

The Garden of Sweden

BY RODGER L. SIMONS

Although enthusiasts who placed the original Garden of Eden in Swedish territory may have been wrong, Swedes have been singularly blessed in recent years

DID you know that Adam and Eve were Swedes? Of course it may not be wholly true. But at least some enthusiastic historians have endeavored to prove a contention to this effect. It started when Olof Rudbeck, a zealous Swedish scientist, historian, anatomist and archeologist about 1675 wrote a curious book called *Atland*, in which he proposed and defended the thesis that immediately after the Deluge Sweden was settled and colonized by Japheth, Noah's third son, and that in that country may be found evidences of man's earliest tenancy of the planet. Saturating himself in classical Greek lore, Rudbeck could not escape the conclusion that the fabled Atlantis was none other than his own Sweden. This fantastic claim was twisted by his followers into the even more weird belief that Sweden was the original Biblical paradise.

That is enough to tax the credulity of even the most confirmed Sveaphile. (Sveaphile: coined word meaning a lover of Sweden.) But evidence is at hand in substantiation of the premise that Twentieth Century Swedes have in many ways approached rather close to a paradise by current, earthly standards. They

scorn foreign loans, when other nations borrow heavily to balance budgets. They hew military expenditures to a wisp, when other nations prattle of increased armaments and the "necessity" of national defense. They hold unemployment at an amazingly low figure, when other nations writhe in the agony of impoverished millions. They maintain their big corporations on an intact or only slightly reduced dividend basis, when other nations consider themselves lucky even to keep business in scant and skeleton operation. They give liberal patronage to art, drama, shops, restaurants, when other nations admit the virtual elimination of "luxury buying." They plow through an international economic collapse with their major political, social and economic institutions in full swing, when other nations turn to "subsistence farming" and declare every sort of moratorium. They emerge from the worst national scandal of their history, yet face the future in confidence, chins up, spirits high, when other nations hold their heads in horror and moan, in the scriptural phrase, "How long, oh Lord, how long?"

When I recently went to Sweden to do some newspaper work it was under

rather inauspicious circumstances from the standpoint of personal background. Having lived most of my years in Minnesota, I was habituated to hearing the phrase "big Swede" used as a term of opprobrium, if not an outright epithet. But a sojourn in that land of magically clear air, delightfully cool sunshine and quietly gracious people has shown me what a compliment it is to be called a Swede. And similarly I found in the underlying stability, the fine racial sanity, of the Swedish people a thing to incite the admiration and envy of larger but less harmonious countries.

II

Arriving in Stockholm a couple of months before the Kreuger blow-up, I had a chance to observe the Swedish people before, during and after this grievous national calamity. Findings subsequent to the disclosure of the Match King's perfidy indicate that his importance to Sweden had been rather generally overestimated during the years of his ascendancy. Only 6,000 workers or hardly more than one per cent of Sweden's industrial population were employed in the Kreuger match factories. Such concerns as the Skandinaviska Kreditaktiebolaget and the L. M. Ericsson Telephone Company have wrenched their way out of a disastrously close affiliation with the late financier's antics and even the Swedish Match Company has effected an apparently firm reorganization. But none of this was anticipated or hoped for when there burst the ghastly news of Kreuger's treachery.

For considerably more than a decade Sweden had cherished and admired the Match Monarch as her foremost private citizen. Not only had he been esteemed by Scandinavians and the world at large

as a tower of financial strength and acuity but he had advanced the growth of prosperity in his own country, directly and indirectly stimulated Swedish life in many worthy channels, made his nation's capital a centre of international importance, cultivated Sweden's good will among foreign nations and in several respects practically built modern Stockholm, for much of which record his countrymen can still be grateful to Ivar Kreuger. And then for the Swedish people to see their great national idol turn sour was a blow of such magnitude and gravity that it could be fully appreciated only by one who lived among them through those trying weeks. Regrettable as was the financial ruin which engulfed many people, the loss of personal and national prestige was an even greater tragedy to the Swedes, a very sensitively attuned race even under normal conditions. The courage and hardihood which they displayed in climbing out of so severe a holocaust deserve from other peoples a degree of admiration as intense as was the resentment felt on the world's money markets over Kreuger's collapse.

That the general economic situation was bad is attributable less to the Kreuger manipulations than to the world crisis at large, for, having a large export trade, Sweden was hard hit by the depression. But, having stayed out of the European conflict of 1914 to 1918, she had no War debts to wiggle out of, no reconstruction problems to drain her resources and no army of cripples, invalids and mendicants to support. And the second quarter of 1933 brought appreciable signs and feeling of improvement. An increased confidence abroad, bountiful harvests at home, a brisk activity in Sweden's industrial life, a rise in employment, an increased liveliness in both

export and home market industries and an improvement in the foreign trade situation have militated in favor of a steadiness for the present, a hope for the future and a belief that the worst of the depression is past.

To this sanguine feeling much has also been contributed by the policies of the Social-Democratic Administration, which went into power at the elections two years ago this fall with Per Albin Hansson as Premier. They have already sliced four million dollars off the national defense budget by lessening the number of conscripts serving terms in what may laughingly be called the army, at the same time setting about to create jobs that would absorb the unemployment thus set up. A few million more lopped off here and another chunk whacked off there have wrought further savings to the national pocket book. They have even turned down the proposal of adding a hundred thousand crowns to the yearly annuity of Prince Gustav Adolph, eldest son of the Crown Prince, for the support of his bride, the young couple being expected to scrape along on his bachelor allowance of ninety thousand crowns a year—about \$20,000. Though the party in power has been forced to expand the budget somewhat during the past two years, this difference has been met by a twenty per cent advance in the income tax rate and a substantial boost in estate duties and in the tax on liquor and tobacco. (Though the Conservatives eagerly predict the fall of the Social-Democratic Administration, that party is firmly in power and there seems little likelihood of its being displaced until the national elections of 1936, and perhaps not then. There are local elections this fall, but, as in this country, they will only serve as feelers for the 1936 contest.)

At about the peak of American unemployment, along about November, 1932, when there were some twelve million out of work in the United States, the figure for Sweden was 147,000. In proportion to the two populations this means that unemployment in Sweden was about one-seventh of what it stood at in the States, and part of that was a normal seasonal unemployment due to the usual laying up of ships during the winter season and the consequent temporary discharge of seamen. The two years since then have shown a steady improvement in this situation and latest official records are that more than one hundred parishes in Sweden no longer report to the unemployment commission in Stockholm, which means that they have no idle. Since the building trades strike was settled last spring there has been a boom in that line, while at the big Sandviken Steel Mills north of Stockholm there is an actual shortage of labor.

While in both volume and proportion Sweden's unemployment seems trivial by contrast with our own condition, it has been a source of considerable worry to the Swedes. And they have set about correcting it in a typically sane Swedish way, without recourse to such passive methods as the British dole or such uneconomic measures as the wholesale and indiscriminate manufacture of jobs. Thus they have recently spent \$30,000,000 on new motor roads and plans are under way for the expenditure of another twenty-five million on this work. (In addition the current year's motor vehicle tax of \$16,000,000 will largely be used on roads.) The electrification of railways represents another outlet for Swedish relief funds. Extensive stretches of line have already been wired and the next step will be to carry the electrify-

ing north and west of Stockholm, a job costing \$10,000,000. Still another outlet for federal money is in the erection of modern government buildings. Among these have been a new central customs house and a state archives building, both in Stockholm. Additional ways in which the government has tangibly advanced the country's welfare by providing work for idle hands in more than 190 different localities include canals, improved forest culture, new automatic telephone stations, water power plants, landing fields for cross-country aviation, and the extensive drainage of swamps, through which vast tracts of land have been converted from worthless marshes into productive timber tracts.

The wages at which this relief work is done vary according to local conditions and range from eight to twenty-three per cent below the stipend received by regular workmen in the same districts. This has avoided the unappealing spectacle so common in the United States of seeing workers on relief paid more than their fellows in the community. The policy of the present Social-Democratic Administration in Sweden is to favor an elimination of relief work and they insist sternly on the rule that to be eligible for relief funds the beneficiary must be willing to go wherever he is sent and work at any task assigned him, a discouragement to malingerers. The normal Swedish wage scale is high and the standard of living is above that in Great Britain.

III

Sweden is a land where the older economists have always been taken seriously and heed paid to their counsels. It is a country to which political and social thinkers and theorists are wont to point as exemplifying various advanced

ideas in these fields. Thus one of Sweden's outstanding achievements in recent months has been the evolution and preservation of a stable monetary policy through the working out of that dream long-cherished in political economy, a system of "managed money." When in September, 1931, Sweden relinquished the gold standard a week after Great Britain had done so, it became the immediate concern of her bankers and economists to evolve a programme which would guarantee a fixed and steady internal purchasing power to the Swedish crown or krona. This was accomplished by basing its value on the domestic price level and the demands of the nation's own economic life and not, as has sometimes been alleged and misrepresented, by pegging the crown either to gold or to the pound sterling. Ten months later, as a result of these efforts, exchange fluctuations had been minimized, wholesale prices had been brought to a firm level and Swedish currency, within the realm, stood at exactly the same value as when she left the gold standard.

Equally interesting has been Sweden's success in the fields of collective labor bargaining and coöperative merchandising. In Sweden as elsewhere the trade union movement spread first among the workers and was later and somewhat defensively adopted by the employers. The General Federation of Swedish Trades Unions, established in 1898, is made up of more than forty trade and industrial unions with a total membership of 600,000, a goodly number in a country where more than half of the six million citizens are dependent upon agriculture for immediate livelihood. The general strike of 1902 gave rise to numerous employer groups, of which the Swedish Employers' Union has emerged as foremost. Agreements

between workmen and employers are usually made for a term of two years, with provisions for negotiation in settlement of disputes arising during the contract period. Breach of agreement is punishable through the imposition of fines by a Labor Court, whether the offending party be employer, trade union or workman. This machinery for adjustment has been the product of a slow, evolutionary process, with practically no federal intervention or the forcing of an issue by the state, as frequently seen in the administration of the NRA in this country. These organizations, both employers' and employees', have not entirely erased such occurrences as strikes, lockouts and blockades in Sweden, as evidenced by the flare-up in the pulp mills in 1932 and the more recent strike in the building trades. Nor does the trade union idea meet with acclaim from the great bulk of middle class Swedes, who see in the movement a conferring on labor of an ease and security which is denied the office worker and the small professional man. (The conservative press is rife with charges of "class legislation.") But the unions on both sides have fostered an increasing degree of labor bargaining and collective agreement, which is considerably more than could have been observed in recent labor upheavals in our United States.

Even greater success has attended Sweden's experience with coöperative marketing, manufacturing and building societies. Outstanding among these is the Coöperative Union, which has been growing and evolving for thirty-five years until now one family out of three in Sweden belongs to one of its member societies. Last year this group recorded a turnover of nearly a hundred million dollars' worth of clothing, provisions and household necessities through its

3,900 stores. Visitors to Sweden will recall the ubiquity of those neat little chromium-trimmed shops bearing the one word "*konsum*" in lower case letters on sign or window.

These coöperative purchasing societies draw their capital from the dues of members—one hundred crowns or about twenty dollars apiece for life, paid in a lump or accumulated at three per cent on purchases at the society's stores. Full-paid members draw rebates of three per cent on goods bought. These bonuses may be taken out as a dividend, may be turned over for credit to the member's name in a savings account with the society or may apply as a premium on one of the insurance plans which are offered to members. Merchandise is sometimes sold to non-members, but the practice is not encouraged except in the case of such of its manufactured goods as the society is trying to turn out under the economies of large scale production. The die-hards in these consumer societies abhor all such intercourse with outsiders and regard it as defiling the temple when the stores deal with the general public or employ private capital.

These stores are to some extent but not exclusively stocked from the Society's own manufacturing plants—flour mills, bakeries, shoe and tire factories, electric lamp works, and others, all of them laid out on the drafting boards of the central architectural offices. Control of their own factories has thus enabled the coöperatives to equate production to demand in a manner which other nations can only envy.

Consumer coöperation in Sweden manifests itself in sundry other ways, such as the electric power societies, in which the participants make and use their own "juice," and the coöperative building societies, in which families oc-

cupping a residential block will band together, buy the block and form a coöperative society. Spreading to the agricultural sphere, there are coöperative dairies, bacon factories, seed-breeders' associations, fruit-growers' societies, farmers' purchasing groups, egg-marketing combines and, very literally, "other articles too humorous to mention." It all savors of the old gag about taking in each other's washing, but like so many other things, it seems to work pretty well in Sweden.

IV

Ultra-conservatives in America who are prone to shudder and shriek "Socialism" at any deviations from the norm find in Sweden's coöperative spirit a fit subject over which to shake frowned heads. And our radical element hails that country as the modern land of milk and honey. Of course neither attitude is accurate. Individual initiative and private enterprise are anything but dead in Sweden, as evidenced in a wide variety of business from the small one-man operator to the gigantic industrial organizations that build electric generators for Australia and launch great ships to take them there. And on the consumer end, there are plenty of stand-patters in Sweden who can not quite reconcile themselves to the basic principle of the coöperatives and who willingly pay a little more at private stores "for the principle of the thing." As for the "danger" of Communism (or Nazism or Fascism) the frequent demonstrations against such doctrines and the general feeling of press and public reveal very clearly that the threat is of no moment. (A proposal last April to advance \$25,000,000 worth of Swedish goods to the Soviets on credit was refused by the Swedish Government. Of similar import

is the forbiddance of the wearing of the Nazi uniform in Sweden and the closing by official edict of the Nazi headquarters in a Stockholm hotel.)

Facts and figures from many sources show the surprising extent to which Sweden has climbed out of the slough of economic despond. The value of securities on the Stockholm Stock Exchange has been rising for some time, the returns of many big corporations being extremely high. The importation of gasoline in June increased from thirty-eight to fifty million liters and the value of motor cars from sixteen to forty-five million dollars. The ore export in June was 662,000 tons, as against 211,000 tons a year ago, an increase of considerably over a million dollars. Employment figures published by the Board of Social Welfare show a steady rise during all of last year and this. In both the north and south of Sweden the cutting of timber has increased in keeping with the boom in building and pulp mill requirements. Shipping and rail traffic have been much larger this year than last, and so too have bank cheque clearings. The big Götaverken shipyards at Gothenburg, largest in the north country, have been running full blast, with all nine building berths occupied. In several branches of the staple industries the volume of production has approached or exceeded the level of boom years. The same has been true in the luxury fields. Thus the spring motor boat show in Stockholm netted a volume of orders far in excess of anticipation. (Though to include motor boats among "luxury" buying in Sweden may be slightly inept, so many are her waterways and so necessary are water craft.)

With an area a little greater than California's and a population less than that of Greater New York, how has it

been possible for Sweden, so small a nation, to accomplish as much as she has? The answer is found both in the natural wealth of the country, her timber resources, water power, mineral deposits and farming lands, and in the rugged and fundamental attributes inherent in the Swedish mind and temperament. Not only is there no illiteracy in Sweden, school attendance having been compulsory since 1842, but the Swedes are an advanced and highly cultured race, especially gifted as technicians, engineers and organizers. With farmers' sons attending college and there frat-

ernizing with the scions of wealth and royalty, a resultant feeling of democracy pervades all classes. The peasants, far from becoming downtrodden serfs as in other lands, aspire and rise to positions of honor in the Government. (Thus of the 230 members who sit in the new Swedish Chamber, ninety-three are farmers.)

In brief, the Swedes have come close to a realization and attainment of what their Premier calls a "*samförstand*"—a Utopian dream of mutual understanding. It is a misfortune that other nations can not do as much.



The World Propaganda War

BY WILLIAM E. BERCHTOLD

There is hardly a nation in the world whose government is not busier tampering with public opinion than seeking solutions for grave and universal problems

PROPAGANDA has played a part in government since before the birth of Christ, but never were the instruments of mass impression—the press, radio, screen, platform, schools—so extensive or so effectively harnessed by dictators and monarchs and presidents as they are today. Governments around the world consider it more important to concoct effective propaganda on the political, social and economic problems confronting their nationals than it is to solve those problems. The propaganda technique varies from nation to nation, but the object is the same. Berlin and Rome and Moscow and Tokio and Nanking and Paris and Washington all have their propaganda machines in action with outputs for both national and international consumption.

The propaganda bombardment between nations has reached such a feverish pitch that every government is using some device to shield its nationals from such outside influences as it may consider antipathetic to its own propaganda objectives. The walls of censorship have been thrown up around the borders of three-fourths of the nations of the world, and where frank censorship does not exist other media of control have

been brought into play to effect the same ends. The governmental propagandist has found censorship an invaluable aid in filtering out “foreign” influences which interfere with the effectiveness of strictly national propaganda. How long the United States, Great Britain, Holland and the Scandinavian countries (which stand almost alone in a world ringed by open or secret censorships) can keep from following the lead of Germany, Italy, Soviet Russia, Japan, China and most of the other nations of the world in the employment of censors depends largely on the continued effectiveness of other controls.

The terms “propaganda” and “censorship” have long been considered anathema to Americans. Not even during the World War, when our machinery for censorship and propaganda was as elaborate and as nefarious as that of any other nation, did we permit these terms to come into open and frank usage. It is not likely, therefore, that we shall follow the noisy, bungling leadership of Dr. Joseph Paul Göbbels despite his prediction that “within five years the whole world will imitate our most modern journalistic statutes.” Our technique, the evidences of which are