

Olof Palme: life and legacy

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Olof Palme was born in Stockholm the 30th of January of 1927 in a wealthy German and Dutch ascendancy aristocratic family. At an early age he learnt english and german in a profuse private education and studied the highschool at the *Sigtunaskolan Humanistiska Läroverket*, then he carried out the compulsory military service at the Swedish army as part of the *Svea artilleriregemente A1* (Artillery regiment Svea). Later he entered Kenyon College of Ohio, in the United States, where he obtained his bachelor's degree and got involved in the social fights of that country like the Africanamerican Civil Rights Movement and the United Auto Workers under the leadership of Walter Reuther. After graduating he traveled the highways of the United States and Mexico which had a deep impact on Palme, who at his return to Sweden would join the Swedish Social Democratic Party and would study Law at the University of Stockholm. He formed part of the Prime Minister Tage Erlander's government in 1953 and in 1957 he would become a representative of the *Sveriges Riksdag* (Unicameral Swedish Parliament) for the county of *Jönköping* in the *Andra kammaren* (Lower House).

Palme's time in parliament was fast, notorious and energetic. He developed a close relationship with Prime Minister Erlander and by the end of the 1950s and the beginning of the 1960s their relationship turned inseparable. Palme met his mentor at the Swedish Social Democratic Party during his time as president of the Swedish National Union of Students (SFS) and militant of the student club of the party. From that moment he would become Erlander's protege under the role of an efficient and skilled linguistic secretary, who prepared his speeches and accompanied in his travels.² Palme gained the visible figure of an interlocutor by his own right and a trusted assistant to whom responsibilities of government were delegated and the search for solutions of the wild parliamentary politics. Erlander and Palme forged an inseparable duo that allowed both to prosper in their careers simultaneously by shearing ideas and even personality traits. The Prime Minister took the role of the experienced and melancholic politician that was balanced by the optimism and energy of his younger counterpart.

Having participated in the discussions of the General Secretary of the Swedish Social Democratic Party regarding the reality of the nuclear weapons and the dilemma of their adoption or not by the Kingdom of Sweden as one of the key figures and architects of the posture against, the image of Palme was well known by the time he began functions as representative of the Jönköping county

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² About Olof Palme - In Sweden. Olof Palmes Memorial Fund. Available at: <https://www.palmefonden.se/vem-var-olof-palme/i-sverige/>

and then climbing different positions inside his party. First as deputy of the executive committee of the party in 1964 and later as advisory minister to the office of the Prime Minister. Soon the so-called “Palme mix” emerged in the corridors of the *Sveriges Riksdag*, dealing with particular dedication to two different aspects of government: educational policy and foreign policy, a now modulated echo of the battles waged by Palme during his days as a student representative.

The same year he joined the Erlander’s government, in 1953, Palme participated in an official tour of Asia with stops in India, Sri Lanka, Bruma, Thailand, Singapur, Indonesia and Japan, which would decisively influence his perception of the effects of colonialism on that continent and the dramatic decolonization processes that would develop in the nascent Third World during the 1960s. During this decade Palme worked as functionary in different Swedish administrations in close proximity to Tage Erlander, who became his mentor. During his time in the Swedish Social Democratic Party he directed his efforts to address the issues of his context in the conflicts of the Cold War, environmentalism, the class struggle in Swedish society and decolonization. Emerging as Minister without Portfolio in 1963 and as Minister of Communication in 1965. The last was the position from which he capitalized the posture that he would use to stand out as a critic of the events of his time.

The Palme Mix

During his management as Minister of Communications, between 1965 and 1967, he devoted to give autonomy to Swedish public radio and television, developing their corporations while maintaining independence from the external commercial sponsorship. Both *Sveriges Radio* (Swedish public radio) and *Sveriges Television* (Swedish public television) managed to remain public interest bodies without external funding. Having succeeded the *Sveriges Radio* in competing with the then emerging Swedish pirate radios and consolidating, organizing and expanding into three well differentiated regional stations by 1966: the P1 of general content, the P2 of cultural content and the P3 of musical content and entertainment. For its part the expansion of the funding from the Swedish State was a rotund success for the *Sveriges Television* growing the shares in a 40% of its traditional budget and from a 20% of the corporation to a 60% by 1967.³ The outcome was the growth of the Swedish public television with the inauguration in 1967 of the headquarters and main studios TV-huset of *Oxenstiernsgatan*, in the *Östermaln* District of Stockholm. Finally the so long discussed SVT Tva (second public television channel) and the *kanalklyvningen*⁴ (channel split), planned and designed under his administration would become, in the Swedish collective memory, the materialization of the Olof Palme legacy during his time as the Minister of Communications of the Swedish Kingdom.

³ Sveriges Radio. (March 25, 2008). History of Swedish radio - year by year. Accessed 02-09-2021. Available at: <https://sverigesradio.se/artikel/1971599>

⁴ Gyllensten, Lars (2000) *Minnen, bara minnen*. Editorial A. Bonnier. ISBN-13: 978-9100571405.

In September of 1967, Palme left the Ministry of Communications and became the new *Ecklesiastikminister* (Minister of Ecclesiastic Affairs) under the government of Tage Erlander. Palme was the last *Ecklesiastikminister* in the history of the Swedish Kingdom and its first *Utbildningsminister* (Minister of Education) after the 1967 reform of the Ministry. The product of the Palme Mix during his parliamentary phase made him play an essential role as the architect of the 1959 gubernamental investigation about the student social situation. He proposed a route for a student salary and got the *Sveriges Riksdag* to approve a new model of student loans.⁵ The 1959 investigation works fracture many of his ancient alliances. For example he had clashes with one of his youth friends, Brtil Östergren, who at the time was Director of the Research and Information Department of the Swedish Academics Central Organization (SACO), and by the 1971 Labor Disputes, Palme ended having an open confrontation with him. Simultaneously new alliances were forged, one of which was to the then representative of the Swedish National Union of Students (SFS), Lennart Bodström, who would soon become a trusted figure for Palme.

As Minister of Education Palme had new plans that focused on the social and economic perspective of education, adult education, continuing education and research for social benefits as pillars. He began reviewing the school obligatory curriculum and the design of the Education Research of 1968 –1968 års *Utbildningsutredning* (U 68)– restructuring the Swedish education in a democratic, horizontal and equalizer way. The effects of the Education Research for social benefits promoted by Minister Palme were the development of international cooperation programs with developing countries of the emergent Third World. He was part of the board of directors of the Nordic Investment Bank (NIB), where he encountered many obstacles for his government in particular and for the successor Swedish governments in general, until the creation of the Swedish International Development Cooperation Agency (SIDA) that will carry on this duties.

The approach of the old "Palme mix" made Swedish educational policies inseparable from the concerns and demands of world events from within. A revealing episode being the disenchantment Palme suffered during the summer of 1965 at the *Broderskapsrörelsens kongress* (Brotherhood Congress) of the Swedish Association of Christian Social Democrats in *Gävle*. Palme addressed the audience in a cautious and timid tone, speaking of the desires of countries in the throes of decolonization for liberation and equality and dismissing as an "illusion" expectations of social justice through violent and armed struggles, capping it off by mentioning that "it is extremely difficult to win people's commitment with promises to defend a freedom they have never really experienced" in reference to the United States, whose escalating war in Vietnam was beginning to star the attention of social and student movements around the world. Mentioning it directly only once in responding: "I don't know if the farmers in the villages of Vietnam, because it is about

⁵ Olof Palme. Government Offices. Consultado el 01-09-2021. Disponible en: <https://www.regeringen.se/artiklar/2016/02/olof-palme/>

Vietnam that I have talked the most, have some utopias, some dreams about the future" in what left a clearly unsatisfactory outcome for the audience.⁶

In its spiraling descent, the Vietnam War had transformed into a much larger and much bloodier conflict by the end of the 60's and with it, the national and international public perception towards the nature of the US intervention in it. Gradually sharpening at the same time Olof Palme's tone when talking about it, in speech after speech, until framing himself in the same line of protest movements, especially present in Sweden, capitalizing on the broadest demands for liberation, self-determination, anti-imperialism and anti-interventionism. He went so far as to accompany in February 1968 the North Vietnamese ambassador to Moscow on a demonstration in Stockholm and declaring that the US war in Vietnam had become "a threat to democratic ideals not only in Vietnam, but throughout the world", to the celebration and fury of many at such a controversial statement.⁷ A strong critic of the Soviet repression of the Prague Spring, when Palme returned to address the students in May 1968 he was now much more prepared for the encounter, debating with the "rebel"⁸ faction of students in the Stockholm union building they occupied and addressing the demands for student participation and democracy that the effervescent Swedish youth were championing and to which he was successfully showing commitment as the now first Minister of Education that the secularizing reform was inaugurating.

Prime Minister Palme

Simultaneously to Olof Palme's work as Minister, Tage Erlander's government as a general body, with 23 years of continuity, had developed what had become two pillars of the Swedish state: *Välfärdspolitik* (Welfare State Policy under the Swedish Model) and *Neutralitetspolitik*⁹ (Cold War Neutrality Policy), both framed under the flourishing social composition Erlander called *Det starka samhället* (the strong society). It was characterized by an extensive and strong public sector without threatening or nationalizing the business sectors, producing a period of exceptional prosperity with very low unemployment, extensive social services, immigration and relocation from rural to urban regions that is recalled in pictures such as the *Högertrafikomläggningen* (reorganization of traffic on the right) of the chaotic and confused Dagen H of 1967¹⁰. The last major milestone of the Erlander government was the signing of the Nuclear Non-Proliferation Treaty on August 19, 1968, redirecting the *Försvarets forskningsanstalt* (Swedish National Defense Research Institute) funds

⁶ Ruin, Olof. S Olof J Palme: Ministro de Comunicaciones, líder del partido, político parlamentario, primer ministro, ministro de Educación. Diccionario Biográfico Sueco. Consultado el 28-08-2021- Disponible en: <https://sok.riksarkivet.se/sbl/Mobil/Artikel/7983>.

⁷ *ibid.*

⁸ *ibid.*

⁹ Lindholm, Rolf (1987) La Neutralidad de Suecia. Asociación legal de Lund. ISBN 978-91-544-1881-7.

¹⁰ Ruin, Olof (1990) Tage Erlander: I välfärdsstatens tjänst, 1946-1969. University of Pittsburgh Press. ISBN-10: 0822985233.

from the 1966 stalled Swedish Nuclear Program to the new Saab 37 Viggen fighter and settling the debate on the dilemma concerning the development of nuclear weapons in Sweden.¹¹

Despite winning the 1968 parliamentary elections with more than 50% of the votes for his continuity as head of the government and of the Swedish Social Democratic Party, Prime Minister Tage Erlander unexpectedly resigned after 23 years in office and having reached the age of 68, retiring from politics and giving way in a privileged position to other cadres of his party. The new party leader, his protégé and successor Olof Palme, with Erlander's blessing and overwhelming support at the SAP Convention, which elected him as his successor, was inaugurated on October 14, 1969 as the new Prime Minister of the Kingdom of Sweden by King Gustav VI Adolf, becoming at the age of 42 the youngest Prime Minister in Europe. Despite the prosperous years of the Erlander era, the fabric of the country now led by Palme had recently been strained to the point of crisis, with unemployment rising, strikes spreading, a growing epidemic of drug addiction, a balance of payments deficit and a society polarized to levels not seen since the end of the First World War, between the increasingly militant and radicalized left, influential in the media, and the banking and business interests of the dominant right wing of the economy, with growing social and labor conflicts¹² coming to the surface with the arrival of Palme.

Swedish society itself perceived the new Prime Minister in an intensely divided and passionate way, arousing from acclaim and popularity among the student and labor sectors to deep repudiation and suspicion among liberals and conservatives, among whose programs to redistribute wealth and labor relations, announced in the plan for the Renewal of Working Life, aroused strong fear. The position he reflected in his foreign policy, in the face of developing international events, did not help to alleviate these positions either. Palme immediately began in-depth dialogues with Sweden's other political parties and after extensive and difficult negotiations, surprisingly slowly began to work out complex compromises between very different and distant parties in the titanic task of restructuring the country's social-labor relations while simultaneously producing stimulated industrial growth and increased exports.

The first great challenge of his government was to materialize the constitutional reform of 1969 that transformed the Kingdom of Sweden into a unicameral parliamentary state, eliminating the Andra kammaren as the second chamber of the Riksdag¹³, thus formalizing the pending changes initiated since the social upheaval of 1917 and creating a single chamber of 350 members of

¹¹ Björkvall Koling, Linda (2005) Hemliga atomubåtar gav Sverige säkerhetsgaranti. Revista Framsyn, Perspectiva 2005, No. 1 Tecnología Militar páginas 30-70. Agencia Sueca de Investigación de Defensa - FOI.

¹² McFadden, Robert D. (1986) Olof Palme, aristokrat som blev socialist, dominerade Sveriges politik. The New York Times. Available en: <https://www.nytimes.com/1986/03/01/obituaries/olof-palme-aristocrat-turned-socialist-dominated-the-politics-of-sweden.html>

¹³ Clark Carey, Jane Perry; Galbraith Carey, Andrew (1969) Swedish Politics in the Late Nineteen-Sixties: Dynamic Stability. Academy of Political Science. Disponible en: <https://doi.org/10.2307/2147270>

proportional representation that would begin to function in 1971.¹⁴ This reform would provide the opportunity to initiate more profound long-term changes for the country, and the Palme government went on to negotiate a much larger-scale reform, whose prolonged years of negotiations, concessions and compromises finally resulted in the drastic reduction of the legal functions of the Swedish monarchy, with the elimination of its remaining non-ceremonial roles, the increased separation of state powers, the adaptation of the unicameral parliamentary model into a broader legal framework specifically designed for it, and the modification of universal suffrage by setting the minimum voting age at 18, as the main features of the new 1974 Instrument of Government of the Basic Laws of Sweden, which would replace the one of 1809 and give the country its current constitutional form.¹⁵

During these negotiations the energetic new Prime Minister began to materialize the Renewal of Working Life in labor market reforms that increased job security laws, multiplied child care centers, increased protection for the elderly, and expanded social safety nets to address occupational accidents and housing problems.¹⁶ Going even further, Palme expanded the Welfare State inherited from Erlander, granting strong concessions to the rest of the parliamentary forces, in order to achieve through consensus an immense increase in tax collection, moving Sweden from a relatively low tax rate among Europe to one of the highest in the world, and then, having secured the capacity to do so, proceed with an ambitious wealth redistribution plan focused on the disabled, lower income, the elderly, single parents, immigrants and those most at risk of marginalization; growing old age pensions from 42% upon his arrival in office in the Rosenbad Building in 1969 to 57% in 1974 and their wage replacement from 64% to 90%, increasing in 1971 eligibility for disability pensions that brought new employment opportunities to those over 60, and with it growing unemployment; growing unemployment insurance and introducing in 1974 universal dental insurance simultaneously with paternity leave and parental benefits.

The changes of the previous decades had turned Sweden into a highly industrialized country with increasing rural abandonment and urbanization, which had created a recent housing shortage, especially acute in Stockholm for which there were 106,910 on waiting lists for social housing. With the designs created by the 1959 commission of inquiry, and now with extensive capital from the enlarged AP-fonderna pension funds, the government accelerated Erlander's Million House Program (Miljonprogrammet), developing in collaboration with the corporations numerous residential block complexes, not without criticism, environmental opposition such as the march of

¹⁴ Weibull, Jörgen; Susan Ruth, Larson. Sweden – The Welfare State – New Constitution. Encyclopaedia Britannica. Disponible en: <https://www.britannica.com/place/Sweden/The-welfare-state#ref29895>

¹⁵ Lindkvist, Thomas; Sjöberg, Maria; Hedenborg, Sussana; Kvarnström, Lars (2019) A Concise History of Sweden from the Viking Age to the Present. Studentlitteratur AB. ISBN 978-91-44-10497-3.

¹⁶ Elliot, Julián (2020) Olof Palme, a leader with many enemies. La Vanguardia. Available at: <https://www.lavanguardia.com/historiayvida/historia-contemporanea/20200610/481702371308/olof-palme-guerra-fria-estado-bienestar-social-democracia-justicia-social-ecologismo-telon-acero-asesinato.html>

10,000 activists against Regionplan 70 and the eventual decrease in housing urgency with the advent of the 1973 Oil Crisis and the return of many young families to rural areas, but nevertheless maintaining significant housing and industrial growth in the remaining "Record Years" (Rekordåren).¹⁷

Soon, Palme would encounter major internal challenges and crises that his government would have to navigate, beginning when contract negotiations between the government and the National Union of Civil Servants (SR) and the Central Organization of Swedish Academics (SACO) broke down in February 1971, leading to a strike among the workers of these labor organizations that paralyzed the trains, and, with the enormous demand for air transport, to which train users were now moving, Linjeflyg Airline, even after sending 15 additional planes to Stockholm, was unable to meet it and the Supreme Commander of the Swedish Armed Forces (ÖB), Stig Synnergren, suspended the winter maneuvers to send 20,000 of his personnel to attend to the means of transport. On February 15, the strike extended to dentists and on February 17, fearing it would include teachers, the Swedish Recruitment Agency imposed a lockout¹⁸ on schools that prevented SR and SACO members from attending classes, consequently overburdening other government agencies by requiring the Child Welfare Boards (Barnvårdsnämndens) and Youth Centers (Fritidsgård) to care for students who could not stay at home, and bringing in response the withdrawal of 150 SACO naval pilots from duty and paralyzing shipping. As the labor dispute escalated into one of the most serious and extensive in Swedish history the government of Olof Palme and SACO and SR, led by his former friend and now open political enemy Bertil Östergren, began negotiations which after the passage of the Conscription Act finally ended the *SACO-SR Conflict* which cost 220,000,000 kronor each of its 6 weeks duration.

Palme was also controversial abroad, when in his 1972 Christmas speech, he harshly denounced the events that had taken place days earlier in North Vietnam under heavy bombing in Hanoi of Operation Linebacker II, calling it a form of torture and declaring: *"And that is why the bombing is an atrocity. And we have many examples of this in modern history. And they are usually associated with a name: Guernica, Oradour, Babij Jar, Katyń, Lidice, Sharpeville, Treblinka. There, violence has triumphed. But the judgment of posterity has fallen harshly on those who bore the responsibility,"* in a comparison with Nazi Germany, which at the time was beating Stalin's Union of Soviet Socialist Republics, Franco's Spanish State and the Apartheid Union of South Africa. In response the White House declared that the newly appointed Swedish Ambassador, Yngve Möller, was not welcome, while the then National Security Advisor, Henry Kissinger, would do so by assuring that during Linebacker II the U.S. had not received any criticism from any country. *The*¹⁹ criticism arose

¹⁷ Hall, Thomas (1999) *Rekordåren: una era en la construcción de viviendas sueca*. Junta Nacional de Vivienda, Construcción y Planificación. ISBN 9171475680.

¹⁸ James Avery Joyce (1878) *Human Rights: International Documents, Volume III*. Oceana Publications. ISBN 9028602984

¹⁹ Wachtmeister, Wilhelm (1996) *As I saw it: events and people on the world stage*. Norstedt. ISBN 91-1-962772-6

across the Swedish political spectrum, including in his own party and already abundant to his tone on Vietnam from years before, but had a powerful social reception when the massive *Swedish march for peace in Vietnam* was called on the 28th, which all parties subscribed to under popular²⁰ pressure. At other times he was widely condemned, as before his timid handling of the USSR's threats to Alexander Solzhenitsyn about his guarantees of return when he left the country when he was named winner of the 1970 Nobel Prize for Literature and Palme refused to hand him over to the Swedish embassy in Moscow.

The Oil Crisis, product of the Yom Kippur War and aggravating transportation and production problems, the American debacle in Vietnam, the Norrmalmstorg bank robbery -which gave name to the Stockholm Syndrome-, the coup against Salvador Allende in Chile a few days before, and the death of King Gustav VI Adolf the day before marked the 1973 parliamentary elections, in which, with Palme affected by the crises, the Swedish Social Democratic Party obtained a lower number of votes - 43.6%- and 156 of the 350 seats in the *Riksdag* made it impossible for the opposition to pass a motion of no confidence against them, but at the same time for the SAP to pass profound reforms, meaning in practice a tie that forced them to negotiate. Thus the next phase of Palme's first government was distinguished by times of difficult negotiations in the arid parliamentary politics, eventually achieving good relations with his interlocutors in a surprising adaptability that bore fruit in the spring of 1974 with the signing in the Haga Palace of an economic policy agreement together with the leader of the Swedish People's Liberal Party (Folkpartiet liberalerna) Gunnar Helén, and granting concessions that strengthened the unions and brought him the support of Gunnar E. Nilsson's *Landsorganisationen i Sverige* (LO). Nilsson.

Palme then focused his attention even more on foreign policy, giving an impassioned speech on the legacy of Salvador Allende in the midst of military persecution in Chile and condemning the nascent regime of Augusto Pinochet and resounding his onslaught against Latin American military dictatorships to include the dictatorship of Francisco Franco in Spain and the Colonels in Greece. While in June 1975 he visited Fidel Castro's Republic of Cuba in the first official trip by a Western European head of government to the Caribbean country, declaring: "*what Cuba has taught us is that the oppressors are eventually overthrown, that the demands of the people cannot be stifled*" and communicating his support for the changes happening that year in the Republic of Vietnam, following the Seizure of Saigon by the FNL and the Democratic Republic of Vietnam, and in the Khmer Republic, after the capture of Phnom Penh by the Khmer Rouge in praise that would prove to be a costly mistake when the first documented evidence of the atrocities of the Khmer Rouge and their *Year Zero* was discovered by the U.S. press. Palme's visit to Cuba would mark his most contentious point at home and abroad, with domestic issues soon arising as the *Riksdag* finally reached a stalemate and barely managed to salvage labor and employment reforms.

²⁰ Andersson, Stellan (2008) *Olof Palme and the Vietnam question 1965-1983*. Olofpalme.org. Available at: <http://www.olofpalme.org/ingangar/tema/vietnam/>

The Social Democratic Party began to lose support in society as a result of a series of scandals involving party politicians that demolished the campaign for the 1976 elections, including the discovery in customs of 244,800 SEK among the belongings of 5 visitors to the Finnish Social Democratic Party who had been given them by the German trade union IG Metall; the arrest of director Ingmar Bergman on charges of tax offenses, the publication of children's author Astrid Lindgren's short story *Pomperipossa in Monismania* criticizing Finance Minister Gunnar Sträng's tax policy, the discovery of Transport Workers' Union president Hans Ericson, vacationing in a Swedish Employers' Association house in the Canary Islands despite the trade union movement's boycott of Franco's Spain, and finally the split with the LO union when it adopted Rudolf Meidner's proposal for the *Löntagarfonder* (Employee Funds), which aimed to increase union control over private companies, and the debate on nuclear energy when the leader of the Center Party, Thorbjörn Fälldin, declared that "*nuclear energy must be phased out by 1985*", with the conservatives accusing the SAP of wanting to introduce socialism through the *Employee Funds* debate and the moderates of endangering the environment through nuclear energy. In this scenario the Social Democratic Party (SAP) and the Left-Communist Party (VPK) only 169 seats compared to 180 for the Center Party (C), the Moderate Party (M) and the People's Liberal Party (FP), which formed a coalition government, displacing the SAP from the Swedish government for the first time in 40 years²¹.

During the remaining decade of the 1970s Palme remained a widely popular figure among the Swedish population, and his party with broad support of around 48%, now became the leader of the parliamentary opposition in the government of the new Prime Minister Thorbjörn Fälldin, He remained in that position until 1978 when Fälldin's coalition government collapsed as a result of the nuclear debate, in which the Prime Minister's Center Party maintained a strong anti-nuclear energy stance, and was replaced by a minority government of the Swedish People's Liberal Party and independent ministers with Ola Ullsten as Prime Minister. This split gave the SAP an opportunity to regain lost ground in the run-up to the 1979 parliamentary elections, as the nuclear power debate was reignited by the collapse of generator 1 at the Barsebäck Nuclear Power Plant in Skåne and the *Three Mile Island Accident* in the USA in the preceding months. The left-wing electorate voted for the anti-nuclear VKP against the pro-nuclear SAP and despite surviving the election the Ullsten government survived but handed over to Fälldin to form a new government repeating the FP-C-M coalition. The nuclear energy debate was addressed in the 1980 referendum that decided the gradual dismantling, cleaning and rehabilitation of nuclear and coal power plants, disappearing the main electoral obstacle of the SAP.

After the referendum the popular Fälldin government a package of price freezes, rent freezes, increased food subsidies and tax rebates, but that year's budget had shown revenues of 148,000,000,000 SEK and expenditures of 204,000,000,000 SEK in a historic budget deficit and

²¹ Nohlen, Dieter; Stöver, Philip (2010) *Elections in Europe: a data handbook*. Nomos. ISBN: 9783832956097

increasing trade, presenting a new package, this time of austerity, which cost him the support of the voters, which together with the *Telubaffären* (Telub affair²²) scandal led to a crisis in the popular-center-moderate coalition and broke the Moderate Party with it after the fiscal agreement negotiated in extremis during the *Wonderful*²³ Night of April 23, 1981, weakening Fälldin's government to survive and being defeated in the 1982 parliamentary elections by the resurgent Palme SAP. As a result, Prime Minister Fälldin resigned and after a vote of 179 votes in favor, the *Riksdag* asked Olof Palme to present himself to King Carl XVI Gustaf to be re-appointed Prime Minister.

On October 8, 1982 Olof Palme returned to office in the Rosenbad building and after his years in opposition had intimately linked domestic and foreign policy he began an intense diplomatic activity, becoming actively involved in sensitive political processes around the world, starting with his initiative inviting the North Atlantic Treaty Organization (NATO) and the Treaty of Amity, Cooperation and Mutual Assistance (PoV) to establish a nuclear-weapon-free zone in Europe following the crisis that arose on October 2 when Soviet submarine intrusions in the Hårsfjärden archipelago led to a manhunt by the Swedish armed forces and Palme's dispute with Moderate Party security expert Carl Bildt for having traveled to the U.S. and exchanged information about the incident. The eventual outcome of this was a dispute with the Moderate Party's security expert, Carl Bildt, for traveling to the U.S. and exchanging information about the incident with the CIA without waiting for Soviet responses. The eventual outcome of this was the 1984 Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE)²⁴ calling for an East-West understanding and condemning the nuclear arms race at its height.

Palme found a Sweden in an economic and political crisis and would dedicate the rest of his years to reverse it with surprising success for both his opponents and allies. This time he had to form a cabinet from scratch and faced with the mammoth task many refused positions in his government, with LO leader Rune Molin refusing the ministries of Communications and Energy, former IG Metall president Bert G. Lundin the Deputy Minister of Industry and UN ambassadors Anders Ferm and Anders Thunborg the Ministry of Foreign Trade, with Mats J. Hellström accepting the latter in January 1983. The government presented a 10-point program for the Swedish economy, refusing to devalue the currency as already expected by banks and investors, who started to withdraw their currencies causing a depreciation of the krona up to 16%, not reaching the 20% expected by the intervention of the Scandinavian finance ministries and the West German Bundesbank. To gain LO Palme's support, he modified the tax agreement they had reached with

²² In 1979 the Swedish state-owned telecommunications company Telub signed a contract to train Libyan students in technology, which in 1981 was reported in the press as also having military uses, and the agreement was suspended under pressure.

²³ Östberg, Kjell (2009) *When the wind turned: Olof Palme 1969 to 1986*. Leopard. ISBN: 9789173433167

²⁴ (1986) *Document of the Stockholm Conference on confidence- and security-building measures and disarmament in Europe*. Organization for Security and Co-operation in Europe. Available at: <http://www.osce.org/docs/english/1973-1990/csbms1/stock86e.htm>.

the Fälldin government and to gain that of the National Pensioners' Organization (PRO) that pensions would be increased in line with the cost of prices.

In spite of all this, the budget deficit for 1982-1983 was 82,600,000,000SEK 1.5 billion, presenting a crisis package which increased child allowances, eliminated the reduction of taxes on shareholders, union fees, taxes on videos, housing rent and hydroelectric energy, as well as increasing VAT to 2%, having to reconcile with the VKP to achieve its approval. Internationally he condemned the Israeli invasion of Lebanon, advancing even beyond the Litani River, comparing the treatment of those Palestinian refugee children in that country with that of those in concentration camps and receiving a visit from Yassir Arafat and the Prime Ministers of Denmark and Norway, Anker Jørgensen and Gro Harlem Brundtland, in 1983. That same year Palme refused to send Swedish representation to Raoul Wallenberg's 70th anniversary commemoration, not wishing to be linked to the State of Israel, and was part of the Six Nations Initiative (India, Sweden, Tanzania, Argentina, Mexico and Greece) for nuclear²⁵ disarmament.

Having visited Iran as an international observer after the 1979 revolution he tried to mediate as UN Special Envoy in the Iran-Iraq War in up to 5 different mediation missions, exploiting the valuable opportunities presented with each stalemate in the war and making clear the conditions necessary for a solution in the withdrawal of Iraqi troops from Iran, the sharing of economic costs and the assimilation by both sides of the impossibility of continuing the war, finding Baghdad aware of its inability to win but refusing to withdraw and Tehran still insistent on being able to push its enemy outside its borders that they would fight for bloody years more until reaching in 1988 the same conclusions that Palme had warned of, lamenting as he withdrew: *"I have exhausted all possibilities of mediating in the Iran-Iraq war."*²⁶ By this point Palme had turned a kingdom with little less than the population of Paris (8,331,000) into a giant of diplomacy and conflict resolution, with enormous international prestige for both Sweden and its Prime Minister.

The tax scandal of Justice Minister Ove Rainer shook his government in the long run, with Moderate Party leader Ulf Adelsohn tabling a motion of confidence against Foreign Minister Lennart Bodström in February 1985 over new Soviet submarine infiltrations without success. During the increasing escalation of tensions in Europe during the early 1980's the Swedish government further increased its preparations in case of war, building subway air bases, barracks and hidden fortifications, devising alternate plans and increasing preparations for an asymmetric war of attrition (Fördröjningsstrid) in case of a Soviet invasion, unofficially cooperating with NATO in the face of this scenario and even creating the secret Swedish²⁷ Air Force Unit 66.

²⁵ Ortega, Andrés (1988) *The 'six' approve today a declaration calling for a ban on nuclear testing*. El País. Available at: https://elpais.com/diario/1988/01/21/internacional/569718004_850215.html

²⁶ (1982) *AROUND THE WORLD; Palme Says Talks Fail To End Iran-Iraq War*. The New York Times. Available at: <https://www.nytimes.com/1982/03/02/world/around-the-world-palme-says-talks-fail-to-end-iran-iraq-war.html>

²⁷ (2011) *Claims of secret NATO cooperation*. Sverigesradio. Available at: <https://sverigesradio.se/artikel/4419359>

Despite these scenarios Palme became a voice against U.S. involvement in Central American civil wars, denouncing President Ronald Reagan's support for the regime of Jose Napoleon Duarte in the Salvadoran Civil War, for Oscar Humberto Mejia Victor in the Guatemalan Civil War and his attack on the Sandinista government of Nicaragua through the Contras²⁸; He also internationally condemned the Soviet intervention in Afghanistan in support of the Babrak Karmal regime and intensely attacked the racist Apartheid regime in South Africa, becoming the leading spokesman against its involvement in the Angolan Civil War and the South African Border War in South West Africa, promoting the liberation causes of the ANC and SWAPO and personally spearheading the boycott, divestment and sanctions by giving the keynote speech at the Swedish People's Parliament against Apartheid held in Stockholm in February 1986.

Two weeks later Prime Minister Olof Palme was leaving the Grand Cinema and walking unescorted along Sveavägen Street with his wife Lisbeth Palme when he was suddenly attacked by an unknown assailant and shot in the back at 23:21 (UTC+01:00) and a second shot wounding Lisbeth. Olof died almost instantly while his wife survived to testify in the investigations, despite which the perpetrator could never be identified. Having made Palme numerous powerful enemies throughout his prolific career, theories pointing to the assassination emerged from Pieter Botha's Apartheid South Africa, Saddam Hussein's Iraq, Abdullah Öcalan's Kurdistan Workers' Party, the American CIA, the Yugoslavian UDBA, the Indian Army and the Soviet KGB.

Palme had also made many very close friends, with dignitaries from some 125 nations attending his funeral at the Adolf Fredrik Church, including U.S. Secretary of State George P. Shultz, Indian Prime Minister Rajiv Gandhi, French President François Mitterrand, East German leader Erich Honecker, Israeli Prime Minister Shimon Peres, Italian Prime Minister Bettino Craxi, Nicaraguan President Daniel Ortega and West German Chancellor Helmut Kohl and Soviet Premier Nikolai I. Ryzhkov²⁹. His wife Lisbeth and their 3 children were accompanied by 150,000 Swedes who came to pay their respects on a cloudy day in 1986, becoming a collective trauma for Swedish society and a legend for the international community.

²⁸ Nilsson, Ann-Sofie (1991) *Swedish Social Democracy in Central America: The Politics of Small State Solidarity*. Cambridge University Press.

²⁹ (1986) *Dozens of world leaders attend Palme's funeral*. Los Angeles Times. Available at: <https://www.latimes.com/archives/la-xpm-1986-03-16-mn-26556-story.html>