

losses but neither can their borrowed money — a reality which did not even stalk the New York banking community on the eve of the 1933 bank collapse. In sum, the banks are bankrupt on a scale incomparable in modern financial history.

To maintain even a semblance of existence as a banking system, the New York banks have charged that the major economic entities of the world are bankrupt and have dictated de facto bankrupt liquidation proceedings: slash services, employment and production to free up sufficient liquidity to service debt payments due to the New York banks. These banks have thus become parasites, in the process of destroying their victims. The destruction of their

victims, like New York City, means their own destruction as well, a fact which they have not yet come to recognize.

There is nothing in capitalists' customs and banking practices to discourage the victims of the New York banks and the Eurodollar banks from treating them as bankrupt. This means, as the first step to orderly liquidation proceedings, imposing a moratorium on further debt service payments to these institutions. As a second step it means bringing into existence alternative institutions which will serve the purpose for which banks were originally called into existence — to make credit available for the expansion of world trade and production. Both of these steps are embodied in well-known U.S. Labor Party legislative proposals.

Economic Collapse Destroys Myth Of 'Swedish Way'

STOCKHOLM, April 22 (IPS) — The Swedish Way is internationally publicized as a model of enlightened social services. Now medieval hordes of rats have invaded the town of Ljusdal because, like other Swedish municipalities, it could not afford to maintain garbage treatment. The Swedish Way is supposed to guarantee the security of full employment. So far it has indeed done this. A two-tiered labor force now exists on the Third Reich principle, dividing the population into a dwindling number of older, skilled workers and a growing mass of robot-like laborers.

During 1975 Swedish industrial output collapsed in major sectors in line with the international collapse of exports. The economy, hailed as a model of autarkic "self-sufficiency" is one of the world's most export dependent.

Production of timber, pulp, paper and iron ore dropped by as much as 30 per cent in major categories.

Under these depression conditions, the collapse of employment has been so far prevented only by massive inventory stockpiling, soaring in some cases up to 57 per cent of total sales. The Schachtian state has intervened, using the funds looted through the highest worker taxation in the world, to provide huge inventory stockpiles subsidy with an election-year promise that companies not lay off employees.

This bubble is about to burst. An indication of the actual severity of the real economic collapse is evident from the fact that leaf-raking public works employment has risen by more than 30 per cent since last February. Over the last three months the state has additionally given major subsidies to municipalities to hire unemployed youth in slave labor road-building and other jobs. The widely-touted, so-called State retraining programs such as AMU — with as much as 40 per cent is "non-occupational training"—in fact are centers for mass "soft" brainwashing. In order to ensure that the worker never leaves the controlled environment of the company, major in-plant worker "re-education" programs have lately been started, described by one high Swedish labor expert as being, "not designed to really upgrade the workers, you know," but to "teach them civics until the economy improves."

All this is occurring in a country where, as of 1970, over two-thirds of the working-age population had only a seven-year primary school education. Official projections are that

by 1985 the majority will still be at this level.

Rats

Rats first became visible on the sanitary perimeters around 1973 when the construction industry collapsed. The State Pension Fund, based on geometrically escalating funding from payroll taxes, recycling funds out of potential industrial investment into construction boondoggles, had billions in paper tied up in the building sector. Taxpayers were looted first to pay to erect apartments that no worker could afford to occupy. Now they effectively pay the rent on these empty units. In addition the population has been subjected over the last decade to a 200 per cent overall rent increase across the country, subsidizing real estate debt on deteriorating buildings for the most part. With workers' income taxes effectively taking 50 per cent of wages to subsidize among other things the highest per capita military economy in Europe; with food prices among the world's highest, ordinary meat costing as much as \$4.50 per lb. (36 Kr.-Kilo), the highly-touted "workers' paradise" is a criminal fraud — a model for Schachtian fascism. State health services, which even before the present collapse meant waiting lines of one year or longer for medical services, now have been hit with municipal budget and service cuts to the point where it is not uncommon to find hospital patients stacked up in the hallways of overcrowded and inadequately staffed hospitals.

Sorcerer's Apprentice

The 1975 collapse in world trade put the entire Swedish economy into the situation of the construction sector: producing unsaleable commodities at state expense, which then wait in overfilled warehouses for the "upswing" in West Germany and the USA. Through huge state inventory subsidies, totalling more than 4 billion Kr. out of special tax "reserves," the enormity of the collapse has been allowed to accelerate along with the cultivated illusion that all is not so bad as the rest of Europe. "After all we still have jobs ..." As a result of this policy, total industrial inventories grew 40 per cent over the last year. The large Sandviken Steel Co., for example, reports that inventories have soared from 42 per cent of sales to more than 57 per cent currently, with no relief in sight.

The limits of this peculiar method of maintaining employment have become obvious, however, at a time when export

orders in key sectors have already dropped at a 25-40 per cent rate, and Europe as a whole is hurtling into total trade collapse. Under these conditions, Sweden's state financing becomes a time bomb. To date the balance of payments deficit was covered by more than \$4 billion in foreign borrowing, and this year's drastic deficit will be used to justify intensification of the 18 per cent January drop in imports — a lethal attack on workers' living standards as the population is forced to reduce consumption or buy domestic debt-inflated products at hyper-inflated prices.

There is nothing Swedish about the Swedish Way, except

IPS Interview

STOCKHOLM, April 22 (IPS) — In a recent interview here, a foreman in a machine shop in the Sallen Corporation described the destruction of Sweden's skilled labor force. He has been a skilled worker for about 25 years.

Question: How do you see Sweden's full-employment policy on the plant level?

Answer: The worst is what's happening with these people from the AMU courses (labor market education — ed.). These young people in their late teens and early 20s are being poured into industry now because of this program where the state pays 10 krona an hour (\$2.50) of their wages, so it's profitable for the firm to take them. Or, rather, that's not the only reason: the main reason is that there aren't any other workers. There simply aren't any skilled workers available for industry.

Okay, it's my job to find work for these kinds. I do my best. I don't have anything against them as people. Neither do the rest of the workers, the older ones. But how charitable can you be? These kids are totally incompetent. They haven't had any training at all. The AMU courses are worthless, and so are these kids, as workers, I mean. Don't get me wrong. I try to give them work they can handle, but it doesn't work. If I put them into a team with real skilled workers, it means the other workers lose money on their piece-rate system. They end up just subsidizing the AMU guy. You can imagine what they think of that!

Question: What do you do with them, then?

Answer: All I can do is give them some task a robot could do. I know they'll never develop any skills doing that sort of work, but it's all I can do if I want to have any output at all. If I assigned them to anything more, production would collapse totally. It's bad enough already. The problem is, industry — the kind of industry I'm talking about — can only take so many robots. Swedish industry works because it requires skilled workers, not robots. Take away the workers and bring in robots and you find out things don't work.

Right now, Sweden has lost a whole generation of skilled workers. I'm not kidding. Most people don't realize this, but firms that know what's happening are trying hard as hell now to find skilled workers. They are looking for 60 to 65-year-old men, because there are none younger. Look, I'd draw the line at around 35 — 35, it's that high. Below that, Sweden doesn't have skilled workers. Okay, it's not absolute, there are some capable fellows in the younger generation, but they are the exception. At the most, 20 per cent could be called skilled. The rest are worthless.

the long tradition of corporatism and submissive conformity that has maintained it. The labor policies of Olof Palme have been developed in Atlanticist futurology think-tanks such as the notorious Hudson Institute and the Rockefeller family's Tavistock Institute in London, where Eric Trist and Atlanticist brainwashers such as Joachim Israel, the "Jewish refugee from Nazi Germany," piloted the Swedish model of fascist super-productivity "teamwork" used at Volvo, Saab and elsewhere. The labor policies of the Swedish Way are self-defeating on their own terms, destroying the skill and cognitive abilities of the labor force — the irreplaceable asset of high-skill, export-oriented Swedish productive plant.

Question: How did this situation come about?

Answer: It all began in 1961 with the school reform. Instead of learning skills, working-class kids were supposed to get a "liberal" education. It was like training them all to be white-collar workers. They took a whole generation out of industry, but they didn't do anything with them. None of them could get jobs — a few did, as bureaucrats, but even they were laid off later. So what happened? They sent them back for more of the same kind of school. Still no jobs. So then they were supposed to "go into industry." So they set up these AMU courses and teach these people a skill in six months that it takes years to learn. But since the state pays half their wages, firms hire them. And I'm supposed to give them work...

Right now we're paying for this stupid thing. I'm telling you that in a few years Swedish industry will collapse. I don't think it can be repaired. How do you replace a whole generation of skilled workers? And it's not only in industry. It's in all branches. Both my sons — they are 20 and 22 — are painters. In Stockholm alone there is a shortage of 50,000 painters. My boys can't come home for half a day after a job before the telephone rings and somebody wants them for a new job.

I really dread what's going to happen in the future. The only way this can go on is if all industry is reorganized to suit robots. Yeah, sure, I know it won't work, but that's what they are doing. They are just speeding things up more and more to make up for the loss of productivity when these AMU guys come in. If you were working with 50 components in a certain amount of time a few years ago, now it's a couple of hundred. The psychological pressure is incredible. Do you know, I read somewhere that the majority of people in Swedish mental hospitals are former metal workers? I'll bet that's true.

Question: Are you familiar with the experiment where six United Auto Workers members came from the U.S. to work in the Saab-Scania auto plant in Södertälje? At the end of their trial period they said the speedup was worse than Detroit?

Answer: I always thought American workers were really pushed hard, that they were really effective. But I see what you mean: here, people take that pace without complaining. It's psychological, and that's why they're in the mental hospitals.

But the real danger is that our skilled labor force is disappearing. It's common sense: if you have qualified workers the economy will function, if you don't it breaks down. And that's what's happening. I'm extremely pessimistic myself. People just don't know how urgent the situation is. They don't see what's really happening.