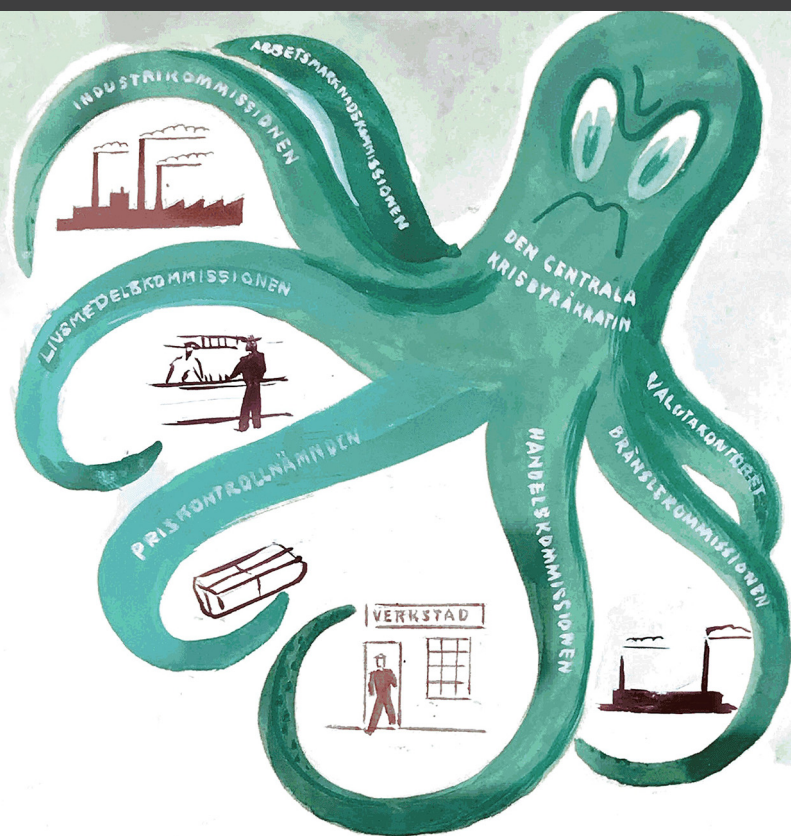


Rikard Westerberg

SOCIALISTS AT THE GATE

SWEDISH BUSINESS AND THE DEFENSE
OF FREE ENTERPRISE, 1940–1985



SOCIALISTS AT THE GATE

Twice in the last century, organized capital in Sweden clashed with organized labor on the issue of private ownership and state intervention. First, in the 1940s following proposals on increased regulation, higher taxes, and potential nationalization. Thirty years later, when business interests felt pressured by radicalized politics and a threat of losing ownership to union-controlled wage-earner funds in the midst of an economic crisis. For the captains of industry, the perils of socialism were to be fought by convincing the general public of the benefits of free enterprise and assisting the non-socialists parties to return to power.

This study analyzes business counter-reactions: its attempt to influence public opinion through PR-campaigns, public protests, research financing, press subsidies, and political donations. Applying theories on interest group formation and with access to previously closed archives, it finds that it was the level of radicalism within the internationally uniquely strong Swedish labor movement which incentivized business to act. It also analyzes the previously unresearched connections between Swedish employers and pro-market organizations abroad, including the relationship between prominent free-market economists and public-relations experts within the Swedish business community.

In addition to shedding new light on how organized business tried to reach its political goals during the Cold War era, the thesis helps us understand how ideas of deregulation, competition, and individual choice got a foothold in a country so characterized by social democracy.



RIKARD WESTERBERG is a political business historian at the Institute for Economic and Business History Research at the Stockholm School of Economics. He has previously worked as a journalist, editorial writer, political advisor, and communication consultant. This is his doctoral thesis.

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of Free Enterprise, 1940–1985**

Rikard Westerberg

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*To
Axel and Hjördis*

Foreword

This volume is the result of a research project carried out at the Institute for Economic and Business History Research at the Stockholm School of Economics (SSE).

The volume is submitted as a doctoral thesis in business administration (with a specialization in economic and business history) at SSE. In keeping with the policies of SSE, the author has been entirely free to conduct and present his research in the manner of his choosing as an expression of his own ideas.

SSE is grateful for the financial support provided by Kjell och Märta Beijers Stiftelse, which has made it possible to carry out the project.

Göran Lindqvist

Director of Research
Stockholm School of Economics

Hans Kjellberg

Professor and Head of the
Department of Marketing and Strategy

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As a history buff from a young age, it has been a true privilege to dedicate four and a half years of my life to this project. There are many out there who have helped me realize this dream and for whose wise counseling, guidance, friendship and support I am exceptionally grateful.

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Niklas Stenlås' pioneering study on the Enterprise Fund (Näringslivets Fond) in the 1940s has been a source of inspiration. Niklas also offered valuable input as discussant on my thesis proposal at the end of the first year. At the end of the fourth year, Nils Karlsson gave constructive critique as opponent at the mock seminar.

The Institute for Economic and Business History Research (Institutet för ekonomisk-historisk och företagshistorisk forskning, EHFF) at the Stockholm School of Economics has everything an aspiring scholar needs. Friendly and talented colleagues, an environment encouraging critical thinking and unbiased debate, a serious coffee maker and a microwave oven where

one can heat today's *matlåda*. Many thanks to Elin Åström Rudberg, Carin Sjölin, Axel Hagberg, Anders Perlinge, Tino Sanandaji, Michael Funke, Elise Dermineur and the rest of the participants at EHFF's bi-weekly seminar. Michael's close reading of the thesis improved parts of the text I struggled with during the last couple of months. At the Stockholm School of Economics, I also wish to acknowledge the work of Ute Harris and the rest of the school's competent librarians. Many thanks for putting up with all my interlibrary loan requests. I was waiting to receive an e-mail saying that I was not allowed to borrow any more books, thankfully that e-mail never came.

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Without access to the previously closed archives, this study would not have been possible. I am particularly indebted to Janerik Larsson, former information director at the Swedish Employers' Confederation, and Karin Svanborg-Sjövall, former managing director at Timbro. They gave me the keys to all the relevant archives at the Centre for Business History in Bromma. Thanks also to all the knowledgeable archivists who facilitated my four-year-long archival digging.

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Stockholm, October 5, 2020

Rikard Westerberg

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Chapter 1

Introduction

Frankly, to manufacture thought
Is like a masterpiece by weaver wrought
*Goethe, Faust, 1832*¹

At Sköldungagatan 2 in the quiet residential area of Lärkstaden in Stockholm, there is a four-story red brick townhouse. Today, it is a luxury boutique hotel, but from the 1950s and a few decades onwards, it housed a number of organizations that, with a varying degree of secrecy, were set up by Swedish business interests to win the hearts and minds of the public and help the non-socialist parties get elected. In the brick wall just by the entrance, you can still see the holes where the signs of various business information agencies used to be. The Enterprise Fund (Näringslivets Fond, “the Fund”), a hub for pro-business and pro-market information activities from 1940, had its offices here as did the think tanks and research institutes it sponsored.²

In several Western countries, Sweden included, organizations like these sprang up after World War II with the aim of defending the business sector against what their founders considered the threats of socialism: far-reaching central planning by the state, overregulation, high taxes, collectivism,

¹ Quoted in Ewen, *PR!*, xiii.

² See Appendix 4 for a list of the main organizations referred to in this thesis.

unfettered union power and nationalizations. For these organizations, the struggle was ultimately about safeguarding the system of *free enterprise*.

Two dictionaries define this term as “freedom of private business to organize and operate for profit in a competitive system without interference by government beyond regulation necessary to protect public interest and keep the national economy in balance.”³ Or, similarly, “an economic system in which private businesses compete with each other to sell goods and services in order to make a profit, and in which government control is limited to protecting the public and running the economy.”⁴

This thesis uses a stipulative definition based on the writings of leading free enterprise ideologues Friedrich von Hayek and Milton Friedman. It is admittedly similar to the dictionary definitions but emphasizing the role of private property and juxtaposing the free enterprise system to that of a planned economy. Free enterprise is thus defined as *an economic system based on private property rights, the rule of law and limited government, where private businesses can freely compete and consumer choice and prices are free. The opposite of a free enterprise system is a planned, regulated and centralized economy where the government plays a larger role.*⁵ Indeed, this is a broad definition, but as shown in this thesis, it does capture what business leaders fought for in times of ideological struggle with the Swedish labor movement. It is helpful to look upon “the free enterprise system” and “the planned economy” as ideal types (in reality, all economic systems include elements of both). The business leaders and their PR specialists depicted in this thesis wanted to make sure that policymakers did not stray too far away from the free enterprise principles. However, as discussed in Chapter 4, the meaning of the term has differed somewhat over the decades. Whereas the businessmen of the 1980s could agree with the definition

³ “Free enterprise,” *Merriam-Webster’s Dictionary*, Merriam-Webster.com, [https://www.merriam-webster.com/dictionary/free enterprise](https://www.merriam-webster.com/dictionary/free%20enterprise), accessed January 8, 2019.

⁴ “Free enterprise,” *Cambridge Dictionary*, [dictionary.cambridge.org](https://dictionary.cambridge.org/dictionary/english/free-enterprise), <https://dictionary.cambridge.org/dictionary/english/free-enterprise>, accessed May 20, 2020.

⁵ See Friedman and Friedman, *Capitalism and Freedom*, introduction and Ch. 1 and Ch 2; Friedman and Friedman, *Free to Choose*, Ch. 1 and Ch. 2; Hayek, *Law, Legislation and Liberty*, Ch. 10; Hayek, *The Road to Serfdom*, Ch. 3 and Ch. 6. I am indebted to Professor Nils Karlsson for helping me develop this definition. Regarding the use of this term in the US, Waterhouse writes “Lacking a rigorous definition, the phrase generally evoked a ‘liberal market economy’, in the phrase of political scientists, to be distinguished from ‘managed market economies’ that, while non-socialist, entailed a stronger regulatory and planning role for the state. For many, the term carried a meaning similar to the old-fashioned term ‘laissez faire’ without the stigma of heartlessness and law-of-the-jungle economic chaos associated with the late nineteenth century,” see Waterhouse, *Lobbying America*, 269; Wall, *Inventing the “American Way,”* 48–49, 59.

presented above, several of their predecessors in the 1940s had a different view on competition. In their view, free enterprise did not necessarily mean free competition but rather the freedom to enter into contracts with other firms, including cartel arrangements.

Theories on how to promote a free enterprise system, often inspired by economic thinkers such as Hayek and Friedman, traveled especially from the Anglo-Saxon world to the rest of the West. Sweden was no exception. On the contrary, and perhaps somewhat surprisingly in a country so characterized by social democracy, market-oriented ideas eventually became widespread with the Fund and its sister organizations serving as ideational catalysts. During the 45 years covered in this thesis, leading figures in organized business systematically spent massive amounts of resources, time and energy on the defense of free enterprise. American journalist P. J. O'Rourke was clearly onto something when he noticed that "in Sweden, even opposition to central planning is centrally planned."⁶

A key individual in the efforts of organized business to promote free enterprise was information director Sture Eskilsson at the Swedish Employers' Confederation (Svenska Arbetsgivareföreningen, SAF). He once told a close colleague in private that "what we are doing is historic, people will write about this."⁷ However, this story has largely remained untold, even though calls for more research on the business community's political efforts in Sweden go back more than 50 years.⁸ With access to previously closed archives belonging to advocacy organizations associated with Swedish business interests, this thesis presents a significant contribution to our understanding of the historical process underpinning the development of these organizations and their task in voicing the business perspective on free enterprise. It also fits in well with the appeal from business historians to "bring business back in" and the growing scholarly interest in the historical political efforts of organized business.⁹

⁶ O'Rourke, *Eat the Rich*, 65.

⁷ Interview with Carl-Johan Westholm, December 7, 2018. Swedish: "Det vi håller på med, det kommer man att skriva om för det här är historiskt."

⁸ See the 1967 dissertation of political scientist Leif Lewin, *Planbushållningsdebatten*, 322, note 7.

⁹ Blyth, *Great Transformations*, 6; Rollings, "The Twilight World of British Business Politics," 929. Some recent studies include Waterhouse, *Lobbying America*; Wuokko, "Business in the Battle of Ideas, 1945–1991"; Delton, *The Industrialists*; John and Phillips-Fein, *Capital Gains*.

In a corporatist country where the two major official business organizations, SAF and the Federation of Swedish Industries (Sveriges Industriförbund) shied away from political controversy, at least until the late 1970s, ideologically aware captains of industry and their public relations experts used lesser-known organizations such as the Fund to influence public opinion. On two occasions did these organizations play a vital role in promoting the idea of free enterprise. First, during the clash with the labor movement over the issue of economic planning right after World War II and then again thirty years later over the so-called wage-earner funds (*löntagarfonder*), which were to transfer control over Swedish companies to union-controlled funds. On both occasions, business interests acted collectively to defend the most important institution of capitalism – private ownership. According to at least one previous researcher, these campaigns proved successful insofar as getting the Social Democrats to retreat ideologically even if the party prevailed electorally.¹⁰

Indeed, this thesis argues that, on the one hand, organized business was successful in its endeavors. In practice, there was never any real nationalization in Sweden, unlike in countries such as the UK and France.¹¹ On the other hand, the Social Democrats remained in power for the entire period covered by this thesis, with the exception of 1976–1982. However, as described in chapters 5 and 6, the non-socialists governments that came and went during those years did not pursue a drastically different political program from the Social Democrats. So, even if the threat of nationalization was never realized, the country continued along a social democratic path with increased taxes, a growing public sector and social reforms. The overall finding in this thesis is that from the 1940s to the mid-1980s, the shifting radical ideas and policies within the labor movement with regard to free enterprise served as a decisive incentive for organized business to influence public opinion. When the business community believed that its key interests were threatened by political advances, and especially proposals questioning the right to private ownership, it mobilized at a large scale. However, it should be stressed that for a long time, these efforts played out in a corporatist social structure in which the major business organizations partook. Until the 1970s,

¹⁰ Pontusson, *The Limits of Social Democracy*, 15.

¹¹ Wuokko, “Business in the Battle of Ideas, 1945–1991,” 282.

when the institutions underpinning the corporatist order started to crumble, business interests thus carried out its attempts to influence public opinion in favor of free enterprise outside of the official organizations.

The period in-between the heated conflicts of the 1940s and 1970s is usually considered a more conciliatory era between organized labor and organized capital. However, this thesis shows that the free enterprise organizations created in the 1940s remained active in the 1950s and 1960s, even though the external threat was less obvious. Behind the scenes, big business interests did what they could to hamper potential threats to its key interests and to get the non-socialists back in power.

Research aim, problem and questions

This thesis studies the network of both official and unofficial business interest associations (referred to as “Swedish business”) and the attempts carried out within this network to influence public opinion in favor of free enterprise and get the non-socialist parties elected. SAF, the Federation of Swedish Industries and the Enterprise Fund carried more weight within this network compared to other organizations and are at the center of the analysis.

Specifically, it examines the following political advocacy activities carried out by Swedish business: information campaigns, public protests, financing the business-friendly press and political organizations. The aim is to deepen our knowledge of the political advocacy work of Swedish organized business by analyzing its attempts to sway public opinion in favor of free enterprise and help the non-socialist parties win elections between 1940 and 1985.

By having access to previously closed archives, this thesis shows that Swedish business was much more politically active than acknowledged in most previous research. Thus, it contributes to the academic field of research on the impact of organized business on politics in general and public opinion in particular. In many respects, we are still ignorant regarding how Swedish business supported the non-socialist political parties and how, why and with which success rate organized capital tried to influence public opinion during the post-war period. Previous research has only to a lesser degree studied the vast network of often semi-hidden business interest organizations, partly due to a lack of access or awareness of now available archival sources. We lack a detailed description of how one of the two largest special interests in Sweden

(the other being the labor movement) acted to reach its political goals during the Cold War era. The findings will contribute to a growing international academic interest in how organized capital has influenced politics as well as simplify cross-country comparisons. Specifically, it offers a case study of how organized business reacts when the institution of private ownership is being threatened. It also adds new insights in the following areas: the political advocacy of business interest organizations in a corporatist environment, the introduction of free enterprise ideas in the political discourse and, finally, the international cooperation among business-backed information agencies during the Cold War era.

The thesis answers the following questions:

Between 1940 and 1985, how did Swedish business use opinion formation to influence the public in favor of free enterprise and how did it assist the non-socialist parties in terms of getting elected? Why, and when, was this important? To what extent was the political advocacy work of Swedish business influenced by similar developments in other Western countries?

Periodization and outline

“At a most fundamental level, business histories – like all histories – rely upon the creation of a chronology of facts about past events: what happened, when, why and to what effect,” write business economists Andrea Whittle and John Wilson.¹² In this thesis, this chronology starts in 1940 with the creation of the Enterprise Fund and its resistance against a more planned economy (in Swedish known as *planbushållningsmotståndet*, or PHM for short). It ends in 1985. By then the fierce debate on wage-earner funds was fading away, as did the mass protests that the business community had managed to organize in 1983 and 1984. In this way, the thesis is framed by the two major events during the last century driving organized business’ efforts to influence public opinion in favor of free enterprise.

In addition to this short introduction, the remainder of Chapter 1 consists of a compilation of previous research, which, in turn, is divided into three parts. First, a summary and discussion of the political advocacy of

¹² Whittle and Wilson, “Ethnomethodology and the Production of History,” 50.

Swedish business between 1940 and 1985. Second, a wider discussion on the historical formation of business interests. Third, an empirical description of the rise of business-backed information agencies outside of Sweden.

Chapter 2 presents theoretical and methodological considerations. This is followed by four empirical chapters in chronological order. Chapter 7 concludes and discusses the main findings. For the reader more interested in general conclusions than details, I suggest reading the chapter summaries and the last chapter.

Previous research

Previous academic interest in the political advocacy efforts of Swedish business has made important empirical contributions to a topic that has been difficult to research due to its often secretive nature.¹³ However, previous research suffers from one or two shortcomings.

First, the data problem. This thesis is the first one to have had full access to the archives belonging to the Enterprise Fund and its affiliated organizations. Serving as an umbrella organization for free enterprise information activities since 1940, these archives are absolutely crucial for anyone wanting to get a full picture of how organized business tried to reach its political goals during the Cold War era. Further, this thesis has also had access to the previously closed archives of still existing pro-market think tank Timbro, jointly founded by SAF and the Fund in 1978.

Second, the time problem. Previous researchers have often studied a single decade, rarely more than two. In other cases, they have focused on a specific phenomenon, such as the wage-earner funds debate or the financing of political parties. Limiting the scope like this is sometimes necessary, but it also implies that important elements of a larger narrative disappear. With the four and a half decades covered in this thesis, this larger narrative becomes clearer. At the core of this story is the business community's concern over radical proposals from the politically powerful labor movement. It was in

¹³ However, lack of access to data and the confidentiality surrounding the information operations of business associations is not a specific Swedish phenomenon but has been a common challenge for business historians, see Schmitter and Streeck, "The Organization of Business Interests," 2.

particular when private ownership was threatened that organized business mobilized.

These problems are noticeable in one of the more well-known historical studies of Swedish employers by an international scholar. Political scientist Peter Swenson, who mainly relies on records from the main SAF archive, concludes that Swedish business was for the most part satisfied with having the Social Democrats in power during the 1950s and 1960s.¹⁴ He is not wrong in describing employers welcoming a strong centralized counterpart, several welfare reforms and collective bargaining agreements. According to Swenson, the overall success of the Swedish labor movement was a consequence of “their considerable restraint in divisive parliamentary exploits – so as not to inflame capitalist opposition” and his main argument is that the “politics of reform [...] is founded on cross-class alliances.”¹⁵ Such cross-class alliances did indeed grow stronger during the 1950s and 1960s and reduced organized business’ sense of urgency with regard to ideological resistance. The point, however, is that the strength of these alliances varied over time. In the case of Sweden, business stepped up its ideological confrontation during times of a more radically inclined labor movement, such as the 1940s and 1970s.

In addition to correcting for the data and time limitations found in other studies, this thesis relates Swedish developments to the growing systematic efforts of business interests in other countries to influence public opinion in the post-war world. Although developments here were contingent on a Swedish or perhaps Nordic context (e.g., a corporatist social order, a coordinated market economy and large firms), this context had much in common with what occurred abroad. The inspiration from business-backed information agencies in the Anglo-Saxon sphere was especially important.

It should also be noted that there are actually two non-academic works that both study the activities of the Enterprise Fund and apply a longer time perspective. The problem, however, is that both of these books were written with an obvious political agenda. Social democratic journalist Sven-Ove Hansson’s *SAF i politiken* (1984) sees the similarities between how business rallied against the planned economy in the 1940s and the wage-earner funds

¹⁴ Swenson, *Capitalists against Markets*.

¹⁵ Swenson, 296, preface (viii).

of the 1970s. Based on a confidential internal report from SAF and the Federation of Swedish Industries, Hansson concludes that the business community's opinion molding did not cease at the beginning of the 1950s. Instead, the organizations lived on, although they applied more discrete methods. He then describes how SAF and affiliated organizations such as the Fund were revived during the 1970s as a response to the radicalization of the left. In order not to be perceived as a colossus, SAF consciously used several different organizations and multiple channels to reach out to the public.¹⁶

SAF-affiliated writers P. J. Anders Linder and Anders Grönstedt in *Bra för Sverige* basically tell the same story but from a business-friendly perspective. They also describe how the business community created various institutions during the 1930s and 1940s, which lived on in a more quiet way during the two following decades to then become invigorated during the 1970s. Linder and Grönstedt stress the uniting and symbolic value of the resistance against the wage-earner funds for organized business as a political force.¹⁷

The debate on the political activities of Swedish business

Hidden propaganda networks, political ties and magnates in the 1940s

Economic historian Sven Anders Söderpalm was the first to write about the efforts of organized business in Sweden to influence politics. He focused on *Direktörsklubben* (The Executives' Club), a small group consisting of the CEOs or chairmen of the five (later six) major companies within the engineering industry.¹⁸ Disappointed over how the major organizations handled the political interests of Swedish industry in the 1930s, they attempted to disseminate business-friendly information. Söderpalm sees a rift between the

¹⁶ Hansson, *SAF i politiken*. In a later book written together with journalist Anna-Lena Lodenius (1988), Hansson names SAF's increased information activities starting in 1969 as "Operation right-wing tendency" (*Operation högerriktning*) based on long-term opinion influencing and political campaigns. Both of these books were published by Tiden Förlag, founded in 1912 by the Social Democratic Party, see *Nationalencyklopedin*, "Tidens Förlag," <https://www.ne.se/uppslagsverk/encyklopedi/lång/tidens-förlag>, accessed June 15, 2020. Hansson had worked for the Social Democratic Party board and Lodenius was a journalist at the party's youth section magazine *Frihet* (see book cover). An even more critical approach on the same topic is found in Bresky, Scherman and Schmid, *Med SAF vid rodet*.

¹⁷ Linder and Grönstedt, *Bra för Sverige*. Linder was at the time employed at SAF's information department and Grönstedt was a consultant at Kreab, a consultancy firm with ties to SAF and the Conservative Party (see book cover).

¹⁸ Söderpalm, *Direktörsklubben*.

exporting and domestic market industry, where the exporters supposedly adopted a more aggressive political and liberal stance, especially as critics of a planned economy. Later scholars have challenged Söderpalm's perspective, arguing that the extensive use of the Executives' Club's own archival material skews his view and that there is no real evidence of this rift.¹⁹ Historian Niklas Stenlås notes that the people involved in the Club also sat on the board of other organizations with competing interests.²⁰ He concludes that neither the Club nor its operational arm FUIF "played any important role in the molding of public opinion, as they were too small and somewhat outside the mainstream of Swedish business political activism."²¹ Although Stenlås argues that Söderpalm is right in primarily looking beyond the major organizations to find the real opinion molding organizations of Swedish business in the 1940s, he also argues that Söderpalm should have focused on the Enterprise Fund.

Stenlås' *Den inre kretsen* is also a pioneering work, as he was the first to write about the early history of the Fund, covering 1940–1949.²² He uses business economist Michael Useem's concept of an "inner circle": an elite group of businessmen in control of the major business interest organizations and their resources. Useem defined the inner circle as those in British and American industry during the 1970s and 1980s who held more than two

¹⁹ De Geer, "Direktörsklubben granskad." Ullenhag, "The Federation of Swedish Industries." Tore Sellberg, an important PR man for organized business from the 1940s to the 1960s, also argues that Söderpalm overstates the influence of the Executives' Club, see Sellberg, "Direktörsklubben." Sellberg is also critical of Söderpalm's conclusion that SAF's chairman Gustaf Söderlund was quite neutral with regard to political issues. He did indeed promote de-politicizing the labor market issues but was at the same time the perhaps loudest opponent of a more planned economy during the 1940s. See also, Dahlqvist, *Fri att konkurrera* for a specific critique of Söderpalm's description of Söderlund as a proponent of political neutrality. Further, the founder of Direktörsklubben, Sigfrid Edström, argued that the club was "private in nature," see Bratt, J. *Sigfrid Edström (del 2)*, 77.

²⁰ Stenlås, *Den inre kretsen*, 16. See also note 6, p. 69, where Stenlås uses his own empirical material to disprove Söderpalm's notion of a schism between J. Sigfrid Edström, as champion of the exporting industry, and Gustaf Söderlund, as representative of the domestic industry. Had Söderpalm's theory been correct, the split within the Swedish big business community should have materialized between the chairman (Edström) and the managing director (Söderlund) of the Employers' Confederation.

²¹ Stenlås, "Political Activism in Scandinavian Big Business," 274. FUIF was short for *Föreningen för Undersöknings- och Upplysningsarbete om Industriella Förhållanden* (the Association for Information on Industrial Relations).

²² Stenlås, *Den inre kretsen*. Stenlås has also written about big business' political activism in Scandinavia during 1900–1950. He then finds that by the late 1940s, organized business in all three Scandinavian countries adopted a less politicized profile in order to gain public legitimacy in a new era characterized by political consensus, see Stenlås, "Political Activism in Scandinavian Big Business."

board seats in the largest companies.²³ They also enjoyed a strategic dominance within the industrial organizations, knew each other to a larger extent than the rest of the business community (which facilitated mobilizing resources) and had a close relationship with the traditional upper class. Whereas Useem used a quantitative measure to define the inner circle, Stenlås uses a different approach when defining the Swedish inner circle in the 1940s as “the dominant and politically active part of the economic elite.”²⁴ While Useem has a clear definition of the inner circle, Stenlås is quite vague, which leaves his analysis with a methodological problem. Who belonged to the inner circle, and who did not?

As he was denied access to the Fund’s archive, he primarily uses the correspondence of business leaders to analyze the social norm system governing the network of the alleged inner circle. He finds increased political activity among the business elite resulting partly from being shut out from its historic access to government and partly from an expanding state. Economic historian Kersti Ullenhag points out that although Stenlås might be right that the 1940s was a period of increased political activity from the Swedish business community, she argues that he fails to see the long-term picture. The Federation of Swedish Industries had been founded already in 1910 as a platform for unified action. Already from the outset, it had very close ties to the political sphere. Therese Nordlund, she too an economic historian, notices that previous researchers have tended to look upon business as a collective with common interests in opinion molding issues.²⁵ Her notion is that individual businessmen had different types of interests and resources concerning opinion influencing. She shows how industry magnate Axel Ax:son Johnson, owner of the Johnson Group, created networks outside the traditional industrial sphere with like-minded journalists in the debate on planned economy in the 1940s.

The Wallenberg family’s involvement in the more secretive parts of the business community’s information activities during the Cold War era has not been studied to any significant extent. They do show up, however, in political

²³ Useem, *The Inner Circle*, 64.

²⁴ Stenlås, *Den inre kretsen*, 30. Swedish: “den dominerande och politiskt agerande delen av den ekonomiska eliten.”

²⁵ Nordlund, *Att leda storföretag*, see especially p. 324–325.

scientist Gullan Gidlund's study on the funding of the Conservative Party.²⁶ She finds that in the 1950s, business was behind 97–99 percent of the money raised to the Conservative Party's central organization. The largest contributors were a stable group of Sweden's largest business groups, dominated by companies controlled by the Wallenberg family.

Two later studies have complemented the picture of organized business' early attempts at opinion molding: Kersti Ullenhag's biography over the Centre for Business and Policy Studies (Studieförbundet Näringsliv och Samhälle, SNS) and economic historian Benny Carlsson and economist Mats Lundahl's book on the Industrial Institute for Economic and Social Research (Industrins Utredningsinstitut, IUI).²⁷

Political neutrality in the 1950s and 1960s?

In general, there is very limited research on the opinion molding efforts of Swedish business in the 1950s and 1960s, leaving a large gap for this thesis to fill. An exception is historian Christer Ericsson's study of businessmen within the Conservative Party in the 20th century. Some of them were involved in the 1956 campaign to inform the public about the conditions for enterprise before the general election that year.²⁸ The specifics of this campaign are discussed in Chapter 4. Further ties between the non-socialist parties and big business interests are also examined, especially in relation to the Research Bureau for Social Issues, founded by the Fund in 1962. In business circles sometimes referred to as "the secret bureau," it produced reports, parliamentary motions and helped prepare for a non-socialist government.

Political scientist Nils Elvander's 1966 study on organized business in Sweden explains the development of SAF as a politically neutral

²⁶ Gidlund, *Partistöd*. However, parts of the family's relationship to the political sphere have been covered. See, for instance, Olsson, *Att förvalta sitt pund*, 331–359 for Marcus Wallenberg's relationship to the Social Democrats. Contemporary journalist Åke Ortmark also writes about the financial donations to the Conservative and Liberal parties from the Wallenbergs and the big business community, see Ortmark, *Maktspelet I Sverige*, 207, and section "Political donations" in chapter 4 in this thesis.

²⁷ Ullenhag, "The Federation of Swedish Industries"; Carlsson and Lundahl, *Ett forskningsinstitut*. IUI is now called *Institutet för Näringslivsforskning*, IFN (the Research Institute for Industrial Economics). IUI's background is also covered in Henriksson, *Som Edström ville*, which, however, lacks references.

²⁸ Ericsson, *Kapitalets politik och politikens kapital*, 101–105.

organization.²⁹ According to Elvander, the role of SAF as one of two major organizations responsible for wage-setting and aspects of labor market policy gave it a state function to fulfill and thus also a kind of official stamp. This dampened the organization's natural orientation toward the center-right camp, at least from the 1930s. The periods of heated debate (the 1945–1948 row over planned economy and the 1956–1959 dispute on supplementary pensions) when the employers and other business organizations joined forces with the center-right parties should more be seen as “relapses” on an otherwise steady trajectory toward greater political neutrality.

Historian Francis Sejersted has argued that organized business in Sweden (and Norway) conducted a “double strategy” toward the state from around 1950 to the 1970s. Corporatist institutions were used for discussions and political compromise, but there was an underlying, less visible struggle over who should control the capital, which led organized business to acquire a capacity for information work.³⁰

The crisis-ridden 1970s and the politicization of SAF

SAF's politicization in the 1970s is reasonably well-covered in the literature, although the lack of archival access to large parts of the most relevant material (e.g., Timbro's records) has remained a problem. Two studies have had access to SAF's archives on the campaigns against wage-earner funds.³¹

Almost all writers point to the political radicalization following 1968 (especially the wage-earner funds), new labor market legislation and the economic crisis as the main reasons behind SAF's transformation from a rather strict, expert-oriented wage negotiation organization to more of a pro-market opinion maker.³²

²⁹ Elvander, *Intresseorganisationerna i dagens Sverige*. These arguments are reiterated in Elvander, *Näringslivets 900 organisationer*, a study of business interest associations in Sweden in 1974. The book does not, however, address opinion formation. Elvander did not take the Enterprise Fund into account.

³⁰ Sejersted, *The Age of Social Democracy*, 296–297, 309–313.

³¹ Stråth, *Mellan två fonder*; Viktorov, *Fordismens kris och löntagarfonder i Sverige*. However, Stråth covers the campaigns quite briefly, meaning that the only extensive study is actually Viktorov.

³² De Geer, *I vänstervind och högerväg*, 353–355; Schiller, *Det förödande 70-talet*, 17–19; Nycander, *Makten över arbetsmarknaden*, 443; Hedin, “Before the Breakdown”; Ryner, *Capitalist Restructuring*, 143–145; Rojas, *Paradoxen SAF*, 68–85; Jerneck, *SAF's framtidsyn*, 164; Heclö and Madsen, *Policy and Politics in Sweden*, 125–26; Lundgren, *Arbetsgivarnas dilemma*, see chapters by Lundgren, Johnson, Nycander and Rojas; Svanborg-Sjövall, *Kentucky fried children?*, 4. Svanborg-Sjövall's book was published by Timbro and she later became head of the organization. Svanborg-Sjövall is also the only person having written about the practically unknown Utredningsbyrån för Samhällsfrågor.

Previous research also stresses the role of certain individuals behind SAF's new more ambitious molding efforts. Especially the new chairman elected in 1976, Curt Nicolin, has been highlighted as an agent of change, as well as information director Sture Eskilsson.³³

Journalist Olof Ehrenkrona presents an additional explanation. Following a reform for public financing of political parties and with critique coming from the left at around 1970 firms drastically cut back on their funding of the non-socialist parties. This gave SAF a greater role as a coordinator of public opinion influencing and also to set up think tanks that were independent of the political parties.³⁴

Business historian Hans De Geer specifically highlights the role of SAF's smaller members, which by the 1970s constituted an organizational majority. In many cases, they owned their own firms and were personally affected by the new laws and increased taxation. Unlike large firms, they were not able to relocate abroad.³⁵ The more ambitious opinion molding efforts by the employers also exposed SAF's inherent two-sidedness, something several writers refer to as a "paradox." On the one hand, it was a centralistic employer cartel for wage-setting in the labor market, while, on the other hand, it increasingly adopted the role as advocate of free enterprise, market economy and competition.³⁶

Economic historian Ilja Viktorov is so far the only researcher to have used SAF's sub-archive on the resistance against wage-earner funds to any great extent. His analysis is carried out against a theoretical backdrop of the crisis of Fordism during the 1970s. Parallel to the debate on wage-earner funds, SAF also engaged in an internal discussion on whether the central wage negotiations should be abandoned in favor of industry-level negotiations. Especially the engineering industry and its association Verkstadsföreningen

³³ Ehrenkrona, *Nicolin*, 295–230; Jilmstad, *Under Nicolins ledning*; De Geer, *I vänstervind och högeråvåg*, 354; Åsard, *Kampen om löntagarfonderna*, 106; Ericsson, *Kapitalets politik och politikens kapital*, 255; Karlson, *Statecraft and Liberal Reform*, 103. Both Jilmstad's and Ehrenkrona's books are published by Timbro.

³⁴ Ehrenkrona, *Nicolin*, 202–203.

³⁵ De Geer, *I vänstervind och högeråvåg*, 353–55. De Geer has written extensively on SAF. De Geer, *Arbetsgivarna* covers the organization's first 100 years. This book only to a limited extent addresses opinion molding (p. 189–195) and only for the time after 1970. De Geer, *SAF i förhandlingar* covers SAF's negotiations with its union counterparts. Just as De Geer, two former senior SAF employees have stressed the role of small business behind the resistance against wage-earner funds, see Larsson, *Vändpunkten*; Lundgren, "Organisationspolitiska dilemman och motstridiga mål."

³⁶ Rojas, *Paradoxen SAF*; Lundgren, "Organisationspolitiska dilemman och motstridiga mål," 11–13, 31.

were discontent with expensive wage agreements. According to Viktorov, the crisis for Fordism as an economic model in turn created an organizational crisis for the Swedish employers as a collective, something SAF could conceal by uniting against the wage-earner funds. Thus, he concludes that the “emergence of large anti-fund campaigns depended on the inner developments within SAF at that time.”³⁷ Viktorov only briefly mentions the Enterprise Fund, which he states was founded in 1977, and the organizations it financed, such as Timbro and the Research Bureau for Social Issues (Utredningsbyrå för Samhällsfrågor).

Yet another perspective is offered by economic historians Avner Offer and Gabriel Söderberg in their book on the Nobel Memorial Prize in Economic Sciences. In their view, the massive turnout against the wage-earner funds in 1983 and 1984 was a sign of ongoing class conflict driven by a historically low level of income inequality.³⁸

Political scientist Victor Pestoff has a somewhat similar perspective to that of Stenlås. When studying the opinion molding efforts of Swedish business, one must consider all organizations used for this, not only the official major organizations. By the late 1980s, the associative action of Swedish business was unique in a comparison with other industrialized countries, as it was “one of the most encompassing organizational business and industry networks for the promotion and pursuit of their collective interests.”³⁹ A distinguishing feature of the highly centralized organization of Swedish business interests, Pestoff argues, is the “meta organization” seeking to harmonize business interests, such as the Fund. Pestoff is among the few researchers noticing the obvious parallels between business campaigns in the latter half the 1940s against the planned economy and the campaigns against wage-earner funds in the late 1970s. One key difference, however, was that the

³⁷ Viktorov, *Fordismens kris och löntagarfonder i Sverige*. Quote on p. 301 (in English). Fordism is used to describe a social system where large companies dominate the economy, which, in turn, is characterized by a centralized decision-making process on production, labor market relations, wage-setting and market stabilization.

³⁸ Offer and Söderberg, *The Nobel Factor*, 197.

³⁹ Pestoff, *Politics of Private Business*, is a research report written in English conducted at the Dept. of Business Administration at Stockholm University, quote on p. 1. A similar version was published in Swedish in 1989 by the Confederation of Professional Employees, TCO. Mark Blyth has a reference to an unpublished manuscript by Pestoff, in which he claims that in the late 1980s, SAF was the by far richest employer organization in the world, see Blyth, *Great Transformations*, 210.

1970s campaign received broader support from the main business interest organizations.⁴⁰

Previous researchers seem to agree that that the mobilization against the funds was a success for the business side. Political scientist Mikael Gilljam, who studies the issue by analyzing opinion polls during 1975–1988, concludes that “the extensive anti-fund campaign, arranged by the organizations of the Swedish private enterprise, had a significant effect on people’s opinions.”⁴¹ Reasons include SAF’s financial resources, the dominance of non-socialist papers and the campaign’s reliance on corporate management’s influence over employees. At a more general level, according to political scientist Jonas Pontusson, the radical nature of the proposal and its “direct threat to the systemic interests of business” were what mobilized the business community.⁴²

Business and the role of ideas

Other writers have instead focused on the role of ideas for understanding SAF’s transformation during the 1970s. A well-known example is political scientist Mark Blyth’s *Great Transformations*.⁴³ Based on secondary sources and interviews, Blyth stresses the role of ideas in accomplishing institutional change. He is particularly interested in how organized business used ideas to push back against the social democratic welfare institutions in place since the 1930s. The abandonment of Keynesianism by leading Swedish economists in the 1970s is an important part of his narrative, pointing especially to

⁴⁰ Pestoff, *Näringslivsorganisationerna och politiken i Sverige*, 15, 51. Note that Pestoff does not use any archival material but relies on open or secondary sources. Olsen, *The Struggle for Economic Democracy in Sweden*, 55, 81 also sees the analogy between the 1940s and 1970s, as does Pontusson, *The Limits of Social Democracy*, 15.

⁴¹ Gilljam, *Svenska folket och löntagarfonderna*. Quote from abstract. See also Whyman, “An analysis of Wage-Earner Funds in Sweden,” 413, who writes that “opponents undoubtedly won the struggle for public opinion on this issue” and Ryner, *Capitalist Restructuring*, who states the SAF’s new apparatus for opinion formation “was definitely decisive in halting the wage-earner funds initiative”, 145.

⁴² Pontusson, *The Limits of Social Democracy*, 229–230. Other explanations more focused on the actual proposal rather than business campaigns have pointed to how it did not appeal to other electoral groups outside of blue-collar workers. Real power also became vested in union bureaucracy rather than the working class as a whole, see Pontusson (*ibid.*).

⁴³ Blyth, *Great Transformations*. Similar arguments are found in Blyth, “The Transformation of the Swedish Model.”

business-sponsored research institute SNS in disseminating neoclassical economic ideas.⁴⁴

Basing her research on mass media texts, political scientist Kristina Boréus argues that SAF and the organizations it created for influencing public opinion were indeed important for changing elite opinion. Methods similar to those developed in the UK and US were used, including creating business-sponsored think tanks.⁴⁵ Timbro affiliate Lars Anders Johansson, whose focus is also on the mass media debate, agrees that business was successful in its opinion molding efforts. The resistance against wage-earner funds strengthened the position of organized business as a creator of public opinion.⁴⁶

Historian Bo Stråth analyzes how the business community used language concepts for persuasion and mobilization in the debate on wage-earner funds as. Starting in 1976, a new type of language was introduced by SAF-affiliated writers in the Swedish political debate. LO and the Social Democrats were portrayed as a power-hungry “power apparatus” (*maktapparät*) that had lost touch with the people. With slogans like “Take a stand!” (“*Ställ upp!*”) and “Speak up!” (“*Säg ifrån!*”), the business campaigns borrowed linguistic connotations from the early labor movement. It also meant a break with the organization’s unobtrusive political profile it had presented since the 1930s.⁴⁷ Sociologist Gregg M. Olsen also notices that SAF’s counteroffensive against the funds borrowed tactics normally used by labor, such as congresses and mass demonstrations.⁴⁸ In a recent work on deregulation processes in Sweden, political scientist Nils Karlson highlights how SAF, and especially its information director Sture Eskilsson, used new types of campaigns to promote market-oriented policy ideas.⁴⁹

⁴⁴ Note, however, that Blyth makes some factual mistakes. The non-socialist parties did not disavow the wage-earner funds in 1976 (p. 207), SAF did not “enliven” Näringslivets Fond in 1947 (p. 215), SNS has never been a SAF-affiliated think tank, it was not founded to serve as a counterweight to LO economists on government policy and it has not always argued for neoclassical economics (p. 216–217).

⁴⁵ Boréus, *Högervåg*, 350–352.

⁴⁶ Johansson, *Hatets och ilhviljans kolportörer*, 98–99, 167–172. Like Boréus, Johansson analyzes mass media texts, writing about the media debate on the business community’s opinion molding efforts between 1970 and 2012.

⁴⁷ Stråth, *Mellan två fonder*, 223, 239–240.

⁴⁸ Olsen, *The Struggle for Economic Democracy in Sweden*, 80–81.

⁴⁹ Karlson, *Statecraft and Liberal Reform*, 69–71, 103–4.

The historical formation of business interests

Employers' associations and trade associations

Political scientist Luca Lanzalaco uses a simple matrix (Table 1.1) to describe the two main types of business interest associations (BIAs). Entrepreneurs can act *individually* as managers of firms or they can act *collectively* as organizational members of, for instance, associations, trusts or clubs. They can also act as *employers* in the labor market interacting with workers and trade unions or as *businessmen* (or producers) in a relationship with, for instance, politicians, customers and suppliers.

Table 1.1 Different types of business interest associations

Entrepreneur acting as	Level	
	Individually	Collectively
Employer	Collective bargaining at firm level	Employers' association
Businessman	Strategies and choices of firm	Trade association

We now see the two main types of BIAs: the trade association (in Swedish *branschorganisation*) and the employers' association (*arbetsgivarorganisation*). Among other things, a trade association manages the commercial interests of the business community and acts as a pressure group in the political arena on behalf of its members. The employers' association manages issues more specifically related to the labor market, such as collective bargaining and labor and social issues. One reason for the separation between the two was that it prevented non-labor matters from becoming subject to negotiations.⁵⁰

⁵⁰ Lanzalaco, "Business Interest Associations," 1; Windmuller and Gladstone, *Employers Associations and Industrial Relations*, 2; Pestoff, *Näringslivsorganisationerna och politiken i Sverige*, 17 also makes the argument that the historic separation of employer organizations and trade associations limited central negotiations to labor market issues. Note that in Sweden, the Employers' Confederation (SAF) and the Federation of Swedish Industries merged into the Confederation of Swedish Enterprise in 2001. There were several reasons for this: the risk of double messaging, the indistinctness following from having several organizations, organizational turf war and financing. In the other Nordic countries, this change had already occurred, see further De Geer, *Från svenska modellen till Svenskt näringsliv*, 168–85.

Historically, BIAs have developed both for intraclass reasons (regulate conflicts among firms) and interclass reasons (respond to the challenge of the workers). Broadly speaking, in countries where capitalism came early and developed gradually, simple forms of associations were set up to overcome intraclass issues, such as price competition and keeping out foreign competition. In countries where capitalism started late but proceeded quickly, such as Sweden, capitalists had to organize themselves in order to face the challenge of the labor movement. Economist Mancur Olson states that the highly encompassing special-interest organizations in the Nordics were a consequence of late industrialization (compared to, for instance, the UK or the US), improvements in communication and a homogenous population.⁵¹

Lanzalaco writes that research on the relationship between BIAs and the political system would stand to gain from adding a historical perspective. What is the relationship between BIAs and political parties? Why are business associations in some countries more ideologically radical than others? This can only be understood by applying a historical perspective as path-dependency plays a crucial role in explaining political representation. He also points out that while the political representation of the working class has been studied extensively, the same is not true for owners of production.⁵²

The effect of the political system on organized business

Political scientists Cathie Jo Martin and Duane Swank offer a partial answer to Lanzalaco's questions. They argue that the structure of organized business depends on the structure of the political system. They list three types of labor market coordination in advanced industrial economies.⁵³

First, in *macrocorporatist countries* (like Sweden), employers are organized in hierarchically ordered groups. Major business organizations have the mandate to negotiate on broad political agreements with labor and the state using collective bargaining and in tri-partite policymaking committees. Second, in countries with *structural coordination* (like Germany), employers mainly have power at the industry level. Associations for specific industries negotiate with

⁵¹ Lanzalaco, "Business Interest Associations," 3; Olson, *The Rise and Decline of Nations*, 90–91.

⁵² Lanzalaco, "Business Interest Associations," 11–12.

⁵³ Martin and Swank, *The Political Construction of Business Interests*. The following arguments are found in chapters 1 and 2.

corresponding unions. The major associations are generally weak, and the state is excluded from negotiations. Third, in *pluralist countries* (like the US), employers are represented by several conflicting groups without a high level of policymaking authority. David Vogel makes a similar point: the lack of a central authority has made it difficult for American business leaders to act collectively.⁵⁴

Martin and Swank notice that when WWI broke out, Nordic and Germanic employers had already begun to establish centralized and broadly organized associations, while their Anglo-Saxon colleagues were more prone to decentralization and fragmentation. In the 1920s and 1930s, these differences increased. Why did some countries develop comprehensive and centralized interest associations while others remained pluralist? Furthermore, why did some nations develop macrocorporatist institutions while others developed institutions for sectoral coordination? Their general conclusion is that

centralized, multiparty systems tend to produce highly coordinated macrocorporatist associations and national cooperation among business and labor along with a high level of state involvement. Federal, two-party systems tend to produce pluralist employers' associations and competitive strategies that largely rely on market competition. Federal, multiparty systems tend to produce sectoral coordination, with significant levels of nonmarket coordination at the industry level without extensive state involvement.⁵⁵

Why is that? First, in multiparty systems, employers are more likely to be represented in a single party, whereas employers become dispersed in two-party systems. Also, since leaders of right-wing parties are less likely to win a majority in parliament in such systems, they have greater incentives to delegate policymaking decisions to outside institutions, as achieving favorable policy outcomes is more likely when negotiating directly with workers than through the parliamentary system.

Second, centralized governments give rise to regionally homogenous and centrally organized parties and, in multiparty systems, well-organized corporatist associations. In federal systems, on the other hand, voters tend to be

⁵⁴ Vogel, *Kindred Strangers*, 64.

⁵⁵ Martin and Swank, *The Political Construction of Business Interests*, 20.

more divided among regional, ethnic and/or religious lines. Parties tend to be more regional and cross-class in scope. In such systems, employers' associations are more likely to be regionally fragmented.

Using regression analysis on pre-World War II data, Martin and Swank also find that a high degree of union mobilization gave rise to corporatist employer organizations. The same was also true for countries with a developed guild system at the time of industrialization.

Does size matter?

Sociologist Franz Traxler instead argues that firm size is the key explanatory variable in understanding the development of business associations. Contrary to Mancur Olson's argument on collective action problems in large groups, Traxler argues that organized business will find it relatively easy to mobilize as there will always be actors with sufficient resources to pay for start-up costs. Large firms are key as their interests differ from those of smaller firms, while also having superior resources. In forming business collective action, large firms are likely to go for inclusive associations gathering any kind of business. Reasons for this include greater legitimacy toward the authorities and the fact that large companies will dominate the politics of the association even if the smaller members prevail in numbers, as resource superiority translates into more influence. Membership fees are normally linked to firm size, thus making the association dependent on its largest members. This logic entails that smaller companies will also form separate associations for representation in addition to the general association. Traxler concludes that resources decide the associational power of organized business, not the absolute number of members.⁵⁶

Employer mobilization

Drawing on empirical findings in ten countries, John Windmuller, professor of industrial and labor relations, and Alan Gladstone, a labor relations specialist, find that one should not expect employers in all countries, or even in the same country, to have identical views on politics, economics and social issues. Still, general agreements on certain issues have tended to emerge,

⁵⁶ Traxler, "The Theoretical and Methodological Framework of Analysis," 10–37.

especially when formulated by the major organizations, whose task is usually to speak up on major policy issues. Industry-level associations, on the other hand, have often been more concerned with sector-specific issues.

For the most part, employers' associations are adherents to the central tenants of liberal ideas: private ownership, individual initiative, competitive markets and free enterprise. It then follows that

employers' associations direct some of their sharpest attacks against perceived impediments to the free enterprise system: government intervention, nationalization, regulated markets, and collectivism.⁵⁷

Business historian Maiju Wuokko points to the striking similarities in Western countries with regard to organized business and its efforts to influence sentiments and policy during the Cold War era. Directly after WWII, a strengthened political left (in Europe both social democrats and communists) had executives worried in relation to issues of nationalization, state planning and, in some cases, even revolution. Both France and the UK saw nationalizations of certain public utilities, industries and, in the French case, banks. Fears of a similar development re-surfaced again in the 1970s following a rise in leftist political sentiment and anti-capitalist attitudes. In Germany, this fear materialized in a gruesome manner as the far-left Rote Armee Fraktion murdered both the head of the Dresdner Bank and the president of the German Employers' Association and his bodyguards and driver. By the 1980s, much of the "Red Scare" had blown over but was replaced by the (less intimidating) "Green Scare," as environmental movements challenged business and demanded new types of regulation.⁵⁸

Wuokko reaches three important and related conclusions. First, for business as a whole, it is difficult to stay committed to political goals for longer periods of time, especially when the threat or common enemy disappears. Second, turf wars and conflicting interests within the business community easily threatens unity. Third, even though "business" by definition is a heterogeneous group with plenty of internal divisions, such as those between large

⁵⁷ Windmuller and Gladstone, *Employers Associations and Industrial Relations*, 5–6.

⁵⁸ Wuokko, "Business in the Battle of Ideas, 1945–1991," 282, 287, 289; Colvin, *Ulrike Meinhof and West German Terrorism*, xi.

and small companies or services and manufacturing, it still makes sense to look upon “business” as a collective actor when political core goals are at stake, such as free market ideas. This is especially true for Sweden, where business organizations have been more encompassing and centralized than elsewhere.⁵⁹

The rise of business-backed information agencies in the US, the UK and the Nordics

From the 1940s and onwards, Swedish businessmen looked almost exclusively to the Anglo-Saxon and Nordic countries for inspiration and knowledge exchange in terms of how to build organizations for political advocacy. The following section briefly presents the rise of business-backed information agencies in these countries, based primarily on a number of new studies describing country-level developments. While previous generations of historians and social scientists paid more attention to labor-related issues and the politics of the working class, these studies indicate a growing academic interest in how organized business has tried to influence politics.⁶⁰

The United States

In the US, the first business-backed free enterprise campaigns had been launched in the 1930s, to a large extent as a reaction against President Roosevelt’s New Deal and what would be known as Keynesian economics. The fear was that the interests of private business would be neglected as the state and the labor unions achieved a larger role in economic life.⁶¹ At the

⁵⁹ Wuokko, “Business in the Battle of Ideas, 1945–1991,” 290. This last point is elaborated further in the Chapter 2.

⁶⁰ Phillips-Fein, “Capital Gains (Preface).” While this section covers what has been written about the other Nordic countries, it is by no means a complete review on all available literature for the US and the UK, rather an attempt to depict major developments by using some of the major works. For a more detailed discussion on available US literature, see Phillips-Fein, *Invisible Hands*, 321–331 and John, “Adversarial Relations? Business and Politics in Twentieth-Century America.” “The Nordics” is a generic term for Denmark, Norway, Sweden, Finland and Iceland (not included here). For developments in other countries, see, for instance, for Germany and France Mirowski and Plehwe, *The Road from Mont Pelerin* (however, this book is more concerned with the rise of neoliberalism in general and not business lobbying specifically). For Germany, see also Paster, *The Role of Business in the Development of the Welfare State and Labor Markets in Germany*. For the EU as a whole, see Beyers, Eising and Maloney, “Researching Interest Group Politics in Europe and Elsewhere.” For a less recent (and very critical) study on Australia, see Carey, *Taking the Risk Out of Democracy*.

⁶¹ John, “Adversarial Relations? Business and Politics in Twentieth-Century America,” 5.

forefront of the critique were the two main employers' organizations: the National Association of Manufacturers (NAM) and the Chamber of Commerce. NAM was the smaller but older of the two and had from the start in 1895 fought the power of rising labor unions. Already in the late 1930s, NAM was running public relations campaigns that included radio programs, billboards and public speaking. The Chamber was also unwilling to budge on labor issues, but as a much larger organization, it was considered less radical and the "voice of business."⁶²

In 1945, a group of conservative businessmen launched the Foundation for Economic Education (FEE) to educate entrepreneurs and the public alike on the benefits of free markets. In a report, the founder Leonard Read wrote: "Let us give the haven of liberty an intellectual lighthouse that persons may be attracted from the sea of socialistic error."⁶³ The FEE was one of the first free market think tanks of the post-war era and served as inspiration for similar organizations abroad, such as the French Association de la Libre Entreprise (also founded in 1945) and about a decade later the Institute for Economic Affairs (IEA) in the UK. Intellectual and ideological inspiration was sought from Austrian economist Ludwig von Mises and his disciples, most notably Friedrich von Hayek. Central to their thinking was the market's ability to bring social order, prosperity and individual freedom without cohesion. For this to occur, it was vital that the price mechanism was allowed to operate without meddling politicians and through free competition. This was at odds with the views of the most famous economist of the 1930s and 1940s, John Maynard Keynes. In his 1936 *General Theory of Employment, Interest and Money*, Keynes argued that the economy could get stuck in an equilibrium with high levels of unemployment. The solution was that the state should maintain aggregate demand by increasing government consumption when the economy was slumping. Through a multiplier effect, employment could instead be sustained at high levels. Hayek and others argued that this would

⁶² Waterhouse, *Lobbying America*, 47–52; Phillips-Fein, *Invisible Hands*, 13. However, although NAM did indeed oppose unions, it was "forward-looking, innovative and progressive" on other matters according to a recent organizational biography by historian Jennifer A. Delton. Among other things, it promoted international trade, supported the UN and the Marshall plan, welcomed women into the work force, encouraged safety standards and affirmative action, see Delton, *The Industrialists*, 1–3.

⁶³ Phillips-Fein, *Invisible Hands*, 27. There was also another organization similar to FEE called American Enterprise Association (later American Enterprise Institute), but it was more engaged in research.

lead to inflation, among other things. In their view, what Keynes had produced was not so much a general theory but rather a political program offering policymakers (the wrong) tools for combatting unemployment without alienating the unions. But by destroying the currency, Hayek argued, Keynes' ideas would in fact threaten the liberal capitalist system.⁶⁴

Both Mises and Hayek left Austria during the 1930s, and while Mises ended up in the US, where he, among other things, was a staff member at FEE, Hayek first held a professorship at the London School of Economics before getting a position at the University of Chicago. Hayek's real breakthrough came with his book *The Road to Serfdom* published in 1944, which was a fierce attack on socialism and economic planning. Without free markets (which in Hayek's view was not the same thing as "a dogmatic laissez-faire attitude" – he was open to certain regulations and state interventions and recognized, for instance, the need for a functioning legal framework), there could be no free political order. What had brought the recent totalitarian dictatorships to life was economic planning. Hayek warned that the trend to hand over more economic control to the state in many European countries and the United States would eventually lead to the loss of democracy.⁶⁵

The Road to Serfdom gave Hayek many friends within business, some of whom decided to sponsor his project of bringing intellectuals together to discuss and promote free market liberalism. The first meeting of his Mont Pelerin Society was held at a Swiss mountain resort in 1947 and would continue to meet regularly. Economist Milton Friedman, who participated in the first conference, later stated that "it showed us that we were not alone."⁶⁶ According to historians Hagen Schulz-Forberg and Niklas Olsen, the Mont Pelerin Society would over time develop "into a global intellectual network with immense political influence by the 1970s, when market-driven approaches re-shaped national societies and the world economy."⁶⁷ A majority

⁶⁴ Cockett, *Thinking the Unthinkable*, 2, 23–24, 41–51; Phillips-Fein, *Invisible Hands*, 34–35. Here is not the place to go into details on the Austrian school, but a central notion in Hayek's and Mises' theory on the business cycle is that an expansionary monetary policy should not be used to raise the level of economic activity. This will only lead to a misallocation of resources, as entrepreneurs then make incorrect investment decisions, making the coming collapse even greater. Instead, the structure of production should be allowed to adjust by non-intervention, see, for instance, Backhouse, *The Penguin History of Economics*, 217–218.

⁶⁵ Hayek, *The Road to Serfdom*, 41–45 (quote on p. 41); Phillips-Fein, *Invisible Hands*, 34–41.

⁶⁶ Phillips-Fein, *Invisible Hands*, 41–46.

⁶⁷ Olsen and Schulz-Forberg, "Actors and Networks," 5.

of the early members were economists. Over the years, it linked people and institutions together, which would contribute to what economic historian Roger E. Backhouse calls the “rise of free market economics,” including monetarism and public choice theory.⁶⁸ By 1995, no fewer than seven members had received the Nobel Memorial Prizes in Economic Sciences.⁶⁹

Obviously, not all American businessmen were opponents of the New Deal or a Keynesian approach to solving economic problems. According to American historian Benjamin Waterhouse, the strongest voice of organized business during the 1950s and 1960s did not belong to uncompromising free marketeers but rather to more accommodating and less conflict-oriented organizations such as the Committee for Economic Development (CED). This was a research-based big business organization developing policy proposals with the immediate aim of making the peacetime transition smooth and avoiding a new depression. In 1944, the CED published a widely read statement accepting major tenets of the New Deal: the right to unionize and collective bargaining, an active fiscal policy in times of economic crisis and the provision of social welfare services.⁷⁰

This, in Waterhouse’s words, “fragile consensus” would, however, erode by the early 1970s as business felt squeezed from two sides: on the one hand, economic crisis, stagflation and falling profits, and, on the other hand, newly organized public interest movements demanding environmental, consumer and workplace regulations. Anti-business attitudes soared. For business, and especially among more conservative circles, the response was to increase its political clout and make its voice heard. Old lobby organizations such as NAM and the Chamber adopted a more systematic approach to lobbying and new organizations were launched. This included the Business Roundtable where the CEOs of the Fortune 500 companies could push for a common agenda. Furthermore, the business community bankrolled several

⁶⁸ Backhouse, “The Rise of Free Market Economics.”

⁶⁹ Hartwell, *A History of the Mont Pelerin Society*, 204.

⁷⁰ Waterhouse, *Lobbying America*, 19–22. Another such organization (to which the CED was closely related) was the Business Advisory Council founded by President Roosevelt in 1933. The history of CED and the Business Council can be found in McQuaid, *Big Business and Presidential Power* (see especially p. 109–119). The standard narrative of the relationship between business, organized labor and the state during the first Cold War decades is one of courtesy and agreement. There are, however, several American historians questioning this, instead highlighting various conflicts, especially surrounding labor market issues. See, for instance, Fones-Wolf, *Selling Free Enterprise* and Phillips-Fein, *Invisible Hands*, 327–328 for a further discussion.

new think tanks, such as the Heritage Foundation and the Cato Institute. Corporations themselves increased their presence in Washington and set up public affairs offices.⁷¹ Backhouse specifically points to the Heritage Foundation's role as a conservative think tank successfully feeding its proposals into the policymaking process.⁷²

Both Phillip-Fein and Waterhouse end up in similar conclusions: conservative business leaders and their efforts to promote a free market agenda were essential in shaping a "right turn" in American politics in the 1980s. Other scholars of US business lobbying agree; for instance, political scientists David Vogel and Mark Smith argue that the shift to a more business-friendly political agenda could partly be attributed to the new think tanks.⁷³

The United Kingdom

In the UK as well, notions of free market economics went out of fashion in the early 1930s and were replaced by a greater enthusiasm for a more active and regulatory state. According to British historian Richard Cockett, the economic crisis played a part in this, but especially the Liberal Party, advised by Keynes, had since the late 1920s argued for a large program of public works to solve the country's economic problems. Free market-minded liberals in the UK thus turned their attention to Austria and got Hayek a professorship at the London School of Economics from which he remained one of the fiercest critiques of the evermore popular Keynesian ideas.⁷⁴

During the war, the British government published the Beveridge Report that argued for, among other things, extensive social reforms. The report and the ongoing deviations from neoclassical economic policy resulted in industrialists getting together in the organization Aims of Industry. With close ties to the Conservative Party, an immediate aim was to stop Labour's plans for nationalizing parts of the industry (Labour had won the 1945 election). Cockett writes that the organization would play an important role from 1950 to

⁷¹ Phillips-Fein, *Invisible Hands*, 152–156, 190; Waterhouse, *Lobbying America*, 20–21, 37–38, 57–73; Useem, *The Inner Circle*, 151.

⁷² Backhouse, "The Rise of Free Market Economics," 371.

⁷³ Vogel, *Fluctuating Fortunes*; Smith, *American Business and Political Power*.

⁷⁴ Cockett, *Thinking the Unthinkable*, 2, 23–24, 41–42.

1970 as “almost the only pressure group working on behalf of free-enterprise industrialists.”⁷⁵

Inspired by Hayek’s ideas, British entrepreneur and Mont Pelerin member Antony Fisher launched the Institute for Economic Affairs (IEA) in 1955. Under the directorship of Ralph Harris and Arthur Seldon, it remained in close contact with the Mont Pelerin Society and it stayed true to Hayek’s original notion that winning intellectual battles was a long-term fight. The key was to reach and convince what Hayek called “the second hand dealers in ideas”: politicians, journalists and academics.⁷⁶ As pointed out by historian Ben Jackson, the IEA and its sister organizations were all dependent on financial support from the business sector. Having a close relationship with business also meant that Harris and Seldon from the outset got the opportunity to convince self-interested businessmen who wished “to contract out of competition when it suits them” of the merits of free markets.⁷⁷

IEA’s work is often attributed with helping pave the way for Margaret Thatcher’s electoral victory in 1979. Milton Friedman, whose ideas on the necessity of monetary stability to curb inflation (monetarism) became one of IEA’s core messages during the 1970s, said that “without the IEA, I doubt very much whether there would have been a Thatcherite revolution.”⁷⁸ There were obviously many reasons behind Thatcher’s rise to power. She herself had in 1974 co-founded another think tank, the Centre for Policy Studies, which worked more directly with developing policy proposals for the Conservative Party. Cockett suggests that IEA’s success during the 1960s and 1970s was the result of satisfying a new demand for ideas on how to solve the country’s economic problems. This included the notion that individual liberty and economic efficiency were being eroded by social democratic politics and, in accordance with public choice theory, by self-interested bureaucrats and politicians (specifically the unions). Instead, the government should

⁷⁵ Cockett, 59, 72–74. Quote on p. 73.

⁷⁶ Cockett, 132–39; Davies, “Think-Tanks, Policy Formation, and the ‘Revival’ of Classical Liberal Economics,” 4; Jackson, “The Think-Tank Archipelago,” 198.

⁷⁷ Jackson, “The Think-Tank Archipelago,” 194. For more on British business and its specific ties to civil servants, see Rollings, “The Twilight World of British Business Politics.”

⁷⁸ Cockett, *Thinking the Unthinkable*, 150–58. Quote on page 158.

focus on reducing inflation rather than unemployment and breaking up state monopolies on welfare services in order to increase individual choice.⁷⁹

Denmark

In Denmark, the Social Democrats launched a policy program in 1945 titled *Denmark of the Future*. It called for expanding the social sector, redistributing income and socializing parts of industry and the financial sector. Both business and the other political parties strongly opposed this, and as a reaction, more than thirty trade and industry organizations got together in Erhvenes Oplysningsråd (the Information Council of the Trades and Industries). Until the end of its existence in the 1970s, it was run by Christian Gandil, one of only a few Scandinavians active in the Mont Pelerin Society during the 1950s and 1960s. Just like its sister organizations abroad, it aimed to disseminate a free market ideology through pamphlets, press service, films, books and lectures, including a visit by Hayek in 1946. However, Danish historian Niklas Olsen writes that getting the Danish political parties, even on the right, to pursue an economically liberal agenda during the heydays of Keynesianism proved impossible. Within the business community, some thought that Gandil was too doctrinaire, and Industrirådet (the Federation of Danish Industries), the key member of Erhvenes Oplysningsråd, left already in the late 1940s. Compared to similar organizations in the other Nordic countries, its contacts with the non-socialist parties were limited.

Olsen mentions the attempts of Nordic information agencies to increase cooperation during the late 1940s. However, he overlooks the very ambitious intra-Nordic project of publishing a joint business manifesto, an “Alternative,” to confront social democratic ideas of a more planned economy. This is discussed further in Chapter 4.⁸⁰

Norway

In Norway, the debate on post-war planning did not end until 1953 when the Labor Party failed to pass a rationalization bill in parliament. Since the

⁷⁹ Jackson, “The Think-Tank Archipelago,” 199–200; Cockett, *Thinking the Unthinkable*, 159.

⁸⁰ Olsen, “Second Hand Dealer,” 146–64. Swedish historian Niklas Stenlås, who has also written on the rise of big business political activism in the Nordics, states that “not much is known [...] except that some cooperation did exist,” see Stenlås, “Political Activism in Scandinavian Big Business,” 278.

end of the war, the government's relatively comprehensive plans to regulate prices and increase its control over Norwegian business and the economy had led to fierce debate. The shipping and manufacturing industries came together in the organization *Libertas*, formed in 1947 to advance business-friendly politics, in addition to the already existing Employers' Association and Shipowners' Association. This was done by supporting the non-socialist parties and their newspapers financially (until 1950) as well as disseminating information.

Libertas was led by the staunch anti-socialist Trygve de Lange who had close ties to the Conservative Party, Høyre. However, in 1960 Høyre broke with *Libertas* as several leading politicians considered the large number of policy proposals made by *Libertas* as infringing on the party's independence. When de Lange retired in 1976, the organization lost its driving force even though it carried on with its operations, including translating works of Friedman, Hayek and Mises. According to Niklas Olsen, *Libertas* never managed to influence actual policy or get the free market discourse on the agenda.⁸¹

Finland

Finnish business historian Maiju Wuokko writes that for the Cold War era as a whole “the main motivation for business political activity was the threat of socialism and state intervention in their various forms”, thus reaching a similar conclusion to this thesis.⁸² The reactions of organized business in Finland to the increasing popularity of leftist political ideas were similar to those of other Western countries, with the exception that many non-socialists actually feared an outright communist revolution during the so-called “years of danger” 1944–1948. Even if this risk soon faded, the Central Committee of Finnish Industry saw a governmental socialization committee as a sufficiently serious threat to launch a propaganda counterattack by establishing a research institute and getting its message out in the media. The Central Committee also funded the non-socialist parties with the aim of preventing the political

⁸¹ Olsen, “Second Hand Dealer,” 165; Riksaasen, *Libertas*, 112–117; Stenlås, “Political Activism in Scandinavian Big Business,” 279–281; Westerberg, “The Alternative,” 6; Stiftelsen Liberalt forskningsinstitut, “Stiftelsen *Libertas*,” http://lifo.no/index.php?sideID=86&ledd1=87#_edn3, accessed August 6, 2020. Most likely, the name *Libertas* was derived from the Swedish sister organization with the same name founded five years earlier. In 1986, it changed its name to Liberalt forskningsinstitut.

⁸² Wuokko, “Business in the Battle of Ideas, 1945–1991,” 279.

left from gaining a majority in parliament. However, the political climate cooled off after the immediate post-war years. The main challenge of the business community during the 1950s and 1960s was increased public spending on welfare systems rather than communist coups or nationalization plans.

Like elsewhere, Finnish business was concerned during the early 1970s as anti-business attitudes soared in the wake of a radicalized hard left with pro-Soviet sentiments. To address this new threat, a new pro-business think tank was founded, the Council of Economic Organizations in Finland, seeking to defend “the existing economic and social order” by increasing contacts between business leaders and politicians and create a more business-friendly atmosphere in general.

In the 1980s, new but less intimidating threats to business appeared, such as the environmental movement and anti-growth sentiments. The response from organized business was increased PR efforts but with a stronger focus on shaping public opinion rather than influencing politicians directly.⁸³

⁸³ Wuokko, “Business in the Battle of Ideas, 1945–1991,” 283–288; Wuokko, *Markkinatalouden etujoukot*.

Chapter 2

Methodological and Theoretical Considerations

This study relies on historical method using archival material as the primary source in combination with interviews presented in the form of a chronological narrative. In this chapter, I first discuss historical method and how it differs from other methods in the social sciences, followed by a description of the research design. The second part of the chapter discusses some central theories on the origins and development of interest groups and corporatism, both as a concept and as a social phenomenon.

Historical method

First, at the core of historical reasoning is the temporal perspective. The researcher looks at an occurrence and evaluates it by putting it in relation to what came before and after. Several temporal processes may occur simultaneously to explain why something happened at a certain moment. Second, sound historical reasoning lacks anachronistic explanations. The researcher must seek to understand the contextualized worldviews and subjective intentions of the objects studied. One way of doing so is by means of *hermeneutic interpretation*, where the researcher derives the meaning of a text by moving back and forth between text and context. Third, history could not be written

without generalizations and theorizations; however, historians typically start with a phenomenon rather than theory.¹

For historians, generalizations drawn from theories are embedded within a historical narrative. Historian John Gaddis refers to this as particular generalization, in contrast to what social scientists do. They put their theories first and embed narratives within generalizations. Events and social actions are temporally situated and dependent on the subjectivity of the actors, which makes it hard for historians to come up with all-encompassing and predictive laws and syntheses (although this was attempted up until the middle of the 20th century). Historians also allow for interdependency among variables over time. This means that the causal direction between independent and dependent variables is not static and that the task of the historian is to discover as many interconnections between variables as possible.²

Gaddis argues that the distinction between generalizations that are time- and non-time-specific and between embedded and encompassing theory is important, as it makes the historian work differently than the social scientist. First, historians look upon generalizations as limited and not universal. Findings are applicable to a specific time and context, which, however, may in certain cases be viewed as patterns or tendencies. Second, since causes always have antecedents, historians believe that causation is contingent and not categorical. Variables can be ranked according to significance, but there is no point in isolating single causes for complex events. It then follows that if events have complex causes, it will in practice be impossible to predict the future. Hence, historians prefer what Gaddis calls simulations, which illustrate the past, over models that predict future outcomes.³

Among business historians, there are recurrent calls to be more explicit regarding the methodologies used for underpinning research.⁴ This is hardly controversial. There is, however, a debate (dating back to 1970) on to what extent business historians should to a larger extent use methods that develop

¹ Kipping, Wadhvani and Bucheli, "Analyzing and Interpreting Historical Sources," 320; Wadhvani and Bucheli, "The Future of the Past in Management and Organization Studies," 11–12.

² Wadhvani and Bucheli, "The Future of the Past in Management and Organization Studies," 11–12; Lipartito, "Historical Sources and Data," 285.

³ Gaddis, *The Landscape of History*, 62–66.

⁴ Wadhvani and Bucheli, "The Future of the Past in Management and Organization Studies," 25.

theory and test hypothesis, as is often done in mainstream social sciences.⁵ Abe de Jong et al. have argued that the typical “descriptive” case study should be complemented with “a new business history” focused on a hypothesis-testing approach upon which generalizations can be made. Without such a re-orientation, business history is likely to remain “a methodological backwater.” Stephanie Decker et al. argue that this view is too limiting, as historical research often not so much seeks to verify specific claims but rather to uncover sequences and processes or to synthesize complex developments related to the studied phenomenon. Therefore, business historians should recognize the potential plurality of available methods rather than favoring one particular method.

Given the relatively long chronological timeframe, qualitative sources and need for contextual understanding in this study, it is less suitable for the traditional hypothesis testing stressed by de Jong. I do, however, use theoretical concepts on lobbyism, corporatism and interest groups to analyze the development of certain political advocacy strategies by Swedish organized business over time. Although hypothesis testing is ruled out, this thesis still points to historical patterns and tendencies (generalizations can still be widely applicable even if they are not universal). As noted by economic historian Håkan Lindgren, the historical method “attempts to connect unique observations within general trends of development in a scientifically convincing way,” in addition to using source criticism and process analysis.⁶

One such pattern or trend is that in times of a more politically radical labor movement, as in the late 1940s and late 1970s, the organized part of Swedish business increased its efforts to defend the free enterprise system as such and push its own ideological agenda.

Archival situation and sources

Methods for using and remaining critical to historical sources are central to historical methodology and have indeed been an important element in differentiating sound from and unsound scholarship. If the primary sources

⁵ Jong, Higgins and Driel, “Towards a New Business History?,” 7, 24; Decker, Kipping and Wadhvani, “New Business Histories! Plurality in Business History Research Methods,” 30–31.

⁶ Lindgren, “Business History, Historical Economics and Economic Theory,” 74; See also Gaddis, *The Landscape of History*, 63–64.

consist of archival material, then the researcher cannot create additional data. He or she can only unveil and interpret what already exists, unlike, for example, someone doing research on a contemporary organization where new interviews or supplementary data can be collected.⁷

Source criticism is necessary to assess the validity, reliability and practical use of sources. This is typically done by applying a number of criteria to the document or artifact. Is the document real or fake? Why was this document produced, for which purpose and by whom? How close in time and space was the person who created the document or artifact to the actual event? Of course, the closer the author of the document was to the event, the better.⁸ Furthermore, sources that are in accordance with each other should be checked for interdependence (i.e., if person X and person Y say the same thing, how are they related to each other?).

As noted by business historians Susanna Fellman and Andrew Popp, archives have always been constructed by someone. The material preservation is not accidental. They are embedded in an institutional context, providing the visitor with a mediated representation of the past rather than direct access to it. In their words, “archives are sites of agency and power reflecting the desires of their creators.”⁹

Interviews

One way of reinforcing the findings and achieving more robust results is to triangulate, meaning comparing different sources and using multiple data. The most common combination is probably to combine an analysis of archival material with interviews.¹⁰ For this thesis, interviews have been conducted with eight key people involved in the business community’s attempts to mold public opinion from the 1960s and onwards. They were chosen as they were a) alive and b) could provide information that could not be gathered from the archives or from other sources. The interviewees are:

⁷ Kipping, Wadhvani and Bucheli, “Analyzing and Interpreting Historical Sources,” 311; Yates, “Understanding Historical Methods in Organization Studies,” 270.

⁸ Lipartito, “Historical Sources and Data,” 289–290.

⁹ Popp and Fellman, “Writing Business History”; Fellman and Popp, “Lost in the Archive,” quote on p. 10.

¹⁰ Kipping, Wadhvani and Bucheli, “Analyzing and Interpreting Historical Sources,” 316–317.

- **Joakim von Braun.** Employed at the Research Bureau for Social Issues and Timbro 1980–1988. Hired for his expertise on the Swedish far left and Eastern bloc espionage.
- **Rolf Englund.** Head of the Research Bureau 1980–1984 and then employed at Timbro until 1995. Background in the Moderate Party.
- **Peje Emilsson.** Founded Kreab in 1970, which was one of Sweden’s first PR agencies. Kreab worked closely with the Research Bureau for Social Issues, Timbro and SAF. One of Sture Eskilsson’s close associates and advisors. Among other things, Emilsson and his consultants helped organize SAF congresses and the wage-earner funds demonstrations in the 1980s. Background in the Moderate Party.
- **Janerik Larsson.** Editor of the SAF magazine 1980–1985 and information director 1990–1995. Author of several books, including *The Turning Point* on the protests against wage-earner funds in the early 1980s. Advisor to the Swedish Free Enterprise Foundation (Stiftelsen Fritt Näringsliv), founded jointly by SAF and the Fund in 2003 to ensure the long-term financing of Timbro.
- **Gustaf Lindencrona.** The first employee at the Research Bureau for Social Issues, where he worked part-time 1962–1964 while at the same time chairing the Swedish Liberal Student Association. Later in life, he served as president of Stockholm University.
- **Carl Tham.** Lindencrona’s replacement at the Research Bureau for Social Issue, where he was active until 1969 and a board member 1974–1976. Party secretary for the Liberals 1969–1978. Helped draft the terms of references (*utredningsdirektiv*) for the state commission on wage-earner funds. The only Swede to have served as cabinet minister in both a non-socialist (1978–1979) and a socialist government (1994–1998).
- **Carl-Johan Westholm.** Head of the Research Bureau for Social Issue 1974–1976 (on the board 1976–1983). Part of the management team at SAF’s information department Avdelning för Samhällskontakt 1976–1983. Board member of Timbro 1983–1998, managing director at Ratio 1978–1995. Various positions within the organizational world of Swedish business. Close associate of Sture Eskilsson,

SAF's information director 1970–1990. Secretary of the Mont Pelerin Society 1988–2010, vice-president 2010–2012.

- **Carl-Henrik Winqwist.** Founder of the Research Bureau for Social Issues. Winqwist left Sweden in 1973 to become secretary-general of the International Chamber of Commerce in Paris. Before that, he had also been a high-ranking official in the Conservative/Moderate Party.

The archives

The main archives used for this study are located at the Centre Business History in Stockholm. Two of them are deposited by the Confederation of Swedish Enterprise (Svenskt Näringsliv): the archives belonging to the Swedish Employers' Confederation, (covering 1902–2001) and the Federation of Swedish Industries (covering 1910–2001), see Figure 2.1.¹¹ I have limited myself to archives belonging to organizations for the collective action of business, thus excluding archives belonging to individual business groups or firms as this would have further broadened an already extensive study. However, it might be of interest for future research to visit, for instance, the Johnson and Wallenberg archives.¹² Of course, these families and the firms they controlled were in many cases part of the collective political advocacy efforts of Swedish business, and they do show up in the archival material used for this study in that capacity.

The Swedish Employers' Confederation's archive is vast, covering almost 1,500 running meters. In addition to the organization's own material (board protocols, memos, correspondence, etc.), it also contains the archives of other organizations, including the Enterprise Fund and Libertas, a body used for subsidies to the business-friendly press. Section F11, *Handlingar rörande 4-oktober manifestationen*, is a compilation of all material related to the campaigns against wage-earner funds. In addition to SAF's detailed board protocols, I have also found the protocols and memorandums from the working committee and the board of directors (*direktionen*) useful.¹³

¹¹ In 2001, the Swedish Employers' Confederation united with the Federation of Swedish Industries to form the Confederation of Swedish Enterprise (Svenskt Näringsliv).

¹² As mentioned in chapter 1, Therese Nordlund (2005) has written about the opinion molding efforts of Axel Ax:son Johnson in the 1940s. The Wallenberg archives are only open for researchers already holding a Ph.D.

¹³ Note that *Direktionen* changed its name to *Ledningsgruppen* (LEG) in September 1980.

The Enterprise Fund's main archive stretches from 1940 to 1987. At the time of writing, it had been almost entirely indexed by the archivists at the Centre for Business History. This archive also houses the records of, for instance, the Bureau for Economic Information (Byrån för Ekonomisk Information, the Fund's operating arm between 1944 and 1963) and the Guarantee Foundation 1946 (Garantistiftelsen 1946), a big business fundraising agency seeking to oust the Social Democrats from power at the 1948 national election. In general, the Fund's board protocols are extensively written until the late 1960s, when it started to scale back its ambitions. Until then, it is easy to follow board discussions and the specific opinions of various board members.

The archive of the Federation of Swedish Industries is considerably smaller than that of SAF but obviously contains board protocols, memorandums, etc. Notes from board discussions are also less extensive than discussions held at SAF or the Enterprise Fund.

Timbro's archive is separated from the Confederation of Swedish Enterprise and, in addition to its own records, contains a number of sub-archives belonging to affiliated organizations, including Ratio and the Research Bureau for Social Issues. Note also that Timbro's archive holds plenty of records from the Fund, including protocols from the board and the trustees during 1940–1945. It also houses the Fund's protocols from 1987 until it was dissolved in 2003.

In addition to these archives, I have also to a lesser extent used the newly organized archive belonging to Arvid Fredborg at the Uppsala University library, *Carolina Rediviva*. Fredborg was a conservative journalist, author, consultant and organizational entrepreneur with close ties to big business interests in Sweden during the Cold War era. Annual reports and some additional material from the wage-earner funds that were implemented in 1983 have been gathered from Kungliga biblioteket, the National Library of Sweden.

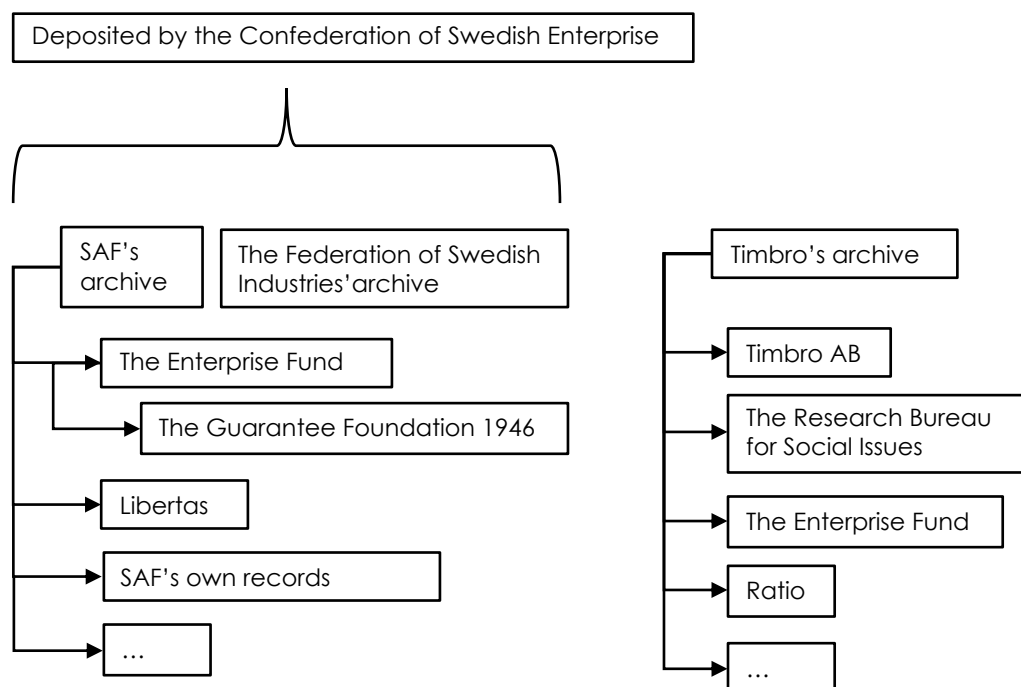
Lastly, I have gone through the well-organized records of *Direktörsklubben* (the Executives' Club, 1933–1951) and its operational arm FUIF at Riksarkivet, the Swedish National Archives. I have primarily made use of records relating to the campaigns against planned economy in the second half of the 1940s. The Executives' Club was not itself directly involved in

these campaigns but the secretary S.E Österberg was also on the advisory council of the more active Bureau for Economic Information and these papers are of interest to this study.

A note on the archival situation that I want to be transparent about is that I have found the names of three close relatives in the records. As CEO of Svenska Jästfabriks AB, my great grandfather Sten Westerberg was one of the Fund's initial trustees. Upon his death in 1956, he was replaced as trustee by my grandfather Bo Westerberg, also CEO of the same company. Whereas my great grandfather was active as a board member between 1940 and 1947, my grandfather was of no importance to the organization. In 1965, my father, Sten Westerberg (Jr.) wrote two reports for the Research Bureau for Social Issues but did not partake in any other organizational activities. As mentioned above, source criticism is essential to any study relying on archival material. In this case, I have tried my utmost to treat the sources containing information on my great grandfather as objectively as possible.¹⁴

¹⁴ *Styrelseprotokoll 1956-10-12*, A2:4, Näringslivets Fond, SAFs arkiv, CfN. See further note 49, chapter 5.

Figure 2.1 Archival structure



Other sources

This thesis also uses memoirs, personal accounts, government reports and legislation, newspapers, encyclopedias, various published reports and, on a few occasions, comments received by e-mail.

Some notes on translation

Almost all of the available material is naturally in Swedish, leaving the author with the not always easy task of translating organizational names and words with a specific meaning in Swedish into English. As a rule, organizational names that have already been used in previous research are re-used here, and when these are not available, I have made my own translations (see Appendix 4). Original quotes in Swedish will be found in footnotes.

Non-socialist parties in Sweden are referred to as *borgerliga*. However, translating this into “bourgeois parties” gives the term a Marxist connotation in English that it does not really have in Swedish. Hence, I use “non-socialist” or “center-right.”

According to Norstedts dictionary, the Swedish word *näringsliv* is translated into “trade and industry.” Instead, I use the English words “business” or “enterprise” in the same way as today’s major business organization Svenskt Näringsliv refers to itself as the Confederation of Swedish Enterprise.

The reader should also be aware of the fact that the term *propaganda* had a different connotation in the 1940s and 1950s compared to today. Whereas the word is now associated with biased exaggerations and simplifications, back then it had a more neutral meaning synonymous with disseminating information.¹⁵

Research design

Ontology

The ontological starting point for this thesis is that of the realist.¹⁶ Realists argue that there is indeed a real world existing independently of human cognition and that worldly phenomena can be tested by experience. I adhere to the Popperian version of realism called conjectural realism in which theories of science and of the world are continuously replaced by superior theories and observations by means of falsification. The inherent fallibility of knowledge means that we cannot be certain that our understanding of the world is true; still, and I believe this is the strongest argument for this type of ontology, the *aim* of science is to try to find the truth of what reality looks like. Theories are evaluated based on their ability to reach that aim.¹⁷ The purpose of doing research is thus clear: as researchers, we are sufficiently humble to admit that “the truth” is something evasive, but this does not prevent us from trying to find and refine it.

¹⁵ *Nationalencyklopedin*, “Propaganda,” <https://www.ne.se/uppslagsverk/encyklopedi/lång/propaganda>, accessed September 2, 2020.

¹⁶ Van de Ven, *Engaged Scholarship*, 58–59; see also Lindgren, “Business History, Historical Economics and Economic Theory,” 69, where he argues that the theoretical starting point for the historical method is that reality exists independently of our own consciousness and that we can gain objective knowledge regarding this reality.

¹⁷ Chalmers, *What Is This Thing Called Science?*, 226, 240.

Objects of study

The object of study in this thesis is the network of both official and unofficial business interest associations in Sweden involved in efforts to influence public opinion and getting the non-socialist parties elected. This network, referred to as “Swedish business,” is approached through the perspective and the sources produced by business interest associations involved in political advocacy and opinion molding.¹⁸ Specifically, the three most important associations in this regard, the Swedish Employers’ Confederation, the Federation of Swedish Industries and the Enterprise Fund are studied with regard to how these organizations supported the non-socialist parties and tried to affect public opinion in order to ensure a free enterprise system.

Political scientist David Vogel, who has written extensively on the political influence of American business, reminds us that when studying the political power of business, we need to specify when and where this power has been exercised, the businesses referred to and the significance of the issues whose outcome they have influenced.¹⁹ American historian Benjamin Waterhouse notes that “business” does not mean a never-changing set of preferences or values across sectors, industries and regions over time. He uses the concepts of “business” and “business leader” to describe self-identified representatives with concerns going beyond a corporate affiliation. These were “the executives, managers, public affairs experts and trade association directors who claimed to speak for the collective interests of the American business community.”²⁰ A similar approach is used in this thesis.

The centralized and broadly organized major business organizations in Sweden have had the mandate to both be part of the policymaking apparatus and to negotiate national collective wage agreements. Hence, at the national level, it makes more sense to speak of Swedish business as a collective than in countries with weaker and less centralized major business organizations.

¹⁸ For a similar approach, see Wuokko, “Finland - a Special Case?”

¹⁹ Vogel, *Kindred Strangers*, 264.

²⁰ Waterhouse, *Lobbying America*, 3, 6.

Studying political advocacy

Political advocacy by interest groups can take many forms and the literature is not consistent in terms of labeling these activities. The following section presents a few examples of how others have categorized various influencing strategies before explaining the typology used in this thesis.

Business historian Benjamin Waterhouse labels attempts to get a legislator to vote in one's favor as *direct lobbying*, while trying to sway public opinion – also with the ultimate aim of influencing policymakers – is referred to as *indirect lobbying*. The latter may include so-called grassroots lobbying in which PR campaigns are used to generate support and enthusiasm from the public. It may also be a prerequisite for more direct lobbying. Both of these strategies, however, are separate from *campaign financing* of political parties or candidates. Waterhouse further argues that one of the benefits of indirect lobbying for business interests is that it helps employers' associations overcome free-rider problems (i.e., benefiting from a collectively provided good without paying for it). While direct lobbying and campaign donations constitute rational means of achieving firm- or industry-specific goals, such as a government contract or subsidy, they are less effective for winning broader policy issues that affect all sorts of firms and industries. This is why American employers from the 1970s and onwards focused on grassroots campaigns embedded

in a broad ideological claim about free enterprise and the stifling effect of government regulation. As a result, this type of engagement cemented a shared political consensus among disparate businesspeople and deepened their sense of commitment to a common political project.²¹

Political scientist Ken Kollman refers to the “attempts by interest group leaders to mobilize citizens outside the policymaking community to contact or pressure public officials inside the policymaking community” as *outside*

²¹ Waterhouse, *Lobbying America*, 11–12. On the link between political parties and interest groups, Berry and Wilcox (2009) write that (from the non-corporatist US perspective), “groups cannot enact policies or formulate regulation on their own. Parties need the political support of interest groups, which can provide campaign donations, mobilize voters on election day, activate their membership on behalf of a bill, and influence the general public's attitudes.”

lobbying.²² It accomplishes two tasks. The first is signaling, in that it shows policymakers that a particular issue is actually relevant. The second is conflict expansion, which means that a salient issue can be made even more pressing by the interest group as the masses are engaged, thus showing politicians that it is not just an elite phenomenon. This term is inspired by political scientist Elmer Eric Schattschneider, who stated that “the most important strategy of politics is concerned with the scope of conflict [...] in getting the audience involved in the fight or excluding it, as the case may be.”²³

A government report on decorporatization (*avkorporatisering*) and lobbying in Sweden, written by four political scientists, presents yet another way of defining advocacy strategies. In their view, lobbying only refers to direct contact with decision makers in non-institutionalized settings. Influencing public opinion or direct actions by an interest group to influence a decision is not considered lobbying.²⁴

Typology used in this thesis

This thesis identifies three types of advocacy activities by the studied organizations directly seeking to preserve a free enterprise system (information campaigns, public protests and financing research relevant for business) and two that did so indirectly (press subsidies, political financing), see Table 2.2.

As the main interest of this study is to uncover the general advocacy strategies in favor of a free enterprise system, direct attempts to influence the government on specific issues either through direct lobbying or through corporatist arrangements have been excluded. This means that the ways in which business acted as consultative bodies (*remissinstanser*) and as members of state committees and agencies are not part of this study. The same applies to the more informal get-togethers between labor and business leaders at the prime minister’s estate Harpsund in the 1950s and 1960s.

Table 2.2 lists the main type of advocacy strategies employed by the organizations studied in the thesis. First, information campaigns aimed at the public or specific segments of it. Campaign activities included advertisements, publishing and working the media. The Bureau for Economic

²² Kollman, *Outside Lobbying*, 4, 35. In Kollman’s terminology *inside lobbying* is the same as *direct lobbying*.

²³ Kollman, *Outside Lobbying*, 8; Schattschneider, *The Semisovereign People*, 3–4.

²⁴ *SOU 1999:121*, 12–17.

Information, an early think tank financed by the Fund, rolled out its first campaigns already in 1944. Later, in the 1970s, much of this was taken over by SAF itself and by the Bureau's successor Timbro.

Table 2.2 Advocacy activity of organized Swedish business, 1940–1985

<i>Activity</i>	<i>Type of advocacy</i>	<i>Goal</i>	<i>Part of this study</i>
Information campaigns (advertisements, films, opinion polls, publishing, working the media, congresses, etc.)	Forming public opinion	Preserving a free enterprise system	Yes
Public protests	Forming public opinion	Preserving a free enterprise system	Yes
Financing research relevant for business	Forming public opinion + infrastructure	Preserving a free enterprise system	Yes
Press subsidies	Forming public opinion + infrastructure	Directly: a thriving business-friendly press Indirectly: preserving a free enterprise system	Yes
Political financing	Infrastructure	Directly: non-socialist election victories. Indirectly: preserving a free enterprise system	Yes
a. Financing political parties			
b. Financing student organizations			
c. Research support to non-socialist parties			
d. "Employment agency" for political talent			
Access to political decision makers and the decision-making process through formal and informal corporatist channels	Direct lobbying/corporatism	Varied	No

Second, public protests. In the 1980s, SAF used the broad discontent against the wage-earner funds to finance and organize massive manifestations. As discussed in Chapter 6, this “grassroots lobbying” had both signaling and conflict expansion effects. Given the large number of protestors (especially in 1983), it resulted in enormous media coverage at home and even became an international news story.²⁵

Third, financing research relevant to business. Business-sponsored research institutes were also a way of influencing the public and enabling what is here labeled *infrastructure* (i.e., a foundation or network of organizations indirectly supporting business causes). Furthermore, these research institutes created scholarly opportunities for non-socialist academics and provided policy input to decision makers. In 1939, SAF and the Federation of Swedish Industries founded the Industrial Institute for Economic and Social Research (Industrins Utredningsinstitut, IUI). However, as described in Chapter 3, it stayed away from any propagandistic free enterprise activities (hence, not part of this study). In 1948, the Fund decided to finance a similar institution, which also specifically sought to engage business leaders in the public debate. Until it broke away from its financier in the late 1970s, the Centre for Business and Policy Studies (Studieförbundet Näringsliv och Samhälle, SNS) would, however, be repeatedly criticized by the Fund for its lack of commitment to free enterprise ideas.

Fourth, press subsidies. The direct objective of financing the non-socialist newspapers, which was initiated in 1942 with the organization *Libertas*, was to ensure a thriving business-friendly press. Given the media’s importance for influencing public opinion, this also represented a way to indirectly preserve free enterprise. In addition, it also helped building a business-friendly infrastructure.

Fifth, political financing. This money was meant to help the non-socialist parties win elections (which they only did in 1976 and 1979). From the perspective of organized business, getting the non-socialists into office would hopefully ensure that the socialist threats to free enterprise would not materialize. As described throughout this thesis, direct donations from business to the parties entailed risks for both donors and receivers. Over time, these

²⁵ Berry and Wilcox, *The Interest Group Society*, 134, argue that gaining media coverage is the most important goal of all political protests.

donations diminished; sometimes, however, they also took on other forms. Both the Fund and SAF instead gave money to non-socialist student organizations and, starting in 1962, to the Research Bureau for Social Issues, which served as an extension of the Conservative Party's and the Liberal Party's parliamentary offices. The Research Bureau and the student organizations are also examples of organizations serving as "employment agencies" for those with political talent who could later continue their careers within the parties or the business-backed information agencies.

Theories on the origins and development of interest groups

In *The Interest Group Society* by political scientists Jeffrey M. Berry and Clyde Wilcox, they combine three well-cited theories on interest groups to explain the rise of advocacy organizations in the US.²⁶ David Truman's *disturbance theory* tells us (perhaps rather intuitively) that people will form interest groups following some sort of external threat. Mancur Olson's theories on the difficulty of collective action stress the importance of *selective incentives* for recruiting organizational members. Finally, Robert Salisbury highlights the role of the *organizational entrepreneur*.

Borrowing from Berry and Wilcox, this thesis uses the same theories due to their applicability to how Swedish business organized its promotion of a free enterprise system during the Cold War era.

Truman's Disturbance Theory

"In the beginning there was Truman (1951), at least for modern telling of the politics of interest representation," according to political scientists David Lowery and Virginia Gray, referring to the fact that most discussions on interest group theory begin with David Truman's *The Governmental Process*.²⁷ Truman, also he a political scientist, wrote in the so-called pluralist tradition looking upon the free competition of ideas by a multitude of competing

²⁶ Berry and Wilcox, *The Interest Group Society*. According to the cover, this is the "gold standard" on interest group politics. In 2018, it was published in a 6th edition.

²⁷ Lowery and Gray, "A Neopluralist Perspective on Research on Organized Interests," 164; Truman, *The Governmental Process*.

groups in society as a safeguard for democracy.²⁸ This line of thinking had a long tradition in the US. One of the founding fathers, James Madison, was concerned over how “factions” of men could become a threat to popular government. However, given the republican form of government with its checks and balances and the dispersed and large American population, no single faction could become dominant. As Truman regarded the formation of interest groups as an uncomplicated process, he believed that any imbalances between interest groups would correct themselves. Too much influence for one group would lead to the formation of counter-groups.²⁹

In Truman’s view, man was a social animal and the formation of groups was thus something that came naturally to humans. He saw the rise of ever-more interest groups as a consequence of two processes. First, as society becomes more complex and specialized, there will be an increasing number of group formations. Technological change and especially new types of communications bring about new needs and ways of coming together. The function of a formalized group is to stabilize relations among members and to other groups. An obvious example is a labor union.³⁰

Truman’s second process is the result of what he calls disturbances in group equilibriums. An association being formed might cause a disturbance among other groups or potential groups, in turn resulting in them forming new associations. This phenomenon, according to Truman, tends to occur in waves, which is why his theory is sometimes called “the wave theory” (alternatively “disturbance theory” or “equilibrium theory”). The disturbance does not necessarily have to be a new organization per se but can be a new type of activity from an already existing organization. His own example concerns the introduction of machinery or new management methods that disturb workers sufficiently for them to unionize, which, in turn, makes the employers or owners form associations of their own.³¹

²⁸ Baumgartner and Leech, *Basic Interests*, 52. They argue that pluralism was a perspective rather than a theoretical school. The opposite theoretical notion to pluralism is *structuralism*, which argues that the state is fundamentally dependent on business. This gives business a “privileged” position in relation to other groups, see, for instance, *Oxford Handbook of Business and Government*, p. 25.

²⁹ Berry and Wilcox, *The Interest Group Society*, 3–4.

³⁰ Truman, *The Governmental Process*, 55–56.

³¹ Truman, 59.

The formation of groups is rather unproblematic. Truman does not question the ability of different individuals or potential groups to organize. People with common interests will come together, especially if they are somehow threatened. Political scientists Jeffrey Berry and Clyde Wilcox argue that Truman's disturbance theory is appealing as it offers a cause-and-effect relationship between events and organizing, while the downside is naturally that it neglects the ability and resources of different groups to organize.³²

Selective benefits

Writing some fifteen years later, economist Mancur Olson was highly critical of Truman and other pluralists. According to Olson, group formation was very difficult, especially in large groups. There was no inevitable mechanism that would make a "disturbance" result in organized political pressure.³³

His argument is based on the classic free-rider problem. Self-interested, rational individuals will not act to reach common interests unless the group number is small or some kind of coercion is involved. In contrast to Truman, Olson makes a distinction between *collective benefits*, which serve both members and non-members of an organization, and *selective benefits*, which only serve organizational members. Since people are rational, they will avoid joining an organization providing them with the collective good (e.g., a tax cut) even if they are not members.³⁴ So, in lack of coercion, large organizations have no other choice but to provide some sort of exclusive benefit.³⁵

However, Olson notices that there are other types of incentives than the purely economic, such as prestige, respect and friendship. Social pressure might get people to join groups, since he characterizes social acceptance and social status as individual, noncollective goods. But, in general, this only works in small groups where members meet face-to-face.³⁶

According to Berry and Wilcox, Olson's major theoretical contribution is the notion of *selective incentives*. Olson's theory has also proven to be good at explaining membership in large economic interest groups but works less well when it comes to explaining the rise of organizations that really do not

³² Berry and Wilcox, *The Interest Group Society*, 35.

³³ Olson, *The Logic of Collective Action*.

³⁴ Olson, 2.

³⁵ Olson, 16, 52.

³⁶ Olson, 61–62.

offer anything except ideological satisfaction or philanthropic lobbies (something which Olson acknowledged).³⁷

The role of the organizational entrepreneur

Olson's ideas on selective benefits were developed by Robert Salisbury, who focuses on the entrepreneur's (organizer) role in making sure that interest groups emerge and develop. The interest group itself should be seen as an *exchange relationship*, where the entrepreneur has invested capital in a set of benefits, which the potential member can acquire at a certain price.³⁸

Salisbury tests Truman's two theoretical notions and finds that the "proliferation theory" (i.e., groups form as society becomes more complex) has a better empirical fit than the disturbance theory, but his general conclusion is that the number of groups and group membership is correlated to the business cycle. Simply put, in good times, people have more money and are thus more likely to spend it on group memberships.

He classifies the benefits that the entrepreneur bundles and sells into three categories. "Material benefits" are tangible rewards of goods and services. "Solidary benefits" are intrinsic, non-tangible and include socializing, a sense of belonging and identification. "Expressive benefits" are derived from joining a group publicly expressing the same kind of values held by the individuals.

Although Salisbury shares Olson's basic assumptions of rational actors and the role of benefits for group formation, he still criticizes Olson for not really addressing group formation over time. According to Salisbury, several successful organizations were founded to secure collective benefits and did not provide any selective benefit, at least not initially.

A flow of benefits must be maintained over time, both to members and organizers, or else the group dies. For the entrepreneur, the benefit received is the profit gained from the exchange relationship with the members, typically in the form of a salary, but it can also be given in "sufficient expressive value" if he or she does not want or is unable to obtain a paid position.³⁹

³⁷ Berry and Wilcox, *The Interest Group Society*, 37; Olson, *The Logic of Collective Action*, 160.

³⁸ Salisbury, "An Exchange Theory of Interest Groups."

³⁹ Salisbury, 26.

Berry and Wilcox conclude that Salisbury had strong arguments when claiming that leadership is the main reason why any group succeeds or dies, but they air critique against his view of the interest group entrepreneur as primarily being motivated by power and income.⁴⁰

Summarizing, Berry and Wilcox reach four conclusions on what we know about interest groups:

- Technological change and the increasing complexity in society give rise to new interest groups, but this does not explain why one interest gets organized while another fails to do so.
- Interest groups sometimes form after some sort of disturbance (political event, business cycle turns, etc.) having made a group of people aware of the need for political mobilization.
- The ability to organize varies widely across groups.
- Leaders must make their organization appealing to potential members, often by offering a variety of incentives to join.

Theoretical development and the question of influence

Political scientist Paul Sabatier took the theories of Truman, Olson and Salisbury and tested them empirically on two different interest groups.⁴¹ He adds three aspects to Salisbury's ideas. First, based on empirical findings concerning both economic and expressive groups, it seems as if the selective and solidary benefits emphasized by Salisbury and Olson were less important compared to contributing to collective political benefits. Second, rather than viewing the interest group entrepreneur as a salesman peddling memberships, organizers of many groups find genuine motivation in pursuing policy goals. Third, member-leader relationships are not as crucial as Salisbury believed. In fact, many interest groups have no members, and in many cases, revenue stems from sources other than members.⁴²

⁴⁰ Berry and Wilcox, *The Interest Group Society*, 38–40.

⁴¹ Sabatier, "Interest Group Membership and Organization." His results were mixed. Different theories were more or less good at explaining the formation and development of the two interest groups.

⁴² Sabatier, 107–109.

Empirical research also showed that ordinary members of political parties were less ideologically extreme than party activists. Sabatier's theory thus predicts an increasing commitment to collective benefits as one moves up the hierarchical ladder in an organization. The higher level of commitment among the leadership makes them willing to conduct the work necessary to keep the organization going. In line with Olson, this so-called commitment theory also argues that only a fraction of potential members typically join a large organization, but this is not due to Olsonian free-riding. Rather, most potential members lack enough material or ideological commitment as people in general simply are not informed or particularly interested in policy issues.⁴³

In 1998, political scientists Frank Baumgartner and Beth Leech delved into problems connected to the study of interest groups by looking at available literature between 1950 and 1995. From a scientific perspective, their findings are quite discouraging: "Unfortunately, the accumulated mass of quantitative and qualitative studies of lobbying behavior has generated a great number of contradictions, with a few consistent findings [...] collectively the literature has generated more confusion than clarity."⁴⁴

There are several reasons for this, one being the difficulty of measuring influence. For example, many quantitative studies measure to what extent policymakers vote in accordance with the preference of a certain interest group. However, this overlooks a well-documented fact regarding policy-making, namely that most action takes place long before the vote. Descriptive case studies show that for an interest organization, one of the most difficult tasks is to get any serious attention at all from the public or the legislative chamber.⁴⁵

Salisbury writes (in a piece from 1994) that the question of influence has been the most common question guiding interest group research, something he finds problematic. Instead, he stresses the importance of understanding the historical context.

⁴³ Sabatier, 109–110.

⁴⁴ Baumgartner and Leech, *Basic Interests*, 120.

⁴⁵ Baumgartner and Leech, 137. For a thorough discussion on the difficulties and possible solution to problems involved in measuring interest group influence, see Dür, "Measuring Interest Group Influence in the EU."

The trouble is that the game metaphor is profoundly misleading regarding the underlying character of much of the political process. Very often there is no clear resolution, no definitive conclusion to the process by which interests are articulated and pursued. “Play” continues, moving from one venue to another perhaps, the tides of success for particular participants ebbing and flowing, while the structure of the “game” slowly evolves. As the saga unfolds, individual episodes may be singled out for separate treatment, but unless they are seen in their larger historical/development context, any particular story, however melodramatic it seems to be, is likely to generate more misunderstanding than insight.⁴⁶

Early studies of group power showed that groups were influential, while later studies reached other conclusions. Summing up, Baumgartner and Leech argue that studies looking into interest group systems cannot be fully explained by logics employed by either Truman or Olson. Groups focusing on an economic interest are, as Olson predicted, overrepresented, but at the same time, there are many groups managing to overcome the problems of collective action. To conclude: “The group system will never be as perfect as Truman hoped it might be; nor is it likely to be as biased as Olson described either.”⁴⁷

In 2012, Marie Hojnacki and colleagues made a follow-up study to Baumgartner and Leech to see if there had been any significant changes in the study of interest groups. Among other things, they find that there is still little theoretical coherence in the field: “Scholars investigating the same topics are not motivated by common sets of questions or shared theoretical outlook.”⁴⁸

Corporatism

“State corporatism”

A central theoretical concept in this thesis is *corporatism*. Historically, this term was adopted by totalitarian ideologues in the first half of the 20th century, advocating for an institutional relationship between major interest groups and authoritative decision-making procedures. As the fascist regimes during

⁴⁶ Salisbury, “Interest Structures and Policy Domains: A Focus for Research,” 17–18.

⁴⁷ Baumgartner and Leech, *Basic Interests*, 80, 116; See also Vogel, *Fluctuating Fortunes*, 6–7, for a study arguing that the power of organized fluctuates over time.

⁴⁸ Hojnacki et al., “Studying Organizational Advocacy and Influence,” 380.

WWII, both at home and in occupied territories, implemented a corporatist social structure between the state and business and labor organizations, the term became synonymous with a dominant and strong state. This type of “state corporatism” had four characteristics: inclusive major associations that could monopolistically represent all businesses, enforced cooperation with trade unions, compulsory membership and politically selected leaders.⁴⁹

“Neo-corporatism”

During the post-war decades, there was a renewed interest in the term. Now, however, the fascist type of corporatism was differentiated from a “new” or “neo” societal corporatism describing how interest organizations in various ways participated in policymaking. In the 1970s, the term became used as a social science model in its own right. The relationship between the state and the main actors involved in the decision-making process became the principal way of distinguishing between corporatist and pluralist systems of representation.⁵⁰

Already in 1946, Swedish political scientist Gunnar Heckscher made a distinction between the “state corporatism” that had developed during the 1930s in Italy, as well as partially in Austria and Germany, and the “free corporatism” of Sweden. In the fascist state system, the corporatist order was meant to dissolve conflicts between workers and employers by in practice making their associations part of the state. In contrast, the organizations in Sweden remained independent from the state, although they maintained a close relationship to it, at times also fulfilling duties that remained a state concern in other countries. According to Heckscher, the Swedish free corporatism system really developed in the interwar period as both employer and labor organizations realized that both could gain from self-discipline and negotiations rather than conflict. Also, the state enacted a number of laws that were “organization-friendly” (“*organisationsvänliga*”) and facilitated, for instance, negotiations and mediation between the labor market parties. Beginning in 1917, the major organizations were also represented in state agencies. They served as consultative bodies and could in certain areas act on behalf of the state, including managing parts of the social security system. The most

⁴⁹ Lanzaoco, “Business Interest Associations,” 10.

⁵⁰ Molina and Rhodes, “Corporatism,” 307–308.

well-known example is probably the 1938 Basic Agreement (“*Saltsjöbadsavtalet*”) between LO and SAF that regulated how labor market conflicts were to be managed.⁵¹

A group of Scandinavian political scientists define (neo-)corporatism as the “institutionalized and privileged integration of organized interests in the preparation and/or implementation of public policies.” Neo-corporatist institutions became well-developed in all Scandinavian countries during the 20th century with interest group representation on public committees and commissions constituting one of the primary institutional expressions.⁵²

Historian Francis Sejersted differs between *negotiative* and *administrative* corporativism. The former implies negotiation and collaboration between organized interests in the labor market, with or without the state as mediator (e.g., the above-mentioned 1938 Basic Agreement). Administrative corporativism, on the other hand, means that special interests are included in decision-making processes through public commissions, agencies and hearings. As noted by political scientist Bo Rothstein, administrative corporativism in Sweden had its roots in pre-democratic society. With a corporatist order, potential class conflicts could in the early 20th century be institutionalized so that they did not disrupt the social order.⁵³

⁵¹ Heckscher, *Staten och organisationerna*, 174–265.

⁵² Christiansen et al., “Varieties of Democracy,” 27–29.

⁵³ Sejersted, *The Age of Social Democracy*, 302–308; Rothstein, *Den korporativa staten*, 98, 343–344. Pär-Erik Back also points to the early roots of corporatism in Sweden, see Back, *Sammanslutningarnas roll*, 221–222. For more on the Swedish corporatist system and a slightly different typology of different kinds of corporatism, see *SOU 1999:121*.

Chapter 3

Campaigning Against Planned Economy, 1940–1948

[...] it is of the outmost importance for private enterprise to be able to present sustainable and striking arguments in favor of a non-socialist production order, as well as in different ways firmly establishing its arguments and views among the broad public.¹ *Gustaf Söderlund, joint chairman of SAF and the Enterprise Fund, 1944*

The 1948 election campaign has gone down in Swedish history as one of the most rancorous ever.² This animosity was heightened by business campaigns against increased state regulation, higher taxes and possible nationalizations. Previous researchers have acknowledged but only briefly described these campaigns.³ Naturally, historian Niklas Stenlås writing extensively on the

¹ *P.M. av Gustaf Söderlund 1944-11-09*, E1:1, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “[...] är det av utomordentlig vikt för det enskilda näringslivet att kunna dels presentera hållbara och slående argument till förmån för en icke socialistisk produktionsordning, dels på olika sätt hos den stora allmänheten finna, förankring för sina argument och sina meningar.”

² Esaiasson, *Svenska valkampanjer 1866–1988*, 182–191.

³ See, for instance, Söderpalm, *Direktörsklubben*, 122–25; De Geer, *Arbetsgivarna*, 107; Nycander, *Makten över arbetsmarknaden*, 125; Lewin, *Planbushållningsdebatten*, 321–22; Olsen, *The Struggle for Economic Democracy in Sweden*, 55–57. See also Tyllström, *Legitimacy for Sale*, 76. She writes that until the late 1960s it was not

Fund in the 1940s discusses these campaigns, but his main focus is on analyzing elite networks within organized business rather than lobbying methods.⁴ This chapter fills this gap. With now available archival material, this chapter can also present detailed inside accounts of business-related information organizations compared to what previous research has been able to do.

Before moving to Svenska Handelsbanken's headquarters in June 1940 when the Enterprise Fund was founded this chapter will start a background, describing business' political efforts prior to that meeting.

The political efforts of organized business prior to 1940

Industrialization and democratization

From the 1860s to the late 1910s, Sweden was one of the most plutocratic states in Europe, and political power was in many respects a function of income and wealth. A two-chamber system in parliament with graded voting rights guaranteed political influence for both wealthy individuals and companies. Universal suffrage was not introduced until 1919.

Economic historian Jan Glete mentions two causal relationships between industrialization and democratization. First, industrialization was a prerequisite for the three popular movements (*folkerörelserna*) – the labor movement, the temperance movement and the free church movement – which drove the democratization process. Second, with industrialization came a new type of economic elite, as landowners and state bureaucrats were replaced by industrialists and financiers. In many cases, these new men of big business came from more humble backgrounds compared to their predecessors and they also lacked connections to the popular movements. Thus, the industrial and democratic breakthroughs brought new groups to power, both in the economic and the political sphere, and broke the old automatic link between economic power and political influence. Industrialization also brought about

common for corporations to influence policy in the form of lobbying or opinion building. As this chapter shows, corporations did indeed engage in influencing public opinion already in the 1940s.

⁴ Stenlås, *Den inre kretsen*, see 81–85, 192–194.

specialization and professionalization. In the early 1900s, professional business managers, career politicians and interest organizations with full-time employees became a common feature in economic and political life.⁵

The long-term trend was that the business community was losing its direct influence in parliament as fewer and fewer business leaders personally got involved in politics. In 1920, 32 members of parliament had a leading position in business, while this number had been reduced to 17 by 1953.⁶ Economic historian Christer Ericsson points to several factors behind this trend: lack of time, professionalization and a concentration of ownership making it difficult for major owners to represent the public interest.⁷

The organization of big business

Svenska Arbetsgivareföreningen (the Swedish Employers' Confederation, SAF) was founded in 1902, the same year as workers went on a general strike for the right to vote. Employers found that they needed to organize themselves as a response to the growing clout of the labor unions. SAF united employers and offered them insurance against labor market unrest and negotiated on wages with its counterpart Landsorganisationen i Sverige (the Swedish Confederation of Trade Unions, LO), which had been founded four years prior. Two of the three SAF founders represented Conservative interests in parliament. Just like LO, SAF was organized as a federation of associations. This also facilitated for pre-existing employers' associations to join. In 1906, SAF acknowledged collective agreements while LO simultaneously acknowledged the employers' right to manage the work and to hire and fire workers (known as the December compromise). Under the leadership of Hjalmar von Sydow, a Conservative politician who was both chairman and managing director between 1907 and 1931, SAF established itself as the main organization for employers.⁸ Swedish employers adopted collective agreements as they standardized wages and working conditions. From an international perspective, SAF was better at controlling and disciplining its member

⁵ Glete, "Ägarkoncentrationen," 205–212.

⁶ Ullenhag, "The Federation of Swedish Industries," 381.

⁷ Ericsson, *Kapitalets politik och politikens kapital*, 124–125.

⁸ De Geer, *Arbetsgivarna*, 36–52, 59, 127. Newspapers and banks, however, have never belonged to SAF. Press publishing and granting credit have been considered vital societal interests best organized independently, see Kuuse, *Strukturovandlingen*, 156.

associations compared to employers elsewhere. Furthermore, due to a guarantee amount (*garantibelopp*) paid by members as an insurance fee against income losses during labor market conflicts, SAF also became richer than many other major employer organizations abroad.⁹ Economic historian Mauricio Rojas makes some interesting points about the origins of SAF. The employers' strength in the form of collective action, centralism, discipline and the insurance fund ultimately gave them a credible lockout threat, which forced the labor movement to create a similar organization. The Swedish business structure with its heavy reliance on really large firms also facilitated the unification among employers. SAF was organized around certain ideas on how employers should conduct their struggle against the labor movement. Thus, it managed to gather employers around what Rojas refers to as "an organizational intellectual fellowship" ("*en organisatorisk idégemenskap*") rather than regions or trades. A fast-growing membership base was a testament to a successful organization.¹⁰

Sveriges Industriförbund (the Federation of Swedish Industries) was established in 1910 as an interest group with the aim of advancing the interests of Swedish industry. Just as with SAF, voting rights within the organization were awarded in relation to the membership fee (based on the number of employees), which gave large companies a strong voice. Already from the outset, it acted as a consultative body (*remissinstans*) in relation to government proposals, and during World War II, it placed its organization at the disposal of Industrikommissionen (the Commission for Industry), appointed by the government to administer industrial war policy. During the early decades, ties between the state and the Federation were also upheld as a result of its leading members either being cabinet members or high-ranking politicians. The Federation of Swedish Industries was an organization for big business, dominated by Swedish multinationals, which is why, in 1936, small-scale businesses formed an interest organization of their own.¹¹

⁹ Söderpalm, *Arbetsgivarna och saltsjöbadspolitiken*, 13; De Geer, *Arbetsgivarna*, 19, 41.

¹⁰ Rojas, *Paradoxen SAF*, 44–52.

¹¹ Ullenhag, "The Federation of Swedish Industries." The small business organization was originally called Svenska småföretagares intresseförening, changed its name to Svenska småföretagares riksorganisation in 1937 and then again in 1940 to Svenska företagares riksförbund, see Ullenhag, "Swedish Industry," 3. Membership in Industriförbundet was originally based on individual companies; however, starting in 1942, this was changed as companies clustered in trade associations, see Söderpalm, *Direktörsklubben*, 100.

Financing political parties and the press

Donations from the business community to the non-socialist parties go back to the early 1900s. With the transition to universal suffrage, several of the wealthiest candidates disappeared from politics. Donating money to resource-weak parties representing their interests became a natural continuation of their own and their companies' political activity. For the non-socialist parties, donations from the business community became the equivalent of the unions contributing to the Social Democratic Party. The problem, however, was that while union membership to a very large extent overlapped with the voting base of the labor party, the leading men of business constituted an economic power elite whose financial donations could easily be questioned. In 1932, a Liberal prime minister had to resign when it turned out that he had received donations from disreputable businessman Ivar Kreuger.¹² The parties raised money on their own from corporate donors but also received grants from business-organized fundraising. Starting in 1928, recurring fundraising activities took place during election years. For this purpose, business interests set up a foundation named Unitas, which also supported the non-socialist press.¹³

Following industrialization, urbanization and rising living standards, a Swedish press emerged during the 19th century and the number of newspapers kept increasing until World War I. The political parties sought to be represented by at least one newspaper in every district, county or larger city. In the 1920s and 1930s, the newspaper market became saturated and the competition for readers and advertisers increased. Several newspapers ended up in financial distress, needing outside support to survive. This was especially true for conservative and social democratic newspapers. They were often smaller and more openly propagandistic than their liberal competitors, which had also in many cases been around for longer.¹⁴ During the 1930s, business interests used Unitas to channel money to the non-socialist press while the Social Democratic Party and LO in 1936 jointly formed a

¹² Glete, "Ägarkoncentrationen," 236.

¹³ Stenlås, *Den inre kretsen*, 124–126.

¹⁴ Holmberg, *Strategier mot pressdöden*, 13; Glete, "Ägarkoncentrationen," 237.

publishing company named *Arbetarpressens förlagsaktiebolag* that supported their press.¹⁵

The rise of social democracy and the Saltsjöbaden Agreement

The 1920s represented an unstable period in parliament with minority governments that came and went. Social democracy was on the rise as a major political force but was still unable to form a stable majority government. Following a new and quite radical party program, the first Social Democratic prime minister, Hjalmar Branting, appointed a socialization committee (*socialiseringsnämnd*) in 1920 to study the matter. However, the committee was dismantled 15 years later without having delivered any real proposals. In the 1928 election, the party actually lost voters. A new proposed estate tax that would confiscate private means the third time they were inherited was not popular with voters. Furthermore, the Conservatives ran an effective campaign where they used voters' fear of Bolshevik Russia to attack the Swedish left (hence the name "the Cossack election").

With a less radical agenda, however, the party did secure a victory four years later. For the new government, the most important issue concerned how to manage the domestic consequences of the global economic crisis. Having secured the support of the traditionally non-socialist *Bondeförbundet* (the Farmers' League) in 1933 by promising financial support to the farmers and a protectionist agricultural policy, the response was to increase economic demand by running a deficit in the state budget. Measures included loan-financed public relief work at market wages.¹⁶

Although the minister of finance, Ernst Wigforss, did not rule out socializations, the policy focus shifted to implementing a planned economy (*planhushållning*), which he referred to as "a more general domination of economic life."¹⁷ With the economic crisis followed unemployment, in addition to the fact that the Swedish labor market was prone to reoccurring conflicts. A new government commission known as "Mammututredningen" ("the Mammoth Study") was appointed in 1934 to study how to secure peace in

¹⁵ *SOU 1951:56*, p. 49; Holmberg, *Strategier mot pressdöden*, 17.

¹⁶ Carlson and Lundahl, *Ett forskningsinstitut*, 49–63; Larsson and Andersson-Skog, *Näringslivets historia 1864–2014*, 216–217; Larsson, *En svensk ekonomisk historia*, 76.

¹⁷ Lewin, *Planhushållningsdebatten*, 74–75 Swedish: "ett mer allmänt behärskande av det ekonomiska livet."

the labor market. By threatening legislation, it pushed the labor market parties, SAF and LO, to the negotiation table, which eventually resulted in the Saltsjöbaden Agreement in 1938.¹⁸ Without interference from the state, the labor market parties agreed on how to handle conflict situations and disagreements through negotiations and a new institution for settling conflicts.¹⁹

Big business and the need for political influence

In the spring of 1934, business leader Sigfrid Edström called on Social Democratic Prime Minister Per Albin Hansson. Due to his positions as chairman of SAF and chairman of the General Swedish Electric Company (ASEA), Edström was one of the most important business leaders of his time. To his surprise, the prime minister was concerned over the lack of business representation in parliament. For Edström, this odd remark was an acknowledgment of his fear that Swedish industry needed to increase its political influence.²⁰

The year before, he had launched the so-called Direktörklubben (the Executives' Club), or TBF – The Big Five – in the wake of economic depression and rising economic nationalism. For the leaders of the five main firms in the engineering industry with large stakes in Swedish export, the future looked uncertain. They opposed the government's crisis policy as it increased exporting costs through agricultural subsidies and higher wages. They also considered both SAF and the Federation of Swedish Industries to be too defensive and moving too slowly. Through Direktörklubben's secretary Sven Erik Österberg, a high ranking official in the Liberal Party, the organization upheld close relations with the non-socialist parties. With the assistance of industry, Österberg tried to get the Liberals and Conservatives to unite on a political program of action. This program, which was based on, among other things, the protection of private property, sound public finances and limits

¹⁸ Carlson and Lundahl, *Ett forskningsinstitut*, 58–59.

¹⁹ Söderpalm, *Arbetsgivarna och saltsjöbadspolitiken*, 31–33; Larsson and Andersson-Skog, *Näringslivets historia 1864–2014*, 218–219.

²⁰ This story originates from Bratt's biography over Edström, see Bratt, J. *Sigfrid Edström (del 2)*, 76–77. Edström personally liked Hansson and ascribed his remark as seeking to achieve social balance in the *Folkhem*. The story is also presented in Carlson and Lundahl, 43–44, and in Henriksson, *Som Edström ville*, 16.

to government, was discussed with the party leaders but no agreement could be reached.²¹

Edström and his colleagues in Direktörsklubben then formed an advocacy organization named Föreningen för Undersöknings- och Upplysningssarbete om Industriella Förhållanden (the Association for Information on Industrial Relations, FUIF) tasked with managing press relations, political information activities and fundraising.²² Initially, Direktörsklubben also considered FUIF suitable for more thorough studies on behalf of organized business, but both the managing directors of SAF, Gustaf Söderlund, and Wilhelm Lundvik of the Federation of Swedish Industries opposed this. Söderlund believed that it was important to clearly separate studies and more propagandistic information activities. This did not mean that Söderlund, who was a fierce opponent of planned economy proposals, was against business engaging in political advocacy, merely that the latter should be conducted outside of the major organizations. A non-partisan approach would also facilitate keeping the state away from legislating labor market issues, which was also important to Söderlund. The cautious Lundvik was even more eager not to politicize his organization and jeopardize its close relations with the state. As a compromise, the three agreed in 1939 to form a new non-partisan institute that would conduct research relevant for business named Industrins Utredningsinstitut (the Industrial Institute for Economic and Social Research, IUI).²³

The role of Söderlund

Previous research concurs that Söderlund wanted to leave labor market regulation up to SAF and LO and to keep out the political parties. This, however, does not mean that neither he nor SAF stayed clear of having political opinions, according to historian Hans Dahlqvist, who is especially critical of Sven Anders Söderpalm's description of Söderlund's alleged non-

²¹ Söderpalm, *Direktörsklubben*, 18–37.

²² Carlson and Lundahl, *Ett forskningsinstitut*, 77. For a summary of the Executives' Club and FUIF 1933–1942 written by its secretary S.E Österberg, see *Direktörsklubben 1933–1942*, mapp Direktörsklubbens organisation, volym 3, Direktörsklubbens arkiv, RA.

²³ Carlson and Lundahl, 63–82; Söderpalm, *Direktörsklubben*, 156; Söderpalm, *Arbetsgivarna och saltsjöbadspolitiken*, 23. IUI is today called Institutet för Näringslivsforskning (IFN), the Research Institute of Industrial Economics.

partisanship. Dahlqvist points to the fact that Söderlund was very active in the political debate and that SAF's comment letters (*remissutlåtanden*) were repeatedly critical of the government's proposals. Stenlås is also critical of Söderpalm's description as he does not consider Söderlund's role in, for instance, the Enterprise Fund.²⁴ This debate could be made more nuanced. Söderlund was indeed a political figure who did not refrain from making his opinions heard. As shown in this chapter, however, he was careful not to let SAF engage openly in *propagandistic* activities, which were instead carried out by the Fund and its sister organizations. Within the big business community at large, there was an understanding that the major organizations should not risk their status as expert organizations and good relations to the state by being perceived as non-socialist propaganda organs.

In the late 1930s, the Social Democratic government reached out to business. There were signs of a new economic downturn and if business was to "go at full speed" ("*för full maskin*"), as Prime Minister Hansson wanted, co-operation was needed. A new type of governmental investment fund that would even out employment over the business cycle was introduced, which, in turn, required tax-free write-offs that were very beneficial to large, already profitable firms.²⁵

In order to ensure unity in the business community before negotiating with the government, 28 leading men within industry, banking and shipping got together in Näringslivets Råd (the Business Council). When war broke out, the conditions under which these negotiations were to take place changed drastically and the extraordinary circumstances required much deeper collaboration between the state and the business community.²⁶

War-time organization

As war broke out, the government and the opposition commenced talks on a coalition government. Conservative Party leader Gösta Bagge and leading businessmen such as Edström wanted business interests to get seats in the wartime cabinet, while Prime Minister Hansson preferred a government

²⁴ Dahlqvist, *Fri att konkurrera*, 126–128, 177; Stenlås, *Den inre kretsen*, 164 (note 67); Söderpalm, *Direktörsklubben*, 15.

²⁵ Söderpalm, *Direktörsklubben*, 48.

²⁶ Söderpalm, 54–58; Carlson and Lundahl, *Ett forskningsinstitut*, 100–104.

consisting solely of the parties in parliament, excluding the Communists. When hostilities in Finland commenced on November 30, 1939, such a government was installed.²⁷

Instead, business was assured influence through positions in the temporary crisis administration set up by the government to regulate the wartime economy. Perhaps the most important of these was *Industrikommissionen* (the Industry Commission) to which SAF's managing director Gustaf Söderlund was appointed chairman. The commission led the regulation of production and the supply of fuel and raw material for the industry. According to historian Sven Anders Söderpalm, the cooperation between the government and the business sector worked well, especially in comparison with the experiences from World War I when shortages of basic goods led to social unrest. Given the circumstances, the trade policy was successful, the government encouraged production of substitute goods and business participated voluntarily in price control. The high inflation that followed as a result of scarcity in 1942 was met by a stabilization program drawn up by Söderlund and consisting of a general freezing of prices and wages. Furthermore, LO and SAF agreed to keep salaries in check through index-based wage increases.²⁸

Näringslivets Fond – The Enterprise Fund

Acquiring Svenska Dagbladet

On June 4, 1940, fourteen leading men from big business and the industry organizations met at Svenska Handelsbanken's headquarters in central Stockholm to launch the Enterprise Fund (Näringslivets Fond, "the Fund"). Its immediate purpose was to secure the ownership of the leading conservative morning paper *Svenska Dagbladet*, but the new organization would also promote the interests of private business by means of publishing and other information activities. This was not a new idea, Harald Nordenson, managing director at Liljeholmens Stearinfabriks AB and a Conservative Party parliamentarian, told the men in the room. However, these plans had now been

²⁷ Söderpalm, *Direktörsklubben*, 60, 66, 80.

²⁸ Söderpalm, 98–100; De Geer, *Arbetsgivarna*, 106. For a description of hunger riots in Stockholm and elsewhere during WWI, see, for instance, Ohlsson, *1918*, 15, 38–39.

revitalized as *Svenska Dagbladet* was up for sale.²⁹ The newspaper was owned by the Trygger family, a well-established and politically conservative family (Ernst Trygger had been both prime minister and foreign minister in the 1920s). They were only willing to selling to someone who was financially strong and with similar political views.³⁰ In addition to Nordenson, the CEO of pulp and timber giant SCA, Torsten Hèrnod, had also worked actively to gain the support of big business for the purchase.³¹

For big business, this was a good opportunity to ensure that its interests were represented in a major national newspaper. Nordenson had wanted to buy *Svenska Dagbladet* six years earlier and there had also been other attempts to acquire a daily paper for the industry.³² The purpose, Nordenson explained, was to make sure that the ties between the newspaper and business remained intact. Unlike many other conservative newspapers, *Svenska Dagbladet* was not in financial distress, even though the owners could expect a slightly lower return than the ten percent paid out over the last years. However, it was important that the Fund's ownership was kept a secret (the protocol does not specify the specific reasons) and that the newspaper was to be formally owned by a consortium appointed by the Fund. Ivar Anderson was made editor and managing director of *Svenska Dagbladet* and he assured everyone that the newspaper would remain non-partisan but conservative in its

²⁹ *Protokoll för konstituerande av stiftelsen Näringslivets Fond*, 1940-06-04, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. Those present were: Axel Bergengren (Borås Wäfveri Aktiebolag), Carl Eiserman (Aktiebolaget Sveriges Förenade Trikäfabriker), Torsten Hèrnod (Svenska Cellulosa Aktiebolaget), Axel Ax:son Johnson (Avesta Jernverk, represented by an assistant, J. Gustaf Leijonmarck), Harald Nordenson (Liljeholmens Stearinfabriks Aktiebolag), Gustaf Sahlin (Aktiebolaget Electrolux), Ivar Sjögren (Försäkringsaktiebolaget Skandia), Sten Westerberg (Svenska Jästfabriks Aktiebolaget), Carl August Wicander, Carl Wikström (Nordmalings Ångsågs Aktiebolag). Bertil Almgren (Aktiebolaget Stockholms Bryggerier), S. Wedel (Aktiebolaget Pellerins Margarinfabrik) and Gösta Åhlén (Aktiebolaget Åhlén & Holm) were also founders but not present. Also present but without voting rights were Ivar Anderson, Sven Salén, Helmer Stén and Gustaf Söderlund. Thus, the total number of founders were 13. Anderson, Söderlund and Nordenson were or had been active in the Conservative Party, *VÄD* 1939, 1943. Cf. Stenlås, *Den inre kretsen*, 79, who mistakes this number for 16, also writing that Ernst Wehtje was a founder. Wehtje joined the Fund in 1942. Note that the record does not state which firm Wicander represented, but it was most likely Wicanders korkfabrik where he served as chairman of the board.

³⁰ Anderson, *Svenska Dagbladets historia (del 1)*, 331–32. Anderson ascribes the Trygger family's willingness to sell to the fact that they had other time-consuming industrial concerns to attend to (p. 385).

³¹ Stenlås, *Den inre kretsen*, 74. For more on Hèrnod, see *SBL*, Torsten R Hèrnod, <https://sok.riksarkivet.se/sbl/artikel/12929>, author Bertil Haslum, accessed May 10, 2019.

³² Söderpalm, *Direktörsklubben*, 74–75; Anderson, *Svenska Dagbladets historia (del 1)*, 385.

views. Speaking up for private business would be one of its main tasks.³³ Anderson was a leading Conservative politician and newspaperman. In 1935, he had come very close to becoming party leader for the Conservative Party. He was also the first managing director of IUI but stepped down when he was offered the editorship of *Svenska Dagbladet*.³⁴

Gustaf Söderlund was appointed to chair the Fund's board (however, he was not a trustee). As noted above, he was also chairman of the government's Industrial Commission and thus on leave from his position as managing director of SAF. He returned to the organization in 1943 when he replaced Edström as chairman. Previously, he had served as city commissioner (*borgarråd*) in Stockholm for the Conservative Party. Of the Fund's 18 first trustees, four were also on the board of the Federation of Swedish Industries, two were on the board of SAF and an additional two were on both boards. Between 1940 and 1943, the trustees on average held 9.5 board positions in Swedish companies.³⁵

It was no coincidence that the founding meeting of the Fund was held at Handelsbanken. Four of the men present were on the bank's board, including its managing director (Stén) and vice-chairman (Bergengren).³⁶ Stig Ödmark, a clerk at the bank, served as the Fund's secretary and treasurer until 1947, when a proper managing director was hired.³⁷

The original founders of the Enterprise Fund belonged to what can be labeled the Swedish industrial right-wing (*industrihögern*). Their reason for getting together was to make sure that *Svenska Dagbladet* did not fall into the wrong hands and that organized business had a strong voice in national media. In addition, their new organization could also be used to promote the interest of big business in other ways.

³³ *Protokoll för konstituerande av stiftelsen Näringslivets Fond*, 1940-06-04, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Tåmbros arkiv, CfN.

³⁴ Carlson and Lundahl, *Ett forskningsinstitut*, 87–90.

³⁵ Stenlås, *Den inre kretsen*, 80. *VÄD* 1943. It turned out that bank and insurance directors could not use their companies to pay for the entrance fee to the Fund, as these firms were subject to state regulations on capital use. Thus, Iwar Sjögren, deputy managing director of insurance company Skandia, paid his fee through AB Kungsträdgården, Stenlås, 87 (note 65).

³⁶ These were Axel Bergengren (vice-chairman), Helmer Stén (managing director), Carl August Wicander and Sten Westerberg, see *VÄD* 1939.

³⁷ *NÄFO/SNS*, B1:3, Näringslivets Fond, SAF, SAFs arkiv, CfN.

Totalitarian concerns

Nordenson got each of the thirteen founders of the Enterprise Fund to provide SEK 50,000, which together with a smaller loan from Handelsbanken was enough to buy *Svenska Dagbladet*. Formally, they were the Fund's trustees (*huvudmän*) and the number of potential trustees was doubled from 25 to 50 already at the second meeting, as the Fund took on new responsibilities. One such task, according to the bylaws, was to have "younger researchers and the politically interested" write research reports that were important for private enterprise and which the other business organizations were less suited for creating. At Nordenson's initiative, the first report was to study the relationship between the state and organized business.³⁸

Söderpalm writes that the German war success in 1940 had shaken faith in democracy and parliamentarism among some Swedish industry circles. Statism was on the rise and Sweden's dependence on the totalitarian states would most likely increase. At any time, a corporatist social model based on the organization of business in Germany and Italy could become a reality, even in Sweden. What would happen to business organizations then?³⁹ IUI also wrote a report on the German plan for a new economic order in Europe (sometimes referred to as *Neuropa*) and its consequences for Sweden. IUI's director Ragnar Sundén, who had made a study trip to Germany in January 1941, did not rule out that Sweden should partake in the new economic order that could become a reality after the war.⁴⁰ Two months later, Fund trustees Harald Nordenson and Sten Westerberg were part of a committee making another study trip to Germany, this time to study German technological research. They were very impressed with what they had seen.⁴¹

With the consent of the trustees, Nordenson wanted to analyze "if our current form of government with its heavy organization is at all suitable for its tasks or if one should, without plagiarizing any foreign role models,

³⁸ *Protokoll*, huvudmännen, 1940-10-31, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. Swedish: "yngre forskare och politiskt intresserade." Later, the Fund would provide scholarships to young researchers to pursue their academic careers or for travel and study tours, see e.g. *Styrelseprotokoll 1945-12-07*, Protokoll Styrelsen 1945, Näringslivets Fond Timbros arkiv, CfN.

³⁹ Söderpalm, *Direktörsklubben*, 103.

⁴⁰ Carlson and Lundahl, *Ett forskningsinstitut*, 105, 115–119. Sundén replaced Ivar Anderson as director in 1940.

⁴¹ Widmalm, "Vetenskap som propaganda," 59–60, 90.

perhaps should seek new ways of operating.”⁴² If these issues were suddenly to come up, Nordenson argued, it was important to be prepared. He also wanted the business organizations to take over some of the tasks currently being the responsibility of the state authorities in order to gain greater independence

Not least is such a development crucial if the business organizations are to be able to face the state-controlled business organs of the totalitarian states as equals. A model for this development could to some extent be brought from the south, but with our strongly diverging conditions, it could not be a copied, and the issue must be subjugated to a very thorough study.⁴³

Nordenson was also on the board of the Federation of Swedish Industries, where similar discussions had taken place. The managing director, Vilhelm Lundvik, had not been a great fan of parliamentarism even before the war and was now even more skeptical.⁴⁴ Clearly, the Fund’s trustees thought that the new organization could be used for studying matters of a more politically sensitive nature.

Sundberg’s study

Gustaf Söderlund had Conservative politician and professor Halvar Sundberg study this issue, which resulted in a report titled *Utredning rörande en korporationsrättslig organisation av näringslivet* (Study Regarding a Corporatist Legal Organization of Business).⁴⁵ In the report, the term *corporation* referred to an association gathering members of the same profession to manage common interests, such as social insurance. In the foreword, Sundberg made it clear that his report should not be read as arguing for or against a corporatist

⁴² *Protokoll*, huvudmännen, 1940-10-31, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. Swedish: “huruvida vårt statsklick med sin nuvarande tunga organisation överhuvud längre vore lämpat för sina uppgifter, eller om man, utan plagiering av främmande förebilder, måhända måste söka nya verksamhetsformer.”

⁴³ Swedish: “Icke minst vore denna utveckling nödvändig för att näringsorganisationerna skulle såsom jämbördiga kunna möta de statsdirigerade organen för de totalitära staternas näringsliv. Mönster för utvecklingen torde i viss mån kunna hämtas söderifrån, men med våra starkt avvikande förhållanden kunde [det] icke vara tal om någon kopiering, och frågan måste underkastas ett mycket ingående studium.”

⁴⁴ Söderpalm, *Direktörsklubben*, 101–107.

⁴⁵ *Utredning rörande en korporationsrättslig organisation av näringslivet*, F1:3 Utredningar, Näringslivets Fond, SAFs arkiv, CfN; On Sundberg, see *VAD* 1943.

organization of business, but that it merely outlined how this could be done if following Swedish legal traditions. It was not a matter of adopting arrangements in foreign countries, even if the report took a special interest in developments in Italy and Germany, where business had been organized in a corporatist way. However, the report made clear that this had happened after internal revolutions and by decree from authoritative states that also controlled the corporations politically. The main suggestion in the report was establishing eight self-governing trade and industry associations (*självstyrande näringsamfund*) that would include both workers and employers. These Swedish corporations should not be politically active.

In 1943, Söderlund suggested to the Fund's board that the report was to be followed by a study looking into the advantages and disadvantages with regard to private business should Sundberg's proposals be turned into law. Söderlund was very keen on the Fund procuring the rights to Sundberg's report as one could expect a debate if it were made public, something he believed would not be beneficial for the study. A committee was formed to oversee the study, consisting of Söderlund, Harald Nordenson and Conservative politician Karl Wistrand.⁴⁶ Political scientist Gunnar Heckscher (son of well-known economic historian Eli Heckscher and later in life party leader of the Conservative Party) and Alvar Odholm, a SAF secretary, were hired as experts for the study. Early in 1944, the Fund's board followed their suggestion not to proceed with Sundberg's proposal.⁴⁷ By now, it was clear that Germany and Italy would lose the war and that their way of organizing business life was no longer an issue that the industrial right-wing had to be concerned with.

Libertas and the support of the non-socialist press

A more pressing concern was the deteriorating financial situation for many non-socialist newspapers, especially outside the major urban areas.

⁴⁶ *Styrelseprotokoll 1943-02-12*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN; *Protokoll, huvudmännen, 1943-05-21*, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. Information on Wistrand see *Stockholmskällan*, <https://stockholmskallan.stockholm.se/post/28813>, accessed May 14, 2019.

⁴⁷ *Styrelseprotokoll 1944-01-19*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. On Heckscher, see *Nationalencyklopedin*, “Gunnar Heckscher,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/gunnar-heckscher>, accessed May 10, 2019.

Increasing competition had put pressure on these newspapers and ad revenues were now diminishing in the wake of war. If they were to survive, the business community had to ramp up its efforts in a more organized way and on a larger scale than previously. In the early 1940s, the boards of SAF, the Federation of Swedish Industries and the Enterprise Fund were all discussing the troublesome situation for the business-friendly press. In 1941, Ivar Anderson tasked the editor of *Hallandsposten*, Eric Hägge, with studying how the business community could support the non-socialist press in a more systematic manner. SAF and the Federation of Swedish Industries jointly paid for Hägge's study. The men of big business were concerned based on two reasons. As Stenlås notes, the press was considered the most important means for shaping public opinion. Traditionally, the newspaper market had been dominated by the non-socialist press. In the early 1940s, there were some 180 non-socialist newspapers compared to about 30 socialist newspapers.⁴⁸ But the rising ambitions of LO in supporting its own press were troubling. According to SAF's own estimates, LO had spent SEK 20 million on the socialist press between 1937 and 1942.⁴⁹

Through its substantial conflict fund amassed by its member firms, SAF was by far the richest business organization. On April 22, 1942, SAF's chairman Sigfrid Edström invited board members from SAF, the Federation of Swedish Industries and the Fund to discuss the press issue at the restaurant Operakällaren in Stockholm. They decided to set aside a large sum, SEK 10 million was suggested, from SAF's conflict fund. The money would be channeled through the Enterprise Fund.⁵⁰

To this end the Fund bought a company named Havarro from Svenska Handelsbanken. Havarro was formally owned by the Fund but was to be controlled by SAF through its board members.⁵¹ Havarro was soon renamed Libertas, and in order to hide its ties to SAF, the board members of the Fund (excluding the chairman Gustaf Söderlund due to his obvious ties to the employers) were trusted with the ownership of Libertas' shares. The initial

⁴⁸ Stenlås, *Den inre kretsen*, 94; *Styrelseprotokoll 1941-11-28*, A3A:37, SAF, SAFs arkiv, CfN.

⁴⁹ *Styrelseprotokoll 1944-09-28*, A3A:40, SAF, SAFs arkiv, CfN.

⁵⁰ Stenlås, *Den inre kretsen*, 98–102. For an account of the discussion in SAF's board on whether or not this was in accordance with SAF's bylaws, see Stenlås, 103–108.

⁵¹ *Styrelseprotokoll 1942-08-20*, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN.

payment from SAF to Libertas in 1942 was SEK 5 million, out of which SEK 200,000 had already been paid for an emergency rescue effort of *Nya Dagligt Allehanda*, a conservative evening paper in Stockholm originally founded in 1767. *Allehanda* now received an additional SEK 1 million to remain afloat.⁵²

The aim of Libertas was to make sure that there ought to be at least one strong non-socialist newspaper maintaining the interests of business in every area of distribution (*spridningsområde*). Preferably, both the Conservative Party and the Liberal Party should have one newspaper each in every such area.⁵³

The money offered *Allehanda* had given the Fund ownership of the almost bankrupt newspaper from its owner, the Conservative Party.⁵⁴ As with *Svenska Dagbladet* and Libertas, ownership was handled by a group of trusted men.⁵⁵ *Allehanda* had been in financial distress for a number of years and was facing even tougher competition as the Bonnier family, who owned the liberal morning paper *Dagens Nyheter*, had plans to launch a new evening paper. According to Ivar Anderson, *Dagens Nyheter* had in 1941 offered (without giving exact details) to collaborate with *Allehanda* (e.g., by sharing printing presses and office space). Anderson advised against this proposition due to the Jewish heritage of the Bonnier family, claiming that “such a collaboration could especially in these times of Jew-baiting entail certain risks for *Allehanda*.”⁵⁶ He did not specify what these risks entailed, but given Nazi

⁵² *Styrelseprotokoll 1942-09-28*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN; Holmberg, *Strategier mot pressdöden*, 13. *Allehanda* was traditionally pro-German and continued to be so even after the Nazi takeover in 1933. By that time, the Conservative Party had withdrawn its support of the newspaper due to a feud between the editor Leon Ljunglund and the party leadership. In 1936, Ljunglund left the newspaper, which then changed its view and renounced all types of dictatorship. In 1938, the Conservative Party bought the newspaper from businessman Axel Wenner-Gren, who had owned it for two years. During the war, the newspaper was loyal to the neutrality policy of the coalition government. See further, Torbacke, *Allehanda skepnader*, 212–214, 228, 248–249.

⁵³ *Styrelseberättelse 1944*, Styrelseberättelser, A3:3, Libertas, SAFs arkiv, CfN.

⁵⁴ *Styrelseprotokoll 1941-05-20*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN.

⁵⁵ *Styrelseprotokoll 1942-09-28*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN.

⁵⁶ *Styrelseprotokoll 1941-10-22*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. Swedish: “ett dylikt samarbete kunde särskilt i dessa judehetsens tider vara för-enat med vissa risker för *Allehanda*.” According to *Allehanda*’s biographer Torbacke (p. 226), *Allehanda* first approached *Dagens Nyheter* with the proposition to collaborate. *Dagens Nyheter* then replied with a cost estimate, but *Allehanda* thought it would be more profitable to continue on its own. Anderson was not exactly alone in his view that being too close to the Bonniers could be disadvantageous. During 1940 and 1941, there were rumors (false, it would turn out after the war) that the Bonnier family wanted to sell *Dagens Nyheter* and possibly their entire media house and move to America, something that the Swedish government encouraged. Journalist Staffan Thorsell writes how the minister of foreign affairs, Christian Günther,

Germany's military victories at this point, he probably envisioned a future where German influence over Sweden would increase. And in such a future, Anderson likely saw few upsides in being involved in business projects with Jews.

By the end of 1944, the original SEK 5 million was almost entirely used up, and SAF set aside an additional SEK 2.5 million. Of the 21 newspapers having received some kind of support, *Allebanda* had received almost half.⁵⁷ The same year, however, *Dagens Nyheter* finally decided to launch its evening paper *Expressen*, which was the nail in the coffin for *Allebanda*. SAF stopped subsidizing the newspaper, but this time a deal was struck between *Dagens Nyheter* and *Libertas* in which the former paid compensation for the shut-down of *Allebanda*.⁵⁸ The following year, there were plans to relaunch the newspaper in a slimmed-down format. Marcus Wallenberg agreed to contribute with SEK 300,000 if the Conservative Party pitched in the rest. Wallenberg wanted the newspaper to take “a big swing” at “socialization and tax coercion” (“*kraftiga tag*” mot “*socialisering och skattetvång*”), but the plans were never realized for several reasons, including a lack of funding and printing possibilities.⁵⁹

Another newspaper in distress that *Libertas* took a special interest in was the small liberal and Christian newspaper *Svenska Morgonbladet*. It received a total of SEK 800,000 between 1942 and 1948, which made it the largest recipient of business donations out of all liberal newspapers.⁶⁰ In 1944, SAF took full control of *Libertas*, which it after all financed on its own, and the Fund was relieved of its duties to support the press.⁶¹

offered the Bonniers money in the US if the newspaper was sold. German diplomats in Stockholm were also interested in seeing the family move, and eventually the question whether Germany should finance a buy-out of *Dagens Nyheter* led all the way to Adolf Hitler, who eventually said no, see Thorsell, *Mein lieber Reichskanzler!*, 175–180.

⁵⁷ *Styrelseprotokoll 1944-09-28*, A3A:40, SAF, SAFs arkiv, CfN.

⁵⁸ *Styrelseberättelse 1944*, Styrelseberättelser, A3:3, *Libertas*, SAFs arkiv, CfN. For more on the deal between *Libertas* and *Allebanda*, see Torbacke, *Allebanda skepnader*, 233.

⁵⁹ Torbacke, 238–243. Quote on p. 238.

⁶⁰ *Folkpartipressen*, A3:2, Stiftelsen pressorganisation, *Libertas*, SAFs arkiv, CfN. For details on the support to *Nya Dagligt Allebanda* and *Svenska Morgonbladet*, see Holmberg, *Strategier mot presslöden*, 30–34 and Stenlås, *Den inre kretsen*, 113–116.

⁶¹ *Styrelseprotokoll 1944-01-19*, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN.

Expanding the Fund

At the same time, the Fund decided to relinquish ties to *Svenska Dagbladet*. Facing a post-war political situation with a more radical social democracy, the trustees were planning to expand the Fund's capacity for business-friendly opinion molding. This required more resources and more trustees. The new members "were to be sought without regard to political outlook other than that they must all be convinced of the necessity of free enterprise."⁶² With a more heterogenous group of trustees, it seemed reasonable, both for the Fund and the newspaper, to dissolve the union between the two, as the Fund would also bring on board liberal-minded businessmen. The Fund's bylaws were changed so that the chairmen of the Svenska Dagbladet Foundation and the Svenska Dagbladet Aktiebolag (the foundation owned a majority of the stock in the latter) no longer had to be trustees in the Enterprise Fund. Also, the previous limit of 50 trustees was scrapped and the number of board members expanded from five to seven. With this divorce, the Fund and the newspaper could continue to work independently of each other, even if they were united in their goal to promote the interests of Swedish business.

To solve this practically, a new foundation called Stiftelsen Svenska Dagbladet was set up by the Fund. The new foundation would get to buy the Fund's stock in the paper for a petty sum. After ten years, the new foundation was expected to be in sufficiently good financial shape to pay back the Fund's initial investment by means of amortization payments and interest on the remaining amount. This way, the Fund would eventually recoup the investment it made in 1940. Trustees Nordenson, Hèrnod, Sjögren and Eiserman made up the interim board of Stiftelsen Svenska Dagbladet.⁶³

⁶² *Protokoll, huvudmännen, 1944-05-22*, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. Swedish: "skulle sökas utan annan hänsyn till politisk inställning än att de alla måste vara övertygade om nödvändigheten av ett fritt näringsliv." Cf. Stenlås, *Den inre kretsen*, 77–78, who is unaware of the reasons behind the expansion of the Fund. Instead, he writes that the new ownership structure for *Svenska Dagbladet* was created to further hide the link between the Fund and the newspaper. According to Stenlås, this was an example of the economic elite finding it difficult to get its self-image accepted by society at large.

⁶³ *Ibid.* The various ownership constructs set up around *Svenska Dagbladet* have almost identical names. The two original organs were called Aktiebolaget Svenska Dagbladets Stiftelse and Svenska Dagbladets Aktiebolag. The new foundation was called Stiftelsen Svenska Dagbladet.

Having cut its formal ties to both *Libertas* and *Svenska Dagbladet*, the Fund got involved in a new media project.

Arvid Fredborg and OBS!

In 1941, the new editor of *Svenska Dagbladet*, Ivar Anderson, sent 25-year-old correspondent Arvid Fredborg to Berlin. After being expelled two years later, Fredborg published a critical account of Nazi Germany from the inside, including an early account of the mass deportations and killings of Jews. The book *Bakom stålvalLEN* made him famous not only in Sweden but also abroad, as it was published in several languages.⁶⁴

Before becoming a war correspondent, Fredborg had been a leading figure in a group of nationalist and conservative students in Uppsala. In 1940 and encouraged by Ivar Anderson, the group published a manifesto called *Den svenska linjen*, where they laid out a nationalist response to the new dangerous situation having materialized after the Molotov-Ribbentrop pact and the German invasion of Denmark and Norway. The mission of the Swedes was to “together with the other Nordic people form a free and united North that constitutes the West’s bulwark against the East.”⁶⁵

It was a call for a quick rearmament of the Swedish defense forces. The relationship to Germany should be based on the mutual interest of the two countries in terms of avoiding a military conflict. A war would only pit two Germanic peoples against each other and “weaken the resistance against the wave of Slavic people” (“*försvaga motståndskraften mot den slaviska folkvågen*”).⁶⁶ The relationship to Soviet Russia could be pragmatic in nature, with economic exchange, as long as the Russians respected Finland’s independence. On the issue of immigration, the authors wrote that a “sound racial policy” (“*sund raspolitik*”) included rejecting, for instance, Jewish refugees.⁶⁷ When the student union in Uppsala a year earlier decided that Sweden ought to refuse giving working permits to Jewish doctors fleeing Germany after the

⁶⁴ Nordlund, *Att leda storföretag*, 348; Larsmo, *Djävulssonaten*, 111; Fredborg, *Bakom StålvalLEN* (see also the foreword by Jan Myrdal in the 1995 edition); Gedin, *Förläggartliv*, 48–49.

⁶⁵ *Den svenska linjen*, 2. Swedish: “med de övriga nordiska folken skapa ett fritt och enat Norden, som bildar Västerlandets bålverk mot öster.” On Fredborg’s relationship to Anderson and the Conservative Party leadership, see Fredborg, *Destination: Berlin*, 166–168. The manifesto is also discussed in Larsmo, *Djävulssonaten*, 106–109.

⁶⁶ *Den svenska linjen*, 11.

⁶⁷ *Den svenska linjen*, 23–24.

Kristallnacht, Fredborg and several people in his circle had been vocal proponents of the winning side.⁶⁸ In a letter to the Fund a few years later, Fredborg revealed that *Den svenska linjen* was also the name of a small club that had been organized as an embryo of a conservative resistance organization in case of a German occupation of Sweden.⁶⁹

In 1943, Gunnar Unger, who had written parts of *Den svenska linjen*, had initiated negotiations with Fund trustee Thorsten Hèrnod on financing a new conservative but non-partisan political magazine.⁷⁰ When Fredborg returned from Berlin, this discussion continued with the Fund's chairman Gustaf Söderlund, who was skeptical at first and more open to hiring Fredborg, together with an economist, to work more broadly with the Fund's opinion molding activities.⁷¹ However, Fredborg was more interested in realizing the magazine project, and during the spring, the Fund granted Fredborg a loan of SEK 150,000. He would personally invest SEK 40,000 from his book royalties and also calculated receiving SEK 100,000 in an advertisement guarantee form the publisher Norstedts. The Fund's condition for granting the loan was that the magazine would "promote a sound economy and free enterprise."⁷²

"An avantgarde organ in the antisocialist propaganda"

The new magazine was named *OBS!* and the first issue was published in April 1944 after which it was published every other week. According to the first editorial, written by Unger, its aim was to offer the readers knowledge and help them form opinions by means of short editorial comments based on a

⁶⁸ Larsmo, *Djävulssonaten*, 73–74. This was the so-called *Bollhusmötet*. Fredborg later wrote that he regretted his actions, Fredborg, *Destination: Berlin*, 143. Another member of the group, Th. Åke Leissner, became the first chairman of Sveriges konservativa studentförbund (the Conservative Student League of Sweden). The student league started publishing the still existing magazine *Svensk Linje*. In 1944, the Fund gave its first contribution to the league and its magazine, something that would continue for the entire period covered in this thesis, *Styrelseprotokoll 1944-08-17*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN.

⁶⁹ *Brev till Näringslivets Fond från Arvid Fredborg*, aug. 1946, Brev och handlingar rörande tidsskriften *OBS!* 1944–1947, Brev och andra papper – ämnesordnade, Arvid Fredborgs arkiv, Carolina Rediviva, Uppsala universitet.

⁷⁰ Unger, *Rapsodi i blått*, 226.

⁷¹ *Styrelseprotokoll 1943-10-25*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. According to Ivar Anderson, Fredborg was a very talented reporter but not a particularly eloquent writer, see *Styrelseprotokoll 1944-01-19*.

⁷² *Styrelseprotokoll 1944-03-06* Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN. Swedish: "främja en sund ekonomi och ett fritt näringsliv."

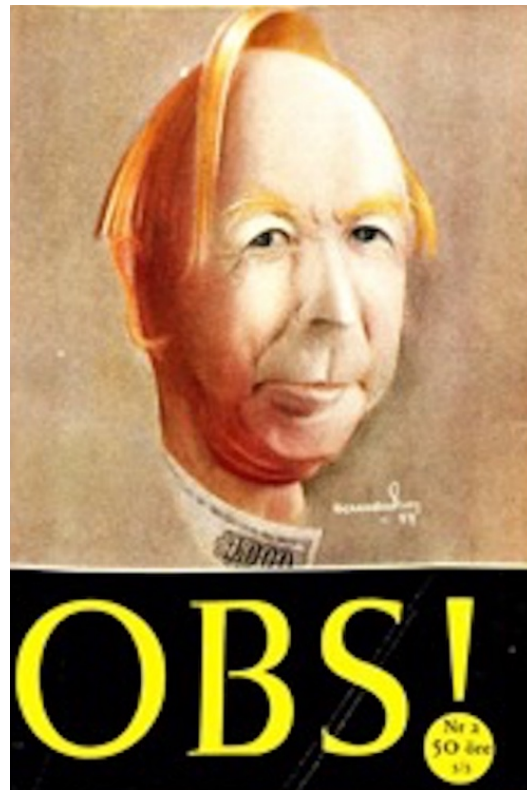
principle “to promote Swedish self-assertion and a Swedish go-ahead spirit in all areas.”⁷³ In addition, *OBS!* would also entertain its readers.

The magazine became known for its front cover caricatures, most frequently of politicians, but sometimes of movie stars or other celebrities (see Figure 3.1). It was more of a political than economic magazine, but it did not miss a chance to defend the Swedish industry and criticize the Social Democrats. After the 1944 election, Fredborg wrote that Sweden was facing far-reaching socialization and that Ernst Wigforss, the minister of finance, was about to enforce his doctrinaire program. Bureaucratization and state control over enterprise were to follow. To Unger, who took over as editor in 1949, *OBS!* was “an avantgarde organ in the antisocialist propaganda.”⁷⁴

⁷³ “Anmälan” *OBS!*, 1/1944. Swedish: “att stödja svensk självhävdelse och svensk framåtanda på alla områden”; Unger, *Rapsodi i blått*, 225.

⁷⁴ “Skrift på väggen,” *OBS!*, 11/1944; Unger, 234. Swedish: “ett avantgardeorgan i den antisocialistiska propagandan.”

Figure 3.1 Minister of Finance Ernst Wigforss on the cover of *OBS!*



Frontpage of the conservative magazine *OBS!*, 2/1944, with a caricature of Minister of Finance Ernst Wigforss. *OBS!* was financed by the Enterprise Fund.

OBS! faced financial problems already from the outset, and Fredborg had to redraft his overly optimistic budgets. But, as Söderlund told the board, companies joining the Fund were interested in *OBS!*, meaning that it served as a marketing tool for the Fund.⁷⁵ After about a year, it had a circulation of 20,000–25,000 copies, and Fredborg himself argued that from an opinion molding perspective, the mere existence of a conservative magazine was of great importance.⁷⁶ The magazine received attention when the Soviet

⁷⁵ *Styrelseprotokoll 1944-05-05*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CFN.

⁷⁶ *Styrelseprotokoll 1945-09-05*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CFN.

embassy in Stockholm demanded that the Swedish government confiscate it after what the Soviets thought was an insulting article about Stalin.⁷⁷

After about two years, Fredborg had to ask the Fund for more money. He was quite frank in a letter to the board, writing that “if we have succeeded politically, we must to ourselves and without reservations admit that we have failed economically.”⁷⁸ The success, Fredborg argued, was found in the fact that the magazine had sharpened the political debate, given the intellectuals something to gather around and annoyed the Social Democrats. Without more money, *OBS!* would have to be shut down. This was dangerous especially for the Swedish industry, as it would be seen as “non-socialist disarmament” (“*borgerlig nedrustning*”): “We are conducting a political war, and as is well known, war costs money. We wage this war due to our views but also for the Swedish industry.” He also appealed to the board as leaders of a group of conservative intellectuals to let *OBS!* live on, as it was the uniting link for the group behind *Den svenska linjen*.⁷⁹ The Fund’s board heard his arguments and ventured another 350 000 SEK on the project.⁸⁰

Fredborg had other financiers as well. In his letters to the Fund, he did not reveal who these were, but Therese Nordlund’s research shows that it was steel and shipping magnate Axel Ax:son Johnson.⁸¹ He was one of the Fund’s founding trustees but was skeptical of its working methods, feeling that it was too slow-moving. So, in addition, he ran his own projects against socialism and a planned economy. He also supported young “radical conservative” (“*radikalkonservativa*”) journalists with political ambitions. Fredborg served as a private correspondent for Johnson and received yearly

⁷⁷ “Stalinartikel kränkte Moskva,” *Dagens Nyheter*, 1945-05-19; Unger, *Rapsodi i blått*, 229.

⁷⁸ *Brev till Näringslivets Fond från Arvid Fredborg*, aug. 1946, Brev och handlingar rörande tidsskriften *OBS!* 1944–1947, Brev och andra papper – ämnesordnade, Arvid Fredborgs arkiv, Carolina Rediviva, Uppsala universitet. Swedish: “Om vi alltså lyckats politiskt, måste vi säga oss och oförbehållsamt erkänna, att vi misslyckats ekonomiskt.”

⁷⁹ *Ibid.* Swedish: “Vi föra ju ett politiskt krig, och krig kostar som bekant pengar. Vi föra detta krig därför att vi har de åsikter, vi ha, men också för den svenska industrin.”

⁸⁰ *Verksamhetsberättelse 1946*, Protokoll huvudmännen, 1947-05-29, Protokoll huvudmännen 1945-1950, Näringslivets Fond, Timbros arkiv, CfN. In addition, the Fund also supported other business friendly publications such as the retail business’ magazine *Vecko-Nytt*, see *Styrelseprotokoll 1948-11-12*, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

⁸¹ See, for instance, *Styrelseprotokoll 1945-29-10*, Näringslivets Fond, Protokoll styrelse och huvudmän 1940–44, Näringslivets Fond, Timbros arkiv, CfN; Nordlund, *Att leda storföretag*, 350.

scholarships between 1944 and 1955. So did Gunnar Unger. Johnson also gave *OBS!* a loan of SEK 100,000.⁸²

The threat from the left

In 1943, Minister of Finance Ernst Wigforss appointed the first state commission on post-war economic planning, while simultaneously leading the work of the Social Democrats and LO on a policy document of their own titled *Arbetarrörelsens efterkrigsprogram* (Post-War Program of the Labor Movement).⁸³ The British so-called Beveridge Plan was most likely an inspiration. Among other things, it proposed a social insurance scheme guaranteeing a certain standard of living in times of income losses and measures for full employment.⁸⁴

The Post-War Program of the Labor Movement and the Myrdal Commission

The purpose of the 27 policy proposals in the Post-War Program was to prevent an economic crisis and mass unemployment. It had three main headings: full employment, a fairer economic distribution and increased living standards and, lastly, greater efficiency and more democracy within the commercial and industrial sphere.

In general, the state should, at the expense of the market forces, take a more active part in coordinating the economic planning and also provide the individual with a social safety net: “Private interests should be subordinated to the goals which are jointly sought.”⁸⁵ A larger role for the state would increase economic efficiency.⁸⁶

In order to reach full employment, it suggested measures such as low interest rates, increased exports through state credits, better housing and

⁸² Nordlund, 332–335, 340, 348–351, 360. The term *radikalkonservativa* originates from Ljunggren, *Folkhemskapitalismen*, 74, 77.

⁸³ Söderpalm, *Direktörsklubben*, 108; *Arbetarrörelsens efterkrigsprogram*.

⁸⁴ Lewin, *Planbushållningsdebatten*, 215.

⁸⁵ *Arbetarrörelsens efterkrigsprogram*, 4. Swedish: “enskilda intressen underordnas de mål, som samfällt eftersträvas.”

⁸⁶ Swedish: ”Full sysselsättning”, ”Rättvis fördelning och höjd levnadsstandard”, ”Större effektivitet och mera demokrati inom näringslivet”.

public works. To reach a fairer economic distribution, its proposals included public social insurance and a wage policy based on solidarity (e.g., equal pay for equal jobs, including women's wages). To achieve greater efficiency and more democracy within the commercial and industrial sphere, it proposed that the state would play a greater role in coordinating investments, including a state-run commercial bank and nationalizing the insurance industry. Private apartment buildings (*hyreshus*) should gradually be transferred to municipal ownership. Item 23 stipulated that when private enterprise leads to mismanagement or monopolism, the state could either organize production on its own or socialize existing companies. The program also suggested that cartel agreements should be made public, as well as better consumer guidance and increased worker influence in management issues (this, however, was primarily up to the unions to negotiate with the employers).

The Post-War Program definitely had socialist ambitions, but at the same time, it did not rule out the contribution of private enterprise. Its main argument concerned increased state control over economic life. It stated that

To realize this program is to give business a new organization and to transform society in a socialist direction [...] [but] the Labor Movement does not want to stifle individuals' lust and ability to make contributions in economic life. [...] It believes that it is possible to an even larger extent than today to take men's enterprise and power of initiative in service of society. This is done by under public leadership coordinating both private, public and cooperative enterprise. It also occurs through an expansion of society's jointly owned companies. Transferring important natural resources and large accumulations of capital to the hand of society shall serve this purpose.⁸⁷

The Post-War Program was published in March, and in February, Wigforss had appointed the Commission on Economic Post-War Planning (*Kommisionen för ekonomisk efterkrigsplanering*), better known as the Myrdal Commission

⁸⁷ *Arbetarrörelsens efterkrigsprogram*, 30–31. Swedish: “Att förverkliga detta program är att ge näringslivet en ny organisation och att omdana samhället i socialistisk riktning [...] [men] Arbetarrörelsen vill inte kväva enskilda människors lust och förmåga att göra insatser i det ekonomiska livet. [...] Den tror det vara möjligt att i än högre grad ta människornas företagsamhet och initiativförmåga i samhällets tjänst. Det sker genom samordning under det allmännas ledning av både enskild, offentlig och kooperativ företagsamhet. Det sker också genom en utvidgning av samhällets gemensamma företag. Att föra över viktiga naturtillgångar och stora anhopningar av kapital i samhällets hand skall tjäna detta syfte.” The program also stated that socializing the import of fuel (coal and oil) could be considered, p. 60.

after its chairman, economist Gunnar Myrdal. Five men of industry (out of a total of 20 participants), all members of the Enterprise Fund, constituted the Commission's so-called business group (*företagargruppen*): Torsten Hèrnod, Harald Nordenson, Gustaf Söderlund, Ernst Wehtje and Hjalmar Åselius. Ingvar Svennilson, the director of IUI, served as an expert for the Commission.⁸⁸

The Commission foresaw a coming economic downturn that should be counteracted with an expansive fiscal policy aimed at sustaining demand, including higher unemployment benefits.⁸⁹ Although the businessmen handed in a reservation against this (it would be impossible to lower benefits when times got better), Söderpalm writes that the general attitude from the business group was one of cooperation and compromise with the rest of the Commission. Nordenson was clear that the business community had limits in terms of how far it could go but that some sort of cooperation with the government was necessary; for example, when it came to foreign trade.⁹⁰

Initial response from the business community

Within the business community, there were deviating views. ASEA's managing director, Thorsten Ericson, thought that Nordenson was way too lenient in relation to the Social Democrats, as did the Fund trustee Axel Ax:son Johnson, who feared that this was the beginning of a more totalitarian order. At the yearly business-state conference in Västerås called Arosmässan, Sten Westerberg, another Fund trustee, ventilated his frustration and wondered whether the industry representatives had not been taken hostage by the Commission and if it would not be better if they were to resign.⁹¹ Clearly, there was a rift within the business community cutting right through the Fund and its seven-man board (Söderlund, Hèrnod, Nordenson and Westerberg were all board members).

⁸⁸ Söderpalm, *Direktörsklubben*, 114–115. As Söderpalm does not really write about Näringslivets Fond, he fails to see the connection to the Fund. Söderlund was not a trustee but served as the Fund's chairman. Wehtje joined the Fund in 1942 and Åselius in 1944. In the same year, Wehtje also won a seat for the Conservative Party in the upper chamber. Gösta Liedberg, chairman of the Farmers' Association (Lantbrukarförbundet) was also considered part of the business group.

⁸⁹ Lewin, *Planbushållningsdebatten*, 246–247; *SOU 1944:57*, 135.

⁹⁰ Söderpalm, *Direktörsklubben*, 116.

⁹¹ Nordlund, *Att leda storföretag*, 330. Söderpalm, 118. For a more detailed description and background to Arosmässan, see Nordlund, *För näringslivets bästa?*, 45–48.

Among the things that the Commission agreed on were measures to enhance competition, including a state-run cartel registry, a gradual dismantling of the current regulations on merchandise and two joint committees on investments and trade. The investment committee (*investeringsrådet*) was up and running by November. It was based on voluntary agreements and aimed to adjust both public and private investments to the business cycle and regional employment needs. However, Lewin writes that it was obvious that the Social Democrats, including the Commission chairman Myrdal, were trying to implement proposals from their own Post-War Program through the Commission. The most difficult issue in terms of reaching a compromise was the structural rationalization of business. Especially Nordenson thought that the business sector should handle rationalizations on its own and feared that the Social Democrats would implement a permanent state agency for scrutinizing and surveilling business. During a discussion held at the Federation of Swedish Industries in late November, he thus proposed that industry would withdraw its representatives from the commission. Others agreed, including Hèrnod and Westerberg. However, they were outnumbered by those in favor of staying, whose arguments included that the public would hardly understand why the business community should withdraw.⁹²

The Social Democrats wanted to conduct specific studies into different branches of business in order to increase economic efficiency through rationalizations and possibly socializations. In addition to the insurance industry, other studies were appointed in 1945 to look into fuel imports and the shoe and stone industries. In July that same year, Myrdal said that the labor movement now faced “harvest time” (“*skördetiden*”). At the end of the month, he was made minister of trade in the Social Democratic government replacing the wartime coalition cabinet. The new administration adopted the Post-War Program as its government policy statement (*regeringsförklaring*).⁹³

⁹² Söderpalm, *Direktörsklubben*, 116–20; Lewin, *Planbushållningsdebatten*, 249–251. The term “structural rationalization” refers to how whole industries could be made more effective, *Nationalencyklopedin*, “struktur-rationalisering,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/strukturrationalisering>, accessed May 10, 2019.

⁹³ Larsson and Saving, *Nordstjernen inifrån*, 84; Nordlund, *Att leda storföretag*, 303. For more on Myrdal, see *K Gunnar Myrdal*, <https://sok.riksarkivet.se/sbl/artikel/8623>, SBL (author Bo Gustafsson), accessed May 10, 2019.

The program had both business leaders and the political opposition worried. In February, Conservative Party leader Fritiof Domö invited the business elite to a meeting at the Grand Hotel in Saltsjöbaden. They had two topics to discuss: “Business and the socialization threat” and “The businessmen and politics” (contributions from organized business and the activities of the Conservative Party). About 70 business leaders and party officials showed up. Nine out of the thirteen men who had founded the Enterprise Fund attended the meeting, which also included Gustaf Söderlund as well as both Jacob and Marcus Wallenberg.⁹⁴

The new information strategy of organized business

In the view of Gustaf Söderlund, who was a member of the Myrdal Commission and the joint chairman of SAF and the Fund, both the Post-War Program and the Commission were threatening Swedish business at its core. In a 1944 letter to recruit new trustees to the Fund, he wrote:

It has over time become evident that the vital interests of business are more threatened by political attacks than by other difficulties. A reference to what the labor movement’s so-called Post-War Program promises and what the Post-War Commission prepares should in this context speak for itself. The recently mentioned program implies a purpose for the political majority that indicates strong will and ruthlessness. The questions are not thought through, and the motives – in case decency requires such – must be constructed afterwards. In such a situation, it is of outmost importance for private enterprise to be able to present sustainable and good arguments in favor of a non-socialist production order, as well as to in different ways firmly establish its arguments and views among the broad public.⁹⁵

⁹⁴ *Program vid konferensen i Saltsjöbaden ... den 6 februari 1945 kl 10*, oförtecknat material, Näringslivets Fond, SAFs arkiv, CfN.

⁹⁵ *P.M av Gustaf Söderlund 1944-11-09*, E1:1, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “Det har med tiden blivit uppenbart, att näringslivets livsintressen komma att hotas mera av politiska angrepp än av andra svårigheter. En hänvisning till vad arbetarrörelsens s.k. efterkrigsprogram ställer i utsikt och vad efterkrigsplaneringskommissionen förbereder torde i detta sammanhang vara talande nog. Det nyssnämnda programmet innebär en målsättning för den politiska majoritetens del, som vittnar om stark vilja och betydande hänsynslöshet. Genomtänkta äro frågorna däremot icke, och motiven - i den mån man

This was a concern for all major business organizations, but it fell upon the Fund to take care of the “information- and propaganda activities” (“*informations- och propagandaverksambel*”) that could not be handled through the Federation of Swedish Industries’s more objective bodies, such as IUI. For the Fund, this implied more resources, which is why Söderlund wrote to some thirty large Swedish firms asking them to join the cause.⁹⁶ He was quite successful. The number of trustees increased from 17 in 1943 to 36 in 1945 (see Figure 4.1).

Keeping the major organizations away from propaganda

With few exceptions, the leading men in organized business agreed that SAF and the Federation of Swedish Industries should stay clear of the more propagandistic activities. Their joint institutions, Industriens upplysningstjänst (the Industry Information Service) founded in 1942 to inform about business in general (e.g., through courses and lectures) and Industriens presstjänst (the Industry Press Service), founded in 1944 to supply the press with news about business, did promote the interests of enterprise but refrained from engaging in political controversy.⁹⁷ Heavyweights like Gustaf Söderlund, Harald Nordenson and Nils Danielsen (the Federation of Swedish Industries’s chairman in 1947–1949) argued that the same logic applied to the major organizations. According to Nordenson, the Federation of Swedish Industries ought to remain impartial and not be dragged into contemporary political disputes. Danielsen argued that SAF and the Federation were *fackorganisationer* (“specialized organizations”). By avoiding to meddle in politics and propaganda, these organizations had earned valuable goodwill and were taken seriously as consultative bodies (*remissinstanser*). The business community should be careful not to jeopardize these values.⁹⁸ Ernst Wehtje and Gustaf Settergren, the

anständigtvis anser sig behöva sådana - få väl konstrueras i efterhand. I ett sådant läge är det av utomordentlig vikt för det enskilda näringslivet att kunna dels presentera hållbara och slående argument till förmån för en icke socialistisk produktionsordning, dels på olika sätt hos den stora allmänheten finna, förankring för sina argument och sina meningar.”

⁹⁶ Ibid. and *Protokoll huvudmännen 1945-03-13*, Protokoll Huvudmännen 1945–1950, Näringslivets Fond Timbros arkiv, CfN.

⁹⁷ *Styrelseprotokoll (including bilaga A+B)*, 1948-01-15, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

⁹⁸ *Styrelseprotokoll*, 1948-02-18, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; *Nationalencyklopedin*, “Nils Danielsen,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/nils-danielsen>. accessed April 1, 2019.

Federation of Swedish Industries's managing director in 1941–1955, highlighted the National Association of Manufacturers in the US as a cautionary example of a propaganda organ with no real ties to the authorities.⁹⁹

However, this does not mean that people like Wehtje, Nordenson and Söderlund were against the business community propagating its cause. Instead, they wanted the more propagandistic efforts to be handled outside of the major organizations. Sven Anders Söderpalm writes that these three business leaders never lost faith in the research capacity of the business community and that they launched the PHM propaganda after a long period of hesitation.¹⁰⁰ This is simply not correct. What is shown in this chapter is that they actually acted quite swiftly and definitely used methods other than writing reports and taking part in government committees.

Byrån för Ekonomisk Information

What the Fund needed was an operational arm that could disseminate business-friendly communication to a broad audience. In addition to safeguarding the ownership of *Svenska Dagbladet*, the trustees had always been open to broadening the Fund's mandate in defending the interests of the business community. This had been discussed repeatedly by the board but the first more concrete suggestion was introduced in 1944 when an ink manufacturer from Filipstad, Per Wenander, proposed that the Fund should launch Byrån för Ekonomisk Information (the Bureau for Economic Information, “the Bureau”) under his leadership.¹⁰¹

At a meeting at the Federation of Swedish Industries on January 27, Wenander explained his ideas to some 15 people, including the Fund's board members. A committee was formed consisting of Lars Akselsson from Skattebetalarnas Förening (The Taxpayers' Association), Gustaf Borgström from Sveriges Köpmannaförbund (The Swedish Merchants' Association), Wilhelm Josephson (a merchant and Fund trustee), packaging entrepreneur Ruben Rausing and Folke Stenbeck from advertising agency Ervaco.¹⁰² After some initial hesitation (the committee wanted to hold off a more general

⁹⁹ Söderpalm, *Direktörsklubben*, 151.

¹⁰⁰ Söderpalm, 111.

¹⁰¹ For the early discussions, see, for instance, *Styrelseprotokoll 1943-02-12*, Protokoll styrelse och huvudmän 1940-44, Näringslivets Fond, Timbros arkiv, CfN; Eskilsson, *Från folkhem*, 34.

¹⁰² *Brev från Gustaf Söderlund till Per Wenander*, 1944-01-19, E1:1, Näringslivets Fond, SAFs arkiv, CfN.

propaganda effort until the term free enterprise had been clearly defined), Wenander's agency was up and running by October.¹⁰³ An advisory council, first chaired by Lars Akselsson and from March 1945 by Sten Westerberg, assisted Wenander in his work.¹⁰⁴ The Executives' Club's (*Direktörsklubbens*) secretary Sven Erik Österberg had had similar ideas to Wenander and was made a member of the council. In a memo to the club he wrote that "[...] private enterprise [...] has never been as threatened as is now the case".¹⁰⁵ Overall, the Executives' Club was very positive to Wenander's efforts.¹⁰⁶ To the advisory council, Wenander explained the Bureau's purpose

That the Swedish people through independent thinking in economic issues shall be able to judge what economic social order, in the long run best answers to the principles of economic freedom and at the same time best serves a by all wished for, continued increase in prosperity for the broad masses.¹⁰⁷

In the spring of 1945, Wenander had come up with more precise plans and cost estimates, which he presented both to the board of the Federation of Swedish Industries and the Fund's trustees.¹⁰⁸ When addressing the Fund, he was very clear when claiming that the non-socialist parties and their press were not sufficiently powerful to fend off the socialist attacks from an increasingly powerful social democracy that held a majority in parliament and whose press was on the rise. Business itself had to intervene. He argued that

In this rather dark situation, there is only one phenomenon that can turn developments around and that is free enterprise itself. Within free enterprise, there are, above all, the resources but also the experiences, facts and proofs that speak

¹⁰³ *Styrelseprotokoll, 1944-08-17*, Protokoll Styrelse och huvudmän 1940–44, Timbros arkiv, CfN. To his assistance, Wenander also had an advisory council chaired by Sten Westerberg, see *Brev från C.G Lundberg*, Styrelseprotokoll 1946-05-11, A2:1, Näringslivets Fond, SAFs arkiv, CfN.

¹⁰⁴ *Byrån för Ekonomisk Information, sammanträde 1945-03-06*, mapp 6, volym 2, FUIF's arkiv, RA.

¹⁰⁵ *Styrelseprotokoll FUIF 1944-06-07, Bilaga B*. Swedish: "[...] den enskilda företagsamheten [...] aldrig tillförne varit så hotad som den är nu"; *Styrelseprotokoll FUIF 1944-10-10*, volym 1, FUIF's arkiv, RA.

¹⁰⁶ *Styrelseprotokoll 1945-02-08*, volym 1 Protokoll 1933-1945, Direktörsklubbens arkiv, RA.

¹⁰⁷ *Protokoll i Arbetsgivareföreningens lokaler 1944-10-16*, mapp 6, volym 2, FUIF's arkiv, RA. Swedish: "att svenska folket genom självständigt tänkande i ekonomiska samhällsfrågor skall bli i stånd att bedöma vilken ekonomisk samhällsordning, som i det långa loppet bäst motsvarar den individuella frihetens principer och samtidigt bäst gagnar en av alla önskad, fortsatt välförhållning för de breda lagren"

¹⁰⁸ *Styrelseprotokoll 1945-02-28*, A1:16, Sveriges Industriförbund, Svenskt Näringslivs arkiv, CfN.

for themselves. The business community itself must intervene with an immense force in an enlightening formation of public opinion if we are to have any chance of saving to the afterworld the foremost prerequisites for continuous progress, namely the freedom and right to engage in own initiatives and risky undertakings to a larger or smaller extent.¹⁰⁹

Through the Bureau, Wenander established contact with the non-socialist press, which he then served with business-friendly articles. He also wrote debate contributions in the socialist newspapers. The ambition was to establish a more permanent press department within the Bureau.

Enskilda Banken's "duplicitous game"

However, such an institution already existed. Early in 1945, Axel Ax:son Johnson, together with banker Jacob Wallenberg and tobacco manufacturer Robert Ljunglöf, had launched *Näringslivets Information* (Enterprise Information), the driving force being liberal newspaper editor Johannes Anton Selander.

The three businessmen knew each other well. Ljunglöf and Johnson were both on the board of Wallenberg's Stockholms Enskilda Bank. According to Tore Sellberg, who was head of the Bureau from 1945 to 1962, as soon as businessmen connected to Handelsbanken and Skandinaviska Banken set up information agencies for opinion molding, there would soon be similar, but competing, efforts undertaken by companies within the Enskilda Banken Group. In general, Sellberg argues that during the entire 44-year reign of the Social Democrats, Enskilda Banken played a duplicitous game. While the bank's top leadership enjoyed a very rewarding relationship with leading Social Democrats (I return to this in the next chapter), they supported opinion

¹⁰⁹ *Bilaga 2: Redogörelse i Näringslivets Fond 13/3 -45, Protokoll huvudmännen 1945-03-13, Protokoll Huvudmännen 1945-1950, Näringslivets Fond Timbros arkiv, CfN. Swedish: "I denna tyvärr ganska mörka situation finns det endast en företeelse, som har någon chans att vända utvecklingen, och det är det fria näringslivet självt. Inom detta finns först och främst resurserna, men även de erfarenheter, fakta och bevis, som tala sitt tydliga språk. Näringslivet självt måste ingripa med en oerhörd kraft i den upplysande opinionsbildningen, om vi skola ha någon chans att till eftervärlden rädda de främsta förutsättningarna för fortsatt framåtskridande, nämligen friheten och rätten till egna initiativ och riskbärande insatser i stort och smått."*

molding activities based on “more extreme positions than what organizations and parties were ready to take.”¹¹⁰

The main task of Enterprise Information was to provide the non-socialist press (not including newspapers loyal to the Farmers’ League, as they, according to Selander, were not considered reliable) outside of the urban areas with articles and stories promoting free enterprise “in order to fend off the insistent socialization threat.”¹¹¹ Wenander’s plan was to coordinate and work closely with Selander.

Wenander’s propositions

Furthermore, Wenander wanted an ideological program for organized business that would serve as an alternative to the Post-War Program. This included a critical review of Beveridge’s book *Full Employment in Free Society*.¹¹² Other ideas included opinion polls (which had just been introduced in Sweden), ads and brochures aimed at the public, motion pictures, statistical material on the difference in efficiency between public and private enterprise, public speaking by businessmen and information in schools.¹¹³ Overall, it was important that the companies themselves participated in influencing their workers with regard to basic economics.

The Fund’s trustees agreed to all of Wenander’s propositions. To pay for Wenander’s many ideas, more trustees and increasing financial contributions were needed. During 1945, a yearly fee of SEK 4,000 per trustee was introduced as well as an additional fluctuating fee based on the firms’ equity and net profit over the last three years. The previous fixed entrance fee would also be based on equity and net profits. The fluctuating fee would be levied when the fixed fee did not cover the Fund’s expenses, and it was decided by the trustees’ annual meeting.¹¹⁴ It was estimated that the Fund cost about

¹¹⁰ Sellberg, “Direktörsklubben,” 414. Swedish: “...från ofta extremare ståndpunkter än vad organisationer och partier var beredda att inta.”

¹¹¹ Larsson and Saving, *Nordstjärnan inifrån*, 84; Nordlund, *Att leda storföretag*, 356–37. Quote from Larsson and Saving, in Swedish: “För att avvärja det påträngande socialiseringsshotet.” Note that Stenlås, *Den inre kretsen*, 222, thinks that Näringslivets Information was financed by the Fund.

¹¹² This was eventually turned into an inter-Nordic project and continued all through the 1950s but without success. For an in-depth description of these attempts, see Chapter 4 and Westerberg, “The Alternative.”

¹¹³ Esaiasson, *Svenska valkampanjer 1866-1988*, 168. The Gallup technique had been introduced in 1942. Two years later, the Gallup Institute managed to correctly predict the election outcome.

¹¹⁴ *Styrelseprotokoll 1945-05-05*, Protokoll Styrelsen 1945, Näringslivets Fond Timbros arkiv, CfN.

SEK 780,000 per year, where the propaganda activities (*propagandaverksamheten*) (i.e., ads, brochures and books) amounted to about half. Ragnar Sundén, Conservative undersecretary of state and previous manager of IUI, was hired on a half-time basis to manage the Fund's affairs.¹¹⁵ Late in 1945, the Bureau got its own offices on Kungsgatan 72, which had previously housed *Nya Dagligt Allehanda*. Wenander stepped down as managing director of the Bureau and was replaced by the younger Tore Sellberg, who had been employed for about six months.¹¹⁶

Do you want freedom or compulsion?

Parallel to the launch of the Bureau, The National Federation of Swedish Insurance Companies (Svenska Försäkringsbolags Riksförbund) had launched its own public relations campaign. As mentioned earlier, insurance companies could not belong to the Fund. In the Post-War Program, the insurance industry had been singled out for socialization and the social democratic and communist press wrote critically about insurance company practices, the large number of personal ties to the non-socialist parties and the managers' wages.

These information efforts had two aims. First, to explain the necessity of insurance and how the industry functioned. Second, to propagate for free enterprise in general, including a privately operated insurance business. Campaign measures included nationwide newspaper ads, prewritten articles to the press, Gallup polls, films and a folder printed in 1.5 million copies portraying Engelbrekt Engelbrektsson (a Swedish 15th-century rebel, later statesman who came to be used as a symbol for freedom) with the title *Vill du ha frihet eller tvång?* (Do you want freedom or compulsion?).¹¹⁷

Bringing Hayek (and Röpke) to Sweden

The feeling of resentment toward the Social Democrats among leading businessmen is noticeable in their informal comparisons between especially

¹¹⁵ *Styrelseprotokoll 1945-08-17*, Protokoll Styrelsen 1945, Näringslivets Fond Timbros arkiv, CfN; Carlson and Lundahl, *Ett forskningsinstitut*, 119.

¹¹⁶ *Styrelseprotokoll 1945-12-07*, Protokoll Styrelsen 1945, Näringslivets Fond Timbros arkiv, CfN. Sellberg had been hired on June 1, 1945, see *Styrelseprotokoll 1945-05-30*.

¹¹⁷ Grip, *Vill du frihet eller tvång?*, 129–132; *Nationalencyklopedin*, “Engelbrekt Engelbrektsson,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/engelbrekt-engelbrektsson>, accessed March 6, 2019.

Wigforss and Myrdal, on the one hand, and the Nazis on the other. When journalist Tage Lundgren (who worked closely with Axel Ax:son Johnson) had written an editorial with the headline “Will Myrdal become our Führer?” Söderlund replied that this was indeed a fair comparison as the aims of the Nazis and the Swedish Social Democrats were strikingly similar. Johnson himself thought that Wigforss had become a new Hitler, and ASEA’s manager Thorsten Ericson argued that the ideas regarding a planned economy represented the beginning of a “Nazification (...) of our social life.” Liberal Party leader Bertil Ohlin was more open in his critique claiming that in Germany, the Jews were blamed for everything while in Sweden, “a mystical ‘big business’” served as the scapegoat.¹¹⁸ According to SAF’s periodical *Industria*, private enterprise in Sweden was fighting on three fronts: against German national socialism, Bolshevik state capitalism and domestic socialism.¹¹⁹

A road to serfdom?

That a more planned economy as well as nationalization, albeit only at a limited level, would eventually lead to a totalitarian dictatorship was the main argument of Austria-born economist Fredrich von Hayek. In 1944, the Fund translated and paid for the Swedish publication of his book *The Road to Serfdom (Vägen till trälldom)*. Although the book became a cornerstone for non-socialist arguments against a planned economy and was very well-received by the liberal and conservative press, it was not an immediate success among the broader public. By the end of 1945, 430 copies had been distributed to the bookstores.¹²⁰ His four-day visit in January 1946 was paid for by the Federation of Swedish Industries, but he was officially invited by Nationalekonomiska föreningen, an association for Swedish economists. He gave his lecture at the Stockholm School of Economics on the topic of “The Political Consequences of Planning.”¹²¹ He also met with the renowned

¹¹⁸ *Brev till Gustaf Söderlund från Tage Lundgren 1945-06-07* and *Brev till Tage Lundgren från Gustaf Söderlund 1945-06-08*, E1:1, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; Larsson and Sving, *Nordstjärnan inifrån*, 84; Nordlund, *Att leda storföretag*, 303. Swedish: “Nazifiering (...) av vårt samhällsliv” and “en mystisk ‘storfinans’.”

¹¹⁹ Dahlqvist, *Fri att konkurrera*, 165.

¹²⁰ *Styrelseprotokoll 1945-12-07*, Protokoll Styrelsen 1945, Näringslivets Fond, Timbros arkiv, CfN; Lewin, *Planbushållningsdebatten*, 271.

¹²¹ *Styrelseprotokoll 1945-12-18*, A1:16, Sveriges Industriförbund, CfN; *Brev från Nationalekonomiska föreningen till Byrån för Ekonomisk Information*, 1946-01-04, Oförtecknat material, Näringslivets Fond, SAFs arkiv,

economist Eli Heckscher and the editor of *Dagens Nyheter*, Herbert Tingsten.¹²² About a year and a half later, another key figure associated with free-market economics, Wilhelm Röpke, also lectured at the school on the topic of “The Crisis of Collectivism.”¹²³ He was invited by the Enterprise Organization for Cooperation (Näringslivets Samarbetsorganisation), which gathered all major business organizations, but Röpke’s visit had been arranged by Tore Sellberg at the Bureau through his Danish colleague Christian Gandil.¹²⁴

According to Leif Lewin, Hayek truly managed to, in a concise form, articulate the anxiety of non-socialists felt planned economy proposals. For the probably best-known political commentator during the decade, Herbert Tingsten, reading Hayek made him rethink his ideological views and leave social democracy for liberalism.¹²⁵ Based on Hayek’s reasoning, the critique from the right had two main arguments. First, the freedom argument, meaning that nationalization would not stop at a certain industry, and even if dictatorship was not the intent, it would be the outcome. Second, the efficiency argument, meaning that a state-run economy would be non-flexible and bureaucratic. Economic ruin would follow from the stifling of free enterprise, overspending, ignorance of the free price mechanism and the lack of free trade.¹²⁶

The first Swedish ties to Hayek’s Mont Pelerin Society

As Lewin points out, similar ideas had been formulated by Swedish economists Gustav Cassel and Eli Heckscher well before the publication of *The Road to Serfdom*. In 1921, Heckscher had written *Old and New Economic Liberalism*, which, according to political scientist Dieter Plehwe, was probably “the first foray into the twentieth-century reconsideration of the problems of how to secure a free market and to appropriately redefine the functions of the

CfN. *Dagens Nyheter*, 1946-01-06, “Liberal ekonom tror ej på planhushållning”; *Dagens Nyheter*, 1946-01-10, “Företagsfrihet och dirigerering kan inte blandas hur som helst.”

¹²² Olsen, “Second Hand Dealer,” 156.

¹²³ *Dagens Nyheter*, 1947-10-27, “Höj priser och räntor, säger expert”; *Dagens Nyheter*, 1947-10-28, “Kommandohushållningen i Europa har utarmat folken, säger Röpke.”

¹²⁴ *Brev till Tore Sellberg från Christian Gandil*, 1947-09-15, oförtecknat material, Näringslivets fond, SAFs arkiv, CfN. Around this time, Sellberg also established contacts with the Foundation for Economic Education in the US, see Chapter 4.

¹²⁵ Tingsten, *Mitt liv* 2, 354–356.

¹²⁶ Lewin, *Planhushållningsdebatten*, 308–316.

state in order to attain that goal.”¹²⁷ Heckscher was also among those intellectuals invited by Hayek to his Mont Pelerin Society (MPS) founded in 1947 for those who “see danger in the expansion of government, not least in state welfare, in the power of trade unions and business monopoly, and in the continuing threat and reality of inflation.”¹²⁸ Whether or not Heckscher actually participated in any meetings is not clear. He is listed as a “member on incorporation” but was definitely not present at the inaugural meeting.¹²⁹ What Hayek wanted to do was to create an organization of liberal intellectuals that would break their isolation and together fight the rise of socialism and planned economy. Its precursor, the Colloque Walter Lippman, attended by Hayek and several other future MPS members had met in Paris in 1938. Here, they defined the concept of *neoliberalism* as prioritizing the price mechanism, free enterprise, a system of competition and a strong and impartial state.¹³⁰ The MPS statement of aims reads¹³¹

[...] The central values of civilization are in danger [...] The group holds that those developments have been fostered by the growth of a view of history which denies all absolute moral standards and by the growth of theories which question the desirability of the rule of law. It holds further that they have been fostered by a decline of belief in private property and the competitive market; for without the diffused power and initiative associated with these institutions it is difficult to imagine a society in which freedom may be effectively preserved. [...] The group does not aspire to conduct propaganda. [...] Its object is solely, by facilitating the exchange of views among minds inspired by certain ideals and broad conceptions held in common, to contribute to the preservation and improvement of the free society.

Even though Hayek was well-received in Sweden, he found it difficult to recruit Swedes to MPS. Herbert Tingsten attended the inaugural conference but, according to another participant, furiously left the meeting when he was not allowed to speak for as long as he wanted. Tingsten’s own recollection was that he in a debate had said that “if this is liberalism, then I am probably

¹²⁷ Lewin, 271–272; Plehwe, “Introduction,” 10.

¹²⁸ Quote from Mont Pelerin Society website, <https://www.montpelerin.org>, accessed September 6, 2017. Hartwell, *A History of the Mont Pelerin Society*, 32.

¹²⁹ Hartwell, *A History of the Mont Pelerin Society*, 45–51

¹³⁰ Mirowski and Plehwe, *The Road from Mont Pelerin*, 13–14, 16, 24–25 (quote).

¹³¹ Hartwell, *A History of the Mont Pelerin Society*, 41–42.

still a socialist.”¹³² Hayek also invited Liberal Party leader and economist Bertil Ohlin to be a founding member, but he did not attend the first meeting and definitely never joined. In 1958, economist Erik Lundberg was elected member. Whether or not he attended any meetings is also unclear, as he has not left any traces in the Mont Pelerin archives,¹³³ nor is he listed in the membership directory in 1981.¹³⁴

In addition, the Fund also translated and published the book *Ordeal by Planning* by economist and MPS member John Jewkes (with the more poignant Swedish title *I planhushållningens skärseld*) and commissioned reports critical of state intervention in the economy. In 1945, Professor Gustaf Åkerman studied issues related to full employment and the theories of Keynes and Beveridge. Professor Berthold Josephy also wrote a critical analysis of the Post-War Program.¹³⁵

The campaign starts

In the spring of 1945, Söderlund tasked Wenander, Fredborg and journalist Allan Hernelius to come up with propaganda measures (*propagandaåtgärder*) in the forms of ads and brochures. Based on their recommendation, a national ad campaign created by advertising agency Ervaco was launched in the summer covering 200 newspapers and weekly magazines of all political colors. In some newspapers, the ad ran more than once. Business-friendly editorial offices were notified of the campaign to gain greater traction. The advertisement (see Figure 3.2) consisted of pictures and quotes from US president Roosevelt and American labor leaders where they praised free enterprise and free competition. The quotes were then contrasted with the Swedish Post-War Program. At the bottom of the ad, it says “Free competition and free men are the backbone of our free society.”


¹³² Bröms, “Arvid Fredborg som nyliberal,” 38; Tingsten, *Mitt liv* 3, 334–35.

¹³³ Leeson, *Hayek*, 28; Offer and Söderberg, *The Nobel Factor*, 9, 104.

¹³⁴ *Membership directory Fall 1981*, The Montpellerin Society, F7:7, Näringslivets Fond, Timbros arkiv, CfN. In this directory, Heckscher is listed as a deceased member.

¹³⁵ *Återblick på fondens verksamhet (Bilaga A)*, B1:2, Näringslivets Fond arkiv, SAFs arkiv, CfN. Jewkes, *Ordeal by Planning*; Josephy, *Program och verklighet*; Åkerman, *Engelsk arbetslöshet och arbetslöshetspolitik*.

Figure 3.2 The ad launching the PHM campaign



»Uppmuntra den enskilda företagsamheten!»

Jag tror på fri företagsamhet — jag har alltid trott på den. Jag tror på företagarvinstens betydelse i produktionssystemet — det har jag alltid gjort. Jag tror, att enskild företagsamhet kan ge vårt folk full sysselsättning. Jag tror på nyttan av rik belöning för nya initiativ, skicklighet och riskvillighet inom affärlivet. Vi skola avskaffa produktions- och priskontroll, så snart de inte längre behövas — och uppmuntra den enskilda företagsamheten att producera, i ständigt växande omfattning, under fri och öppen konkurrens.»

(Franklin D. Roosevelt i november 1944)


Den 28 mars i år publicerades i Amerika ett efterkrigsprogram, under tecknat av bl. a. ordförandena i de båda fackförbunden American Federation of Labor (AFL), *William Green* och Congress of Industrial Organizations (CIO), *Philip Murray*. Även detta belyser amerikansk inställning till stat och näringsliv. I programmet heter det bl. a.:

Ohat välstånd för alla inbegriper högsta grad av produktion och sysselsättning till löner som trygga en stadig ökning av levnadsstandarden. Förbättrad produktionseffektivitet och tekniskt framåtskridande måste därför oavbrutet främjas.

Den privata äganderätten och handlingsfriheten under ett system av *privat kapitalism i fri tävlan* måste fortfara att utgöra grundvalen för vårt lands fredliga och lyckosamt expanderande ekonomi. *Fri konkurrens och fria män är vårt fria samhälles styrka.*


Företagsledningens *naturliga rätt och plikt* att leda ett företags verksamhet *skall erkännas och bevaras.* För att företagsamheten skall kunna utvecklas och expandera och skörda skälig vinst måste företagsledningen vara *fri från* såväl onödigt statligt ingripande som *betungande restriktioner.*»

Detta efterkrigsprogram skiljer sig från det i den svenska arbetarrörelsens namn utgivna som dag från natt. Ledarna för U. S. A:s miljoner arbetare tro icke på statsmonopol och socialisering. Svenska och amerikanska förhållanden äro inte i allo lika. Men även för vårt land gäller:



ARBETARLEDAREN GREEN
tror på »privat kapitalism i fri tävlan».

Företagsledningens *naturliga rätt och plikt* att leda ett företags verksamhet *skall erkännas och bevaras.* För att företagsamheten skall kunna utvecklas och expandera och skörda skälig vinst måste företagsledningen vara *fri från* såväl onödigt statligt ingripande som *betungande restriktioner.*»



ARBETARLEDAREN MURRAY:
»Företagsledningens rätt och plikt att leda skall bevaras.»

**»Fri konkurrens och fria män
är vårt fria samhälles styrka»**

The business campaign kicked off in 1945 with a national ad campaign with quotes from the American president and labor leaders praising free enterprise. Source: E1:1, Näringslivets Fond, SAFs arkiv, CfN.

The campaign would intensify during the fall and winter with films, public meetings, editorial texts and other activities. At the core, there was a brochure

printed in 1.6 million copies and distributed to more or less every household in Sweden. The Fund's board set aside SEK 50,000 for the ad and SEK 150,000 for the brochure.¹³⁶ Conservative Party leader Fritiof Domö was informed about the brochure and wanted it sent out around Easter.¹³⁷ Both the ad itself and the fact that the sender was anonymous were fiercely criticized in the social democratic press, which was informed about the Fund and the Bureau by this time. The leading social democratic newspaper *Morgon-Tidningen* speculated regarding the size of the Fund and mocked the Bureau's Per Wenander.¹³⁸

The campaign that had just been launched has gone down in Swedish history as *planbushållningsdebatten* (the planned economy debate), and those siding with business were called *planbushållningsmotståndet* (the planned economy resistance, or PHM for short) after a reply from Prime Minister Hansson to an open letter from SAF's chairman addressed to "*Herr Direktör Gustaf Söderlund, Planbushållningsmotståndet (PHM).*"¹³⁹ LO also mounted a counter-campaign against "*storfinansens*" ("big business") before the 1946 municipal elections, see Figure 3.3. A poster by LO that read "*Folkets väl går före storfinansens*" (The good of the people before the good of big business) received a great deal of attention and was widely discussed in the press.¹⁴⁰

¹³⁶ *Styrelseprotokoll 1945-06-08*, Protokoll Styrelsen 1945, (see especially bilaga 1, P.M angående vissa propagandaåtgärder), SAFs arkiv, and *P.M 1945-06-13*, E1:1, Näringslivets Fond, Timbros arkiv, CfN. For more on Hernelius, *Nationalencyklopedin*, "Allan Hernelius," <http://www.ne.se/uppslagsverk/encyklopedi/lång/allan-hernelius>, accessed May 13, 2019. The brochure was eventually printed in 1.3 million copies, see *Sammanträde med Huvudmännen 1947-05-29*.

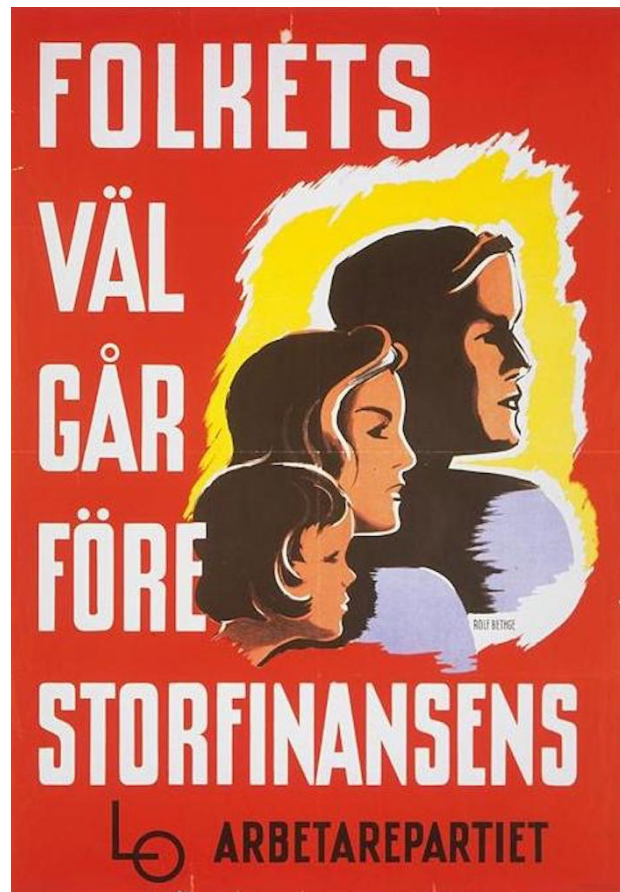
¹³⁷ *Styrelseprotokoll 1946-02-05*, A2:1, Näringslivets Fond, SAFs arkiv, CfN.

¹³⁸ Wenander, *Socialistisk "saklighet."*

¹³⁹ Lewin, *Planbushållningsdebatten*, 321.

¹⁴⁰ Esaiasson, *Svenska valkampanjer 1866–1988*, 184; Lewin, *Planbushållningsdebatten*, 323.

Figure 3.3 A poster from LO's counter-campaign "The good of the people before the good of big business."



Source: Kungliga biblioteket

Brochures and advertisements

The brochure was titled *Jag vill ha bättre betalt* (I want better pay) and came out in 1946 under the Bureau's name. It was a 16-page booklet whose main message was that the prerequisite for higher wages and a more secure existence was private ownership, free initiative, trade, competition and non-socialization, see Figure 3.4.¹⁴¹ A proof had leaked from the printer and was mocked in the social democratic press as big business propaganda before it

¹⁴¹ *Jag vill ha bättre betalt.*

had been sent out to the public.¹⁴² However, both Sellberg and the Bureau's advisory council considered the brochure a success once it had reached its recipients and been reviewed in the press.¹⁴³

Figure 3.4 Excerpt from the brochure *Jag vill ha bättre betalt*.



Under the image it reads "Small children believes in the stork – a lot of adults in the state!"

The Enterprise Fund also co-financed other mass-distributed brochures, such as the Taxpayers' Association brochure *Pojken och cykeln* printed in 1.1

¹⁴² *Styrelseprotokoll 1946-03-26*, A2:1, Näringslivets Fond, SAFs arkiv, CfN.

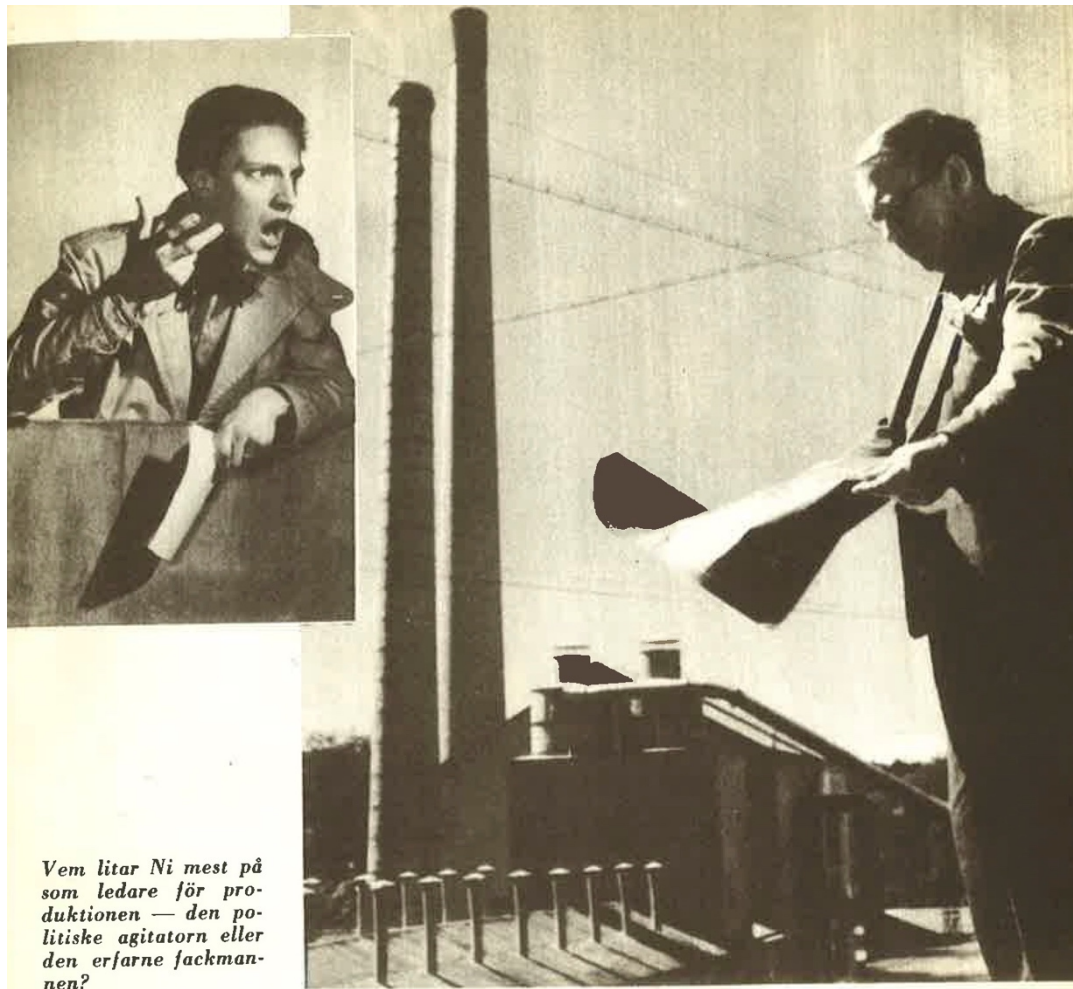
¹⁴³ *Byrån för Ekonomisk Information, sammanträde 1946-06-04*, mapp 6, volym 2, FUIFs arkiv, RA.

million copies. This was a short story about a diligent boy wanting to buy a bike for money he had earned, with a deeper message of inefficient “theorists” (i.e., the politicians) and efficient “realists” (i.e., the businessmen). It also co-financed Fund trustee C. G. Lundberg’s *Vad skall det bli av dem?* (What shall become of them?).¹⁴⁴ Lundberg’s brochure was also a call for the benefits of free enterprise and the dangers of socialization and state monopolism, see Figure 3.5.¹⁴⁵

¹⁴⁴ Tiblom, *Pojken och cykeln; Vad skall det bli av dem?*

¹⁴⁵ *Verksamhetsberättelse 1946*, Protokoll huvudmännen, 1947-05-29, Protokoll huvudmännen 1945–1950, Näringslivets Fond, Timbros arkiv, CfN; Styrelseprotokoll 1946-09-04, A2:1, Näringslivets Fond, SAFs arkiv, CfN.

Figure 3.5 Excerpt from C.G Lundberg's brochure *Vad skall det bli av dem?*



The caption reads "Who do you trust the most for managing production – the political agitator or the experienced professional?"

In 1947, the Enterprise Fund launched a new, longer-lasting ad campaign running in the color-printed weekly magazines. Söderlund had been contacted by lawyer Sten Ankarcrona, who represented an organization called Institutet för samhällsinformation, (the Institute for societal information, IFS). Ankarcrona's institute had in 1945 and 1946 published a series of text ads criticizing the government's policy proposals, and he had now received information that the Social Democrats were negotiating with the weeklies

about ad space for the time leading up to the 1948 election. The Fund's board agreed with Söderlund that this was an opportunity to shut out the Social Democrats from an important communication channel and decided to set aside SEK 800,000 for Ankarcrona's ads. This was, by far, the Fund's largest financial commitment thus far. The magazines, including popular titles such as *Hemmets veckotidning*, *Vecko-Revy* and *Husmodern*, had a net edition of over 1.6 million copies and an estimated readership of over 4.8 million Swedes.¹⁴⁶

The ads (which stated that they were published by IFS but contained no further information regarding the sender) were designed as short essays, novels or, more rarely, comic strips (see Figure 3.6). The topics varied and were in most cases formulated as critique against current economic policies, but they also expressed more general conservative concerns, such as women leaving the household to participate in the labor market.¹⁴⁷ In "*Lars Johan ger svar på tal*" (Lars Johan tells it like it is), a social democratic agitator visiting a union in the countryside is put in place by the local worker Lars Johan, who does not see the benefits of higher taxes and state ownership. In "*Det var inte det vi ville*" (This was not what we wanted), the ad states that planned economy proposals would only lead to poverty, more hard work and less freedom. Russia serves as a cautionary example.¹⁴⁸

¹⁴⁶ *Styrelseprotokoll 1947-01-13*, A2:1, Näringslivets Fond, SAFs arkiv, CfN. See also Bilaga 1.

¹⁴⁷ "Kvinnorna och samhället," *Hemmets Journal*, 17/1947.

¹⁴⁸ "Lars Johan ger svar på tal," *Hemmets Journal*, 13/1947; "Det var inte det vi ville," *Hemmets Journal*, 38/1947.

Figure 3.6 A comic strip ridiculing Wigforss's new taxes.



A comic strip published in *Hemmets Journal* 5/1948 paid for by the Enterprise Fund. "So, this is your new store...but why is Wigforss' name on the sign? Well, he gets half the income anyway..."

However, the board members of the Enterprise Fund were dissatisfied with how the ads turned out, and the new managing director Uno Murray was tasked with talking to Ankarcrona. According to the latter, the Fund had given IFS free reins in designing the ads, and it was impossible to have them approved by the Fund beforehand. Nevertheless, Murray had looked through a number of ads that were to be published, and although there was nothing wrong with the factual information, he nevertheless remained critical. The ads were aimed at the general public but for the more "assuming reader" ("*anspråksfulle läsaren*"), the articles were quite simple. Murray also thought that many readers would easily see through the origins and purpose of these ads and realize the substantial costs they entailed. Early in 1948, each board member was also given a subscription to one of the magazines and contact was to be established with the Conservative Party and the Liberal Party to determine how the ads had been received by readers. When IFS asked for more money to extend the campaign, this request was denied by the Fund's board.¹⁴⁹ At the yearly meeting with the trustees in 1948, the Fund's new chairman, Thorsten Wigelius, stated that larger advertisement campaigns should be handled by the political parties and that "neutral

¹⁴⁹ *Styrelseprotokoll 1947-12-02*, A2:1 and *Styrelseprotokoll 1948-02-18* (including bilaga H), A2:2, Näringslivets Fond, SAFs arkiv, CfN.

propaganda related to economic policy” (“*neutral näringspolitisk propaganda*”) ought not to be carried out by means of advertisements. This would also bring down costs for the Fund.¹⁵⁰

Industry studies and work councils

In 1946 and 1947, the government appointed a number of new industry studies (*branchutredningar*) that would propose measures for industrial rationalization, in addition to the studies launched in 1945. Lewin writes that the overall result of these studies turned out to be less radical than business had feared. Only the oil study proposed an actual socialization, but this was never realized as a currency crisis in 1947 meant that the government was unable to compensate foreign oil companies. Not even the insurance study suggested nationalizing the insurance industry, instead proposing that a state representative should be appointed to the company boards. Furthermore, the business community refused to take part in the government’s so-called industry council (*branschråd*), which was meant to serve as a permanent coordination organ between the state and the business sector speeding up the rationalization of business.

Lewin has two explanations for the government’s “fiasco.” First, the expected post-war depression never materialized. Instead, private enterprise flourished like never before. From 1946 to 1950, GDP increased by 5 percent annually, resulting in full employment and a strong upward pressure on wages. In order to mitigate the effect of international price increases, the Swedish currency was revalued by 14 percent in 1946. Second, the PHM propaganda campaign initiated by the business community did have an effect on the Social Democrats, and especially the proposed socialization of the insurance industry met with fierce resistance from business actors and the opposition. Some elements of the Post-War Program, however, were realized, including a state commercial bank in 1951 – Sveriges Kreditbank – and a rationalization program for the agricultural sector.¹⁵¹ In addition, the

¹⁵⁰ *Protokoll*, huvudmännen, 1948-05-26, Protokoll huvudmännen 1945-1950, Näringslivets Fond, Timbros arkiv, CfN.

¹⁵¹ Lewin, *Planhushållningsdebatten*, 325–335; Kuuse, *Strukturömvandlingen*, 69. Söderpalm, *Direktörsklubben*, 127–128, attributes the watered-down industry studies to the fact that organized business had better

demand for increased industrial democracy was fulfilled in 1946, when the labor market parties agreed on work councils (*företagsnämnder*) where workers and employers met to discuss matters of workplace environment and management issues.¹⁵²

A new tax proposal

What really came to intensify the political debate and the efforts of the business community to get a new government in the 1948 election was a new tax proposal brought forward by the Social Democratic cabinet in 1946 and 1947. According to Söderpalm, this was when the business community openly broke with the government.¹⁵³ The new system meant lowering taxes for low incomes but increasing them for higher incomes, wealth, inheritance and on companies. By far the most controversial proposal was a new form of progressive inheritance tax on top of the pre-existing tax, called *kvarlåtenskapskatt* (estate tax), levied directly on the estate of the deceased. In practice, this meant that heirs of private means were taxed twice. The new tax was aimed at larger estates with the tax rate exceeding 50 percent on amounts in excess of SEK 5 million.¹⁵⁴

The critique from the non-socialist parties and organized business was massive, and from April 1947, when parliament passed the bill, until 1948, taxes dominated the debate in the press. This was frequently linked to how the government addressed rising inflation. Newspapers loyal to the opposition were extremely critical of Minister of Finance Wigforss (*Svenska Dagbladet* called him “the gravedigger of democracy”). According to the critics, this was a form of state confiscation. The fact that the estate tax could be paid for with shares in the companies that were to be inherited contributed to the perception that this was a way of socializing private companies and wealth through the tax system. However, not only the government’s

representation than the unions. The government also lacked research capacity (*utredningskapacitet*) and was thus forced to rely on the business sector providing the background material. On Sveriges Kreditbank, see Petersson, *Kapitalets koncentration*, 45.

¹⁵² Hedin, “Before the Breakdown,” 4.

¹⁵³ Söderpalm, *Direktörsklubben*, 139.

¹⁵⁴ Elvander, *Svensk skattepolitik 1945-1970*, 31–32; Larsson and Saving, *Nordstjernen inifrån*, 85.

usual opponents were critical, as only 3 of the 70 consultative bodies (*re-missinstanser*) approved of the main features in the proposal.¹⁵⁵

Uniting the business community

As the propaganda efforts of the business community intensified and veered off in different directions, Gustaf Söderlund realized the need for coordination between different organizations. Cooperation had to increase and not just between the major industry interests. He was interested in the Danish model where businessmen from different sectors met in the newly founded information agency Erhvervenes Oplysningråd, which gathered Denmark's larger trade organizations. In December 1945, he met with its managing director, Christian Gandil.¹⁵⁶ To the board members of the Federation of Swedish Industries, Söderlund explained that the purpose of such cooperation was to manifest unity between the leading business organizations in the defense of free enterprise.¹⁵⁷ It was also meant as a continuation of the Business Council (Näringslivets Råd), which had been established in 1939 to negotiate with the government but which had never really taken off due to the war. Common issues, besides being "able to meet new socialist thrusts" ("*möta nya framstötter i socialistisk riktning*"), included taxes and price, currency and monetary policy.¹⁵⁸

The new organization, which was not given the right to make decisions, was founded in January 1947 and named the Enterprise Organization for Cooperation (Näringslivets Samarbetsorganisation, Näso) and included all key business associations.¹⁵⁹ In addition to discussing common concerns, it

¹⁵⁵ Elvander, *Svensk skattepolitik 1945-1970*, 36–39. Quote on p. 39, in Swedish: "demokratins dödgravare." Lewin, *Planbushållningsdebatten*, 340. The new proposals had consequences for the major business conglomerate the Johnson group. The aged owner Axel Ax:son Johnson divided the majority of his business empire into two foundations in order not to have to sell parts of the group to pay the estate tax, see further Larsson and Sving, *Nordstjernen inifrån*, 86–90.

¹⁵⁶ *Styrelseprotokoll 1945-10-29 and 1945-12-07*, Protokoll Styrelsen 1945, Näringslivets Fond, Timbros arkiv, CfN.

¹⁵⁷ *Styrelseprotokoll 1945-12-18*, A1:16, Sveriges Industriförbund, Svenskt Näringslivs arkiv, CfN.

¹⁵⁸ P.M angående samarbetsorgan för näringslivets huvudsammanslutningar, Styrelseprotokoll NäSo 1947, A3:1, Näringslivets Fond, SAFs arkiv, CfN.

¹⁵⁹ "*Till Styrelsen för*," Styrelseprotokoll Näso 1947, A3:1, Näringslivets Fond, SAFs arkiv, CfN. Its members included SAF, Sveriges Industriförbund, Svenska Bankföreningen (Swedish Bankers' Association), Handelskamrarnas nämnd (Chambers of Commerce Committee), Svenska Försäkringsbolags Riksförbund (National Federation of Swedish Insurance Companies), Sveriges Allmänna Exportförening (Swedish

also became a forum for discussions with the Conservative Party and Liberal Party leadership on issues such as campaign strategies and party financing.¹⁶⁰

The first major task of the Enterprise Organization for Cooperation was to organize a protest meeting against the government's tax proposal at Stockholm's Concert Hall on February 20, 1947. Some 2,000 people attended the meeting, which was presided over by Josef Lindquist, chairman of the Merchants' Association. It was the Enterprise Organization for Cooperation's propaganda committee that wanted Lindquist to lead the meeting in order to show that this was not just a matter for big business. In his opening speech, Lindquist pointed out that this was the first time when national business organizations had come together to express their common view. Wigforss' tax proposal, he proclaimed from the pulpit, was so threatening to of the entire Swedish business sector that small business owners joined ranks with the leaders of big business. After speeches from five different industries, a resolution was adopted to be handed over to Prime Minister Tage Erlander the next day (Per-Albin Hansson had passed away in 1946).¹⁶¹

Garantistiftelsen – 40 million reasons to get rid of Wigforss

However, merely uniting the business community was not sufficient for stopping the tax proposal. To ensure that the laws would be repelled, a change of government was needed. A number of big business leaders, many of whom were also members of the Enterprise Fund, decided to start a fundraising effort that would channel money to the non-socialist parties (primarily the Conservative Party and the Liberal Party) in order for them to sway the electorate before the 1948 election “to a considerably larger extent than

General Export Association), Sveriges Grossistförbund (Swedish Wholesalers Association), Sveriges Hantverks- och Småindustriförbund (Swedish Association of Craftsmen and Smaller Industries), Sveriges Köpmannaförbund (Swedish Merchants' Association), Sveriges Redareförening (Swedish Shipowners' Association) and Näringslivets Fond. Each organization was represented by its chairman and managing director.

¹⁶⁰ See, for instance, *Protokoll fört vid sammanträde med Näringslivets Samarbetsorganisation 1947-03-27 and 1947-10-13*. A3:1, Näringslivets Fond, SAFs arkiv, CfN.

¹⁶¹ “*Näringslivets opinionsmöte i Stockholm mot skatteförslagen*,” Industriförbundets meddelanden, 2/1947, Sveriges Industriförbund; *Propagandakommittén 1947-01-21*, Styrelseprotokoll Näso 1947, A3:1, Näringslivets Fond, SAFs arkiv, CfN.

previously.”¹⁶² Money would also be transferred to the business-friendly press and pre-existing information agencies, such as the Fund, or potential new organizations propagating for free enterprise. Projects could also include publishing and producing business-friendly literature, films and reports.¹⁶³

Driving forces behind the project were Ernst Wehtje and Ragnar Blomquist. Wehtje served as CEO of Skånska Cement AB, was a board member of both SAF and the Federation of Swedish Industries, chairman in Näringslivets Skattedelegation (a joint committee for business interests regarding taxes having acted as consultative body for the new tax proposal), Conservative Party MP and trustee in Näringslivets Fond. Blomquist served as CEO of Försäkrings AB Thule, was a board member of Näringslivets Fond and chairman of the Taxpayers’ Association and Näringslivets Samarbetsorganisation’s propaganda committee. Blomquist became both chairman and managing director while Wehtje became vice-chairman.¹⁶⁴

On January 29, 1947, Blomquist presented the new organization named Garantistiftelsen 1946 (the Guarantee Foundation 1946) to 114 top executives at a meeting at Stockholm’s Chamber of Commerce. SAF and the Federation of Swedish Industries had instructed their board members to attend and several of Sweden’s leading bankers were also present, including Jacob Wallenberg and Ernfrid Browaldh. As Stenlås has shown, all board members, except for Blomquist, were also board members of the Federation of Swedish Industries, including its chairman (Sven E. Lundberg) and vice-chairman (Nils Danielsen). Four were on the board of SAF and four were trustees of Näringslivets Fond.¹⁶⁵

¹⁶² *Ragnar Blomquist odöpt PM om Garantistiftelsen 1947-02-03*, mapp: Diverse handlingar rörande Libertas, Libertas P4 I (oförtecknad), Libertas, SAFs arkiv, CfN. Swedish: “betydligt större omfattning än tidigare varit fallet.”

¹⁶³ *Ibid.*; Bilaga 6, Styrelseprotokoll 1951-08-30, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

¹⁶⁴ *Styrelseprotokoll 1947-01-10*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. The other board members were Erik Bengtsson (Boliden), Gunnar Carlsson (Rederi AB Transatlantic), Nils Danielsen (Uddeholm), Elof Ericsson (Åtvidaberg), Harald Nordenson (Liljeholmens Stearinfabrik), Sven Lundberg (Reymersholms Gamla Industri), Gunnar Sundblad (Iggesund), Åke Wiberg (Malmö Strumpfabrik). Note that Stenlås, 150, 152, fails to notice that Lundberg was on the board. He also writes that the inaugural meeting was on January 29 when, in fact, it took place on January 10. For Blomquist’s background, see *VÄD* 1963. He was also chairman of the Samarbetsorganisation’s propaganda committee.

¹⁶⁵ *Närvarande*, mapp: Diverse handlingar rörande Libertas, Libertas P4 I (oförtecknad), Libertas, SAFs arkiv, CfN Stenlås, 148–150.

According to the Guarantee Foundation's bylaws, it was to

[...] protect and promote Swedish enterprise and look after the private companies' interests, which by means of studies, information and propaganda may counteract the realization of tax projects and other measures that could thwart or render the companies' operations and development difficult.¹⁶⁶

Through Blomquist, the Guarantee Foundation had a close relation to the Taxpayers' Association, whose working committee was to inspect the new organization's bookkeeping and approve any changes to the bylaws. Furthermore, as the main goal was to prevent changes in the tax system, the Taxpayers' Association played an important role as a source of inspiration and knowledge.¹⁶⁷

The goal was to raise a staggering SEK 40 million (roughly SEK 800 million in current value).¹⁶⁸ This was done by appointing so-called contact men from SAF's member organizations who were responsible for their respective trade associations.¹⁶⁹ Even for the executives of Sweden's largest firms, this was a major commitment, but when the sum was put in proportion to the new yearly tax, they all agreed that it was worth it.¹⁷⁰

As a foundation, Garantistiftelsen was exempt from gift tax, as were contributions from its donors. But since the foundation had to pay tax on its wealth, it was agreed that the donations better be given in the form of guarantee commitments (*garantiförbindelse*) rather than cash. The board could then draw on the guarantee commitments when needed. Donors were asked not to mention their contributions in the board reports.¹⁷¹

¹⁶⁶ *Stadgar*, Garantistiftelsen 1946, Näringslivets Fond, SAFs arkiv, CfN. Swedish: "skydda och främja Sveriges näringsliv och tillvarataga de enskilda företagens intressen, särskilt genom att medelst utredningar, upplysning och propaganda motverka genomförandet av skatteprojekt och andra åtgärder, som kunna omintetgöra eller försvåra företagens verksamhet och utveckling."

¹⁶⁷ *Brev från Ulf-C. Bratt till Per G Holmquist 1983-11-22*, B1:3, Näringslivets Fond, Timbros arkiv, CfN.

¹⁶⁸ *Styrelseprotokoll 1947-05-26*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; *Prisomräknaren*, SCB webpage, <https://www.scb.se/hitta-statistik/sverige-i-siffror/prisomraknaren>, accessed May 14, 2019.

¹⁶⁹ Stenlås, *Den inre kretsen*, 152.

¹⁷⁰ *Ragnar Blomquist odöpt PM om Garantistiftelsen 1947-02-03*, mapp: Diverse handlingar rörande Libertas, Libertas P4 I (oförtecknad), Libertas, SAFs arkiv, CfN.

¹⁷¹ *P.M. angående vissa bokförings- och skattefrågor*, Styrelseprotokoll 1947-04-15, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

By April, the board had spent SEK 965,000 on brochures, films, advertisement and opinion polls. The films ran nationwide at cinemas and two of them starred the popular Sigurd Wallén, known for his impersonations of crafty old men (*kluriga gubbar*). The Guarantee Foundation also paid for ten ads published nationwide under the name of the Taxpayers' Association. For an example, see Figure 3.7.¹⁷²

¹⁷² *Styrelseprotokoll 1947-04-15*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; *Nationalencyklopedin*, "Sigurd Wallén," <http://www.ne.se/uppslagsverk/encyklopedi/lång/sigurd-wallen>, accessed May 14, 2019.

Figure 3.7 Do we need innovators?

E. M. Ericsson. Tillgrip fabrikskonstruktion som arbete i tvärburen och på verktyg i Stockholm. Uppgjord "Epi" till verk på Drottninggatan. Häg har "Lil" och ett i Sverige över 11,000 anställda. Det är följande och "Lil", som tidigare blivit var mest uppmärksam.

André Brändén. Öronmärke vid Jönköping. Skapare i en grannskolefirma. Inkomster år 1945 på 100 000 kronor. "Brändén", blev som den byggde fabriken verk vidare. Häg angår Öronmärkekonstruktion. Foto på år 7 vid Jönköping.

Hugo Hansson. Trä till ett stort företag som svensk verkstadsindustri. Uppgjord till ett av världens största verk. Som häg har alla arbetare en jämn och god förhållning - i. n. över 2,000 anställda.

Björge Svanen. Sida konstruktion. Häg har ett stort verk. Sprängning och lastverktyg. Uppgjord till 10 för konstruktion och övervakning. Häg har ett verk 1946. Nu anställda häg företag - Konstruktions - 2,200 personer.

Gustaf Dahlén. Häg vid Jönköping vid 23 års ålder. Genom hans uppfinning av A-lager blev det möjligt att inläsa förbehållningarna på verkstadsindustrin. Häg har ett företag - Skandinaviska A.S. Gasverksindustri.

J. P. Åker. Konstruktions. "Åker" tillgrip häg arbete och konstruktion. Häg har ett verk i Konstruktions. Häg har ett företag - Konstruktions - 2,000 anställda.

Behöver vi nyskapare?

Alla kräver med rätta, att den enskilda välfärdshöjning vi haft de sista decennierna skall fortbestå. Och alla är helt ense om att detta endast är möjligt genom en fortsatt, kraftig stegring av produktiviteten. Ty, såsom bl. a. Finansministern sagt: "Den stora framstegslinjen ligger icke på fördelnings- utan på produktionsidan".

Vårt välfärd ska inte av sig självt. Inte heller har det skapats av staten. Det har främst byggts upp av företagsamt folk, som tagit initiativ och risker för att få fram nya varor, mera varor, bättre och billigare varor - ny nyskapare. Se t. ex. på männen här ovan. De började med tomma händer men byggde genom sin framskridna upp företag, som nu sysselsätter 10,000-tals anställda.

En vanlig invändning är, att dessa företagare tjänar mycket pengar. Redan nu gällande skatter reducerar dessa inkomster på ett sätt, som de flesta inte tänkt sig in i. Främst detta, har den som ser saken praktiskt all anledning att fråga sig: är det inte en god affär för hela samhället att bereda sådana män möjligheter till nyskapande och därigenom tillfördära sig det ökade välfärd för alla, som deras livsverk skapat?

"Om livsrikedom är vårt mål - för samhällets massor - så är det absurd att pressa till marken de främsta rikedomsskaparna: uppfinnarna, idngästarna, fantasimännen, de beundrade organisatörerna; genom Wigfors-sjugghet mot dem sparas tusenlappar men förloras miljoner."

Torsten Tegen, Mörttillståndet.

Om det nya skatteförslaget går igenom, skapas ett ytterst starkt hinder för ny företagsamhet, därför att större delen av de vinster, som behövs för att bygga upp ett företag, i stället måste inbetalas i skatt till staten.

Andra kammarans talman, Aug. Särström.
en socialdemokrat, som startat som arbetare och nått en av de främsta ställningarna i riket, yttrade vid riksdagens hörtid den 10 januari i år:

"Vi börja vårt gemensamma arbete i förhoppning att vi även denna gång skall kunna göra vår insats i det samhälleliga uppbyggnadsarbetet. De förslag, som föreläggs riksdagen, skall prövas i medvetande om vårt ansvar för folkets och landets välfärd."

I den andan måste skatteförslaget prövas!

SKATTEBETALARNAS FÖRENING

One of several ads from the Taxpayers' Association paid for by the Guarantee Foundation 1946. This ad pays tribute to Swedish entrepreneurs, claiming that higher taxes would result in less enterprise. From *Dagens Nyheter*, February 12, 1947.

The Conservative Party and the Liberal Party had been asked to specify their financial needs, and the Conservative Party received SEK 5 million in May.

Nordenson, Wehtje and Wiberg who were both board members of the foundation and Conservative Party MPs were to control how the money was used.¹⁷³

“A damned amount of millions”

As summer approached, it became clear that the foundation was having problems. Already from the outset, there had been critique from some of the contact men that it lacked a clear program and that the board members were recruited from a circle of people that was simply too small. Two of the most vocal opponents were Fund trustees Per Hemberg and Gösta Lundequist.¹⁷⁴ Chairman Blomquist, however, was not interested in developing a more detailed program, as it would restrict the organization’s freedom of action. Blomquist was also worried that such a program could fall into the wrong hands, which would severely hurt the organization.¹⁷⁵

Ulf G. Bratt worked at the Guarantee Foundation’s office as a young man. Later in life, he recalled that the foundation managed to collect “a damned amount of millions – so many that we could not spend them in a reasonable way.” He also remembered that Blomquist (whose nickname was Blomman) was an enthusiastic and committed leader but that he had a bad temper and could get furious.¹⁷⁶ In a private conversation, Ernst Wehtje told his brother-in-law that Blomquist was “a good promoter and fundraiser but a weak psychologist.”¹⁷⁷

Word that the business community had money to spend on information activities was getting around. Per Engdahl, chairman of Nysvenska rörelsen with close ties to Italian fascism and German Nazism, asked the Guarantee Foundation for a grant, but it was denied.¹⁷⁸ He had also been turned down the year before when he had asked the Bureau for Economic Information

¹⁷³ *Styrelseprotokoll 1947-05-09 and 1947-05-22*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

¹⁷⁴ Stenlås, *Den inre kretsen*, 160.

¹⁷⁵ *Styrelseprotokoll 1947-03-17*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; Stenlås, 162–163.

¹⁷⁶ *Brev från Ulf-C. Bratt till Per G Holmquist 1983-11-22*, B1:3, Näringslivets Fond, Timbros arkiv, CfN. Swedish: “Det blev en djäkla massa miljoner – så mycket att vi inte kunde göra av med dem på ett vettigt sätt.”

¹⁷⁷ Stenlås, *Den inre kretsen*, 166. Swedish: “...bra pådrivare och penninginsamlare men svag psykolog.”

¹⁷⁸ *Styrelseprotokoll 1947-05-09*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

to contribute to a series of meetings in southern Sweden.¹⁷⁹ However, Engdahl kept coming back. In 1949, the Enterprise Fund's board refused to give him money to print a version of his so-called *nysvenska ideologien* (the new Swedish ideology).¹⁸⁰ New requests were denied in 1958, 1959¹⁸¹ and 1974¹⁸².

The Guarantee Foundation in crisis

The shipowners and their representative on the board, Gunnar Carlsson, were also disappointed regarding the lack of clarity concerning the Guarantee Foundation's aims. In May, the shipowners gave a SEK 3 million guarantee to the foundation. This money, however, was conditioned on that it should not go to the non-socialist press (which, for example, Ernst Wehtje wanted) and that it could only be used to influence the 1948 election. Money not spent should be returned to the donors.¹⁸³ As these conditions were not met, Carlsson resigned from the board.¹⁸⁴

Further, it turned out that the Liberals did not want donations. This was naturally a major blow as one of the aims of the foundation, according to its chairman, had been to "create a united non-socialist front" ("*skapa en enig borgerlig front*"). Exactly why the Liberals declined to accept donations is not entirely clear, but there was a concern from donors and potential donors that the foundation was dominated by Conservative Party interests, as they had three active politicians on the board, while the only Liberal politician was Åtvidaberg's Elof Ericsson, who had left parliament in 1943.¹⁸⁵ Most likely, the Liberal Party thought that it was more profitable to ask companies for money directly rather than getting it from a foundation dominated by

¹⁷⁹ Per Engdahl. Curriculum vitae in contracto. B1:2, Näringslivets Fond, SAFs arkiv, CfN; *Nationalencyklopedin*, "Nysvenska rörelsen," <http://www.ne.se/uppslagsverk/encyklopedi/lang/nysvenska-rorelsen>, accessed April 1, 2019.

¹⁸⁰ *Styrelseprotokoll 1949-03-15*, A2:2, Näringslivets Fond, SAFs arkiv, CfN.

¹⁸¹ *Styrelseprotokoll 1958-03-06* and *1959-02-24*, A2:4, Näringslivets Fond, SAFs arkiv, CfN.

¹⁸² Engdahl was then in contact with the Fund's president Bertil Kugelberg who brought his request for money to the board, which however turned it down. *Brev från Per Engdahl till Bertil Kugelberg 1974-08-28*, Kuvert märkt Tidningen Argument, Oförtecknad låda 2, Näringslivets Fond, SAFs arkiv, CfN; *Styrelseprotokoll*, 1974-11-05, A2:6, Näringslivets Fond, SAFs arkiv, CfN. Engdahl wrote to Kugelberg again in 1976 asking for money, see *Brev från Per Engdahl till Bertil Kugelberg 1976-06-16*, F51 BI:41, SAF, SAFs arkiv, CfN.

¹⁸³ Stenlås, 176.

¹⁸⁴ *Styrelseprotokoll 1947-06-26*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

¹⁸⁵ Ibid. On Ericsson, see *Nationalencyklopedin*, "Elof Ericsson," <http://www.ne.se/uppslagsverk/encyklopedi/lang/elof-ericsson>, accessed March 11, 2019.

conservatives. Indeed, even if the party declined donations directly from the Guarantee Foundation it was important the corporate donors still supported the party financially, the Executives' Club's secretary told his board.¹⁸⁶

In this delicate situation, board member C. G. Lundberg suggested that the foundation should support a new project, a “‘resistance movement’ of a non-political nature that would disseminate economic knowledge among the workers.” Lundberg’s plan was to set up a correspondence school educating groups of people in study circles, primarily workers, in economic matters. A thorough marketing campaign would be launched to get the attention of potential students. For this, he needed SEK 1.6 million until the election and then about the same amount per year to keep the project going.¹⁸⁷

The board was divided but gave Lundberg SEK 1 million. Two out of three Conservative politicians, however, were skeptical with regard to the project’s non-political image. Nordenson wanted the educational courses to be in line with a “non-socialist view” (“*borgerlig åskådning*”), while Wiberg thought that all measures undertaken by the foundation should ultimately aim at getting people to vote for the center-right. When the decision was taken to support the project, Wiberg made a reservation and Nordenson was not present.¹⁸⁸

At the following meeting, Nordenson was very upset over how Blomquist had not considered the minority opinion on the board, claiming that he had never experienced anything like this during his many years working with issues related to business interests. Nevertheless, the board did approve the project. Two large forestry companies, Holmens Bruk and Höganäs-Billesholm and their managing directors, Per Eg. Gummeson and Christian von Sydow, were to serve as the official initiators of the project. They had earlier shown an interest in worker education and had not been involved in the PHM debate in the same way as Lundberg. With this setup, the financing of the correspondence institute could not be traced back to the

¹⁸⁶ *Styrelseprotokoll 1947-05-29*, volym 2 Protokoll 1946-1952, Direktörsklubbens arkiv, RA. The secretary S.E. Österberg was also a high ranking official in the Liberal Party.

¹⁸⁷ *Styrelseprotokoll 1947-05-22*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Swedish: “...en ‘motståndsrörelse’ av opolitisk natur, som skulle taga till sin uppgift att bland arbetarna sprida kunskap om ekonomiska förhållanden.” For the marketing campaign, see *Styrelseprotokoll 1949-02-02*. Also, Garantistiftelsen invested SEK 100,000 in the pre-existing correspondence institute Hermods, see *Styrelseprotokoll 1947-06-26*.

¹⁸⁸ *Styrelseprotokoll 1947-06-10*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

Guarantee Foundation, something Blomquist considered a necessity “...as the Social Democratic Party wants to put the mark of high finance on measures they believe are dangerous to their aims.”¹⁸⁹

The approval of the correspondence institute, the Liberal Party declining to receive money, the lack of a structured program, the shipowners’ resignation from the board and the internal and external critique proved too much for Blomquist. At the board meeting in June, he declared that the board did not possess the necessary authority or confidence and suggested that all board members should resign. However, as the foundation’s bylaws mandated the board to appoint new members and as the schism cut right through the board, he further suggested that an external group should appoint a new board, which the sitting board members agreed to. This group consisted of the heavyweights in Swedish business: Sven Schwartz (SAF’s chairman), Nils Danielsen (chairman of the Federation of Swedish Industries), Gustaf Söderlund (previous chairman of SAF and the Enterprise Fund and now CEO of Skandinaviska Banken), Ernfrid Browaldh (CEO of Handelsbanken) and either Jacob or Marcus Wallenberg.¹⁹⁰

Six months later, a new board was elected. Three board members remained (Danielsen, Blomquist and Söderberg). Blomquist stayed on as managing director, while Thorsten Wigelius, the new chairman of Näringslivets Fond, became the new chairman. All the previous politicians were switched out.¹⁹¹ During the turmoil, the fundraising had stopped, but now that Browaldh, Söderlund and Wallenberg were part of the project, Blomquist estimated that the end result would be about SEK 25 million. The new board approved a joint declaration drafted by Browaldh, Söderlund, Wallenberg, Blomquist and Wigelius stating that “the donations shall be used in the

¹⁸⁹ *Styrelseprotokoll 1947-06-26*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Quote from *Bilaga II*. Swedish: “...emedan det socialdemokratiska partiet gärna vill sätta storfinansen som stämpel på sådana åtgärder som de tro vara farliga för deras syften.”

¹⁹⁰ *Styrelseprotokoll 1947-06-26*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Of the two brothers, Marcus Wallenberg accepted being part of the committee.

¹⁹¹ *Styrelseprotokoll 1947-11-12*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. The new board consisted of the following (ordinary members): Nils Danielsen, Rolf von Heidenstam, Sven Schwartz, Per Hemberg, Herbert Jacobsson, Ragnar Söderberg, Thorsten Wigelius, Ragnar Blomquist and deputies Helge Ericson, Hjalmar Åselius and Axel Enström. Note that Nordenson had announced his resignation from the board the day before the new board was in place. Stenlås believes that this had to do with Nordenson’s disappointment that the foundation was moving away from the parties, while the direct cause was his anger over the non-political correspondence institute, see Stenlås, *Den inre kretsen*, 190.

struggle against the looming socialization of our enterprise.”¹⁹² More importantly, it said that it was up to the donors themselves to decide how their own donations were to be used. The money could still be given to the foundation but if the donors wanted, they could demand that it should go to a specific party, to the press or the Fund (or similar organization). Thus, compromises had been reached, both in terms of staffing the Guarantee Foundation and deciding how to use the money.

Kursverksamheten Vår Ekonomi

Meanwhile, the correspondence institute was now up and running under the name of Kursverksamheten Vår Ekonomi (the Correspondence School Our Economy), or KVE for short, with Einar Edman from Ervaco serving as managing director. By November, it had enrolled some 6,000 students, about 25 percent of whom were workers according to its own estimates. von Sydow approached Arbetarnas bildningsförbund (the Workers’ Educational Association; that is, the educational section of the Swedish labor movement) to get them involved in the KVE’s study council (*studieråd*), but they declined as did Kooperativa Förbundet (the Federation of Consumer Cooperatives). The social democratic press called KVE “badly masked PHM propaganda” (“*dåligt maskerad PHM-propaganda*”) and the “directors’ correspondence school” (“*direktörernas brevskola*”). According to Danielsen and Hemberg on the board of the Guarantee Foundation, KVE’s extensive ad campaign had stigmatized it as belonging to “big business” and the non-socialists.¹⁹³ Thorsten Wigelius, chair of Näringslivets Fond, told his board that the ads had made it more difficult to recruit students. By early 1949, it had 28,000 students, which was about half of what the organizers had hoped for. Nevertheless, the Guarantee Foundation continued to finance KVE through its donors, even though several of the board members were hesitant in terms of its political benefits.¹⁹⁴

¹⁹² *Styrelseprotokoll 1947-11-20*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Swedish: “Bidragen skola användas i kampen mot den hotande socialiseringen.”

¹⁹³ *Styrelseprotokoll 1947-11-20* (including *Bilaga 2*) and *Styrelseprotokoll 1947-02-02*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. For examples of the KVE ads, see *Dagens Nyheter* September 8, 1948, September 22, 1948, and December 1, 1948; “Direktörernas brevskola,” *Industria* (särtryck), 1/1950.

¹⁹⁴ *Styrelseprotokoll*, 1948-01-15, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; *Styrelseprotokoll 1949-05-09*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

Reorganizing Libertas

Following the Conservative Party, Libertas was the Guarantee Foundation's largest recipient. In 1947, Libertas had asked for SEK 12 million (in the end, it received about half that amount), and early the following year, both the Guarantee Foundation and SAF, its main financier, agreed that Libertas ought to be reorganized. A joint committee concluded that deciding on whether or not a newspaper in financial distress should get support was frequently more of a political than a commercial decision. Was the newspaper sufficiently important to save from an opinion molding perspective or should the resources be allocated elsewhere? These types of questions were often best answered by the political parties themselves, which is why the committee suggested that two new press bureaus, one for the Conservative Party (Högerns Förlagsstiftelse) and one for the Liberal Party (Stiftelsen Pressorganisation) were instituted. Libertas would supply them with a yearly grant, but it was up to the bureaus themselves to decide which newspapers to support. Up until this point, the SAF board had served as trustees for Libertas, but with this new arrangement, five board members were appointed, three from SAF and two from the Guarantee Foundation.¹⁹⁵

The conservative newspapers were in considerably worse shape than the liberal newspapers. Between 1942 and 1951, Libertas passed on SEK 17.5 million to conservative newspapers and SEK 4.2 million to liberal newspapers.¹⁹⁶ In 1948, the net edition of the conservative newspapers amounted to 738,700 copies. Newspapers supported by Libertas accounted for 14.6 percent of the total edition. The net edition for the liberal newspapers was 1,590,700 copies, where newspapers supported by Libertas accounted for 1.9 percent of the total edition.¹⁹⁷

The legacy and dismantling of the Guarantee Foundation 1946

In March 1948, with six months to go until the election, the Guarantee Foundation and the Enterprise Fund moved into a shared office at Drottninggatan

¹⁹⁵ *Bilaga 4, Styrelseprotokoll 1948-12-11*, Garantistiftelsen 1946, Näringslivets Fond; *P.m med några synpunkter på frågan om Libertas' organisation* (1954), Mapp stadgar 1948-1949, A3:1, Libertas; *Protokoll AU 1947-06-26*, A3A:43 1947, SAF, SAF, Svenskt Näringslivs arkiv, CfN.

¹⁹⁶ *Folkpartipressen*, A3:2, Mapp Stiftelsen pressorganisation; *Högertidningar*, Mapp Högerns förlagsstiftelse, A3:2, Libertas, Svenskt Näringslivs arkiv, CfN.

¹⁹⁷ *Verksambetsberättelse 1951*, Mapp Styrelseberättelser, A3:3, Libertas, Svenskt Näringslivs arkiv, CfN.

82 in central Stockholm. Blomquist stepped down as managing director due to health reasons and was later replaced by Uno Murray from the Fund.¹⁹⁸ The fact that the Social Democrats remained in power after the 1948 election was obviously a huge disappointment for the Guarantee Foundation and its donors. Over the next few years, the Foundation continued to transfer money to the Conservative Party, Libertas and various other measures, such as supporting the publication of a short version of Soviet defector Victor Kravchenko's book *I Chose Freedom*.¹⁹⁹

Still, the organization had been founded to get a center-right government in place in the 1948 election, and when this failed, it really did not have any *raison d'être*. An internal 1951 memo stated three reasons for dismantling the foundation as soon as possible. First, a government study was looking into how financing political propaganda could be made more transparent. Second, there were board members who wanted the foundation's records and accounts destroyed. Third, there were donors who had no wish of having outstanding debts to the foundation.²⁰⁰

The remaining SEK 3 million were handed over to the Conservative Party, Libertas and the Enterprise Fund. The chairman Thorsten Wigelius informed the board members that the foundation's records and accounts were to be deposited with SAF, while all remaining material should be burnt. As the bylaws stipulated, the Taxpayers Association's working committee was informed and agreed to the dismantlement. The final annual report, covering the foundation from the start in 1946, stated that fundraising had rendered SEK 24.8 in total. Out of these, SEK 17.6 million had been at the direct disposal of the board either as cash donations or guarantee commitments. The remaining SEK 7.1 million were guarantee commitments where the donors themselves had decided how the money should be spent. As seen in Table 3.8, Bondeförbundet (the Farmers' League) received almost SEK 1

¹⁹⁸ *Styrelseprotokoll 1948-03-17*, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Garantistiftelsen previously had its offices at Stureplan 4.

¹⁹⁹ *Styrelseprotokoll 1949-02-02*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

²⁰⁰ *Styrelseprotokoll 1951-08-03*, Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; "SOU 1951:56." The government investigation SOU 1951:56 *Om offentlig redovisning av den politiska propagandans finansiering: Partifinansieringssakkunnigas betänkande* was unaware of the existence of the Guarantee Foundation. Appendix 1-3 in the investigation accounts for donations to the non-socialist parties. It is obvious that the parties have not given the government investigation full insight into their finances as the numbers accounted for in the appendices are significantly lower than in the Guarantee Foundation's books.

million from the foundation, something which previous research has not been aware of these donations.²⁰¹

Table 3.8 Garantistiftelsen 1946 expenses.

Receiver	Amount in SEK
Högerns Riksorganisation (Conservative Party National Organization)	6,995,000
Libertas	6,768,110
Skattebetalarnas Förening (Taxpayers' Association)	986,873
Bondeförbundet (Farmers' League)	955,000
Kursverksamheten Vår Ekonomi (Correspondance School Our Economy)	500,000
Övrigt (books, Gallup polls, various grants, administration, etc.)	1,435,792
Total	17,640,775

Regarding financial support to the Liberal Party, previous research has acknowledged that payments were, in fact, made before the 1948 election but without being able to establish a fixed amount. As noted, the Liberal Party did not want money directly from the foundation. In accordance with the 1947 compromise, donors were allowed to deduct contributions to the party through their guarantee commitments, which gave the party SEK 1.3 million. However, Garantistiftelsen's accounts also note that the party received SEK 4.2 million besides the fundraising organized by the foundation.²⁰²

In the 1948 election debate, the Social Democrats attacked the Liberal Party (which was the largest non-socialist party in the polls) for ties to big business, to which the Liberals counterattacked by calling it scaremongering. About a month before the election, the social democratic *Morgon-Tidningen* wrote about a donation of SEK 50,000 from mining company Boliden to the Liberals, forcing the party leader Bertil Ohlin to engage in defensive arguments regarding the party receiving money from all kinds of donors. Based

²⁰¹ *Styrelseprotokoll 1951-09-18* (see especially *Verksamhetsberättelse*), Garantistiftelsen 1946, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Cf Stenlås, *Den inre kretsen*, 348, who was unable to establish the final sum.

²⁰² *Bilaga Insamlingen, Styrelseprotokoll 1949-02-02*, Garantistiftelsen 1946, Näringslivets Fond, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Stenlås, *Den inre kretsen*, 221–222, writes of “significant amounts” (*betydande belopp*) but is unable to specify a figure.

on oral information from Social Democratic MP and employee in Handelsbanken Seth Molander (who has given his name to this so-called “Molander affair”), the newspaper two weeks claimed that the Liberal Party’s Stockholm section disposed of over SEK 3.5 million. Two days before the election, an independent investigation concluded that Molander was wrong and he was expelled from his party. Given the total amount of donations from business to the Liberals, it is possible that Stenlås is correct when speculating that Molander was not wrong regarding the amount that the Liberals disposed over but that he mistook the party’s Stockholm section for the national organization.²⁰³

The 1948 election and its outcome for business

The 1948 election campaign was intense. “Misgovernment” (“*vanstyre*”) was the opposition’s slogan against the government and it included critique of how the Social Democrats handled the currency and inflation crisis, lagging wartime regulations, a trade deal with the Soviet Union, taxes and the socialization issue. Personal attacks were common on both sides. When morning broke on September 20, the Liberal Party had achieved tremendous success. Electoral support increased from 13 to 23 percent. But as both the Conservative Party and the Farmers’ League lost mandates, it was not enough to oust the Social Democrats from power, who had lost three mandates but were still larger than the three non-socialist parties combined (112 mandates against 110).²⁰⁴

Under Tore Sellberg’s leadership the Bureau for Economic Information continued with a broad range of activities, including opinion polls, making films and exhibitions.²⁰⁵ According to the Bureau’s own estimates three short movies made in 1948 were seen by 1,2 million people. In the same year the moving exhibition *Krångel eller Trivsel*, that wanted to show how regulations affected business life, toured the country and was seen by some 50 000

²⁰³ Stenlås, 224–225; Esaiasson, *Svenska valkampanjer 1866-1988*, 184.

²⁰⁴ Esaiasson, *Svenska valkampanjer 1866-1988*, 182–191; Larsson and Andersson-Skog, *Näringslivets historia 1864-2014*, 430–431.

²⁰⁵ Sellberg, *Opinionsbildningen*.

swedes and received substantial media attention.²⁰⁶ An exhibition brochure depicted how the “octopus of bureaucracy continues to take the life out of Swedish business”, see Figure 3.9.²⁰⁷

Figure 3.9 The Octopus of Bureaucracy



From the 1948 exhibition brochure *Krångel eller Trivsel* produced by Byrån för Ekonomisk Information.

For the new government, the economic imbalance remained the most pressing problem, and the focus was on increasing exports. Already by the end of

²⁰⁶ Bilaga 4, Handlingar till ordinarie årsammanträde med huvudmännen 1949, A1:1, Näringslivets Fond, SAFs arkiv, CfN.

²⁰⁷ *Krångel eller trivsel?* (broschyr), F1:4, Näringslivets Fond, SAFs arkiv, CfN. Swedish: "Byråkratins bläckfisk fortsätter därför att suga musten ur det svenska näringslivet".

November, the government invited business representatives, the blue- and white-collar unions and the interest organizations for agriculture and crafts to discussions on the economy. Issues of a more overall character were addressed in a main delegation (*huvuddelagation*), while more specific issues were discussed in special delegations. The best-known of these is Samarbetsorganet för export- och produktionsökning (the Joint Committee for Increased Exports and Production), which came to be known as the Torsdagsklubben (the Thursday Club). None of the delegations had any executive powers. The Thursday Club was led by Per Edvin Sköld, who replaced Wigforss as Minister of Finance in 1949.²⁰⁸ According to Söderpalm, the Thursday Club became a symbol of the détente between the business community and the labor movement even if the employers and the industrialists remained skeptical at first. The representatives appointed through the Enterprise Organization for Cooperation stressed the need to get rid of wartime regulations and ended the first discussions with a declaration emphasizing the difference between their view and that of the government.²⁰⁹ Economic historian Francis Sejersted writes that the new type of relationship blended contradiction and fellowship. After the PHM confrontation, both sides felt that they had more to gain by collaborating.²¹⁰ In the Enterprise Fund too, some board members and trustees were rethinking its confrontational strategy.

The Center for Business and Policy Studies, SNS

At the end of the war, Axel Iveroth served as industrial attaché at the Swedish embassy in Washington DC. Iveroth was a young businessman and economist with a background at IUI. In his work following American industrial development and post-war economic planning, he came in contact with the Committee for Economic Development, CED. The independent business institute CED aimed at helping businessmen and politicians find science-based solutions to economic and social challenges in the post-war period. Iveroth wanted to launch a similar business-backed social science research networking organization in Sweden and got Lars-Erik Thunholm and Tore

²⁰⁸ Söderpalm, *Direktörsklubben*, 144–150. Furthermore, Social Democrat Gunnar Myrdal, the second-most despised person by the business community, had been forced to resign in 1947 following the Soviet trade deal, see Carlson and Lundahl, *Ett forskningsinstitut*, 429.

²⁰⁹ Söderpalm, *Arbetsgivarna och saltsjöbadspolitiken*, 66.

²¹⁰ Sejersted, *The Age of Social Democracy*, 295.

Browaldh interested. They were of similar age and had both been in the US, Thunholm as a banker and Browaldh as a personal assistant to Gunnar Myrdal, who was there to study American post-war planning on behalf of the Swedish government. Back in Sweden, Browaldh worked as acting secretary on the Myrdal Commission. He came from a prominent banking family (his father was Ernfrid Browaldh, CEO of Handelsbanken). According to his memoirs, he thought that the time spent with the leading Social Democrat had re-orientated him toward greater social awareness.²¹¹ Overall, these young, well-connected men wanted Swedish business to get involved in a more pragmatic and broad-minded political discussion than the one prevailing during the confrontation with the labor movement. According to Browaldh, organized business needed a socially minded program that was greater in scope than just maximizing profits. To make this happen, the small group needed money, which is why they turned to the Enterprise Fund. The tricky part was convincing the Fund's conservative-leaning board members.²¹²

However, most board members were positive already at Iveroth's first meeting with the Fund. With his background at IUI and as editor of SAF's magazine *Industria*, he definitely did not lack credentials. He had been personally called back from the US by Söderlund and Wehtje in an effort to improve the magazine and also become an assistant to Wehtje at Skånska Cement.²¹³

“The peaceful line”

The board especially liked the idea of local groups spread across the country. Iveroth's plan was to produce reports of a high scientific standard on current social and economic issues that could then be discussed by the local groups, thus getting businessmen involved in the overall societal discussion. Of the board members, Söderlund was the most skeptical and asked Iveroth and Browaldh if they really needed SEK 300,000 per year to find out whether or not they were socialists. He would, however, back the “peaceful approach”

²¹¹ Browaldh, *Gesällvandring*, 17.

²¹² Ullenhag, *I takt med tiden*, 25; Browaldh, *Gesällvandring*, 71; Wallander, *Forskaren som bankdirektör*, 230–232; Carlson and Lundahl, *Ett forskningsinstitut*, 96. Ehrenkrona, *Nicolin*, 67. At least Browaldh and Iveroth were skeptical with regard to many of the PHM tactics, Thunholm less so, see further p. 164.

²¹³ Carlson and Lundahl, *Ett forskningsinstitut*, 197–198.

(“*fredliga linjen*”) as long as the Fund still had resources for more offensive measures. Others, such as Nils Danielsen and Harald Nordenson, were ready to support the project if it would result in policy proposals.²¹⁴

During the spring, Iveroth returned to the board with more concrete suggestions. Although he wanted the Fund’s money, he was very clear that Studieförbundet Näringsliv och Samhälle, as the new organization was called (later given the English name Centre for Business and Policy Studies, SNS), was to be totally independent of its financier. SNS could not under any circumstances be connected to PHM propaganda and the *storfinans* as it was like a “‘red rag’ for large groups of citizens” (“*ett ‘rött skynke’ för stora medborgargrupper*”), and the board agreed without much discussion.²¹⁵ Söderlund, however, remained skeptical and thought it would be better with a “program of action” (“*ett handlingens program*”) rather than a research program. Still, a majority of the board did approve the project, as did both the chairman and managing director of SAF, Sven Schwartz and Bertil Kugelberg, who participated in the Fund’s deliberations. Kugelberg argued that it was better to have another organization than SAF conduct studies as SAF would always be considered biased.²¹⁶

In early May, the Fund’s chairman Thorsten Wigelius proposed that as a compromise, SNS could start off by organizing the local groups while the Fund would assume greater responsibility for the studies. Three secretaries would be hired to assist the Fund’s managing director with studies, propaganda and administration. Iveroth replied that this would make it impossible to recruit qualified researchers as the new institute, for the sake of credibility, needed total independence. Again, the board was ready to listen to Iveroth, who was granted SEK 185,000 to launch his project. On June 5, 1948, SNS held its inaugural meeting.²¹⁷

According to economic historian Kersti Ullenhag, who has written a biography over SNS, what made the project possible was the founders’ good

²¹⁴ *Styrelseprotokoll*, 1948-01-15, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; Browaldh, *Gesällvandring*, 73.

²¹⁵ *Styrelseprotokoll*, 1948-01-22, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Note that Iveroth first called it Studieförbundet Framtidens Samhälle.

²¹⁶ *Styrelseprotokoll*, 1948-04-26, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

²¹⁷ *Styrelseprotokoll*, 1948-05-07, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; *Bilaga 6, Styrelseprotokoll*, 1949-03-15, A2:2; Ullenhag, *I takt med tiden*, 25.

connections to several of the board members. Among other things, banker Lars-Erik Thunholm had previously worked as political assistant to board members and Conservative MPs Sven Lundberg and Ernst Wehtje, and the latter had a very close and trusting relationship to Axel Iveroth. Ullenhag also writes that the Fund would hardly have become SNS' financier had the Social Democrats lost the 1948 election. According to this line of reasoning, the election outcome made the Fund realize that a new strategy was needed.²¹⁸

This does not seem to be the correct conclusion. The Fund's board discussed funding SNS in the spring of 1948 and decided to grant money to the project in May, a couple of months *before* the election. Rather, one should look upon this as the Fund's board members being willing to pay for a project complementing the more propagandistic operations and which was initiated by individuals they trusted. It seems unlikely that the Fund would have decided to stop funding SNS had the center-right parties won the election. Also, to appease the more skeptical and ideological board members such as Söderlund and Wigelius, a new organization called Näringslivets Institut (the Enterprise Institute) was launched, something overlooked in previous research. This was a direct consequence of especially Söderlund's disappointment regarding the non-political profile of SNS.²¹⁹

Näringslivets Institut – “The general staff” for organized business

Parallel to the setup of SNS in April 1948, the Enterprise Fund called a meeting at the restaurant Stallmästargården in Stockholm. Gustaf Söderlund was invited to speak about state regulation.²²⁰ He suggested a “general staff” (“*generalstab*”) for the business community that was to coordinate and lead the struggle against regulations and socialization. A joint investigatory committee between the Fund and the Enterprise Organization for Cooperation was formed to work out a proposal. The Fund was to cover all the costs and its board would also constitute the board for the new organization. On the other hand, the Enterprise Organization for Cooperation should get three out of six seats on a new council that would assist the Enterprise Institute's managing director. The Bureau for Economic Information would merge

²¹⁸ Ullenhag, 26–27.

²¹⁹ Lewin, *Planbushållningsdebatten*, 361; Stenlås, *Den inre kretsen*, 195–198; Söderpalm, *Direktörsklubben*, 151.

²²⁰ *Protokoll*, 1948-04-09, Styrelseprotokoll NäSo 1948, A3:1, Näringslivets Fond, SAFs arkiv, CfN.

with the new organization, which would also take on many of the Fund's responsibilities. This, however, was not enough for Enterprise Organization for Cooperation, which did not want to trust the Fund with sole responsibility.²²¹ Instead, it was agreed that a seven-man board (three representatives from the Fund and the the Enterprise Organization for Cooperation respectively as well as a chairman) would be in charge and that a managing director should be hired as soon as possible. A council would assist the director, who would also have no fewer than four division heads under him. Costs were estimated at SEK 350,000 per year (i.e., about twice of what SNS received). Söderlund explained to the Fund's board that one of the benefits of this solution was that it was backed up by the the Enterprise Organization for Cooperation and the Fund, "the core of our business community." Söderlund was also elected chairman of the new organization.²²²

Conclusions and chapter summary

During the 1930s, the Social Democrats became the dominant political force in Sweden. With the non-socialist parties in opposition, business interests lost a direct channel to the government while, at the same time, fewer businessmen got engaged in politics. For conservative-leaning businessmen of the industrial right-wing, this was a problem. As they regarded their two major business organizations, SAF and the Federation of Swedish Industries, as expert organizations with valuable ties to the state, they had to find other ways to fight social democratic ideas regarding more state intervention in the economy. Hence, they set up other organizations to affect the political debate and finance the non-socialist parties and their press. The five largest exporting companies got together in the so-called *Direktörsklubben* to propagate for export-friendly policies and non-socialist cooperation. Sven Anders Söderpalm's biography on *Direktörsklubben* is in many ways a pioneering work, but his shortcoming in terms of failing to acknowledge the much larger

²²¹ *Bilaga 6*, Styrelseprotokoll, 1949-03-15, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

²²² *Styrelseprotokoll* (including bilaga 5), 1948-11-12, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. Swedish: "...kärnan i vårt näringsliv." Note, however, that the Swedish Shipowners' Association did not want to be part of the new institute, see *Protokoll* 1948-12-10, Styrelseprotokoll NäSo 1948, A3:1, Näringslivets Fond, SAFs arkiv, CfN.

Näringslivets Fond limits his analysis. He is also unaware of the secret anti-tax lobby organization the Guarantee Foundation 1946 seeking to oust the Social Democrats from power in 1948. Furthermore, he assigns the joint chairman of SAF and the Fund, Gustaf Söderlund, an overly neutral role. As this chapter has shown, Söderlund was the leading free enterprise ideologue within business circles. This chapter thus confirms the critique against Söderpalm from other scholars.²²³ The findings here also show how the business campaigns against a planned economy and higher taxes were mainly carried out by the Bureau for Economic Information and the Taxpayers' Association with financial backing from the Fund and the Guarantee Foundation.

Stenlås' study of the Fund and its affiliated organizations in many ways corrects the void left after Söderpalm's study. Stenlås' main argument is that what drove the ideological resistance and campaign efforts of the business elite in the 1940s was the loss of direct access to the halls of power. What this chapter argues, based on access to the most relevant archives, is that the business community perceived the political threats from the labor movement – primarily potential socialization and substantial tax hikes – as much more imminent. When these threats toned down during the 1950s, so did the more propagandistic efforts undertaken by the business community.

Söderlund – the organizational entrepreneur

In 1940, 13 businessmen belonging to the industrial right-wing got together in the Enterprise Fund to secure the ownership of the leading conservative daily *Svenska Dagbladet*. The Fund could also be used in other ways to advance business interests, such as supporting researchers and disseminating information. Several of the founders were also members of the Employers' Confederation (SAF) and the major trade association the Federation Swedish Industries. Both of these organizations were however deeply engrained in the country's corporatist order (this will also be developed in the next chapter) and did not want to risk to be considered as partisan or openly propagandistic. Therefore, any political advocacy activities that could not be handled within the corporatist institutions (functioning as consultative bodies, having

²²³ See Previous Research, chapter 1.

board seats on government agencies, direct negotiations with the government and the unions etc.) were to be handled by other organizations such as the Fund.

Its first chairman became Gustaf Söderlund, who was also SAF's managing director (later chairman). During the entire 1940s, Söderlund would serve as the organizational entrepreneur in Salisbury's sense, playing a key role in developing the indirect lobbying of the business community, primarily through the expanding Enterprise Fund. He was an example of Sabatier's organizational entrepreneur who finds motivation in pursuing policy goals and remaining committed to the collective benefit of free enterprise.

During its first years, the Fund together with SAF organized financial support to non-socialist newspapers in distress through their jointly founded organization *Libertas*, which, however, was taken over by SAF in 1944 (which had sufficient resources to spend on this costly venture). The early years of the Fund were also marked by the ongoing war. A German occupation of Sweden was not all that far-fetched in 1940 and 1941, and even if that did not occur, a future in which a totalitarian Germany dominated Europe was a plausible reality. The first major study undertaken by the Fund looked into how a corporatist order, inspired by developments in Germany and Italy, could be implemented in Sweden. However, when the report and a subsequent internal investigation was finally finished in 1944, the fortunes of war had turned. It was now obvious that the German-Italian model of organizing business would not last for long and the report was shelved.

Group equilibrium disturbances

As the war drew to an end, the men in the Enterprise Fund came to view radical policy proposals from the left, most notably presented in the labor movement's Post-War Program and in the government's so-called Myrdal Commission, as the most imminent threat to free enterprise. For politically aware business leaders, the challenge was now how to organize the response to the threat of socialization, regulations and what they saw as confiscatory taxes. What we see here is an example of what Truman referred to as disturbances in group equilibriums. In this case, political proposals from the Social Democrats pushed the business community to reorganize and ramp up its political efforts. Especially the insurance industry was accused of

unsound business practices by the Social Democrats and was singled out to be nationalized in the Post-War Program. As a result, it ran its own anti-socialization campaign based on the Swedish national hero Engelbrekt.

The ensuing debate between the labor movement, on the one hand, and the business community and the non-socialists, on the other, came to be called *Planbushållningsdebatten* (and resistance against the more planned economy proposals was called *Planbushållningsmotståndet*, PHM) and would continue until the 1948 election.

The Bureau for Economic Information became the Enterprise Fund's operational arm from 1945, making it one of the world's first business backed information agencies together with the Foundation for Economic Education in the US (1946) and Aims of Industry in the UK (1942). As Danish historian Niklas Olsen has noted, these organizations should be seen as "prototypes for the later neoliberal think tanks" that emerged in the 1970s.²²⁴

The leaders of big business used the Fund and its bureau to produce ads, brochures, studies and to publish opinion polls, all with the ultimate aim of convincing the public of the benefits of free enterprise. Young, conservative journalists were engaged in the magazine *OBS!*, which mixed politics with entertainment. As the indirect lobbying intensified, so did the need for resources, and the Fund cut its ties to *Svenska Dagbladet* and actively sought members among a broader circle of businessmen than the industrial right-wing.

Ideological inspiration was sought primarily in the works of the Austrian school. The Fund made sure that Hayek's *The Road to Serfdom* was available in Swedish, and the Federation of Swedish Industries paid for his visit and lectures in Stockholm in 1946. Byrån för Ekonomisk Information also established contact with similar organizations abroad, such as the Foundation for Economic Education in the US and the Erhvenes Oplysningsråd in Denmark. Although the Bureau for Economic Information operated openly, the Fund, which had grown to some 50 members in 1947, was a secretive organization. However, both the social democratic press and party accused the PHM campaign of being nothing but big business propaganda putting the interests of big business before those of the common man.

²²⁴ Olsen, "Second Hand Dealer," 147–49. Note that Olsen does not write about the Fund nor the Bureau for Economic Information.

The critics were obviously completely right that the campaign was an effort of big business to improve its position. The secrecy, anonymity and big business involvement in the PHM campaign were easy targets for the labor movement, and the business leaders behind the campaign found it difficult to defend themselves against these allegations. However, as Traxler has argued, the resources available for business made it relatively easy to get new organizations for opinion formation going.

Even though the immediate threat of socialization was toned down during 1946 and 1947, the business community faced new concerns as Minister of Finance Wigforss drew up his plans for a tax reform aimed at wealthy individuals and companies; yet another example of Truman's group equilibrium distortions. For big business leaders, this was nothing but a confiscation of private means through the tax system, and together with representatives of smaller and medium-sized businesses, they got together in the Enterprise Organization for Cooperation thus engaging in what Ken Kollman has called signaling (showing policymakers the relevance of a particular issue) and conflict expansion (engaging non-elite groups). They also organized an unprecedented secretive fundraising initiative called Garantistiftelsen 1946 that would channel large resources to the non-socialist parties, the press and information activities aimed at the public before the 1948 election in order to oust the Social Democrats from government. The goal was to raise a staggering SEK 40 million (it eventually ended up being SEK 24.8 million). The Conservative Party and Libertas were the major recipients as the Liberal Party declined any contributions, instead preferring to receive money directly from companies rather than from a foundation dominated by the more conservative part of the Swedish business community. Even the Farmers' League, which was traditionally considered by big business to be politically unreliable, received money from the the Guarantee Foundation.

After the election

After the 1948 election, in which the Social Democrats managed to hang on to power by a small margin, the government invited business representatives to talks. The Samarbetsorganisation was used to coordinate the business community's strategy during these talks. Näringslivets Fond launched two new ventures: Studieförbundet Näringsliv och Samhälle (Centre for Business

and Policy Studies, SNS) and Näringslivets Institut (the Enterprise Institute). The mission of SNS was to get businessmen all over the country to engage in unprejudiced discussions on how to address the economic and social problems in the post-war world based on objectivity and research. Even though the money came from the Fund, it was to have a non-propagandistic profile. In order to continue with more political advocacy work, an additional organization, called the Enterprise Institute, was set up with Gustaf Söderlund as chairman. It was a joint effort between the Enterprise Organization for Cooperation and the Fund and was to serve as a “general staff” for business in its advocacy efforts for free enterprise. SNS was modeled on the Committee for Economic Development in the US and the Samarbetsorganisation on Erhvervenes Oplysningråd in Denmark.

What this chapter has added to Kersti Ullenhag’s biography on SNS has been the launch of the organization from the financier’s perspective. It also highlighted the inherent contradiction between Näringslivets Fond, a free enterprise organization founded by conservatives, and SNS, whose founders favored dialogue rather than confrontation with the labor movement.

Free enterprise – a collective benefit

The labor movement’s Post-War Program, the Myrdal Commission and Wigforss’ tax proposals served as disturbances in the group equilibrium between organized labor and organized business in Sweden. Following a new, more radical political climate beginning in the mid-1940s, organized business, under the leadership of its more conservative wing, formed a wave of new organizations to defend its primary interests: private ownership, less regulation, economic stability and low taxes. What the new organizations offered the leaders of big business was, in fact, only the opportunity to participate in the defense of free enterprise. Using Salisbury’s classifications, there were no “material benefits” for joining, but what was instead offered was “solidary benefits” (e.g., a sense of belonging and identification) and “expressive benefits” (the group expresses the same values as those important to the person joining). Thus, what the Fund could offer was the collective benefit of a free enterprise system. There was no Olsonian coercion mechanism in getting firms to join, but, on the other hand, the organization remained sufficiently small so that all its members could meet once a year. By acquiring

membership in the new information agencies, business leaders could pool resources to reach their political goals in a much more hands-on way than what they could achieve through the more expert-oriented major organizations.

It is difficult to pin down the causal effects of the business community's free enterprise campaigns in the 1940s. As pointed out in previous research, the assumption underpinning the Post-War Program was that the war would be followed by an economic downturn. This did not happen; instead, Sweden experienced fast growth and inflation. Leif Lewin argues that the business community's campaigns did lead to the Social Democrats abandoning the socialization proposals.²²⁵ This is likely a correct conclusion. The political price for nationalizing industries became too high, especially when the economy was steaming ahead and full employment was reached. Also, with Wigforss' tax proposal, the government proved that it was still able to pursue radical proposals.

As the government and business leaders started talking to each other in a less hostile fashion after the 1948 election, a question remained for the business community. What was it to do with the information capacity it had built up?

²²⁵ Lewin, *Planbushällningsdebatten*, 332; Stenlås, *Den inre kretsen*, 350.

Chapter 4

Influencing Public Opinion in the Era of Harpsund Democracy, 1949–1968

The following chapter describes how organized business in Sweden used political advocacy to promote its interests during the 1950s and 1960s. A memo presented to the Fund's board in 1952 by managing director Uno Murray clearly stated the goal

The Fund's aim [...] is to create an ever-greater understanding for free enterprise and thus conditions for a political turn of the tide in a direction conducive to freedom.¹

Ultimately, this could be achieved by getting a non-socialist government in place. Hence, the business community financed the Research Bureau for Social Issues from 1962, which would get the non-socialist parties' research capacity up to par with the Social Democrats. Among other things, this chapter also describes how the Enterprise Fund made a serious but failed attempt at writing an ideological program for business that would counteract the ideas brought forward in the labor movement's Post-War Program.

¹ *Bilaga 6, Styrelseprotokoll 1952-03-06, A2:3, Näringslivets Fond, SAFs arkiv, CfN.* Swedish: "Fondens ändamål är att [...] skapa en allt större förståelse för fritt näringsliv och därmed förutsättningar för en politisk strömkantring i frihetsvänlig riktning."

Previous research has shown that Swedish employers generally did not oppose welfare reforms launched by the Social Democrats in the 1940s and 1950s, including a universal pension reform in 1946 and universal healthcare in 1953. The exception was the issue of supplementary pensions in 1957.² Compared to the high-pitched debate on planned economy in the 1940s, these two decades saw more talking and less open confrontations between organized labor and organized capital.³ However, the business community continued employing what Francis Sejersted has referred to as the “double strategy.” Political compromises could be reached by using both formal and informal corporatist channels, but the underlying ideological struggle did not go away, at least for parts of organized business.⁴ This chapter explains how this struggle was carried out in practice.

Discussion rather than confrontation

As the 1940s turned into the 1950s, the discussion on economic matters between the government and the major special interest organizations continued within the “Thursday Club.” These meetings constituted a way for the government to get the interest organizations’ viewpoints, but no formal decisions were ever taken. For the business community, a major issue was getting rid of the price controls still lingering from the war, but it was a discussion forum for technical and hands-on issues rather than ideology.⁵ When Minister of Finance Per-Edvin Sköld left the government in 1955, the talks subsided.⁶

During the fall the same year, two individuals in the Social Democratic Party, including the prime minister’s assistant Olof Palme, suggested to Prime Minister Erlander that he ought to continue to try to deepen the relationship with organized business. Invitations (personal, not to organizations)

² Swenson, *Capitalists against Markets*, 11, 263, 271–275. Other reforms included universal child benefits and a longer vacation. In the 1960s, the universities expanded and public housing was subsidized, see Ruin, *I välfärdsstatens tjänst*, 12.

³ For instance, Elvander, *Intresseorganisationerna i dagens Sverige*.

⁴ Sejersted, *The Age of Social Democracy*, 309–311.

⁵ For business discussions and views regarding the “Thursday Club,” see A3:1, NäSo protokoll 1974–1950, and A3:2 NäSo protokoll 1950–1963, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

⁶ Elvander, *Intresseorganisationerna i dagens Sverige*, 192.

were sent out to business representatives to come to the prime minister's representational estate Harpsund for talks with the government and representatives from other major interests.⁷ Although the conference participants downplayed the role of these gatherings with regard to policy outcomes, critique came from both the right and the left. Political opposition leader Bertil Ohlin coined the somewhat derogatory name "Harpsund democracy," meaning that the government sidestepped parliament by negotiating directly with the major organized interests behind closed doors. Left-wing newspaper *Arbetaren* argued that the meetings led to a de-ideologization of socialism. A contemporary journalist noted that it was hard to distinguish the boundaries between mutual information, deliberations, consultations and agreements, even for those who had been present.⁸

Political scientists have stressed that these consultations did not have any major impact on government policy, but that they could have led to a sort of unspoken understanding, a form of class cooperation and a special "Harpsund spirit." Erlander himself called it "consultative democracy" ("*konsulterande demokrati*") and downplayed any potential effects of the meetings on policy; however, when the critique became too hard, the conferences ended in the early 1960s.⁹ Nevertheless, discussions did continue in a more formal setting in Ekonomiska planeringsrådet (The Council for Economic Planning) at the Ministry of Finance starting in 1962.¹⁰

⁷ Erlander, *Tage Erlander 1955-1960*, 110–116. Harpsund had been donated to the state in 1952 by Carl-August Wicander who also was one of the founding trustees of Näringslivets Fond.

⁸ Lewin, *Planbushållningsdebatten*, 386; Steinmo, *Taxation and Democracy*, 126; Östberg, *I takt med tiden*, 204; Asterdal, Alvar, "Harpsund en synvilla?" *Industria*, nr 2 1964.

⁹ Ruin, *I välfärdsstatens tjänst*, 264–277; Micheletti, "Arbetsmarknadsorganisationer och politik," 383–384; Steinmo, *Taxation and Democracy*, 125–126; Östberg, *I takt med tiden*, 121; Lewin, *Planbushållningsdebatten*, 383–384. Both Erlander and Tore Browaldh stressed afterwards that practical matters, not ideology, were discussed (Erlander, *Tage Erlander 1955-1960*, 116–121; Browaldh, *Vägen vidare*, 214). According to Erlander, the main value of these conferences for the government was learning about the actual situation in industry. The business leaders were skilled analysts and gave witty dinner speeches, but this did not alter the alienism that they felt toward the hosts and their policy. He also argued that the conferences did not alter the social democratic aspiration to reduce the power over others enabled by the possession of capital. However, his impression of the Federation Swedish Industries' managing director Axel Iveroth during the conferences was so good that he offered him the position as county governor (*landshövding*).

¹⁰ Browaldh, *Vägen vidare*, 224.

Good relations between the parties in the labor market...

There were plenty of signs of the improved relations between organized capital and organized labor, and in the words of business historian Hans De Geer, “the Swedish labor market in these years was characterized by honesty, responsibility and sportsmanship.”¹¹ Negotiations and cooperation were naturally simplified by a prolonged economic upswing that really took off from around 1960 when growth levels reached 7–8 percent per year. The value added in Swedish industry increased almost 2.5 times between 1949 and 1965 as the Swedish export-oriented basic industries (mining, iron, steel, forestry) expanded their global reach.¹² Political scientist Nils Elvander writes that the improved relations between organized business and the state in the 1950s were also partly a consequence of a more liberal economic policy, including abolishing both wartime regulations and low interest rates, liberalizing foreign trade and tax cuts in 1952 and 1956. Wigforss’ much-criticized estate tax was scrapped in 1958.¹³

In the early 1960s, the leaders of SAF and LO were invited to the US Senate to speak about the peaceful Swedish labor market.¹⁴ The first central agreement on wages between the two had been reached in 1956. Overall, the employers did not oppose LO’s Rehn-Meidner model seeking to moderate inflation, reduce demand for higher wages and shift labor to firms with high productivity as it decreased internal competition for manpower in the business sector. Historically, SAF had always strived for uniformity in setting wages. The so-called solidary wage policy of the Rehn-Meidner model meant that less productive industries paid the same wage increases as the exporting industry. Workers who were laid off from companies that could not pay the higher wage costs were incentivized by the state’s active labor market policy to relocate to parts of the country where the employment situation looked better.¹⁵ This was at least the theory. In practice, excessive wage drift

¹¹ De Geer, *Arbetsgivarna*, 113. Swedish: “Det vilade en hederlighet, ett ansvar och en sportmanship över den svenska arbetsmarknaden under de här åren.”

¹² Petersson, “Del III 1945–1965,” 363, 424; Sandberg, “Del IV 1965–1985,” 490–492.

¹³ Elvander, *Intresseorganisationerna i dagens Sverige*, 256, 261; Elvander, *Svensk skattepolitik 1945-1970*, 320–321.

¹⁴ Östberg, *I takt med tiden*, 204.

¹⁵ In Swedish this was known as ”flyttlasspolitiken”. Sejersted, *The Age of Social Democracy*, 222; De Geer, *Arbetsgivarna*, 110; Ruin, *I välfärdsstatens tjänst*, 264–277; Swenson, *Capitalists against Markets*; Östberg, *I takt med tiden*, 118–119; Nycander, *Makten över arbetsmarknaden*, 87, 139; Lundh, *Spelets regler*, 195–207.

(*löneglidning*) caused by the scarcity of labor in especially high-pay sectors moderated profitability.¹⁶

...and between the Wallenbergs and the Social Democrats

One of Erlander's recurring guests at Harpsund was Marcus Wallenberg, who together with his brother Jacob managed the country's largest industrial group. In 1969, 23 percent of the industrial working force was employed in a Wallenberg-controlled company.¹⁷ Marcus Wallenberg was also chairman of the Federation of Swedish Industries in 1962–1964 and Industrins utredningsinstitut in 1950–1975.¹⁸ In combination with his personal authority, Marcus Wallenberg held a central, almost dominant position within the Swedish business community, according to political scientist Olof Ruin. The fact that the leading man in business got along so well with the leading Social Democrats Erlander and Minister of Finance Gunnar Sträng already in the 1950s symbolized a new, more cordial relationship between business and labor.¹⁹ Marcus Wallenberg's biographer Ulf Olsson writes that although he disliked many of the policies, he was a pragmatic man who respected public power.²⁰ His older brother Jacob did not have the same kind of close relations to the Social Democratic politicians, although he was respected as a debater. Among other things, Jacob was active in Nationalekonomiska Föreningen where he commented on the minister of finance's state budget every year between 1948 and 1960.²¹ He also chaired the Taxpayers' Association during the period 1953–1969.²²

As shown in this chapter, both Marcus Wallenberg and his son Marc were deeply involved in various projects ultimately aiming to counteract social democratic ideas and get the non-socialist parties to win elections. Furthermore, the family had no illusions regarding the potential socialization threat. Their pharmaceutical company Astra had for several decades

¹⁶ Swenson, *Capitalists against Markets*, 128–131, 140; De Geer, *Arbetsgivarna*, 142.

¹⁷ Olsson, *Att förvalta sitt pund*, 339.

¹⁸ *Institutet för näringslivsforskning website*, “Vår historia.” https://www.ifn.se/om_ifn/historik, accessed November 25, 2019.

¹⁹ Ruin, *I välfärdsstatens tjänst*, 269–271.

²⁰ Olsson, *Att förvalta sitt pund*, 339–340.

²¹ Lindgren, *Jacob Wallenberg*, 367–372.

²² *Wikipedia*, “Skattebetalarnas förening,” https://sv.wikipedia.org/w/index.php?title=Skattebetalarnas_f%C3%B6rening&oldid=46452674, accessed November 25, 2019.

diversified its operations abroad to make a governmental takeover more difficult. As discussed in the next chapter, the state did nationalize the pharmacies in 1969 and also acquired a majority of shares in Astra's competitor Kabi.²³

Furthermore, Marcus Wallenberg had always been skeptical of SNS and never gotten himself nor the companies controlled by the Wallenberg group involved. Economic historian Kersti Ullenhag presents several reasons: he considered SNS a competitor to IUI and the Federation of Swedish Industries, it had not been his idea, he thought that the founders were ideologically flaky, he and Tore Browaldh disliked each other and an old rivalry between Handelsbanken (to which several individuals in the SNS sphere were linked) and Enskilda banken.²⁴

Changing views on business policy within the labor movement

Political scientist Jon Pierre has studied Social Democratic party congresses between 1948 and 1978. He concludes that in the 1950s and the first half of the 1960s, their ambitions to increase control over private business were less ambitious than what had been the case in previous decades. However, this did not mean that the socialization issue had vanished from the agenda. At the party congress in 1952, there were new motions for socializing banks, insurance companies and the forestry industry. These, however, were rejected by the party leadership and the congress. A demand for a new, larger socialization study was turned down with 179 votes against 127, indicating that there was a large minority wanting to go further than the party executive. Socialization demands reoccurred at party congresses over the coming decade but with less persistence.²⁵ That the Social Democrats still had a general interest in expanding state-owned enterprise during the 1950s is illustrated by the buyout of major mining company LKAB from its co-owner Grängesbergsbolaget in 1957.²⁶

²³ Sjögren, *Den utbålliga kapitalismen*, 102–109; Sandberg, “Del IV 1965–1985,” 503–504.

²⁴ Ullenhag, *I takt med tiden*, 32–33, 43–45.

²⁵ Pierre, *Partikongresser och regeringspolitik*, 110–112; Ruin, *I välfärdsstatens tjänst*, 222.

²⁶ Petersson, “Del III 1945–1965,” 382–383.

A new “business policy offensive”

When the Social Democrats performed relatively poorly in the 1966 municipal elections the party’s response was to launch a new “business policy offensive” (“*näringspolitisk offensiv*”). A joint report with the LO stated that the business sector was unable to cope with international technological developments and that society in general needed to get more engaged in the development of business. State-owned enterprises would increase efficiency and competition. An investment bank (Investeringsbanken) run by the state was set up in 1967, followed by the new Ministry of Industrial Policy the following year. A holding company called Statsföretag AB gathered state-owned companies, which by the late 1960s included companies within telecommunications, the defense industry, publishing and pharmaceuticals.²⁷

Co-determination issues also received increasing interest in both the party and the LO. The work councils (*företagsnämnder*) established in 1946 served as an arena for consultations between management and employees, but in the mid-1960s, the labor movement wanted to go further. So did the Liberals and the Center Party. Both had proposals for board representation for employees. In 1968, the Social Democrats opened up for proposing new laws if the labor market parties were unable to reach new agreements on co-determination. This was clearly a new stance, as the tradition from the Saltsjöbaden Agreement had been for the state to stay out of regulating the labor market.²⁸

Economic historian Henrik Malm Lindberg highlights the ideas fueling the radicalization of the Swedish labor movement that began in the 1960s and culminated in the 1970s. One source of inspiration was economist John Kenneth Galbraith (who was a guest at Harpsund in 1959), who argued that an affluent society needed increased public consumption and investment to counter poverty and achieve a balanced growth. Malm Lindberg specifically points to two important government studies. *Låginkomstutredningen*, appointed in 1965, claimed that Sweden was still characterized by intergenerational inequality. Continued growth and increased prosperity did not automatically lead to increased welfare for all, as the capitalist system entailed that

²⁷ Pierre, *Partikongresser och regeringspolitik*, 112–116, 141; Larsson, *En svensk ekonomisk historia*, 122.

²⁸ Pierre, *Partikongresser och regeringspolitik*, 158–165; Hedin, “Before the Breakdown.” Note that the the Farmers’ League changed its name to the Center Party in 1957.

the means of production were in the hands of the few. *Koncentrationsutredningen* from 1968 concluded that Swedish companies operated in oligopolistic or monopolistic markets. Free competition was very unusual. In addition, the concentration of power was higher in Swedish business than in any other Western European country, with only a few families or individuals at the top.²⁹ Additional explanations behind the radicalization presented by other scholars include international student revolts, a large population of young people, rationalizations within the business sector, discontent over educational reforms, party strategy and the 1968 movement as a window of opportunity for a latent leftist movement within the Social Democratic Party.³⁰

A new market for public relations

The market for public relations experts grew in the post-war decades. State agencies, major interest organizations and large firms hired their own people to handle primarily press relations and eventually also other types of internal and external communications. SAF launched its public relations department, *Avdelningen för samhällskontakt*, in 1951.³¹

General developments within the Enterprise Fund

Already at their first meeting in 1940 the Fund's trustees had agreed on hiring a managing director to run the Fund's affairs. Söderlund's first pick was the internationally renowned banker Per Jacobsson. He worked at the Bank for International Settlements in Basel and was a firm believer in neo-classical economics. Eventually, however, he declined.³² Well-known journalist Erik Wästberg was also contacted. He was positive but for unknown reasons he

²⁹ Malm Lindberg, *Drömmen om jämlikhet*, 92–97, 112–129; *SOU 1970:34*; *SOU 1968:3*. While Galbraith's thinking was popular among the labor movement's leadership, students sympathizing with leftist radical movements also turned to philosopher and sociologist Herbert Marcuse, an even bigger critic of capitalism. For more on Galbraith and Marcuse in the Swedish debate on especially advertising in the 1960s, see Funke, *Regulating a Controversy*, 67–68.

³⁰ Malm Lindberg, 18–22.

³¹ Larsson, *Upplysning och propaganda*, 59–63. *Synpunkter på avdelningen för samhällskontakt*, SAFs PR (SK-) avdelning, F14 OA:1, SAF, SAFs arkiv, CfN.

³² *Styrelseprotokoll 1946-02-05*, A2:1, Näringslivets Fond, SAFs arkiv, CfN. Söderlund had also tried to recruit Jacobsson as the first director of IUI. He later became head of the International Monetary Fund (1953–63), Carlson and Lundahl, *Ett forskningsinstitut*, 83. See also Offer and Söderberg, *The Nobel Factor*, 86–87.

never took up the position.³³ Instead in 1947 the job went to the lesser known Uno Murray from the Conservative Party's secretariat in parliament where he worked with contacts between business interests and the party.³⁴ Due to work load issues Söderlund himself resigned the same year and the chairmanship was temporarily taken over by Harald Nordenson. As a founder, Nordenson believed that he could not decline even though his close relationship to the Conservative Party made him less than suitable as chairman.³⁵ At the end of the year the position was taken up by Thorsten Wigelius, the managing director of the ironworks and forestry group Hellefors bruk AB.³⁶

As shown in Figure 4.1, the Fund's membership base continued to grow substantially during the first half of the 1950s, most likely as a result of a scrapped entrance fee, lower yearly fees and a full-time managing director who could actively recruit members.³⁷ It then flattened out, and the Fund started to lose members starting at around 1960. Especially after 1965, the trend goes downward, and this chapter explores possible explanations.

³³ *Bilaga 1*, Styrelseprotokoll 1946-09-04, A2:1, Näringslivets Fond, SAFs arkiv, CfN.

³⁴ *Styrelseprotokoll 1947-06-13*, A2:1, Näringslivets Fond, SAFs arkiv, CfN. Stenlås, *Den inre kretsen*, 193.

³⁵ *Protokoll huvudmännen 1947-05-29*, Protokoll Huvudmännen 1945-1950, Näringslivets Fond, Timbros arkiv, CfN.

³⁶ *Styrelseprotokoll 1947-12-02*, A2:1, Näringslivets Fond, SAFs arkiv, CfN.

³⁷ Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet, F1:2, bilaga 3, Näringslivets Fond, SAFs arkiv, CfN.

Figure 4.1 The Enterprise Fund. Number of members and donators 1940-1978



Note: Starting in 1951, companies could also be donors instead of members. However, there were not all that many donors – the maximum number was 13 in 1958. Between 1962 and 1970, members and donors were not accounted for separately, which is why they are bundled together in the graph. Source: Näringslivets Fond, årssammanträden med huvudmännen.

So, who were these members? According to an inhouse report made by the Fund in 1961, the organization was dominated by large industrial companies. Out of a total of 79 members, 66 belonged to industry, two were shipping companies, nine were in commodity trading, one was a holding company and one was a forwarding agency. By dividing all of Sweden's joint stock companies that were potential members in primarily industry, shipping and commodities (remember that financial companies could not belong to the Fund) into ten groups based on equity and profitability (this was how the yearly fee to Fund was calculated), the board was able to see how many companies in each group belonged to the Fund.³⁸ Table 4.2 shows the relative dominance

³⁸Bilaga 7, Styrelseprotokoll 1962-11-16, A2:5, Näringslivets Fond, SAFs arkiv, CfN. In order to be a potential member, the company had to have at least SEK 300,000 in equity capital. A "comparative number" ("jämförelsetal") was then calculated by taking half of the mean of the company's equity capital added to the

of really large firms. Out of Sweden's 28 largest non-financial companies, 21 were members. In the much larger group of the 438 smallest potential members, only 9 belonged to the Fund. Clearly, the Fund had been successful in attracting the really large firms, while the opposite was true for its smallest potential members. In a way, this is not particularly surprising. The Fund had always been a big business organization made up of captains of industry who saw themselves as representatives of "*näringslivet*." Furthermore, all else equal, larger firms will have both a greater need and resources for lobbying.

Table 4.2 Members of the Enterprise Fund 1961, divided by size.

	Total number of potential member companies	Members of the Enterprise Fund	Members of the Enterprise Fund as percentage of total number of potential companies
Group 1 (largest companies)	28	21	75%
2	17	8	47%
3	36	9	25%
4	36	7	19%
5	27	9	33%
6	30	5	17%
7	40	5	13%
8	63	4	6%
9	161	2	1%
10 (smallest companies)	438	9	2%
Total	876	79	9%

With the varied fees (however, there was a ceiling), the largest companies provided the bulk of the Fund's income. In 1961, the largest companies, such as Ericsson, Electrolux, SCA and Stora Kopparberg, paid a yearly fee of SEK 29,600, equal to roughly SEK 350,000 in present monetary value, in addition

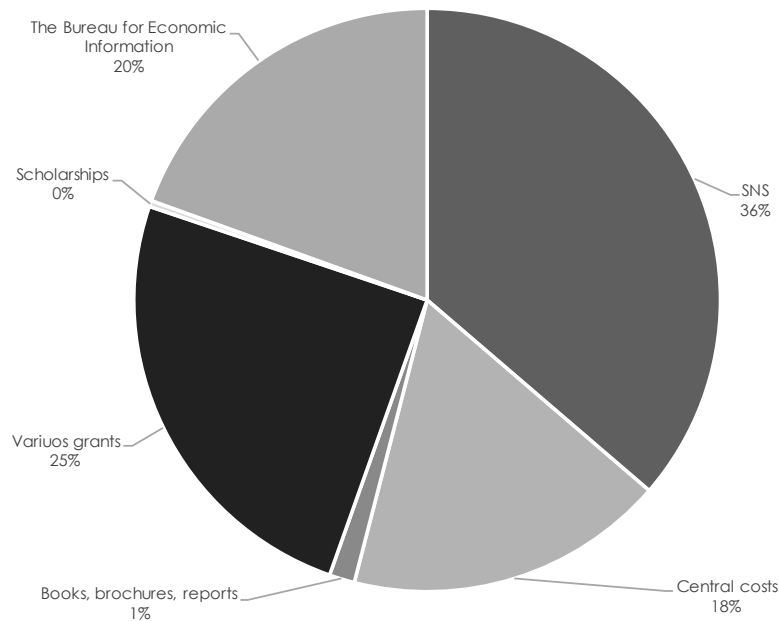
capitalized profit for the last three years at 6.5 percent. Companies with a comparative number of less than SEK 500,000 SEK were then excluded as their profits were probably too low to pay the yearly fee.

to the fixed fee of SEK 2,000 (see further Appendix 1 for all members in 1940, 1946 and 1961).

Together with some smaller donations and revenues from its capital assets, the Fund could spend about SEK 1.3 million in the early 1960s. Figure 4.3 shows the distribution of expenses from 1948 to 1962. SNS, the Bureau and various grants to other institutions constituted the Fund's major expenditures.³⁹ Starting in 1962, the Fund also began financing The Research Bureau for Social Issues together with the Wallenberg Group.

³⁹ *Bilaga 9, Styrelseprotokoll 1962-11-16*, A2:5, Näringslivets Fond, SAFs arkiv, CfN.

Figure 4.3 The Enterprise Fund. Expenses as percentage of total expenditures 1948-1962.



Source: *Bilaga 9, Styrelseprotokoll 1962-11-16, A2:5, Näringslivets Fond, SAFs arkiv, CfN*. Note that after 1948 the Fund almost completely stopped with scholarships, hence the 0%.

Grants

Two of the old PHM projects were abandoned in the 1950s. Kursverksamheten Vår Ekonomi (KVE) changed focus from being a correspondence school to a consultancy-based educational company selling courses in business administration to other firms.⁴⁰ Board members such as Harald Nordenson and Gustaf Söderlund, who had always been skeptical of KVE, now found that it made even less sense to support the project. Nordenson

⁴⁰ *Protokoll årssammanträde med huvudmännen, 1953-05-29, A1:1, Näringslivets Fond, SAFs arkiv, CfN*.

reminded the board that the purpose of the Enterprise Fund was to “fight the collective tendencies and defend business against socialism.”⁴¹ The last grants were paid out in 1956.

OBS! continued to lose money as the sale of single copies fell, something editor Gunnar Unger blamed on decreasing political animosity between the left and the right. The Fund paid out its last grant in 1952 but the magazine was published until 1955 thanks to donations from individual businessmen.⁴²

An organization that became increasingly important for the Fund was Förbundet Frihet och Framsteg (the Society for Liberty and Progress), founded by Professor Henrik Munktell in 1949 but managed by Conservative politician Erik Anners. Just like SNS, it was organized in local groups (60 such groups existed in the early 1960s), but unlike SNS it had an outspoken non-socialist agenda, aiming to increase the interest in politics among primarily non-socialist academics. This was done through two channels. First, by sending out “study letters” for the local groups to discuss and, second, by donating money to the Conservative Student Association. The Enterprise Fund’s grants to the society were passed on to the student association. Between 1955 and 1960, the Fund paid SEK 40,000 per year. This was subsequently raised, and in 1966 it gave SEK 165,000. However, the society had total expenses of around SEK 400,000 per year, and it received the rest of the money from companies within the Wallenberg sphere.⁴³ Starting in 1966, the Fund instead gave its donations directly to the student association. Smaller donations (e.g., SEK 13,000 for 1966) were also given to the Liberal Student Association.⁴⁴ As the non-socialist student associations were technically not political parties, there was nothing in the Fund’s bylaws prohibiting it from handing out these grants.⁴⁵

⁴¹ *Styrelseprotokoll 1955-03-13*, A2:3, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “bekämpa kollektiviseringstendenserna och försvara näringslivet mot socialism.”

⁴² *Styrelseprotokoll 1952-10-28*, A2:3, Näringslivets Fond, SAFs arkiv, CfN. Unger, *Rapsodi i blått*, 236–237.

⁴³ *Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet* (see especially Bilaga III), F1:2, and *Styrelseprotokoll 1965-11-11*, A2:5, Näringslivets Fond, SAFs arkiv, CfN. Note that Förbundet Frihet och Framsteg changed its name in 1958 to Forum för Borgerlig Debatt. The organization used its old name when it raised money. Anners had belonged to the same crowd as Fredborg during their time in Uppsala. In the 1960s, he became a MP for the Conservative Party, see further Nordlund, *Att leda storföretag*, 351–352.

⁴⁴ *Styrelseprotokoll 1966-12-09*, A2:6, Näringslivets Fond, SAFs arkiv, CfN.

⁴⁵ *Styrelseprotokoll 1960-09-14*, A2:5, Näringslivets Fond, SAFs arkiv, CfN.

Smaller grants were also given to disseminate educational information about the Swedish economy to schools and foreign businessmen, to the conservative magazine *Svensk Tidskrift* and various other organizations, such as the small business interest organization the National Association for Swedish Entrepreneurs (Svenska Företagares Riksförbund). As described below, donations were also given to the campaigns in the late 1950s called Näringslivets Upplysningsverksamhet.⁴⁶

New offices, new leaders

In 1949, Svenska Handelsbanken was expanding and needed new offices at the centrally located Nybrogatan in Stockholm. These offices, however, had been promised to SNS. The bank's managing director Ernfrid "Effe" Browaldh (Tore Browaldh's father) then offered the Fund to instead buy a property owned by the bank at Sköldungagatan 2 where SNS could be housed. Technically, this was solved through an acquisition where the Fund also bought Browaldh's company Timbro AB, which owned public stocks. In 1961, the Fund and the Bureau for Economic Information also moved into Sköldungagatan 2.⁴⁷

⁴⁶ *Bilaga III, Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet*, F1:2, Näringslivets Fond, SAFs arkiv, CfN. One reason behind the Fund's donations to Svenska Företagares Riksförbund was to counteract "strong poujadist and querulous elements" ("starka poujadistiska och kverulantiska inslag") within the organization. Pierre Poujade was a French anti-establishment, anti-tax politician who had some political success in the 1950s, *Nationalencyklopedin*, "Pierre Poujade," <https://www.ne.se/uppslagsverk/encyklopedi/l%C3%A5ng/pierre-poujade>, accessed November 25, 2019.

⁴⁷ *Bilaga 3, Protokoll årsammanträde med huvudmännen 1962-05-16*, A1:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN; *Bilaga 5, Styrelseprotokoll 1950-01-19*, A2:2, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

Figure 4.4 Sköldungagatan 2 (1962) housing the Fund and its subsidiaries



Source: Stockholm City Museum (Fö 1365), photo by Siv Rahm.

Thorsten Wigelius resigned as chairman of the Fund in 1959 and was replaced by Sven Schwartz, SAF's chairman.⁴⁸ He, in turn, quit in 1966 and was

⁴⁸ *Protokoll årsammanträde med huvudmännen 1959-05-27*, A1:1, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN. There is hardly anything written about Wigelius. He was a retired managing director from Hellefors iron works but had no political affiliations and was never one of the top people at SAF or Industriförbundet, see *VÅD* 1967.

replaced by Bertil Kugelberg, who had just stepped down from having served as managing director of SAF for twenty years. As it were, Kugelberg also became managing director of the Fund as Uno Murray retired the same year.⁴⁹ Combining these two positions cannot be seen in any other way than lowering the Fund's ambitions (see further Appendix 3 for a list of chairmen and managing directors of the Fund during 1940–1985).

Both Schwarz and Kugelberg were known for their skills as negotiators, but none of them were ideologically driven in the same way as, for instance, Gustaf Söderlund. As a person, Schwarz was unobtrusive and non-dominant,⁵⁰ Kugelberg was a “typical collaborator” (“*utpräglad samarbetsman*”)⁵¹ and together with LO's Arne Geijer came to symbolize the spirit of the Saltjöbaden Agreement.⁵² In Sture Eskilsson's memoirs, Murray is described as a kind, typewriting bureaucrat in contrast to the colorful managing director of the Bureau for Economic Information, Tore Sellberg, who going to back to his young days as an anarchist always maintained a firm and outspoken belief in individual liberty.⁵³

The 1961 report

In the late 1950s, the presiding committees of SAF and the Federation of Swedish Industries appointed a joint study that would suggest changes for business donations to the press, political parties and information campaigns. Marcus Wallenberg specifically asked for a new, centrally organized fund that could give grants to “purposes of general interest for business policy.”⁵⁴ A committee was formed consisting of people from both organizations with Axel Iveroth serving as chairman and Tore Sellberg as secretary. The report stated that the increased need for opinion molding efforts in the post-war

⁴⁹ *Styrelseprotokoll 1965-04-07*, A2:5, Näringslivets Fond, Svenskt Näringslivs arkiv, CfN.

⁵⁰ SBL, “Sven G Schwartz,” author Hans De Geer, <https://sok.niksarkivet.se/Sbl/Presentation.aspx?id=6415>, accessed August 8, 2020.

⁵¹ Linderborg, *Socialdemokraterna skriver historia*, 410.

⁵² *Nationalencyklopedin*, “Bertil Kugelberg,” <https://www.ne.se/uppslagsverk/encyklopedi/lang/bertil-kugelberg>, accessed August 8, 2020.

⁵³ Eskilsson, *Från folkhem*, 35–36.

⁵⁴ *Bilaga II, Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet*, F1:2, Näringslivets Fond, CfN. Swedish: “ändamål av allmänt näringspolitiskt intresse.” This was a confidential report but an early version ended up in the hands of Sven Ove-Hansson who used it in his critical book (1984) on the opinion molding efforts by the Swedish business community published by Tiden förlag, see Hansson, *SAF i politiken*.

years had led to an uneven burden among firms. Looking ahead, there was a need for more resources from more firms and better coordination between business organizations involved in opinion molding. According to the report, it was obvious that the Trade Union Confederation and its associations spent many times the resources used by the business community on opinion formation. The social democratic press alone was estimated to have received to date more than SEK 100 million. What the labor movement spent on other types of information, ranging from study circles to its own cinema chain, was impossible to estimate, but it was of “extraordinary large scope.”⁵⁵ The report concluded that

The forms for modern opinion formation [...] and the trade union movement’s most extensive and expensive engagements [...] make it necessary for business to stake even more [...] if its interests [...] are to be noticed in the formation of opinion and in the end affect economic policy and political decisions.⁵⁶

In order to raise more money, simplify and even out donations from firms, the group’s main recommendation was to reorganize the Enterprise Fund. Preferably the new organization would encompass larger parts of the Swedish enterprise community than the industry, even if the suggestions were primarily aimed at the latter. The new fund would over time finance the now scattered information agencies and also hand out money to the political parties for specific purposes. However, the new fund was to be organized in such a way that it did not hamper the political parties’ ability to receive grants directly from companies. Handing out grants, the report argued, could provide a valuable political contact between giver and receiver.

The presidia of SAF and the Federation of Swedish Industries made it clear that the reorganized Enterprise Fund could not count on receiving

⁵⁵ Swedish: “utomordentlig stor omfattning.” The report does not state that Iveroth chaired the group, but the Fund’s board protocols make that clear, see, for instance, *Styrelseprotokoll 1962-11-16*, A2:5, Näringslivets Fond, SAFs arkiv, CfN.

⁵⁶ *Bilaga II, Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet*, F1:2, Näringslivets Fond, CfN: Swedish (quote in its entirety): “Formerna för modern opinionsbildning och opinionsbildningens allt fastare organisation samt fackföreningsrörelsens synnerligen omfattande och penningkrävande engagemang på dessa områden gör det nödvändigt att näringslivet satsar mera för dessa ändamål. Större samlade resurser behöver stå till förfogande för att näringslivets intressen och synpunkter i den hårda konkurrensen med andra opinionsbildningskrafter med tillräcklig slagkraft skall komma till uttryck i opinionsbildningen och därmed ytterst påverka den ekonomiska politiken och de politiska besluten.”

funding from their organizations but would have to rely on yearly fees from companies based on a portion of total wages and equity. There were three reasons for keeping the major organizations out: it was not in accordance with the organizations' bylaws to pay the amounts necessary for the new fund, it would imply substantial increases in membership fees and, lastly, it would be a disadvantage (*olägenhet*) if the new fund appeared as a direct organ for SAF and the Federation of Swedish Industries. The latter, however, would help the new fund in terms of recruiting members. Without direct funding from the major organizations, the group's proposals would have to be scaled down and *Libertas* and other organizations would not be taken over by the new fund but remain separate entities.

The Fund's managing director, Uno Murray, had interestingly enough not been involved in compiling the report and was critical concerning its suggestions, especially regarding the mandate to give money to the political parties, as the Fund had thus far been a non-partisan organization. He did, however, like the idea that the Federation of Swedish Industries should help recruit members to the new Fund, as this had proved difficult.⁵⁷

In the end, the Enterprise Fund was never reorganized. In 1963, the Fund's board concluded that it was not the right time to increase membership fees and create a buffer fund for the political parties to draw on. The recruitment of members should nevertheless intensify, aiming at the 200 largest joint-stock companies.⁵⁸

Svenska Dagbladet and *Libertas*

Back in 1944, when the Fund created a new foundation for the ownership of *Svenska Dagbladet*, the plan was that the foundation would start paying back the Fund's initial investment by amortization payments and interest ten years later. However, it turned out that the newspaper would be financially much better off if the Fund remitted the debt. The Fund agreed to this as the foundation's board, in turn, guaranteed that at least four board members "were

⁵⁷ P.M. *angående en nyligen framlagd ...*, PM ang utredningen ..., F1:4, Näringslivets Fond, SAFs arkiv, CfN.

⁵⁸ *Styrelseprotokoll 1963-01-23*, A2:5, Näringslivets Fond, SAFs arkiv, CfN.

deeply rooted in business, with a political affiliation adhering to the Fund's general principles and belonging to the Näringslivets Fond circle."⁵⁹

The general financial support from the business community to the press continued through *Libertas*, but it moved out of the Fund's office in 1954 when Thorsten Wigelius and Uno Murray also left the board of *Libertas*. They had originally been given their seats due to their affiliation to the Guarantee Foundation. Also, as *Libertas* continued to ask individual companies for donations, in addition to the yearly grant provided by SAF, it ended up in competition with the Fund, which wanted the same companies to become members.⁶⁰

Although the non-socialist newspapers had much larger editions than their social democratic competitors (see Table 4.5), there were individual newspapers, mainly conservative, facing severe financial problems. As the table shows, conservative newspapers continuously lost readers relative to newspapers with other political affiliations.

⁵⁹ *Styrelseprotokoll 1955-03-12*, A2:3, Näringslivets Fond, SAFs arkiv, CfN. Quote from Bilaga 13. Swedish: "med klar förankring i Näringslivet, med politisk anknytning enligt stiftelsens allmänna principer och tillhörande kretsen kring Näringslivets Fond." The term "circle" ("krets") implied trustees or others who could be regarded as being close to the Fund or people in leading positions in other business organizations with aims similar to those of the Fund.

⁶⁰ *P.m. med några synpunkter på frågan om Libertas' organisation*, A2:1, *Libertas*, Svenskt Näringslivs arkiv, CfN.

Table 4.5. Daily papers sorted by political affiliation, percentage of net edition 1940-1965

	Conservative	Farmers' League / Center Party	Liberal	Social democratic
1940	33	9	27	15
1945	32		28	16
1950	31	9	28	16
1955	27		30	18
1960	25	8	29	18
1965	22		29	21

Note that these figures do not add up to 100% since communist newspapers and newspapers of other affiliations are not included. Source: Holmberg (1986).⁶¹

In 1952, *Libertas* sounded the alarm: without more money, several of them would have to close down. SAF's response was to organize two fundraising efforts.⁶² The first one, aimed only at larger companies, was conducted in 1953 and brought in around SEK 2 million. The second was aimed at all SAF member companies and members of other business associations, primarily in trade, shipping and crafts. It asked for SEK 3–5 per employee for three years. The fundraising pamphlet stated that “Social democracy and interest organizations tied to this party have not given up their demands for socialization.”⁶³ It also stressed that the party and LO had recommended all trade union members to donate one day of wages to a new fund that would strengthen the social democratic press with some SEK 12–15 million before the 1954 election. In total, the second fundraising effort raised about SEK 2.9 million with the bulk of the money coming in the first year.⁶⁴ For the period between 1952 and 1962, SAF paid out a total SEK 29.1 million to

⁶¹ Holmberg, *Strategier mot pressdöden*, 14.

⁶² *Verksamhetsberättelse (1953)*, A2:1, *Libertas*, Svenskt Näringslivs arkiv, CfN. However, only about 5% of the non-socialist newspapers needed support from *Libertas*.

⁶³ *Till Företagsledare i skilda näringsgrenar*, A2:1, *Libertas*, Svenskt Näringslivs arkiv, CfN. Swedish: “Socialdemokratin och intresseorganisationer, som äro knutna till detta parti, ha icke frångått kraven på socialisering.”

⁶⁴ *Stiftelsen Libertas 1953-58 ekonomisk översikt i tusenkronor*, A3:4, *Libertas*, Svenskt Näringslivs arkiv, CfN.

Libertas.⁶⁵ The non-socialist press received about SEK 50 million from Libertas and the Guarantee Foundation for the entire period 1942–1960. Högers Förlagstiftelse, which transferred money to the conservative newspapers, received around 60–70 percent, while the liberal counterpart, Stiftelsen Pressorganisation, received the rest.⁶⁶

According to SAF's own estimates, this was still considerably less than what the labor movement spent on its affiliated newspapers. In 1956, LO acquired both *Stockholms-Tidningen* (closed down ten years later) and *Aftonbladet*. SAF's deputy director Curt-Steffan Giesecke estimated the purchase sum, which required an investment at around SEK 40 million. In total, the Swedish labor movement had spent some SEK 115 million on its newspapers between 1937 and 1958.⁶⁷

Political donations

Donations from the business community continued to be vital for the non-socialist parties in the 1950s and 1960s. In 1965, the Swedish parliament legislated on state subsidies to political parties.⁶⁸ However, this did not mean that business donations to the non-socialist parties ended, at least not to the Conservative Party. A budget forecast from the party in 1965 estimated business donations at SEK 5 million per year for the coming five years.⁶⁹ Åke Ortmark, a contemporary journalist, estimated that the reform brought down the ratio of business donations in relation to total revenues from around 90 to 40–45% for the Conservative Party. For the Liberal Party it decreased from around 40 to 30%.⁷⁰

Overall, it was considerably easier for the Conservative Party to get donations compared to the Liberal Party. The Conservative Party's central organization (*riksorganisationen*) was almost entirely funded by business interests

⁶⁵ SAF:s anslag till Stiftelsen Libertas 1952–1962, Mapp: Minnesanteckningar och protokoll 1952–1962, A3:7, Libertas, Svenskt Näringslivs arkiv, CfN.

⁶⁶ Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet, F1:2, Näringslivets Fond, SAFs arkiv, CfN, see especially Bilaga I.

⁶⁷ Landsorganisationens stöd till den socialdemokratiska pressen (PM av Curt-Steffan Giesecke 1958-08-23), oförtecknat material, mapp: Libertas 1954-, Näringslivets Fond, SAFs arkiv, CfN. For more on *Stockholms-Tidningen*, see *Nationalencyklopedin*, “Stockholms-Tidningen,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/stockholms-tidningen>, accessed July 7, 2020.

⁶⁸ Gidlund, *Partistöd*, 11–13.

⁶⁹ Högerpartiet inkomster och utgifter 1960–1965, F1:2, Näringslivets Fond, SAFs arkiv, CfN.

⁷⁰ Ortmark, *Maktspelet i Sverige*, 207.

and received about SEK 5–7 million in non-election years, while the Liberals received around SEK 2 million.⁷¹ Business donations to the Conservative Party were handled through a quota system, and Gullan Gidlund’s research shows that companies within the Wallenberg sphere “undoubtedly belonged to the most loyal contributors.”⁷²

International ties

By the late 1940s, the Enterprise Fund began to establish relations not only with its Nordic counterparts but also with the Foundation for Economic Education (FEE) in the US, Aims of Industry in the UK⁷³ and Association de la Libre Enterprise in France.

Tore Sellberg from the Bureau established contact with Leonard Read, the founder of FEE, in 1947. Sellberg had originally been contacted by Norwegian economist and journalist Trygve Hoff, who was one of the founding members of the Mont Pelerin Society. Hoff was interested in getting a high-profile Swede to write about Sweden’s economic policy for a US audience. There were people in the American debate who argued that Sweden had managed to combine a planned economy with private capitalism, and Hoff wanted a “sober analysis” (“*nykter analys*”) of the actual situation. Sellberg assured Hoff that there were indeed “strong forces at play seeking to break viable capitalism,”⁷⁴ but that Sweden had so far been spared from any real planned economy projects. A real study would be valuable and Sellberg recommended a few names, including Bertil Ohlin, Herbert Tingsten and Eli Heckscher.⁷⁵

⁷¹ *Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet*, F1:2, Näringslivets Fond, SAFs arkiv, CfN. Ortmark estimates that the in the mid 1960s big businesses interests managed to collect about SEK 5 million per year, p. 207.

⁷² Gidlund, *Partistöd*, 156–158.

⁷³ *P.M angående näringslivets upplysningsverksamhet mm 1948-09-29*, F6:2, Näringslivets Fond, SAFs arkiv, CfN.

⁷⁴ Swedish: “starka krafter i görningen för att knäcka denna livsdugliga kapitalism.”

⁷⁵ *Brev till Tore Sellberg från Trygve Hoff, 1947-01-04* and *brev till Trygve Hoff från Tore Sellberg 1947-01-09*, oförtecknat material, Näringslivets fond, SAFs arkiv, CfN. Interestingly enough, these were the same Swedes invited by Hayek to the first MPS meeting, see page 94–95 in this thesis.

Sellberg never personally went to the US, but Read supplied him with material resulting in a detailed report about information agencies in the US, such as FEE and the National Association of Manufacturers.⁷⁶

In addition to Hayek and Röpke, prominent foreigners were also invited to Stockholm to speak about the struggle for free enterprise abroad. These included the Frenchman G. J. Morisot, head of Libre Enterprise and formerly managing director at the Michelin Group, and British economist John Jewkes, who, just like F. A. Hayek, argued that a planned economy would ultimately lead to dictatorship.⁷⁷

“The Alternative”

Starting in 1947, the Nordic business information agencies met for conferences, and in 1950 the Association de la Libre Enterprise invited free enterprise organizations from thirteen Western countries, including the US and Mexico, to Paris for a five-day summit. These conferences constituted a way for the participants to stay up to date with the work of sister organizations abroad and to discuss opinion molding tactics. However, they remained closed to the press and the public. At the Paris conference, the Swedish delegation stressed the need for a political program, “an alternative” to the labor movement’s planned economy proposals, especially in the Nordics where social democracy was strong.⁷⁸

In the coming decade, this turned into the Fund’s major international project. This idea was not new. Per Wenander, the founder of the Bureau for Economic Information, had plans already in 1945 to prepare a program for business inspired by liberal economist Wilhelm Röpke that would counteract the Post-War Program.⁷⁹

⁷⁶ *PM angående ekonomisk upplysnings- och propagandaverksamhet i USA (1949-01-21)* and *På Frihetens Vägnar*, B1:2, Näringslivets Fond, SAFs arkiv, CfN. For Sellbergs contact with Read, see, for instance, *Brev till Leonard E. Read från Tore Sellberg*, 1947-06-06, oförtecknat material, Näringslivets fond, SAFs arkiv, CfN. Although Sellberg never visited, a Mr. Rune from Sweden did pay a visit to FEE.

⁷⁷ *Brev från Uno Murray 1950-01-16* and *Brev från Thorsten Wigélius 1950-11-21*, B2:1, Näringslivets Fond, SAFs arkiv, CfN.

⁷⁸ *Rapport från konferensen ang. upplysningsverksamhet för fritt näringsliv ...* and *Upplysnings- och propaganda verksamheten i Sverige ...*, Pariskonferensen 16 - 20/10 1950, F3:1, Näringslivets Fond, SAFs arkiv, CfN.

⁷⁹ *Protokoll 1945-03-13*, Protokoll Huvudmännen 1945–1950, Näringslivets Fond, Timbros arkiv, CfN. See also bilaga 2. Mirowski and Plehwe, *The Road from Mont Pelerin*, 19.

Wenander's successor Tore Sellberg continued this work but without any real success. Sellberg was convinced of the benefits of free markets and his basic ideas for the program were based on a deep conviction on the merits of the Austrian school. Free formation of prices, private ownership, competition and free trade would satisfy consumer demand., This last point was also the primary purpose of business.⁸⁰ However, Sellberg was not alone in his efforts. Both SAF and SNS also had plans on developing a program for business.

At the first yearly SNS conference in Tylösand in 1948, Tore Browaldh stated that organized business lacked a positive program that could enthuse the masses in the same way as the socialist movement had successfully done. There were three reasons behind the failure of the business community to reach a broader audience. First, it had put too much hope in stopping socialism by supporting the non-socialist parties. Second, without a clear program, the propaganda efforts of the business community had been ineffective. Third, the hostility exhibited by the business community in relation to the labor movement's popular reform efforts.⁸¹ Browaldh proposed a Keynesian-inspired program in which the business sector, among other things, would adhere to the principle of full employment, a counter-cyclical fiscal policy, income leveling through the tax system and a universal social policy.⁸² In the fall of 1951 Browaldh was appointed acting managing director of SAF and one his tasks was to develop a program for the organization. SNS would assist with investigations and analysis.⁸³

In the initial contacts with the other Nordic agencies, Sellberg and Murray constituted the Swedish delegation. Christian Gandil represented the Danish Erhvervenes Oplysningsråd, Trygve de Lange represented the Norwegian Libertas while the Finnish Ekonomiska Informationsbyrån had different representatives. Two issues turned out to be difficult for the group: competition and the role of employer organizations in the labor market.

⁸⁰ *Angående utformningen av ett alternativ till dirigeringspolitiken*, B1:2, Näringslivets Fond, SAFs arkiv, CfN.

⁸¹ Browaldh, *Gesällhandling*, 75–76.

⁸² *Noteringar för diskussion kring SNS' näringspolitiska program*, Kap 1, F2:1, Näringslivets Fond, SAFs arkiv CfN.

⁸³ Jerneck, *SAFs framtidsyn*, 57–77. Although people within SAF spent a considerable amount of time of effort on this program it was never realized.

The cartel issue

Cartels were a common feature of business life, although a US-inspired debate started to question their existence. In the mid-1930s, some 40 percent of gross domestic production in Sweden was estimated to be under cartel control. A state-run cartel registry was established in 1946, and in 1953 a law on restrictive trade practices was passed preventing bidding cartels (*anbudskarteller*) and the gross price system (*bruttopriser*). However, it would be another forty years before an outright ban was in place. In general, the business sector preferred self-regulation to legislation as a way of increasing competition.⁸⁴ This was primarily an issue for the Federation of Swedish Industries and from its perspective it was not reasonable that the products and goods market should be subject to free competition when other spheres of society still were subject to collective solutions.⁸⁵ In 1951, SNS wrote a report on competition, suggesting a law against cartels. According to its author, Jan Wallander, it was not well-received in the circle of businessmen who financed the Enterprise Fund and Wallander himself remembers being considered a backstabber.⁸⁶

The authors of the program knew that if their “Alternative” was to get any traction, it had to be approved by the major organizations, meaning the same people who negotiated on collective wage agreements with the trade unions. In practice, this was a form of price control for wages and a cartelization of the labor market. Could the program group suggest free competition while the business sector was deeply involved in cartels both as employers and producers?⁸⁷

When top people from the Nordic major business associations met at SAF’s conference venue Yxtaholm in 1952 to discuss the Alternative, Trygve de Lange specifically asked for guidance on the competition and cartel issue. Most participants agreed that a program ought to be written even if several

⁸⁴ Wallander, *Livet som det blev*, 238; Karlsson, “Liberalism as State Non-Interference,” 1080; Lapidus, “Från det goda till det onda,” 146, 154; Sandberg, “Cartel Registration in Sweden in the Post-War Period”; Åström Rudberg, *Sound and Loyal Business*, 208.

⁸⁵ Sandberg, “Cartel Registration in Sweden in the Post-War Period”, 212–216; Åström Rudberg, *Sound and Loyal Business*, 210; Karlsson, “Liberalism as State Non-Interference,” 1080; Lapidus, “Från det goda till det onda,” 146, 154.

⁸⁶ Wallander, *Livet som det blev*, 238–239.

⁸⁷ *Koncentrerat referat av förhandlingarna vid det Nordiska Kontaktmannamötet i Helsingfors den 11 och 12 februari 1952*, F2:2, Näringslivets Fond, SAFs arkiv, CfN.

of them acknowledged the difficulties, and the conference at large did not manage to give de Lange any specific recommendations. A “contact man” from each country was assigned to the working group, and the Swedes chose Tore Browaldh⁸⁸

In the discussion on “the problems of free competition” (*“den fria konkurrensens problem”*), Harald Nordenson, who was one of the Enterprise Fund’s original trustees, argued that the cartel registry had been of use as it had forced the business community to “[...] bring up the issue and try what was reasonable and what was not when it came to formation of cartels”.⁸⁹ But legislation was not the way to go.

For a long time past there is tradition, that people have certain freedoms, among other things the contract freedom and the right to cooperate. We have acknowledged this right, for example when it comes to the unions and to agriculture, as well as the cooperation on the employer side [...] although it is absolutely clear that the cooperation in these areas undoubtedly aims at restricting competition. Therefore it is necessary to insist that this right is universal, as we must uphold the principle of equal treatment before the law.⁹⁰

Nordenson’s quote illustrates that there were those within the business community who saw the issue much more from the producer than the consumer perspective. At least when it came to the issue of competition, they were pro-business rather than pro-market.

Lowered threat level and business ideology

The inter-Nordic group continued discussing texts for a number of years but without being able to reach a final draft, and in 1956 the Norwegians published a manifesto of their own. The Swedish group carried on half-heartedly

⁸⁸ *Anteckningar vid konferensen i Yxtabalm den 22 och 23 augusti 1952*, F2:2, Näringslivets Fond, SAFs arkiv, CfN; *Representanter från de nordiska länderna för samarbete i fråga om ett ‘näringslivets program,’ Svenska programarbetet*, F1:1, Näringslivets Fond, CfN.

⁸⁹ *Anteckningar vid konferensen i Yxtabalm den 22 och 23 augusti 1952*, F2:2, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “[...] själv ta upp frågan och pröva vad som är rimligt och vad som icke är rimligt i frågan om kartellbildningar.”

⁹⁰ Swedish: ”Sedan gammalt finns en tradition, att människorna har vissa friheter, bl. a. kont[r]aktfriheten och rätten att samarbeta. Vi har erkänt denna rätt, exempelvis då det gäller fackföreningarna och jordbruket, liksom då det gäller samarbetet på arbetsgivarsidan [...] ehuru det är alldeles klart, att samarbetet även på dessa områden har ett klart konkurrensbegränsande syfte. Då är det nödvändigt att fasthålla vid att denna rättighet är generell, ty vi måste upprätthålla principen om likheten inför lagen.”

and discussions turned from emphasizing the defense of free enterprise to solving current economic issues, such as limits to public spending and a well-functioning capital market.⁹¹ Clearly, this was a response to a diminished political threat level compared to ten years prior when the business community had been outraged over socialization proposals and increased taxes. But it was also a sign that the free enterprise ideas, proposed by Hayek and others, had not really gotten a foothold within leading business circles in the 1950s.

There was also an ongoing debate about business ideology in which Browaldh argued that the business community had to change its views in relation to both reality and the intentions of the Social Democrats. Longstanding board member of Näringslivets Fond and Conservative MP Harald Nordenson, on the contrary, stressed that the ideological tension between collectivism and individualism was real. However, Nordenson preferred that businessmen engage in political parties to advance their views rather than develop an ideology of their own. The managing director of SAF, Bertil Kugelberg, also encouraged businessmen to get involved in parties and thought it would be difficult to unite behind a common program. Political scientist Leif Lewin concludes that the discussion itself was a symptom of “new forms for contact and collaboration between state and business” that had emerged after 1948.⁹²

INFRA and Arvid Fredborg’s return

The notion of an ideological program faded away during the late 1950s. But in 1965, Norwegian *Libertas* once again reached out to the Fund and SNS. Together with Aims of Industry in London, Aktionsgemeinschaft Soziale Marktwirtschaft in Heidelberg and International Freedom Academy (INFRA) in Vienna, the Norwegians organized the first “International conference of organisations concerned with free enterprise and the market economy” to be held at Elingaard.⁹³

⁹¹ *Alternativet - handlingsprogram*, F2:1, Näringslivets Fond, SAFs arkiv, CfN; *Några synpunkter på frågan om utarbetandet av ett “näringspolitiskt manifest,”* F2:4, SAFs arkiv, Näringslivets Fond, SAFs arkiv, CfN; Westerberg, “The Alternative,” 8–9.

⁹² Lewin, *Planhushållningsdebatten*, 383; Herz, *Ideologi för näringslivet?* See also Ullenhag, *I takt med tiden*, 73–77, and Ehrenkrona, *Nicolin*, 68–69.

⁹³ *Invitation*, F3:5, Näringslivets Fond, SAFs arkiv, CfN.

INFRA was a pan-European organization set up 1961 “to become an international clearing house for free enterprise thought and for activities promoting the market economy.” It was headed by Reinhard Kamitz, president of the Austrian national bank, but its main initiator was Arvid Fredborg.⁹⁴ In the early 1950s, Fredborg had left Sweden for continental Europe to start a new career as a political consultant for Swedish firms. Meanwhile, he also served as an organizational entrepreneur among European conservatives and free market liberals. In 1959, he founded the Institut d’Etudes Politiques, a club for the promotion of conservative values based in Lichtenstein. In 1960, he became a member of the Mont Pelerin Society, and a year later he founded INFRA to specifically manage the international promotion of free enterprise. All his projects were financed by donations, and especially Swedish businessmen pitched in. While the Institut d’Etudes Politiques lived on, INFRA never managed to secure enough funding to really take off and it was shut down in the early 1970s.⁹⁵

At the Norwegian conference, the plan was to discuss different methods for promoting free enterprise and then release a one-page manifesto to the press. The manifesto stated that

The full success of free enterprise depends on its acceptance throughout Europe and the world: the growth of state control and ownership in one country can no longer be disregarded in any other. [...] The growth of individual freedom, the development of industrialization in the western world and the present unprecedentedly high standard of living were achieved under free enterprise but today these results are severely threatened by the doctrine and policies of State power and intervention incited during the wars and furthered by the wave of nationalization and central planning that has swept over many European countries since

⁹⁴ “*A Survey of Background, Aims and Activities*,” brun kapsel, INFRA, Brev och andra papper - ämnesordnade, Arvid Fredborgs arkiv, Carolina Rediviva, Uppsala.

⁹⁵ *Provisorisk text till institutets historia*, CEDI/Mont Pelerin Society/Diverse, Brev och andra papper - “INFRA, ‘CEDI’, MONT PELERIN SOCIETY,” Arvid Fredborgs arkiv, Carolina Rediviva, Uppsala. Arvid Fredborg was an important figure among leading European conservatives from the 1950s and onwards, despite the fact that there is very little written about him in Swedish or English after his student years. An exception is a bachelor thesis from Lund University, Bröms, “Arvid Fredborg som nyliberal.” Johannes Grossman has written thoroughly (in German) about Fredborg’s projects in his book about conservative elites in Europe from 1945, see Grossmann, *Die Internationale der Konservativen*, 389–416. Fredborg does deserve more scholarly attention, especially the ties to Swedish business circles would be interesting to study. Lists on Swedish financiers can be found in, for instance, *Brun kapsel*, brun kapsel, INFRA, Brev och andra papper - ämnesordnade, Arvid Fredborgs arkiv, Carolina Rediviva, Uppsala.

World War II [...] It is clear that a common front is needed to defend the free economic system.⁹⁶

It also stated that the organizations should continue to exchange information “on the achievements and problems of free enterprise in the various European countries and on the extension or reduction of state intervention, control and ownership.” Much to the disappointment of Trygve de Lange, both SNS and the Fund declined their invitations. What seems to have bothered Uno Murray at the Fund was the simple-mindedness of the manifesto and the lack of a deeper analysis:

Within Näringslivets Fond, we base our values on the need for a societal economy that to a considerable extent is founded on private business and free competition in free markets. But things are considerably more complicated than what could be concluded from the manifesto draft we received. In a modern society, it is difficult to draw a clear line regarding what can be tolerated of state influence over the economy. The main point is that these problems must not only be continuously considered but that they also be subjugated to a thorough examination. From our perspective, we have always been skeptical of the idea of such manifestos [...] it is up to the political parties to account for their values through public appeals. Näringslivets Fond is neutral in party politics and acknowledges as its task on such a basis to promote a matter-of-fact treatment of concrete issues [...] We do not wish to participate in an action that could be misinterpreted as a departure from these principals.⁹⁷

de Lange was disappointed. In a newsletter, he stated that:

⁹⁶ *Manifesto*, F3:5, Näringslivets Fond, SAFs arkiv, CfN.

⁹⁷ *Konferens på Elingaard* 1965, F3:5, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “Inom Näringslivets Fond utgår vi i våra värderingar från behovet och betydelsen av en samhällshushållning som i väsentlig mån grundar sig på enskilt företagande och fri konkurrens på fria marknader. Men saken är betydligt mera komplicerad än som framgick av det utkast till manifest som vi fick. Det är svårt att i det moderna samhället dra en klar gräns för vad som kan tolereras av statligt inflytande över samhällsekonomin. Huvudsaken är att hithörande problem ständigt inte bara beaktas utan också underkastas en saklig granskning. Från vårt håll har vi alltid varit negativa till tanken på sådana manifest som nu ifrågasattes [...] det är de politiska partiernas sak att genom offentliga appeller redovisa sina värderingar. Näringslivets Fond är i sin verksamhet partipolitiskt neutral och uppfattar det som sin uppgift att på sådan basis främja en saklig behandling an konkreta frågor, särskilt näringspolitiska och samhällsekonomiska. Vi ville därför inte delta i en aktion som skulle kunna misstolkas som ett avsteg från dessa principer.”

In Sweden, unfortunately, the business information work is totally shut down, and has been for many years. [...] One of the reasons is that many have found it wise to rely on the system and perhaps stretched themselves too far in the cooperation with government and authorities [...] And so the private enterprise has become the weaker part.⁹⁸

Clearly, de Lange thought that his Swedish colleagues had become way too accommodationist with Harpsund conferences, centralized wage agreements and close relations between SAF and the Confederation of Trade Unions. There could also have been other reasons. Tore Sellberg, who was more of an ideologically driven market-oriented liberal than the rather bureaucratic Murray, had left the Bureau for Economic Information in 1963 for a bank job. The Bureau was then shut down, and even though parts of its operations were taken over by SNS, the Fund lost its more activist arm.⁹⁹

The strained relationship to SNS

The different opinions on how to best advance the interests of business kept creating tensions between the Fund's board and SNS in the 1950s and 1960s. The reports produced by SNS were quite academic and did not result in practical policy proposals.¹⁰⁰ Among the more skeptical board members, we find Gustaf Söderlund and Gustaf Sahlin, chairman of Electrolux. Sahlin wondered whether SNS was really working in the desired direction of the Fund, while Söderlund argued that the Fund had a hard time understanding the purpose of SNS and whether the organization had a "reel feeling for the value [...] of free enterprise."¹⁰¹ Among Conservative politicians, there was a perception that SNS was too neutral.¹⁰²

⁹⁸ *Til samtlige medlemmer og interesserte*, F3:5, Näringslivets Fond, SAFs arkiv CfN. Norwegian: "I Sverige ligger dessverre det næringspolitiske opplysningsarbeide fullstendig nede, og har hjort der i flere år- [...] En av grunnene er at mange har funnet det klokt å kalkulere med systemet og nok kanskje har strukket seg noe langt i et samarbeide med regjering og myndigheter [...] Og så er det private næringsliv blitt den svakere part."

⁹⁹ *Bilaga 1, Styrelseprotokoll 1963-02-20*, A2:5, Näringslivets Fond, SAFs arkiv, CfN.

¹⁰⁰ Ullenhag, *I takt med tiden*, 62–63.

¹⁰¹ *Styrelseprotokoll 1953-02-20 and 1955-02-22*, A2:3, Näringslivets Fond, SAFs arkiv, CfN. Swedish (March 20, 1953): "har en riktig känsla för värdet [...] av ett fritt näringsliv."

¹⁰² *Anteckningar från sammanträde med rådet i SNS*, 1961-08-31, F6:2, Näringslivets Fond, SAFs arkiv, CfN. Sahlin and Söderlund had always belonged to the SNS skeptics on the Fund's board. The more positive

Other board members, such as Ragnar Sachs and Harald Nordenson, were less skeptical.¹⁰³ Representatives from SNS reiterated that the goal of both organizations was the same, but that from the perspective of SNS, this was best achieved through an objective approach.¹⁰⁴ Among the founders of SNS, there were also deviating views on the organization's origins. Tore Browaldh wrote in a letter that

SNS started as somewhat of a revivalist movement or a battle organization against the then dominating “enterprise philosophy” (if one can describe the lack of principles with this term). The essence of the SNS idea has always been that a young generation of “coming young men” have found themselves in opposition to the dominating personalities and organizations within business.¹⁰⁵

Another co-founder, Lars-Erik Thunholm, disagreed, and at a meeting with SNS' working committee, he stated that he had never seen himself as being in opposition to an older generation.¹⁰⁶

In 1959, the Fund's board concluded that SNS should direct its activities toward the main purpose of the Fund, namely the “restoration and preservation of the freedom of private enterprise.”¹⁰⁷ It was also decided that the Fund's managing director as a board member of SNS would more closely follow the organization's work.¹⁰⁸ Two years later, a full-blown crisis erupted between SNS and its financier. At a meeting with the Enterprise Organization for Cooperation, the managing director of SNS, Göran Claesson, suggested that the business community should try to get the Liberal Party to cooperate with the Center Party rather than the Conservative Party, as the latter was “out of the running” and had limited chances of winning blue-

individuals included Harald Nordenson, Ernst Wehtje, Per Hemberg and Ture Öberg, see further Lars-Erik Thunholm's memoirs, Thunholm, *Flydda tider*, 352–355.

¹⁰³ *Styrelseprotokoll 1953-02-20*, A2:3, Näringslivets Fond, SAFs arkiv, CfN.

¹⁰⁴ *Styrelseprotokoll 1953-10-23*, A2:3, Näringslivets Fond, SAFs arkiv, CfN.

¹⁰⁵ *Brev till Torsten Carlsson från Tore Browaldh 1956-11-09*, F51 BK:1, SAF, Svenskt Näringslivs arkiv, CfN. Swedish: “SNS startade som något av en väckelserörelse eller kamporganisation mot den dåvarande ‘näringslivsfilosofin’ (om man nu kan beteckna avsaknaden på principer med denna term). Det väsentliga i SNS-tanken har väl just varit detta ett en ung generation ‘påläggskalvar’ befunnit sig i opposition mot de dominerande personligheterna och organisationerna inom näringslivet.”

¹⁰⁶ *Dagboksanteckning, 1956-11-14*, F51 BK:1, SAF, SAFs arkiv, CfN.

¹⁰⁷ *Styrelseprotokoll 1959-02-24*, A2:4, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “...återställandet och behållandet av det enskilda näringslivets frihet...”

¹⁰⁸ *Protokoll, gemensamt sammanträde Näringslivets Fond och SNS, 1959-06-17*, A2:4, Näringslivets Fond, SAFs arkiv, CfN.

collar votes.¹⁰⁹ Among the Enterprise Fund's board members, there was a deep skepticism toward the Center Party, which had been in government with the Social Democrats in 1936–1939 and 1951–1957. Unsurprisingly, Claesson was forced to leave, and SNS would from now also prioritize subjects that were crucial to business.¹¹⁰ Claesson's successor, Karl-Fredrik Knagenhielm Karlsson, made it clear that SNS would from now on, without renouncing its scientific background, give “clearer standpoints and more daring opinions on current issues.”¹¹¹ For the rest of the decade, the board rarely discussed the relationship to SNS, except when it came to the size of grants.

The Bureau in the 1950s and 1960s

The relationship to the Bureau was less problematic. Its purpose, to pursue continuous propaganda against socialism, had been clearly stated from the beginning in 1944.¹¹² In the early 1950s, the Bureau merged with the Enterprise Institute as having two organizations with similar tasks proved impractical. The board members of the Institute (half of them appointed by the Fund and half of them appointed by the Enterprise Organization for Cooperation) and the chairman Gustaf Söderlund instead stepped in as the Bureau's board members.¹¹³

The exhibition “Näringslivet visar”

A major undertaking for the Bureau was the mobile exhibition “Näringslivet visar.” The purpose was to show how the development of Swedish business during the first 50 years of the 19th century had brought about prosperity, progress and enabled material wellbeing and social reforms. In 1951 and 1952, two large trucks toured 170 cities (see Figure 4.6). Inside the trucks, visitors could look at the exhibition “50 Years of Progress” (“50 års framåtskridande”) and from the back of the bus, they could watch the animated

¹⁰⁹ *Anteckningar från överläggningar i NÄISO ang Näringslivet och politiken (1961)*, B1:1, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “ute ur räkningen.”

¹¹⁰ *Styrelseprotokoll 1962-02-16*, A2:5, Näringslivets Fond, CfN. Ullenhag, *I takt med tiden*, 84–86.

¹¹¹ *Bilaga 1, Styrelseprotokoll 1963-02-20*, A2:5, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “klarare ställningstaganden och ett djärvare tyckande i aktuella frågor.”

¹¹² *Bilaga 9, Styrelseprotokoll 1962-11-16*, A2:5, Näringslivets Fond, SAFs arkiv, CfN.

¹¹³ *Protokoll årsammanträde med huvudmännen 1951-05-15*, A1:1, Näringslivets Fond, SAFs arkiv, CfN.

film “Your Freedom to Choose” (“*Din frihet att handla*”), based on a manuscript by Tore Sellberg. Committees consisting of the local business community helped with practical matters and provided speakers and engaged the local media, which in most cases covered the exhibition with great interest. According to Sellberg’s estimates, 325,000 people saw the exhibition, some 500,000 saw the films and 150 talks were organized in connection to the tour. 260,000 copies of a brochure with the same title as the exhibition were distributed.¹¹⁴ This brochure was then published in a new edition in 1955 (“*Kurvorna visar vägen*”) and 1961 (“*Kurvorna visar vägen till välstånd*”) with an English edition titled *The Road to Prosperity*.¹¹⁵

Figure 4.6 One of the buses touring Sweden for the exhibition “Näringslivet visar” 1951–1952



Source: F4:4 Näringslivets Fond, SAFs arkiv, CfN.

Courses for the “avantgarde for free enterprise”

In the early 1950s, the Fund was inspired by how the Norwegian sister organization Libertas operated its conference center Elingaard. A memo presented by the chairman to the board members discussed the importance of

¹¹⁴ *Bilaga 1, Protokoll årsammanträde med huvudmännen, 1952-05-16 and 1953-05-29, A1:1, Näringslivets Fond, SAFs arkiv, CfN.*

¹¹⁵ *Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet, F1:2, Näringslivets Fond, SAFs arkiv, CfN. See further *Kurvorna visar vägen, The Road to Prosperity*.*

“winning the youth in order to create an avantgarde for free enterprise.”¹¹⁶ A similar venue in Sweden could “gather young men – perhaps also women – with a go-ahead spirit for shorter courses, to produce the pick of conscious, consistent and devoted followers of free enterprise [...] one age group after another would leave as champions of liberty.”¹¹⁷ However, the Fund was unable to find a suitable location at a reasonable price but could instead dispose of the vacation home Säby outside of Stockholm, which was owned by department store NK. Courses on economic and political issues were given by the Bureau to some twenty people at a time to “the key persons for opinion formation” among young adults, often recruited from the political youth associations.¹¹⁸ Over time, these courses became the Bureau’s major expenditure.¹¹⁹ The Bureau kept in touch with previous course participants through the alumni organization Club 52. By the end of 1954, the club had 160 members, indicating that around 80 individuals per year participated in the courses at Säby.¹²⁰

In addition to its seminars, the Bureau arranged lectures and published reports, produced films, upheld press relations and commissioned opinion polls. It also became a place for further advancement within the larger business organizations. One of “Tore’s boys” was Sture Eskilsson, who, among other things, helped arrange the Säby seminars. He would later, as the information director at SAF, become one of the key individuals in the business community’s more ideological opinion molding efforts in the 1970s.¹²¹

The Bureau was shut down when Sellberg left to become head of the economic secretariat at Handelsbanken in 1963. Parts of its operations were then taken over by SNS, which was quite natural as SNS was supposed to do

¹¹⁶ *Bilaga 6, Styrelseprotokoll 1952-03-06*, A2:3, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “vinna ungdomen och att få till stånd ett avantgarde för fritt näringsliv.”

¹¹⁷ *Ibid.* Swedish: “samla unga framåtstående män – kanske också kvinnor – till kortare kurser för att få fram en kärna av medvetna, konsekventa och hängivna anhängare av fritt näringsliv [...] den ena kullen efter den andra av förkämpar för friheten skall komma att gå ut.”

¹¹⁸ *Bilaga 1, Protokoll årsammanträde med huvudmännen 1953-05-29*, A1:1, Näringslivets Fond, SAFs arkiv, CfN. Eskilsson, *Från folkhem*, 37–38.

¹¹⁹ *Bilaga 9, Styrelseprotokoll 1962-11-16*, A2:5, Näringslivets Fond, SAFs arkiv, CfN.

¹²⁰ *Protokoll årsammanträde med huvudmännen*, 1954-06-02, A1:1, Näringslivets Fond, SAFs arkiv, CfN.

¹²¹ Eskilsson, *Från folkhem*, 35–41. Eskilsson thought very highly of Tore Sellberg, which comes across in the memoirs as well as how he talked about him to others (interview with Carl-Johan Westholm, December 7, 2018).

more opinion molding work anyways.¹²² But the void left by the Bureau would also in part be filled by a new organization.

The A-Group and the Research Bureau for Social Issues

A "secret bureau" for the political opposition

Contacts between the business community and the Conservative Party and the Liberal Party were upheld through the Enterprise Organization for Cooperation.¹²³ From the late 1950s, the party leaders explicitly asked the Enterprise Fund for closer contact and research support in order to match the resources available to the Social Democrats through the government offices. The Fund's managing director Uno Murray argued that although the organization was non-partisan, it still had a "...basic political ambition to serve as a counterweight to socialist and collective tendencies and assert the main principles of economic liberalism."¹²⁴ Ultimately, this would be achieved through the non-socialist parties (here referring to the Conservative Party and the Liberal Party), which now also explicitly asked for help. Murray was given a mandate by the board to work out the details with the parties on how this could be achieved.

In 1962, a proposal was made by six young men who knew each other and had received political training through the Conservative Student Association to form the organization requested by the Fund. It was named A-gruppen (the A-group, short for *Arbetsgruppen för politiska och ekonomiska utredningar*, the Working Group for Political and Economic Reports) and had direct channels into the party structure.¹²⁵

¹²² *Bilaga 1, Styrelseprotokoll 1963-02-20*, A2:5 and *Brev från Tore Sellberg*, maj 1963, B2:4, Näringslivets Fond, SAFs arkiv, CfN.

¹²³ *Styrelseprotokoll 1959-10-16*, A2:4, Näringslivets Fond, SAFs arkiv, CfN.

¹²⁴ *Styrelseprotokoll 1961-12-04*, A2:5, Näringslivets Fond, SAFs arkiv, CfN. Swedish: "...en grundläggande politisk målsättning, som går ut på att skapa motvikt mot socialistiska och kollektivistiska tendenser och hävda den ekonomiska liberalismens grundprinciper." See also *Utredning angående näringslivets bidrag till press, politik och upplysningsverksamhet, bilaga II*, F1:2, which stresses the non-socialist parties' need for qualified studies.

¹²⁵ *Styrelseprotokoll 1962-02-16*, A2:5, Näringslivets Fond, SAFs arkiv, CfN. The six were Staffan Burenstam Linder, Göran Elgfelt, Jan Gillberg, Birger Hagård, Jacob Palmstierna and Carl-Henrik Winqwist. For a

Carl-Henrik Winqwist was the group's leader and also the political secretary of Conservative Party chairman Gunnar Heckscher. Winqwist was among those who realized that the non-socialist parties needed more and better research capacity in order to prepare high-quality parliamentary motions.¹²⁶ Especially the Liberal Party needed research capacity. In the 1960s, there was one political secretary plus one assistant for all MPs to share.¹²⁷

Winqwist called on Marc Wallenberg, son of business titan Marcus Wallenberg and a second cousin to Winqwist's wife, asking for financial support. He also got in contact with SAF's managing director, Bertil Kugelberg, who organized a lunch with the top people from the business sector and the non-socialist parties. In addition to Kugelberg, the business representatives included Sven Schwartz (SAF's chairman), Marc Wallenberg and Tore Browaldh (CEO of Handelsbanken). Party leaders Bertil Ohlin and Gunnar Heckscher represented the non-socialist parties (the Center Party was not invited due to its difficult relation to the Conservative Party). It was decided that Wallenberg's SE-Banken would provide offices at Regeringsgatan and that Handelsbanken would provide furniture to Winqwist's new organization. According to Winqwist, Marc Wallenberg played an essential role in getting the large banks, SAF and the political parties together.¹²⁸ He remained committed to supporting the Research Bureau. He, and not his father, was the recipient of the new organization's reports.¹²⁹ Until his early death in 1971, communications between him and Carl-Henrik Winqwist at the Bureau were upheld by means of telephone using a number only they knew.¹³⁰

The Enterprise Fund provided the starting capital of SEK 48,400 and Carl-Henrik Winqwist became the managing director.¹³¹ After a year, it

description of the opposition's changing role during the 1960s, see Svanborg-Sjövall, *Kentucky fried children?*, 52.

¹²⁶ Interview with Carl-Henrik Winqwist, April 29, 2020.

¹²⁷ Interview with Carl Tham, May 20, 2020.

¹²⁸ Interview with Carl-Henrik Winqwist, April 29, 2020. Gustaf Lindencrona, later part-time employee at Utredningsbyrån, asked the board if the Center Party could be allowed to join but was given the answer that it was not a real business party ("ett riktigt näringslivsparti"), interview with Gustaf Lindencrona, April 15, 2020. According to Svanborg-Sjövall, *Kentucky fried children?*, 53, the Center Party had been asked to participate but was not interested. However, the party was informed about the Bureau and had access to some studies through the Liberal Party, see *PM angående svar vid eventuell förfrågan rörande Utredningsbyrån C-H Winqwist*, Handlingar till sammanträden 1968-70, F21 M:3, SAFs arkiv, CfN.

¹²⁹ *APU utsändningslista 1964-1966*, D:1, Utredningsbyrån för samhällsfrågor, Timbros arkiv, CfN.

¹³⁰ Interview with Carl-Johan Westholm, December 7, 2018.

¹³¹ *Styrelseprotokoll 1962-02-16*, A2:5, Näringslivets Fond, SAFs arkiv, CfN.

started calling itself Utredningsbyrån C-H Winqwist (The Research Bureau C-H Winqwist), and the small office, originally consisting of a secretary, Winqwist and part-time employee Gustaf Lindencrona, was set up at Sköldungagatan 2, which now had empty offices since Byrån för Ekonomisk Information had shut down. Lindencrona had a background as chairman of the Liberal Students Association and had been recruited by Winqwist.¹³²

In business circles, it was also known as “the secret bureau” (“*hemliga byrån*”),¹³³ and it resulted in the Fund no longer having to rely solely on the more accommodationist SNS to provide studies that were of value to the non-socialist parties. The Fund could now offer support in a more direct manner.

However, opinions diverge to what extent the Research Bureau actually was a secret. According to Lindencrona, they did not organize a press conference when the Bureau started working, but had the media asked questions, they would have been transparent about what they were up to.¹³⁴ According to Winqwist, non-transparency offered several advantages. It meant that both they and SAF could work without disturbances. Also, if the media had written about them, then the Social Democrats would have accused the Liberals of having an unsound relationship to organized business.¹³⁵

In addition to the yearly grants provided by Näringslivets Fond, companies controlled by the Wallenberg family also contributed from an early stage, see Figure 4.8 below. About two-thirds of the Bureau’s operating costs were covered by the Fund, while Wallenberg’s SEB and other companies within the group provided the rest.

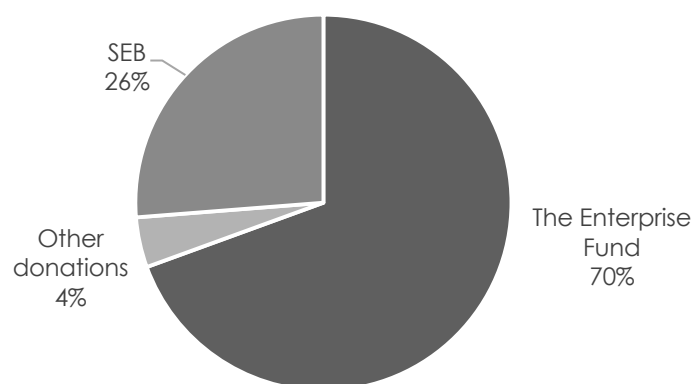
¹³² *Styrelseprotokoll A-gruppen, 1963-01-30 and 1963-09-02, A4:2, Näringslivets Fond, SAFs arkiv, CfN; Interview with Carl-Henrik Winqwist, April 29, 2020; Interview with Gustaf Lindencrona, April 15, 2020.*

¹³³ Eskilsson, *Från folkhem*, 210.

¹³⁴ Interview with Gustaf Lindencrona, April 15, 2020.

¹³⁵ Interview with Carl-Henrik Winqwist, April 29, 2020.

Figure 4.7 Revenues, the Research Bureau for Social Issues 1962-1968



Note: "Other donations" refer to contributions from Wallenberg-controlled companies. Sources: A3:2, A4:2 and A2:5 (Näringslivets Fond, SAFs arkiv), A:1 (Utredningsbyrån för Samhällsfrågor, Timbros arkiv), F21 M:4 (SAFs arkiv).

Marc Wallenberg was never on the board, but Sten Gustafsson, who held several important positions within the Wallenberg group, was on the board from 1962 to 1977, see Appendix 2.¹³⁶ The board was chaired by the managing director of the Employers' Confederation and also included businessmen and various Conservative and Liberal politicians.

Anglo-Saxon inspiration

Winquist found a model for his bureau in the British Conservative Party's Research Department, CRD, which he visited in October 1962. CRD had been founded in 1922 when the Conservatives were out of power and in need of new ideas. By 1962, it employed some thirty researchers. It produced long-term reports for the party, usually by putting together a team of parliamentarians, experts and a CRD secretary. It also compiled political material in the form of books, pamphlets and election handbooks for party staff and

¹³⁶ *VÄD* 1977. Gustafsson was on the Liberal Party executive, see Scherman, *Räkna med känslorna*.

politicians. Clearly, the working methods became an inspiration for the Research Bureau.¹³⁷

Four years later, Winqwist, Lindencrona, Bert Levin, Carl Tham and Ola Ullsten (later prime minister) went on an ambitious study trip to Washington DC organized by Winqwist through the US embassy in Stockholm. In Washington DC, they met with leading politicians, such as Ted Kennedy and the speaker of the House of Representatives, lobbyists, pollsters and both partisan and non-partisan research institutes. The trip resulted in the report *Finansiering av politisk verksamhet i USA* (APU 1967:12) with several suggestions for Sweden, including home visits, fundraising dinners and TV donations. A direct outcome of the trip was that the non-socialist parties started conducting post-election analyses (*eftervalsanalyser*).¹³⁸

Staffing

The Research Bureau's own staff was kept at a minimum and the bulk of the work was done by commissioned researchers. These were mainly recruited from the political youth associations and student organizations, although academics without any political background could also be commissioned.¹³⁹ Gustaf Lindencrona points out that in comparison with many other types of political work, the young writers actually received a decent salary when working for the Research Bureau.¹⁴⁰ An internal memo written in the early 1970s stated that the purpose was to

...test the researchers' capacity and inclination for further political efforts; during the last years, over 200 academics have been engaged by the Bureau and many of these have later been recruited for other political tasks.¹⁴¹

¹³⁷ *Conservative Party's Research Department (CRD)*, Styrelseprotokoll A-gruppen 1963-01-30, A4:2, Näringslivets Fond, SAFs arkiv, CfN. For more on the CRD, see Ramsden, *The Making of Conservative Party Policy*.

¹³⁸ *PM inför studiebesök i Amerikas Förenta Stater*, Styrelseprotokoll A-gruppen, 1966-02-22, A4:2, Näringslivets Fond, SAFs arkiv, CfN; Interviews with Winqwist and Lindencrona.

¹³⁹ *Utredningsbyråns arbetsuppgifter 1971-1973*, Handlingar till sammanträden 1971-1974, F21:M3, SAF, SAFs arkiv, CfN.

¹⁴⁰ Interview with Gustaf Lindencrona, April 15, 2020.

¹⁴¹ *Utredningsbyrån inför valet 1973*, Handlingar till sammanträden 1968-70, F21 M:3, SAF, SAFs arkiv, CfN.

As an incubator for young, non-socialist academics with political ambitions, Utredningsbyrån proved to be a success, which is discussed in the next chapter.

What the staff members had in common was their close connections to either the Liberal Party or the Conservative Party. Carl Tham, who replaced Gustaf Lindencrona in 1964, became party secretary for the Liberals in 1969 and remained in this position until 1976. Carl Henrik Winqwist held various positions within the Conservative Party. This guaranteed that good connections could be upheld between the Bureau and the parties. The name Utredningsbyrån C-H Winqwist was changed to Utredningsbyrån för Samhällsfrågor when Winqwist resigned from his position as managing director for a job abroad in 1973.¹⁴² Up until this point, it had been operated as a private, unregistered firm (which proved to be inconvenient from a tax perspective) and it was now turned into a foundation with bylaws.¹⁴³

Reports

The Research Bureau produced reports called *Allmänpolitiska utredningar* (General political study or APU for short), and from the launch up until 1985, it produced 726 APUs, averaging about 30 per year. The actual report did not have to be a study of a political topic (although the majority were) but could also be, for instance, a parliamentary motion for either of the parties. Finished reports were sent to some fifteen leading Conservative and Liberal politicians.¹⁴⁴ Also included on the mailing list were the managing directors of the Employers' Confederation, the Enterprise Fund and Marc Wallenberg. Other leading people within business or business interest organizations were added or removed from the mailing list according to subject.¹⁴⁵

¹⁴² VÄD 1977; Eskilsson, *Från folkhem*, 91.

¹⁴³ *Styrelseprotokoll A-gruppen 1963-01-30 and 1974-03-05*, A4:2, Näringslivets Fond, SAFs arkiv, CfN. The 1974 bylaws are not particularly explicit, stating that "The purpose of the foundation is to conduct studies on social issues" ("*Stiftelsens ändamål är att bedriva utredningsverksamhet i samhällsfrågor*"); *Nils Henrik Schagers brev till Gustaf Lindencrona 1974-10-03*, Korrespondans 1974–1977, E1:1, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN.

¹⁴⁴ *Utredningsbyråns arbetsuppgifter 1970–1973*, Handlingar till sammanträden 1968–70, F21 M:3, SAF, SAFs arkiv, CfN.

¹⁴⁵ *APU utsändningslista 1964–1966 and APU utsändningslista 1966–1968*, D:1, Register, Utredningsbyrån För Samhällsfrågor, Timbros arkiv, CfN.

APUs were typically commissioned by the party secretaries but could also come from private companies or business organizations. Occasionally, researchers (*utredare*) themselves came up with ideas that could be useful to the parties.¹⁴⁶ A researcher from the bureau often worked together with party employees or parliamentarians.¹⁴⁷ Some of the reports were published (without mentioning the Research Bureau), such as the Liberal Party's election handbook for the 1966 election.¹⁴⁸ The reports look like academic essays with a clear structure and references. Some APUs had a direct link to election strategies, such as APU 1964:2 *Tjänstemännens politiska tänkande* (evaluation of how to win white-collar votes) and APU 1967:22 *Marginalvalkretsanalys* (analysis of municipalities where the Liberal Party had the most potential of winning votes).

The purpose was not only to help the parties win elections but also prepare for a change of government. This required both political proposals that had been prepared before election day as well as plans for how to staff the government offices. Writing parliamentary motions, government bills and terms of references (*utredningsdirektiv*) for state commissions for a non-socialist government became an important task. Issues could be small or large, an example of the latter being the 1966 Conservative Economic-Political Program, chaired by party leader Yngve Holmberg and written by Staffan Burenstam-Linder from the Research Bureau.¹⁴⁹

The 1968 election

Among non-socialists, there were hopes for a shift of government in 1968, and the work conducted by the Research Bureau in many ways served as a preparation for this, thanks to increased funding. The Social Democrats had performed poorly in the elections to the upper chamber in 1966 and opinion polls indicated a close race.¹⁵⁰ Gustaf Lindencrona managed a special project called *Finans och ekonomi* that had been approved by the party leaders and which produced government bills and terms of references for state

¹⁴⁶ Svanborg-Sjövall, *Kentucky fried children?*, 54.

¹⁴⁷ *Utredningsbyråns verksamhet 1974-1976*, A:1, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN.

¹⁴⁸ APU 1966:33 B1:11, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN; *Argument* 66.

¹⁴⁹ APU 1966:35 *Ett ekonomiskt-politiskt program*, B1:11, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN.

¹⁵⁰ Ahlmark, *Gör inga dumbeter*, 113.

commissions that would be handled by the Ministry of Finance and the Ministry of Interior.¹⁵¹ In March the same year, Sven Wedén, party leader for the Liberals, wrote to the chairman of Näringslivets Fond, Bertil Kugelberg, to express his gratitude.¹⁵²

The Bureau has, which I have also pointed out to Curt-Steffan Giesecke and Marc Wallenberg, rendered us great favors over the years. This was not least true last year when a long succession of the finished reports was of great use in the practical political work. Among these were the reports on the European questions, savings distribution, compulsory employment protection, the economic situation and the economic planning – which, among other things, resulted in a motion that attracted quite a bit of attention. [...] The planned activities for 1968 will be very important, especially when it comes to the already ongoing task of getting a concrete basis for possible governing.

In a memo from 1967, Carl Tham, deputy research leader after Winqwist, stressed the need for the political opposition to get a better picture of the work conducted in the ministries. A Research Bureau study should look into, for instance, which commissions were currently undertaken in the government offices and who the key persons were (tasks and views on important issues). This was clearly a sensitive assignment, and Tham wrote that “the work must obviously be conducted with great discretion.”¹⁵³ Among the same stack of papers in the same archival box, there are also lists of all the personnel in the government offices. Next to some of these names, there are handwritten notes on these people’s political affiliations and sometimes also a comment on capabilities, followed by uppercase letters in parentheses (most likely the initials of the person providing the information). For

¹⁵¹ *Styrelseprotokoll A-gruppen 1968-09-05*, A4:2, Näringslivets Fond, SAFs arkiv, CfN.

¹⁵² *Brev från Sven Wedén till Bertil Kugelberg, 1968-03-06*, E1:4, Näringslivets Fond, SAFs arkiv, CfN. Swedish: “Utredningsbyrån har, som jag framhållit också till Curt-Steffan Giesecke och Marc Wallenberg, under årens lopp gjort oss goda tjänster. Inte minst gäller detta föregående år då en lång rad av de färdigställda utredningarna var till stor nytta i det praktiska politiska arbetet. Hit hör t ex utredningarna om Europafrågorna, om sparandefördelning och obligatorisk sysselsättningsförsäkring, om det ekonomiska läget och om den ekonomiska planeringen - som ju bl a resulterat i en ganska uppmärksammas motion [...] Den planerade verksamheten för 1968 blir mycket betydelsefull, särskilt när det gäller det redan påbörjade arbetet att få fram konkret underlag för ett ev framtida regeringshandlande.” Curt-Steffan Giesecke was SAF’s chairman during 1966–1978, see *VÄD* 1981.

¹⁵³ *Promemoria ang undersökning rörande departementen m.m.*, B1:23, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN. Swedish: “Arbetet måste givetvis bedrivas med stor diskretion.”

example, planeringschef (head of planning) Göte Svenson in the Ministry of Interior was a Social Democrat but “non-doctrinaire and very competent.”¹⁵⁴ In some cases, there are notes on whether or not the person intends to resign if there is a non-socialist government. Furthermore, there are lists of people affiliated with the non-socialist parties and a list of names sorted under *kanslihuset* (government offices) and *Utredningar, sakkunniga* (commissions, special advisors). However, the non-socialist government that the Research Bureau was preparing for never materialized as the Social Democrats received over 50 percent of the votes.¹⁵⁵ Tham and several others with a background at the Bureau had to wait until 1976 to be in government.

Campaigns

Näringslivets Upplysningsverksamhet and EKO 67

Naturally, the organizations that constituted the Enterprise Organization for Cooperation were dissatisfied with the lack of success for the non-socialist opposition. Confidential discussions were held on how to help the non-socialist parties win the 1956 election, which required the Farmers' League to break ranks with the Social Democrats. According to a memo by SAF leader Bertil Kugelberg, he suggested a merger between the three non-socialist parties. Another idea was to create a leading group of around 20 non-socialist politicians, who, in turn, would train a larger cadre of thousands to disseminate political ideas.¹⁵⁶ In the end, however, these more far-flung ideas were scrapped in favor of a much more toned-down campaign where the main aim was to educate primarily employees but also, indirectly, the general public on the conditions for enterprise. There was to be no coordination with the political parties and the campaign was to end well before the election campaign had started. A working committee in the Enterprise Organization for Cooperation consisting of some 30 people from different parts of the

¹⁵⁴ *Författningar och pm rörande departementstjänstemännens ställning*, B1:22, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN. Swedish: “odoktrinär o mkt duglig.” Unfortunately, APU 1968:53 *PM angående personalsituationen inom departementen* is missing.

¹⁵⁵ Esaiasson, *Svenska valkampanjer 1866-1988*, 252.

¹⁵⁶ *Näsos aktionskommitté, Sammanträde 1955-10-18*, F51 BP:48, SAF, SAFs arkiv, CfN.

business community and led by Christian von Sydow (who had launched KVE) organized the campaign. The Fund covered half the costs.¹⁵⁷

The 1956 campaign

Operations were handled by a three-man committee: Bertil Kugelberg from SAF, Lars-Erik Thunholm from the Federation of Swedish Industries and Axel Iveroth from SNS, who also served as executive director. Under Iveroth's leadership, the campaign leaned heavily on SNS' ideas in terms of involving business executives and toning down political conflicts with the labor movement. The executives would talk on matters they knew (i.e., their own companies) with people to whom they had a relation (i.e., employees). Even if the executives could naturally have opinions on social and economic issues, they should avoid getting involved in partisan politics. It was important that the business community learned from the PHM struggle, which, according to Iveroth, had had limited success. The mistakes made then included that the business community had acted through proxies (*ombud*) and used "propaganda actions of pretty much the same kind as product commercials."¹⁵⁸ The campaign instead centered around a handful of conferences for executives at SAF's estate Yxtaholm, followed by regional conferences. Publications on various business issues were produced (but the mass brochures used in the PHM campaign were avoided), a press office managed contacts with journalists and cartoons illustrating problems facing the business sector were sent to non-socialist newspapers for publication. Picture 4.8 shows Prime Minister Erlander feeding the Swedish production machine with more regulations and higher taxes while being hugged by the ghost of inflation.¹⁵⁹ The basic theme was that "all of us – entrepreneurs, salaried employees or workers – sit in the same boat. All our incomes are dependent on the companies doing well."¹⁶⁰ Political decisions and their effect should be discussed

¹⁵⁷ *Protokoll årsammanträde med huvudmännen 1956-06-04*, A1:1, Näringslivets Fond, SAFs arkiv, CfN. The committee was called Näringslivets Informationsråd.

¹⁵⁸ *Verksamhetsberättelse 1956 för Näringslivets Upplysningsverksamhet*, Näringslivets Upplysningsverksamhet, F21 I:2, SAF, SAFs arkiv, CfN. Swedish: "propagandaaktioner av i stort sett samma slag som varureklam."

¹⁵⁹ *Ibid.*

¹⁶⁰ *Riktlinjer ...*, Informationsrådet, F6:2, Näringslivets Fond, SAFs arkiv, CfN. Swedish: "vi alla – företagare, tjänstemän eller arbetare – sitter i samma båt. Allas våra inkomster blir beroende av att det går väl för företagen."

and criticized, a memo stated, but there was no point in attacking individuals or institutions with another political opinion than one's own. Business leaders should also refrain from "whining" (*"gnället"*) and instead be optimistic regarding the possibilities of enterprise. Specific cases should be used to illustrate the effect of economic policy on the company. As practically all citizens now enjoyed a relatively good economic standard, it was pointless to speak of an ongoing crisis. What the public was interested in, however, was how productive companies could help raise living standards.¹⁶¹ At the yearly meeting with the Fund's trustees, Uno Murray argued that the relative success in the 1956 election (for the first time since 1936, there was a non-socialist majority in the lower chamber, which, however, did not lead to a shift of government as the Farmers' League decided to keep cooperating with the Social Democrats) could partly be ascribed to the campaign.¹⁶²

¹⁶¹ *Redogörelse från informationsöverläggningarna på Yxtabalm ...*, Näringslivets Upplysningsverksamhet 1956, F3:5, Näringslivets Fond, SAFs arkiv, CfN.

¹⁶² *Protokoll årssammanträde med huvudmännen*, 1957-05-27, A1:1, Näringslivets Fond, SAFs arkiv, CfN. Esaiasson, *Svenska valkampanjer 1866–1988*, 200.

Picture 4.8 Prime Minister Erlander and the ghost of inflation



In short, the text says that while prosperity has increased, it is unclear how long this will go on if the state continues putting obstacles in the way. Source: F6:2, Informationsrådet, Näringslivets Fond, SAFs arkiv, CfN.

The campaigns were named Näringslivets Upplysningsverksamhet and continued working on a somewhat smaller scale in 1958, but it was hard to maintain engagement among the executives and there were no more activities after 1959.¹⁶³ However, a very similar campaign, called Eko 67, was launched in 1967, again at the initiative of Axel Iveroth, who by then had been managing director of the Federation of Swedish Industries for twelve years. Some 200 leading business executives gathered in Åtvidaberg to discuss economic policy, centered on four topics: international issues, location issues,

¹⁶³ P.M. *beträffande Näringslivets Upplysningsverksamhet under 1960*, Redogörelser för verksamheten, F21 I:1, SAF, SAFs arkiv, CfN.

distribution of resources and companies' access to capital. The Federation of Swedish Industries and SAF split the costs of the conference. Through its information director, Lars Strångh, SAF also made it clear that it wanted the executives to discuss issues in which they could serve as experts and avoid partisan statements that could be used by the Social Democrats.¹⁶⁴ As an employer organization, SAF's main task when it came to opinion molding was to inform regarding labor market issues, specifically wage policy.¹⁶⁵

Supplementary pensions

An open ideological conflict between the business community and the labor movement flared up in the latter part of the 1950s as the Liberals and Conservatives sided with SAF on the issue of supplementary pensions (in Swedish *allmän tjänstepension*, ATP). Instead of a compulsory state-run system with large pension funds, which the Social Democrats, LO and the white-collar union TCO (The Swedish Confederation of Professional Employees, Tjänstemännens Centralorganisation) preferred, the employers wanted a decentralized fund administration based on premium reserves negotiated through the collective agreements. This way, the bulk of the pension savings could be used by firms, something opposed by the government as it wanted the state to be in control of credit flows and the capital market.¹⁶⁶

A referendum was called in 1957 in which voters could choose between three options. The labor movement was behind option 1. Liberals, Conservatives and SAF were behind option 3 and the Farmers' League was behind option 2 (raised state pension and a voluntary supplementary pension).¹⁶⁷ Each option had its own campaign committee.¹⁶⁸ The joint committee between the Liberal Party, the Conservative Party and SAF received SEK 2 million from the state, to which SAF added SEK 250,000. It trained public speakers and produced ads and brochures. To openly side with the Liberal Party and the Conservative Party was a departure from SAF's traditionally

¹⁶⁴ *Styrelseprotokoll 1967-04-20/21*, A3A:63, SAF, SAFs arkiv, CfN.

¹⁶⁵ *PROMEMORIA 1966-12-06*, Diverse PM och kostnadsberäkningar, F21 I:7, SAF, SAFs arkiv, CfN. For a compilation of conclusions from EKO 67, see *EKO 67 Sammanfattning av grupparbetet ...*, Sammanfattning ..., F21 I:8. N.

¹⁶⁶ Nycander, *Makten över arbetsmarknaden*, 126; Petersson, "Del III 1945–1965," 437–442; Stråth, *Mellan två fonder*, 54–55.

¹⁶⁷ Petersson, "Del III 1945–1965," 440–442.

¹⁶⁸ *PM angående folkomröstningen*, Pensionsfrågan 1957, F1:2, Näringslivets Fond, SAFs arkiv, CfN.

non-partisan stance, but in this case the employers had from the start of discussions in 1947 been involved in the various government studies and policy discussions. Option 3 was also based on an original SAF proposal.¹⁶⁹

None of the three options received a majority, and the political situation remained in a gridlock in parliament, despite an early election in 1958. Eventually, a Liberal MP went against the party line in 1959 and voted for the government proposal. Supplementary pensions were turned into law.¹⁷⁰

The Enterprise Fund and the Bureau for Economic Information remained passive in the debate and did not spend any significant amount of time discussing the issue. At Harald Nordenson's suggestion, the Fund's board concluded that it was not a primary task to give financial contributions to the propaganda committee for option 3.¹⁷¹ However, when it turned out that the committee had a small deficit of SEK 35,000 that neither SAF nor the Conservative Party wanted to pay for, the Fund pitched in.¹⁷²

The conclusion here must be that neither the Fund nor the Bureau regarded the supplementary pensions issue as a threat to the core values of free enterprise, in contrast to the PHM debate ten years earlier. Supplementary pensions were clearly an issue for the employer organization on its own, and in this case the state also provided the bulk of the campaign financing.

1968 – anti-business sentiments among the young

As elsewhere in the West, protests and anti-establishment demonstrations, especially among the young, became more frequent in Sweden starting in the mid-1960s. In particular 1968 has come to symbolize the youth's calls for a new order, often with strong leftist overtones. Protestors all over the West were united in certain themes, such as the war in Vietnam and anti-capitalist attitudes. A survey among 14 to 24-year-olds in Sweden showed that almost 50 percent thought that capitalism was either bad or pretty bad. There was also specific discontent aimed at the reorganization of university education.

¹⁶⁹ *SAF och ATP-frågan PM 1982-01-15*, F2:3, Timbro, Timbros arkiv, CfN; *Styrelseprotokoll 1958-04-22*, A2:4, Näringslivets Fond, SAFs arkiv, CfN.

¹⁷⁰ Petersson, "Del III 1945–1965," 442.

¹⁷¹ *Styrelseprotokoll 1957-08-23*, A2:4, Näringslivets Fond, SAFs arkiv, CfN.

¹⁷² *Styrelseprotokoll 1958-04-22*, A2:4, Näringslivets Fond, SAFs arkiv, CfN.

Previously, a high school degree had allowed students to take any classes they wanted at university, but by the late 1960s, the number of students had increased substantially and the government proposed entrance requirements and fixed study programs. When angry students occupied the student union building in Stockholm in May 1968, this was one of their main concerns.¹⁷³

The government study *Koncentrationsutredningen* pointed to a dominance of 14 families controlling over 200 large Swedish firms. The foremost of these families was the Wallenbergs. The family and the symbol of their economic power, SE-Banken, became a target for the protestors organizing a sit-in at the bank's headquarters in Gothenburg. In Stockholm too, protestors marched outside the bank's offices in Kungsträdgården under the banner "*Känner du stanken från Enskilda banken?*" ("Can you feel the stench from the Enskilda bank?"). In some cases, Marcus Wallenberg participated in public debates, and as we have seen, Wallenberg-controlled companies also supported various projects seeking to shift public opinion in a more non-socialist direction.¹⁷⁴ He also formed the SK-group gathering all Wallenberg information directors to discuss what could be done to influence public opinion.¹⁷⁵

The business group also continued to finance the press agency *Näringslivets Information*, originally launched in 1945 to get the free enterprise message out in the media.¹⁷⁶ In the 1970s, it seems to have changed its name to *Press-Extrakt AB* but was still financed by the Wallenberg and Johnson companies. Its main function appears to have been to create compilations of political debates in the media for its financiers, but other organizations could also subscribe, which SAF did.¹⁷⁷

¹⁷³ Berggren, 68, 67, 76, 86. An anecdote: The old student union's building at Holländargatan 32 in Stockholm is now a part of the Stockholm School of Economics and also the place where this dissertation is written.

¹⁷⁴ Olsson, *Att förvalta sitt pund*, 340–345; Berggren, 68, 102; *SOU 1968:3*, *Koncentrationsutredningen II*.

¹⁷⁵ Obituary over Toivo Sibirzeff by Mats Hasselquist, *Dagens Nyheter*, 2015-06-21. The SK-group was still active in 2015. There is almost nothing written on the SK-group, see Ehrenkrona, *Nicolin*, 200–201 for a short description of the beginning. It is not clear what "SK" stands for.

¹⁷⁶ *SOU 1999:88*, *Granskningskommissionen*, 448–452. *Näringslivets Information* seems to have been active at least until the 1970s. The source however, is a man called Bertil Wedin who worked for *Näringslivets Information*. The Swedish police was in contact with Wedin in the late 1990s following information in the press that identified Wedin as a potential shooter in the assassination of Olof Palme, hence his participation in the Swedish government inquiry into the murder investigation

¹⁷⁷ *Meddelande 1975-03-12 Press-Extrakt*, A2:5, Libertas, SAFs arkiv, CfN.

A new mandate for SAF

The new anti-business attitudes did not go unnoticed at SAF and the Federation of Swedish Industries. At the board meeting in November, SAF's information director Lars Strångh brought up the opinion formation concerning free enterprise.

Free enterprise and terms such as free competition and profitability are accepted and viewed positively by a large majority of the Swedish people. However, an intense and far-reaching influence on public opinion, with the aim of changing these attitudes, is ongoing. This can easily be exemplified by all our mass media, radio, tv, film, magazines and newspapers. The tendency is grave and will, if it continues, in the long run radically change the political climate, which is crucial for the conditions governing business life.¹⁷⁸

As the largest and most representative organization for the business sector, it was up to SAF to counteract this tendency even if that implied expanding the traditional tasks of forming opinion only with regard to labor market and wage issues. As Strångh pointed out, respect for terms such as competition and profitability was closely linked to SAF's mission to safeguard firms' cost development. Also, as business historian Hans De Geer has noted, SAF's office staff had grown considerably over the last 30 years. In the mid 1940s SAF had around 50 employees, in 1970 it had 360.¹⁷⁹

A primary target group was the university students who, according to a memo written by Strångh's younger deputy Sture Eskilsson, had become especially susceptible to anti-business attitudes. Other key groups that the business community needed to reach out to included high school students, opinion-makers and employees. What Strångh and Eskilsson proposed, among other things, was to support non-socialist university students, to provide schools with new textbooks and teaching aids, to establish new and deeper

¹⁷⁸ *Styrelseprotokoll 1968-11-14*, A3A:64, SAF, SAFs arkiv, CfN, Swedish: "Det fria näringslivet och begrepp som fri konkurrens och lönsamhet accepteras och uppfattas positivt av en stor majoritet inom det svenska folket. En intensiv och omfattande opinionspåverkan, med syfte att ändra dessa attityder, pågår emellertid. Detta kan lätt exemplifieras från samtliga våra massmedia, radio, tv, film, tidskrifter och tidningar. Tendensen är allvarlig och kommer, om den får fortgå, att på sikt förändra det politiska klimatet, som är avgörande för näringslivets livsbetingelser." For more on SAF's internal view on the political radicalization of the 1960s, see Jerneck, *SAF's framtidsyn*, 106–108.

¹⁷⁹ De Geer, *SAF i förhandlingar*, 35, 42.

contacts with journalists, to increase the quality of SAF's own arguments and to use mass communication such as ads, films and brochures. Further, if they were to proceed, they wanted the board to set aside money for a longer period of time, not just as a one-off measure. They did not rule out cooperating with the LO regarding parts of the new program, such as school information.

The board members were positive to Strängh's and Eskilsson's proposal and also encouraged cooperating with LO, which they saw as a bulwark against the most radical leftist ideas. Several of them, including the managing director Curt-Steffan Giesecke, agreed that it was indeed up to SAF to be responsible for the overall opinion formation of the business sector, even if it should be coordinated with the Federation of Swedish Industries. The latter organization had actually also agreed on an opinion formation program at an estimated cost of SEK 700,000 out of which they wanted SEK 500,000 from SAF. Hence, Giesecke wanted to discuss with the Federation of Swedish Industries before deciding on a sum for the information activities.¹⁸⁰

The Federation of Swedish Industries was also seriously worried about developments among young people. In June, a demonstration was held outside their offices against the "serpent's nest of big business" ("*storkapitalismens ormbö*"). One of the board members explained:

General anti-capitalism, a more goal-oriented anti-business attitude and anti-Americanism are linked to the present development [...] but also a kind of "anti-everything" attitude, an anarchist, strongly publicity-focused, often vulgar and bizarre phenomenon.¹⁸¹

The Federation of Swedish Industries's program was also aimed at students and teachers and included study excursions to firms, films and teaching material. The board also discussed the Social Democrats' new program for business policy, and one troublesome issue was the proposals of a government

¹⁸⁰ *Styrelseprotokoll 1968-12-19*, A3A:64, SAF, SAFs arkiv, CfN. That Eskilsson had written the memo is stated in, for instance, *Protokoll arbetsutskottet 1968-12-18*, A4A:21, SAF, SAFs arkiv, CfN.

¹⁸¹ *Bilaga 3, Styrelseprotokoll 1968-06-12*, A1:49, Sveriges Industriförbunds arkiv, CfN. Swedish: "En allmän antikapitalism, en mer målinriktad anti-företagsattityd, och en anti-amerikanism har anknytning till den aktuella utvecklingen [...] men dels också en slags 'anti-allting' attityd, en anarkistisk, starkt publicitetsinriktad, ofta vulgär och bisarr företeelse."

takeover of the pharmacies and a nationalization of the pharmaceutical industry.¹⁸²

Responding to young people

One way for business to increase its contacts with the radical students was to use SNS' good ties to the academic world. "Teach-ins" (in practice debates between students and business leaders) were organized in Umeå in November 1968 with some 600 participants, followed by a similar, and televised, event arranged in Stockholm with 700 participants three months later. Based on these experiences, SNS' local groups and various management teams were trained in how to debate with young revolutionaries. Young non-socialist academics familiar with Marxist arguments were used as mock debaters.¹⁸³ SAF tried a similar approach with among others Carl Bildt, Bengt Westerberg and Peje Emilsson, who in 1970 started the PR firm Kreab with close ties to SAF. SAF also arranged study trips for students to industrial firms.¹⁸⁴ According to SNS biographer Kersti Ullenhag, the hardening political climate increased the need for cooperation within the business community, and Marcus Wallenberg's first ever appearance at the yearly SNS conference in Tylösand should be seen in this light. During the 1970s, Wallenberg companies also started participating in SNS activities.¹⁸⁵

In early 1969, the presidia of SAF and the Federation of Swedish Industries decided that both organizations would conduct information activities with SAF focusing on issues such as workplace-related problems, cooperation with the counterpart and profitability, while the Federation of Swedish Industries would deal with issues such as EEC and EFTA and the government's business policy. For tax reasons, it would not be possible for SAF to transfer funds to the Federation of Swedish Industries.¹⁸⁶ There were,

¹⁸² *Bilaga 2, Styrelseprotokoll 1968-06-12*, A1:49, Sveriges Industriförbunds arkiv, CfN. Interestingly enough, this was the first time that the board discussed this issue. A short announcement had been made at a board meeting in 1963, when the government study was appointed, but it had been quiet ever since, see *Styrelseprotokoll 1963-06-05*, A1:38, Sveriges Industriförbunds arkiv, CfN.

¹⁸³ Ullenhag, *I takt med tiden*, 87–89.

¹⁸⁴ Eskilsson, *Från folkhem*, 105–106. Interview with Peje Emilsson, July 17, 2020. Both Bildt and Westerberg (no relation to the author) later became party leaders for the Moderates and the Liberals, respectively.

¹⁸⁵ Ullenhag, *I takt med tiden*, 94–95.

¹⁸⁶ *Protokoll arbetsutskottet*, 1969-01-16, A4A:22, SAF, SAFs arkiv, CfN.

however, joint efforts, such as the mobile exhibition “Framsyn” that would show how technological progress and the market economy were contributing to a better world and push back against popular doomsday prophecies of environmental pollution and starvation.¹⁸⁷

Conclusions and chapter summary

As there is almost nothing written about the opinion molding efforts of the business community in the 1950s and 1960s, this chapter has had a large gap to fill. Its major contribution has not so much been about contradicting what others have written on the more conciliatory climate between organized business and Social Democracy during these two decades but rather to add a new perspective. While negotiations and more informal talks did take place in a frequently jovial manner, big business interests continued supporting the non-socialist parties and press and ran campaigns to improve the conditions for enterprise.

Several contextual factors made relations between business and labor more cordial during the 1950s and the first half of the 1960s. Major Swedish exporting companies could expand their operations as global trade picked up after the war, the country reached full employment and peace prevailed in the labor market. Perhaps most importantly for the intensity of spreading free enterprise information, the labor movement was considerably less radical than it had been in the first years after the war, even if quite a substantial minority within the Social Democratic Party continued to argue for socializations. In general, the opinion molding efforts of the business sector now shifted to emphasizing how a profitable business sector enabled economic and material progress rather than the consequences of socializations.

Talks between big business and labor interests at the prime minister’s representational estate Harpsund symbolized the new era, as did the friendly relations between the leading businessman Marcus Wallenberg and Prime Minister Erlander. The major exception was obviously the row over supplementary pensions in 1957 when the employers openly sided with the political opposition. However, the Enterprise Fund and its operational arm the

¹⁸⁷ Eskilsson, *Från folkhem*, 109–10.

Bureau for Economic Information, did not partake in the campaigns against supplementary pensions but left this up to SAF and the political parties, whose joint campaign had its costs covered by the state. Clearly, the Fund did not consider the supplementary pensions a systemic threat to free enterprise in the same way as the socializations proposals and estate tax ten years prior.

New projects

In terms of membership, the Enterprise Fund continued to grow in the 1950s. As this chapter has shown, the Fund had its base among the largest industrial firms. Out of Sweden's largest 28 potential members, 21 were members according to the its own estimates. On the other hand, it was never good at attracting smaller companies.

Its more successful ventures included a nationwide campaign organized by the Bureau called "Näringslivet visar" seen by over 300,000 Swedes. Its energetic leader Tore Sellberg also organized courses for youths interested in politics. Less successful were the attempts to write an ideological program together with business organizations in the other Nordic countries. This so-called "Alternative" was originally planned as a countermeasure against proposals regarding a more planned economy, something seen as a threat by business interests in all Nordic countries after the war. Uniting behind a common program turned out to be difficult. As I have also concluded elsewhere, business involvement in cartels (which was common at the time), both as employers and producers, made it hard to prepare a program based on free market principles.¹⁸⁸ For large parts of the Swedish big-business community of this era, the right for firms to strike agreements with each other (including to set up cartels) had primacy over free competition. The perspective was definitely more pro-business than pro-market. Other reasons included an overall lowered threat from the labor movement, which made the program less urgent. Over time, the program was less about defending free enterprise as such and more about how to deal with the consequences of record growth. Although Sellberg had a Hayekian approach to the program, others, such as Tore Browaldh, saw it more from a Keynesian perspective, arguing for full

¹⁸⁸ Westerberg, "The Alternative."

employment and economic redistribution. When a final international attempt was made to unite behind a free enterprise manifesto in 1965, Näringslivets Fond turned it down. By then, the Fund was also starting to lose members.

The parties and the press

In 1955 the Enterprise Fund remitted its loan to Stiftelsen Svenska Dagbladet and formally cut its ties to the newspaper, which, however, promised to keep a number of board members sharing the Fund's political views.

Especially the conservative newspapers were struggling in the fierce competition in the market for daily papers and kept losing readers relative to newspapers of other political affiliations. The money paid out by Libertas was not enough, and SAF organized two fundraising efforts in the first half of the 1950s in support of the business-friendly press. Money was needed both to match the resources provided by the labor movement to its press and to make sure that business-friendly ideas were disseminated all across the country.

Starting in 1965, the state started to subsidize the political parties, but as this chapter has shown, contributions from business interests continued (at least to the Conservative Party). The Fund's bylaws prohibited it from giving money directly to the parties, but this did not include the political student associations, and in the 1960s the Conservative Student League of Sweden¹⁸⁹ received yearly grants from the Fund. Carl-Henrik Winqwist, who launched the Research Bureau for Social Issues, also came from the student association. Through the Research Bureau, both the Fund and the Wallenberg family could support the Conservative Party and the Liberal Party without directly giving them money.

Less ideological organizational entrepreneurs

The successors to Gustaf Söderlund as chairmen of the Fund lacked his energetic and outspoken commitment to free enterprise ideology. Sven Schwartz and Bertil Kugelberg (who had been chairman and managing

¹⁸⁹ In 1969, it changed its name to the Confederation of Swedish Conservative and Liberal Students (Fria Moderata Studentförbundet, FMSF). As depicted in chapter 3 the Fund's history as a financial supporter of the Conservative Student League dated back to 1944.

director of SAF respectively) were respected negotiators but seem to have been less suited for running propaganda organizations. Uno Murray, managing director of the Fund from 1947 to 1966, was more of a bureaucrat than someone who succeeded in filling business leaders with enthusiasm in terms of fighting socialistic ideas. The only real free market proponent employed by the Fund was the manager of the Bureau for Economic Information, Tore Sellberg, but he left when the Bureau was shut down in 1963 and the Fund instead decided to finance Utredningsbyrån för Samhällsfrågor.

All the founders of SNS – Axel Iveroth, Tore Browaldh and Lars Erik Thunholm – reached prominent positions within the business community in the 1950s, with Browaldh serving as deputy managing director of SAF in 1951–1954, Thunholm serving as managing director of the Federation of Swedish Industries in 1955–1957, who, in turn, was replaced by Iveroth in 1957 (he remained managing director until 1977).¹⁹⁰ At least Iveroth's and Browaldh's approach was that the opinion molding efforts of the business community should be based on discussion and cooperation with the labor movement rather than confrontation. As mentioned above, Browaldh was a committed Keynesian, and Iveroth was the most skeptical with regard to PR campaigns based on advertisement, anonymity and free enterprise propaganda. The campaigns Iveroth ran from 1956 to 1959, called *Näringslivets Upplysningsverksamhet*, as a joint venture between the major business associations, including the Fund, relied on business leaders talking to their employees on how the conditions for enterprise could be improved. The underlying message was that of cooperation and optimism.

Several of the Fund's board members were disappointed over what was produced by its most expensive venture, the Centre for Business and Policy Studies, SNS. From their perspective, SNS lacked a clear commitment to the virtues of free enterprise and it was unclear what the Fund really got out of this costly project. However, when it came to the issue of free competition SNS actually proposed to legislate against cartels while influential people at the Fund, such as Harald Nordenson, preferred self-regulation.

¹⁹⁰ *VÄD* 1981, Thunholm, *Flydda tider*. Browaldh was also CEO of Handelsbanken 1955–1966 and then chairman until 1978. Thunholm was CEO of Skandinaviska banken 1957–1971, CEO of SEB 1972–1976 after the merger between Skandinaviska and Stockholms Enskilda Banken and then chairman of SEB 1976–1984.

The Wallenberg projects

Marcus Wallenberg shared the skeptical view on SNS. From the outset, he remained negative to the idea behind SNS and instead financed the Society for Liberty and Progress (Förbundet Frihet och Framsteg) with an outspoken non-socialist agenda. In addition to acting as a facilitator for discussions, Förbundet Frihet och Framsteg passed on grants to the Conservative Student League. Companies within the Wallenberg group also continued to finance the press agency Näringslivets Information/Press Extrakt, and from 1962 the Wallenberg controlled Stockholms Enskilda Bank co-financed the Research Bureau for Social Issues with the Fund. A report commissioned by the presidia of SAF and the Federation of Swedish Industries on the opinion molding efforts of the business community had specifically pointed to the non-socialist parties' need for better research capacity in order to match the resources available to the Social Democrats through the government offices. The purpose of Utredningsbyrån, which was inspired by the Conservative Party's Research Department in the UK, was to provide this capacity by letting young non-socialist academics write reports for the parties. It would also help prepare the non-socialist parties for governing should they finally win an election. Lastly, Wallenberg companies were also vital as financial contributors to the Conservative Party. The Wallenberg family's ability during the 1950s and 1960s to uphold a constructive relationship with leading Social Democrats while at the same time secretly supporting organizations that aimed at getting the non-socialists elected is a good example of what Francis Sejersted has referred to as "the double strategy of business and industry".¹⁹¹

The rise and decline of the Fund

The Fund was starting to lose members in the first half of the 1960s. Several explanations are available. It still did not provide any real material benefits, no "selective benefits" to use Mancur Olson's term, to members. Instead, they got to contribute to the collective benefit of upholding a free enterprise system. As the threat of socialization became less intense during the 1950s,

¹⁹¹ Sejersted, *The Age of Social Democracy*, 309–311; See also Sellberg, "Direktörsklubben" for more on how the Wallenbergs supported opinion molding activities based on "[...] more extreme positions than what organizations and parties were ready to take".

the value of being a member of an organization propagating free enterprise must have been questionable for business leaders. This finding is also in line with a conclusion made by Finnish business historian Maiju Wuokko: for the business sector as a whole, it is difficult to stay committed to political goals for longer periods of time, especially when the threat or common enemy disappears.¹⁹² A 1961 joint presidia report from SAF and the Federation of Swedish Industries concluded that business contributions to the political parties, the newspapers and the many organizations involved in opinion formation represented a financial burden for many companies.

Also, with the closing of the Bureau for Economic Information in 1963, a tangible part of the Fund's operations disappeared. As long as the Bureau was operating, members could physically see how their money was spent on pamphlets, political courses and exhibitions. The Research Bureau for Social Issues, the Fund's new project, was more secretive in nature and its reports were sent to the parties and a select few among the business community. When Bertil Kugelberg took over as chairman of the Fund in 1966, he also stepped in as managing director after Uno Murray. Without a doubt, this meant lowering the Fund's level of ambition. Without a proper managing director, it was difficult to recruit new members and initiate new projects. That the Fund had lost its operational capacity and its willingness to act also became clear in 1968 when anti-business sentiments rose among especially young students.

1968 – disturbances in group equilibriums

At SAF's PR department, *Avdelningen för samhällskontakt*, it was obvious that given the organization's size and representation within the business community, it was up to SAF to defend the core values of business when anti-business sentiments rose in the late 1960s. As will be described in the two following chapters, SAF now slowly started to change from primarily a wage negotiating corporatist organization to also become a free enterprise opinion maker. Compared to the 1940s it was now a substantially larger organization, employing roughly ten times as many office staff.

¹⁹² Wuokko, "Business in the Battle of Ideas, 1945–1991," 290.

Information director Lars Strångh and his deputy Sture Eskilsson asked for sufficient resources for SAF to make a long-term impact on public opinion, not just a one-off campaign. The main concern for both SAF and the Federation of Swedish Industries was radical leftist attitudes among university students, and both organizations prepared plans for how to combat these ideas and explain the benefits of free enterprise primarily to young people but also to other groups. Interestingly enough, SAF's board at this point in time saw LO as a potential partner in this struggle. Young people, not the unions, represented the main problem for the business sector at this stage. The Social Democrats' more radical business policy was not yet considered a major threat. This, however, would change in the coming decade.

Chapter 5

Bringing the Free Market to Sweden: A New Infrastructure for Opinion Formation, 1969–1985

The message I would like to forward is: The market economy of Sweden is not dead, its friends are rapidly increasing in number and foreseeing a victory in the ongoing battle.

*Sture Eskilsson to Milton Friedman, 1984*¹

Introduction

In the 1970s, the political climate became increasingly radical, while Sweden at the same time went through a severe economic crisis with a decade of falling industrial output. In comparative terms, Sweden experienced the most severe structural economic crisis in all of the OECD in the second half of the 1970s.² This chapter discusses how the Swedish business community, as a response to a changing world, increased its efforts to convince the public

¹ *Brev från Sture Eskilsson till Milton Friedman 1984-02-17*, F1:22, Timbro AB, Timbros arkiv, CfN.

² Magnusson, *Håller den svenska modellen?*, 17; Ryner, *Capitalist Restructuring*, 131.

of the benefits of a free enterprise system and market-oriented ideas. This included a reinvigoration of the Enterprise Fund, which, in turn, launched the still existing publisher and think tank Timbro. It also studies the previously largely unknown ties between Swedish business interest associations and pro-market organizations outside of Sweden, such as the international Mont Pelerin Society and the Institute for Economic Affairs in the UK. Personal relationships between prominent free market economists such as F. A. Hayek and Milton Friedman and public-relations experts within the Swedish business community are also part of this chapter. Specific Swedish ties, both at the personal and organizational level, to the network around the Mont Pelerin Society have not previously been studied.³

For SAF and the business community at large, the most obvious threat to free enterprise from the mid-1970s was the wage-earner funds. Originally presented in 1975 by the Confederation of Trade Unions, the main idea was to “continuously transfer companies’ capital growth to the ownership of the wage-earner collective.”⁴ Over time, the union-controlled funds would own majority shares in larger Swedish companies.⁵ Given the complexity of this issue and the major controversy it caused, the next chapter is entirely dedicated to the funds and how the business community reacted to these. This means that SAF’s and the Federation of Swedish Industries’ opinion molding strategies until 1976 are discussed in this chapter while the time period 1977–1985 is covered in the following chapter.

Overall, the question of how and why the Swedish business community built a new infrastructure for opinion molding in the 1970s has only been covered by previous researchers and journalists to a limited extent. Several studies have highlighted the role of both SAF and Timbro in promoting free enterprise ideas, but the lack of archival material has resulted in these studies lacking detailed descriptions.⁶ Furthermore, in a story about ideational

³ Mirowski and Plehwe, *The Road from Mont Pelerin*; Plehwe and Walther, “In the Shadows.”

⁴ Meidner, Hedborg and Fond, *Löntagarfonder*, 111. Swedish: “...succesivt föra över företagens kapitaltillväxt i löntagarkollektivets ägo.”

⁵ Meidner, Hedborg and Fond, *Löntagarfonder*, 107.

⁶ Boréus, *Högernåg*; Karlson, *Statecraft and Liberal Reform*; De Geer, *Arbetsgivarna*; De Geer, *I vänstervind och högernåg*; Rojas, *Paradoxen SAF*; Pestoff, *Näringslivsorganisationerna och politiken i Sverige*; Johansson, *Hatets och ilbiljans kolportörer*; Hansson, *SAF i politiken*; Hansson and Lodenius, *Operation Högerridning*; Linder and Grönstedt, *Bra för Sverige*; Bresky, Scherman and Schmid, *Med SAF vid rodret*; Ryner, *Capitalist Restructuring*; Schiller, “*Det förödande 70-talet*”.

development within organized business in Sweden, both SAF and its publisher/think tank Timbro deserve more attention than what is offered by Blyth.⁷

Based on now accessible archival material, this chapter substantially increases our understanding of this period. This chapter also uses interviews and written personal accounts by some of the key people involved.⁸

Sture Eskilsson and SAF's new strategy

In 1970, Lars Strångh resigned from SAF and Sture Eskilsson was made head of Avdelningen för Samhällskontakt and thus a member of SAF's board of directors (*direktionen*).⁹ According to his close associate Carl-John Westholm, Eskilsson (unlike the other executives at SAF) had a genuine interest in sociology and how ideas were generated and transmitted. He was especially inspired by Paul Lazarsfeld and Elihu Katz's model of a two-step flow of communication stipulating that ideas flow from mass media to opinion leaders, who, in turn, influence a wider audience. Hence, the crucial part was to reach the opinion leaders.¹⁰ Ultimately, he believed that SAF should not carry out information work for its own sake but for the effect of opinions on actual political outcomes.¹¹ Over the years, he developed a theory named by a colleague of his "Eskilsson's circle" (*Eskilssonska kretsloppet*, Figure 5.1), in which mass opinions and political change always start with one individual's idea of how reality ought to change. The idea is then developed within a smaller group, and if it turns out to be attractive, it spreads to more groups. An organization with the means for mass communications can then spread it to a wider audience and a public opinion is formed. Only at this later stage is the idea adopted by politicians who enact it into law and change reality. A major point with this theory is that the ideational efforts are more important than

⁷ Blyth, *Great Transformations*.

⁸ Interviews with Carl-Johan Westholm, Janerik Larsson, Rolf Englund, Peje Emilsson and Joakim von Braun. In Hjertqvist, Svegfors and Fröroth, *Timbro.20.nu*, two early Timbro employees, Mats Svegfors and Johan Hjertqvist, give their personal accounts on the early years of the think tank. Of course, this chapter also makes extensive use of Sture Eskilsson's memoirs: Eskilsson, *Från folkhem*.

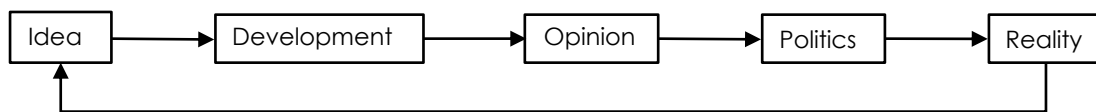
⁹ *Styrelseprotokoll, 1970-10-15*, A3A:66, SAF, SAFs arkiv, CfN.

¹⁰ Interview with Carl-Johan Westholm, December 7, 2018.

¹¹ *Styrelseprotokoll, 1971-03-18*, A3A:67, SAF, SAFs arkiv, CfN.

direct lobbying. Eskilsson argued that for the Swedish business community it was pointless to try to lobby Social Democratic governments directly.¹² This was also closely related to Hayek's ideas of intellectuals as "second-hand dealers in ideas." A long-term commitment to ideas would win intellectuals to your own side, and when the intellectual climate changed, so would the politicians.¹³

Figure 5.1 "Eskilsson's circle"



Source: Eskilsson, *Från Folkhem*, 218. See also *Näringslivets Fond och Timbro - En kortfattad historia*, A1:1, Timbro, Timbros arkiv, CfN.

When the SAF board in 1969 decided to grant SAF's PR department SEK 3–5 million for information activities during the coming five years, Eskilsson could put the ideas "aimed at strengthening the understanding of free enterprise" developed by him and Lars Strängh into practice.¹⁴

Eskilsson and the leaked strategy

Eskilsson became known to a wider audience when SAF's information strategy, originally presented at a board meeting in March in 1971, leaked to the left-wing newspaper *Arbetet* in 1971 and received national attention. A leftist theater group even papered its wall with the strategy. To the other members of SAF's directorate and to the board, he claimed that someone had passed the memo on to *Arbetet* when it was distributed to SAF's member associations. However, after his retirement, he told Carl-Johan Westholm that he

¹² Eskilsson, *Från folkhem*, 217–19.

¹³ Eskilsson, 377–378; Olsen, "Second Hand Dealer," 138; Cockett, *Thinking the Unthinkable*, 131, 139.

¹⁴ *Styrelseprotokoll, 1969-01-16* and *Styrelseprotokoll, 1969-05-22*, A3A:65, SAF, SAFs arkiv, CfN. Swedish (May 22, 1969): "syftande till att befästa förståelsen för det fria näringslivet."

himself leaked it, knowing that the employers' political opponents would make a big thing out of it.¹⁵

The memo pointed to three strategic areas where SAF needed to increase its communicative efforts. First, the qualified debate, meaning that books and publications of a similar advanced theoretical level as the new socialist literature needed to be published and in many cases translated from other languages. Even if these were only read by a small group, the ideas would disseminate to a larger audience. Second, leading business people needed to believe in their cause – private ownership and the market economy – in order to convey this message to others. An ideology of business could only be created through a debate in which businessmen themselves participated. Third, the so far successful school information needed to be expanded with more educational material, and SAF also needed to react to the left-wing indoctrination (*vänsterindoktrineringen*) of the youth. In addition to these main areas, SAF should continue to intensify its contacts with target groups, closely follow developments within TV and radio and conduct thought-out ad campaigns in mass media.¹⁶

The PR campaigns developed over the coming years were all aimed at supporting SAF in the central wage negotiations.¹⁷ A special information campaign in 1972 and 1973 specifically addressed inflation and the conditions of enterprise. A large number of brochures and debate books were produced by the young PR firm Kreab, and ads were placed in both national and regional newspapers. The board also approved information measures to get SAF members to contact members of parliament to influence the proposal on employment security, even though this implied that the employers would engage in the political debate. From now on, SAF also started to measure the impact of its campaigns on people's attitudes.¹⁸ As of 1972, Eskilsson involved Kreab in all of SAF's communication strategies. Its founder Peje Emilsson had a background in the Moderate Party where he had helped Carl-Henrik Winqwist in running the party's election campaign in Stockholm in 1968. Between 1970 and 1972, he was president of the Confederation of

¹⁵ Interview with Carl-Johan Westholm, December 7, 2018.

¹⁶ *Styrelseprotokoll, 1971-03-18*, A3A:67, SAF, SAFs arkiv, CfN.

¹⁷ *Informationsfrågornas behandling i SAFs styrelse 1968-1981*, F1:4, Timbro AB, Timbros arkiv, CfN.

¹⁸ *Styrelseprotokoll, 1972-05-18*, A3A:69 and *Styrelseprotokoll, 1973-02-15*, A3A:71, SAF, SAFs arkiv, CfN; Eskilsson, *Från folkhem*, 128.

Swedish Conservative and Liberal Students (Fria Moderata Studentförbundet, FMSF), which we know from previous chapter received financial backing from the Enterprise Fund. He first met Eskilsson in the late 1960s when he together with two other young conservatives stepped into Eskilsson's office to hear what the business community was doing to turn the political climate around. The group had first visited the Federation of Swedish Industries but received no response, which is why they turned to SAF.¹⁹

Employers under increased pressure

The new Employment Protection Act (*Lagen om anställningsskydd*, LAS) passed parliament in 1974, and two years later it also passed the Employment Co-Determination in the Workplace Act (*Lag om medbestämmande i arbetslivet*, MBL). Both of these laws significantly increased worker and union rights at the expense of the employers and represented a clear break with the 1938 Saltsjöbaden tradition, where the state left labor market regulations up to LO and SAF.²⁰ Several of these changes were supported or even pushed for by the non-socialist parties. The Liberals had since the 1960s demanded greater employee influence and a more or less unanimous parliament voted for employee representation on company boards. Nor did the opposition vote against increased employment protection. Both the Center Party and the Liberal Party accepted the main parts of the co-determination act.²¹ As described in the next chapter, the Liberals also pushed for a profit-sharing scheme, which took the form of wage-earner funds.

SAF's chairman Tryggve Holm argued that the industry had not faced such drastic changes since the Decree of Extended Freedom of Trade (*Näringsfrihetsförordningen*) in 1864. The Federation of Swedish Industries' board member Hans Stahle thought that the unions were becoming increasingly militant. Instead of adopting an understanding position, the business

¹⁹ Interview Peje Emilsson, July 7, 2020. According to his own recollection he had been convinced of the individual's right to choose ever since being bullied in his early school years. Note that the Conservative Student League of Sweden (*Sveriges konservativa studentförbund*) in 1969 changed its name to the Confederation of Swedish Conservative Student and Liberal Students (*Fria moderata Studentförbundet*, FMSF), see *Wikipedia*, "Fria Moderata Studentförbundet," https://sv.wikipedia.org/wiki/Fria_Moderata_Studentförbundet, accessed August 10, 2020.

²⁰ De Geer, *I vänstervind och högervåg*, 292–93; Hedin, "Before the Breakdown." Karlson and Lindberg, *En ny svensk modell*, 34–40; Schiller, "Arbetarna, arbetsgivarna och den industriella demokratin," 98.

²¹ Schiller, *Det förödande 70-talet*, 29, 81, 96, 128; Ryner, *Capitalist Restructuring*, 132–134, 143.

community should point to how this development constituted a danger for Swedish firms and their international competitiveness.²²

The ongoing radicalization of the Social Democratic Party during the 1970s could also be noted at the party congresses where delegates increasingly demanded socializations. The 1975 congress decided that “the operations of the Swedish pharmaceutical industry should be gathered under the auspices of society.”²³ Since 1971, the government had the right to appoint members to the boards of the commercial banks, and the 1975 congress also decided to expand this system to include board members at regional and local bank offices.²⁴ The 1978 congress voted for a government study on how the financial system could be nationalized. Even if the party leadership was less radical than some of the grassroots and rejected, or at least toned down, some of the most far-reaching demands, there was an increasing critique at all levels of the party of the capitalist system and the concentration of power in the business sector.²⁵ At the 1978 party congress, chairman Olof Palme stated that

the aim must be to break the private concentration of power, to replace the economic oligarchy with a broad democratic influence over the decisions made by business that determine our economic future. That is why we shall introduce wage-earner funds.²⁶

Apart from the wage-earner funds proposal, the business community had additional reasons for being discontent in the mid-1970s. In order to finance a growing public sector (see Figure 5.2), taxes, including payroll taxes, were raised.²⁷

²² *Styrelseprotokoll, 1975-10-15*, A1:55, Sveriges Industriförbunds arkiv, CfN.

²³ Sjögren, *Den uthålliga kapitalismen*, 136. Swedish: “att i samhällets regi sammanföra den svenska läkemedelsindustrins verksamhet.”

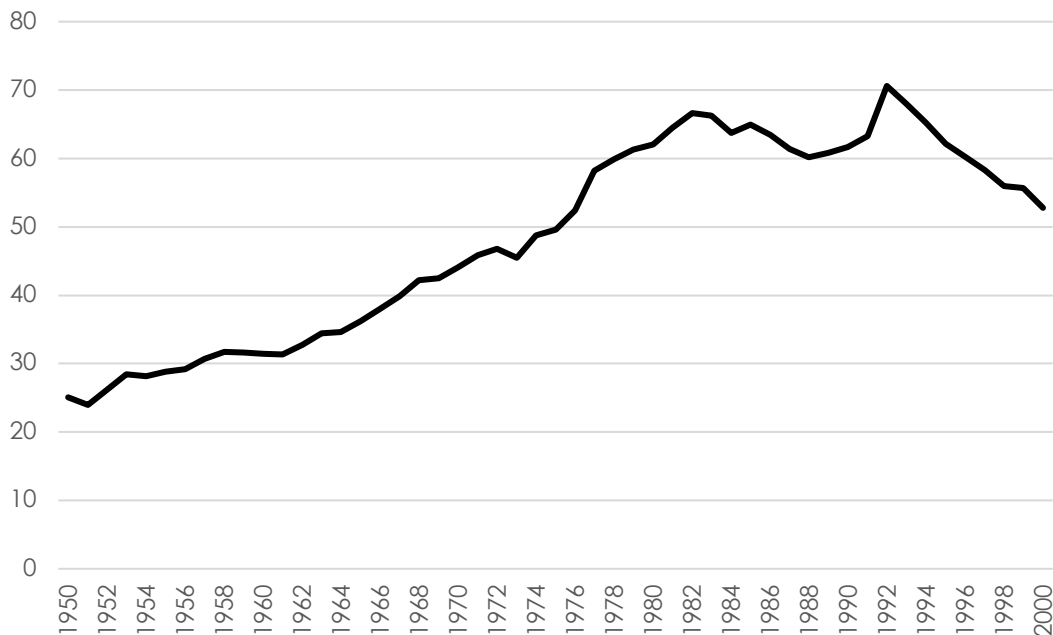
²⁴ *Regeringens proposition 1975/76:53 om ändring i lagen om bankrörelse*.

²⁵ Pierre, *Partikongresser och regeringspolitik*, 125, 147–148.

²⁶ Pierre, 153. Swedish: “Målet måste vara att bryta denna privata maktkoncentration, att ersätta det ekonomiska fåtalsväldet med ett brett demokratiskt inflytande över de beslut i näringslivet som avgör vår ekonomiska framtid. Därför skall vi införa löntagarfonder.”

²⁷ De Geer, *I vänstervind och högervåg*, 205, 352–355.

Figure 5.2 Government expenditure as share of GDP 1950–2000.



Source: Henrekson and Stenkula (eds). *Swedish Taxation*; Durevall and Henrekson, "The futile quest". Note that this measurement includes all money spent by the public sector, not just the national government.

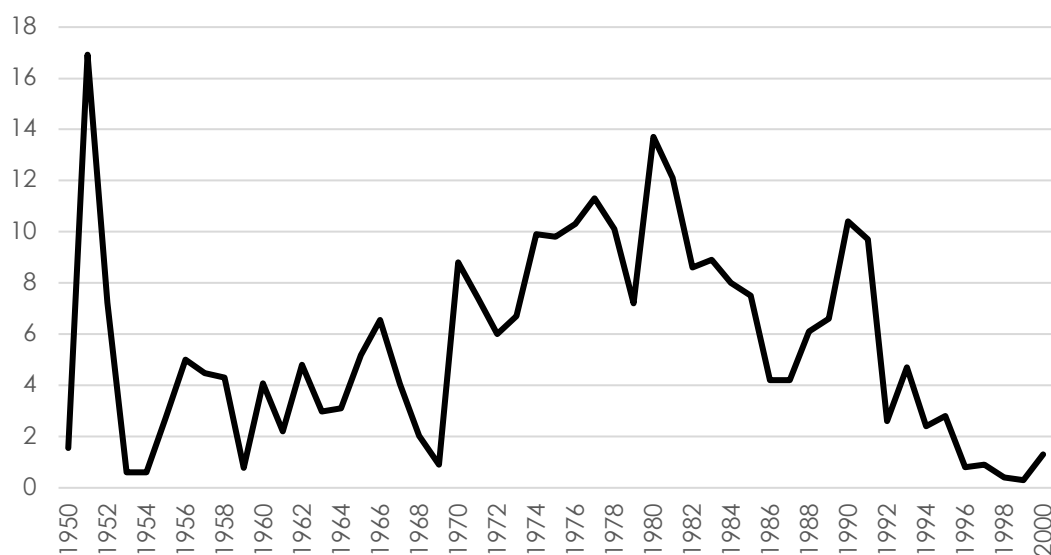
The centrally negotiated wage agreements also turned out to be expensive and fueling inflation (see Figure 5.3); for instance, the 1974–1976 agreements increased wage costs by roughly 40 percent.²⁸ On top of these domestic issues, the global economy was unstable as a result of the 1973 oil crisis and the collapse of the Bretton Woods system.²⁹ The mining, steel, shipbuilding and textile and clothing industries were hit particularly hard as exports plummeted. The new center-right government that came into power in 1976 continued the social democratic policy of subsidizing collapsing industries and expanding state ownership to save firms in financial distress. In general, it continued with previous governments policy of maintaining full employment and, entitlements and social welfare services. Budget and payment deficits

²⁸ Magnusson, *Håller den svenska modellen?*, 17.

²⁹ Sandberg, "Del IV 1965–1985," 502, 590.

piled up while inflation soared and profit rates declined together with savings, investments and capital formation.³⁰

Figure 5.3 Inflation rate 1950–2000, percent.



Source: Henrekson and Stenkula, eds. (2015).

Discontented small business owners

Within the business community, in particular smaller companies were dissatisfied, and part of this dissatisfaction was aimed at the major organizations, SAF and the Federation of Swedish Industries, which were considered ineffective and not interested in their smaller members. In April 1976, 2,000 business owners got together in a “*Företagaraktion*” in Jönköping to discuss “the threatened freedom of trade and the particularly serious situation for private companies and their employees and society...”³¹ They presented nine demands to the government and parliament, including a stop for wage-earner

³⁰ Sandberg, 491, 513, 609–610; Ryner, *Capitalist Restructuring*, 132.

³¹ *2000 företagare kräver svar!* and *Småföretagaraktionen, 1976-06-16*, F5c:1, Sveriges Industriförbunds arkiv, CfN. Swedish (2000 företagare...): “Den hotade näringsfriheten och den synnerligen allvarliga situationen för de enskilda företagen och deras anställda och samhället...”

funds, lower payroll taxes and less bureaucracy. Somewhat reluctantly, the major organizations joined in on the demands and agreed to cooperate with the “*Företagaraktion*.” According to the Federation of Swedish Industries’s information director Jan O. Berg, the organization had to walk a tightrope between, on the one hand, increasing its trustworthiness among its smaller members, but, on the other hand, this was a type of event that the organization typically did not partake in.

According to business biographer Janerik Larsson (editor of the SAF magazine in 1980–1985 and information director in 1990–1995), the prelude to the mass protest against wage-earner funds in 1983 was these meetings in Jönköping in 1976. Over the years, there would be several more rallies and anti-fund initiatives in Jönköping and the province of Småland.³²

New projects

At SAF’s board meeting in November 1975, Eskilsson suggested that the information activities for the coming two years should focus on four projects: an anti-inflation campaign, information regarding the coming labor legislation, a new unit for direct lobbying of the parliament and making 1977 – marking SAF’s 75th anniversary – “a year of enterprise” (“*företagsamhetens år*”).³³ The lobbying unit was eventually named Enheten för Riksdags- och kanslihuskontakt (RKK) and the main attraction of the year of enterprise was a congress for all SAF members. Björn Tarras-Wahlberg was appointed head of the lobbying unit. He had previously been a parliamentary lobbyist for the small business organization he National Association for Swedish Entrepreneurs (Svenska Företagares Riksförbund), which paid his salary with a grant from the Enterprise Fund.³⁴

For SAF, the main campaign before the 1976 election concerned the harmful effects of inflation. Following the expensive wage agreements, the aim was to educate the public on the link between wage increases, inflation and unemployment. Together with five other business organizations, SAF and the Federation of Swedish Industries also distributed a magazine called

³² Larsson, *Vändpunkten*, 95.

³³ *Styrelseprotokoll, 1975-11-20/21*, A3A:75, SAF, SAFs arkiv, CfN. RKK primarily lobbied MPs, see also *Minnesanteckningar direktionen 1977-05-02*, A5B:9, where Tarras-Wahlberg describes his work.

³⁴ *Styrelseprotokoll, 1973-02-15*, A2:6, Näringslivets Fond, SAFs arkiv, CfN.

Välj din framtid (Chose Your Future) to every Swede aged between 18 and 21, which discussed applying for jobs, starting your own business and described the benefits of a market economy. Until this year, SAF had avoided campaigning during election years in order not to be considered partisan.³⁵

Nicolin enters

In 1976, Curt Nicolin replaced Tryggve Holm as chairman of SAF. He was, in Schiller's words, considered more of a "strongman" than his predecessor, which the organization now sought in the wake of expensive wage agreements, the co-determination law and the wage-earner funds proposal. Nicolin was also chairman of the Wallenberg-controlled company ASEA, and from behind the scene, business titan Marcus Wallenberg pushed for Nicolin's candidacy.³⁶ According to both Janerik Larsson and Peje Emilsson, Nicolin's leadership was absolutely essential for SAF's tougher stance. Unlike some other big business CEOs, "he understood what was at stake with the wage-earner funds."³⁷ Larsson also states that Eskilsson was undoubtedly the key person in changing the way the business community conducted its opinion molding in the 1970s, but "with Nicolin he got the chairman he needed, Nicolin opened the way."³⁸

The Enterprise Fund in decline

While SAF was beefing up its information activities, things were winding down at the Fund. With fewer and fewer members, it had to cut costs, and its own office at Sköldungagatan was closed down. In 1971, Bertil Kugelberg handled the Fund's affairs but its finances were managed by a clerk at SAF.³⁹ Of its three major recipients – SNS, the Research Bureau and the Confederation of Swedish Conservative and Liberal Students – the first was by far the

³⁵ Eskilsson, *Från folkhem*, 179; *Informationsfrågornas behandling i SAFs styrelse 1968–1981*, F1:4, Timbro, Timbro's arkiv, CfN; Hansson, *SAF i politiken*, 31–33.

³⁶ Schiller, *Det förödande 70-talet*, 138.

³⁷ Interview with Janerik Larsson, April 21, 2020. Swedish: "Han förstod vad som var på spel i löntagarfondsfrågan."

³⁸ Interview with Janerik Larsson, April 21, 2020. Swedish: "Med Nicolin fick han den ordförande han behövde, Nicolin öppnade vägen"; Interview with Peje Emilsson, July 17, 2020. Quotes from Larsson interview.

³⁹ *Protokoll årssammanträde med huvudmännen, 1971-11-24*, A1:2, Näringslivets Fond, SAFs arkiv, CfN.

most expensive and its yearly allowance was cut from SEK 800,000 to SEK 500,000. Starting in 1972, it could not count on receiving any more means.⁴⁰ Instead, SNS would finance itself through direct contributions from companies. This, however, occurred gradually and the last contributions from the Fund were paid in 1978.⁴¹ By then, SNS had been allowed to buy the house at Sköldungagatan with the provision that the Research Bureau would be allowed to have its offices there as long as SNS owned the building.

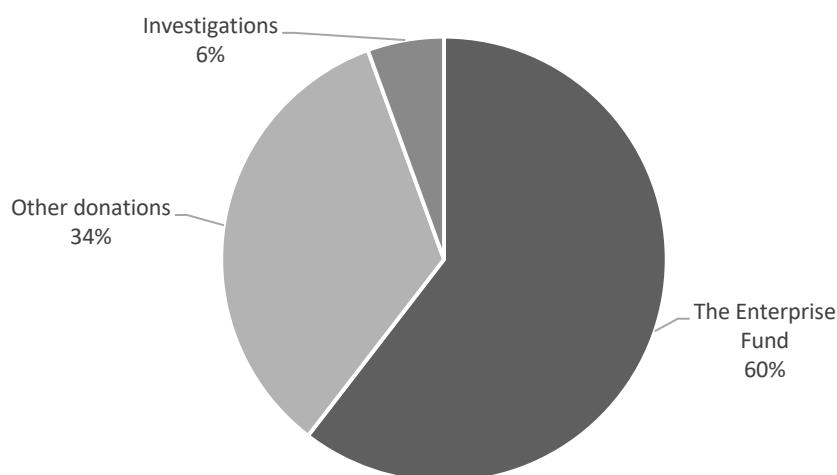
Activities of the Research Bureau

At the Research Bureau, researchers kept producing *Allmänpolitiska utredningar* (1974 was a peak year with 56 reports). Revenues still mainly originated from the Enterprise Fund and Wallenberg companies. Financial contributions were also made by the shipping family Salén (CEO Sven Hampus Salén sat on the Bureau's board during 1972–1977) and by the Employers' Confederation, see Figure 5.4.

⁴⁰ *Konfidentiellt PM 1970-09-04*, Oförtecknad låda 4, Näringslivets Fond, SAFs arkiv, CfN.

⁴¹ *Protokoll årssammanträde med huvudmännen, 1979-04-26*, A1:2, Näringslivets Fond, SAFs arkiv, CfN.

Figure 5.4 Revenues, the Research Bureau for Social Issues 1969-1976



Note: "Other donations" mainly consists of contributions from the following companies belonging to the Wallenberg group: ASEA, Swedish Match Company and Kema Nord. This category also contains contributions from the Salén shipping company and SAF. Sources: A3:2, A4:2 and A2:5 (Näringslivets Fond, SAFs arkiv), A:1 (Utredningsbyrån för Samhällsfrågor, Timbros arkiv), F21 M:4 (SAFs arkiv).

Keeping track of the Social Democratic Party was important to the Bureau, and several APUs were written on this topic, including the party's finances, election strategies, its "abuses" (*övergrepp*), "absolute power" (*maktfullkomlighet*) and "affairs" (*affärer*).⁴² By far, the most ambitious of these reviews was the project *Den socialdemokratiska maktapparaten* (The Social Democratic Power Apparatus) that in a critical manner described the party and its affiliated organizations, resulting in no fewer than seven APUs in 1976 and 1977. It eventually turned into a book published by conservative academic Erik Anners who also ran the Society for Liberty and Progress discussed in the previous chapter. Other reports studied a current phenomenon, such as *APU*

⁴² APU 1969:5 Socialdemokratiska partiets ekonomiska resurser (missing); 1972:15 Socialdemokratin inför valet 1973 (B1:31); 1974:7 Socialdemokratiska övergrepp (missing); 1975:3 Socialdemokratisk maktfullkomlighet (missing); 1976:28 Socialdemokratiska affärer (B1:41). B1, APU Utredningar, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN.

1976:1 *Politisk musik*, where leftist and “progressive” music groups were mapped.

After the 1973 election, Nils Henrik Schager, who had taken over as head of research (*utredningsledare*) and contact person for the Moderates after Winqwist, stated in a memo that there were those who wanted to reconsider the Research Bureau’s future and its costs. One idea was to incorporate the Research Bureau with the parties’ secretariats. Schager saw three advantages of keeping the Research Bureau as a separate entity. First, it fostered non-socialist cooperation and information exchange between the parties. Second, as the parties were busy with weekly political developments, the Research Bureau could undertake long-term studies. Third,

the Bureau can receive economic support for the political work that cannot, for different reasons, go directly to the parties. The significance of this aspect seems to be accentuated in the future.⁴³

The difficulties with donations

As mentioned above, the Liberals had a complicated history with regard to business donations, and during the 1970s, the party’s rhetoric was becoming less business-friendly. It publicly declared that it did not accept financial contributions from corporate bodies (*juridiska personer*), and in 1976 it stated that in order to participate in the new government, the Moderates must stop accepting donations from business interests.⁴⁴ Already in 1964, Per Ahlmark, who would later become party leader for the Liberals, published a book arguing for public financing of the political parties. This would diminish their reliance on external contributions.⁴⁵ Former Bureau employee and Liberal party secretary Carl Tham stresses that this was indeed a sensitive issue.

⁴³ *Promemoria angående utredningsbyråns framtida verksamhet*, B2:1, Utredningsbyrån För Samhällsfrågor, Timbros, CfN. Swedish: “Till byrån kan kanaliseras ekonomiskt stöd som av skilda skäl inte kan gå direkt till partierna. Betydelsen av denna aspekt tycks komma att accentueras i framtiden.”

⁴⁴ Svanborg-Sjövall, *Kentucky fried children?*, 56–57. With Carl Tham as party secretary, the Liberals did indeed make a left turn in the 1970s, and the next chapter discusses how the party cooperated with the Social Democrats to get a government study on wage-earner funds going. The party’s student organization also became more radical and changed the name of its magazine from *Liberal Debatt* to *Frihetlig Socialistisk Tidskrift* in 1972, see further Stråth, *Mellan två fonder*, 120; Åsard, *Kampen om löntagarfönderna*, 22; Meyerson, *Sockerbagare i doktorshatt*, 106.

⁴⁵ Ahlmark, *Vår fattiga politik*.

It was something unpleasant about it, especially for us younger liberals [...] But we thought that this [Utredningsbyrån] was an unobjectionable form and that it nevertheless was reasonable that the opposition parties could perform smaller studies as an alternative to the government's policy.⁴⁶

The young Liberals were not alone in their critique of the close relationship between business and politics. In 1965, parliament passed a new reform on public financing of political parties, but individual firms kept supporting, for instance, the Enterprise Fund, something which the Social Democratic Party's youth section knew. Hence, they bought one single share and went to the shareholders' general meeting to ask about these donations.⁴⁷ In 1971, *Aftonbladet* ran a critical article "exposing" the Enterprise Organization for Cooperation and describing how top executives and party leaders had discussed the election outcome the previous year.⁴⁸ From the late 1940s, the Enterprise Organization for Cooperation had invited the non-socialist political leaders to talks, but this was the first time that these deliberations ended up in the press.

Finding political talent

Perhaps the Research Bureau's most important contribution to the Liberals and the Moderates was as an incubator for political talent. When the non-socialist government came into power in 1976, three cabinet ministers (Ola Ullsten, Ingemar Mundebo and Staffan Burenstam-Linder) and three under-secretaries of state (Carl Tham, Bert Levin and Anders Arwedsson) had held a permanent position at the Research Bureau. Two under-secretaries of state had been hired as researchers (Sten Westerberg and Rolf Skillner).⁴⁹ Carl-Henrik Winquist argues that his greatest achievement as founder of the

⁴⁶ Interview with Carl Tham, May 21, 2020. Swedish: "Det var något otrevligt med det särskilt för oss yngre liberaler. [...] Vi tyckte iallafall att detta var en oklanderlig form och att det ändå var rimligt att oppositionspartierna kunde göra smärre utredningar som alternativ till regeringspolitiken."

⁴⁷ Olsson, *Att förvalta sitt pund*, 348; Ehrenkrona, *Nicolin*, 202.

⁴⁸ *Aftonbladet* 14/1 1971, "Så här gick resonemanget om den nya taktiken." The leak had originally been presented by the newspaper *Metallarbetaren*.

⁴⁹ *Utredningsbyråns arbetsuppgifter 1971-1973*, Mapp: Handlingar till sammanträden 1971-1974, F21 M:3, SAFs arkiv, CfN. For lists of politicians in the 1976 government, see *Sveriges statskalender 1978*. Note that Sten Westerberg is the author's father. In 1965, he wrote three parliamentary motions (APU 1965:13-15) for the Liberal Party and one study on traffic policy (APU 1965:24) at the Bureau.

Research Bureau was to get Staffan Burenstam-Linder involved in politics.⁵⁰ From 1962 to 1977, the Research Bureau employed a total of fifteen people at one time or another. Nine of these became cabinet ministers or under-secretaries of state in the non-socialist governments in power between 1976 and 1982.⁵¹

Svenska Dagbladet, Libertas and SAF

In the early 1970s, parliament passed new laws on press subsidies, and one of the beneficiaries was *Svenska Dagbladet*. Regardless, the newspaper was under threat of bankruptcy. In 1971, it turned to Libertas, which agreed to pay out SEK 2.1 million to keep the newspaper afloat. However, for “fiscal reasons” (“*fiskala skäl*”), it was unsuitable for Libertas to provide the necessary external loan; instead, the Fund agreed to forward the money in return for a verbal agreement that Libertas would compensate the Fund over the coming years.⁵² This loan and other financial commitments from the business community were far from enough, and two years later, SAF’s board agreed to buy the *Svenska Dagbladet* building in Marieberg for SEK 78 million, equivalent to 5 percent of SAF’s total insurance fund. In addition, a partnership consisting of 34 companies took over ownership of the newspaper.⁵³ The business community had two main reasons to make sure that the newspaper survived. First, it was the national paper that really spoke for business and, second, it unreservedly represented non-socialist interests at a time when the

⁵⁰ Interview with Carl-Henrik Winqwist, April 20, 2020. Burenstam-Linder was an MP for the Moderate Party 1969–1986, minister of trade 1976–1978, 1979–1981, professor of international economics and president of the Stockholm School of Economics 1986–1995, see *Nationalencyklopedin*, “Staffan Burenstam Linder,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/staffan-burenstam-linder>, accessed June 10, 2020.

⁵¹ The nine were Carl Tham, Bert Levin, Hadar Cars, Daniel Tarschys, Anders Arwedsson, Ola Ullsten, Gabriel Romanus, Ingemar Mundebo and Staffan Burenstam-Linder. The remaining six were Carl-Henrik Winqwist, Gustaf Lindencrona, Anders Wijkman, Nils Henrik Schager, Einar Frydén and Carl-Johan Westholm. For lists of cabinet ministers in the center-right governments 1976–1982, see *Fakta om folkvalda*, 335–336. For under-secretaries of state, see *Sveriges statskalender* 1976–1982. Wikipedia also has lists over cabinet ministers and under-secretaries of state: *Regeringen Fälldin I*, Wikipedia, https://sv.wikipedia.org/wiki/Regeringen_Fälldin_I, *Regeringen Ullsten*, https://sv.wikipedia.org/wiki/Regeringen_Ullsten, *Regeringen Fälldin II*, https://sv.wikipedia.org/wiki/Regeringen_Fälldin_II, *Regeringen Fälldin III*, https://sv.wikipedia.org/wiki/Regeringen_Fälldin_III, accessed May 28, 2018.

⁵² *Protokoll årsammanträde med huvudmännen, 1972-11-23*, A1:2, Näringslivets Fond, SAFs arkiv, CfN; *Nationalencyklopedin*, “presstöd,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/presstöd>, accessed March 27, 2020.

⁵³ *Styrelseprotokoll, nr 3 1973*, A3A:71, SAF, SAFs arkiv, CfN; Thunholm, *Flydda tider*, 336–346.

traditionally liberal *Dagens Nyheter* had struck a more radical course.⁵⁴ Eskilsson argued that *Svenska Dagbladet* was, in fact, the only non-socialist national paper.⁵⁵

At *Libertas*, there were few changes. SAF continued to appoint trustees and supplied a yearly grant of around SEK 2 million that mainly went to Högers Förlagsstiftelse for the conservative newspapers and Stiftelsen Pressorganisation for the liberal newspapers. Loans were also provided to newspapers that needed help in terms of renewing their equipment.⁵⁶ *Libertas* also supported individual newspapers, such as *Svensk Tidsskrift* and *Finn-Sanomat*, a daily newspaper for Finns living in Sweden with a non-socialist editor and owner.⁵⁷ Despite the support of *Libertas*, *Finn-Sanomat* did not survive.⁵⁸

By 1974, SAF had given *Libertas* between SEK 50 and 60 million from its launch in 1942. Still, according to SAF's estimates, this was way less than what the labor movement spent on its affiliated newspapers. For the period between 1965 and 1972 alone, LO and the party spent SEK 153 million.⁵⁹

“The political formation of opinion is a vital interest for business”

Late in 1975, the Fund and SAF jointly tasked Eskilsson and Carl-Johan Westholm from the Research Bureau to perform an

analysis of the most suitable structure for those institutions, alongside the major business organizations, involved in reports and opinion molding for values associated with a free market economy.⁶⁰

⁵⁴ P.M. *angående Svenska Dagbladet igår, i dag och i morgon* (1974), F1B:2, *Libertas*, Svenskt Näringslivs arkiv, CfN.

⁵⁵ *Styrelseprotokoll, 1974-11-21/22*, A3A:73, SAF, SAFs arkiv, CfN.

⁵⁶ *Sammanträde med styrelse och huvudmän, 1974-10-17 (minnesanteckningar 1974-11-11)*, A2:5, *Libertas*, SAFs arkiv, CfN.

⁵⁷ *Valnummer av Finn Sanomat, 1976-05-24*, Finn Sanomat, F1 B:2, *Libertas*, Svenskt Näringslivs arkiv, CfN.

⁵⁸ *Styrelseprotokoll, 1984-09-10*, A2:6, *Libertas*, Svenskt Näringslivs arkiv, CfN.

⁵⁹ *Frågeställningar angående ”näringslivsvänlig” press, 1973-10-01*, F1 B:2, *Libertas*, Svenskt Näringslivs arkiv, CfN.

⁶⁰ *Protokoll 1975-12-05*, A2:6, Näringslivets Fond, SAFs arkiv CfN. Swedish: “analys av den lämpligaste strukturen för de institutioner som vid sidan av de stora näringslivsorganisationerna bedriver utrednings-

The result was the report *Näringslivet och den politiska opinionsbildningen* (Business and the Political Formation of Opinion) presented two years later.⁶¹ The first paragraph stated, perhaps somewhat exaggerated, that thirty years ago, the Fund had made

a strategic, perhaps decisive effort in preventing the realization of socialism in Sweden. For a generation of Social Democrats, it became evident that market economy, entrepreneurship and personal freedom were so deeply rooted among the Swedish people that the demand for a socialist planned economy became politically impossible.

The point of departure in the report was that the business community was dependent on political decisions and that the contents of politics were decided by the formation of opinion. Hence, “the political formation of opinion is a vital interest for business.”⁶²

As a too close relationship between business interests and political parties could be disturbing for both, the business community needed its own information activities. Eskilsson and Westholm described a Sweden where the opinion formation through the political parties and their youth organizations, media, universities and schools, the church and culture workers was increasingly dependent on state subsidies. In the long term, it could prove to be detrimental to free competition, private enterprise and the political power balance. Therefore, organized business had a

responsibility to ensure that opinions for freedom and democracy, against regulations and corporatism, are upheld and strengthened. If business does not guarantee economic resources in this struggle, there will be no financial

och opinionsbildande verksamhet till förmån för de värden som är förknippade med en fri marknadsekonomi.” See also *Protokoll 1977-11-29*.

⁶¹ *Näringslivet och den politiska opinionsbildningen*, F7:10, Näringslivets Fond, Timbros arkiv, CfN. Swedish: “en strategisk, måhända avgörande insats för att förhindra socialismens genomförande i Sverige. För en generation socialdemokrater blev det uppenbart att marknadsekonomi, företagsamhet och personlig frihet hade en sådan förankring hos svenska folket att kravet på socialistisk planhushållning blev politiskt omöjligt.”

⁶² Swedish: “Den politiska opinionsbildningen är alltså ett vitalt näringslivsintresse.”

counterweight against the labor movement's activities and the general state-backed formation of opinion.⁶³

Due to its size and members consisting of privately owned firms, the report argued, SAF was the natural spokesperson for Swedish business. But, on the other hand, SAF had difficulties in reaching important segments of opinion leaders, and by being a negotiating party regarding labor-related issues, there were elements of the political debate that the organization could not be a part of. Therefore, the opinion formation of organized business ought to be complemented in certain areas. This included the ideational debate where a business ideology based on market economy, entrepreneurship, political democracy and personal freedom needed a voice. The business community also needed to be able to follow and partake in the political debate.

A new publishing house

A number of suggestions were made:

1) Establishing an independent, pro-market publisher modeled on the Institute for Economic Affairs (IEA) in the UK. IEA's director Ralph Harris had received Carl-Johan Westholm in London in 1977 and supported a Swedish spin-off to the British organization, which had existed for 20 years and was becoming increasingly important to the Thatcherite Tory Party.⁶⁴

2) The Research Bureau would continue with its studies aimed at political decision-makers but would also get a broader task to affect the formation of opinion among other parts of society.

3) Establishing a new organization called Institutet för ekonomisk utveckling (The Institute for Economic Development). This was supposed to be the "prestige institution" aiming at the more advanced societal debate by, for instance, producing course literature for universities. It was to be operated by a council of academics and business representatives.

⁶³ Swedish: "...ett ansvar att opinionsläget för frihet och demokrati, mot regleringar och korporatism, upprätthålls och stärks. Om icke näringslivet garanterar ekonomiska resurser i denna strävan, kommer ingen finansiell motvikt att finnas mot fackföreningsrörelsens aktiviteter och den allmänt statsunderstödda opinionsbildningen."

⁶⁴ Interview with Carl-Johan Westholm, December 7, 2018; *Carl-Johan Westholm's personal blog*, "När Lord Harris påverkade Sverige," <https://www.stateblind.eu/articles.php?view=740>, accessed August, 8, 2020.

4) Establishing a “Market Economic Center” (“Marknadsekonomiskt center”) that would offer education to executives and journalists.

5) Establishing an association called “Friheten i Sverige” (“Freedom in Sweden”) to promote individual liberty.

6) Increased grants to the non-socialist magazine *Svensk Tidskrift*.

7) The Fund’s support of the Confederation of Swedish Conservative and Liberal Students had been a success and ought to continue. FMSF had managed to push back the influence of leftist groupings in the student unions, while also serving as a springboard for young Conservative politicians.

8) Readiness to support “special action groups” (*speciella aktionsgrupper*) working for business interests, such as the group Rösta Borgerligt (Vote Non-Socialist), which encouraged people to vote for any of the center-right parties before the elections.

The total estimated annual cost for these eight propositions was SEK 6 million. Indeed, this represented a substantial increase compared to the Fund’s present capacity, the report argued, but a small sum compared to what the unions spent on “ideological education and propaganda” (“*ideologisk utbildning och propaganda*”). Following the report’s recommendations, SAF and the Fund now agreed that the business infrastructure for opinion formation should be centered around the Research Bureau and a new publishing house. SAF would pay a yearly grant of SEK 2 million to the Fund.⁶⁵ This was far from the 6 million SEK stated in the report but still a considerable sum. As a comparison, IEA’s annual budget was around GBP 200,000, which was equivalent to about SEK 1.5 million in 1977 prices.⁶⁶ Somewhat ironically, the SEK 2 million was originally money that the Social Democratic government had provided in order for SAF to inform on the Co-Determination Act (*medbestämmandelagen*).⁶⁷ A meeting was also held with the Moderate Party leadership. According to the notes,⁶⁸

⁶⁵ *Styrelseprotokoll 1977-11-29*, A2:6, Näringslivets Fond, SAFs arkiv, CfN. “The Market Economic Center” was never realized. “Friheten i Sverige” did come about but not until 1986, see further Timbro’s archive.

⁶⁶ *Näringslivet och den politiska opinionsbildningen*, F7:10, Näringslivets Fond, Timbros arkiv, CfN, p. 28.

⁶⁷ Eskilsson, *Från folkhem*, 208.

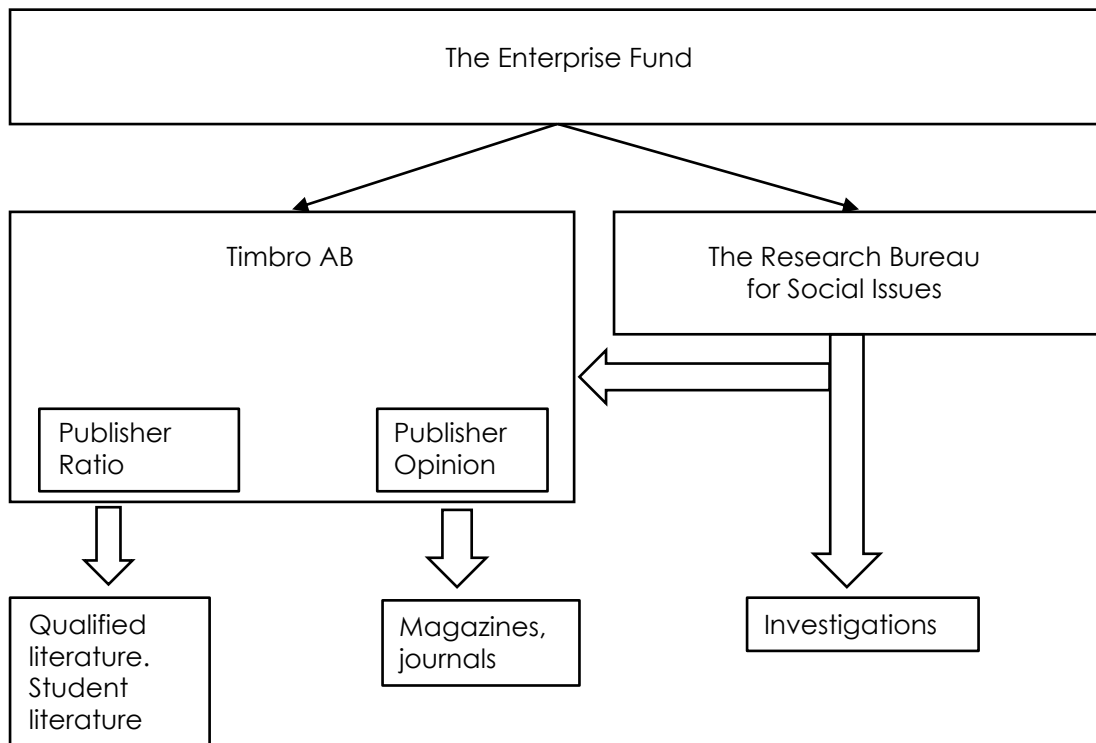
⁶⁸ *Protokoll arbetsutskottet 1977-04-21*, A4A:31, SAFs arkiv, CfN.

The party leadership highlighted the importance of opinion molding efforts from organized business. From a strictly political perspective, the need for independent opinion influencing has increased by being in government.

As seen in Figure 5.5, the new publishing house was given the name Timbro and was, in turn, divided into Ratio, which published more advanced literature, and *Opinion*, which published magazines and periodicals of a more simple and provoking kind. As mentioned in Chapter 4, when the Fund moved into the house on Sköldungagatan 2, it bought the property from banker Ernfrid Browaldh, who had owned it through the company Timbro AB. Browaldh had come up with the name by combining his surname with the names of his children Tore and Ingmarie. Since the buyout in 1962, Timbro had been on the Fund's books, its assets consisting of a small stock portfolio. As others have also noted, it is something of a historical irony that life-long Keynesian Tore Browaldh, who argued for dialogue rather than confrontation with the labor movement, would give his name to a think tank firmly committed to free market ideas.⁶⁹

⁶⁹ Tobisson, *Löntagarfonder*, s. 127. According to one of Timbro's first employees, Johan Hjertqvist, there were those who thought that the name sounded like a "*smäländskt möbelföretag*" ("a furniture company from Småland"). One obvious advantage with the name, however, was that it could be pronounced in English, see Hjertqvist, "Det gäller livet," 64, 68.

Figure 5.5 The Enterprise Fund, Timbro and the Research Bureau 1978



Source: Protokoll 1978-03-14, A2:6, Styrelseprotokoll, Näringslivets Fond, SAFs arkiv, CfN.

Eskilsson's role

Eskilsson himself took the reins of the new organizations, serving as managing director of Timbro (1978–1981, board member until 1996) and the Fund (1978–1996) and chairman of the Research Bureau (1978–1983).⁷⁰ Eskilsson's successor at Timbro, Mats Svegfors, argues that the success of Eskilsson's various ventures is based on the fact that he never used the platforms he had created for his own vanity, instead carefully letting others take center stage, while he remained the “theater manager.” Further, Svegfors points to the specific Swedish context in which Timbro took off.⁷¹

⁷⁰ *Styrelseprotokoll 1985-05-07*, A2:8, Näringslivets Fond, SAFs arkiv, CfN; Eskilsson, *Från folkhem*, 344.

⁷¹ Svegfors, “I dag kapitalism,” 29. Swedish: “Timbros verksamhet är i flera avseenden mycket svensk. Den kan bara förstås som ett fenomen i ett starkt politiserat, och i utgångsläget vänsterdominerat, samhälle. Den är också mycket svensk i det paradoxala avseendet att verksamheten i stor utsträckning har

In many regards, Timbro is very Swedish. It can only be understood as a phenomenon in a highly polarized society dominated at the outset by the political left. It is also very Swedish in the paradoxical sense that its activities to a large extent have brought home impulses from, in terms of opinion and intellectually considerably more open and above all more pluralistic, Anglo-Saxon countries to a politically and intellectually confined Sweden.

Jan Erik Larsson describes Eskilsson as someone who gave his co-workers a lot of freedom, a “silent power-seeker” (*“tystlåten maktmänniska”*). Larsson also stresses Eskilsson’s role for SAF’s more ambitious opinion influencing from the 1970s and onwards, “we were chosen by him to do the job, but without him, the job would not have been done.”⁷² Rolf Englund, who was employed by the Research Bureau/Timbro between 1980 and 1995, agrees: “if he had not done it, it is not certain that someone else would have.”⁷³ Former Moderate Party secretary, Lars Tobisson, writes that Eskilsson had such a toned-down appearance that “his suits tended to blend in with the wallpaper.”⁷⁴ Joakim von Braun, who was hired by Eskilsson in 1980, is more critical in his judgement and remembers him as “distant intellectual” (*“fjär intellektuell”*) who showed no real interest in von Braun’s work.⁷⁵ According to Peje Emilsson, Eskilsson was circumspect and had the ability to think in politically long perspectives. He further reflects on how Eskilsson managed to create creative environments around him. Every summer and winter, he gathered his closest associates for a week-long meeting at a distant resort where campaigns and opinion molding strategy were discussed.⁷⁶

Looking back at the launch of Timbro twenty years later, both Eskilsson and Westholm argued that there was no real “fighting spirit” (*kämparstämning*) within the business community at this time. Many were indifferent and would remain so until the wage-earner funds debate intensified in the early 1980s.⁷⁷

inneburit att, till ett politiskt och intellektuellt instängt Sverige, föra hem impulser från de opinionsmässigt och intellektuellt betydligt öppnare, och framför allt mer pluralistiska, anglosaxiska länderna.”

⁷² Interview view with Jan Erik Larsson, April 21, 2020.

⁷³ Interview view with Rolf Englund, July 10, 2020. Swedish: “Om inte han hade gjort så är det inte alls säkert att någon annan hade gjort det.”

⁷⁴ Tobisson, *Löntagarfonder*, 124. Swedish: “Hans kostymer hade en benägenhet att flyta samman med tapeterna.”

⁷⁵ Interview with Joakim von Braun, July 2, 2020.

⁷⁶ Interview with Peje Emilsson, July 17, 2020.

⁷⁷ Svegfors, “I dag kapitalism,” 67.

Eskilsson regarded several of the leading big business CEOs within SAF as defeatists when it came to changing the political climate. Would SAF have enough energy to go through with its opinion molding efforts? His doubts convinced him of the importance of reinvigorating the Fund.⁷⁸

The newly started Timbro and its sister organization the Research Bureau in 1978 moved down the road to Valhallavägen 66, to a house owned by Kreab. There was an intimate relationship between these three organizations, such as sharing office functions and a library. SNS remained alone at Sköldungagatan 2, but its tensions with the other, more market-oriented business organizations remained. In the coming fight over wage-earner funds, SNS remained open for compromises with the labor movement, something that the people at Timbro and Kreab looked upon with disapproval.⁷⁹

Contacts with Alf Enerström

Per Engdahl (see chapter 3) was not the only political extremist who sought the financial support of organized business. Another was former Social democrat Alf Enerström who during the 1970s became a loud critic of Olof Palme. Together with his wife, Enerström placed text based and very confrontative anti-Palme advertisements in the newspapers. Allegedly, the ad-campaigns were financed by people in the business community.⁸⁰ In his memoirs Sture Eskilsson writes that although Enerström on several occasions asked him for money he was never given any.⁸¹ However, documents in the archive show that at least on one occasion did SAF pay for one of Enerström's ads.

In the latter half of 1977 Enerström spoke to Curt Nicolin on the phone and exchanged letters with Sture Eskilsson about the possibility regarding financial support, but was turned down.⁸² In March the following year

⁷⁸ Eskilsson, *Från folkhem*, 176–178.

⁷⁹ Interview with Peje Emilsson, July 17, 2020; *Styrelseprotokoll 1979-05-02*, A:1, Utredningsbyrån för samhällsfrågor, Timbros arkiv, CfN; Eskilsson, *Från folkhem*, 132–134, 210. SNS did not move until 2006 when the house was turned into a hotel and SNS relocated to the more centrally located Jakob-sbergsgatan, see *SNS verksamhetsberättelse 2005*, https://www.sns.se/wp-content/uploads/2016/07/sns_vb_2005.pdf.

⁸⁰ Stocklassa, *Stieg Larssons arkiv*, 82 (E-bok).

⁸¹ Eskilsson, *Från folkhem*, 289.

⁸² *Brev till Curt Nicolin från Alf Enerström 1977-07-12*; *Brev till Dr Alf Enerström från Sture Eskilsson 1977-10-27*; *Brev till Dr Alf Enerström från Sture Eskilsson, 1977-11-21*, F1:8, Timbro AB, Timbros arkiv, CfN.

Enerström made a new attempt, this time using the business consultant Claes G Öhlin as contact. Eskilsson asked Öhlin to make it clear to Enerström that he could not count on any support from SAF. Instead, and what most likely was a one-off measure, Öhlin proposed that he could charge SAF a consultancy fee amounting to the same sum as the cost of the ad (between 5000 and 7000 SEK) that he then could pass on to Enerström.⁸³ Eskilsson then drafted a letter from Curt Nicolin to Enerström

Brother!

Thank you for your letter. I would like to express my appreciation of your activity but must at the same time emphasize that I have found it inappropriate that I support it. As has been pointed out in your contacts with Sture Eskilsson this holds also for SAF. I have however through confidential contacts understood that the payment of the ad in question has been arranged.⁸⁴

Getting started

In its first year, Timbro published three books. Two were critical accounts of the wage-earner funds; Olof Hedengren's *Verkstadsindustrin och fonderna* and Gordon Tullock's *Svenskarna och deras fonder: en analys av SAP-LOs förslag*. The title of Milton Friedman's *The Fallacy of the Welfare State (Välfärdsstatens myter)* is self-explanatory.⁸⁵

Opinion (Figure 5.6 shows an excerpt from the magazine) had a radical and provocative image. It published an exposure of the "union state" (*fackförbundsstaten*) and argued, among other things, for lower taxes, to fire 250 non-productive journalists at Swedish public radio and for introducing TV commercials. It never became a hit and was shut down after a year and a half.⁸⁶

⁸³ *Brev till Sture Eskilsson från Claes G Öhlin 1978-03-14*, F1:11, Timbro AB, Timbros arkiv, CfN.

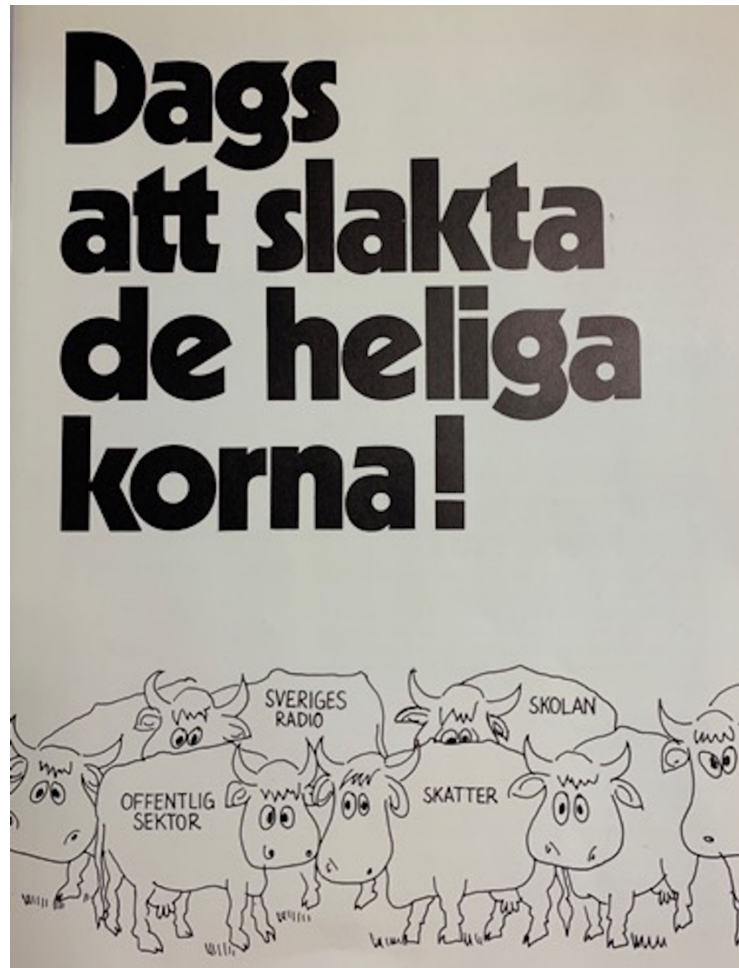
⁸⁴ *Utkast till brev från Curt Nicolin till Alf Enerström 1978-03-14*, F2:1, Timbro AB, Timbros arkiv, CfN.

Swedish: "Broder! Tack för Ditt brev. Jag vill gärna uttala min uppskattning av Din verksamhet men måste samtidigt framhålla att jag har funnit det olämpligt att jag stöder den. Detta gäller som framhållits vid Dina kontakter med Sture Eskilsson även för SAF. Jag har dock genom underhandskontakter förstått att betalningen av den aktuella annonsen nu är ordnad."

⁸⁵ Hedengren, *Verkstadsindustrin och fonderna*; Tullock, *Svenskarna och deras fonder*; Friedman, *Välfärdsstatens myter*.

⁸⁶ Hjertqvist, "Det gäller livet," 76.

Figure 5.6. "Time to slaughter the holy cows!" Picture from Timbro's magazine *Opinion*



The "holy cows" here are Swedish Radio, the education system, the public sector and the taxes. Source: *Opinion* julnummer 1979, B1c:1, Timbro AB, Timbros arkiv, CfN.

Ratio, on the other hand, was more successful, both in terms of book publishing and by the recognition it gained through its scientific council under the leadership of rector magnificus of Uppsala University, Torgny Segerstedt.⁸⁷ Every other year, a high-profile seminar was organized. Topics

⁸⁷ *Direktionens sammanträde 1978-08-28 (minnesanteckningar 1978-09-05)*, A5B:9, SAFs arkiv, CfN. The other council members were professors Tor Ragnar Gerholm (physics), Hans Zetterberg (sociology), Stig Strömholm (law), Erik Dahmén (economics) and, after a few years, David Magnusson (psychology).

included “the modern anti-intellectualism,” “the victory and decline of politics” and “the psychology of the welfare state.”⁸⁸ Speaking in the mid-1980s, Eskilsson praised what had been accomplished through Ratio.

It was not until the reorganization of the Fund in 1977 and the launch of the publisher Timbro that we got effective tools for influencing the intellectual climate in Sweden. Ratio is the core and I believe that its seminars and publishing activities will be given an important role when the ideational-political history of the second half of the 20th century is written.⁸⁹

Revitalizing the Fund

According to Eskilsson, a revitalized Fund was, in addition to SAF, an important element in “the struggle for market economy, against socialism.”⁹⁰ Membership fees to the Fund were drastically cut and members also received a “service package” including Timbro’s publications and the Research Bureau’s reports.⁹¹ The number of members increased quickly, from 23 in 1978 to 350 in 1985. In addition to firms of all sizes, all larger business interest associations and several of SAF’s member associations joined.⁹² In its first information brochure, the Fund’s new chairman, Olle Franzén, explained the reactivation of the Fund: “Free enterprise and market economy are indispensable parts of the democratic Swedish society. These are now subject to very grave threats,” while specifically pointing to fund socialism (*fondsocietism*) and tax socialization (*skattesocialisering*). Entrepreneurship, free competition, efficiency and profitability had become terms of abuse while anti-intellectualism and a hostility to technology had spread. The purpose of the reinvigorated

Carl-Johan Westholm (doctor in political science) served as managing director. According to Westholm, the council truly consisted of the leading Swedish intellectuals at the time, see Svegfors, “I dag kapitalism,” 77. For a more detailed description of the council members, see Svegfors, 22–27.

⁸⁸ *Innehållsförteckningar*, F5:1, Timbro AB, Timbros arkiv, CfN.

⁸⁹ *Anförande vid Näjfos årsmöte 1985-05-07*, F1:16, Timbro AB, Timbros arkiv, CfN. Swedish: “Det var först i och med omorganisationen av Fonden 1977 och starten av förlaget Timbro som vi fick effektiva verktyg för påverkan av det intellektuella klimatet i Sverige. Kärnan i denna verksamhet är Ratio och jag tror att dess seminarier och utgivning kommer att tilldelas en betydelsefull roll när en gång den idépolitiska historien för 1900-talets andra hälft ska skrivas.”

⁹⁰ Eskilsson, *Från folkhem*, 207. Swedish: “kampen för marknadsekonomi, mot socialism.”

⁹¹ *Timbros servicepaket*, B1c:3, Timbro AB, Timbros arkiv, CfN.

⁹² *Styrelseprotokoll, 1978-12-14*, A3A:78, SAF, SAFs arkiv, CfN.

Fund was to propagate for free enterprise, private ownership, market economy, personal freedom and political democracy, as can be seen in Figure 5.7.⁹³ During its first year, it gave the Research Bureau SEK 370,000, the Confederation of Swedish Conservative and Liberal Students (FMSF) SEK 325,000, Timbro SEK 900,000 and SNS SEK 100,000.⁹⁴

⁹³ *Näringslivets Fond ska aktiveras. Varför?* Bilaga till Styrelseprotokoll 1978-12-08, A2:6, Näringslivets Fond, SAFs arkiv, CfN. Swedish: "Fri företagsamhet och marknadsekonomi är oundgängliga beståndsdelar i det demokratiska svenska samhället. De är nu utsatta för utomordentliga allvarliga hot."

⁹⁴ *Bilaga 3, Styrelseprotokoll 1978-12-08*, A2:6, Näringslivets Fond, SAFs arkiv, CfN.

Figure 5.7 "Release the market forces!" Picture from Näringslivets Fond's membership campaign 1981

Släpp loss marknads-krafterna!

Sverige 1981. Budgetunderskottet växer. Utlandsupplåningen ökar. Industrisektorn krymper.

— Nu måste samhället gripa in! Marknadsekonomin har misslyckats, säger många. De tror att fler förbud, skatter och andra pålagor är den medicin som ska rädda Sverige.

Mer fel kan man inte ha. Sveriges kris är inte marknadsekonomin kris. Tvärtom! Vad vi nu ser är en kris i fråga om politikernas förmåga att bringa den offentliga sektorn och därmed skattetrycket under kontroll. När politikerna ska styra marknaden i stället för konsumenterna, då går det snabbt. Och vi får nu alla vara med att betala för misstagen — i form av inflation, höjda skatter och ingrepp mot det enskilda ägandet.

marknadsekonomin att kunna infria alla de krav och förväntningar som ställs. En tjuvrad häst drar inte några lass!

Sveriges välbefinnande bygger inte på några stora finansfamiljers eller multijättars ägande. Grunden utgörs av vårt gemensamma arbete i hundratusentals företag, startade på enskilda initiativ och med hopparade medel. Företag som fortfarande ägs av helt vanliga svenska medborgare. Det ligger varken i landets eller de enskilda människornas intresse att inskränka detta ägande.

Nu är det hög tid att med kraft verka för de lösningar vi vet är riktiga. Näringslivets Fond arbetar långsiktigt och målmedvetet för att stärka det enskilda ägandet, vidga näringslivets frihet och återinföra marknadsekonomin.

Om sunt förnuft får råda

Egentligen vet vi ju alla vad som behövs för att få Sverige på fötter igen. Ekonomin måste få ny livskraft. För att det ska lyckas måste det på nytt bli lönsamt att arbeta — för såväl enskilda som för företag. Skattetrycket måste alltså sänkas — inte med någon enstaka procent, utan så att det märks.

Företagen måste få gå med vinst utan att hotas av fonder och "överbinst"-beskattning. Hur ska vi kunna investera oss ur krisen om lönsamheten inte får stiga?

Vad Sverige nu behöver är en politik som frigör våra resurser, inte låser dem i fördelningspolitiskt nit. Rädslan för att någon ska tjäna mer än någon annan får inte lägga en förlamande hand över svensk ekonomi.

Om de många hinder som idag bakbinder näringslivet avlägsnas kommer utvecklingen att ta ny fart. Då — men inte förr — kommer

Näringslivets Fond
Valhallavägen 66
114 27 Stockholm

Jag vill veta mer om Näringslivets Fond

Företag _____
Namn _____
Adress _____
Telefon _____

Näringslivets Fond
Valhallavägen 66 114 27 Stockholm Tel: 08-24 37 77

Stiftelsen Näringslivets Fond grundades 1945. Fonden stöds av näringslivets organisationer och ett stort antal enskilda företag. Fonden har till uppgift att verka för fri företagsamhet, marknadsekonomi, personlig frihet och politisk demokrati.

Source: *Styrelseprotokoll 1981-09-08*, bilaga, A1:2, Näringslivets Fond, Timbros arkiv, CfN.

About a year after the launch of Timbro, the Fund also launched Näringslivets Presstjänst, a non-ideological press service supplying mainly the daily newspapers with articles on business and the economy. It managed to

achieve a fairly good distribution of its articles, even in the social democratic press.⁹⁵ In 1984, it got over 6,000 articles published.⁹⁶

The Research Bureau's new role

As for the Research Bureau, it continued carrying out its studies while also supplying *Ratio* and *Opinion* with material. The Fund appointed Eskilsson, Westholm, Einar Frydén (the Research Bureau's managing director) and Carl Bildt (under-secretary of state for the Moderates) as board members. Bildt would later become prime minister.⁹⁷

The non-socialist parties, now in government, stopped asking for reports, resulting in the clientele to a large extent shifting to other business organizations. Staffing practices were changed from having a large number of researchers to hiring people part-time. In 1980, seven people were employed.⁹⁸ Still, one of the Research Bureau's main tasks was to let young people interested in politics compile reports and give them a positive experience of business. Although some of them were recruited from the youth sections of the Liberal Party and the Center party, a majority were conservative and/or members of FMSF.⁹⁹

The APU mailing list grew larger, and by 1980 it contained 60 names consisting mainly of individuals involved with organized business, the

⁹⁵ *Årssammanträde 1980-04-22*, A2:6, Styrelseprotokoll, Näringslivets Fond, SAFs arkiv, CfN.

⁹⁶ *Bilaga 2, Styrelseprotokoll 1985-05-07*, A2:8, Styrelseprotokoll, Näringslivets Fond, SAFs arkiv, CfN.

⁹⁷ *Styrelseprotokoll 1978-03-14*, A2:6, Näringslivets Fond; *Nationalencyklopedin*, "Carl Bildt," <http://www.ne.se/uppslagsverk/encyklopedi/lång/carl-bildt>, accessed May 28, 2018. Eskilsson had known Bildt through FMSF since the late 1960s. With Bildt on the board, the Research Bureau had solid ties to the Moderate Party.

⁹⁸ *Protokoll 1980-09-25*, A2:6, Styrelseprotokoll, Näringslivets Fond, CfN.

⁹⁹ *Styrelsehandlingar mars 1981 Tankar om Utredningsbyråns verksamhet*, A:1, Utredningsbyrå för Samhällsfrågor, Timbros arkiv, CfN; *Av FMSF föreslagna utredare*, Mapp: Handlingar till sammanträden 1975–1977, 1980–1981, F21 M:3, SAF-arkivet, CfN. One of the conservative students affiliated with the Research Bureau was Elisabeth Langby. As an anecdote, it is worth mentioning how she almost got one of Sweden's most well-known journalists, Jan Guillou, hired in one of the Research Bureau's intended projects called "Framtidsrådet," where Guillou was supposed to write a critical piece on the allocation of funds within the government's cultural policy. However, "Framtidsrådet" was never realized and Guillou only got paid for a synopsis, see Mapp: Korrespondans med Elisabeth Langby, F7:8, Näringslivets Fond, Timbros arkiv, CfN. Most likely, Langby, then a Harvard student, was Guillou's source in the so-called "Harvard affair" five years later. Olof Palme had given a speech at the university but instead of accepting a speaker's fee, one of his sons was given a scholarship to attend the school. Guillou then revealed that Olof Palme had not declared this fringe benefit to the tax authorities. This "affair" led to an intense debate on tax evasion and the Swedish tax system before the 1985 national election, see further Hermansson and Wenander, *Uppdrag: Olof Palme*, 38–53.

Moderate Party, the Liberal Party and like-minded journalists.¹⁰⁰ Although their contents continued to vary (including a series on free trade, the referendum on nuclear energy, taxes and debates on liberalism), a large portion of the APUs can be divided into four categories: the debate and consequences of wage-earner funds, economic policy in the UK and the US, the activity of the Swedish extreme left and Soviet espionage in Sweden.

On January 1, 1984, the Research Bureau and its staff merged with Timbro, as Eskilsson deemed it unnecessary to have two separate organizations with so much in common and the same financier.¹⁰¹

Anglo-Saxon ties

As mentioned above, both Timbro and the Research Bureau had British antecedents, and the Anglo-Saxon inspiration clearly left marks in the production of the latter's reports. To mention a few: Report 1980:29 *Några artiklar om monetarism* (Some Articles on Monetarism), 1980:32 *USAs presidentval i svensk media* (The US Presidential Elections in Swedish Media), 1981:3 *Den nya konservatismen i USA* (The New Conservatism in the US), 1981:9-10 *President Reagans budgetförslag* (President Reagan's Budget Proposals), *Premiärminister Thatchers budgetförslag* (Prime Minister Thatcher's Budget Proposals), 1981:34 Reaganomics, 1981:35 Supply-siders, 1983:10 *Mrs. Thatchers England ekonomi*, 1983:10 *Mrs. Thatchers England politik*, 1984:10 *Privatisering i England* (Privatization in England). There was also Report 1981:12 *Böcker om frihet* (Books on Freedom), which reviewed the most important literature on "liberal/neo-conservative/libertarian content" and 1981:14 on Hayek.¹⁰²

Contacts were maintained with other free market think tanks in the Anglo-Saxon world. Rolf Englund, head of the Research Bureau during 1980–1984, stated that "in our house, we have good ties with thought producers in the US and England. These ideas should be brought home to Sweden..."¹⁰³ Material was received from the Centre for Policy Studies and Institute of

¹⁰⁰ *Utsändningslista för litteratur och tidskriftsartiklar 1980-09-03*, Mapp: Handlingar till sammanträden 1975–1977, 1980–1981, F21 M:3, SAF-arkivet, CfN.

¹⁰¹ Eskilsson, *Från folkhem*, 211.

¹⁰² *Rolf Englund 1980-04-08*, Mapp: Handlingar till sammanträden 1975-1977, 1980-1981, F21 M:3, SAF-arkivet, CfN. Swedish: "...liberalt/neo-konservativt/liberterienskt"; B1, APU Utredningar, Utredningsbyrå för Samhällsfrågor, Timbros arkiv, CfN.

¹⁰³ *Tänkepapper*, mapp 1982-1983, F21 M:4, SAF, SAFs arkiv, CfN. Swedish: "Vi har i vårt hus goda förbindelser med tankeproducenter i USA och England. Dessa idéer bör tas hem till Sverige..."

Economic Affairs in the UK as well as the Brookings Institution and Heritage Foundation in the US.¹⁰⁴

American and British economists were also invited to Sweden. In 1981, the Fund and SAF jointly hosted Arthur Laffer, advisor to President Reagan and the man behind the Laffer curve, which states that overly high taxes will disincentivize people to work or declare their earnings. Marginal tax cuts should thus increase tax revenues. The Laffer curve is part of so-called supply-side economic theories, which argue that lower taxes increase both economic growth and government revenues. In Stockholm, Laffer spoke to executives and journalists on “Experiences of Tax Cutting” and “Reaganomics.”¹⁰⁵ Two years later, a seminar was arranged with Adam Ridley, special adviser to the British finance minister.¹⁰⁶

Timbro-affiliated journalist Mats Johansson was also sent to Washington DC to cover American political and business affairs, where he wrote a newsletter titled “Washington On Line.”¹⁰⁷ In 1985, Eskilsson sent Janerik Larsson to Washington DC to study how American think tanks operated in order to build a network with likeminded and bring back both ideas and organizational practices.¹⁰⁸

Keeping an eye on the left and to the east

Joakim von Braun, an expert on far-left groups and Eastern bloc espionage in Sweden, was hired by the Bureau as a researcher in 1980 to produce reports on the activities of the Swedish left and Russian infiltration. In his own words, he became “the Swedish business community’s ‘communist expert’” (“*det svenska näringslivets ‘kommunistansvariga’*”). Although his colleagues did not know it at the time, he also supplied information to both the military intelligence and the security service.¹⁰⁹ Based on his research, Timbro published

¹⁰⁴ *Styrelsehandlingar mars 1981 Tankar om Utredningsbyråns verksamhet*, A:1, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN.

¹⁰⁵ *Program for professor Arthur B Laffer November 16-17 1981*, mapp 1981, E1:8, Näringslivets Fond, SAFs arkiv, CfN; *Encyclopedia Britannica*, “Arthur Laffer,” <https://www.britannica.com/biography/Arthur-Laffer>, accessed January 14, 2020.

¹⁰⁶ *Protokoll 1983-02-21*, A:1, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN.

¹⁰⁷ *Styrelseprotokoll*, 1984-03-20, A2:7, Näringslivets Fond, SAFs arkiv, CfN.

¹⁰⁸ Interview with Janerik Larsson, April 21, 2020.

¹⁰⁹ Interview with Joakim von Braun, July 2, 2020. von Braun worked at Utredningsbyrån/Timbro until 1988 and for Swedish intelligence during 1974–1999.

Charlie Nordblom's successful book *Industrispionage*, which described Soviet-led industrial espionage in Sweden.¹¹⁰

Tomorrow, capitalism

Timbro's book publishing had started right away, and after the first year, an internal memo stated that the publisher had reached four of its five goals. It had had an effect on the public debate, it had achieved breakthroughs in the media, it was considered trustworthy among journalists and creators of public opinion and it had established a sales organization. The only disappointment was *Opinion*, that had difficulties in reaching a wider audience.¹¹¹ With the new infrastructure for opinion molding in place, the business community had tools for actively "giving politics another content" and not just "participate in preventing socialist governments from taking office."¹¹² Luckily, according to Eskilsson, they were not alone in this struggle but part of a wider ideational movement initiated by Chicago economist Milton Friedman and placing its faith in the individual and market economy instead of state regulations. This "fourth current of ideas" ("*fjärde idéströmning*") opposed three leftist currents having dominated politics in the seventies: the notion that politicians could solve all human problems, neo-Marxism and a combination of environmental activism, technological aversion, resistance to nuclear power and protectionism.¹¹³

Timbro's first real publishing success came in 1980 with *Tomorrow, Capitalism: The Economics of Economic Freedom* (in Swedish: *I morgon, kapitalism*), an uncompromising defense of the new type of economic thinking primarily proposed by American economists at the University of Chicago, written by French political scientist Henri Lepage. It sold over 10,000 copies and became the subject of an intense debate in the newspapers.¹¹⁴ According to

¹¹⁰ For more on von Brauns work for Timbro, see Kokk, *Vitbok*, 289–298. von Braun is also mentioned in Johansson, *Hatets och ilviljans kolportörer*, 120; Eskilsson, *Från folkhem*, 116; Svanborg-Sjövall, *Kentucky fried children?*, 39 (E-book).

¹¹¹ *PM angående Timbros verksamhet*, A1:1, Styrelseprotokoll, Näringslivets Fond, Timbros arkiv, CfN.

¹¹² *Styrelseprotokoll 1978-08-12 (bilaga 1)*, A1:1, Näringslivets Fond, Timbros arkiv, CfN. Swedish: "Näringslivets politiska mål är inte uteslutande att medverka till att förhindra socialistiska regeringar. Det gäller också att ge politiken ett förändrat innehåll."

¹¹³ *Ibid.*

¹¹⁴ *Styrelseprotokoll 1981-09-08*, mapp Timbro 1981-1982, F21 K:1, SAF, SAFs arkiv, CfN; *Styrelseprotokoll 1982-09-23*, A2:7, Styrelseprotokoll, Näringslivets Fond, Näringslivets Fond, SAFs arkiv, CfN; Lepage, *I morgon kapitalism*.

Carl-Johan Westholm, who knew Lepage and had the book published by Timbro/Ratio, it had an “important signaling value” that there was serious literature promoting market economy.¹¹⁵ Eskilsson argued that with Lepage, the student generation now had an alternative to Mao’s *Little Red Book*.¹¹⁶ With the publication of Lepage, Sweden had also been introduced to public choice theory.¹¹⁷ “Henri Lepage is not a new Keynes. He is, however, the qualified economic journalist who has shown that Keynes was not only physically dead,” wrote Timbro’s new managing director Mats Svegfors in 1981.¹¹⁸ Furthermore, according to Svegfors, Lepage’s book broke “the leftist hegemony” (“*vänsterhegemonin*”) in the public debate and shifted the focus from market failures to state failures.¹¹⁹ Other successful titles during these first years included Bertil Östergren’s critical biography of the prime minister, *Vem är Olof Palme?*, the above-mentioned *Industrispionage* and *Direktörernas kokbok*.¹²⁰

Inspired by Laissez-Faire Books in New York and the Alternative Bookshop in London, Timbro also opened its own bookstore Market Corner, which sold “classic and modern liberal literature.” Hayek, Lepage and public choice theorist Gordon Tullock, who were all in Stockholm for the Mont Pelerin Society meeting (discussed below), attended the opening.¹²¹ Mats Svegfors concluded that three years down the road, there was now a real interest in market economy and “the new liberalism.” This was obviously not only due to Timbro, but “[we] have made a valuable and probably necessary contribution to the process that has led to the breakthrough of liberal and market economic views.”¹²²

¹¹⁵ Interview with Carl-Johan Westholm, December 7, 2018.

¹¹⁶ Eskilsson, *Från folkhem*, 214.

¹¹⁷ *Protokoll årssammanträde 1981-05-15*, A2:7, Näringslivets Fond, SAFs arkiv, CfN.

¹¹⁸ *Timbro efter tre år*, mapp: Timbro 1981–1982, F21 K:1, SAFs arkiv, CfN. Swedish: “Henri Lepage är ingen ny Keynes. Han är däremot den kvalificerade ekonomiske journalist som visade att Keynes inte bara är fysiskt död.”

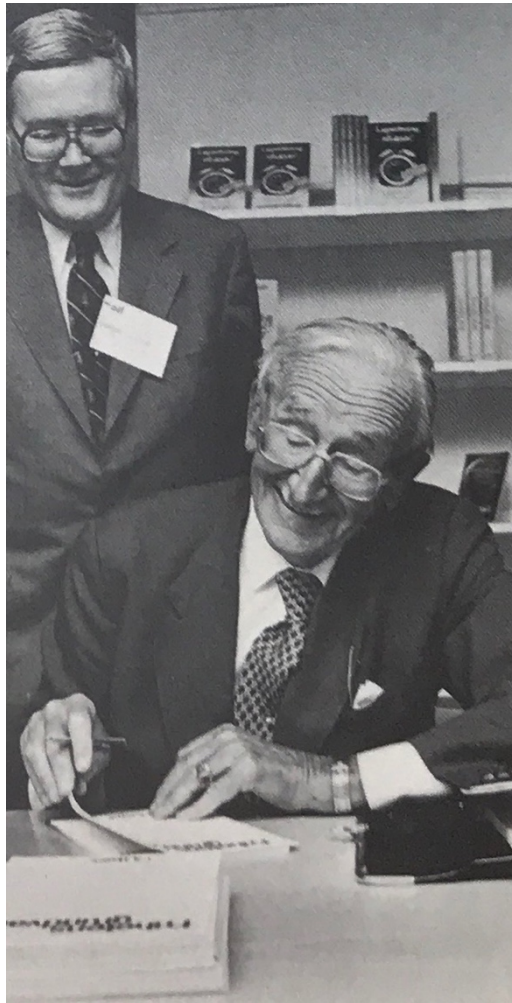
¹¹⁹ Svegfors, “I dag kapitalism,” 15.

¹²⁰ *Verksamhetsberättelse 1984*, *Protokoll årssammanträde 1985-05-07*, A2:8, Styrelseprotokoll, Näringslivets Fond, SAFs arkiv, CfN.

¹²¹ *The Swedish Free Enterprise Foundation*, B1C:3, Timbro Timbros arkiv, CfN.

¹²² *Timbro efter tre år*, mapp: Timbro 1981–1982, F21 K:1, SAF, SAFs arkiv, CfN.

Figure 5.8 Hayek and Tullock at Market Corner in Stockholm, 1981



In connection with the Mont Pelerin Society meeting in Stockholm in 1981, Hayek signed books at Timbro's bookstore Market Corner. Behind him is public choice theorist Gordon Tullock. Source: Stiftelsen Näringslivets Fond 1981, B3:1, Näringslivets Fond, SAFs arkiv, CfN.

The MAS report

For a couple of years, Timbro shared offices with the organization Marknadsekonomiskt alternativ för Sverige (MAS). Eskilsson had gotten the idea from an American think tank, the Heritage Foundation, which had presented Reagan with a new political program called *Mandate for Leadership*. Now, the Swedish non-socialists should get their own program for market

economic reforms before the 1985 election. The Enterprise Fund provided the funding through its own means and those of its members. It was quite costly, as expenses ran at about SEK 3 million per year. Among those involved were Bengt Westerberg and Carl Bildt, who later went on to become leaders of the Liberal Party and the Moderate Party respectively. MAS also intended to make sure that these leading figures stayed in politics should the non-socialists lose the election.¹²³ The driving force, however, was Ingemar Ståhl, professor of economics in Lund and member of the Mont Pelerin Society.¹²⁴ The basic premise of the finished report was, in a deeply Hayekian fashion, to increase the individual's freedom of choice. This implied more competition and market-based solutions within the public sector as well as lower taxes. At the same time, however, Sweden's rampant budget deficit needed to be addressed, which implied cutbacks in the state budget of around SEK 60 billion.¹²⁵ However, the report did not spark any substantial debate. Eskilsson argues that the parties had difficulties accepting a program they had not really prepared themselves.¹²⁶ Another explanation is that the parties were probably not keen on adopting a program that would require massive cutbacks in the welfare services.

A more profound business ideology

SAF's congresses and the "ideological breakthrough"

In 1977, SAF celebrated its 75th anniversary and the board decided to arrange a congress based on a suggestion from the new chairman Curt Nicolin. One purpose was to strengthen employer solidarity in the wake of the smaller companies being annoyed with the organization.¹²⁷ This first ever SAF

¹²³ Svegfors, "I dag kapitalism," 31–32. According to Svegfors, one of the reasons that Timbro moved offices to the more centrally located Birger Jarlsgatan 6b in 1983 was that Carl Bildt, then an MP, would have a shorter walk between MAS and parliament.

¹²⁴ Eskilsson, *Från folkhem*, 272–274; *Styrelseprotokoll nr 1 1983-01-11*, A:1, Marknadsekonomiskt Alternativ för Sverige, Timbros arkiv, CfN. Ståhl had been a rising star within the Social Democratic Party in the 1950s and 1960s, but his political views changed during the 1970s, partly as a response to the party's radicalization, see further Jonung and Jonung, *Ingemar Ståhl*, 50–53.

¹²⁵ Bergstig and Thimerdal, *MAS-rapporten*, preface and Chapter 10.

¹²⁶ Eskilsson, *Från folkhem*, 274.

¹²⁷ *Informationsfrågornas behandling i SAFs styrelse 1968-1981*, F1:4, Timbro AB, Timbros arkiv, CfN; Eskilsson, 183–187.

congress had 900 delegates (owners and managing directors of affiliated companies) and met for three days at Älvsjömassan outside of Stockholm. According to Eskilsson, it had three aims: to give the rank and file of Swedish employers arguments for the superiority of the market economy, to produce a number of reports of long-term significance (such as showing the relationship between democracy and liberal market economies) and introducing a new SAF logo and slogan “Free enterprise – good for Sweden.”¹²⁸ The congress had four working groups, one of which was *Social välfärd genom marknadsekonomi* (Social welfare through market economy). One of its resolutions stated that private companies should increasingly be allowed to compete within the public sector.¹²⁹ Kreab produced all the necessary material, and its political know-how also came in handy in terms of how to write motions and manage a large congress.¹³⁰

Eskilsson specifically wanted the congress to promote intellectual content. Overall, his colleague Carl-Johan Westholm believes that the SAF congresses did manage to mobilize SAF’s members and get the message across to the public.¹³¹

Based on the conference theme, a new campaign was launched in 1978 called “*Företagsamheten inför 80-talet*” (Enterprise in the 80s). This was a way of following up on the congress through local information activities regarding the conditions and importance of enterprise. Addressing the board, Sture Eskilsson wrote that it was “a campaign against fund socialism and planned economy, for economic reason, market economy and private property.”¹³² The immediate aim was to stop the Meidner plan and in a wider sense to increase people’s understanding of business and market economy.

¹²⁸ *Creativity in Economic Communication, speech at International Freedom Conference 1977*, F1:2, Timbro, Timbros arkiv, CfN. In Swedish: “Fri företagsamhet – bra för Sverige.” The five reports were titled *Should the free market be abolished?* (Westholm), *Planning, “fund socialism” and political democracy* (Faxén), *The expansion of the public sector* (Ståhl), *Making good use of the world’s resources* (Gerholm), *Work, life-style, motivation* (Zetterberg), see further *Summaries*, F33 DA:3, SAF, SAFs arkiv, CfN.

¹²⁹ *Uttalande och resolutioner*, mapp: Uttalande, F33 DA:2, SAF, SAFs arkiv, CfN.

¹³⁰ Interview with Peje Emilsson, July 17, 2020. Emilsson had earlier arranged similar congresses for the International Chamber of Commerce, e-mail to author from Emilsson, 2020-08-20.

¹³¹ Interview with Carl-Johan Westholm, December 7, 2018.

¹³² *Föredragnings-PM 1977-05-25*, Mapp Handlingar från Björn Tarras-Wahlberg 1977, F11:O8, SAF, SAFs arkiv, CfN. Swedish: “En kampanj mot fondsocialism och planhushållning, för ekonomiskt förnuft, marknadsekonomi och enskilt ägande.” Note how similar this quote is to the definition of free enterprise in chapter 1.

Another outcome of the congress was that SAF should develop an ideological program for business based on individual freedom, private property and market economy. In a memo to the board's working committee, Westholm (who was responsible for the program) and Eskilsson explained the need for this program.¹³³

With the growing hostility toward business in the public debate, the question of survival for free enterprise has become more accentuated – and thus the basic principles upon which our economic system rests.

The SAF congress in 1980 had the theme *Skapande eller bevakande Sverige* (Creative or Defensive Sweden), and Westholm's program juxtaposed these two visions. Creative Sweden was a land of free enterprise, free competition and market economy. Defensive Sweden was a land of regulations, benefit dependency and low productivity. Westholm's program and twelve expert reports laid the foundation for a statement and a number of resolutions, including employer policy on education, taxes, the public sector and management issues.¹³⁴ About a week prior to the congress, SAF economist and Eskilsson's associate Danne Nordling wrote a debate article in *Dagens Nyheter*. He argued for a far-reaching privatization of the Swedish public sector. Only defense, police and the judicial system needed to be publicly operated, everything else could be handled by private firms.¹³⁵

Business historian Hans De Geer argues that the congress meant that a new SAF ideology had been born, one emphasizing pluralism and decentralization.¹³⁶ For Eskilsson, the 1980 congress was “the ideological breakthrough” and from that point on, the business community set the agenda.¹³⁷

While the congresses in 1977 and 1980 had focused on the dire position of Swedish business and Sweden in general, the theme of the 1984 congress was *Skapande Sverige – Människor och företag* (Creative Sweden – People and

¹³³ *Bilaga 2 (Ideologiskt program)*, Styrelseprotokoll 1977-12-15, A3A:77, SAF, SAFs arkiv, CfN. Swedish: “Med den tilltagande fientligheten mot näringslivet i den offentliga debatten har själva överlevandefrågan för den fria företagsamheten blivit mer accentuerad – och därmed de grundläggande principer på vilka vårt ekonomiska system vilar.”

¹³⁴ *Skapande Sverige*, see especially p. 161–169 for a short version of the program. Resolutions and statement on p. 128–146.

¹³⁵ *Dagens Nyheter* 12/11 1980, “Så kan Sverige privatiseras.”

¹³⁶ De Geer, *I vänstervind och högervåg*, 335.

¹³⁷ Eskilsson, *Från folkhem*, 203, 237–242. Quote on p. 203. Swedish: “det ideologiska genombrottet.”

Companies). SAF wanted to convey a message of being a positive and constructive force in society after years of combating and saying no to wage-earner funds. The firm and its employees, the development of both human and material resources, were to be at the heart of the debate.¹³⁸

Establishing ties to the Mont Pelerin Society

According to a recent anthology on 20th-century liberalism in Europe, Hayek's Mont Pelerin Society had by the 1970s turned into a "global intellectual network with immense political influence" as "market-driven approaches re-shaped national societies as well as the world economy."¹³⁹ At the time, it had three Swedish members, journalist and writer Arvid Fredborg (whose history with the Fund is described in chapters 3 and 4), economist Sven Rydenfelt and Carl-Johan Westholm from SAF.¹⁴⁰ Westholm had been invited to MPS by Ralph Harris during their meeting in 1977, and the following year, he got acquainted with Lepage at the Mont Pelerin meeting in Hong Kong. For Westholm, the MPS meetings became "a space to breathe" and an important source of ideational inspiration and a place where he could find literature for the Swedish market.¹⁴¹

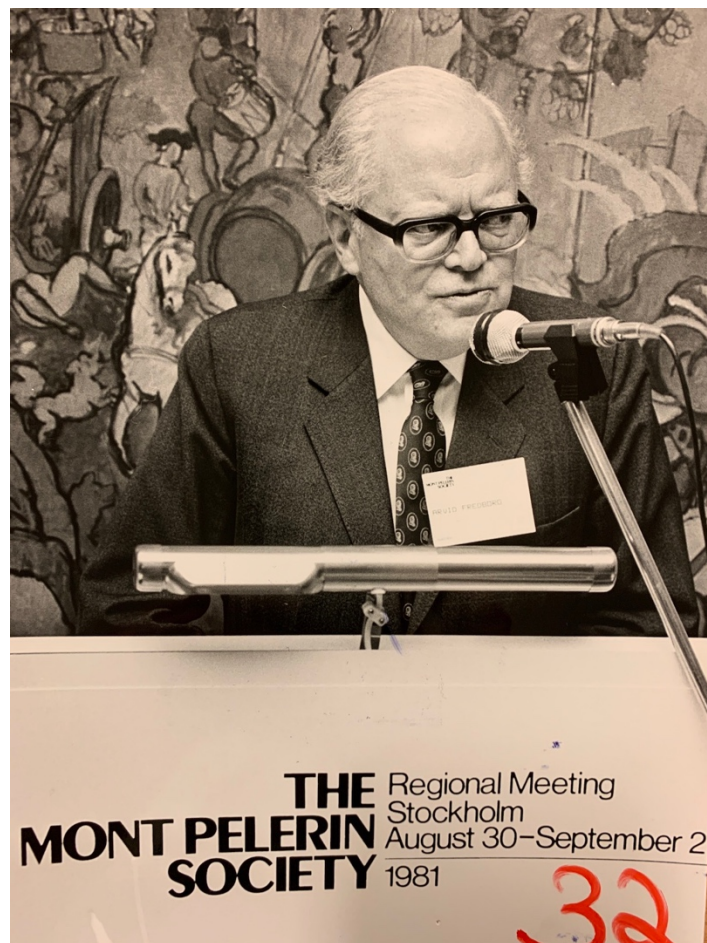
¹³⁸ *PM - Planerad SAF-kongress hösten 1984*, mapp: PM Planerad SAF-kongress hösten 1984, F33 DC:3, SAF, SAFs arkiv, CfN.

¹³⁹ Olsen and Schulz-Forberg, "Actors and Networks," 5.

¹⁴⁰ *Membership Directory Fall 1981*, The Montpellerin Society, F7:7, Näringslivets Fond, Timbros arkiv, CfN.

¹⁴¹ Interview with Carl-Johan Westholm, December 7, 2018. Swedish: "ett andningshål".

Picture 5.9. Arvid Fredborg speaking at the Mont Pelerin meeting, 1981



Fredborg was a central figure among European conservatives and free market advocates. Note the Adam Smith tie. Source: K1 ae:1, SAFs arkiv, CfN. Photo: Mats Jonell.

Fredborg, then a vice-president of MPS, was the one who proposed that the organization should organize a meeting in Stockholm in 1981. To his aid in this venture, he included both Carl-Johan Westholm and Sture Eskilsson, where the latter came up with the conference theme: Beyond the Welfare State.¹⁴² After the meeting, he applied for membership on the

¹⁴² *Brev från Arvid Fredborg till Sture Eskilsson 1982-05-07*, F1:18, Timbro AB, Timbros arkiv, CfN. Eskilsson does not remember this correctly in his memoirs. The theme was actually “The Break-Down of the Welfare State,” see *Programme*, The Montpellerin Society, F7:7, Näringslivets Fond, Timbros arkiv, CfN and Eskilsson, *Från folkhem*, 380–382.

recommendation of Fredborg and Ralph Harris. Among other members he knew, Eskilsson listed Rydenfelt, Westholm and Ed Feulner, founder of the conservative American think tank the Heritage Foundation.¹⁴³ In a later letter to Feulner, Eskilsson stated that the Heritage Foundation served “as an example of what can be achieved if you do things right.”¹⁴⁴

Eskilsson had at the meeting made quite an impression on Harris, as did SAF’s chairman Curt Nicolin. Overall, Harris was very satisfied with the conference.¹⁴⁵ It was held at SAF’s auditorium, and the speakers and commentators included American economics professors and public choice theorists James Buchanan (Nobel laureate in 1986) and Gordon Tullock. Others included Henri Lepage, Curt Nicolin, Arvid Fredborg and F. A. Hayek (Nobel laureate in 1974). Näringslivets Fond pitched in SEK 40,000 SEK. ASEA, SEB, Saab-Scania and LM Ericsson also sponsored the conference with SEK 10,000 each.¹⁴⁶ Perhaps the most famous MPS member after Hayek, Milton Friedman (Nobel laureate 1976), did not attend the Stockholm conference, but he and Eskilsson did get to know each other and became friends on a first-name basis, after getting acquainted at meetings in the first half of the 1980s. In 1984, Eskilsson sent Friedman the SAF-produced book, *The Turning Point*, which describes the organized resistance against the wage-earner funds. Although the funds had been enacted into law, Eskilsson was optimistic. He wrote¹⁴⁷

¹⁴³ *Sture Eskilsson - Nomination for membership 1981-12-17*, The Montpellerin Society, F7:7, Näringslivets Fond, Timbro’s arkiv, CfN.

¹⁴⁴ *Brev från Sture Eskilsson till Edwin J Feulner 1982-04-16*, F1:18, Timbro, Timbro’s arkiv, CfN.

¹⁴⁵ *Brev och bilaga från Arvid Fredborg till Sture Eskilsson 1981-09-10; Brev från Ralph Harris till Sture Eskilsson 1981-09-04*, F1:17, Timbro, Timbro’s arkiv, CfN

¹⁴⁶ *Brev till Näringslivets Fond från Arvid Fredborg 1981-04-29*, A1:2, Näringslivets Fond, Timbro’s arkiv, CfN; *Utkast till brev, S Eskilsson 1981-08-18*, The Montpellerin Society, F7:7, Näringslivets Fond, Timbro’s arkiv, CfN. One of Timbro’s first publications had been a commissioned book by Tullock on the wage-earner funds (Tullock, *Svenskarna och deras fonder*). In his memoirs, Eskilsson (p. 379) speculates that this made Tullock too politically controversial for receiving a Nobel prize together which Buchanan in 1986, see also Offer and Söderberg, *The Nobel Factor*, 205.

¹⁴⁷ *Brev från Sture Eskilsson till Rose och Milton Friedman 1984-02-17*, F1:22, Timbro AB, Timbro’s arkiv, CfN.

Dear Rose and Milton,

As you might remember we had a talk about the economical politics of Sweden on the boat-trip at the Vancouver MPS-meeting. So I hope you will look into the enclosed booklet with some interest.

The message I would like to forward is: The market economy of Sweden is not dead, its friends are rapidly increasing in number and foreseeing a victory in the ongoing battle.

I hope to see you again in Cambridge.

Yours sincerely

Sture Eskilsson

Friedman was more pessimistic ¹⁴⁸

Many thanks for sending me that splendid little pamphlet on "The Turning Point." Unfortunately, I draw a much less optimistic message from it than you do; the problem is always fighting a rearguard action. The funds have now been enacted into law. It will not be easy to reverse that and to get rid of them. We have had the same experience over and over again. We are able to delay and prevent, but so far it has been extraordinarily difficult to reverse. That is the real task we all face. Just as Sweden set us an example in the opposite direction, I hope it will set one in this.

Looking forward to seeing you when you are in Cambridge.

Sincerely yours

Milton Friedman

As things turned out, Friedman was eventually proven wrong. When a center-right coalition won the election in 1991, the new prime minister, Carl Bildt, scrapped the wage-earner funds. The roughly SEK 20 billion

¹⁴⁸ *Brev från Milton Friedman till Sture Eskilsson 1984-03-15*, F1:22, Timbro AB, Timbros arkiv, CfN.

managed by the funds were transferred to research foundations and back to the business community in the form of venture capital.¹⁴⁹

International Freedom Conference

In addition to MPS, people affiliated with free enterprise organizations also met at the yearly International Freedom Conference, a venue for “freedom fighters in an international milieu” from 1977 and onwards.¹⁵⁰ Overall, participants shared experiences of opinion molding techniques and discussed common topics related to political and economic freedom. Not all that surprisingly, the threat and crimes of Soviet communism represented a reoccurring subject. It seems as if it was at one of these conferences that Eskilsson met IEA’s Ralph Harris for the first time. Anecdotally, Harris promised to send Eskilsson an Adam Smith tie, worn by MPS members or those who shared the organization’s view. When the first Ronald Reagan cabinet was photographed, it turned out that half of them wore the Smith tie.¹⁵¹ At the conferences, Eskilsson also got a chance to re-establish contacts with organizations that had previously worked with the Fund, such as Norwegian Libertas and Aims of Industry in the UK. According to Eskilsson, Aims of Industry was a “pioneer in the field of effective information on market economy and personal information” and it had “learned [him] a lot.”¹⁵²

European Free Market Summer University

The Mont Pelerin network was also used when Timbro organized a summer seminar on “The Philosophy of Freedom and the Economy of Freedom” in 1985 with teachers from the US and Sweden. The lecturers included Robert Nisbet, a well-known professor in sociology with conservative views and Professor Israel Kirzner, a lifelong scholar of Austrian school economics.¹⁵³

¹⁴⁹ Eklund, “Stiftelserna ett kvartssekel.” This is further discussed in the next chapter.

¹⁵⁰ *The Future of the International Freedom Conference*, mapp: International Freedom Conference, F7:7, Näringslivets Fond, Timbros arkiv, CfN.

¹⁵¹ *Brev från Ralph Harris till Sture Eskilsson 1977-11-25*, F1:8, Timbro, Timbros arkiv, CfN; Eskilsson, *Från folkhem*, 378. Also, 22 out of 26 of Reagan’s economic advisors during the 1980 presidential campaign were MPS members, see Hartwell, *A History of the Mont Pelerin Society*, 213.

¹⁵² *Brev från Sture Eskilsson till Michael Ivens 1982-05-26*, F1:18, Timbro, Timbros arkiv, Timbro, CfN. The more grammatically interested reader will note that Eskilsson ought to have written “taught” rather than “learned.”

¹⁵³ *Styrelseprotokoll 1985-03-21*, A2:8, Näringslivets Fond, SAFs arkiv, CfN; *Sammanfattning ... MPS-regional meeting i Paris 29/2-4/3 1984*, F21 K:3, SAFs arkiv, CfN. For more on Nisbet, see *Profiles: Robert A. Nisbet*,

The purpose of the course was to get the students acquainted with neoliberal thinking, according to the organizer Peter Stein, a Timbro affiliate. It was natural that Timbro arranged the summer school, Stein argued in a memo, as it was “besides IEA the most active and successful neoliberal institute in Western Europe.”¹⁵⁴

Conclusions and chapter summary

This chapter has presented an in-depth description on how and why organized business in Sweden stepped up its efforts to influence public opinion during the 1970s. Primarily, this development was a reaction to a more radical political climate and perceived threats to core interests of the business sector: private ownership and the free enterprise system as such. In a first wave, these threats came from the radicalized youth and in the second wave from the labor movement.

Beginning in 1938, labor market regulations and relations had to a large extent been decided by the major organizations of business and labor, but this changed during the 1970s as parliament adopted new laws for co-determination and employment protection, thus eroding a fundamental part of the so-called Swedish model. Taxes were raised to pay for the expansion of the public sector. In addition, rampant inflation made the central wage agreements extremely costly for employers. A cost crisis, in combination with global macro-economic instability, meant that the future looked grim for the Swedish business sector in the mid-1970s. Especially smaller companies were discontent with the new regulations and taxes and felt that the major business associations did not speak for them.

SAF steps up

Clearly, there were enough “disturbances,” in Truman’s sense of the word, for the business community to counteract. As a highly centralized, almost all-encompassing and wealthy organization, the Swedish employers had

<https://mises.org/profile/robert-nisbet>, and for more on Kirzner, see *Profiles: Israel M. Kirzner*, <https://mises.org/profile/israel-m-kirzner>, both accessed March 31, 2020.

¹⁵⁴ *PM om ... ett "European Free Market University"...*, F21 K:3, SAF, SAFs arkiv, CfN. Swedish: “Vid sidan av IEA är AB Timbro idag Västeuropas mest aktiva och framgångsrika nyliberala institut.”

resources to spend. In many ways, this counterreaction was organized by the Employer Confederation's information director Sture Eskilsson, a good example of Salisbury's "organizational entrepreneur." Eskilsson, who got his first job at the Bureau for Economic Information under the ideologue Tore Sellberg, was deeply convinced of the benefits of free markets and well-versed in sociological theories on mass communication. Under his leadership, SAF started to increase its information activities in the first half of the 1970s. On behalf of the boards of the Enterprise Fund and SAF, Eskilsson and his colleague Carl-Johan Westholm proposed reorganizing the infrastructure for how the business community conducted its opinion molding efforts. One of the main ideas was to build on the infrastructure for free enterprise opinion formation in existence since the 1940s. The Enterprise Fund would start a publishing house named Timbro, modeled on the free market-friendly Institute for Economic Affairs in the UK. As an advocate for market solutions and individualism, it would be an antithesis to collectivistic ideas in the political debate. The Enterprise Fund's funding of Timbro was secured by a yearly grant of around SEK 2 million from SAF. The Fund also took complete control over the Research Bureau for Social Issues, which continued to produce reports and to serve as an incubator for future politicians, now primarily for the Moderate Party. Timbro published its first book in 1978, and its sister-organization Ratio formed a scientific council consisting of high-profile academics.

Membership fees to the Fund were drastically cut and the number of members, which now included many smaller firms, increased rapidly from 23 in 1978 to 350 in 1985. Although the Fund still received some of its revenues from membership fees, SAF bore the brunt of the burden. With one stable main financier, the Fund was no longer dependent on individual large firms, thus overcoming the free-riding problem in large interest groups, as pointed out by Olson. Members of the Fund also received a "service package" consisting of books from Timbro and reports from the Research Bureau, meaning that the Fund for the first time provided what Olson calls "a selective benefit." The Enterprise Fund also abandoned its previous semi-hidden existence and openly propagated for free market ideas by means of, for instance, advertisements. Thus, members also got what Salisbury calls

“expressive benefits,” meaning benefits derived from joining a group expressing one’s own values.

Another plausible explanation behind SAF’s rise and the Fund’s decline as the hub for business-friendly opinion molding in the early 1970s has been highlighted by journalist Olof Ehrenkrona.¹⁵⁵ With public rather than private funding of political parties and an increasingly loud critique against business involvement in politics, it became increasingly troublesome for individual large firms or business groups to donate money to political parties or propagandistic business organizations. Instead, this now became more natural for SAF, where the firms were already members and with substantial resources to spend on opinion influencing.

New links to free enterprise organizations abroad

In addition to taking a firm grip over the new opinion molding organizations, Eskilsson also reconnected and expanded the ties of SAF and the Fund to their international network from the 1940s and 1950s, including organizations such as *Libertas* in Norway and *Aims of Industry* in the UK. The conservative think tank the Heritage Foundation in the US, IEA and Hayek’s Mont Pelerin Society were all used to import ideas and literature to Sweden. Eskilsson and Westholm also helped the Mont Pelerin Society’s vice president Arvid Fredborg (whose history with the Fund dated back to the 1940s) arrange a Mont Pelerin meeting in Stockholm in 1981. Hayek was among the participants. Among the speakers were also SAF’s chairman since 1976, Curt Nicolin, who was also a proponent of SAF’s more ambitious information strategy. Through this network of organizations and similar minds, people in the Swedish business interest associations got connected to some of the world’s leading free market economists, such as Milton Friedman, Arthur Laffer, Gordon Tullock and James Buchanan, and made sure to spread their ideas to a wider domestic audience.

Catalysts for free market ideas

It is obviously difficult to measure the significance of SAF, Timbro and the Fund in terms of bringing free market ideas to Sweden in the late 1970s.

¹⁵⁵ Ehrenkrona, *Nicolin*, 202–203.

There were other forces in play too. Offer and Söderberg argue that the newly instituted Nobel Memorial Prize in Economic Sciences, under the heavy influence of economist Assar Lindbeck, legitimized the rise of market liberalism when it was awarded to laureates such as Hayek and Friedman.¹⁵⁶ Karlsson also points to Lindbeck's role, in addition to the SAF affiliates. However, other actors also played important roles in enacting the policy shift that started in the 1980s. He specifically mentions a group of young but prominent economists within the Social Democratic Party, SNS (at least from 1985) as an advocate of normpolitik and deregulations and two business entrepreneurs who managed to bring about institutional change through technological disruption (mobile communication, trading with financial instruments).¹⁵⁷

One can conclude that SAF and Timbro did serve as catalysts for a new type of economic thinking, which included monetarism, public choice theory and market-based solutions to Sweden's economic problems. With regard to the UK, Cockett writes that the IEA was responding to a new *demand* for ideas reflecting the wider socio-economic predicament of Britain during the 1960s. A reasonable conclusion is that Timbro did the same for Sweden ten to fifteen years later.¹⁵⁸

¹⁵⁶ Offer and Söderberg, *The Nobel Factor*. However, it is not clear from Offer and Söderberg's book that the Royal Swedish Academy of Sciences that hands out the prize has had a bias toward more market-oriented economists. Their own data (p. 114) point to an equal distribution among "conservative" and "liberal" economists. Another study using a scale from 1 ("most classical liberal") to 9 ("least classical liberal") classified 35 laureates as belonging to category 6 to 9 (i.e., less market-friendly) and 26 laureates belonging to category 1 to 4 (i.e., more market-friendly), see Klein, "The Ideological Migration of the Economics Laureates: Introduction and Overview," 235.

¹⁵⁷ Karlsson, *Statecraft and Liberal Reform*, 72–74, 103.

¹⁵⁸ Cockett, *Thinking the Unthinkable*, 159.

Chapter 6

Campaigning Against Wage-Earner Funds, 1975–1985

The only way to change the direction in the development of society so that the good function of the market economy can be restored is through public opinion.

Curt Nicolin, SAF's chairman, 1983¹

Introduction

For a younger generation of Swedes, the date October 4 is associated with *kanelbullens dag* (the day of the cinnamon roll),² but for those old enough to remember 1983, it has completely different connotations. On October 4, 1983, the day when parliament opened for a new working year, between 75,000 and 100,000 demonstrators took to the streets in Stockholm to protest against wage-earner funds in the country's thus far largest

¹ Jilmstad, *Under Nicolins ledning*, 19. Swedish: "Enda vägen att förändra färdriktningen i samhällets utveckling så att förutsättningar för marknadsekonomins goda funktion återupprättas går via den allmänna opinionen."

² "Alla dessa dagar," *Dagens Nyheter*, 2006-04-21, <https://www.dn.se/kultur-noje/alla-dessa-dagar>, accessed March 31, 2020.

demonstration.³ The media interest was also massive with some 400 journalists covering the event, including about 100 journalists from abroad.⁴

Indeed, it did become a defining moment in 20th-century Sweden. Economists Magnus Henrekson and Ulf Jakobsson write that it “marked the endpoint of the socialist vision that had been so important in Swedish politics for decades.”⁵ According to the historical writing of Swedish business, it was “the turning point.”⁶ The architect of the proposal, Rudolf Meidner, concluded that it was “the last open conflict between labor and capital.”⁷ Social Democratic Prime Minister Olof Palme argued that organized business had conducted the “most comprehensive political scaremongering campaign our country has ever seen.”⁸ Never in the history of the Swedish Riksdag had there been so many members of parliament debating an issue as when the wage-earner funds were passed into law on December 21, 1983.⁹ For Peje Emilsson at Kreab, the wage-earner funds constituted proof that “they [the Social Democrats] went too far.” He means that as a consequence, the issue actually opened up for a political debate where new types of more market-oriented ideas could be debated in a manner that had been impossible prior to 1983.¹⁰

This chapter contributes with a detailed description of the anti-funds campaign, while at the same time relating it to SAF’s ideological radicalization in the 1970s and the relaunch of the Enterprise Fund. It stresses how the perceived threat from the political left made the business community act,

³ *Interju med Gunnar Randholm, 1983-04-11*, Tentamensuppgift, F11:B3, SAF, SAFs arkiv, CfN; *Dagens Nyheter* 5/10 1983, “75 000 marscherade mot fonderna.” The police estimated the number of participants at around 75,000 while the organizers themselves estimated over 100,000. Other major demonstrations in Stockholm have been the so-called *bondetåget* in 1914, when 30,000 farmers marched for higher defense spending, and the counter-demonstration, *Arbetartåget*, with 50,000 participants, see *Nationalencyklopedin*, “bondetåget,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/bondetåget>, accessed May 18, 2020. There were also large demonstrations all over Sweden in April 1917 following food shortages. One estimation is that over a ten-day period, around 250,000 people took to the streets but none of the individual demonstrations reached the same size as the anti-fund protest, see Kilander, *Censur och propaganda*, 126.

⁴ *PM - Media, 1983-10-13*, F11:K1, SAF, SAFs arkiv, CfN.

⁵ Henrekson and Jakobsson, “The Swedish Model,” 36.

⁶ Larsson, *Vändpunkten*.

⁷ Meidner, *Spelet om löntagarfonder*, 87.

⁸ Stråth, *Mellan två fonder*, 200. Swedish: “...den mest omfattande politiska skrämelskampanj som någonsin förekommit i vårt land.”

⁹ Åsard, *Kampen om löntagarfonderna*, 2. As discussed in this chapter, a watered-down version was passed into law in 1983.

¹⁰ Interview with Peje Emilsson, July 17, 2020.

primarily as a defensive measure. In the following decade, SAF started to question its own position in Sweden's corporatist order and adopted a more offensive stance in propagating its views.¹¹ Thus, this chapter reaches a different conclusion than the only other in-depth study of the business community's anti-fund campaigns, which relates the resistance to the breakdown of Fordism and SAF's internal conflict over industry-level wage negotiations.¹²

In addition to the archival material and interviews, this chapter also utilizes a number of personal accounts. Moderate Party secretary Lars Tobisson and an employee at Sveriges Industriförbund, Per-Martin Meyerson, have written insider views, just as SAF employees Anders Röttorp and Charlie Brantingsson and managing director Olof Ljunggren.¹³ The memoirs of Sture Eskilsson are obviously also valuable as are the biographies of Curt Nicolin.¹⁴

Profit sharing and wage-earner funds prior to 1975

Ideas regarding profit sharing schemes for employees date back to the 19th century. In Sweden, leading Social Democrats had since the 1920s elaborated on proposals for collective savings in jointly owned companies in the form of foundations, but these ideas were never realized.¹⁵

For the Liberal Party as well, individual profit sharing was an important issue during the 1950s and 1960s, but they failed to get any support, as the major organizations of labor and capital considered it their responsibility.¹⁶ In the first half of the 1970s, the party became more radical. Inspired by the discussions on collective capital accumulation taking place in West Germany, it suggested that wage-earners should have a statutory right to a share in

¹¹ Note that since the main interest in this thesis concerns the political advocacy of Swedish business, I have chosen not to consider other aspects of the fund proposal, as done in previous literature such as Erik Åsard's *Kampen om löntagarfonderna*, which concerns the inner workings of the state commission. For descriptions in English on the wage-earner fund proposal, see Olsen, *The Struggle for Economic Democracy in Sweden*, 9–14; Whyman, *Sweden and the "Third Way"*, 65–83.

¹² Viktorov, *Fordismens kris och löntagarfonder i Sverige*.

¹³ Tobisson, *Löntagarfonder*; Meyerson, *Sockerbagare i doktorshatt*; Röttorp, "Att nå dem som kan göra skillnad"; Brantingsson, "4 oktober 1983 – 'Ett stycke världshistoria'"; Ljunggren, "Ett nytt tonläge."

¹⁴ Ehrenkrona, *Nicolin*; Jilmstad, *Under Nicolins ledning*. Both books are published by Timbro. Jilmsted's book covers Nicolin leadership at SAF. Note that Jilmsted was a long-term employee at SAF.

¹⁵ Stråth, *Mellan två fonder*, 146.

¹⁶ Åsard, *Kampen om löntagarfonderna*, 16.

profits through a system of comprehensive funds. Party secretary and affiliate at the Research Bureau, Carl Tham, personally knew Karl-Hermann Flach, a senior official in the West German liberal party FDP. Flach was a convinced social liberal who pushed his party to the left and opened up for cooperating with the Social Democrats rather than the Christian Democrats.¹⁷ However, the Germans never realized their fund plans due to a deteriorating economy, differing views within the government and disagreements with the German Trade Union Confederation. A similar proposal put forward in the early 1970s by labor interests in Denmark met a similar fate.¹⁸ In the Netherlands and the UK, there were also discussions on wage-earner funds, while Sweden became the only country in the world where they were actually implemented.¹⁹

Parliamentary motions from the other non-socialist parties also showed a greater interest in wage-earner saving schemes. As part of the political negotiations with the government at Haga Palace in 1974, the Liberals managed to get the Social Democrats to appoint a state commission named *Utredningen om löntagarna och företagens kapitaltillväxt* (The commission on wage-earners and business capital growth).²⁰ Carl Tham and Social Democratic government minister Carl Lidbom negotiated the terms of reference.²¹

Interestingly enough, the Research Bureau for Social Issues produced a report in 1973 with the exact same title.²² In the introduction, the unnamed author noted that the significance of this issue was likely to increase in the

¹⁷ Interview with Carl Tham, May 20, 2020; *Karl-Hermann Flach Stiftung website*, “Leben und erk,” <https://www.karl-hermann-flach-stiftung.org/content/karl-hermann-flach>; *Wikipedia*, “Karl-Hermann Flach,” https://de.wikipedia.org/wiki/Karl-Hermann_Flach, both accessed May 22, 2020. Tham also made sure to get Flach’s book *Noch eine Chance für die Liberalen* published in Sweden, see Flach, *Ny chans för liberalismen*.

¹⁸ Olsen, *The Struggle for Economic Democracy in Sweden*, 12–13.

¹⁹ George, *Economic Democracy*, 144–46.

²⁰ Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 82, 212–213; Schiller, *Det förödande 70-talet*, 16–17.

²¹ Interview with Carl Tham, May 20, 2020. See also, Åsard, *Kampen om löntagarfonderna*, 17.

²² APU 1973:28. B1:36, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN. Note that in the APU index, it is named *Ågardemokratisk politik i utlandet särskilt Västtyskland* (Politics for Democratic Ownership Abroad Especially in West Germany) but that its actual title is *Löntagarna och företagens kapitaltillväxt*. In 1975, when LO chief economist Rudolf Meidner presented the original LO proposal on wage-earner funds, the Bureau had four reports on the matter. Three of them covered how the proposal had been discussed in the media, while APU 1975:43 *Löntagarfonder ett sätt att socialisera* (Wage-Earner Funds a Way to Socialize) had a critical approach, and the following year, the Bureau produced APU 1976:44 *Vi kan ännu välja. Fakta om Meidnerplanen* (We Still Have Time to Choose: Facts on the Meidner Plan). The Bureau’s initial approach was thus quite quickly changed into a more critical view.

coming years and that the Confederation of Trade Unions was working on several models for wage-earner-owned companies. The report also studied experiences from other countries, especially West Germany. Carl Tham cannot recall whether he wrote the report, but it does seem very likely.²³

“Revolution in Sweden”

As mentioned in the previous chapter, the common view within LO at this time was that the Swedish social order was unfair. At union congresses, issues such as big business domination, skewed distribution of wealth and a lack of worker participation in company decisions were repeatedly criticized. There was also a growing questioning of “excess profits” (“*övervinster*”) created by the solidary wage policy of the Rehn-Meidner model (highly productive companies saw rising profits as wages were kept low, see page 136).²⁴

Following the oil price shock, prices on Swedish industrial exports (and thus profits) shot through the roof, creating additional problems for LO in the mid-1970s. How was LO to explain to its members that the market raised wages more than their central negotiations with SAF? This is why LO leaders considered wage-earner funds a way of compensating workers. According to Bengt-Åke Berg, a senior ranking official at the Ministry of Finance at the time, the issue was at this point more related to income policy than ideology.²⁵

On behalf of the LO congress, economist Rudolf Meidner presented a proposal in 1975 that would compensate workers (it was accepted with some minor changes at the 1976 congress). But it also went further, ultimately aiming at transferring ownership from private hands to wage-earner funds controlled by the trade unions. Companies with more than 50 or 100 employees should pay 10–20 percent of their profits to union-controlled funds in the form of stocks, thus eventually giving the funds control of the companies. Understandably, this was considered a far-reaching proposal. When it was made public, the headline of leading morning paper *Dagens Nyheter* read “Revolution i Sverige.”²⁶

²³ Interview with Carl Tham, May 20, 2020.

²⁴ Meidner, *Spellet om löntagarfonder*, 31–35, 62. Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 109–110.

²⁵ E-mail to author from Bengt-Åke Berg, June 5, 2020. Berg was director of budgeting (*budgetchef*) at the Ministry of Finance in 1974–1976.

²⁶ Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 95–98.

Interestingly enough, for Meidner the actual socialization of firms seems to have been more of a side effect than an actual intended outcome of the proposal. Writing in hindsight he recollects that, it had not been within the mandate of his working group to decide on how far the takeover of private ownership should go. He concludes that the labor movement's inability to answer this important question created internal insecurity and facilitated the external resistance against the funds. Meidner further writes that the original intent was to acquire minority, not majority, positions.²⁷ That one of the main purposes with the proposal was to change the ownership structure of Swedish production in Marxist fashion was however clear to Meidner in 1975

If we do not tackle the ownership, then we must forever put up with revolting injustices when it comes to having power of the production and the people [...] We want deprive the old capital owners their power, which they exercise by virtue of their ownership. All experience show that it is not enough with influence and control. Ownership plays a decisive role. I want to refer to Marx and Wigforss: we cannot change society without also changing the ownership.²⁸

SAF's initial response

The SAF directors were skeptical of collective solutions to wage-earner savings and profit sharing. In their view, the question was whether or not to work out a proposal of their own. In 1971, former Moderate Party leader Yngve Holmberg was called in to study profit sharing arrangements in other countries. His report then laid the foundation for a joint committee between SAF and the Federation of Swedish Industries under the leadership of business veteran Erland Waldenström from the latter organization.²⁹ For organized business as a whole, the issue was complicated by the fact that various companies, especially within banking and the engineering industry, were

²⁷ Meidner, *Spelet om löntagarfonder*, 139–140.

²⁸ Ekdahl, *Mot en tredje väg*, 258. This is from the second part of Lars Ekdahl's biography over Meidner but the original quote is from the union magazine *Facksföreningsrörelsen* 19/1975. For more on how Meidner was inspired by Marxism, see p. 41 and 240 and in his role in the development of the wage-earner funds proposal, see p. 243–302. Quote in Swedish: "Ger vi oss inte på ägandet, måste vi för all framtid dras med upprörande orättvisor när det gäller makten över produktionen och människorna [...] Vi vill beröva de gamla kapitalägarna deras makt, som de utövar just i kraft av sitt ägande. All erfarenhet visar att det inte räcker med inflytande och kontroll. Ägandet spelar en avgörande roll. Jag vill hänvisa till Marx och Wigforss: vi kan i grunden inte förändra samhället utan att också ändra på ägandet."

²⁹ De Geer, *I vänstervind och högervåg*, 316–317.

interested in introducing individual profit sharing schemes. Waldenström's study would also specifically look into how systems with individual shares operated.³⁰

The report, finished in 1976, was highly critical of Meidner's proposal, which, in the long term, would lead to a new economic social system.³¹ But it did not rule out other kinds of funds for wage-earner savings and profit sharing. There were two main reasons for this. First, Swedish firms needed more capital. Second, a skewed distribution of stock ownership led to rising inequality as profits rose. Such funds, however, should be based on voluntary participation and individual ownership where the savers were free to dispose of their shares. The group also suggested that the state could offer tax benefits for savings in stocks.³²

In the fall of 1975, the Federation of Swedish Industries organized a series of regional conferences to discuss the funds. Some 300 member companies participated, and the general conclusion was that although the members rejected the Meidner proposal, they were more sympathetic to some of its motives.³³

To compromise or not? 1976–1980

Dissatisfied owners of small businesses

In May 1976, the Waldenström report was made public, but it was not endorsed by either of the two commissioning organizations, and its content was the sole responsibility of the group members.³⁴ Any real campaigning against the funds from the major organizations would wait another two years.

At this time, only the lobby organization for smaller businesses, the Swedish Federation of Crafts and Small & Medium-Sized Companies – Swedish Association of Family Enterprises (*Sveriges Hantverks- och Industriorganisation – Familjeföretagarna*, SHIO), attacked the “Meidnerfunds” before the 1976

³⁰ *Arbetsutskottet 1974-09-18*, A1:55, Sveriges Industriförbunds arkiv, CfN.

³¹ *Styrelseprotokoll 1976-03-17*, A1:56, Sveriges Industriförbunds arkiv, CfN.

³² *Företagsvinster, kapitalförsörjning, löntagarfonder. Rapport från en arbetsgrupp inom näringslivet*, 1976-05-02, F11 O:1, SAF, SAFs arkiv, CfN.

³³ Åsard, *Kampen om löntagarfonderna*, 103–104.

³⁴ Åsard, 57; *Företagsvinster, Kapitalförsörjning, Löntagarfonder*.

election, in which nuclear power became the dominant issue.³⁵ Meyerson writes that small businesses, where ownership and management were combined, were the ones feeling the most threatened by the wage-earner funds. Within the business sector as a whole, the smaller entrepreneurs were also more ideologically aware.³⁶ Åsard and De Geer also point to the role of small businesses in initiating the resistance against wage-earner funds.³⁷ So does Janerik Larsson, who later replaced Sture Eskilsson as information director at SAF. He also points out that SAF's chairman since 1976, Curt Nicolin, and the managing director since 1978, Olof Ljunggren, both acknowledged the importance of letting the smaller members have their say.³⁸

However, there were also owners of really large family-owned firms that felt threatened enough by the wage-earner funds, in combination with the high taxes on inheritance and wealth, to leave the country in the late 1970s and early 1980s. These included the Rausing family (Tetrapak), Ingvar Kamprad (IKEA) and the Persson family (H&M).³⁹

Non-socialists in power

When the Center Party, the Liberals and the Moderates formed a coalition government in 1976, it was the first time that the Social Democrats were out of power since the 1930s. The Moderates wanted to fire Hjalmar Mehr, a Social Democrat and chairman of the state commission on wage-earner funds, and instruct the commission to work out a proposal with individual shares.⁴⁰ Backed by the Center Party, the Liberals refused, wanting to honor its agreement with the Social Democrats made while in opposition.⁴¹ However, after lengthy negotiations, the new government did decide to expand the commission with four new members with one representative from the

³⁵ Eskilsson, *Från folkhem*, 180. In contrast to the ruling Social Democrats, the Center Party became a firm opponent to nuclear power in the 1970s, which turned out to be popular with voters, thus making it the largest party in the non-socialist block. For more on SHIO's background, see entry 2223 in *Sveriges statskalender 1984*, <http://runeberg.org/statskal/1984/0775.html>, accessed 2020-09-01.

³⁶ Meyerson, *Sockerbagare i doktorshatt*, 132.

³⁷ Åsard, *Kampen om löntagarfonderna*, 106; De Geer, *I vänstervind och högervåg*, 318.

³⁸ Larsson, *Vändpunkten*, 95. Interview with Janerik Larsson, April 21, 2020. Peje Emilsson also says that "we felt the pressure from the smaller entrepreneurs" ("vi kände trycket från de mindre företagarna").

³⁹ Rydenfelt, *Sagan om Tetra Pak*, 210–213; Tobisson, *Löntagarfonder*, 118; Henrekson, "Taxation of Swedish Firm Owners."; *Dagens Nyheter*, 2006-03-16, "De stora misstagen under Olof Palme", Lars Jonung.

⁴⁰ Åsard, *Kampen om löntagarfonderna*, 68–71.

⁴¹ Interview with Carl Tham, May 20, 2020.

Moderates, one from above-mentioned SHIO, one from SACO (the Swedish Confederation of Professional Associations, the union for academics) and, on the Liberals' advice, one additional representative from the Trade Union Confederation. This meant that the commission now, at least in theory, had a non-socialist or business-friendly majority. In 1978, the original three-party government resigned over the issue of nuclear power, and a new government, consisting only of Liberals, took over. When Hjalmar Mehr stepped down as committee chair the next year, the Liberals once again showed their reluctance to provoke the Social Democrats by choosing Allan Larsson, he too a Social Democrat, as the new chair.⁴²

Compromise or refusal

In early 1977, Nils Henrik Schager, an economist at SAF and secretary in the Waldenström group,⁴³ presented the SAF board with a memo in which he urged the board members to decide on how to proceed with the wage-earner funds. For Schager, the most natural way forward was the Waldenström group proposal. Nicolin opposed any profit sharing schemes, although some kind of wage saving system (*sparlönesystem*) based on tax reductions for stock ownership could be acceptable, and this is also what the board opted for.⁴⁴ Later the same year, Schager wrote an article in the SAF magazine *Arbetsgivaren* titled *Löntagarfonder – javisst, men hur?* (Wage-earner funds – sure, but how?).⁴⁵

Other voices within SAF had a different view. One of them was Danne Nordling, who worked under Sture Eskilsson at SAF's PR department. His booklet *Fritt näringsliv eller fondsocialism?* (Free enterprise or fund socialism), which was distributed to 135,000 recipients, stated that

⁴² Åsard, *Kampen om löntagarfonderna*, 68–71. For an account of how the Moderates viewed this process, see Tobisson, *Löntagarfonder*, 48–50.

⁴³ Meyerson, *Sockerbagare i doktorsbatt*, 110.

⁴⁴ *Den fortsatta handläggningen inom SAF av löntagarfondfrågan*, 1977-01-17, F11 O:1, SAF, SAFs arkiv, CfN; De Geer, *I vänstervind och högeråvåg*, 318–319; Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 223.

⁴⁵ Åsard, *Kampen om löntagarfonderna*, 105.

The debate on wage-earner funds and concentration of power concerns our economic system. Shall Sweden pass into an untried socialistic system or shall we keep the present familiar mixed economy?⁴⁶

In an internal memo, Nordling explained that the purpose was to get the debate to focus on whether or not there should be wage-earner funds at all, rather than how they should be designed.⁴⁷ This was not a new idea from Nordling; already in 1975, he stated in another memo that SAF's own activities should concentrate on arguing against Meidner's proposition rather than drafting a proposal of its own.⁴⁸ Late in 1978, Nordling wrote an article in SAF's member magazine where he proposed that the state commission should be shut down, "a natural demand from everyone who wants private enterprise to remain." Schager thought that this was a remarkable demand given that it addressed the government and that SAF was represented in the state commission. Hence, he wanted the SAF leadership to clarify its position in order to avoid confusion.⁴⁹

Meyerson writes (somewhat simplified, according to himself) that two groups now emerged within the business community. One group, centered around Handelsbanken and its chairman Tore Browaldh, believed in compromise as the foremost political instrument. The other group included the Wallenberg-backed Nicolin and became more and more convinced of the need to confront the Social Democrats. Thus, these two groups represented not only two competing ownership spheres but also held different views on how to achieve political outcomes that were beneficial for business.⁵⁰ On the day of the mass protest in Stockholm seven years later, none of the top executives from Handelsbanken attended. Nor did they sign the business manifesto aimed at getting parliament to withdraw the proposal.⁵¹

⁴⁶ Nordling, *Fritt näringsliv eller fonsocialism*, 3. Swedish: "Debatten om löntagarfonder och maktkoncentration gäller vårt ekonomiska system. Ska Sverige övergå till ett oprövat socialistiskt system eller ska vi behålla dagens välkända blandekonomi?"; According to Tobisson, *Löntagarfonder*, 66, Nordling's booklet was "some kind of start signal." Also, Wikipedia writes the organized resistance against the funds started with the booklet, see <https://sv.wikipedia.org/wiki/Löntagarfonder>. See also, *Debatten om löntagarfonderna*, 1978-09-21, F11 O:1, SAF, SAFs arkiv, CfN.

⁴⁷ *SAFs strategi mot löntagarfonderna*, 1977-11-28, F11 O:1, SAF, SAFs arkiv, CfN.

⁴⁸ *Synpunkter på löntagarfondsfrågan*, 1975-06-25, F11 O:1, SAF, SAFs arkiv, CfN.

⁴⁹ *Meddelande*, 1978-12-01, Mapp Handlingar från Björn Tarras-Wahlberg 1977, F11 O:8, SAF, SAFs arkiv, CfN. Swedish: "ett naturligt krav från alla som vill ha kvar det privata näringslivet."

⁵⁰ Meyerson, *Sockerbagare i doktorshatt*, 138.

⁵¹ *Brev från Tore Browaldh till Håkan Gergils 1983-12-06*, F11 I:4, SAF, SAFs arkiv, CfN.

In the view of Curt Nicolin, who took over as SAF chairman in 1976, the fund proposal was part of a deliberate socialization process, according to his biographer Olof Ehrenkrona. Nicolin's position within the Wallenberg group meant that he could never accept a solution that weakened the owners' position in the large firms. When Olof Ljunggren became managing director of SAF in 1978, the resistance against the funds was fortified, and for organized business the issue now became more about *how* than *if* there should be resistance. Therefore, Ehrenkrona writes, one should not exaggerate the differences between hardliners and more compromise-inclined people within SAF.⁵²

A new proposal

At the beginning of 1978, the Social Democrats and LO launched a joint report on the wage-earner funds proposal. The main idea with compulsory share issues from the companies to union-controlled funds was still there, but a lower limit was introduced, making the system compulsory only for firms with over 500 employees. According to Åsard, both the critique from business and the non-socialist parties, as well as the deteriorating economic situation, made the new proposal less provocative and with more emphasis on the importance of capital formation. LO still stressed the radical nature of the proposal, and its magazine *LO-tidningen* ran the headline "*Med fonderna tar vi över succesivt*" ("With the funds we'll gradually take over"). However, several people within the party, including party chairman Olof Palme and Hjalmar Mehr, who chaired the state commission, found the proposal complicated and far from finished in all aspects. Åsard also writes that Palme had no wish of once again turning the wage-earner funds into an election issue. Therefore, the party and LO decided to postpone a final decision to 1981 when both organizations had congresses. By then, the state commission should also have reached its conclusion on the matter.⁵³

At SAF, Danne Nordling concluded that the purpose of the labor movement's report had been to tone down the confrontative parts and reach a political compromise. According to Nordling, this proved that the most

⁵² Ehrenkrona, *Nicolin*, 297.

⁵³ Åsard, *Kampen om löntagarfonderna*, 47–53 (for an offprint of *LO-tidningen* 6/1978, see Åsard's center spread). See also Stråth, *Mellan två fonder*, 180.

effective strategy for organized business was to *not* compromise.⁵⁴ While some board members still had a more conciliatory approach, Nicolin was a hardliner. SAF should not have its own proposal on the wage-earner funds issue, as this would “be a step in the direction toward failure.” His general opinion was that “the issue of wage-earner funds is probably the most important issue that our generation of entrepreneurs has had to deal with.”⁵⁵

Following the recommendation of its managing director Lars Nabseth, the Federation of Swedish Industries’s board also decided to abstain from delivering its own proposal on wage-earner funds. Nabseth’s main concern was the compulsory transfer of ownership. He was also seriously worried about the effect on foreign subsidiaries in Sweden, suspecting that multinationals would leave Sweden if the proposal became a reality. The Federation of Swedish Industries should continue its information work with SAF and perform impact analyses to inform the parties, the media and company boards on the effects of the proposal.⁵⁶

In Sture Eskilsson’s memoirs, he writes that the joint labor movement proposal made it clear that SAF had to counteract.⁵⁷ The response was to launch a series of conferences together with the four other business organizations around the country on the theme *Fri företagsambet eller fondsocialism?* (Free enterprise or fund socialism?).

Addressing business people in the Gothenburg region, the newly appointed managing director of SAF, Olof Ljunggren, stated that implementing wage-earner funds according to the labor movement’s proposal would entail “a fatal blow to free enterprise in Sweden.”⁵⁸ A total of 15 conferences were organized, and according to a SAF memo, these had a substantial effect on

⁵⁴ *Meddelande*, Debatten om löntagarfonderna, 1978-09-21, F11 O:1, SAF, SAFs arkiv, CfN.

⁵⁵ Larsson, *Företagarrörelsen och opinionen*, 45–46. Quotes from board meeting January 19, 1978. Swedish: “ett steg i riktning mot ett misslyckande,” “Frågan om löntagarfonder är måhända den viktigaste frågan som vår företagsgeneration har att behandla.”

⁵⁶ *Styrelseprotokoll 1978-03-15*, A1:57, Sveriges Industriförbunds arkiv, CfN.

⁵⁷ Eskilsson, *Från folkhem*, 193.

⁵⁸ *Fri företagsambet eller fondsocialism*, F11 O:1, SAF, SAFs arkiv, CfN. Swedish: “en dödsstöt för fri företagsambet i Sverige.”

opinion molders and mass media.⁵⁹ Eskilsson was also satisfied. He wrote to Ljunggren⁶⁰

The offensive in round 1 succeeded. It is now an established understanding that the LO/SAP-proposal is factually bad and entails political drawbacks for its proponents. All parties are aware that the majority of voters do not want any fund socialism.

Ljunggren had come to SAF on Eskilsson's suggestion in 1978 when Curt-Steffan Giesecke resigned. According to Ljunggren's own recollection, the Liberal Party's and the Center Party's open attitude to wage-earner funds (e.g., by introducing individual shares (*individuella andelar*)) became the starting signal for SAF's campaigns.⁶¹

The total cost of the campaign was SEK 1.9 million, a relatively modest figure in relation to the total budget for Avdelningen för samhällskontakt, which was SEK 23.3 million.⁶²

SAF's lobby unit RKK, Enheten för Riksdags- och kanslihuskontakt, was led by Björn Tarras-Wahlberg and also served as the organizer of the conferences in 1978 and 1979.⁶³ At a meeting with Danne Nordling in October 1978, they agreed that "the main idea in the Waldenström report on capital formation must be liquidated." Olof Ljunggren, Lars Nabseth and Ingemar Essén (managing director at SHIO) should all dissociate themselves from the idea. One of the arguments for wage-earner funds was that Swedish business needed capital. Therefore, if it could be shown that there were other, better ways of supplying business with capital, then one of the main arguments for wage-earner funds would disappear. It would also strengthen the Moderate Party in its position as the only real political opposition to the funds.

⁵⁹ SAFs agerande mot löntagarfonder 1978-06-08, Mapp: Handlingar från Björn Tarras Wahlberg 1977, F11 O:8, SAFs arkiv, SAF, CfN.

⁶⁰ Några synpunkter på det taktiska läget i löntagarfondsfrågan 1978-06-12, F2:1, Timbro, Timbros arkiv, CfN. Swedish: "Offensiven i rond 1 lyckades. Det är nu en etablerad uppfattning att LO/SAP-förslaget är sakligt dåligt och medför politiska nackdelar för förslagsställarna. Alla partierna är medvetna om att flertalet väljare inte vill ha någon fondsocialism."

⁶¹ Ljunggren, "Ett nytt tonläge," 159–160; Eskilsson, *Från folkhem*, 190.

⁶² Föredragnings-PM, Budgetfrågor - Styrelsen den 18 maj 1978, F1:4, Timbro, Timbros arkiv, CfN.

⁶³ Arbetsgrupper INFORMATION 79 1978-11-23, Handlingar från Björn Tarras-Wahlberg 1977, F11 O:8, SAF, SAFs arkiv, CfN.

They also agreed that Tarras-Wahlberg should contact ABBA's manager Stikkan Andersson to get him involved in the opinion efforts against the funds.⁶⁴ Andersson agreed and came to lead the organization *Folket mot fonderna* (People Against the Funds), also organizing a music gala against the funds in 1982.⁶⁵

Tarras-Wahlberg arranged another 16 regional conferences during 1979, and in contrast to the previous year, Social Democratic politicians were invited as well.⁶⁶ In a letter to SAF's regional managers, he stressed that⁶⁷

it is tactical from a political perspective not to accentuate SAF's key role at these conferences. Behave as if we are only co-organizers and that the other organizations are as much a part of and engaged in the factual matter.

"The year of campaigns"

According to Eskilsson, the election year of 1979 was "the year of campaigns." In addition to the conferences and the ordinary information activities, the regional activity weeks that had initiated after the congress two years prior continued. Further, there was also a mobile exhibition transported by bus touring Sweden with the slogan "*Sätt fart på Sverige*" ("Get Sweden Going") that would enlighten the Swedes on solutions to the economic crisis. The main attraction was the speaking doll Fabrikör Johansson. Some 45,000 people saw the exhibition, which was also supplemented by ads, posters, cinema commercials and meetings with entrepreneurs. Together with the Federation of Swedish Industries, SAF also launched a youth campaign called *Satsa på dig själv* (Back Yourself). On billboards, ads and in a pamphlet

⁶⁴ *Minnesanteckningar från sammankomst om aktiviteter i löntagarfondsfrågan 1978-10-25*, Handlingar från Björn Tarras-Wahlberg 1977, F11 O:8, SAF, SAFs arkiv, CfN. Swedish: "Waldenströmrapportens huvudtankegång om kapitalbildning måste likvideras."

⁶⁵ Johansson, *Hatets och illviljans kolportörer*, 78.

⁶⁶ *73 RIKSDAGSMÄN VID NÄRINGSLIVETS FONDDEBATTER VÅREN 1979 - UTVÄRDERING*, F11 O:9, SAF, SAFs arkiv, CfN.

⁶⁷ *Brev från Björn Tarras-Wahlberg till SAFs regionchefer 1979-04-05*, F11 O:9, SAF, SAFs arkiv, CfN. Swedish: "Det är politiskt-taktiskt lämpligt att inte framhäva SAFs nyckelroll vid dessa konferenser. Uppträd som om vi endast är en av medarrangörerna och att de andra organisationerna är lika delaktiga och engagerade i sakfrågan."

distributed in half a million copies, young people were encouraged by celebrities to make an effort to succeed in life.⁶⁸

In 1980, the Swedes went to the ballots for a referendum on nuclear power. SAF and the Federation of Swedish Industries jointly formed Näringslivets Energiinformation to inform the public, and the experiences of this joint venture led to (the still existing) Ekonomifakta, which had a broad mandate to educate the public on economic matters. Even though the wage-earner funds were an important issue for SAF, Eskilsson suggested that the next major campaign ought to concern taxes.⁶⁹

Beginning in 1980 under the new editor Janerik Larsson, SAF's member magazine *SAF-tidningen* became a strong anti-fund voice publishing critical editorials, articles and a "Fund Special" encouraging its readers to "Join the fight against fund socialism" ("*Upp till kamp mot fondsocialismen*"). It also made sure to let the smaller members of SAF have their voices heard.⁷⁰

Turmoil in TCO

During the entire 1970s, the major white-collar union TCO, Tjänstemännens Centralorganisation (The Swedish Confederation of Professional Employees), had been interested in wage-earner funds and published its first report in 1972, three years before LO.⁷¹ Although the TCO leadership was very much in favor of funds, resistance within the organization started to have an impact in 1978. Over the years, these groups grew in strength, and by 1984 they counted 70,000 members under the umbrella organization TCO Members for Member Referendums On Wage-earner funds (TCO:are för fonddomröstning).⁷²

Starting in 1978, TCO underwent an internal crisis as it turned out that the majority of members in one of its associations, with some 300,000 members, did not accept the union leadership's positive stance on wage-earner

⁶⁸ *Näringslivets informationsverksamhet 1979*, F2:1, Timbro, Timbros arkiv, CfN; Johansson, *Hatets och illviljans kolportörer*, 39–44; Eskilsson, *Från folkhem*, 192–198.

⁶⁹ *Näringslivets informationsverksamhet*, 1980-11-03, F11 L:5, SAF, SAFs arkiv, CfN.

⁷⁰ Brantingsson, "4 oktober 1983 – 'Ett stycke världshistoria,'" 31. Interview with Janerik Larsson, April 21, 2020.

⁷¹ Micheletti, *Organizing Interest and Organized Protest*, 145.

⁷² Micheletti, 159.

funds. After years of turmoil, the 1982 TCO congress decided that the organization was neither for nor against the funds.⁷³

The resistance movement within TCO was often accused of being a front organization for organized business, and archival findings confirm that SAF and the people around Sture Eskilsson in various ways did what they could to push TCO members in a favorable direction.⁷⁴

Indeed, the Research Bureau worked actively to stir up antipathy toward the funds within TCO. Rolf Englund and Krister Anderson from the Research Bureau organized a committee called *TCO:are mot Fondsocialism* (TCO-members against Fundsocialism) in order to rally the professional, white-collar employees against the proposal. Together, they in 1980 wrote four reports on TCO and the issue of wage-earner funds. Their main idea was that the ordinary TCO member was opposed to collective union funds and remained critical of how the union leadership had handled the issue. The committee's aim was to get TCO to postpone a decision on the wage-earner funds until after the 1982 election by showing that white-collar workers were divided on the issue and by arguing against the TCO leadership. Activities included a press conference where the committee was presented, writing motions and letters to member magazines, ads, reports and a demand for a membership vote on the issue.⁷⁵ "If we just get the member revolt going," an internal Research Bureau memo stated, "we have fulfilled our task. Then things get going by themselves. A spark can light a prairie fire."⁷⁶ Money was channeled from SAF (4-oktober kommittéen) to TCO:are för fondomröstning. For 1984, this sum was SEK 1 million.⁷⁷

⁷³ Micheletti, 145–159. The resistance started in the Swedish Union of Clerical and Technical Employees (*Svenska Industrijänstemannaförbundet*, SIF).

⁷⁴ Micheletti, 166.

⁷⁵ *Odöpt PM, Protokoll 1980-09-25*, A2:6, Styrelseprotokoll, Näringslivets Fond, SAFs arkiv, CfN; APU 1980:12, 1980:14, 1980:21, 1980:24, B1, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN.

⁷⁶ *TCO-are mot fondsocialism 1980-07-14*, B1:47, APU Utredningar, Utredningsbyrån för Samhällsfrågor, Timbros arkiv, CfN. Swedish: "Får vi bara igång medlemsrevolten har vi fyllt vår uppgift. Sedan rullar det på. En gnista kan tända en präriebrand."

⁷⁷ *Brev från Charlie Brantingsson och Gunnar Randholm till Håkan Gergils 1984-08-28*, F11 I:5, SAF, SAFs arkiv, CfN. Note that I have not found any amounts for other years.

Showdown in the state commission

So far, there were no concrete results from the state committee, and its chair Allan Larsson was eager to make progress. All parties on the committee were asked to present their own models. Business representatives (Erland Waldenström from the Federation of Swedish Industries and Hans Werthén from SAF) had a proposal backed by the organization for small businesses, SHIO. It was written to clearly show how it fundamentally differed from the labor movement's proposal. It was quite close to what the Waldenström group had proposed five years earlier with the proposed savings scheme being open to all citizens, not just wage-earners. Åsard suggests that the business representatives on the committee adopted a tougher position than previously, at least partly due to the major labor market conflict having erupted in the spring of 1980.⁷⁸

However, only two months later, the business community withdrew its own proposal. An internal SAF memo explains why. By presenting a model, it now seemed as if SAF was merely proposing something that was technically, but not principally, different from what the unions wanted. "We are stuck in Larsson's grip," the memo stated. The consequences of this included serious discontent in the organization's own ranks, a risk of indirectly legitimizing the labor movement's proposal and a weakened position in the debate. According to the memo, the business community's success in the debate during 1978 and 1979 was due to a unified and clear approach of not wanting any funds whatsoever.⁷⁹

When all committee members had come forward, it was also obvious that it would be difficult for the Social Democrats to find a compromise solution with the Liberals. Even if the Liberal Party at least in principle remained open to negotiations (it wanted the issue solved before the 1982 election), the party now stressed the importance of individual shares. The fact that the more leftist part of the party was open to compromises with the Social Democrats gave way for, at least in this question, a more right-wing

⁷⁸ Åsard, *Kampen om löntagarfönderna*, 65–67, 114–115. Unable to reach agreements with the unions on wages, SAF locked out 750,000 employees in May 1980, see Eskilsson, *Från folkhem*, 200.

⁷⁹ *Strategiska och taktiska överväganden i löntagarfondsfrågan 1980-09-11*, F11 O:9, SAF, SAFs arkiv, CfN. Swedish: "Vi är fast i Larssons grepp." See also Åsard, 118–119. For a more thorough description of the internal debate within organized business at the time, see Meyerson, *Sockerbagare i doktorshatt*, 130–132 and Larsson, *Företagarrörelsen och opinionen*, 13–14.

part. Åsard suggests that the tougher stance was linked to the issue of nuclear power. In the 1980 referendum, the Liberals had a joint proposal with the Social Democrats (phase out nuclear power over time). To yet again end up in the same boat as the political enemy was too much for many Liberals.⁸⁰ However, several individuals in the party elite remained very skeptical regarding the business community's campaigns, claiming that it could diminish the chances of a non-socialist victory in the 1982 election.⁸¹ Carl Tham, who belonged to the party's left-wing, claims that SAF's intense campaigning made the party drop the question before the election. According to him, the party turned right and became more business-friendly.⁸²

Turning up the heat, 1981–1982

Allan Larsson resigned from the state commission in February 1981 as there were no longer any chances of reaching any type of joint agreement. In May, the committee was dissolved.⁸³ However, both LO and the Social Democrats had upcoming congresses in the fall and continued working on a joint proposal. A first report called *Arbetarrörelsen och löntagarfonderna* was published in January.⁸⁴ It was accepted at the congresses. In comparison to the earlier proposals, this one linked the wage-earner funds to the supplementary pension system (*ATP-systemet*). The wage-earner funds would channel parts of their return to the pension system, which had come under financial pressure due to the economic crisis. An increase in the employer's pension contribution (*ATP-avgiften*) and a new profit tax would finance the funds. A core idea in Meidner's original proposal had been the compulsory issuing of shares from the firms to the funds. This idea was now scrapped; instead, the funds would

⁸⁰ Åsard, *Kampen om löntagarfonderna*, 86–87, 95–97; Stråth, *Mellan två fonder*, 170–171.

⁸¹ Eskilsson, *Från folkhem*, 259; Schiller, *Det förödande 70-talet*, 153.

⁸² Interview with Carl Tham, May 20, 2020. By that time, he was working as under-secretary of state with issues of foreign aid and had been “removed from the general policy work, one might say” (“hade avförts från den allmänna politiken, kan man säga”). Tham later left the party and instead joined the Social Democrats in 1986. Between 1994 and 1998, he served as minister of education, thus being the only Swede to have served in both a non-socialist and Social Democratic cabinet, see *Nationalencyklopedin*, “Carl Tham,” <http://www.ne.se/uppslagsverk/encyklopedi/lång/carl-tham>, accessed May 28, 2018.

⁸³ Åsard, *Kampen om löntagarfonderna*, 123–125, 137.

⁸⁴ *Arbetarrörelsen och löntagarfonderna*.

buy shares at market prices. However, the proposal now included all companies, not just firms with over 500 employees.⁸⁵

In order to be prepared, a Wage-Earner Funds Group (*Löntagarfundsgruppen*) was formed with the top information people from SAF, the Federation of Swedish Industries and SHIO under Sture Eskilsson's leadership. They started planning for meetings, education of staff, ads, press activities and publications. From the perspective of organized business, even if it could be expected that the labor movement's proposal would be less radical than previous versions, it remained "a transformation of the social system" (*"ett förändrat samhällssystem"*). There were three ways of preventing the Social Democrats from realizing the proposal. The labor movement could change their proposal so that it became harmless, the Social Democrats could refrain from carrying out the proposal should they win the 1982 election or the Social Democrats could lose the election. The strategy employed by organized business should be carried out in such a way that all three outcomes were promoted simultaneously.⁸⁶

SAF also used the critique against the funds originating from one of Sweden's leading economists, Assar Lindbeck. Although he was a Social Democrat, he was one of the earliest critics of the proposal, claiming that the funds would threaten Sweden's pluralistic social order. According to journalist Svante Nycander, Lindbeck became the "intellectual leader of the fund resistance."⁸⁷ Eskilsson called him "the most effective critic of the proposal,"⁸⁸ and SAF made sure that publications with Lindbeck's messages reached a wider audience.⁸⁹

Business skeptics

However, there were leading business people who were skeptical of the information activities. At the board meeting in May, Volvo chairman Pehr G.

⁸⁵ Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 103–104. According to Meidner, including all firms in the proposal turned out to be a devastating mistake as it incentivized groups that had not been affected by the original proposal to mobilize, see Meidner, *Spelet om löntagarfonder*, 140–141.

⁸⁶ *Sammanträde med Löntagarfundsgruppen 1981-02-18*, F11 C:1, SAF, SAFs arkiv, CfN.

⁸⁷ Nycander, *Makten över arbetsmarknaden*, 344–345. Swedish: "fondmotståndets intellektuelle anförare."

⁸⁸ *Styrelseprotokoll 1982-04-15*, A3A:82, SAF, SAFs arkiv, CfN.

⁸⁹ *Löntagarfonder SAFs informationsaktiviteter 1981–82*, F11:L5, SAF, SAFs arkiv, CfN. For more on Lindbeck's background and an account (very critical) of his position on wage-earner funds, see Offer and Söderberg, *The Nobel Factor*, 178–193.

Gyllenhammar wanted a more thorough discussion on SAF's communication, which he argued had become political and sometimes even partisan. He also thought that the board had never fully discussed the scope or the forms for SAF's messaging. Eskilsson was irritated and argued that all messages conveyed by SAF had been discussed by the board. Another criticism, raised by board member Claes-Ulrik Winberg, was that SAF's communication efforts were not perceived as progressive among the youth. Chairman Curt Nicolin replied that being seen as progressive "is not easy when one at the same time shall defend a business community that is being wiped out."⁹⁰ As a response to Gyllenhammar's criticism, Eskilsson presented a memo summing up SAF's information activities between 1968 and 1981 and how these had been discussed by the board.⁹¹ Gyllenhammar, however, was not against SAF's hard line on wage-earner funds per se but wanted to make sure that the board backed the hardline approach, which it did.⁹² Once the campaign started, however, Gyllenhammar was once again critical, arguing that the debate had come to center around SAF's communication methods. Instead, he wanted the politicians to take greater responsibility for the debate and also thought that SAF could try to be less visible.⁹³ Eskilsson writes in his memoirs that although Gyllenhammar did not oppose the decision to mobilize against the wage-earner funds, he made sure to be abroad when it was time to take to the streets.⁹⁴

There were indeed individuals within the business community who were still open for dialogue with the labor movement, such as Handelsbanken's chairman Tore Browaldh. Using his good connections with labor leaders, including former prime minister Tage Erlander, he was part of discussions on the economic crisis in 1981 and 1982 between leading people in SNS and labor leaders. These meetings ended when they were leaked to the press, causing an internal crisis within SNS. Browaldh had a hard time understanding the uncompromising resistance against wage-earner funds.

⁹⁰ *Referat av diskussion i SAFs styrelse torsdagen den 21 maj 1981 angående näringslivets informationsverksamhet*, F1:4, Timbro, Timbros arkiv, CfN; *Styrelseprotokoll 1981-05-21*, A3A:81, SAF, SAFs arkiv, CfN. Swedish:

"...icke är lätt om man samtidigt skall försvara ett näringsliv som håller på att uttraderas."

⁹¹ *Informationsfrågornas behandling i SAFs styrelse 1968-1981*, F1:4, Timbro, Timbros arkiv, CfN.

⁹² *Styrelseprotokoll 1981-10-15*, A3A:81, SAF, SAFs arkiv, CfN.

⁹³ *Styrelseprotokoll 1982-04-15*, A3A:82, SAF, SAFs arkiv, CfN.

⁹⁴ Eskilsson, *Från folkhem*, 245–246.

Handelsbanken had since 1973 operated a profit sharing scheme for employees based on individual shares called Oktogonen. In his view, business lacked a “lust for experimentation” (*experimentlusta*) when it came to wage-earner funds.⁹⁵ Ullenhag also notes that the talks were not exactly helped by the speech given by Olof Palme at the Metal Workers Congress in June 1981, where he accused the employer organization of being “the colporteurs of hate and ill will toward the Swedish labor movement.”⁹⁶

The 1982 campaign

Following the LO and Social Democratic Party congresses in the fall, SAF decided to step up its activities “to prevent the introduction of fund socialism in Sweden.” As mentioned above, Eskilsson was by now convinced that this was the number one issue. 1982 would be the “fund election.” This work was carried out in close cooperation with other business organizations, and a special secretariat was up at SAF.⁹⁷ In the fall, SAF decided on an activity program against the funds. It had two main purposes: to educate SAF’s own staff and joint owners and to inform the public.⁹⁸ Eskilsson led the work and an Action Group (*Aktionsgruppen*) met every morning.⁹⁹ His strategy was based on his old belief that political opinions are formed when listening to someone considered trustworthy. In most cases, employees considered the management trustworthy on issues relevant to the company. Therefore, SAF invited all 40,000 members for training on the wage-earner funds issue.¹⁰⁰

First, 250 of SAF’s own staff and 400 business executives were trained during all-day sessions in late 1981 and early 1982. Assignments included answering questions on how wage-earner funds would aggravate the economic crisis and defining what fund socialism entailed.¹⁰¹ Having received

⁹⁵ Ullenhag, *I takt med tiden*, 107–117; Meyerson, *Sockerbagare i doktorshatt*, 126–127. For the history of Oktogonen, see Wallander, *Forskaren som bankdirektör*, 197–206.

⁹⁶ Johansson, *Hatets och illviljans kolportörer*, 16. Swedish: “hatets och illviljans kolportörer mot svensk arbetarrörelse.”

⁹⁷ *Föredragnings-PM 1981-10-12*, Mapp: Intern utbildning och utbildning av företagare 1981 och 1982, F11 J:1, SAF, SAFs arkiv, CfN. Swedish: “förhindra fondsocialismens införande i Sverige.”

⁹⁸ For the overall activity program, see *Löntagarfonder SAFs informationsaktiviteter 1981-82*, F11 L:5, SAF, SAFs arkiv, CfN.

⁹⁹ *Arbetet i löntagarfondsfrågan 1981-11-11*, F11 L:5, SAF, SAFs arkiv, CfN.

¹⁰⁰ Eskilsson, *Från folkhem*, 255. See also *Föredragnings-PM 1982-04-13*, F11 L:5, SAF, SAFs arkiv, CfN.

¹⁰¹ *Grupparbetsuppgifter, Material använt vid utbildning av funktionärer 1981*, F11 J:1, SAF, SAFs arkiv, CfN. For exact numbers of individuals receiving training, see *Löntagarfondsprojektet, Intern utbildning och utbildning av företagare 1981-1982*, F11 J:1, SAF, SAFs arkiv, CfN.

the training, the executives and the staff, in turn, trained about 8,000 of the organization's joint owners (by using SAF's regional offices) at 200 consultations (*rådslag*). Following these consultations, local groups of entrepreneurs were formed, which organized debates, met with politicians and sent letters to the editors of local newspapers.¹⁰²

Second, from March to July in 1982, information was directed at the public through a massive ad and PR campaign carried out in three steps. The attention-getting phase (*väckelsefasen*) aimed at creating an interest, to get people to feel that this issue concerned them. In the information phase (*informationsfasen*), the purpose was to disseminate information, followed by, lastly, the persuasive phase (*övertygandefasen*), which aimed at convincing people (see Figure 6.1). Ads were placed on billboards, in public transportation (see Figure 6.2), in the press and in cinemas. Certain target groups, such as hairdressers and taxi drivers received direct information (see Figure 6.2). Simultaneously, the other business organizations were involved in similar activities. To name a few of these, the Federation of Swedish Industries worked with the local chambers of commerce, informed politicians and organized an essay competition for school youth. Näringslivets Ekonomifakta ran ads aimed at the youth and arranged press seminars. The Enterprise Fund published books through its publisher Timbro, SHIO arranged meetings and the small business association the National Association for Swedish Entrepreneurs (Svenska Företagares Riksförbund, "Företagarförbundet") broadcasted community radio. A memo to the Enterprise Fund's annual meeting in 1982 stated that

within two of the business categories – Timbro and the Research Bureau – operations have since the end of 1981 essentially focused on the issue of wage-earner funds, in light of the decisive importance of the 1982 parliamentary elections for the final solution of this issue.¹⁰³

¹⁰² SAFs aktiviteter i löntagarfondsfrågan 1982-10-13, F11 L:5, SAF, SAFs arkiv, CfN; DRAFT for speech at Conference Board on May 17, F1:16, Timbro, Timbros arkiv, CfN.

¹⁰³ Verksamheten inom AB Timbro och utredningsbyrån inför Huvudmannamöte med Näringslivets Fond, Årsmöte 1982-05-05, A2:7, Näringslivets Fond, SAFs arkiv CfN. Swedish: "Inom två av verksamhetsgrenarna – Timbro och Utredningsbyrån – har verksamheten sedan slutet av 1981 i allt väsentligt inriktats mot löntagarfondsfrågan i perspektiv av att riksdagsvalet 1982 kommer att vara av avgörande betydelse för denna frågas slutgiltiga lösning."

The Research Bureau really was busy producing critical reports about the wage-earner funds, with 8 published in 1980, 15 in 1981, 13 in 1982 and 11 in 1983. In 1981, the Bureau also arranged a seminar on the topic of the wage-earner funds and the stock market.¹⁰⁴

¹⁰⁴ *Årsberättelse 1981*, Mapp: 1982-1983. F21 M:4, SAF, SAF-arkivet, CfN.

Figure 6.1 "Give us some of your money so we can use them to buy stocks"

"Ge oss en del av dina pengar så att vi kan köpa aktier för dem!"



LO och socialdemokraterna vill införa kollektiva löntagarfonder i Sverige. Fonderna ska köpa aktier i svenska företag. Dessa aktieköp ska finansieras på två sätt. Fonderna ska ta 1% av det totala löneutrymme varje år. Dessutom ska fonderna ta 20% av de företagsvinster som överstiger 15–20% av företagens egna kapital – det gäller alla aktiebolag, små som stora. Idén är enkel: Ta pengar från löneutrymme och från företagsvinsterna varje år – och köp aktier för dessa pengar. Eller med andra ord: "Ge oss en del av dina pengar så att vi kan köpa aktier för dem!" Hade vi haft kollektiva löntagarfonder nu, skulle de tagit omkring 5 miljarder kronor från löneutrymme och företagsvinst. Värdet på samtliga svenska börsföretag är ungefär 60 miljarder kronor. Den som får 5 miljarder kronor om året, kan alltså mycket snabbt bli den i särklass största kapitalägaren på börsen. På bara några få år kommer de kollektiva löntagarfonderna att få en ekonomisk makt som är utan jämförelse i någon demokrati. Vill du satsa dina pengar på det?

Jag vill veta mer om kollektiva löntagarfonder. Sänd _____ ex gratis av broschyren "Vad behöver du veta om löntagarfonder?" (1914-4).

Namn _____
Adress _____
Postadress _____

Frankeras ej
SAF
betalar
portot

SAF, Näringslivets Förlagsdistribution
Svarspost
Kundnummer 14808141
103 20 Stockholm

Svenska Arbetsgivareföreningen. Vi representerar 40000 svenska företag.

Example of ad placed in the popular press in May and June 1982. Source: F11 D:25, SAF, SAFs arkiv, CfN. Note here how the unions are portrayed in comparison to the small entrepreneur.

Figure 6.2 “When we get wage-earner funds, will we have it as good as in the socialist states?”



Example of ad that ran in the Stockholm subway in May to July 1982. Source: F11 D:25, SAF, SAFs arkiv, CfN. Under the drawing it reads: Free enterprise – better than wage-earner funds.

The information activities kicked off with a meeting in SAF’s auditorium in Stockholm with an opening speech by managing director Olof Ljunggren. He started by referring to what a unanimous board had stated – that this was the “by far most important issue for Swedish business today,” and he continued¹⁰⁵

¹⁰⁵ *Information om löntagarfondsfrågan i SAFs börsal 1981-11-03*, F11 C:1, SAF, SAFs arkiv, CfN. Swedish: “Det förslag som LO och socialdemokraterna har lagt fram [...] leder till att man kommer att avveckla

the proposal put forward by LO and the Social Democrats [...] leads to the winding up of free enterprise and the market economy we have today. The market economy, we believe, is the right, and the only right, way to improve our enterprise, the country's economic situation and to keep and develop our welfare.

Ljunggren also said that based on bad experiences, nobody else would look after the interests of the entrepreneurs except the business sector itself.¹⁰⁶

Target groups

To help with the campaign, SAF hired the PR firm Burson-Marsteller, which proposed addressing two target groups: “owners” (*ägare*) and “communicators” (*kommunikatörer*). “Owners,” defined as people with property, were considered open for arguments about private property and its importance for the market economy. Subgroups included farmers, small business owners and house owners. The “communicators” were considered relatively hostile to the funds and had contact with a lot of people through their professions. They would act as conveyers of messages against collectivism and socialism. Subgroups included dentists, hairdressers and taxi drivers. The aim was to convince the target groups that wage-earner funds were “a first step toward a socialist society.”¹⁰⁷

den fria företagsamheten, avveckla den form av marknadsekonomi som vi idag lever med. Marknadsekonomi tror vi är den riktiga och enda riktiga vägen till att förbättra vårt näringsliv, landets ekonomiska situation samt för att bevara och utveckla den välfärd vi har.”

¹⁰⁶ The meeting led to a media discussion on SAF's campaign methods following business leader Ian Wachtmeister's request for “tarvliga argument” (“shabby arguments”). For a discussion on this event, see Johansson, *Hatets och ilviljans kolportörer*, 64; Eskilsson, *Från folkhem*, 257; Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 242–243; Hansson, *SAF i politiken*, 97–99.

¹⁰⁷ *Förslag till kampanj mot kollektiva löntagarfonder. Burson-Marsteller AB, 1982-01-28, F11 L:5, SAF, SAFs arkiv, CfN.* Swedish: “ett första steg mot ett socialistiskt samhälle.”

Figure 6.3 “The wage-earner funds concern us taxi folk too. Whether we want to or not.”

”Löntagarfonderna rör oss taxifolk också. Vare sig vi vill det eller ej.”

Ola Månsson är ägare till fyra taxibilar, varav tre rullar i stort sett dygnet runt, och en hela tiden står i reserv. Sex anställda förare går på tvåskift.
 ”Löntagarfonderna är en ödesfråga för alla småföretagare och taxiägare”, anser Ola Månsson. Därför att han, liksom alla andra taxiägare, kommer att bli tvungna att betala den extra löneskatten för att löntagarfonderna ska kunna köpa stora delar av det svenska näringslivet.
 ”Den kommer att slå så hårt mot mig och andra taxiägare, att det blir frågan om vi kommer att kunna ha anställda förare i framtiden. På varje tim som vi kör in i dag betalar jag sju kronor i lön.

Så det förstår vem som helst att marginalerna är oerhört små. Och blir det nu löntagarfonder med följd att det läggs ytterligare pålagor på alla räkningar jag har, så blir det hemiska summor till slut.”
 ”Jag tycker det är orimligt att pengar, som jag skulle kunna köpa en ny bil för och anställa en förare till, ska gå till kollektiva fonder utan att jag får ett skvatt tillbaka!”
 ”Nej, jag tror vi svenskar är kloka nog att förstå, att det behövs annat än underligheter som löntagarfonder för att få fart på gamla Sverige.”

Ta ställning till din framtid. Välj sida i fondfrågan.
 Svenska Arbetsgivareföreningen

Several target groups received direct information in May and June 1982. Source: F11 D:25, SAF, SAFs arkiv, CfN.

Another important target group was young people (see Figure 6.3). As this group was considered relatively uninterested in politics and the economy, SAF’s strategy (and that of Ekonomifakta, which especially targeted the

young) was to “begin softly by asking questions that would arouse interest before delivering the final message.” Employment and personal freedom were the two main themes that young people were believed to be interested in. However, it was important to base the messages on rational arguments and not a “gimmicky campaign” (“*jippokampanj*”), as this concerned serious matters. Also, it could be detrimental to the reputation of organized business if money was spent incorrectly.¹⁰⁸ Other activities aimed at the young included the Federation of Swedish Industries’s essay competition for all of Sweden’s high school students on the topic *Wage-earner funds – are they needed?*¹⁰⁹ Special information efforts were also aimed at women through ads and a newspaper supplement.

¹⁰⁸ *Information riktad till ungdom om löntagarfonder 1982-06-21*, F11 O:10, SAF, SAFs arkiv, CfN. Swedish: “öppna mjukt med frågor för att väcka intresse innan det slutgiltiga budskapet levereras.”

¹⁰⁹ *1982-01-22 Löntagarfonder ang tävling för landets gymnasister, 1982*, F11 I:1, SAF, SAFs arkiv, CfN.

Figure 6.4 “The younger you are the more you will suffer from the wage-earner funds”

Ju yngre du är desto hårdare skulle du drabbas av löntagarfonderna.



ningsfunktionärer kommer att spela rollen som både företagare och fackliga ledare.

Vem älskar då löntagarfonderna?
Ja, att döma av opinionsundersökningarna så blir fondanhängarna bara färre och färre. Fondmotsståndet ökar för fullt både i LO- och TCO-leden. Och så gott som alla ledande ekonomer avvisar med bestämdhet löntagarfonderna. Det är ju ett bevis för att något är snett med hela idén.

Fonderna ger inga nya jobb.
Det är en missuppfattning att tro att löntagarfonderna skulle skapa nya jobb.
De skulle bara förvärra Sveriges ekonomiska kris. Företagen skulle gå sämre, eftersom fondsystemet både skulle kräva dem på extra skatt och kapa deras vinster. Våra möjligheter att konkurrera med andra länder skulle minska. Så skapas samerligen inga nya jobb.

Näringslivet tror på dig och dina kamrater.
Näringslivet tror starkt på dig och din generations förmåga att hjälpa till att föra Sverige ur den ekonomiska krisen. Svenska företag vill inget hellre än att du ska få starta ditt yrkesverksamma liv i morgon dag.
Vi kan inte locka med guld och gröna skogar. Vi säger bara att chansen till nya jobb i bra företag blir större utan löntagarfonder.
Det är nämligen så enkelt som att satsa, skapa, kläcka idéer, göra vinster, investera och skapa nya jobb är företagets hela natur.
Och sanna glädje.
Det är vad vi tror på. Du får svara för dig.

Det får inte bli med löntagarfundsfrågan som det brukar bli med andra politiska debatter.
Att diskussionen förs över huvudet på dig som berörs allra mest.
För det är du som har 40–50 yrkesverksamma år framför dig, som först och främst måste ta ställning.
Vill du ha ett konstigt sorts socialistiskt samhälle, som inte ens de som hittat på idén kan förklara hur det ska se ut? Eller vill du ha ett sådant Sverige som vi har nu, fast ett som kan göras bättre?
Ett friskt, framt Sverige där företagen, politikerna och facket samarbetar som man alltid gjort, fast man anstränger sig ännu lite hårdare. För det är vad som behövs för att vi ska ta oss ur den ekonomiska krisen.

Fonderna vill ta makten.
Ett fond-Sverige, å andra sidan, skulle betyda att de fackliga organisationerna tar makten över nästan hela näringslivet på bara 5–10 år.
Fonderna ska köpa och styra näringslivet. Det blir inte stor chans för andra att vara med och konkurrera. Fackföre-

Vill du ha mera fakta?
Vill du lära mer om varför det behövs friska företag för att skapa nya jobb och föra Sverige ur krisen? Fyll då i och skicka in den här kupongen.
Ja tack, skicka mig gratis _____ st SAF-tidningens SYSSELSÄTTNINGS-SPECIAL (1995-0).
_____ st LÖNTAGARFONDER HOTAR JOBBEN (1936-0).
Namn _____
Adress _____
Postnummer _____
Postadress _____

Frankeras ej.
Mottagaren betalar portot.

SAF.
NÄRINGSLIVETS
FÖRLAGS-
DISTRIBUTION

Svarspost
Kundnummer 14808141
103 20 S STOCKHOLM

Svenska Arbetsgivareföreningen. Vi representerar 40 000 svenska företag.

Youth ad, June 1982. Source: F11 D:26, SAF, SAFs arkiv, CfN.

“Find out the facts”

This campaign was designed to invoke the public’s interest by posing a number of individually relevant questions, such as “Who will pay?” or “Will there be more jobs?” In seeking the answer to such a question by, for example, reading the labor movement’s proposal or looking at SAF’s follow-up ads offering answers to the initial questions, people would be persuaded to

dissociate themselves from the funds.¹¹⁰ Through advertisements in all available media, people were encouraged to “find out the facts” (*ta reda på fakta*) and “learn more” (*lär dig mer*).¹¹¹

Curt Nicolin wanted Ekonomifakta’s campaign to run until the election day. About a month before the Swedes went to the ballots, he concluded that the unity and solidarity within the business community had never been greater.¹¹²

Never negotiate

Three days before the 1982 election, Olof Ljunggren sent out an internal memo written by Anders Röttorp to the board members and the managing directors of SAF’s member associations. Röttorp was a co-worker of Eskilsson’s and one of the fiercest critics of any type of compromise on the wage-earner funds issue. He had also been SAF’s representative on the state commission when it collapsed. Röttorp wrote in the memo that popular opinion, in all categories, was against wage-earner funds, and he continued to recommend that the business community should reject any type of compromise or invitations to negotiate with a possible Social Democratic government. This was the best option if one did not want any funds and, in addition, all other routes would lead to antagonism among the joint owners. Instead, both entrepreneurs and SAF should use all available opportunities to attack the proposal, not the technical aspects, but its core.¹¹³ In a newspaper article, Gyllenhammar, Nicolin and Hans Werthén (then chairman of the Federation of Swedish Industries spelled out what constituted this core, namely “the successive socialization of Swedish companies through union or politically controlled funds.” The article ended with “nowhere where business is owned collectively is there democracy and liberty for the individual.”¹¹⁴

¹¹⁰ *Föredragnings-PM 1982-04-13*, F11 L:5, SAF, SAFs arkiv, CfN.

¹¹¹ *Ekonomifakta och löntagarfundsinformation*, F11 B:2, SAF, SAFs arkiv, CfN; *Föredragnings-PM 1982-04-13*, F11 L:5, SAF, SAFs arkiv, CfN.

¹¹² *Arbetsutskottet 1982-08-09 (utskrivningsdatum 1982-08-27)*, A1:59, Sveriges Industriförbund, CfN.

¹¹³ “*Några reflektioner kring löntagarfundsfrågans läge*” 1982-09-16, F11 B:1, SAF, SAFs arkiv, CfN.

¹¹⁴ *Öppet brev till Olof Palme och Gunnar Nilsson, 1982-09-10*, F11 I:2, SAF, SAFs arkiv, CfN. Swedish: “successiva socialisering av de svenska företagen via fackligt eller politiskt styrda fonder,” “För ingenstans, där näringslivet ägs kollektivt, finns demokrati och frihet för individen.”

The non-socialist parties lost the election. Ljunggren turned down the invitation by new Prime Minister Olof Palme to negotiate.¹¹⁵ SAF remained firm in its principal attitude towards the wage-earner funds. In its comment letter (*remissvar*) to the financing of the funds it reiterated that the main issue was “shall Swedish business successively be socialized?”¹¹⁶

Winning a debate but losing an election

In an analysis presented to the Federation of Swedish Industries’s board a few weeks after the election, information director Jan O. Berg used data from the polling institute Sifo (see Figure 6.5) to show that the campaign had indeed been effective. In less than a year, there had been a significant shift in public opinion. In September 1981, 38 percent of voters were against the wage-earner funds proposal. In August the following year, this number had risen to 57 percent. At the same time, those in favor had dropped from 27 to 15 percent. However, Berg’s analysis also claimed that even though the campaign had been a success, it could not match the rising public confidence in the Social Democrats, which eventually got the upper hand. Berg also stated that the campaign had been a failure with regard to what was perhaps a decisive issue as it had not managed to link the fund issue to the voters’ main concerns, namely employment and the Swedish economy. The wage-earner funds only came in sixth place when the voters ranked their most important issues.¹¹⁷ Former Timbro employee Rolf Englund says that “we lost the struggle against the wage-earner funds but we won the struggle against fund socialism.”¹¹⁸

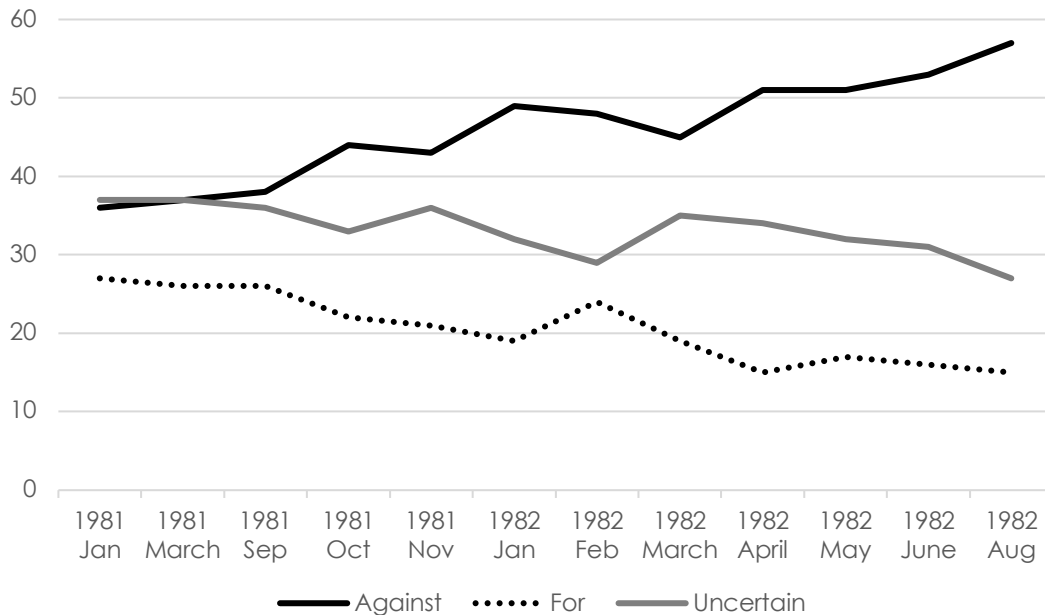
¹¹⁵ Stråth, *Mellan två fonder*, 200–201. However, SAF did not turn down the government’s invitation to discuss economic policy in general.

¹¹⁶ Jilmstad, *Under Nicolins ledning*, 135. Swedish: ”Ska Sveriges näringsliv successivt socialiseras?”

¹¹⁷ *Näringslivet och fondfrågan – en utvärdering 1982-10-20*, F11 B:1, SAF, SAFs arkiv, CfN.

¹¹⁸ Interview with Rolf Englund, July 10, 2020. Swedish: “Vi förlorade kampen om löntagarfonderna, men vi vann kampen om fondsocialismen.”

Figure 6.5 Issue of wage-earner funds, public opinion January 1981 – August 1982, percent



Source: Näringslivet och fondfrågan - en utvärdering, 1982-10-20, F11:B1, SAF, SAFs arkiv, CfN.

What did it cost?

In December 1981, the SAF board earmarked SEK 9.6 million to use for wage-earner fund information in the 1982 budget. Another SEK 10 million was set aside to be used if needed. In June, it turned out that the whole campaign would cost SEK 26.5 million.¹¹⁹ This included grants given to other organizations. It was roughly similar to the 25 million that the organization had spent on information before the referendum on the future of nuclear power in 1980.¹²⁰ Other information drives had cost considerably less; the anti-inflation campaign in 1976 cost SEK 2.2 million, the bus tour *Sätt fart på*

¹¹⁹ *Anslag för löntagarfundsinformation 1982-06-21*, F11 O:10, SAF, SAFs arkiv, CfN.

¹²⁰ *Styrelseprotokoll 1981-10-15*, A3A:81, SAF, SAFs arkiv, CfN.

Sverige in 1979 cost SEK 4.2 million and the youth campaign the same year cost SEK 1.2 million.¹²¹

The Federation of Swedish Industries spent roughly SEK 4 million on information activities and the National Association for Swedish Entrepreneurs (Svenska Företagares Riksförbund) spent SEK 2.7 million. What SHIO, the organization for smaller and family-owned businesses, spent is not known but it cannot possibly have been as much as, for instance, the Federation of Swedish Industries.¹²² If, however, we assume that the other business organizations in total spent SEK 10 million, then the total campaign costs for all business organizations should be around SEK 35 million. This is far from Hansson's estimate of SEK 55–60 million and not even close to Stråth's estimate of SEK 100 million.¹²³

October 4, 1983

In May 1983, new Social Democratic Minister of Finance Kjell Olof Feldt announced that a wage-earner funds proposal would be put forward in the Riksdag before the end of the year.¹²⁴ Compared to the 1981 proposal, this was a watered-down version: five regional funds would receive money until 1990 and each fund would not be allowed to own more than eight percent of the votes in companies listed on the stock exchange. Together with the Fourth AP Fund, which invested ATP pension savings in the stock market, the new funds were not allowed to become owners large enough to assume “management responsibility” (*företagarsvar*).

A majority of the funds' board members were to be appointed by the unions. Further, if a fund owned stocks in a company, it could transfer 50 percent of its voting rights to the local union, should the union wish.

¹²¹ *Överläggningar rörande opinionsbildningsfrågor*, F1:4, Timbro, Timbros arkiv, CfN; *Näringslivets informationsverksamhet 1979*, F2:1, Timbro, Timbros arkiv, CfN.

¹²² Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 237.

¹²³ Hansson, *S.A.F. i politiken*, 156; Stråth, *Mellan två fonder*, 199–200. Note that Stråth is quite vague, claiming that “100 million SEK has been mentioned.” Hansson's figures reoccur in the literature, see, for instance, Olsen, *The Struggle for Economic Democracy in Sweden*, 82; Whyman, *Sweden and the “Third Way,”* 78; Pontusson, *The Limits of Social Democracy*, 230; Pestoff, *Näringslivsorganisationerna och politiken i Sverige*, 51.

¹²⁴ Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 245.

The funds would each transfer 3 percent of their real returns to the public pension system and, as stressed the proposal, increase Swedish companies' access to venture capital. The funds acquired their capital through additional taxes, one levied on all employers in the form of a raised pension fee as well as a profit sharing tax (*vinstdelningskatt*) on 20 percent of the profits, deductible against the regular company tax.¹²⁵

The softening of the proposal did not affect SAF's position. Charlotte Erkhammar, she too on Sture Eskilsson's team, wrote in an internal discussion memo that SAF had to mobilize as soon as possible to get local activities going. One of her suggestions was so-called fund corners (*fondhörnor*) where the public had access to anti-fund material and could sign protest lists.¹²⁶

How the protest came about

According to Eskilsson's memoirs, the atmosphere in business circles was indignant. This was "abuse that could not be tolerated" and that went against the wishes of the people.¹²⁷ More than anywhere else, this indignation manifested itself in the Småland region. In 1982, 4,000 people marched against wage-earner funds in Jönköping.¹²⁸ In April 1983, Gunnar Randholm and other local entrepreneurs had written an angry letter to Prime Minister Palme. Randholm also wrote to the heads of the major business organization and enclosed the letter. He signed off with "the resistance is and must remain massive."¹²⁹ In early July, he wrote again, this time requesting a manifestation for the country's entrepreneurs so that the government was to become aware "that we will never, we say never, give up the struggle to save Sweden from fund socialism."¹³⁰ Randholm was no stranger in these circles. He had been

¹²⁵ *Regeringens proposition 1983/84:50. Löntagarfonder*, 1–2, 25. For a good overview of all the different proposals on wage-earner funds, see Viktorov, 105–107.

¹²⁶ *Diskussionsunderlag 1983-06-02*, F11 O:5, SAF, SAFs arkiv, CfN. The first "anti-fund" corners had been established in Småland in 1982, see Larsson, *Vändpunkten*, 98.

¹²⁷ Eskilsson, *Från folkhem*, 262. Swedish: "ett övergrepp som inte kunde tolereras."

¹²⁸ Brantingsson, "4 oktober 1983 – Ett stycke världshistoria," 31. I have not seen this figure anywhere else and I am not certain of its accuracy.

¹²⁹ *Brev från Gunnar Randholm 1983-04-26 till organisationsledare inklusive brev till Olof Palme*, Korrespondans 1983–1987, F11 K:2, SAF, SAFs arkiv, CfN. Swedish: "Motståndet är och måste förbli massivt."

¹³⁰ *Brev från företagare i Småland till näringslivsorganisationerna 1983-07-05*, F11 I:3, SAF, SAFs arkiv, CfN. Swedish: "aldrig, vi säger aldrig, kommer att ge upp kampen för att rädda Sverige från fondsocialism."

one of the leading organizers of the various protests in Småland since 1976 and was also a member of the SAF board.¹³¹

Nicolin called a meeting with the other business interest organizations, and on Eskilsson's initiative, it was decided to arrange a demonstration on October 4 when the Riksdag began its working year. A new task force headed by Curt Nicolin was formed. One of its first decisions was to decide who should lead the demonstration. The group agreed that even though SAF would bear most of the costs, this should not be a SAF manifestation. Nicolin ought not to be the leader as the "real" entrepreneurs should be at the center. The choice fell on Randholm.¹³² In August, an organizational committee named 4-oktober kommittén consisting of 23 entrepreneurs from companies of various sizes from all over the country was formed with Randholm as chairman. Formally, SHIO was said to be the initiating force, and deputy managing director Robert Alderin became head of the secretariat at Birger Jarlsgatan 6b, which also housed Timbro.¹³³ The real workhorse, however, was the managing director of Ekonomifakta, Charlie Brantingsson. Others who worked intensely with the project included Charlotte Erksammar from SAF and the consultants from Kreab with Emilsson as chief organizer of the demonstration.¹³⁴

Among the committee's first tasks was to get a permit from the police, and in the first demonstration permit, the organizers estimated 5,000 protesters. In a letter, Brantingsson stressed that it was important that no other, higher figures were communicated externally, although the goal was much higher.¹³⁵

By early September, it was clear that the turnout was going to be massive. Local committees had been formed in 200 of Sweden's roughly 280 municipalities and protesters were planning to travel to Stockholm on chartered buses, trains and airplanes. Ads were placed in the largest national newspapers as well as in local newspapers. The protestors were to meet in

¹³¹ Hansson, *SAF i politiken*, 39.

¹³² Eskilsson, *Från folkhem*, 264; Brantingsson, "4 oktober 1983 – 'Ett stycke världshistoria,'" 32. As Brantingsson remembers, it was Nicolin who had come up with the original idea of a public protest, see Jilmstad, *Under Nicolins ledning*, 138.

¹³³ *Presskommuniké 1983-08-15*, F11 O:13, SAF, SAFs arkiv, CfN.

¹³⁴ Eskilsson, *Från folkhem*, 263–265; Interview with Peje Emilsson, July 17, 2020.

¹³⁵ *Brev från Charlie Brantingsson (utan datum)*, F11 I:3, SAF, SAFs arkiv, CfN.

Humlegården in central Stockholm and then march to parliament where speeches would be given and a manifesto delivered to the politicians. Banners, placards and flags should be visible but the committee decided that chants were to be avoided.¹³⁶ Emilsson stresses the importance of the organizational part for mobilization. Personal phone calls were made to entrepreneurs encouraging them to come to Stockholm. The massive turnout was a sign of discontent, according to Emilsson, not only with the wage-earner funds proposal but also regarding other political issues and generally against “the authority” (“*överheten*”).¹³⁷

Running the committee and organizing the manifestation cost SEK 12.5 million for 1983. SAF covered 78 percent of the costs, the Federation of Swedish Industries 20 percent whereas the smaller business organizations covered the remaining 2 percent.¹³⁸

The march

The first two individuals in Humlegården on the morning of October 4 were Sture Eskilsson and a hotdog vendor. “Do you think anyone will come,” the vendor asked? “I think so,” Eskilsson replied, “I know several people who have said they would come.”¹³⁹ And they did come.

First marched standard bearers, then an orchestra with majorettes and a banner that read *För Sveriges bästa – Nej till löntagarfonder* (For the good of Sweden – No to wage-earner funds) followed by the committee with Randolph walking in the middle.

¹³⁶ *Brev från Charlie Brantingson 1983-09-02*, F11 I:4, SAF, SAFs arkiv, CfN.

¹³⁷ Interview with Peje Emilsson, July 17, 2020.

¹³⁸ *Brev från Olof Ljunggren till Lars Nabseth 1983-10-27*, F11 L:5, SAF, SAFs arkiv, CfN.

¹³⁹ Eskilsson, *Från folkhem*, 247.

Figure 6.6 Marching against wage-earner funds, 4 October 1983



What the protestors thought about Prime Minister Olof Palme is rather obvious. Source: K1 ae:5, 40-x 0043, unknown photographer.

Standing outside parliament, Randholm addressed both the politicians inside the building and the crowd outside. His main message was that the wage-earner fund proposal was a dangerous socialist idea that had to be stopped.

[...] The 4th of October 1983 will for all future be remembered by us Swedes. [...] For the first time in Swedish history we, entrepreneurs, have felt such compact antipathy to a political proposal that we have assembled here, in tens of thousands, at the house of Parliament in order to make manifest our unanimous resistance. [...] This is a proposal which aims at making the companies pay their own socialization. [...] Successful companies must be allowed to be successful. That was the way in which Sweden's prosperity developed. That is the way in

which Sweden's prosperity must be defended and guarded for coming generations. [...] ¹⁴⁰

He was interrupted by the cheering crowd three or four times before he ended with: "Listen to the will of the People! Recognize the best interests of Sweden! Put aside the collective wage-earner funds proposal!"

Randholm then handed over the October 4 manifesto to the speaker of parliament and a delegation consisting of the non-socialist party leaders and the Social Democratic group leader (Prime Minister Palme had declined to participate). When the manifesto was handed over, the crowd sang the Swedish national anthem. After a press conference, Randholm took a taxi back to his hotel and asked the driver to drive on the streets where the protestors had marched. With satisfaction, he noted that the committee's cleaning patrols had done their job. He could not see a trace of Sweden's largest demonstration ever. ¹⁴¹

¹⁴⁰ *To the Swedish Parliament*, F11 E:5, SAF, SAFs arkiv, CfN. Quotes are from the English translation of the speech.

¹⁴¹ *Intervju med Gunnar Randholm 1983-04-11, Tentamensuppgift*, F11 B:3, SAF, SAFs arkiv CfN.

Figure 6.7 Demonstrators outside the Swedish Parliament



Photo: Bengt O Nordin/SVT/TT

The debate in Parliament

Ten days after the manifestation, Ljunggren wrote to SAF's regional managers urging them to keep the local committees active. He also stated that the resistance against the funds would continue until the issue was removed from the political agenda.¹⁴² It was also crucial that no business representatives joined the wage-earner fund boards.¹⁴³

In December, representatives from 4-oktober kommittén called on the Parliament's Committee of Finance and handed over a list of signatures protesting against the wage-earner funds and consisting of 533,702 names.¹⁴⁴ The debate preceding parliament's decision on December 21 took two days

¹⁴² *Brev från Olof Ljunggren till SAFs regionchefer 1983-10-14*, F11 I:4, SAF, SAFs arkiv, CfN.

¹⁴³ *Brev från Charlie Brantingsson 1984-01-20*, F11 I:5, SAF, SAFs arkiv, CfN.

¹⁴⁴ *Brev från Charlie Brantingsson till Matts Carlgren, 1983-12-05*, F11 I:4, SAF, SAFs arkiv, CfN.

and was record long.¹⁴⁵ According to SAF's lobbyist in parliament, Björn Tarras-Wahlberg, almost half (46 percent) of the contributions of non-socialist parliamentarians in the debate had, in longer or shorter parts, been ghostwritten by SAF. "The help with the contributions played a major role for the length, vigor and weight in the debate," he wrote in a confidential memo to Eskilsson. However, Tarras-Wahlberg was disappointed that the non-socialists had not done more to put pressure on the minister of finance, Kjell Olof Feldt, regarding the poem he wrote during the first day of debate. Without his knowledge, Feldt's poem had been caught on camera by a press photographer. The poem is quite difficult to translate into English but the meaning was that the wage-earner funds were "bullshit" (*jävla skit*). Overall, however, Tarras-Wahlberg was satisfied with the campaign and concluded with: "The image of the business community during the fall could not have been more well-balanced. 4-oktober kommittén was presented correctly. Not big business nor SAF."¹⁴⁶

After the battle, 1984–1985

A legal appeal

One option remaining for SAF when the law had been passed was to get a legal verdict by the European Commission in Strasbourg. Through its subsidiary Svenska ManagementGruppen AB, SAF filed a suit with the Commission on whether or not the fund system was in accordance with the

¹⁴⁵ Åsard, *Kampen om löntagarfonderna*, 9.

¹⁴⁶ RIKSDAGSBEHANDLINGEN AV LÖNTAGARFONDSFRÅGAN 1984-01-11, Motioner, propositioner samt annat riksdags- och regeringsmaterial 1984–1991, F11:L5, SAF, SAFs arkiv, CfN.

Swedish: "Hjälpen med anförandena spelade stor roll för såväl längd som spänst och tyngd i debatten" and "Näringslivets framtoning under hösten kunde inte varit mer välavvägd. 4.e oktober-kommittén tonades fram rätt. Var inte stor-finans eller SAF." Feldt's poem read "Löntagarfonder är ett jävla skit, men nu har vi baxat dem ända hit. Sen ska de fyllas med varenda pamp, som stött oss så starkt i våran kamp. Nu behöver vi inte gå flera ronder, förrän hela Sverige är fullt av fonder," see [https://sv.wikipedia.org/wiki/Löntagarfonder_\(dikt\)](https://sv.wikipedia.org/wiki/Löntagarfonder_(dikt)). Philip Whyman (2003, p 79) has made an approximate (but very good) translation that reads: "Wage-earner funds are a damned load of shit / but look how far we've shoveled it / then shall they be filled with every VIP / who [supported] us so strongly in our campaign / now we do not need go several rounds / before the whole of Sweden is full of funds (note, however, that Whyman translates "stött" incorrectly – this word means "support" and not "hurt."

protection of private property as being a human right.¹⁴⁷ Late in 1985, the European Commission dismissed the matter.¹⁴⁸

New rallies but less interest

The 4-oktober kommittén continued to carry out its information activities during 1984 and 1985 and people did show up at anti-fund rallies. According to the committee's own estimates, a total of 115,000 people marched in 1984, where Stockholm (50,000) and Gothenburg (35,000) saw the biggest crowds.¹⁴⁹ SAF's regional managers did notice, however, that many of the local committees were non-existent or consisted of a single enthusiast.¹⁵⁰ SAF offered the main financial support, providing SEK 9.9 million of the total SEK 13.2 million that the committee cost in 1984.¹⁵¹

¹⁴⁷ *SAF för löntagarfondsfrågan till Europakommissionen 1984-06-20*, F11 O:5, SAF, SAFs arkiv, CfN.

¹⁴⁸ *Europamålsärendet avisat 1985-12-06*, F2:6, Timbro AB, Timbros arkiv, CfN.

¹⁴⁹ *Brev från Charlie Brantingson*, 1984-10-05, F11 O:14, SAF, SAFs arkiv, CfN.

¹⁵⁰ *Några observationer från SAFs regionchefers arbete med 4 oktober 1984*, F11 I:7, SAF, SAFs arkiv, CfN.

¹⁵¹ *4 OKTOBER 1984 - EKONOMISK RAPPORT 1984-10-16*, Mapp: Handl ang 4 oktober kommittén 1983–1990, F11 K:1, SAF, SAFs arkiv, CfN.

Figure 6.8 "Let the torch of freedom burn!"

Kom med! 4 oktober i Stockholm

Låt frihetens fackla brinna!

Socialdemokraterna hoppas att fondmotståndet ska upphöra. Men de misstar sig.

Klockan 17.30 den 4 oktober samlas vi som bor i Stockholmsregionen – på Östermalmstorg, Hötorget och Slussen – till ett fackeltåg. Vårt krav är: För Sveriges bästa. Avskaffa fonderna!

Kom med och håll frihetens fackla brinnande!

Fackeltåg mot fonderna!

Samling 17.30. 4 okt.

4 oktober-kommittén stöds av åtta näringslivsorganisationer, däribland Köpmannaförbundet.

4 OKTOBER
KOMMITTÉN I STOCKHOLM
08/67 85 60, 782 80 47

Javisst kommer jag med i fackeltåget.

Skicka mig 4 okt-knappen och dekal

Skicka mig mer informationsmaterial som jag kan ge till mina vänner och bekanta.

Namn

Adress

Postadress

OBS! Samlingsplats meddelas senare

Franseras ej
mottagaren
betalar portot.

**4 oktober-kommittén
i Stockholm**

**Svarspost
Kundnummer 76930007
114 80 Stockholm**

Advertising for the torchlight procession in Stockholm on 4 October 1984. Source: F11:D26, SAF, SAFs arkiv, CfN

1985 was an election year and the committee launched an intense nationwide campaign that included ads, print matters, stickers and streamers, motion picture commercials, a "fund bus" and a new music gala at the Gröna Lund funfair in Stockholm. 15,000 people showed up at an anti-fund rally for families in Borgholm and another 10,000 marched in Jönköping in August. On October 4, the committee and its supporting organizations called on the prime minister and presented him with a new manifesto that was also published in the major Swedish newspapers.¹⁵²

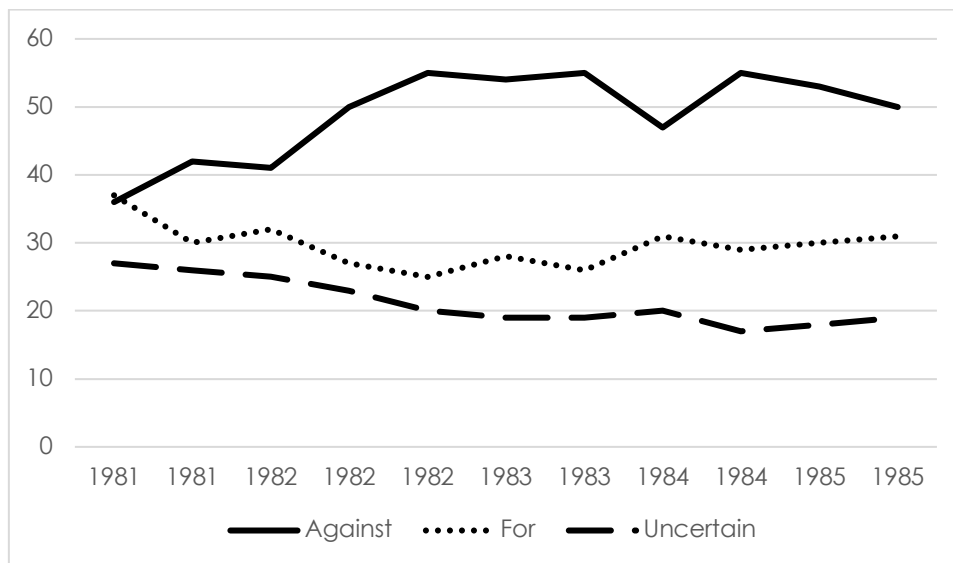
Still, it was hard to get voters interested. Although a majority were still skeptical of the funds (see Figure 6.9), the wage-earner funds were ranked only in 16th place when the voters picked their most important issues before the election.¹⁵³ SAF would continue to finance anti-fund activities until they

¹⁵² 4 OKTOBER 1985 - DOKUMENTATION, F11 L:5, SAF, SAFs arkiv, CfN.

¹⁵³ *Sifo Indikator 1985:4*, F11 A:4, SAF, SAFs arkiv, CfN.

were dissolved, but by 1985 Eskilsson stated to the SAF board that the Swedish tax system was “probably the most serious problem in Swedish society.”¹⁵⁴

Figure 6.9 Wage-earner funds, public opinion, September 1981 – May 1985, percent



Source: Rapport från IMU. Opinionsen i löntagarfondfrågan. Maj 1985. F11:A4, SAF, SAFs arkiv, CfN. Note that there are three data points for 1982.

The funds after 1983: Venture capitalists rather than revolutionaries

During the seven years that the five regional wage-earner funds (Sydfonden, Fond Väst, Trefond Invest, Mellanfonden and Nordfonden) were active, they continuously invested their money mainly in the stock market. Three percent of their real returns were to be transferred back to the pension system. In 1991, the five funds owned a total SEK 19.2 billion worth of stock, about 3.7% of the total value of the stock exchange. Seventy-five percent was invested in the Stockholm Stock Exchange (mainly in the most traded

¹⁵⁴ FÖREDRAGNINSPROMEMORIA. *Anslagsfråga, 1985-02-19*, F11 L:5, SAF, SAFs arkiv, CfN.

stocks), almost four percent in unlisted firms and the rest in liquid assets. As asset managers, they had not been particularly successful. According to a report by the Swedish National Audit Office (Riksrevisionsverket, RRV), the funds' performance was, on average, five percent below the most comparable index for the years 1984–1991.¹⁵⁵ One reason behind the funds' relatively poor performance might have been the result of recruitment difficulties. Business leaders or professional asset managers hired by the funds could “expect to be frozen out,” writes former Moderate Party secretary Lars Tobisson.¹⁵⁶ The chairman of Sydfonden wrote in a yearly report that the turbulence surrounding the funds had indeed made hiring a challenge.¹⁵⁷ The first managing director of Nordfonden writes in his memoirs of critical articles in the press against him as a person and of anonymous hate mail and persecution.¹⁵⁸

The funds mainly functioned as institutional investors on the Stockholm Stock Exchange. In “the vast majority of cases,” they did – in accordance with their statutes – transfer half of their voting rights to the local union, but these votes represented a rather small proportion of the total votes, ranging between 0.5 and 4 percent. In practice, the funds operated more as professional asset managers than socialist revolutionaries.¹⁵⁹ In theory, the funds could take control over large firms if they pooled their investments, but this never happened.¹⁶⁰

In 1989, the CEO of Trefond Invest concluded that they had “more or less come to resemble the traditional investment company [...] a large market

¹⁵⁵ Regeringsens skrivelse 1992/93:18, p. 255, 262. For a SAF-sponsored report on the funds, see Widén, *Löntagarfonderna granskade*, 19–20, 80. The only real analysis of the funds in their entirety is found in Whyman, “An Analysis of Wage-Earner Funds in Sweden.” Whyman, who is an economist at the University of Central Lancashire, argues that RRV's calculations are incorrect and that the funds on average performed slightly better than private sector investment agencies, p. 425–427. Political scientist Jonas Pontusson has made a general review of the funds' performance in 1984–1989 (Pontusson, p. 201–216).

¹⁵⁶ Tobisson, *Löntagarfonder*, 158. Swedish: “räkna med utfrysning.”

¹⁵⁷ *Årsredovisning 1991 Sydfonden*, Vardagstryck Qa Löntagarfonder, Kungliga Biblioteket.

¹⁵⁸ Vinterman, *I mammons tjänst*, 59–61.

¹⁵⁹ George, *Economic Democracy*, 179–81. Quote on p. 179. See also Olsen, *The Struggle for Economic Democracy in Sweden*, 14, arguing that the wage-earner funds act in 1983 was in comparison to the original proposal “hardly recognizable...[it] would not democratize the economy and posed little challenge to capital.” According to Whyman, the funds were too small to have any major macroeconomic or democratic influence over Swedish industry (p. 430). Meidner himself concluded that the funds did not in any significant way differ from regular investment companies, *Spelet om löntagarfonderna*, 87. A compilation of votes transferred to unions can be found in *Regeringsens skrivelse 1992/93:18*, p. 339.

¹⁶⁰ Pontusson, *The Limits of Social Democracy*, 210.

actor among others.”¹⁶¹ In general, they did not want board seats in their stock market investments. In their much smaller role as venture capitalists for unlisted companies (ownership could then exceed 8%), however, they did in many cases join the boards.¹⁶² A few years down the road, at least Sydfonden and Nordfonden stressed their role as venture capitalists. Nordfonden marketed itself as “A business partner wanting to support growing companies,” while Sydfonden wrote

[we] are willing to serve as a constructive conversational partner and a steady collaborator. Having Sydfonden as a co-financier means security for the entrepreneur and employees as Sydfonden can offer a long-term and stable engagement – important not only for the economy but also for a good working climate. If, after a few years, the entrepreneur notices that he does well and can financially stand on his own legs, then we will withdraw if the entrepreneur and the employees so wish.¹⁶³

Although the funds continued to be a red rag for the SAF sphere and the non-socialist parties, they hardly represented a real threat to the pluralistic economic order. This must surely have contributed to SAF’s ability to keep people engaged in the issue. As Sydfonden’s chairman put it in his last annual report: “The wage-earner funds became a parenthesis. An instructive parenthesis for those of us who were there.”¹⁶⁴

About SEK 6.5 billion of the dismantled funds went the state-owned pension fund manager specialized in investments in unlisted assets, AP6, in

¹⁶¹ *Årsredovisning 1989 Trefond Invest*, Vardagstryck Qa Löntagarfonder, Kungliga Biblioteket. Swedish: “i all väsentligt närmat sig det traditionella investmentbolagets [...] en stor marknadsaktör bland andra.”

¹⁶² Management policy varied between the funds. None of them sought board representation, but, for instance, Trefond Invest was open to board representation if they needed to safeguard their interests (see *Årsredovisning 1989*). Sydfonden’s president clearly stated that “We do not seek owner responsibility!” (“*Vi strävar inte efter ägaransvar!*”), see *Vad kan Sydfonden göra för dig?* (broschyr), Vardagstryck Qa Löntagarfonder, Kungliga Biblioteket. Four out of five funds took board positions when their ownership passed a certain limit, Pontusson, p. 215.

¹⁶³ *Nordfonden* (informationsskrift 1989) and *Vad kan Sydfonden göra för dig?* (broschyr), Vardagstryck Qa Löntagarfonder, Kungliga Biblioteket. Swedish: “[vi] fungerar gärna som en konstruktiv samtalspart och en rejäl samarbetspartner. Att få Sydfonden som medfinansär innebär en trygghet för företagaren och medarbetarna eftersom Sydfonden kan erbjuda ett långsiktigt och stabilt engagemang – viktigt inte bara för ekonomin utan också för ett gott arbetsklimat. Men om nu företagaren om några år upptäcker att nu klarar han sig bra själv och kan finansiellt stå på egna ben drar vi oss ur om företagaren och personalen så önskar.”

¹⁶⁴ *Årsredovisning 1991 Sydfonden*, Vardagstryck Qa Löntagarfonder, Kungliga Biblioteket. Swedish: “Löntagarfonderna blev en parantes. En lärorik sådan för oss som var med.”

the form of venture capital for small and medium-sized companies. The remaining SEK 14 billion went to new and pre-existing research institutions.¹⁶⁵

SAF's next move: Going on the offensive

Even if the battle over the wage-earner funds had been formally lost when the proposal passed parliament in 1983, the *problemformuleringsprivilegiet* (“the privilege to formulate problems”) now belonged to those in favor of market-based reforms, lower taxes and a smaller public sector, according to Eskilsson. The book publishing, seminars and congresses had paid off.¹⁶⁶ SAF's managing director Olof Ljunggren argued that the struggle against the wage-earner funds had given the business community the upper hand in the debate and that “the problem formulations of firms shall steer the debate, not the political bureaucrats.”¹⁶⁷

When the trustees and board of Libertas met in January 1984, they concluded that

The time has come for *business to go on the offensive in the opinion formation. The aim is to change the direction in society to achieve a positive development of free enterprise and market economy. So far, our task has been to try and slow down a deteriorating development. – A positive change during the last few years is that we have reached out to large groups. The culmination of these efforts is the October 4 movement.*¹⁶⁸

¹⁶⁵ Eklund, “Stiftelserna ett kvartssekel.” Pre-existing recipients: Chalmers, Högskolan i Jönköping and Riksbankens Jubileumsfond. New research foundations: Mistra (Stiftelsen för miljöstrategisk forskning), Östersjöstiftelsen, SSF (Stiftelsen för Strategisk forskning), STINT (Stiftelsen för internationalisering av högre utbildning och forskning). Some smaller institutions were also established, see further Eklund, 11–12.

¹⁶⁶ *Styrelseprotokoll 1985-11-14/15*, A3A:85, SAF, SAFs arkiv, CfN.

¹⁶⁷ *Styrelseprotokoll 1983-09-22*, A3A:83, SAF, SAFs arkiv, CfN. Swedish: “Det är företagens problemformuleringar som skall styra debatten, inte de politiska byråkraterna.”

¹⁶⁸ *Minnesanteckningar från sammanträde med Stiftelsen Libertas ... 1984-01-20*, A2:6, Libertas arkiv, SAFs arkiv, CfN. Swedish: “Tiden är nu inne för näringslivet att gå till offensiv i opinionsbildningen. Syftet är att ändra färdriktningen i samhället mot en positiv utveckling av fri företagsamhet och marknadsekonomi. Hitills har vi arbetat på att försöka bromsa utvecklingen i försämrande riktning. - En positiv förändring under de senaste åren har varit att vi nått ut till stora grupper. Kulmen på dessa insatser är 4 oktober rörelsen.” Emphasis added.

In short, it was time to go from playing defense to playing offense. At one of his last board meetings as chairman of SAF in February, Curt Nicolin reflected on what laid ahead. In a longer exposition he stated that

[...] It is no longer enough to argue against the Social Democrats' proposals. Instead, business must convey issues of change in a for business positive direction. [...] A market economy cannot function without a large enough share of privately owned means of production. The personal ownership is at present hard pressed. To establish better conditions for private ownership must be a central matter for the actions of business.¹⁶⁹

In the 1985 national election, which the Social Democrats won, Prime Minister Olof Palme had made neoliberalism their main opponent. Still, Eskilsson believed that market economic thinking had gotten a foothold within the party. State-owned companies could be sold and Social Democratic municipalities outsourced parts of their operations to private companies to improve their financial situation without disruptive internal party debates.¹⁷⁰

Even though SAF would continue to inform the public about the wage-earner funds, other activities would be prioritized, such as financing the Taxpayers' Association's 1985 campaign for income taxes below 50% (in Swedish the campaign was called "*Minst hälften kvar*").¹⁷¹ In the years to come, Eskilsson wanted SAF to increase its efforts in the qualified ideational debate, in the education of its own members, reaching the young, helping break the state radio and TV monopoly and in adopting new types of communications technologies.¹⁷²

Besides the increasingly ambitious efforts to influence public opinion, the 1980s represented a decade of change for SAF and the Swedish corporatist order. Following the wish of its largest member, the Swedish Engineering Employers' Association (Verkstadsföreningen), SAF decided in 1983 to let its member associations negotiate directly with their union counterparts.

¹⁶⁹ Jilmstad, *Under Nicolins ledning*, 153–154. Swedish: "Det räcker inte med att längre argumentera mot socialdemokraternas förslag. Istället måste näringslivet föra fram frågor om förändringar i för näringslivet positiv riktning" [...] "En marknadsekonomi kan inte fungera utan en tillräckligt stor andel av individuellt ägande av produktionsmedlen. Det personliga ägandet är hårt ansatt för närvarande och det måste vara en central punkt i näringslivet agerande att etablera förbättrade förutsättningar för enskilt ägande."

¹⁷⁰ *Styrelseprotokoll 1985-11-14/15*, A3A:85, SAF, SAFs arkiv, CfN.

¹⁷¹ *Styrelseprotokoll 1985-02-21*, A3A:85, SAF, SAFs arkiv, CfN.

¹⁷² *Styrelseprotokoll 1985-11-14/15*, A3A:85, SAF, SAFs arkiv, CfN.

Two years later, SAF's board decided to reconsider its participation on the boards of government authorities although it was not until 1990 that SAF actually left its seats.¹⁷³

In addition, SAF publicly started to challenge public sector monopolies through its subsidiary Svenska Managementgruppen, known as M-Gruppen. Its original mission was to serve SAF's member companies with management training, something it did quite successfully. By the mid-1980s, it was the largest educational provider for management consultants in the Nordics. In addition, it also started to give support and advise public sector managers who wanted to provide welfare services through private firms. When the center-right government lost the election in 1982, several laid-off political advisors were hired by M-Gruppen, where their political skills came in handy. In contrast to Timbro's more intellectual opinion formation, M-Gruppen focused on implementing policy change. A well-known, and successful, case was to get Sweden's first private child care company Pyslingen going in 1986.¹⁷⁴ SAF had already at its congress in 1980 propagated for limiting the growth of the public sector and increasing its efficiency through deregulations.¹⁷⁵ However, M-Gruppen was not a part of Eskilsson's responsibilities and he writes that it "lived a life of its own and I viewed it with a certain skepticism."¹⁷⁶

One of the main conclusions of this thesis is that from 1940, the opinion molding efforts of organized business were to a large extent carried out as defensive measures in reaction to the shifting radical current within the labor movement. This, however, changed during the 1980s in the wake of the wage-earner funds debate. Organized business adopted a more offensive role, pushing its own agenda for market-based solutions to Sweden's economic problems and started to question its own role in the Swedish corporatist order. When asked if he agrees with this conclusion, Janerik Larsson,

¹⁷³ De Geer, *Arbetsgivarna*, 158–162, 173–175. For a detailed description of how and why SAF decided to leave the government authorities, see Johansson, *SAF och den svenska modellen*.

¹⁷⁴ Svanborg-Sjövall, *Kentucky fried children?*, 44–49, 76; Linnarsson, *Problemet med vinster*, 157–189.

¹⁷⁵ *SAFs roll i samhällsdebatten, promemoria 1981-05-18*, F7:1, Näringslivets Fond, Timbros arkiv, CfN.

¹⁷⁶ Eskilsson, *Från folkhem*, 272. Swedish: "M-gruppen levde sitt eget liv och betraktades med viss miss-tänksamhet av mig."

Eskilsson's successor as information director at SAF, says that it is "entirely his view" ("*helt min bild*").¹⁷⁷

Conclusions and chapter summary

An existential threat

At its core, the wage-earner funds proposal was seen by key people within organized business as an existential threat to a social system based on private ownership and market economy. Both the archival sources and the personal testimonies of those involved are very clear in this regard. This notion was shared by a large part of the business community. Meyerson writes that business people had "the feeling that realizing the Meidner proposal would bring about the end of private enterprise in Sweden."¹⁷⁸ The sentiment was that the socialists really were at the gates, ready to breach the doors. In that perspective, the response of the business community is not particularly surprising and follows Windmuller and Gladstone's findings that employers' associations direct their sharpest attacks against impediments to the free enterprise system.¹⁷⁹

The ongoing radicalization of the Swedish left starting in 1968 and peaking with the wage-earner funds proposal can also be seen as a good example of what Truman refers to as a group equilibrium disturbance. The threat perceived by the business sector made them create a wave of new organizations, such as Timbro, Ekonomifakta and the October 4 Committee, while reinvigorating existing ones, such as the Enterprise Fund to counter leftist radicalization and propagate for market-friendly ideas.

Ideology and the organizational entrepreneur

Leading figures at SAF during the latter part of the 1970s were ideologically conscious. Information director Sture Eskilsson had from 1968 warned about the radicalization of the left and SAF's need to increase its information

¹⁷⁷ Interview with Janerik Larsson, April 21, 2020.

¹⁷⁸ Meyerson, *Sockerbagare i doktorshatt*, 117. Swedish: "Känslan att genomförandet av det Meidnerska förslaget skulle medföra slutet på den privata företagsamheten i Sverige."

¹⁷⁹ Windmuller and Gladstone, *Employers Associations and Industrial Relations*, 5–6.

activities. His views were shared by the new chairman Curt Nicolin, the new managing director Olof Ljunggren and several SAF employees. As discussed in the previous chapter, the ideological reawakening of organized Swedish business meant that employers were linked to an international network of pro-market think tanks. Just as Eskilsson had been absolutely essential for creating a new infrastructure for the opinion formation of the business community in the late 1970s, he was also the principal administrator of the campaigns against the wage-earner funds. He was, moreover, surrounded both at the higher and lower lever in the SAF hierarchy by like-minded individuals with a strong ideological commitment to free market ideas, such as Curt Nicolin, Olof Ljunggren, Carl-Johan Westholm, Danne Nordling and Rolf Englund.

An uncompromising attitude

Early on in the wage-earner funds debate, Eskilsson's team of co-workers concluded that an uncompromising attitude toward the funds was the best way to get rid of them. In that sense, I think Åsard is right when talking about a more militant group within SAF that eventually won the day over a more compromise-minded group that, at least until the state commission broke down, was open to negotiating with the labor movement. The more compromise-minded group, however, never backed the Meidner proposal, even though they could agree on one of the problems highlighted by Meidner, namely the skewed distribution of stock ownership. They also stressed the need for capital of the business sector. Their suggestions included savings schemes based on individual shares and tax breaks on stock savings. When, in 1981, the leadership in SAF and the Federation of Swedish Industries finally had to take a stance in the state commission, they decided to go with the hardliners and not propose their own model for wage-earner funds. The door was closed for any type of negotiations with the labor movement on this issue.

Uniting the business community

So, how are we to explain the major campaign in 1982? For the first time since Meidner had proposed his original idea in 1975, the labor movement was now united behind a clear proposal that would be passed into law if the

Social Democrats were to win the election. For the business community, the perceived existential threat now became very real.

As Hans De Geer has noted, SAF plunged into a legitimacy crisis in the mid-1970s. Loud critics, especially small business owners, questioned the organization's capacity to defend their interests. The wage-earner funds, over time, became a uniting issue for organized business and a way for the new SAF leadership to show the dissatisfied smaller members that they could indeed rely on the big organizations.

The same is true for the reaction to the 1983 bill. By then, the wage-earner funds had turned into a red rag for organized business. Even though the proposal was watered down, it was impossible to back down as this would have caused an uproar in its own ranks. Also, SAF's own analysis was that hard resistance was the best way to go.

The funds and the decentralization of wage negotiations

Viktorov links the ever fiercer resistance against wage-earner funds to the decision of the Swedish Engineering Employers' Association (Verkstadsföreningen) to leave the central wage negotiations. Under Pehr G Gyllenhammar's leadership, and against the will of the other member associations, the Engineering Employers' Association reached an industry-level settlement with the Swedish Metalworkers' Union in 1983. This decision and the preceding discussing created internal tensions within SAF. Viktorov's argument is that in order to cover up this internal conflict SAF united behind the campaigns against wage-earner funds. Had the wage-earner funds never existed then SAF could have chosen something else to mobilize the employers, he concludes.¹⁸⁰

It is true that these two issues were related in the sense that were occurring at the same time and that the SAF-board on occasion discussed them together.¹⁸¹ But their connection lied in the fact that both ultimately concerned the power balance between organized capital and organized labor, not that one was used to cover up the other. Those in favor of decentralizing the wage negotiations argued that it could be one way of diminishing the power

¹⁸⁰ Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 250–264.

¹⁸¹ Jilmstad, *Under Nicolins ledning*, 104–105.

of the unions, which had grown considerably in the 1970s and would grow even more if the wage-earner funds would become reality.¹⁸²

Instead the empirical material presented in this thesis clearly indicates that the wage-earner funds resistance was, from business perspective, an ideological and existential struggle and not a way to conceal internal disagreement over the collective wage negotiations. This is also Janerik Larsson's view. Larsson stresses that the resistance against the wage-earner funds originated from the owners of small and medium-sized businesses. It was not directly related to if wages ought to be set at the industry or federation level.¹⁸³ Seeing the struggle from an ideological and existential perspective explains why the employers continued in their efforts although the proposal was being watered-down by the Social Democrats over time. As mentioned, the employers also considered that an uncompromising attitude had proven to be best strategy.

Lastly, Viktorov is not particularly nuanced when he claims that the October 4 "manifestation was organized by the SAF leadership and not a direct result of pressure from the organization's joint owners."¹⁸⁴ This chapter concludes that it would probably not have taken place without the grievances of small business owners, especially those in the Småland region. However, nor would it have taken place, at least not on the same massive scale, without SAF's resources and organizational capabilities.

A matter of principle

In 1978 and 1979, SAF and the other business organizations launched a series of conferences across Sweden under the headline *Fri företagsambet eller fondsocialism?* (Free enterprise or fund socialism?). The strategy of the campaign makers at SAF was to discuss the issue in ideological, not technical, terms. However, these first efforts were dwarfed by the campaigns rolled out in 1982 and 1983. Based on the premise that people are convinced on political matters by people they trust, SAF in late 1981 began to train its staff and

¹⁸² De Geer, *Arbetsgivarna*, 159–168. Of course, there were other arguments as well, including increased flexibility for firms when wages were set according to their specific conditions.

¹⁸³ *Interview with Janerik Larsson*, 2020-04-21.

¹⁸⁴ Viktorov, *Fordismens kris och löntagarfonder i Sverige*, 248. Swedish: "Demonstrationen organiserades av SAF:s ledning och var inte något direkt resultat av påtryckningar från organisationens delägare."

joint owners in debating the wage-earner funds issue. During the fall of 1982, SAF launched a massive PR and ad campaign aimed at the general public. Certain target groups were identified and received direct and targeted information. It seems as if the campaign was successful insofar as it made the public skeptical with regard to the notion of funds. However, the business community did not succeed in making the issue sufficiently important for the Social Democrats to lose the 1982 election. This chapter estimates the cost of the campaign at roughly SEK 35 million, which in comparison to other political campaigns by organized business was a large sum. Still, it is quite far from other, higher, estimates in the literature.

The campaign in 1983 centered on organizing an anti-fund manifestation in central Stockholm on October 4. Even though SAF provided most of the resources needed, SAF's leadership made the conscious choice of letting small business representatives front the event as well as the organizing committee. The manifestation turned out to be the largest in Swedish history with some 75,000–100,000 participants. It was well-organized. There were no chants, and when it was over, the demonstrators tidied up after themselves.

The rally had what political scientist Ken Kollman has referred to as signaling and conflict expansion effects. It did show policy makers that this was a relevant issue and that it engaged a broad part of the population in a political struggle.

As Stråth and Olsen have found, the organizers used an almost revolutionary type of language in their speeches, on the signs and posters. The language was that of the people against its masters, the common man against the supremacy of a power-hungry labor movement refusing to listen to the will of the people.

The organizing committee kept working during the 1980s, and even though people showed up at anti-fund events (especially in 1984), it was hard to maintain the public's interest over time. In the 1985 election, the issue was not among the top 15 most pressing issues for the voters. When, however, a center-right government came into power in 1991, the funds were dissolved. In practice, the five wage-earner funds turned out to be no real threat to Sweden's pluralistic economic order and operated pretty much as any major institutional investor on the Stockholm Stock Exchange.

From defense to offense

The employers' ability to engage in large-scale mobilization and the ideological awareness that followed the wage-earner funds debate made SAF more offensive in the 1980s. Measures included actively pushing for private alternatives in the public sector and eventually leaving the central wage negotiations and its board seats in government authorities.

Chapter 7

Concluding Remarks

This concluding chapter starts by reiterating the research questions and the theoretical framework found in the introductory chapters. It then summarizes the overall findings and their contribution to previous research. Based on the typology presented in Chapter 2, it then outlines how Swedish business used the following advocacy activities: information campaigns, public protests and financing the business-friendly press and political organizations.

This is followed by a discussion on recurring themes from the empirical chapters: how the threat to private ownership incentivized business to influence public opinion, the role of corporatism in Sweden, the roles of various organizational entrepreneurs, the importance of ideas and their ability to “stick” depending on the historical context and, finally, the collaboration between business-sponsored think tanks in Sweden and sister organizations abroad.

I then engage in a more speculative discussion on to what extent the dissemination of free enterprise ideas by organized business contributed to deregulating public monopolies in Sweden in the 1980s and 1990s.

Lastly, this chapter chronicles the fate of the organizations studied in this thesis and makes some suggestions for further research.

Research questions and theories

While the rise of business-backed information agencies in the post-war world has been studied in other countries, these developments to a large extent

remain unknown with regard to Sweden.¹ Using previously inaccessible archival material in combination with a quite long time perspective, this thesis has shown how organized business in Sweden during the Cold War era actively tried to influence public opinion in favor of free enterprise and get the non-socialist parties² elected. This has been done by examining the following political advocacy activities of the three foremost business interest associations involved in lobbying and political financing (the Employers' Confederation SAF, the Federation of Swedish Industries and the Enterprise Fund): information campaigns, public protests and financing the business-friendly press and political organizations.

Here, the term free enterprise refers to an economic system based on private property rights, the rule of law and limited government in which private businesses can freely compete and where consumer choice and prices are free. The key aspect of this concept discussed in the thesis concerns private property, as it was the perceived threat to this core institution of capitalism that primarily drove Swedish business to influence public opinion, especially in the 1940s, the 1970s and early 1980s.

Specifically, the thesis has sought to answer the following questions:

Between 1940 and 1985, how did Swedish business use opinion formation to influence the public in favor of free enterprise and how did it assist the non-socialist parties in terms of getting elected? Why, and when, was this important? To what extent was the political advocacy work of Swedish business influenced by similar developments in other Western countries?

Chapter 2 introduces three theories on interest group formation. The first is political scientist David Truman's disturbance theory. It states that "disturbances in group equilibriums" (some sort of threat or perceived threat)

¹ For the UK, see, for instance, Cockett, *Thinking the Unthinkable*; Jackson, "The Think-Tank Archipelago." For the US, see, for instance, Phillips-Fein, *Invisible Hands*; Waterhouse, *Lobbying America*. For Denmark, see Olsen, "Second Hand Dealer." For Finland, see Wuokko, "Business in the Battle of Ideas, 1945–1991." With regard to Sweden, political advocacy strategies employed by organized business have only been partially covered and without access to now available sources: Söderpalm, *Direktörsklubben*; Stenlås, *Den inre kretsen*; Viktorov, *Fordismens kris och löntagarfonder i Sverige*.

² During the period covered in this thesis, business support was almost exclusively aimed at the Conservative Party and the Liberal Party. The Centre Party (until 1957 the Farmers' League) was traditionally non-socialist, but as explained in chapters 3 and 4, it was not really considered trustworthy by big business interests, as the party cooperated with the Social Democrats in the 1930s and 1950s.

between groups will result in them forming organizations to defend their interests and exert political pressure. The second is economist Mancur Olson's theories on the difficulties of collective action. Olsen argues that for an organization to survive, it must provide selective benefits only available to members. People will avoid joining organizations solely offering collective benefits (i.e., a benefit that serves members and non-members alike). The third is political scientist Robert Salisbury's theory on the role of the organizational entrepreneur. If an organization is to thrive, the organizer must offer members different types of selective incentives ranging from tangible (e.g., goods or services) to non-tangible benefits (e.g., a sense of belonging or a group expressing values held by the individual). These theories have been used to analyze events and actions of individuals, but this thesis has had no ambitions in terms of developing theory.

Based on Truman's notion of group equilibrium disturbances, this thesis identifies three distinct periods between 1940 and 1985 in relation to the intensity of business efforts to influence public opinion. The first period (1940–1948, Chapter 3) covers the advocacy activities of the business community as a reaction to a more planned economy in the wake of World War II. The second period (1949–1968, Chapter 4) covers the changing need for business-backed free enterprise information during the heydays of corporatism and Keynesianism but also how organized business maintained its political financing with the ultimate aim of getting the non-socialist parties to win elections. The third period (1969–1985, chapters 5 and 6) covers the response of organized business to a new period of political radicalization and macroeconomic disturbances.

Main findings and research contribution

The first main finding of this thesis has been that from World War II to the mid-1980s, what incentivized organized business to influence public opinion was the level of radicalism within the internationally uniquely strong Swedish labor movement. Primarily, the business interest associations and their information agencies studied in this thesis acted defensively in relation to the rise of social democracy as a political force and labor movement proposals considered threats to free enterprise by business leaders and their PR experts.

Specifically, the political advocacy activities of these organizations intensified in the mid-1940s and late 1970s/early 1980s when the labor movement put forward policy proposals challenging private ownership. Deeply entrenched in the country's corporatist order, representatives of Swedish business used a number of specialized organizations to try to secure the support of the public for a privately run private sector.

Second, from a business perspective, getting the non-socialist parties elected was also a way of securing a free enterprise system. This was initially done by donating money directly to the parties or their student organizations. Later, organized business financed organizations that could increase the parties' parliamentary capacity and/or provide employment opportunities for politically talented individuals.

Third, the way in which Swedish business conducted its opinion influencing was strongly influenced by similar organizations, especially in the Anglo-Saxon countries but also to some extent in the Nordics.

Research contributions

The findings give us a new perspective on Swedish employers and leading industrialists, showing that big business organizations from around the time of World War II actively pushed a free enterprise agenda and assisted the non-socialist parties and their press with the ultimate aim of ousting the Social Democrats from office. Furthermore, before parliament in the 1960s passed reforms on public financing to political parties and subsidies to non-profitable newspapers, the business community played a vital role as financier of the non-socialist parties and parts of their press. Empirically, this thesis has presented an in-depth case of political advocacy strategies for big business interests in a corporatist society with a politically strong labor movement. Perhaps it is no surprise that it then reaches a conclusion similar to that of the Finnish case, namely that the threat of socialism and state intervention provided the main motivation for the business community's political activity.³ The general reactions of organized business to ideas on centralized planning were similar in all Nordic countries in the immediate post-war years: organize entities for influencing public opinion against it and support the

³ Wuokko, "Business in the Battle of Ideas, 1945–1991," 279.

ideologically like-minded parties and their press.⁴ However, the capacity for influencing public opinion created by the Swedish business interest associations starting in the late 1970s was unparalleled in the Nordics. But then again, the Swedish debate on wage-earner funds was unquestionably the most intense among these countries, and Sweden was also the only country in the world to actually having implemented such funds. In an even wider perspective, the employers' ability to organize massive public protests in the early 1980s was unique from a global perspective.

Using the archival material available for this study, the findings in **Chapter 3** contribute to previous research by adding to our knowledge on how organized business carried out its campaigns against a planned economy and how the press and the non-socialist parties were supported.

Almost none of the empirical parts of **Chapter 4** have been covered by previous research. The chapter's overall contribution has been to uncover what political scientist Francis Sejersted referred to as the "double strategy of business and industry."⁵ While the corporatist channels were used for direct lobbying, discussions and political compromise, big business interests worked actively but secretly to get the non-socialists elected.

Chapter 5 analyzes the largely unknown but close relations between leading PR experts within organized business in Sweden and the Mont Pelerin Society and other organizations abroad promoting free enterprise. These ties are important for our understanding of the dissemination of market-oriented ideas in a traditionally social democratic country starting in the mid-1970s. It also shows how and why, in a decade of political and economic turmoil, leading people at SAF built a new infrastructure for influencing public opinion centered around the publishing house Timbro.

The contribution of **Chapter 6** to previous research has been to present an in-depth description of the campaigns against wage-earner funds and relate these to SAF's transformation to a free enterprise opinion influencer. By the 1970s, smaller and medium-sized firms, which were often family-owned, constituted SAF's organizational majority, and with personal stakes in their firms, they were especially skeptical of wage-earner funds. Based on interviews and archival material, the conclusion in Chapter 6 is that the SAF

⁴ Olsen, "Second Hand Dealer"; Stenlås, "Political Activism in Scandinavian Big Business."

⁵ Sejersted, *The Age of Social Democracy*, 309.

leadership saw the wage-earner funds as an existential threat to private ownership, something most effectively fought by rejecting them based on ideological terms, regardless of whether the proposal was watered down over time. According to the campaign makers, the latter only proved that they were doing something right. Thus, this thesis reaches a conclusion different from Viktorov's study on the campaigns against the wage-earner funds, which considered the resistance a way for SAF to cover up internal disputes over its wage bargaining model with the unions.⁶

Summary of advocacy activities, 1940–1985

Information campaigns

The first major information campaigns for free enterprise were launched in the mid-1940s as a response to proposals originating from the labor movement on a more planned economy, potential nationalizations and raised taxes. Chapter 3 identifies three such campaigns running up to the 1948 national election: one launched by the Enterprise Fund's Bureau for Economic Information, one launched by the Federation for Insurance Companies (the insurance industry had specifically been singled out for socialization in the labor movement's Post-War Program) and one launched by the Taxpayers' Association. All campaigns included opinion polls, press contacts, ads, films and mass-produced brochures. Their core message was that the free enterprise system had brought prosperity, progress and provided a bulwark for personal freedom.

In the following two decades, the strategies for the business community's political advocacy changed. With a less obvious external threat, a thriving economy and better relations between big business leaders and top Social Democrats, there were fewer reasons for free enterprise information campaigns, although the Bureau for Economic Information continued to engage in such activities in the 1950s. One of its major undertakings was a nationwide mobile exhibition called *Näringslivet visar*, seen by more than 300,000 Swedes according to its own estimates. The Bureau also organized courses

⁶ Viktorov, *Fordismens kris och löntagarfonder i Sverige*.

on the subject, aimed primarily at the politically interested youth: “the avant-garde for free enterprise” as the chairman of the Enterprise Fund put it. However, Chapter 4 shows how the information campaigns led by the managing director of the Federation of Swedish industry, Axel Iveroth, during the last part of the decade adopted a different approach. These campaigns focused on improving the conditions of enterprise rather than on a more direct free enterprise message, which had been conveyed earlier. The underlying message was that of optimism and cooperation between employers and employees. The Enterprise Fund stayed away from the issue of supplementary pension (*allmän tilläggs pension*), the major political controversy in the 1950s, as this was considered an employer-specific issue and where SAF ran these campaigns on its own. Also, the pension issue did not pose the same kind of threat to private ownership as the tax increases and nationalization proposals had done in the 1940s.

Chapter 5 describes how organized business in the 1970a built a new infrastructure for influencing public opinion. Several reasons were at hand for this course of action. First, organized business was troubled by a more radical political climate with increasing anti-business and anti-capitalist attitudes. Second, new laws in parliament increasing the rights of employees and the unions at the expense of employers were regarded as potential threats. Third, rising wages represented a threat to the profitability and survival of businesses. From the employers’ perspective, the public needed more information on the correlation between inflation and wages. Fourth, the Keynesian notion of using fiscal policy to correct for macro-economic disturbances seemed increasingly irrelevant in an era of stagflation and rising public expenditures. For organized business, this was the time to spread new ideas centered around market-based policy solutions.

SAF was by far the largest and the richest of the business interest associations, and it now took the lead in systematically disseminating free enterprise information. In addition to running its own public relations campaigns, it also reinvigorated the Enterprise Fund, together with which it launched the publishing house Timbro. Among Timbro’s affiliated organizations was Ratio, which published more advanced literature and organized seminars under the guidance of a council of prominent academics.

The business campaigns against the wage-earner funds, described in Chapter 6, started on a small scale in the late 1970s and intensified in 1982 when it was clear that the Social Democrats were actually going through with the proposal should they win the election in 1982. The initial proposal was launched by the Swedish Trade Union Confederation in 1975 and was based on a Marxist notion of a skewed control over the means of production. The idea was to transfer ownership over large Swedish firms to union-controlled funds. This would also compensate the wage-earner collective for the so-called “excess profits” created by the Rehn-Meidner model, in which profitable exporting companies saw profits rise faster than increases in wages. In the early 1980s, SAF decided that the most effective way to fight the wage-earner funds was to present a categorical no to their implementation. The campaigns, and especially the massive public protests organized in 1983 and 1984, must from the business perspective be regarded as a success. Public skepticism against the wage-earner funds increased (although other issues were still more important to the electorate) and they were widely reported and discussed in mass media and the public sphere. The wage-earner funds did become a reality; however, with limitations in terms of their size, scope and mandate, they proved to be no real threat to private ownership in Sweden.

SAF’s new, much more open role as a free enterprise proponent was also publicly declared at congresses in 1977, 1980 and 1984. In addition to getting the message out, the congresses also served as a way of showing employer solidarity and unity.

Public protests

Political scientist Ken Kollman has pointed to two main effects of organizing public protests against a policy proposal.⁷ First, they signal to policymakers that an issue is relevant and, second, protests also expand the conflict by getting the masses engaged. Organized business applied this strategy twice. First, in February 1947 when big and small business associations joined ranks to protest against tax increases at a meeting in Stockholm gathering some 2,000 participants. The really large protests, however, were organized in the

⁷ Kollman, *Outside Lobbying*, 8.

1980s as a reaction to the wage-earner funds proposal. Public rallies gathered large crowds in especially 1983 and 1984 but continued at a smaller scale until a non-socialist government took office in 1991 and decided to dismantle the funds. The combination of a deep resentment against the proposal from entrepreneurs and non-socialists in general in addition to SAF's organizational capabilities and financial resources turned out to be successful for the employers' side in the conflict over the funds.

Financing research relevant for business

Leaders of organized business at an early stage recognized that its arguments would carry greater weight if they could be backed up by research. SAF and the Federation of Swedish Industries launched the Industrial Institute for Economic and Social Research (Industrins Utredningsinstitut, IUI) in 1939. However, although IUI did produce valuable reports for business, it stayed away from more partisan or political activities. Studies of the more sensitive kind, such as that on a possible new corporatist order in Sweden after World War II (Chapter 3), were handled by the Enterprise Fund. The Fund also financed the Centre for Business and Policy Studies (Studieförbundet Näringsliv och Samhälle, SNS) from 1948. This center was inspired by the American Committee for Economic Development and encouraged executives to engage in the social and political post-war debate. In contrast to its financier, SNS favored deliberations rather than confrontations with the labor movement. Over the coming decades, this would lead to severe discords between SNS and its more conservative-leaning financier. The Enterprise Fund finally cut its ties to SNS in the late 1970s.

Press subsidies

By the 1940s, the market for printed news was becoming saturated and several non-socialist (especially conservative) newspapers ended up in financial distress. Frequently, they turned to the business community for loans or grants. At the same time, the social democratic press was on the rise and the labor movement had its own organization to financially support its newspapers. Given the importance of print media for political communication, the Enterprise Fund and SAF launched *Libertas* in 1942, which supplied the business-friendly press with loans and donations. Managing applications

from newspapers in financial distress turned out to be too time-consuming for Libertas' board, and from 1947 it instead passed on a yearly grant from SAF to two new press bureaus, one for the Conservatives and one for the Liberals. This system remained in place during the entire period covered in this thesis. However, the money from Libertas was not always sufficient to cover the costs of the recipients, and in the 1950s SAF consequently organized fundraising efforts for the press among its members.

When the Enterprise Fund was founded in 1940, its main purpose was to secure that the morning paper *Svenska Dagbladet* remained in conservative hands. Although the Fund remitted its loan to the newspaper in 1955 and formally cut its ties, the newspaper's survival remained important as it was considered a reliable voice for business interests. This became obvious in the 1970s when *Svenska Dagbladet* was almost bankrupt, despite a new reform for public funding of newspapers in financial distress. SAF then stepped in and bought the newspaper's building in Stockholm, while a partnership consisting of 34 companies took over the ownership of the newspaper.

Political financing

Until 1965, the political parties in Sweden relied on revenues from membership fees and external donations. This thesis has shown how big business played a crucial role in financing the Conservatives and the Liberals. These donations, however, represented a sensitive issue, as the parties (especially the Liberal Party) wanted to avoid accusations of having been "bought" by big business interests.⁸ In the 1930s, a Liberal Party prime minister had to resign after it turned out that he received donations from the scandalized tycoon Ivar Kreuger, and in 1948 the Liberals were once again accused by the Social Democrats of having an unsound relation to Swedish industry.

Donations could either be given by firms or through organized fundraising. Before the 1948 election, big business interests got together in the so-called Guarantee Foundation. Its goal was to raise a staggering SEK 40 million, roughly SEK 800 million in present monetary value, to spend on information campaigns and financing the non-socialist parties and their press. However, as discussed in Chapter 3, the donors found it difficult agreeing on

⁸ It should be noted that I have found no empirical evidence that the donations came attached with any demands for specific reforms or policy proposals.

which measures were the most effective, and it also turned out that the Liberal Party preferred to get money directly from firms rather than through a foundation dominated by conservatives.

In the 1950s and 1960s, individual firms continued offering financial support, with the Conservative Party receiving some SEK 5–7 million in non-election years and the Liberal Party about SEK 2 million. For the Conservative Party, Wallenberg-controlled companies remained hugely important as donors. Even with the 1965 reform, it seems as if corporate donations to the Conservative Party continued, but this thesis has not been able to establish to what extent. However, it is clear that starting in the late 1960s, direct donations from firms to the political parties became less enticing for both donors and receivers. One way of bypassing the critique originating from both the political left and the increasingly radical Liberal Party was to give money to other political organizations, such as the student associations. The Conservative Student League of Sweden (later the Confederation of Swedish Conservative and Liberal Students, *Fria Moderata Studentförbundet*) had been a recipient of funds from the Enterprise Fund already in the 1940s, but during the 1970s, its yearly allowances grew as SAF took control over the Fund.

Chapter 4 also shows how in the early 1960s, the Wallenbergs together with the Enterprise Fund were crucial for setting up the Research Bureau for Social Issues. This new organization gathered young academics with political ambitions to write reports and parliamentary motions for the non-socialist opposition. Its chairman was also the managing director of the Employers' Confederation. With time, the bureau would prove to be a highly valuable "employment agency" for political talent. Nine out of its fifteen employees either became cabinet ministers or under-secretaries of state in the non-socialist governments in office between 1976 and 1982. In addition, as of the 1940s, the Enterprise Fund also sponsored the Conservative Student League of Sweden (later the Confederation of Swedish Conservative and Liberal Students, FMSF) in which several leading right-wing politicians received their training. In the 1980s, the Fund also initiated the reform program Market Economic Alternative for Sweden, which employed two future party leaders for the Conservative/Moderate Party and the Liberal Party (Carl Bildt and Bengt Westerberg).

The bigger picture: Public opinion influencing and political financing over four decades

Key incentive: Threats to free enterprise and private ownership

According to this thesis, the main incentive for organized business to build a network for disseminating free enterprise information was the perceived political threats from the Social Democrats in terms of socialization and state intervention. This was especially relevant during the first post-war years and from around 1975 when the Swedish Confederation of Trade Unions launched a proposal that would transfer ownership of private firms to union-controlled funds.

Based on this explanation, this thesis points to another causal explanation contrary to the other major studies on the same phenomenon, which have either focused on the specific interests of Swedish exporters, the consequences of the business elite being shut out from political power or an alleged relationship between the crisis of Fordism and SAF's resistance against wage-earner funds.⁹

As the threat of nationalization diminished during the 1950s and 1960s, so did the opinion molding efforts of Swedish business. Although entities such as the Enterprise Fund's proto think tank the Bureau for Economic Information continued to engage in campaigns and educate the political youth on free enterprise ideas, the debate with the labor movement cooled off. This development is also in line with Wuokko's finding that for business as a whole, it is difficult to remain committed to a specific goal over time, especially when the perceived threat disappears.¹⁰ Likewise, it confirms Windmuller and Gladstone's conclusion that employers, as adherents to liberalist ideas, will direct their sharpest attacks against impediments to the free enterprise system.¹¹

However, this thesis also asserts that after the debate on wage-earner funds had been "won" (the funds that were implemented in 1983 turned out to be quite harmless to Swedish business as they were not allowed to own

⁹ Söderpalm, *Direktörsklubben*; Stenlås, *Den inre kretsen*; Viktorov, *Fordismens kris och löntagarfonder i Sverige*.

¹⁰ Wuokko, "Business in the Battle of Ideas, 1945–1991."

¹¹ Windmuller and Gladstone, *Employers Associations and Industrial Relations*.

more than 8 percent of a listed company and would not receive more money after 1990), especially SAF changed its strategy from defending employers' interests against radical political proposals to instead pushing its own ideological agenda based on a free enterprise system. SAF's capacity for mass-mobilization and the network of opinion molding organizations it created, with the think tank Timbro at the center, gave the organization confidence to question its own position in the corporatist order. Eventually, the employers would leave their seats on government boards as well as the centralized wage negotiations. In many ways, this was also a natural step ideologically. It was ideologically difficult to argue for free markets while at the same operating as a corporatist labor market cartel.

The corporatist context mattered

The 45-year-long narrative told in this dissertation also tells the story of SAF's transformation from a corporatist actor trying to stay away from political controversy to a quite radical free enterprise opinion maker.

Both SAF and the Federation of Swedish Industries played important roles in the corporatist social system that developed during the 20th century. Both were respected consultative bodies (*remissinstanser*) on government proposals and the Federation considered itself primarily a big business expert organization on industrial issues. SAF also held board position in various government agencies and, perhaps most significantly, after the 1938 Saltjöbaden Agreement, it regulated labor market conflicts with its union counterpart, the Swedish Trade Union Confederation, without meddling from the state. It also negotiated on collective wage agreements with its union counterpart.

Neither SAF nor the Federation of Swedish Industries wanted to risk its influential positions by being perceived as propagandistic or partisan. Therefore, business leaders set up other organizations for political advocacy and support for the non-socialist parties and their press. But, as shown in both this study and that of Stenlås, the people who controlled the new organizations were in many cases also the top lieutenants of the official major associations.¹²

¹² Stenlås, *Den inre kretsen*.

In the 1970s, the old corporatist order started to break down as parliamentary lawmakers moved into territory previously considered the responsibility of the employer and trade union confederations. However, not only new laws on co-determination and employment protection had executives worried. Stagflation, costly wage agreements and anti-business/anti-capitalist sentiments among the younger generations added to the notion that more had to be done to protect the core interests of enterprise. The initiative for defending an increasingly criticized free enterprise system now shifted from a weakened Enterprise Fund to SAF. Specifically, SAF's PR department and its director Sture Eskilsson were the ones pushing for this change. Unlike the Fund, SAF had a stable source of income and presided over vast assets. Firms paid SAF a yearly membership fee, and through its insurance fund that it had built up since 1902, it was probably the richest employer organization in the world in relation to the size of the national economy.¹³ In addition, it organized almost the entire Swedish private sector, giving it the ability to be perceived as the voice of business and carry out large-scale PR campaigns. However, given SAF's role in the corporatist political economy, it was important that these campaigns were not perceived as partisan or as meddling with the election campaigns run by the political parties. To a large extent, this principle was abandoned by the early 1980s, as SAF considered the wage-earner funds to be such a serious threat to the interests of its members that these unwritten rules of conduct no longer applied.

The organizational entrepreneur mattered

Salisbury highlights the role of the organizational entrepreneur for interest group survival. Chapter 3 stresses the role of the joint chairman of SAF and the Fund in the 1940s, Gustaf Söderlund, as an organizational entrepreneur in Salisbury's sense. Under his leadership, Swedish business built a large network for free enterprise information dissemination, which in parts remains to this day. Most likely, the efforts of Söderlund and his peers were important in getting the Social Democrats to abandon their ideas of nationalizations after the 1948 election. Instead, the party opened up for both formal and informal talks with the leaders of big business. Less successful, however,

¹³ Blyth, *Great Transformations*, p. 210.

were the business community's attempts to get the non-socialist parties elected with the hope that they would stop Minister of Finance Wigforss' tax hikes on, especially, inheritance. Despite substantial donations to the non-socialist parties, the press and to various information campaigns, the Social Democrats remained in power. Söderlund's successors as chairmen of the Enterprise Fund were less ideologically driven and his retirement from the business interest associations meant that organized business adopted a less confrontational approach both in its information activities and toward the labor movement in general. With Söderlund gone, Tore Sellberg at the Bureau for Economic Information became one of the few voices within organized business to continue to propagate for market solutions and anti-collectivism in a world where economic policies were increasingly defined by Keynesian ideas.

If Söderlund's efforts to support free enterprise by influencing public opinion had dominated business efforts during the 1940s, the coming generation of leaders in organized business instead often favored dialogue rather than confrontation with the labor movement. Several prominent business leaders, often linked to the Centre for Business and Policy Studies (e.g., Tore Browaldh and Axel Iveroth), wanted arguments based on scientific facts rather than the blunt and anonymous free enterprise information of the immediate post-war years. During the 1950s and 1960s, there were recurring conflicts between SNS and its financier the Enterprise Fund. Several of the Fund's board members had envisioned a research institute that would promote business interests and provide input to the political policymaking process, whereas the founders of SNS considered it an independent research organization that would facilitate dialogue between organized business and other social interests.

One of Sellberg's disciples at the Bureau for Economic Information was Sture Eskilsson, who by the early 1970s became SAF's information director. In the coming decade, he would become the foremost architect and organizer of the new infrastructure for free enterprise opinion molding financed by SAF. He was the managing director at the Enterprise Fund from 1978 to 1996, held the same position at Timbro from 1978 until 1981 and was chairman of the Research Bureau for Social Issues between 1978 and 1983. Eskilsson was a firm believer in free enterprise, market economy and individual

liberty. The new organizations that he played a part in creating all sought to bring these ideas to the Swedish public. Further, with the staunch support of SAF's chairman from 1976, Curt Nicolin, Eskilsson and his peers inside the organization also helped transform SAF from primarily a wage-negotiating corporatist entity to a free enterprise opinion maker.

Ideas mattered

For Sture Eskilsson, bringing about political change always started with one individual's ideas on how to change reality. According to "Eskilsson's circle," attractive ideas tended to spread to more and more people and groups. With a sufficiently large organization for mass communication putting its weight behind such ideas, these could eventually grow sufficiently strong to form a public opinion. These could then be adopted by politicians with the ability to change laws and thus reality. Specifically, Eskilsson and his peers at SAF set out to retake the agenda-setting position from the left through high-quality and theoretically advanced publishing in support of free enterprise originating from several channels.

However, already in the 1940s, the organizations studied in this thesis sought to bring free enterprise ideas to the Swedish public, although they did so without a formalized model. Chapter 3 shows how the main source of inspiration was Hayek's ideas of a non-interventionist state. Centralization, collectivist solutions and attempts to plan economic life would initiate a totalitarian development. Hayek's works were translated into Swedish and he even came to Stockholm to lecture. All these activities were, in turn, financed by organized business. But even if Hayek and the other Austrian school economists provided the 1940s business campaigns with inspiration and an ideological framework, the ideas did not catch on within policy circles. Instead, Keynesian thinking with its preference for macroeconomic fine-tuning, regulation and an active fiscal policy dominated even within business interests and the center-right parties. In the extremely long economic boom period experienced in the West following World War II, there were few incentives to question what seemed to be a well-functioning economic model bringing prosperity and stability.

Also, even if people in leading Swedish business circles in the 1940s and 1950s could definitely agree with Hayek on the sanctity of private property,

they were far more skeptical with regard to his ideas on free competition. Chapter 4 discusses how many within big business viewed *free enterprise* as the right to strike agreements with other firms, including cartelization of markets. This was also one of the reasons why the so-called “Alternative” (“*Alternativet*”), an ideological program for business that would counteract the labor movement’s Post-War Program, was never realized. Getting the leading employers to sign off on a program that proposed free market competition proved impossible. In practice, SAF was at this time a wage-bargaining cartel and much of business life was generally speaking cartelized at this time. To then carry out the principles of free enterprise in reality turned out to be difficult for the captains of industry. In the end, it turned out that they, at least when it came to competition, were more pro-business than pro-market.

However, Hayek and his disciples would get a second chance as ideological sources of inspiration following the oil price shocks, slumping growth and high inflation of the 1970s. Chapter 5 depicts how the old Hayekian ideas of individualism and free markets were now picked up by the group around Eskilsson at SAF as a remedy to Sweden’s economic problems and to provide an ideational framework for the ideological rebirth of Swedish business. As Mark Blyth has identified, ideas can indeed be used as weapons in the struggle for institutional change.¹⁴ Chapter 6 highlights the role of ideas during the debate on wage-earner funds. For SAF’s campaign makers, the core issue was that of free enterprise versus “fund socialism,” and the public was encouraged to choose one of the two. For organized business, nothing less than the centerpiece of capitalism – the right to private ownership – was at stake.

The international aspect of free enterprise information

Business-backed organizations for free enterprise opinion molding in primarily the US and the UK, but also to some extent in the other Nordic countries, inspired business leaders in Sweden to create and develop similar institutions in a Swedish context, something almost completely overlooked in previous research. In Chapter 5, the importance of the ties between these foreign organizations and their Swedish counterparts are analyzed. This new

¹⁴ Blyth, *Great Transformations*, 258.

knowledge contributes to our understanding of how business-backed information agencies, and the people who ran them, brought ideas on the primacy of the market to a country politically dominated by Keynesian economics and social democratic beliefs of a redistributive state, high taxes and a large public sector. Especially the Swedish ties to Hayek's Mont Pelerin Society, founded in 1947 to gather free market intellectuals to discuss and promote classic liberal ideas, and the free-market-promoting Institute for Economic Affairs (IEA) in the UK were especially important in this regard, as the latter was an inspiration for Timbro in Sweden. The two main architects behind the Swedish business community's new push for a more structured way of conducting free enterprise opinion formation were SAF officials Sture Eskilsson and Carl-Johan Westholm. Together, they made SAF and its affiliated organizations, such as Timbro, a part of what historian Ben Jackson has called "the think tank archipelago."¹⁵ In the late 1970s and early 1980s, both Eskilsson and Westholm became members of the Mont Pelerin Society. There, they developed personal relationships with some of the world-leading free market economists. Westholm would later also become secretary of the society, a position he held for twenty-two years.

From a strict organizational perspective, Swedish industrialists and their PR experts copied prototypes abroad. The Enterprise Organization for Cooperation (1947) was modeled on the Danish Erhverves Oplysningsråd, The Centre for Business and Policy Studies (1948) on the American Committee for Economic Development, the Research Bureau for Social Issues (1962) on the Conservative Research Department in London, Timbro (1978) on the Institute for Economic Affairs also in London and Market Economic Alternative for Sweden (1983) on the Heritage Foundation's presidential program Mandate for Leadership. As early as in the 1940s, the Enterprise Fund was in contact with the free enterprise organizations Foundation for Economic Education in the US, Aims of Industry in the UK and Association de la Libre Enterprise in France.

¹⁵ Jackson, "The Think-Tank Archipelago."

Consequences

If we are to understand the origins of some of Sweden's current key institutional characteristics – a generous, highly taxed welfare state in combination with a quite liberalized economy and publicly funded private alternatives within a large public sector – a historical perspective is in order. The 20th-century struggle between the country's strongest special interests is a good place to start. From an international perspective, both Swedish labor and Swedish employers have been uniquely centralized, comprehensive and having access to plentiful resources. This thesis shows how a radicalized labor movement in the 1970s and 1980s gave rise to an employer organization with a clear ideological agenda. Of course, there had always been ideologically driven industrialists, but until the 1970s, their efforts to influence public opinion in favor of free enterprise had mainly been carried out outside of the major business organizations.

These ambitious activities of influencing public opinion seem to have contributed to major institutional changes in the welfare state by the mid-1980s as Swedish politicians on both sides of the political aisle started to launch a number of reforms aimed at economic liberalization. These included deregulations of the capital, energy, postal, telephone, railway, taxi and airline markets. In the early 1990s, under the banner of “freedom of choice” (*valfrihet*), private alternatives were introduced in childcare, elderly care and primary healthcare. Inspired by Milton Friedman's ideas, a publicly funded voucher system was introduced for private schools. According to economist Andreas Bergh, the pace of the change was exceptional even from an international perspective.¹⁶ The welfare state lived on but in a different shape than before as the market-oriented ideas brought forward by the employers and their associated organizations were transformed into policy proposals. Eskilsson's circle was no longer just a theoretical model.

For organized business, there was no lack of challenges in the post-Cold War decades, but the issue of socialization at times having defined much of its antagonism with the labor movement now became a question of the past.

¹⁶ Bergh, *Den kapitalistiska välfärdsstaten*, 66–83; Karlson, *Statecraft and Liberal Reform*, 78–79, 87. See also Appendix A in Bergh.

When the watered-down wage-earner funds were dismantled by the new non-socialist government in 1991, it marked the end of a century-long ideological brawl over private ownership. It is true that a recent political debate on private firms within the public sector has spurred a sometimes fairly intense discussion on the merits of profit-making in the welfare services. Still, this dispute is far from the socialization debates in the 1940s and 1980s.

The struggle over the hearts and minds of the Swedes taught organized business two important lessons. First, opinion molding is a long-term activity. Eskilsson himself had been schooled at the Bureau for Economic Information under the free market ideologue Tore Sellberg in the 1950s. In turn, the Bureau had been set up already in 1944. Eskilsson also firmly believed that ideas had the power to change reality. But he also realized that this process required both time and resources, something SAF could provide when its core values were threatened in the post-1968 world. Second, organized business could not count on the non-socialist parties to be the defenders of business interests and the enablers of market-based solutions to economic problems. In comparison to business, they lacked resources to stage major PR campaigns, and from a business perspective, they could not always be trusted ideologically. Case in point, the Centre Party served as a coalition partner to the Social Democrats during the 1950s, and in the first half of the 1970s, the Liberal Party was the most eager proponent of implementing wage-earner funds.

Several of the interviewees for this thesis stress how the opinion molding efforts of Swedish business in the 1970s and 1980s contributed to bringing about a shift from state- to market-based policy solutions, similar to the “right-turn” seen in the Anglo-Saxon countries.¹⁷ Even if it is difficult to pin down the exact causal relationships between the work of Timbro, the 1983–1984 rallies and the abolishment of wage-earner funds, according to the former information director at SAF, Janerik Larsson, the former two certainly did pave the way toward voucher schools and de-monopolization.¹⁸ Carl Tham, with a background at the Research Bureau for Social Issues and who left the Liberal Party for the Social Democrats in the 1980s, claims that the

¹⁷ See, for instance, Backhouse, “The Rise of Free Market Economics”; Waterhouse, *Lobbying America*; Phillips-Fein, *Invisible Hands*; Cockett, *Thinking the Unthinkable*; Jackson, “The Think-Tank Archipelago.”

¹⁸ Interview with Janerik Larsson, April 21, 2020.

“absurd campaign” against the wage-earner funds was the “beginning of the turn in Swedish politics, away from the old welfare capitalism to the neoliberal system.” In his view, the campaigns and the October 4 movement created a huge amount of pressure that did have an impact on the Social Democrats, who caved in to the new waves from Thatcher and Reagan earlier than they would have done otherwise.¹⁹ Peje Emilsson, founder of the PR agency Kreab and with close ties to the Moderate Party, sees the creation of Timbro, Ratio and the Enterprise Fund as extraordinarily important for enabling new generations who thought differently and more creatively than their predecessors.²⁰

Larsson is right that establishing the exact degree to which SAF and its affiliated organizations brought about this political change is impossible. Other actors (prominent economists, for example) also contributed to the “right-turn” of Swedish politics in the 1980s. But as this thesis has clearly shown, the historical development of the role of business must be considered to properly understand these changes, as it served as a vital catalyst in disseminating new ideas on monetarism, public choice and welfare state criticism to a wider Swedish audience. Ideas that would forever change Sweden.

And then what?

What happened to the organizations covered in this thesis after 1985? In 2001, SAF and the Federation of Swedish Industries merged into the Confederation of Swedish Enterprise (Svenskt Näringsliv). There were several reasons for this consolidation. By fusing the two organizations into one, the idea was to avoid the risk of double messaging, the indistinctness following from separate organizations, organizational turf war and financing issues. In the other Nordic countries, this change had already occurred by then.²¹ Two years later, the Confederation of Swedish Enterprise contributed with SEK 300 million and the Enterprise Fund with SEK 20 million to the new Swedish Free Enterprise Foundation (Stiftelsen Fritt Näringsliv), which, in turn,

¹⁹ Interview with Carl Tham, May 21, 2020. Swedish: “absurd kampanj” and “början på omsvängningen i svensk politik, bort från den gamla välfärdskapitalismen till det nyliberala systemet.”

²⁰ Interview with Peje Emilsson, July 17, 2020.

²¹ De Geer, *Från svenska modellen till Svenskt näringsliv*, 168–85.

became Timbro's new principal.²² This also meant that the Enterprise Fund from 1940 was dismantled and its bylaws rewritten so that it instead became the Ratio Institute (not to be confused with Timbro's subsidiary Ratio, which published its last book in 1992), which carries out research on how the conditions for enterprise can be improved.²³

What eventually happened to the Enterprise Organization for Cooperation is not clear. Sources show that it was at least active as a discussion forum between the managing directors of the main business associations and leading politicians in the mid-1980s.²⁴

Timbro is still up and running. Among its many projects is the so-called Stureakademin (named after its founder Sture Eskilsson) educating coming generations of what Hayek would have called "second-hand dealers in ideas"²⁵ on ideology, politics and opinion formation. According to a survey of Swedish think tanks in 2019, Timbro had the widest-reaching media penetration of them all. Ekonomifakta, set up by SAF in 1980 to educate the public on economic matters, is also still active and runs the webpage [Ekonomifakta.se](http://ekonomifakta.se).²⁶

In the early 2000s, Libertas had ceased to function as a financial supporter of non-socialist newspapers. In 2005, the organization was shut down and its small remaining funds were transferred into the political center-right magazine *Neo*.²⁷

Like Timbro, SNS still plays an important part in Sweden's economic and political debate. It continues to organize its yearly conferences in Ty-lösand where decision makers from politics, business and the sciences meet to discuss current issues. In addition to its meetings, SNS also engages in

²² *Stiftelsen Fritt Näringsliv*, <https://frittnaringsliv.se>, accessed August 5, 2020.

²³ *Ratio website*, "vanliga frågor," <http://ratio.se/om-oss/vanliga-fragor/>, accessed August 5, 2020; E-mail from Carl-Johan Westholm to the author, August 6, 2020.

²⁴ See F21 O:29, SAFs arkiv, CfN. In the 1980s, it had actually changed its name to Näringslivets Samrådsorgan. It was also referred to as Vd-gruppen.

²⁵ Hayek, "The Intellectuals and Socialism," 417.

²⁶ *Timbro webpage*, "Stureakademin," <https://timbro.se/utbildningar/stureakademin/>; *Arbetsvärlden.se*, "Topplista: De formade debatten 2019," <https://www.arbetsvarlden.se/topplista-de-formade-debatten-2019/>, accessed August 5, 2020; *Ekonomifakta's webpage*, <https://www.ekonomifakta.se>, accessed August 5, 2020.

²⁷ Interview with Janerik Larsson, April 21, 2020.

policy research, creates platforms for dialogues between academics and practitioners and offers professional training.²⁸

Suggestions for further research

There are many interesting topics touched upon in this thesis that would benefit from more research. Perhaps the most obvious would be to analyze the opinion influencing of the Swedish labor movement during the same years covered by this thesis. At least until the start of Timbro and the campaigns against wage-earner funds, those involved with opinion molding on the business side complained that LO always spent more on e.g., campaigns, press subsidies and even running its own cinema chain. The Swedish Labor Movement's archive (*Arbetarrörelsens arkiv och bibliotek*) holds much of this material.

At the same time, there is also more to be done with regard to the business sphere. It would, for example, be interesting to specifically take a deeper look into the political advocacy activities of the Wallenberg family. Some of the family's activities have been covered here and elsewhere, but a more thorough study based on their own archival material could shed more light on the political activity of Sweden's dominant industrial family. The same goes for another important actor within the Swedish business community: the Ax:son Johnson family.

Arvid Fredborg deserves more scholarly attention, especially now as his personal archive has been made available by Uppsala University. As Johannes Grossman has shown, Fredborg was a central figure among European conservatives in the mid-20th century.²⁹ With the exception of his years as a student in Uppsala, Swedish scholars have paid little notice to him.

Chapter 5 in this thesis mentions SAF's subsidiary the Swedish Management Group (Svenska Managementgruppen, M-gruppen) that from the mid-1980s assisted entrepreneurs in challenging the then existing public monopoly by setting up firms offering privately run welfare services. Timbro's Karin Svanborg-Sjövall has written about the role of organized business and its

²⁸ SNS webpage, "About SNS," <https://www.sns.se/en/about-sns/>, accessed August 5, 2020.

²⁹ Grossmann, *Die Internationale der Konservativen*.

opinion molding efforts in bringing about this change and her book also includes M-gruppen.³⁰ Given this organization's role as a battering ram for deregulating the markets for welfare services in the 1980s and 1990s, it should be of interest to scholars of privatization processes.³¹ M-gruppen's records are available at the SAF archive.

Lastly, there have been plenty of books and academic articles written on the wage-earner funds but surprisingly few of these focus on the funds after their implementation in 1983. As far as I know, in addition to what has been written here, there are only two shorter studies (in English) on how the funds operated in practice. However, of the two, Pontusson only covers the period until 1989 and Whyman reaches a different conclusion on the effectiveness of the funds compared to that of Swedish financial authorities, which does open up for looking into this again.³² Economist Klas Eklund has written a short pamphlet on the political discussions regarding how the funds were to be dissolved after 1991, but this process could definitely be analyzed in greater detail within an academic context.³³ A historical analysis of the development of the wage-earner funds from its original proposal in 1975 to when the last of their capital was transferred to primarily new research centers in 1994 would indeed be an interesting topic for research.

³⁰ Svanborg-Sjövall, *Kentucky fried children?*

³¹ For a 400-year-long exposition of the debates in Swedish parliament on whether or not public services should be outsourced to private entities, see Linnarsson, *Problemet med vinster*. Linnarsson does not specifically mention Managementgruppen.

³² Pontusson, *The Limits of Social Democracy*; Whyman, "An Analysis of Wage-Earner Funds in Sweden."

³³ Eklund, "Stiftelserna ett kvartssekel."

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A3:1–4, 7. Styrelse och bolagshandlingar
F1 B:2. Arbetspärmar
P4:1. Oförtecknad

Näringslivets Fond

A1:1–2. Protokoll från årssammanträde med huvudmännen i NÄFO
A2:1–8. Styrelseprotokoll
A3:1–2. Övriga protokoll
A4:2. Övriga protokoll
B1:2–3. Koncept och PM
B2:1, 4. Cirkulärskrivelser
B3:1. Broschyrer 1957–1980-tal
E1:1, 4, 8. Inkomna handlingar, korrespondens
F1:1–4. Utredningar
F2:1–2, 4. Alternativet
F3:1, 5. Konferenser
F4:4. Kampanjen “Näringslivet visar”
F6:2. Övriga ämnesordnade handlingar
Garantistiftelsen 1946 Styrelseprotokoll
Oförtecknat material (Non-registered material)

SAF

A3A:37, 40, 43, 63, 64–67, 69, 71, 75, 77, 78, 81–83, 85. Styrelseprotokoll med

bilagor

A4A:21–22, 31. Arbetsutskott med bilagor
A5B:9. Minnesanteckningar från direktionen och ledningsgruppen
F11 A:4. 4-oktober manifestationen, opinionsundersökningar
F11 B:1–3. 4-oktober manifestationen, utredningar och rapporter
F11 C:1. 4-oktober manifestationen, minnesanteckningar
F11 D:25–26. 4-oktober manifestationen, handlingar rörande press, radio och TV
F11 E:5. 4-oktober manifestationen, trycksaker och böcker
F11 I:1–5, 7. 4-oktober manifestationen, korrespondans
F11 J:1. 4-oktober manifestationen, handlingar rörande utbildning
F11 K:1–2. 4-oktober manifestationen, handlingar rörande 4-oktober kommittén
F11 L:5 4-oktober manifestationen, handlingar rörande löntagarfonder
F11 O:1, 4, 5 8–10, 13–14. 4-oktober manifestationen, handlingar rörande löntagarfonder och sparande
F14 OA:1. Handlingar rörande Information
F21 M:3–4. Handlingar rörande Utredningsbyrån för samhällsfrågor (C.H. Winberg)
F21 I:2, 7–8. Handlingar rörande Näringslivets Upplysningsverksamhet
F21 K:1, 3. Handlingar rörande Timbro AB
F21 O:29. Handlingar rörande övriga nämnder, råd, kommittéer och motsv
F33 DA:2–3. Handlingar rörande SAF-kongressen 1977
F33 DC:3. Handlingar rörande SAF-kongressen 1984
F51 BI:41. Direktör Bertil Kugelbergs korrespondens
F51 BK:1. Korrespondens, anteckningar m.m. från andra än Bertil Kugelberg
F51 BP:48. Bertil Kugelbergs ämnesordnade handlingar
K1 ae:1, 5. Övriga händelser

Sveriges Industriförbund

A1:16, 38, 49, 55–57, 59. Styrelseprotokoll
F 5 c:1. Övrig opinionsbildning

Timbros arkiv*Näringslivets Fond*

A1:1–2. NÄFO Protokoll
Protokoll styrelse och huvudmän 1940–44
Protokoll Huvudmännen 1945–1950
Protokoll Styrelsen 1945
B1:3. NÄFO handlingar
F7:1, 7–8, 10. Sture Eskilssons handlingar

Marknadsekonomiskt Alternativ för Sverige (MAS)

A:1. Protokoll och styrelsehandlingar

Timbro AB

A1:1. Protokoll

B1 C:1, 3. Broschyrer

F1:2, 4, 8, 11, 16, 17–18, 22. Sture Eskilsson-SAF

F2:1,3, 6. Meddelanden-SAF

F5:1. Ratioseminarium

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A:1. Protokoll och styrelsehandlingar

B1:11, 22–23, 31, 36, 41, 47. APU Utredningar

B2:1. Övriga handlingar

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Appendices

Appendix 1: Members of the Enterprise Fund (Näringslivets Fond) 1940, 1946 and 1961

<i>Company</i>	<i>1940</i>	<i>1946</i>	<i>1961</i>
Åhlén & Holm*	1	1	1
Avesta Jernverk*	1	1	
Borås Wäfveri*	1	1	
Elektrolux*	1	1	1
Kungsträdgården AB (Skandia 1940)*	1	1	1
Liljeholmens Stearinfabrik*	1	1	1
Nordmalings Ångsåg*	1	1	
Pellerins Margarinfabrik*	1	1	1
Stockholms Bryggerier*	1	1	1
Svenska Cellulosa*	1	1	1
Svenska Jästfabriken*	1	1	1
Sveriges Förenade Triksåfabriker*	1	1	
Wicander, Carl August*	1	1	
AB Gryts Bruk			1
Addo			1
Åkerlund & Rausing			1
Aluminiumkomp.			1
ANA			1
Arvika Thermaenius			1
Arvika-Verken		1	
ASEA		1	1
Atlas Copco			1
Bendix, Josephson & Co		1	1
Bergvik och Ala Nya		1	
Billerud			1
Bofors		1	1

<i>Company</i>	<i>1940</i>	<i>1946</i>	<i>1961</i>
Borås sortens Konfektionsindustriförening		1	
Bröderna Edstrand			1
Bultfabriken			1
E.A Rosengrens Kassaskåpsfabriks AB		1	
Ehrnberg & Son			1
Ekman & Co.			1
Elektriska Svetsning			1
Esselte			1
Fagersta Bruk		1	1
Fallenius & Leffler			1
Ferroregleringar			1
Göteborgs Sand			1
Grängesberg			1
Grycksbo			1
Gullhögen			1
Gunnebo Bruk			1
Hellefors Bruks Aktiebolag		1	
Höganäs-Billeholms		1	1
Holmen Bruks & Fabrik		1	1
Husqvarna Vapenfabrik		1	1
Huvfudstaden Fastighet		1	
Järnvägsverkstäderna			1
Kilsunds AB		1	
Klippans Finpapappersbruk		1	1
Kockums Jernverks		1	1
Kockums Mekaniska Verkstad		1	1
Konstsilke		1	
Kvarnintressenter			1
Ljusne Woxna			1
L.M Ericsson Telefon		1	1
Malcus Holmquist			1
Malmö Förenade Bryggerier		1	
Max Sievert			1
Mölnbacka Träsil			1
Mölnlycke			1
Mo och Domsjö AB		1	1
Munkedal			1

<i>Company</i>	<i>1940</i>	<i>1946</i>	<i>1961</i>
NK			1
Nord. Armaturfabriken			1
Nordiska Maskinfilt			1
Nordiska syrgasverken			1
Odeborgs Bruk			1
O.F. Ahlmark & Co.			1
Pripp och Lyckholm		1	1
Rederi AB Soya			1
Reymersholms Gamla Industri		1	1
Riddarhyttan			1
Sandvikens Jernverk		1	1
Schullström & Sjöström			1
Schwartzman & Nordström			1
See Fabriker			1
Skånska Cementaktiebolaget		1	1
Skånska Yllefabriken		1	
Skyllsbergs Bruk			1
Söderhamns Verkst.			1
Stockholms Rederi AB Svea		1	
Stockholms Superfosfat Fabrik		1	1
Stora Kopparbergs Bergslags		1	1
Strömbacka			1
Svenska Ackumulator AB Jungner		1	
Svenska Kullagerfabriken			1
Svenska Metallverken		1	1
Svenska Sockerfabriken			1
Svenska Yllekoncernen		1	
Sveriges Litografiska Tryckerier		1	
Turitz			1
Uddeholms AB		1	1
Västerviks Pappersbruk			1
Wargön			1
Wirsbo Bruk			1

Note: 1940, 1946 and 1961 have been chosen since there is available data over members for those years. Founding members marked with *

Appendix 2: Board members, the Research Bureau for Social Issues (Utredningsbyrån för Samhällsfrågor) 1962–1983, chronological order

Name and affiliation	Years
Kugelberg Bertil, (chairman), SAF (managing director)	1962-1966
Winqwist Carl-Henrik, Moderate Party	1962-1967
Gustafsson Sten, business	1962-1977
Haeggström Göran Z, business	1962-1977
Giesecke Curt Steffan (chairman), SAF (managing director)	1966-1977
Salén Sven H, business	1972-1977
Tham Carl, Liberal Party	1974-1976
Tarschys Daniel, Liberal Party	1974-1976
Burenstam Linder Staffan, Moderate Party	1974-1977
Westholm Carl-Johan, SAF	1976-1983
Tobisson Lars, Moderate Party	1978-1978
Frydén Einar, Utredningsbyrån	1978-1980
Eskilsson Sture (chairman), SAF	1978-1983
Bildt Carl, Moderate Party	1978-1983
Svegfors Mats, Moderate Party	1980-1983
Englund Rolf, Utredningsbyrån	1980-1983
Gerholm Tor Ragnar, Professor	1980-1983

Sources: A4:2, Näringslivets Fonds, SAFs arkiv; A:1 Protokoll och styrelsehandlingar, Utredningsbyrån, Timbros arkiv; E-mail from Carl-Henrik Winqwist June 14, 2020. Note that other people were at times present at the board meetings. The above names are confirmed board members. For information on Gustafsson and Salén, see VÄD 1977

Appendix 3: Chairmen and managing directors, the Enterprise Fund (Näringslivets Fond) 1940–1985

<i>Chairmen</i>	<i>Years</i>	<i>Note</i>
Gustaf Söderlund	1940–1947	Managing director SAF 1931, chairman 1943–1946
Harald Nordenson	1947–1948	
Thorsten Wigelius	1948–1959	
Sven Schwartz	1959–1965	Chairman SAF 1947–1951, 1957–1967
Bertil Kugelberg	1965–1977	Managing director SAF 1946–1966
Olle Franzén	1978–1985	
<i>Managing directors</i>		
(Stig Ödmark)	1940–1947	Technically secretary, not managing director
Ragnar Sundén	1945–1946	Half time position
Uno Murray	1947–1966	
Bertil Kugelberg	1966–1977	Served as both chairman and managing director
Sture Eskilsson	1978–(1996)	

Source: NÄFO/SNS diktamen 25.11.1975, oförtecknad låda 4: Årsammanträden 1977, 1978, A1:2, Styrelseprotokoll 1985-05-07, A2:8 Näringslivets Fond, SAFs arkiv, CfN

Appendix 4: List of important organizations

<i>Organizational name in English</i>	<i>Organizational name in Swedish</i>	<i>Short form and acronym</i>	<i>Note</i>
Association for Information on Industrial Relations	Föreningen för Undersöknings- och Upplysningsarbete om Industriella Förhållanden	FUIF	1937–1951. The Executives' Club operational arm. Handled press relations, political information activities and fundraising for the Conservative Party and the Liberal Party.
Bureau for Economic Information*	Byrån för Ekonomisk Information	"the Bureau"	1944–1962. Operational arm of the Enterprise Fund. An early pro-market think tank.
Business Council*	Näringslivets Råd	-	1939. Big business organization that would ensure unity within the business sector before negotiating with the government. Never really got started due to the war.
Centre for Business and Policy Studies	Studieförbundet Näringsliv och Samhälle	SNS	1948–. A still active business-funded think tank on societal issues. Financed by the Enterprise Fund from 1948 until the mid-1970s.
Confederation of Swedish Conservative and Liberal Students	Fria Moderata Studentförbundet	FMSF	1969–. Prior to 1969 named Conservative Student League of Sweden.
Correspondence School Our Economy	Kursverksamheten Vår Ekonomi	KVE	1947–?. A correspondence course on basic economics financed by the Enterprises Fund.
Ekonomifakta	Ekonomifakta		1980–. An information agency set up by SAF to inform the public about the Swedish economy. Now runs the webpage Ekonomifakta.se .
Enterprise Fund*	Näringslivets Fond	"the Fund," Näfo	1940–2003. Umbrella organization for

Enterprise Information*	Näringslivets Information	-	influencing public opinion in favor of free enterprise. 1945–? Press agency supplying the non-socialist press outside of urban areas with free enterprise articles and information. Initiated by the Johnsons and the Wallenbergs.
Enterprise Institute*	Näringslivets Institut	-	1948–1951. A short-lived information agency meant to counteract government regulation. Merged with the Bureau for Economic Information.
Enterprise Organization for Cooperation*	Näringslivets Samarbetsorganisation	Näso	1947–? Discussion forum for the leaders of the major business organizations. Regularly invited the non-socialist party leaders for discussions. Still active in the mid-1980s.
Executives' Club/Directors' Club*	Direktörsklubben		1933–1951. A discussion forum on exporting issues, political advocacy and other matters of interest for the five largest Swedish exporting firms. Also known as "TBF" – The Big Five.
Federation of Swedish Industries	Sveriges Industriförbund	"the Federation"	1910–2001. The main trade organization for large industrial firms in Sweden.
Guarantee Foundation 1946*	Garantistiftelsen 1946	-	1946–1951. Fundraising organization for big business seeking to get a non-socialist government elected in 1948.
Industrial Institute for Economic and Social Research	Industrins Utredningsinstitut	IUI	1939–. A non-propagandistic research institute funded by SAF and the Federation of Swedish Industries. Later

			changed its name to the Research Institute for Industrial Economics (Institutet för Näringslivsforskning, IFN).
Kreab	Kreab		1970–. A PR firm with close ties to SAF and the Moderate Party.
Libertas	Libertas	-	1942–2005. Financial supporter of non-socialist newspapers. Not to be confused with the Norwegian organization with the same name.
Market Economic Alternative for Sweden*	Marknadsekonomiskt Alternativ för Sverige	MAS	1983–1985. A reform program initiated by the Enterprise Fund for the non-socialist parties to use after the 1985 election.
Mont Pelerin Society	Mont Pelerin Society	MPS	1947–. A discussion forum for free-market intellectuals founded by F.A Hayek in 1947. Important networking node for e.g. public relations experts connected to business backed information agencies.
National Association for Swedish Entrepreneurs	Svenska Företagares Riksförbund	Företagarförbundet	1936–. A trade association for small businesses in Sweden.
October 4 Committee*	4-oktober kommittén	-	1983–1991. SAF-funded umbrella organization for campaigns against the wage-earner funds.
Opinion	Opinion	-	1978–1979. A short-lived sub-brand to Timbro that published a free market magazine of the more provocative kind.
Ratio	Ratio	-	1978–1992. A sub-brand to Timbro that published advanced

Research Bureau for Social Issues*	Utredningsbyrån för Samhällsfrågor	“the Research Bureau”	literature. Led by a council of renowned academics. Not to be confused with the currently existing Ratio, which carries out research on the conditions of enterprise.
Research Bureau for Social Issues*	Utredningsbyrån för Samhällsfrågor	“the Research Bureau”	1962–1984. Initially assisted the non-socialist parties with political reports and parliamentary motions. Financed by the Enterprise Fund and the Wallenbergs. Merged with Timbro in 1984.
SAF's PR department*	Avdelningen för samhällskontakt	Avdelning S	1951–?.
SK-group*	SK-gruppen	-	1970–. A forum for the information directors within the Wallenberg group to discuss issues of public opinion. Still active in 2015.
Society for Liberty and Progress/Forum for Centre-Right Debate*	Förbundet Frihet och Framsteg/Forum för Borgerlig Debatt	FFF	1949–?. Aimed at increasing the political interest among primarily non-socialist academics. Sponsored mainly by the Wallenberg family but also by the Enterprise Fund.
Swedish Employers' Confederation	Svenska Arbetsgivareföreningen	SAF	1902–2001. The main organization for Swedish employers. Merged with the Federation of Swedish Industries in 2001.
Swedish Federation of Crafts and Small & Medium-Sized Companies – Swedish Association of Family Enterprises	Sveriges Hantverks- och Industriorganisation – Familjeföretagarna	SHIO	1905–. Lobby organization for smaller and family-owned businesses. Today only referred to as Familjeföretagarna.
Swedish Management Group*	Svenska Managementgruppen	M-Gruppen	1931–. A SAF subsidiary that in the 1980s assisted employees in the

				public sector to set up privately run organizations to challenge the public monopoly.
Swedish Confederation of Professional Employees	Tjänstemännens Centralorganisation	TCO		1944-. Umbrella organization for white collar trade unions
Swedish Trade Union Confederation	Landsorganisationen i Sverige	LO		1898-. Umbrella organization for blue collar trade unions.
Taxpayers' Association	Skattebetalarnas förening	-		1921-. Still active lobby group for lower taxes and less waste of public funds.
Timbro	Timbro	-		1978-. Still active pro-market publisher and think tank founded jointly by SAF and the Enterprise Fund in 1978.
Unit for Contact with Parliament and Government*	Enheten för Riksdags- och kanslihuskontakt	RKK		1976-? SAF's direct lobby unit in the Swedish parliament.

* Author's own translation

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