's own military economy.

Solidarity

The left-leaning disarmament movement was part of a larger international effort against militarism and made connections to the global labor movement. In 1912, the Social International "called its members to attend an extraordinary congress in Basel in order to 'discuss joint action for the preservation of peace.'" Höglund remarked in his memoirs that this event "became something unique in external formality and as a political expression of the collective desire for peace among the working class" and brought together "545 representatives from all over Europe." Höglund was joined in the meeting by other Swedish representatives of the political and trade union movement including Hjalmar Branting, Fredrik Ström, and Herman Lindqvist (Andersson, 2002: 78). This kind of meeting indicates that the idea of global citizenship was considered, i.e. Sweden was part of a global community.

Political Regimes

In the 1915-1917 period, as a member of parliament Höglund gave impassioned speeches against the monarchy which was trying to promote Swedish entry on the German side during the First World War (Högström, 2011: 12). Höglund left the Social Democratic Party in 1917 to

create the Social Democratic Left Party (from 1921 the Swedish Communist Party), but returned to the Social Democratic Party in 1926 (“Zeth Höglund,” 2009: 153). His departure was partially a reaction to the Social Democratic Party’s failure to embrace the anti-militarist politics of the left (Molin, 1992), i.e. he deployed the “exit” option in order to address resistance to anti-militarism. Höglund became a somewhat marginalized figure; “he never reached a really high position in national politics but sat as [member of parliament] until 1940” (Thelander, 2006).

Höglund and Ström “were clearly on the left fringe of Swedish politics and supported Stalin until later in the 1920s when they had received reports of Russian brutality between 1917 and 1921.” Hjalmar Branting gained “greater moral credibility among the ranks of the Left” as a result of such reports in the 1920s (Baker, 2011: 135). In the 1930s and 1940s, Höglund mocked the Swedish government’s appeasement to the Nazis. This included a critique of the coalition government’s allowing the transport of German troops and restrictions on the freedom of the press. On the other hand, he supported upgrading of the Swedish defense forces and a Nordic defense alliance. He turned publicly hostile toward the Soviet Union, particularly after their attack on Finland (Högström, 2011: 17).

One conclusion drawn about this time period was that the Social Democrats “had to unite around a national policy in cooperation with the Liberals and had to accept military defense” in order “to achieve influence in the Riksdag.” Opponents of Swedish militarism were seen as “defense nihilists” who had to adjust to the realities of war and a powerful right-wing backlash (Molin, 1992: 385. 381).

The political power of farmers and antimilitarist fundamentalists in shaping the calculus of disarmament politics cannot be underestimated.⁶ Yet, this period shows concerns for multi-lateral disarmament, not simply unilateral defense. Realism and neutrality defense gained a foothold as plausible alternatives to disarmament and anti-militarism. Stalinist affiliations further marginalized the left. Yet, this period also highlights a powerful critique of the Swedish military accumulation model. Intellectuals like Höglund and Ström did not simply go along with the status quo. Were they simply marginalized and naïve political figures who did not understand how the real world worked? The challenges of the post-World War One era would show that realism and neutrality themselves were insufficient postures and that the Social

Democratic Party's failure to systematically address the problems of military accumulation would come at a price.

6. Historical Conjuncture II: The Period Between World Wars

Political Engagement

After the First World War the labor, peace, women's and temperance movements were engaged in various conferences and mass mobilizations to promote disarmament and world peace. These efforts helped influence the Social Democratic Party and party leaders. For example, one mobilization involved "special meetings in every town" related to petitions in favor of disarmament. The petitions were presented to these meetings and then were "to be sent subsequently to the Executive of the Social Democratic Party." One manifesto in this era stated: "A treaty must be concluded which secures a grand immediate reduction of armies, of munitions in all their forms, and of military expenditure, and which leads to complete general and controlled disarmament." Various social movements engaged in public opinion-shaping campaigns leading to the Disarmament Conference of 1932. Prior to this conference, a "people's parliament for world peace" was organized, supported by trade unions. Carl Ekman's liberal government appointed a committee that prepared the Swedish program for the disarmament conference. The "committee included all party leaders and Per Albin Hansson" (Andersson, 2002: 79).

Realism and Neutrality

During the First World War, Prime Minister Hjalmar Hammarskjöld "was said to have favoured the Germans more than the Entente," although "political and economic pressure from the maritime powers forced Sweden to change its position" (Andrén, 1991: 76). Sweden benefitted from staying out of the war because it "had no war debts to settle, no reconstruction problems, no army of cripples and invalids to support" ("Sweden Considers...", 1932: E4). The 1930s as a period between the two great World Wars is especially significant because here Sweden was in theory less pressured to side with a great power seeking support against its rivals. It can be considered a time when realist constraints were at least less severe.

Sweden remained neutral between the wars, but the interesting question is the extent to which this neutrality was associated with the acceleration of the country's military industrial development. One line of argument appears to suggest that Sweden responded to larger trends coming from Germany, with military development responding to realist constraints. Sweden "followed the general disarmament pattern of the 1920's." It describes "Germany's rearmament from 1933 and its violations of the Versailles treaty," which led the "general trend" to shift back to "rearmament in the middle of the 1930's." Sweden engaged in defense cutbacks in the 1920's, "but in 1936 the trend was reversed with the parliamentary defence act of that year." The government led the "reorganization of industrial capacities for...military needs" (Stenlås, 2008: 5).

This account follows the logic laid out by Olsson (1974) which suggests that Sweden went through different phases in its disarmament program. For example, "the first phase, ending in 1938, was triggered by the darkening political situation in Europe and characterized by the long term planning of a strengthened defence laid down in the Defence Act of 1936." The effort to support military mobilization during the Second World War was not very successful: "It was limited by the size of the grants for military equipment, and a substantial civilian production that was still allowed in industries of military importance" (Ulf Olsson, 1977 as cited in Stenlås, 2008: 5).

Sweden's neutrality appeared to drive militarization in two ways. On the one hand, as a non-combatant Sweden became disengaged from other nation's supply chains:

During the second half of the 1930s, when Sweden requested important foreign supplies in order to quickly re-arm in response to the German military buildup, it was too late. Suppliers such as Great Britain, France and the United States would not sell. They knew or anticipated that they would soon be needing the goods themselves. One result was that Sweden had not received most of the advanced supplies on order when the war broke out. Another result was that the supplies which *were* received did not arrive in the quantities requested (Olsson, 1977 as cited in Hagelin, 1990: 37).

Here being outside of the war mobilization and having what was considered a weak defense industry created vulnerabilities. On the other hand, to the extent that Sweden was cut off from foreign weapons imports one could say that it maintained its neutrality: "Merely thirteen percent

of the mechanical military equipment acquired between 1939 and 1945 were...foreign imports. The rest was manufactured domestically” (Olsson, 1977: 57 as cited in Stenlås, 2008: 6).

According to such accounts, Sweden’s weakness as a neutral state, the nexus of realist considerations and neutrality, therefore drove military accumulation. The Swedish government concluded “that in order to avoid a repetition of 1939, indigenous R&D of military supplies were necessary.” Eventually this would mean that Sweden became “the only neutral country with indigenous R&D in all categories of important materiel (guided missiles, fighter aircraft, surface ships, submarines and light as well as heavy tanks)” (Hagelin, 1990: 37). Later, “the Swedes’ conclusion from...Second World War experiences was that in times of crisis they had to rely on their own resources and capabilities” (Stenlås, 2008: 6).

The above account seems plausible up to a point. Certainly Swedish developments reflected the country’s position as a relatively weaker power. Unfortunately, these accounts portray Sweden simply as a passive actor and appear to underestimate Swedish production military capacities. The result is that Swedish responsibilities for disarmament and the consequences of its military build up (solidarity) can be underplayed and *displaced*. Likewise, discussions of Swedish disarmament initiatives have had little connection to Swedish military industrial policy.

Stenlås (2008) makes three claims about the period up to and including the Second World War which while not incorrect are nevertheless incomplete. First, Germany’s violations of arms treaties triggered a militarization drive that forced Sweden as a relatively passive actor to react. Second, Sweden was a relatively weak military supplier. Third, Swedish militarization appears to reflect realist constraints (or neutrality policies) as opposed to domestic, economic and political interests.

Accumulation

Turning first to the question of Swedish militarization in the face of German aggression the apparent assumption is that the two factors are independent. Sweden’s militarization can be considered part of the state’s efforts to support a *development state* tied to transnational commitments. Sweden was focusing on exports in the years leading up to the First World War: “net export was significant” during the War, with Sweden already a net exporter in the three to

four years preceding the War (Edvinsson, 2005: 208). Some of “the earliest Swedish multinationals” like SKF, AGA, and Alfa Laval “thanks to a few major innovations...they had all established extensive networks of foreign affiliates within a few years after their foundation” (Blomström and Kokko, 1997: 362).⁷

The 1919 Treaty of Versailles limited offensive weaponry in Germany. An aircraft historian notes that: “hardly was the ink dry on the hated *Diktat*, however, before companies began seeking ways to circumvent the strictures imposed upon them.” Junkers *Flugzeugwerke*, based in Dessau, was one of these companies (Weal, 1997: 6). In 1923, Hugo Junkers contacted Carl and Adrian Florman in Sweden. The Florman brothers wanted to build Sweden’s first airline and sought support from Junkers. Together, these three individuals founded Aero Transport AB (in Swedish *AB Aerotransport* or ABA) in 1924 which began operations between Stockholm and Helsinki that year. Junkers wanted to restart military aircraft production and sought alternatives in military production outside Germany (Zoeller, 2007; Fälting, 1995: 2). There was also an interest in creating a company that would “become the main supplier to the newly formed Swedish Air Force” (Fälting, 1995: 2). Junkers and the Carl Florman established AB Flygindustri at Limhamn in Sweden as a Swedish aircraft production facility on January 25, 1925 (Zoeller, 2007; Fälting, 1995: 2). Junkers owned 82 percent of the 150,000 shares in this firm: “They were signed by Swedish dummy shareholders” because “only 50% of a Swedish company could [then] belong to non-Swedish people” (Zoeller, 2007).

German military industry developed “significant interests in Swedish munitions in the early 1930s” (Fälting, 1995: 2). AB Flygindustri i Limhamn was not alone. Germany also had a strong interest in military producers AB Bofors as well as AB Landsverk in Landskrona (Ström-Billing, 1970). Thus, “63,000 out of in all 198,000 shares in the great armaments works Bofors belonged to the Krupp works” (Braatoy, 1939: 88; cf. Josesten, 1938). The Bofors Company had “acquired certain patent rights and designs from Krupp in order to be able to fill repeat orders from Krupp’s foreign customers; in payment Bofors issues shares to a Swedish holding company, A. B. Boforsintressenter, organized February 12, 1921, with a nonentity as sole director” (Childs, 1948: 87-88). Bofors was one of Germany’s “best assets for [its] secret rearmament drive,” but Krupp was forced to sell its shares after the Riksdag passed a bill on July

1, 1935 (Joesten, 1938: 4).⁸ This account suggests that German militarism depended in part on Swedish actions.

The transnationalization of Swedish aircraft production facilitated global arms exports and allowed Germany to engage in military production: “The AB Flygindustri facilities allowed Junkers to transfer civil aircraft from Dessau to Sweden and reregister them as Swedish aircraft.” The Swedish aircraft were then “reequipped with military equipment and could be sold worldwide as military aircraft.” Junkers permitted “license building of Junkers aircraft at Limhamn.” Between 1925 and 1935, Limhamn built aircraft for the USSR, the Swedish Air Force, Manchuria, and China (Zoeller, 2007). Sweden’s cooperation began during Weimar Republic rule, but facilitated the development of designs that would be later part of Nazi production plans.⁹ A highly advanced two seat fighter was built in Limhamn: “two Junkers K47 prototypes, which first flew in 1929, were subsequently evaluated at the clandestine German air training centre at Lipetsk, North of Voronezh, in the Soviet Union” (Weal, 1997: 6-7).

The use of Sweden as a kind of middleman helped promote German military production and hence militarism. The Limhamn facility was “more or less a complete Junkers production facility” with its “own marketing name.” This “prevented Junkers” from getting into “trouble with the Allied Commissions. In other words, “Limhamn was the Junkers Military Aircraft facility during a period,” when Junkers was not allowed to build military aircraft in Germany. The Nazis gained control of the Junkers consortium in 1934. After they allowed military aircraft production, “the Limhamn engagement went down” (Zoeller, 2007).

Swedish policies resulted from an admixture of realism and accumulation so that as early as 1938 the “Swedish Quandry” was in play. In an article, “All Europe Bids for Swedish Arms: Northland National Controls One of the Foremost Armament Sources in the World,” Sweden was described as nation “of unruffled peace for the last 123 years and a brilliant record in every sphere of human progress.” Yet, the article noted “another side to the picture, an aspect of Sweden much less advertised.” Sweden was described as “pacifist to the core,” but able to “throw a heavy sword into the scales” of the balance of power within Europe. Military experts across the world regarded Bofors as ranking “foremost among munitions makers” (Joesten, 1938: 4).¹⁰ This account reveals gaps in later claims that Sweden was a minor military player in the 1930s.

Disarmament and Political Regimes

The Limhamn situation was associated with a political crisis that led to various regulatory efforts led by the Social Democratic leadership. For reasons of space economy, I have put the balance of this discussion in an appendix (see Appendix 1). This discussion provides further documentation of how Swedish manufacturing aided the upcoming German war machine. The Social Democratic response was to limit foreign ownership as opposed to military production. This regulatory solution was not disarmament, but appeared to be in line with realist, neutralist and also accumulationist considerations. The Social Democrats' regulatory compromise did not foreclose domestic weapons production.

These considerations might not seem at all remarkable except for one historical conclusion which requires further research. The conclusion is that Sweden's disarmament position was also tempered for reasons having to do with economic accumulation. The compromise position illustrates clearly how accumulation triumphed over disarmament, with regulation effectively a displacement system in response to a legitimacy crisis (tied to foreign ownership and military trade) facing the government. In the 1920s, "the general depression after World War I" threatened Bofors with ruin. Sven Gustaf Wingquist, a Swedish inventor and industrialist, was asked to salvage the company. After becoming the managing director, Windquist eventually was "able to persuade the then Labor Government of Sweden, at that time anti-militarist and seeking disarmament, to invest in re-armament." As a result of Windquist's efforts, "he developed Bofors from a third-class arms factory to a world purveyor of many arms, including anti-aircraft guns" ("Sven Wingquist...", 1953).

Windquist, Bofors and the logic of accumulation were essential in opposing the more radical Communist disarmament proposals:

It is interesting to note the pragmatic reason that the Riksdag investigating committee gave for rejecting the Communist demand for an outright monopoly of munitions manufacture. Under government ownership, said the committee, no export order could be filled and without exports the efficiency of domestic munitions plants could not be sustained. The management of Bofors pointed out that it was thanks to expert technical advice from Krupp's that Bofors had been able to maintain its high standards and compete on the world market (Childs, 1948: 89).

This same logic of German cooperation partially helps explain the development of Sweden's military aircraft industry (Appendix 2). The ambitions of the Swedish development state helped drive military accumulation and cooperation with Germany.

Solidarity and Military Externalities

The later developments regarding Sweden's position during the Second World War are the subject of extensive discussion and debate beyond the scope of this paper (cf. Haider, 2006; Karlsson, 2006).¹¹ Certainly the ascendancy of German militarism shaped realist constraints on Sweden, forcing it to contribute to Germany's war machine. Nevertheless, to the extent Sweden aided Germany's war machine in the 1920s and 1930s, it contributed to the very military externalities which Germany used against Sweden as well as the constraints on Sweden's ability to act in a solidaristic fashion with the rest of Europe. Individual diplomatic efforts like the efforts of Raoul Wallenberg and the White Bus campaign of the Swedish Red Cross and Danish government reveal how militarist accumulation, realism and neutrality did not prevent solidaristic initiatives. Sweden's role in Germany's military ascent was minor compared to actions by leading Western powers (Keynes, 1988).

7. Historical Conjuncture III: The Vietnam War

Introduction

The Vietnam case offers one of the best examples of Swedish solidarity with countries overseas, but even in this case we see factors related to other Swedish security policies at work. At the height of Swedish foreign policies designed to forge an alliance with the Third World and support what was then perceived as a disarmament leaning antiwar move, Swedish security policy also was rooted in factors related to realism and accumulation. In fact, realist and accumulation factors even during this time limited Swedish solidarity with Vietnam and disarmament.

Political Regimes

Scholarship on Swedish policy vis-à-vis Vietnam reveals that Swedish opposition to the U.S. war achieved multiple objectives. One of these objectives was the promotion of the Social Democratic Party (SAP) over the Swedish Communist Party (SCP) given the ability of the latter

to exploit Swedish antiwar sentiment and take votes from the SAP. The SAP thought they might lose votes from the Swedish Communist Party if they did not take a position in solidarity with North Vietnam, opposing U.S. military involvement (Scott, 2009). In 1975, a two-year-old poll by the University of Gothenburg was released showing “that Swedes felt the United States to be a greater threat than the Soviet Union” (Weinraub, 1975). In the 1970 elections, the SCP “gained 1.8 percent more of the vote than it had in 1968, gaining a total of 4.8 percent.” This was a “stronger-than-expected showing,” which required the SAP “could continue to govern in an informal coalition with the Communists.” The SCP was “strongly in favor of third world anti-Western liberation movements and increased cooperation with the Soviet bloc” (Schiff, 1972: 377).

Solidarity

As Minister of Education, Olof Palme gave a speech in 1968 where he opposed U.S. intervention in Vietnam. Palme said, “On what grounds can we deny the right of the Vietnamese people to choose its own regime? It cannot be the object of democracy to make itself a guardian for other peoples. On the contrary, it is an abuse of the fundamental ideas of democracy.” Of the thousands of American soldiers killed, he argued that it was “horrible that young men shall be killed, wounded, mutilated—sacrificed unnecessarily for an unworthy purpose in an unjustified war” (Palme, 1968: 6). Sweden ended up granting asylum to 800 American deserters, offered foreign aid to North Vietnam, and—at one point—Palme compared the U.S. bombing of Vietnam to Nazi war crimes (Pederson, 2005).

Realism

Some observers argue that Sweden’s policy towards Vietnam reflected realist constraints of power politics. Sweden wanted to placate and gain the favor of the Soviet Union at a time Sweden perceived growing Soviet strength and declining U.S. hegemony in the late 1960s. Moreover, Sweden’s Vietnam policy did not threaten its relations with the U.S.: “the Swedish-American military collaboration in the military realm actually intensified during the Vietnam War” (Scott, 2009: 244, 254-255). Scott (2009) argues Sweden’s support for the Democratic Republic of Vietnam (DRV) was far more substantive than its support for Eastern European independence, because Sweden being so close to the Soviet Union never feared alienating the

U.S. as much as alienating Russia. He writes: “Located at the western doorstep of the Soviet sphere, Sweden could not realistically afford to ignore the USSR’s rising military strength, either globally or regionally” (Scott, 2009: 246).

Accumulation and Military Externalities

The problem of accumulation and economic interests influenced Swedish policy vis-à-vis the Vietnam War in different ways. First, independently of what any politician may have said or done, Swedish weapons ended up being used by foreign troops during the Vietnam War. For example, a study on U.S. Army Special Forces, stated that “some Swedish-made M-45/b 9 mm guns (often incorrectly called the Swedish ‘K’)” were used at one point during the war (Rottman, 2012: 53). An expose by Rolf Soderlind published in *The Los Angeles Times* clearly shows the connection between such armaments and the Swedish accumulation system. During the days of the war, “Sweden broke its own embargo as early as 1966 by exporting Carl Gustaf ammunition to Australian troops in Vietnam. Those were the days when Sweden was called the ‘conscience of the world’ for its criticism of the U.S. role in the war.” Australia bought this weapon system in 1965, but the Carl Gustaf system “was put on Sweden’s blacklist in 1966 because it sent a force to fight alongside U.S. troops in South Vietnam.” The Australian government’s response was to threaten “never to buy weapons from Sweden again unless ammunition for the shoulder-held gun was delivered.” The former technical director of the state-owned FFV revealed in 1988 that the Swedish government “ordered the company to secretly sell 10,000 rounds of ammunition to Australia.” In contrast, the Swedish government “protested its innocence” and claimed that “it was not aware that Britain had re-exported the Carl Gustaf system to third countries from 1963 through 1984” (Soderlind, 1988).

Another way economic accumulation influenced Swedish foreign policy was by helping to shape the nexus linking détente, military budget cutbacks, and the welfare state. Sweden wanted to desperately reduce military budgets to satisfy peace concerns and promote the welfare state, so détente became critical for the SAP (Scott, 2009; cf. Huldt, 1990). Yet, if economic considerations were so important, then why did Sweden severely criticize the U.S. Vietnam policy when Swedish-U.S. economic ties were significant?: During “the mid-1960s...trade between the two nations had never been higher” (Logevall, 1993: 424). Logevall suggests that ethical norms, related to the antiwar and Palme’s ethical concerns about U.S. actions played a

role. Yet, “ironically,” Logevall writes, “Swedish criticism of the war actually decreased when Palme took office, and it remained at a low level in the months that followed.” He notes that “the Palme government was...preoccupied with domestic problems,” e.g. “labor problems, when combined with a sharp downturn in exports in the latter half of 1969, drew attention away from foreign affairs in general and the Vietnam War in particular.” Swedish-U.S. relations worsened after Palme reacted dramatically to severe attacks on Vietnam in 1972 (Logevall, 1993: 438-440). Thus, even during the Vietnam War accumulation considerations could trump solidarity concerns.

8. Conclusions: From “The Fortified Poorhouse” to “The Swedish Quandary”

Prior to the First World War, anti-militarist critics argued that indigenous forces promoted military externalities. These included the economic opportunity costs of military spending, creating Sweden as “The Fortified Poorhouse.” These critics were marginalized by the more dominant forces in the Social Democratic Party as well as Liberal and Conservative parties. These critics were seen by some to be “anti-defense nihilists” who were naïve about security interests in the face of either German or Russian militarism that potentially or actually threatened Sweden in the future. Nevertheless, Zeth Höglund and Fredrik Ström also should be remembered for offering an early critique of the Swedish model of military accumulation.

Sweden had to respond to growing realist constraints between the wars. Yet, the country was not simply a passive agent such that its international relations policies simply reflected the logic of external actors. At times, the logic economic accumulation and the interests of defense firms shaped policy, appearing to limit the Social Democrats’ disarmament program prior to the outbreak of the Second World War. At the very least the historical record shows how the vested interests of defense firms and military-linked growth promoted an arms trade and military cooperation with Germany. The scandals concerning Germany military interests in Sweden (and Sweden’s support for Germany’s military machine) strongly suggest that we can salvage at least part of the arguments coming from Höglund and Ström about military externalities. Likewise, by the Vietnam War the tradeoff between the aims of disarmament and solidarity on the one hand and the interests of accumulation on the other were again apparent. What’s very interesting about the Vietnam period is that the interests of accumulation both explained: a) domestic military budget cuts (to support the welfare state), and b) sustaining of weapons exports (to

Australia). Essentially, the profile of diminished military budgets and high levels of arms exports continues into the present day. At the close of last year an article in *The Independent* declared, “Swedish-made weapons used to crush Burma’s rebels traced back to India” (Buncombe, 2012).

By the 1970s and 1980s even more questions were raised about problems created by military accumulation and military externalities. These center on “The Swedish Quandry”: Sweden as a neutral, pacifist nation that exported a significant share of arms (Lohr, 1987). Inga Thorsson emerged as part of a newer generation of antiwar intellectuals. Her work to promote global, yet multilateral disarmament, as well as contingency planning for the conversion of Swedish defense industries, can be seen as responding to the potential problems created by military specialized defense contractors. Given the role of farmers and allied groups in thwarting the early generation’s disarmament drive, it is interesting to think about how changes in Sweden’s political economy (the “social structure of accumulation”) may have helped or hindered later disarmament initiatives.

In 1988, Sweden’s image as an “international gunrunner” led to policies to tighten weapons export laws (Soderlind, 1988). This was of little consequence. According to Uppsala Conflict Data Program (UCDP) in 2012 of the five largest Swedish recipients of Swedish arms exports (India, Saudi Arabia, France, Pakistan and Thailand), four of these countries were involved in armed conflict in the same year. The fifth country, Saudi Arabia, “is one of the world’s most hardline dictatorships.” One critic argued that the Swedish Agency for Non-Proliferation and Export Controls (*Inspektionen för Strategiska Produkter*) “often seems to act as a PR agency by producing arms exports in a better light than what can be seen objectively” (Nilsson, 2013). Given the systematic relationship between accumulation and weapons exports, and past failures of the Swedish legal and regulatory system related to arms exports, it seems naïve to expect the legal reform will solve this problem without addressing the economic and related political incentives driving arms exports.

Appendix 1: The 1930s Foreign Interests Controversy and the Era of Social Democratic Regulation

The Limhamn situation came to the attention of the Social Democratic government running Sweden. Per Albin Hansson first term as Prime Minister was from September 24, 1932 to June 19, 1936. Hansson became one of the most important Social Democratic leaders in Sweden (Tilton, 1991: 125). As Minister of Defense in 1923, Hansson was part of a controversy regarding his “anti-militarist stand” and approval of “socialist” education “among soldiers and sailors.” Hansson appeared at a convention of the Social Democratic Young People’s Societies where he approved a resolution that sought to neutralize the military as a tool of “any future bourgeois government.” Agitation against Hansson was associated with a backlash against a report by Socialist parliamentarians calling for “a big cut in army and navy appropriations in the next budget” (“Swedish Premier...,” 1923).

Even prior to the Nazi’s gaining control of Junkers, the Social Democratic government initiated an inquiry about the licensing system for arms exports. This inquiry began in 1932 and ended in 1934 (Braatoy, 1939: 88). Proposals to regulate weapons development came about because of a recognition of “the extent of foreign influence in Swedish arms manufacture.” During this time Rickard Sandler, Hansson’s foreign minister, “told the Parliament that the airplane factory at Limhamn in southern Sweden, A.-B. Flygindustri, was simply a branch establishment of the German Junker works.” In fact, German interests owned “two-thirds of the stock in the works A.-B. Landsverk (one-tenth of whose production [was] war material).” By March 1935, “the Social-Democratic Government submitted a Bill to Parliament for the extended control of the Swedish armaments industry.” These proposals “conformed with the suggestions made by United States Government to the ‘Special Committee for the Regulation of the Trade in and Private and State Manufacture of Arms and Implements of War’ in the Disarmament Conference at Geneva” in the prior year (Braatoy, 1939: 88).

Swedish proposals “advocated control of the munitions industry through nationalization.” ABA was nationalized both to generate capital and as way “to buy out German interests” (Fälting, 1995: 3). In 1932, Social Democratic plans for nationalization of the arms industry was viewed as a “peace move,” but “opponents” of the plan urged a “delay to prevent additions to [the] ranks of the jobless.” The Social Democrats recommended that Bofors, which was then Sweden’s “leading munitions factory,” “be converted into a government monopoly or placed wholly under government control.” The Social Democratic plan was regarded as “one step nearer the desired goal of the general federalization of industry.” Sweden was then “one of the signatories to the Arms Traffic Convention brought into being by the League of Nations but not yet ratified” because other powers failed to support it (“Sweden Considers...,” 1932: E4).

The League appointed a commission in 1921 which identified military manufacturing as having “played an important and deadly role in determining the course of events leading up to the [First] World War.” A disarmament conference in Geneva “resolved to appoint a special committee for further research on the general question of arms manufacturing in relation to problems of world peace.” Significantly, the Social Democrats considered regulating the defense industry in relation to these peace goals: “The Social Democrats of Sweden have not hesitated to make plain their opinion that *the issue is not one of national defense but of private gain, which*

they regard as the one factor that has retarded the progress of the disarmament conference” [emphasis added]. In contrast to the realist notions that Sweden responds to the constraints of big powers, the Social Democrats appeared to suggest that Sweden could influence the big powers by example, i.e. a “demonstration effect.” Thus, one observer at the time asked, “How much is Sweden willing to sacrifice in the interest of trying to make a worthy contribution to world peace?” Sweden was “one of the minor nations,” but could take a “pioneering step of the kind that should be taken by one of the great powers” (“Sweden Considers...,” 1932: E4).

In 1934, a forthcoming meeting of leading nations in Geneva led to an intensified “interest in the general question of disarmament and more effective control of the munitions industry.” Yet, even then the international media noticed Sweden’s “paradoxical position” as a neutral state having a globally significant arms industry.¹² Richard J. Sandler, Sweden’s Minister of Foreign Affairs who recently was elected the president of the League of Nations Assembly, said “the general status of the disarmament question is unsatisfactory, although not hopeless.” In Stockholm, “the findings of the Nye committee” in Washington, D.C. became a topic of public discussion. This was said to reflect “the public’s need for more enlightenment regarding private profits from arms manufacture” (Olson, 1934: E3).

The Social Democratic government was motivated “undoubtedly” by “a desire to assist in pushing through the American proposals...but the main motive was due to information on the extent of foreign influence in Swedish arms manufacture.” Initially, the Prime Minister Hansson attempted to “liquidate foreign interests” through “voluntary agreement.” While the Board of Directors at Bofors was willing, “the representatives of the foreign interests were not.” Hansson also told the head of Bofors that his “government would not view favourably any tendency to expand armaments production” (Braatoy, 1939: 88-89).

After meeting some resistance from Conservatives and a few Liberals, the Social Democratic government succeeded in subjecting all weapons manufacture to government license. A system of permanent and automatic supervision was implemented. Hansson said that the primary objective of these policies was to “eliminate foreign interests wholly,” an objective achieved when the Limhamn factory was closed and when Sweden gained control over the Krupp interests in the Bofors works. The regulation of weapons production and ending of foreign control “was accomplished at a time when industry in Sweden was already confronted with the State as not only a decisive but also an initiating factor in the economic life of the country.” The ruling policy was that the state would gain “detailed control of a particular industry...if necessary.” These policies did not interfere with an economic boom: “Between 1929 and 1937 industrial production alone had increased by 50 percent” (Braatoy, 1939: 89-90).

The German interests in Bofors together with other media reports led to a public scandal. One source of controversy, apparently based on French press reports, was that “many arms shipments from Bofors, marked for a South American destination, never left Hamburg, the port presumably of transshipment.” Bofors “indignantly denied” the charge, with a Riksdag committee failing to substantiate the charge. While “Bofors management insisted there had been no German interference in the direction of the company...the Swedish public was profoundly shocked by these disclosures.” The controversy was followed by a debate in the Riksdag. In the Riksdag debate related to the Bofors scandal, “all Leftward and moderate parties agreed that government control

of the munitions industry was necessary.” In contrast, “the Conservative Right thought that Sweden should not be the first to take such a stand.” Right leaders argued that “a law eliminating foreign holding companies, which became effective July 1, 1935, was sufficient to...end...foreign influence over Bofors.” In contrast, the Communists promoted plans for “an outright government monopoly in munitions” (Childs, 1948: 88).

In a debate in the Second Chamber, Hansson argued that a monopoly would be difficult to organize. The willingness of Bofors to end foreign ownership but the unwillingness of “the dummy who held the stock” and Germany itself created problems. The debate and these difficulties led to a compromise: “All new munitions plants and after January 1, 1938, all existing munitions plants,” were required “to have a special license from the government to operate.” This was viewed “as giving the state the power of life and death over the munitions business.” The Social Democrats effectively used “Sweden’s formal approval of the American proposal at Geneva for licensing munitions plants” to advance this compromise (Childs, 1948: 88-89).¹³

Appendix 2: Germany and the Development of Swedish Military Aircraft Industry

Prime Minister Hansson’s statement that “our country should so far as possible independently manufacture its own weapons,” was considered by industry observers to be “a driving factor in building strong domestic hubs” for aircraft industries, with companies like Bofors, Svenska järnvägsverkstäderna, Götaverken, Johnssongruppen and Kockums considering aircraft production. In fact, the Swedish government tried to guide the development of this industry. The government demanded cooperation in the research and development within the aircraft industry. This led to ASJA and SAAB to form a joint company, AB Förenade Flygverkstäder (AFF), with its office in Stockholm (Peterson, 1997: 7).

Nevertheless, the very effort to make a Swedish military aircraft led the country into foreign entanglements with both Germany and the United States as “learning by collaborating” became a necessary step in the nationalist military project. In the summer of 1938, a new workshop was completed in Tröllhättan. The first military aircraft that was produced was a German bomber Ju86K built under a license. As a Swedish military plane, the Ju86K got the designation B3. In Linköping, ASJA built to U.S. plans, the Northrop 86A-1 (B5) and North American NA-16 (SK 14) (Peterson, 1997: 8). The Northrop 86A-1 was the Swedish version of the Northrop A-17 and was built in 1935 as an attack bomber for the U.S. Army Air Corps (“Northrop A-17,” 2012). The NA-16 was North American’s first military trainer and was operated by the Swedish Air Force (“North American NA-16,” 2012).

In the 1930s, significant political interests in Sweden believed that welfare and warfare had a common foundation. For example, some proposed “to help pay for [the] newest extension of the social security program” with “a monopoly of the manufacture of munitions, under state control.” According to this plan, “most of the profits” would be “reserved for the state” (Childs, 1948: 87). In the 1930s, Marquis W. Childs, author of *Sweden: The Middle Way*, explained an argument often heard today: “Munitions have not played an important part in Sweden’s export trade. From 1927 to 1931 war materials were valued at about one per cent of all Swedish exports” and “only seven tenths of a per cent of Sweden’s total industrial production.” Yet, Childs explained that “the munitions business” also illustrated “the difficulties that confront a small

country dependent upon world trade and finance.” Swedish capitalism was aligned with its German counterpart. If the Social Democrats had decided “to nationalize the munitions industry,” then this “would have meant an intensive struggle which apparently” they “were unwilling to face.” The left had charged that Social Democrats “think too entirely in terms of dependence on world trade,” but their counter-charge was that “in Sweden one cannot think in terms of a continent and continental self-sufficiency” (Childs, 1948: 89-90).

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Endnotes

¹ In the U.S. context, many critics of militarism promoted the idea of a "permanent war economy," including C. Wright Mills and Seymour Melman (professors at Columbia University) and Walter J. Oakes.

² An exception to weak definitions of neutrality can be found in discussions regarding Switzerland's attempt to ban arms exports in 1997. The Swiss Socialist Party regarded "the weapons-export ban as a way for Switzerland to gain back some of its lost credibility as a neutral" (Prince, 1997). In the 1930s, critics in the United States "argued that U.S. involvement in the First World War had been driven by bankers and munitions traders with business interests in Europe." During the mid-1930s, the U.S. congress took action to enforce the nation's neutrality as "events in Europe and Asia indicated that a new world war might soon erupt." Therefore, "on August 31, 1935, Congress passed the first Neutrality Act prohibiting the export of 'arms, ammunition, and implements of war' from the United States to foreign nations at war and requiring arms manufacturers in the United States to apply for an export license" ("Milestones: 1921-1936..." 2012).

³ The term "externalities" is somewhat misleading. As an economic term, it correctly assesses costs that a company does not have to pay for, i.e. they are "external." In terms of sociological and political understanding, the term is a misnomer. The decisions to pollute or export weapons (and the resulting consequences) are internal to the design and managerial choices of the firm (see Melman, 1975).

⁴ One explanation for the "security dilemma" links this problem in part to the construction of a military industrial base. As states prepare to protect themselves, they take "self-help" measures. These include "building a strong industrial base, constructing armaments, mobilizing a military." This leads other states to become "less secure." These other states respond by engaging in "similar activities, increasing their own level of protection but leading to greater insecurity on the part of others." This viscous cycle, the "security dilemma" has been explained as follows: "in the absence of centralized authority, one state's becoming more secure diminishes another state's security" (Mingst, 2008: 208). Arms exports can generate such

security dilemmas, particularly when they are viewed as a necessary accompaniment to national defense. In the Swedish case, Swedish security is tied to weapons production which allegedly requires exports to reduce costs and make domestic use of weapons possible. Swedish arms export policy was associated with decreased domestic orders in some cases. Thus, the exports partially reflected a failure in civilian industrial policy.

⁵ Hedin appeared to fear the worst and told a friend to be read with a first aid kit if there was an attack. Moreover, "Count Eric von Rosen was also present with a revolver in his pocket if necessary, to save Hedin." Hedin himself said "there was no one in the immense room who dreamed of blows or attacks" (Fogelström, 1983: 135).

⁶ A leading historian of the period sees a propaganda campaign led in part by Hedin and a march led by farmers and Christian as a key turning point. In January 1915, the tide had turned against the anti-militarists: "After the farmers' march in February 1914—a demonstration for national defense and royal power—and the king's palace courtyard speech to the participants in this demonstration the nationalist forces had seized the initiative." The conservative Hammarskjöld took power away from the liberal Staaff, with his party making parliamentary gains. The 1914 military budget proposals favored a large increase and even the German Social Democrats supported credits for equipping the army (Molin, 1992: 383). Nevertheless, Staaff supported what critics called "the Swedish muzzling law against anti-militarist agitation" in May 1906 (Liebknecht, 1973: 112).

⁷ The role played by SKF's founder, Sven Wingqvist, in championing military accumulation is addressed below.

⁸ The author of this article further documented his claims in a book, *Stalwart Sweden*, published in 1943. There he wrote: "There may be bigger armament centers than Sweden's Bofors, but there is none that matches it for quality. And in guns, it's quality that counts." He pointed to the complex surrounding Bofors, a "huge complex of mines, furnaces, steel mills, forges, workshops, and laboratories where some 10,000 people work night and day, in three shifts, while in the stately head office building of the Aktiebolag Bofors a staff of more than a thousand designers, constructors, engineers, and clerks strives hard to cope with the mounting flood of orders. The rhythm of the great armament race that preceded this war is strikingly reflected in the yearly returns of the Bofors company. In 1934 the firm delivered civilian and military goods for 41,000,000 kronor; by 1939 it was pouring out, guns and ammunition only, to the tune of 156,2 10,000 kronor. Net profits in one year increased 150 per cent, from 10,970,000 kronor in 1938 to 16,530,000 kronor in 1939. Dividends were 12 per cent. Gun-making is no matter for improvisation. It is an accepted dogma with the Bofors management that it takes at least twenty years of training to make a really good constructor, and at least four years for an ordinary workman. Thus Bofors today commands an unequalled stock of highly skilled workers, rooted in a region that was the cradle of Swedish metallurgy, where exquisite craftsmanship was passed on from father to son for many generations" (Joesten, 1943).

⁹ "...a batch of production K 47 fighters was completed in Sweden for export (six being supplied to the Chinese Central Government and four ultimately going to the Soviet Union), the *Reichswehr* (the 100,000 strong internal army grudgingly allowed Germany by the Versailles signatories) purchased the two prototypes, plus the two remaining export aircraft." Nevertheless, "high unit costs precluded the tightly-budgeted *Reichswehr* from awarding a production contract, and the four aircraft...served out their time in the Reich engaged in a variety of quasi-civil duties." Hitler came to power in 1933, but "the *Reichswehr* under the aegis of the Weimar Republic, and not the new National Socialist regime, which was responsible for preparing the groundwork and introducing the dive-bomber into Germany's covert, but burgeoning, new armoury" (Weal, 1997: 7-8). In a comprehensive study on clandestine rearmament under the Weimar Republic, E. J. Gumbel wrote: "Many of the major German arms manufacturers had subsidiaries in the countries neutral in the First World War, particularly Sweden, Holland, Switzerland, and Spain. These served as branches of the German parent companies engaged in armament production, research, and development. Thus the Swedish branch of Junkers, A. B. Flygindustri, in 1931 tested a pioneer two-seater fighter" (Gumbel, 1958: 215). He concluded his study by writing: "The Weimar Republic was killed by the great depression, which brought a revival of illegal party armies and their fight for power. When the Nazis took over, the secret armament stopped because armament became legal; the great powers had

accepted the Nazi breach of the Versailles Treaty. The secret armament under the Weimar Republic is a link between the defeat of 1918 and the holocaust of the Second World War” (Gumbel, 1958: 217). Gumbel was a Professor of Statistics at the University of Heidelberg from 1923 to 1932.

¹⁰ See note 8 above. In his book, Joesten (1943) added: “The Swedes are a nation that sincerely abhors and combats war. They have not fought in arms since 1814. In the years preceding the present war the Swedish Government, fully supported by public opinion, doggedly worked for peace. Yet all the while Swedish industrialists, businessmen, and workers combined their efforts to produce as many implements of war as possible and to sell them to all comers. Millions of tons of high-grade iron ore, cellulose, guns, tanks, even arsenic were, and are being, exported abroad for war purposes. The Swedish Government had no scruples about it. Nor had the powerful pacifist Labor party.”

¹¹ This comprehensive study does not address the role played by Sweden’s military industry and arms trade prior to the Second World War.

¹² “Sweden occupies a paradoxical position. She has so effectively maintained the general policy of neutrality championed by little nations that she has enjoyed unbroken peace for nearly a century and a quarter. Yet in the matter of private munitions manufacture and export she ranks as one of the greater powers” (Olson, 1934: E3).

¹³ “Under the old law Swedish munitions plants were required to obtain only a special government license for exports. They must have a permit to operate under a new law and must allow a government inspector access to their books at all times, so that all orders on hand will be known to the government. The government also has the right to decide what constitutes materials of war and to revoke licenses at any time. Furthermore, under the new law all agents of foreign munitions plants must obtain permits before they can do business in Sweden” (Childs, 1948: 89).