



Politicising Petroleum

The Political Conflict over the Meaning, Ownership and Operation of
the Swedish Oil Industry, 1914–1947

Jens Millkrantz

Department of Technology Management and Economics

Chalmers University of Technology

Gothenburg, Sweden 2025

THESIS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

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Cover image: Detail of a general election poster for the Conservative Party from 1936. Illustrated by Willie Bergström. The text reads ‘Kräv grundlagsskydd mot bensinmonopol’. (Demand constitutional protection against a petrol monopoly.)

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Abstract

This thesis examines how and why the Swedish oil industry became politicised, and why some politicians proposed its nationalisation between 1914 and 1947.

Previous research on nationalisation has largely focused on oil-producing countries, showing that they typically nationalise to (re)gain control over domestic reserves, maximise rents, foster economic development, finance welfare, or consolidate elite rule. In contrast, much less is known about why oil-poor, import-dependent countries pursue nationalisation. This study addresses that gap through a case study of Sweden's unrealised attempt to nationalise its oil sector. It asks who promoted nationalisation, who opposed it, and what ultimately became of the proposals.

The main advocates of nationalisation were the Social Democratic Party (SAP). Their justifications for the policy evolved over time. Initially, nationalisation was presented as a practical measure to facilitate the blending of ethanol into petrol. It was later reframed as a strategy to raise revenue for desirable welfare reforms, and finally as a means to achieve distributive equality by ensuring uniform oil supply and pricing across Sweden. Thus, the rationale for nationalisation was presented in pragmatic and fiscal terms rather than ideological ones.

Opposition came principally from right-wing parties and their press outlets, along with organised business interests and industrialists. These groups coordinated an anti-planned economy campaign that effectively countered the proposal. Criticism also emerged within the broader workers' movement, particularly from the cooperative movement.

A combination of strong opposition, limited public and stakeholder support, internal dissent, economic constraints, and unresolved questions about import sources and prices led the SAP leadership to abandon the nationalisation plan in 1947.

The Swedish case demonstrates that politicisation processes are rarely linear. Instead, they are multidirectional and contingent, shaped by specific historical and socioeconomic contexts. The thesis therefore contributes a multidirectional model of politicisation that challenges unidirectional accounts of politicisation processes.

Keywords: Petroleum, oil, Swedish oil history, energy history, political history, politicisation, nationalisation, Social Democracy, Swedish Social Democratic Party

Politiseringen av petroleum

Den politiska konflikten om den svenska oljeindustrins betydelse, ägarstruktur och drift, 1914–1947

Jens Millkrantz

Institutionen för teknikens ekonomi och organisation

Avdelningen för teknik, vetenskap och samhälle

Chalmers tekniska högskola

Sammanfattning

Denna avhandling undersöker hur och varför den svenska oljeindustrin politiserades, och varför vissa politiker föreslog ett förstatligande av branschen mellan 1914 och 1947.

Tidigare forskning om förstatliganden har i huvudsak fokuserat på oljeproducerande länder och visat att dessa länder vanligtvis förstatligar för att (åter)få kontroll över inhemska oljereserver, maximera intäkterna, främja ekonomisk utveckling, finansiera välfärden eller konsolidera elitens makt. Vi vet däremot mycket mindre om varför oljefattiga, importberoende länder eftersträvar förstatliganden. Denna studie fyller den luckan genom en fallstudie av Sveriges orealiserade försök att förstatliga sin oljesektor. Den ställer frågorna vem som förespråkade förstatligandet, vem som motsatte sig det och vad som slutligen blev resultatet av förslagen.

De främsta förespråkarna för ett förstatligande var Socialdemokratiska partiet (SAP). Deras rättfärdigande av denna policy utvecklades över tid. Inledningsvis presenterades förstatligandet som en praktisk åtgärd för att underlätta inblandningen av etanol i bensin. Senare omformulerades det till en strategi för att öka intäkterna för önskvärda välfärdsreformer, och slutligen till ett medel för att uppnå fördelningsmässig jämlikhet genom att säkerställa en enhetlig oljeförsörjning och prissättning i hela Sverige. Förstatligandet motiverades alltså i pragmatiska och finanspolitiska termer snarare än ideologiska.

Motståndet kom huvudsakligen från högerpartier och deras pressorgan, tillsammans med organiserade näringslivsintressen och industrialister. Dessa grupper samordnade en kampanj mot

planhushållning som effektivt motverkade förslaget. Kritik framkom också inom den bredare arbetarrörelsen, särskilt från den kooperativa rörelsen.

En kombination av starkt motstånd, begränsat stöd från allmänheten och intressenter, interna meningsskiljaktigheter, ekonomiska begränsningar och olösta frågor om importkällor och -priser ledde till att SAP:s ledning övergav planen på ett förstatligande 1947.

Det svenska fallet visar att politiseringsprocesser sällan är linjära. I stället är de multidirektionella och kontingenta, formade av specifika historiska och socioekonomiska sammanhang. Avhandlingen bidrar därför med en multidirektionell politiseringsmodell som utmanar unidirektionella beskrivningar av politiseringsprocesser.

Nyckelord: Petroleum, olja, svensk oljehistoria, energihistoria, politisk historia, politisering, nationalisering, socialdemokrati, Sveriges socialdemokratiska arbetareparti

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To Livia, our wonderful daughter, the light of my life, and to your sibling in mummy's tummy.

Author's note

The oil industry is infamous for its many mergers and acquisitions, rebranding efforts, and anti-trust-related company breakups. Because of this, most oil companies have undergone several name-changes. In this thesis, I have decided to mostly refer to the oil companies by the names they were known by at the time. While this choice risks confusing the reader, I think it is important for the sake of empirical accuracy — not least because most of the empirical material is new and unexplored.

To help the reader, I have assembled a list of the most prominent oil companies that operated in Sweden between 1914 and 1947 in Appendix A. Prominent oil companies in Sweden, 1917–1947 It also contains information about what the current names of the respective companies are, many mergers and rebrands later.

I have come to the complete opposite conclusion about the English names of Swedish political parties. Rather than using the names they were known by at the time, I have decided to refer to them by their most common names in the English-language historiography so as not to unnecessarily confuse the reader. I have therefore translated *Bondeförbundet* to the Farmers' League, *Folkpartiet* to the Liberal Party and *Högern* to the Conservative Party, for instance. This has the downside of losing some empirical accuracy. To mitigate this, I have referred to the names of splinter groups, name-changes and the like, when relevant.

Appendix B. Major parties in the Riksdag, 1914–1947 lists the major parties in the Swedish parliament (the Riksdag) between 1914 and 1947, including information about party splits and name-changes, in English as

well as Swedish. The list of Abbreviations below details the name-changes that the parties have undergone in Swedish.

Appendix C. Timeline of Swedish governments, 1900–1950 offers a timeline with short descriptions of Swedish cabinets during the first half of the twentieth century, to orient unfamiliar (or forgetful) readers in Swedish political history. It is divided into three periods: the period before the democratic breakthrough in 1918–1922, when universal suffrage was introduced; the period of minority parliamentarism (1919–1932) that followed, during which no party or coalition of parties managed to assemble a majority in the Riksdag, resulting in a parade of short-lived cabinets; followed by the period of Social Democratic hegemony (1932–1976), which also marked a transition to stable majority parliamentarism, thereby ending the tempestuous period of minority parliamentarism.

Appendix D. Nationalisations and NOCs lists known nationalisations of oil companies' private property and creations of national oil companies (NOCs), aimed at orienting the reader in the history of nationalisations and NOCs, since these play an important role in the narrative.

Finally, there is a list of Translations at the back of the book, covering the names of organisations and institutions, as well as relevant terms, titles and concepts.

Abbreviations

ARAB	The Swedish Labour Movement's Archives and Library (<i>Arbetarrörelsens arkiv och bibliotek</i>)
B	The Farmers' League (<i>Bondeförbundet/Centerpartiet</i>)
CFP	Compagnie Française de Pétrole ¹
CIF	Cost, Insurance, and Freight ²
CO₂	Carbon dioxide
CO₂e	Carbon dioxide equivalents
DDPA	The Danish Petroleum Company (<i>Det Danske Petroleum's Aktieselskab</i>)
FOB	Free on Board ³
FP	The Liberal Party (<i>Liberala samlingspartiet/Frisinnade folkpartiet/Folkpartiet/Liberalerna</i>)
H	The Conservative Party (<i>Allmänna valmansförbundet/Högerens riksorganisation/Högerpartiet/Moderata samlingspartiet</i>)

¹ French national oil company. Later Total, now TotalEnergies.

² An agreement between a buyer and seller used in international shipping. CIF means that the seller is responsible for all costs, insurance, and freight (such as shipping fees, export customs clearance, duties, and taxes) until the goods have reached the buyer's destination port.

³ An agreement between a buyer and seller in international shipping. FOB means that the seller is responsible for delivering and loading the goods onto the ship, including costs associated with that process. From there, however, responsibility for the goods are transferred to the buyer.

IC	The Car Owners' Purchasing Centre (<i>Bilägarnas Inköpscentral</i>)
ICE	Internal combustion engine
IOC	International Oil Company ⁴
IPC	Iraq Petroleum Company ⁵
IVA	Royal Swedish Academy of Engineering Sciences (<i>Kungliga Ingenjörsvetenskapsakademien</i>)
Jersey Standard	Standard Oil of New Jersey ⁶
JR	The National Agrarian Union (<i>Jordbrukarnas riksförbund</i>)
KAK	The Royal Automobile Club (<i>Kungliga Automobilklubben</i>)
KB	The Swedish Royal Library (<i>Kungliga Biblioteket</i>)
KrA	The Swedish Military Archives (<i>Krigsarkivet</i>)
LO	The Swedish Trade Union Confederation (<i>Landorganisationen</i>)
MP	Member of Parliament
NOC	National Oil Company ⁷

⁴ A privately owned (or publicly traded) oil company operating in another country than its country of origin.

⁵ Nationalised between 1964–67. Now part of Iraq National Oil Company (INOC).

⁶ Later Exxon, now ExxonMobil.

⁷ A petroleum company that is partially or fully state-owned.

OK	The Oil Consumers' Association (<i>Oljekonsumenternas förbund</i>)
OPEC	Organization of the Petroleum Exporting Countries
RA	The Swedish National Archives (<i>Riksarkivet</i>)
SAF	The Swedish Employers' Confederation (<i>Svenska Arbetsgivareföreningen</i>)
SAP	The Swedish Social Democratic Workers' Party (<i>Sveriges socialdemokratiska arbetareparti</i>)
SKP	The Communist Party (<i>Sverges [sic] kommunistiska parti/Sillénarna/Vänsterpartiet kommunisterna/Vänsterpartiet</i>)
SOCAL	Standard Oil of California ⁸
SOCONY	Standard Oil of New York ⁹
SOU	State public report (<i>Statens offentliga utredningar</i>)
SP	The Socialist Party (<i>Kilbommarna/Socialistiska partiet/Svenska socialistiska partiet</i>)
SSAB	Swedish Shale Oil Company (<i>Svenska Skifferolja Aktiebolaget</i>)
SSV	The Social Democratic Left Party of Sweden (<i>Sverges [sic] socialdemokratiska vänsterparti</i>)

⁸ Now Chevron.

⁹ Later Mobil, now ExxonMobil.

TPC

Turkish Petroleum Company¹⁰

Transport

The Swedish Transport Workers' Union
(*Transportarbetareförbundet*)

¹⁰ Renamed Iraq Petroleum Company (IPC) in 1929.

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Chapter 1. Introduction

Sweden is not ordinarily considered an ‘oil country’. It lacks proven oil reserves and domestic extractive operations.¹ Yet Swedish entrepreneurs have long been involved in oil enterprises: from Ludvig and Robert Nobel’s business in Imperial Russia (1879–1920) to Lundin Oil’s operations in the Ogaden region (1997–2017). Sweden also has a long history of oil importation and use. Despite its reputation as a paragon of environmentalism and forerunner of renewable energy solutions, Sweden was one of the largest per capita oil consumers in the world between the mid-1960s to the early 1980s, at times even competing with the United States for the top spot. Throughout the 1970s, oil accounted for around 60 per cent of Sweden’s total final energy use.²

Oil was long Sweden’s single-most important source of energy; particularly during the so-called ‘Boom Years’, the period of sustained economic growth that began around 1950 and ended with the 1973–1974 oil crises. In the national memory, this period is recollected as a time when the welfare state, or the ‘people’s home’ (*folkhemmet*), was

¹ Except for some low-grade shale oil deposits which were exploited as an emergency replacement for the collapsing oil imports during World War II. See Camilla Eriksson and Jenny Ingemarsdotter, ‘Bergkunskap i totalförsvarets tjänst — om skifferoljans och berggrumslagringens betydelse för Sveriges beredskap’, *Geografiska notiser* 77, no. 4 (2019).

² ‘Per capita primary energy consumption by source’, *Our World in Data*, accessed 13 May 2025, <https://ourworldindata.org/grapher/per-capita-energy-stacked?time=1965>; ‘Energy in Sweden, facts and figures 2025’, *The Swedish Energy Agency*, accessed 13 May 2025, <https://www.energimyndigheten.se/495ddf/globalassets/energisystem-och-analys/nulaget-i-energisystemet/energy-in-sweden-facts-and-figures-25>.

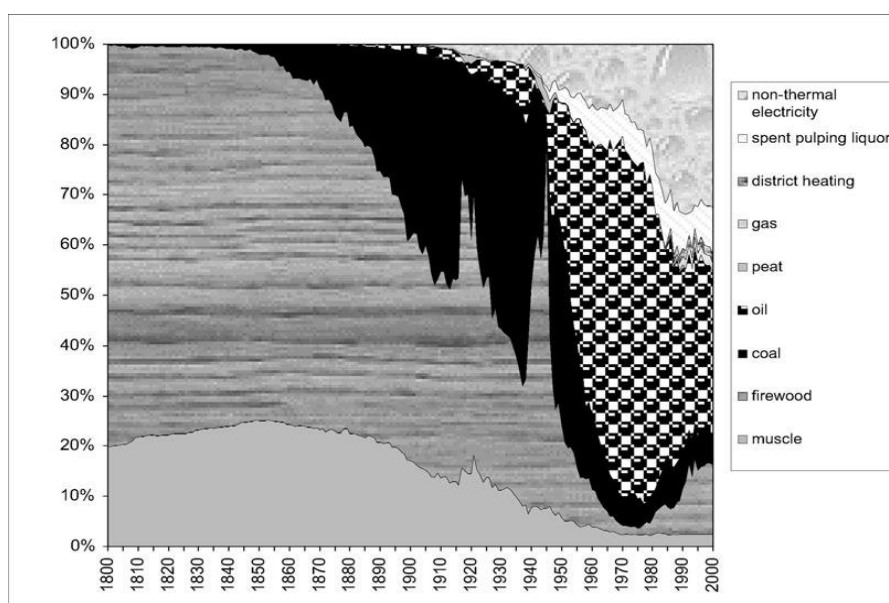
realised. Reforms like universal health care, child benefits and the general supplementary pension system were implemented, affordable housing in typical rational modernist style was constructed, and living conditions for workers (and almost everyone else) were improved. What is usually forgotten is that the Boom Years were made possible by a record use of oil: petroleum was used in everything from cars and airplanes to district heating and electricity generation (see Table 1.1). Oil also played a vital role for Sweden's Armed Forces. The Army, Navy and Air Force became increasingly mechanised and oil dependent throughout the twentieth century. In other words, oil has played a central, but frequently 'invisibilised', role in the rise of the Swedish welfare and warfare state.³

The military and socioeconomic significance of oil made access to the new resource a political priority. Many governments chose to intervene in the market, in various ways, to secure access. Swedish politicians likewise debated such policy options. Some political actors even proposed a highly controversial nationalisation of the Swedish oil industry — that is, a transfer of ownership from the private to public

³ There are of course exceptions to this general trend. Economic historians have been particularly adept at showing the importance of oil for the Swedish economy and the Boom Years. See, e.g., Astrid Kander, Paolo Malanima, and Paul Warde, *Power to the People: Energy in Europe over the Last Five Centuries* (Princeton University Press, 2014), 256–8, 287–302; Lennart Schön, *Sweden's Road to Modernity: An Economic History*, trans. Ken Schubert, 2 ed. (Studentlitteratur, 2017), 321–72; Robert Gross, Odinn Melsted, and Nicolas Chacherau, 'Creating the conditions for Western European petroculture: The Marshall Plan, the politics of the OEEC, and the transition from coal to oil', *Journal of Energy History* [online], 10 (1 August 2023). For the warfare state, see David Edgerton, *Warfare State: Britain 1920–1970* (Cambridge University Press, 2006); Per Lundin, Niklas Stenlås, and Johan Gribbe, eds., *Science for Welfare and Warfare: Technology and State Initiative in Cold War Sweden* (Science History Publications/USA, 2010).

(state) hands. The nationalisation proposal sparked a protracted conflict over the meaning, ownership and operation of the Swedish oil industry, which began in 1914 and lasted until 1947. This conflict constitutes the object of study for this thesis.

Table 1.1. Relative share of energy carriers in Sweden, 1800–2000



Source: Ben Gales, Astrid Kander, Paolo Malanima, and Mar Rubio, 'North versus South: Energy transition and energy intensity in Europe over 200 years', *European Review of Economic History* 11 (2007): 222.

Despite the importance of oil, its role and impact in Swedish energy history is little studied, with a few exceptions. This dearth of research is particularly true of the interwar period. The studies that have been carried out have mostly focused on World War II and the postwar

period. Empirically, these studies have mainly focused on the strategies that influential actors have used to alleviate Sweden's oil dependence. These strategies have included attempts to develop surrogate fuels, to expand Sweden's refining capacity, to mandate stockpiling, and to extract low-grade domestic shale oil deposits.⁴ The present study's

⁴ For Swedish oil history during WWII and the postwar period, see Thomas Jonter, *Socialiseringen som kom av sig: Sverige, oljan och USA:s planer på en ny ekonomisk världsordning 1945–1949* (PhD diss., Uppsala University, 1995). For the development of Swedish refining capacity, see Kurt Johnsson, 'The Swedish Petroleum Industry from Oil Mill to Refinery', *Transactions of the Newcomen Society* 69, no. 1 (1997); Johnsson, *From Refinery to Energy Plant: The Historical and Technological Evolution of the Shell-Koppartrans Refinery, 1947–1995* (Report 1998–1, Chalmers University of Technology, 1998); Johnsson, 'Västsvensk petroleumindustri 1945–2000: etablering och framväxt' (PhD diss., Chalmers University of Technology, 2004); Bengt Berglund, 'Den petrokemiska revolutionen: Svensk petrokemisk industri 1960–2010' (Bengt Berglund, 2010). For a general history of attempts to manage and reduce Swedish oil dependence, see Arne Kaijser and Per Högselius, 'Under the Damocles Sword: Managing Swedish Energy Dependence in the Twentieth Century', *Energy Policy* 126 (March 2019). For the development of alternative fuels, see Erland Mårald, 'Methanol as future fuel: efforts to develop alternative fuels in Sweden after the Oil Crisis', *History and Technology* 26, no. 4 (December 2010): 335–57; Helena Ekerholm, 'Bränsle för den moderna nationen: Etanol och gengas i Sverige under mellankrigstiden och andra världskriget' (PhD diss., Umeå University, 2012); Ekerholm, 'Ett nationellt bränsle: Etanol i svensk politik 1924–1934', *Scandia* 79, no 1 (2013); Ekerholm, 'Ett nationellt drivmedel: Etanol i svensk politik 1924–1934', *Scandia* 79, no. 1 (2013); Jenny Katarina Eklöf, Helena Ekerholm, and Erland Mårald, 'Promoting Ethanol in the Shadow of Oil Dependence: 100 years of arguments and frictions in Swedish politics', *Scandinavian Journal of History* 37, no. 5 (2012); Annika Egan Sjölander, Helena Ekerholm, Jenny Eklöf, Henrik Lång, Erland Mårald, Christer Nordlund, and Bosse Sundin, *Motorsprit kommer! En historia om etanol och andra alternativa drivmedel* (Gidlunds förlag, 2014); Arne Kaijser, 'Driving on wood: the Swedish transition to wood gas during World War Two', *History and Technology* 37, no. 4 (2021). For stockpiling efforts, see Eriksson and Ingemarsdotter, 'Bergkunskap i totalförsvarets tjänst'; Ingemarsdotter and Eriksson, "'Vi får klara oss själva': Hotbild och självbild i den svenska försörjningsberedskapen 1962–2002', *Scandia* 89, no. 1 (2023). For domestic shale oil production, see Bosse Sundin, 'Från möjlighet till miljöskandal: Den svenska skifferoljeindustrin under 1900-talets första hälft' (paper presented at Teknikhistoriska dagarna, Stockholm, 8–10 April, 2008); Mattias Näsman, 'Staten och skifferoljan: Om Svenska skifferoljeaktiebolaget 1941 till 1961 — ett beredskapsföretag i fredstid' (BA thesis, Umeå University, 2014); Eriksson and Ingemarsdotter, 'Bergkunskap i totalförsvarets tjänst'.

analysis of how the ownership and operation of the Swedish oil industry was turned into a topic of political debate and intervention thereby fills a knowledge gap in the studies of Swedish oil history.

Moreover, previous studies of oil nationalisations have overwhelmingly focused on why ‘producer-country nationalisations’ happen. Why oil-poor, import-dependent countries like Sweden would want to nationalise its oil industries is a question that has so far largely escaped scholarly attention. One reason for this might be that there are only a handful such cases, and fewer still studies of those cases.⁵ They could therefore be dismissed as outliers. However, I contend that one cannot know this *a priori*. Studies of such cases may contribute new perspectives on established theories and narratives about why and how nationalisations happen, and how they are justified. The present study provides one such case.

The few studies that exist that have focused specifically on the debate about the proposals to nationalise the Swedish oil industry have made missed important aspects of the proposals’ origins and

⁵ Examples include the United Kingdom (which took state ownership of 51 per cent of APOC in 1911–1914), France (which took state ownership of 25 per cent of CFP in 1926), Fascist Italy (which established the 60 per cent state-owned NOC Agip in 1926), Nazi Germany (which directed private-owned oil companies between 1933–1945 in a manner that can be considered a nationalisation in all but name), Spain (which monopolised oil imports and created the partially state-owned NOC Campsa in 1927), Sweden (which debated and investigated a monopolisation of oil imports and a nationalisation of IOCs between 1916–1947), Finland (which created the fully state-owned NOC Neste to secure the country’s oil supply in 1948) and Cuba (which nationalised US-owned oil refineries and established the fully state-owned NOC CUPET in 1960). As far as I have been able to tell, all other nationalisations and creations of NOCs have occurred in oil-producing countries (see Appendix D. Nationalisations and NOCs). But political discussions and investigations of nationalisation have very likely occurred in other countries as well. Future research could usefully investigate such cases and compare them with the present study.

development over time, and made contradictory claims about who the main actors behind the proposals were, as I will return to in the State of the art section. By investigating the longer history of the nationalisation proposals, the actors and contexts that shaped them, and the reactions they caused, this study presents a reinterpretation of the historical events and processes that these earlier studies have outlined.

Object of the study

For contemporary observers, it may seem obvious that the oil industry is political. It has, after all, been subject to intense debate, protest and politico-legal action in recent years: from Fridays for Future's global school strike and Just Stop Oil's much-debated direct actions, to lawsuits against oil companies for their (knowing) contributions to global warming, and so on. That was not always the case, however.

Oil did not spring from the ground a political substance. In this thesis, I instead approach the 'politicalness' of oil as the result of a socio-historical *politicisation process*. This perspective identifies the politicalness of oil as the *explanandum* (that which is to be explained) rather than the *explanans* (that which explains). Such a perspective enables historical inquiry into how the oil industry became a political issue and how its politicalness has shifted and evolved over time.

The thesis focuses on one central component of the larger politicisation process: the proposals to nationalise the Swedish oil industry that were presented, debated and investigated in the Swedish parliament, the Riksdag, between 1914 and 1947. This is because the debate about a potential nationalisation of the oil industry became the

primary way in which the industry was politicised during this period.⁶ The periodisation, meanwhile, stems from the impact that World War I (1914–1918) had on Sweden’s oil supply and its politicians’ perceptions of the domestic oil industry. As I will return to in the next chapter, the experiences of wartime shortages of imported kerosene marked a turning point in the politicisation process. Fears of worsening supply conditions and future supply shocks contributed to shaping the first calls for nationalisation in 1916. The nationalisation question remained a topic of political deliberation and expert investigation until 1947, which is why that year marks the end point of the analysis.

The aim of the thesis is to investigate why political actors in oil-poor and import-dependent countries may want to nationalise their country’s oil industry through a case study of the Swedish nationalisation debate. Four empirical research questions have guided my research:

1. *Why did politicians in an oil-poor, import-dependent country like Sweden propose to nationalise its oil industry?*
2. *Who were the primary actors behind these proposals and how did they motivate their proposals?*
3. *Who were the main opponents to the nationalisation proposals and how did they motivate their critiques and counterproposals?*
4. *How were the nationalisation proposals handled by the state bureaucracy? What policy proposals came out of this process?*

⁶ It is important to note that it was not the *only* way that the oil industry was politicised, however, as I have tried to indicate throughout the empirical chapters (Chapters 2 to 6).

State of the art

The story of how the oil industry became subject to political discussion and action is intimately tied to the international oil companies' expansion into new markets. During the nineteenth century, the modern oil industry was centred around Galicia in current-day Poland, Romania, the United States, and the Russian Empire — especially around Baku in current-day Azerbaijan. Extraction of small amounts of 'rock oil' and distillation of kerosene took place in these areas from the 1850s onwards. Romania was the world's leading oil producer in the 1850s, but the United States soon eclipsed it. By the 1880s, US oil companies produced 77 per cent of the global oil supply. The Russian Empire briefly overtook the US in the 1890s. But the discovery of the 'supergiant' Spindletop oil field in Beaumont, Texas in 1901 catapulted the United States back into the top spot — a position it held onto until the late 1970s, after the rise of OPEC and the oil price shocks of that decade shifted the balance of power.⁷

The foremost US oil company was Standard Oil. One of the key reasons for its early success was its adoption of the business strategy that has since come to be known as *vertical integration*. In simple terms, it consists of a company taking ownership of most, if not all, aspects of its supply chain. In Standard's case, this meant everything from oil

⁷ 'Visualizing Energy: The history of global oil production', Boston University's Institute for Global Sustainability, accessed 25 May 2025, <https://visualizingenergy.org/the-history-of-global-oil-production/>; Daniel Yergin, *The Prize: The Epic Quest for Oil, Money & Power* (The Free Press, 2008), 98–117.

extraction and refining processes to retail and marketing operations.⁸ The extraordinary profits that Standard made on controlling ‘access to the infrastructure that made circulation [of oil] possible’, writes historian Alfred Chandler, such as ‘pipelines, storage facilities, railway lines, refineries, marketing, and so forth’ prompted its competitors to imitate Standard.⁹ The industry was eventually dominated by a handful of vertically integrated behemoths: the so-called Seven Sisters.¹⁰

During the late nineteenth and early twentieth century, oil companies began to internationalise, that is, to expand into new countries. The international oil companies (IOCs), with Standard Oil Company as ‘first mover’, did this to acquire new oil reserves in oil-rich regions of the world and to open new markets for its products: first kerosene and later petrol, diesel, aviation fuel, heavy fuel oil and lubricants. This occasioned a grand spatial expansion of the IOCs’ operations.

The advent of vertically integrated multinationals like the IOCs began to erode state power, since most segments of the vertically integrated oil companies were located outside of the state’s jurisdiction. Since a state’s authority only extends to its geographical borders, its

⁸ Alfred D. Chandler, *The Visible Hand: The Managerial Revolution in American Business* (The Belknap Press of Harvard University Press, 1977), 325–6, 350–3.

⁹ Adam Hanieh, *Crude Capitalism: Oil, Corporate Power, and the Making of the World Market* (Verso, 2024), 31.

¹⁰ The Seven Sisters consisted of Anglo-Persian Oil Company (now BP), Royal Dutch Shell (now Shell), Standard Oil of California (now Chevron), Gulf Oil (now Chevron), Texaco (now Chevron), Standard Oil of New Jersey (now ExxonMobil) and Standard Oil of New York (now ExxonMobil). See Anthony Sampson, *The Seven Sisters: The Great Oil Companies and the World They Made* (Hodder and Stoughton, 1985); Appendix A. Prominent oil companies in Sweden, 1917–1947

politicians could not regulate or influence the parts of the oil companies that were located outside of its territory.

Political movements and actors around the world were dissatisfied with how little say they had over the development of such a vital industry. This was especially true in oil-rich countries in Latin America, Asia, the Middle East and North Africa, whose populations often experienced the IOCs' entrance on their local markets as a colonial incursion: as white westerners claiming lands and resources that did not belong to them. Moreover, they usually paid a pittance in royalties, rents and taxes to the local government. A common policy response to these encounters with the IOCs was nationalisation.¹¹

What is nationalisation and why does it happen?

The Oxford English Dictionary defines nationalisation as 'the action of bringing land, property, an industry, etc., under state ownership and control'.¹² In the case of the oil industry, this usually means to transfer oil companies' physical and financial assets from private to public ownership.

Ideological factors have been shown to influence governments' willingness to pursue nationalisation policies. As M. L. Williams showed

¹¹ See, e.g., Miguel Tinker Salas, *The Enduring Legacy: Oil, Culture, and Society in Venezuela* (Duke University Press, 2009); Kevin A. Young, *Blood of the Earth: Resource Nationalism, Revolution, and Empire in Bolivia* (University of Texas Press, 2017), 16–34, 149–75; Giuliano Garavini, *The Rise and Fall of OPEC in the Twentieth Century* (Oxford University Press, 2019), 41–87; Thea Riofrancos, *Resource Radicals: From Petro-Nationalism to Post-Extractivism in Ecuador* (Duke University Press, 2020), 1–56; Adam Hanich, *Crude Capitalism: Oil, Corporate Power, and the Making of the World Market* (Verso, 2024), 113–33.

¹² 'Nationalization', *Oxford English Dictionary*, accessed September 4, 2025, https://www.oed.com/dictionary/nationalization_n?tab=meaning_and_use&tl=true.

in 1975, oil nationalisations have mostly been carried out by socialist and nationalist governments.¹³ Other studies have shown that nationalisations are commonly undertaken to maximise economic rents and reduce foreign ownership or control of domestic oil extraction.¹⁴ Using oil rents to fund welfare policies and general economic development has been a common goal, especially of nationalisations undertaken by socialist governments or movements. However, ruling elites have also used oil-financed welfare reforms as a form of bribe with which to pacify subversive movements that could otherwise threaten their continued rule, as Ferdinand Eibl and Steffen Hertog have demonstrated.¹⁵

Nationalisations commonly occur after local leaders have rallied ‘the public against foreigners’ who are pointed out as ‘not fairly sharing the rents of oil and gas production’.¹⁶ Hence, there is frequently an aspect of economic nationalism involved, in that the nationalisations (implicitly) aim at promoting domestic economic interests at the expense of foreign ones.

¹³ M. L. Williams, ‘The Extent and Significance of the Nationalization of Foreign-Owned Assets in Developing Countries, 1956–1972’, *Oxford Economic Papers* 27, no. 2 (July 1975).

¹⁴ Vlado Vivoda, ‘Resource Nationalism, Bargaining and International Oil Companies: Challenges and Change in the New Millennium’, *New Political Economy* 14, no. 4 (2009): 517–34.

¹⁵ Gavin Bridge and Philippe Le Billion, *Oil*, 2 ed. (Polity Press, 2017), 173–201; Ferdinand Eibl and Steffen Hertog, ‘From Rents to Welfare: Why Are Some Oil-Rich Countries Generous to Their People?’, *American Political Science Review* 118, no. 3 (2024).

¹⁶ David G. Victor, ‘National Oil Companies and the Future of the Oil Industry’, *Annual Review of Resource Economics*, 5 (2013): 446.

An alternative way of interpreting nationalisations is to see it as a question of fairness: of who deserves to benefit from a country's oil riches and why. Asserting sovereignty to (re)gain ownership or control of domestic natural resources can be seen as a method of righting historical wrongs — particularly in formerly colonised countries, or countries that have experienced their encounters with the IOCs as a form of economic colonisation. Dismissing nationalisations as a mere outcome of economic nationalism in such cases therefore downplays the historical legacies of (economic) colonisation.¹⁷

Several scholars have demonstrated that nationalisations are more likely to occur when global oil prices are high. During such periods, 'host-country governments' — that is, the governments of oil-producing countries which host the IOCs — tend to think that the financial benefits of nationalisation outweigh the risks and therefore become more prone to pursue nationalisation.¹⁸

Weak political institutions and entrenched, authoritarian elites have also been identified as factors that increase the likelihood of nationalisation.¹⁹ That oil-rich countries tend to be more authoritarian,

¹⁷ See, e.g., Bridge and Le Billion, *Oil*, 40–76, 173–201; Hanieh, *Crude Capitalism*, 113–34; ; Riofrancos, *Resource Radicals*, 1–28; Corey Ross, *Ecology and Power in the Age of Empire: Europe and the Transformation of the Tropical World* (Oxford University Press, 2017), 199–236.

¹⁸ Osmel Manzano and Francisco Monaldi, 'The Political Economy of Oil Production in Latin America', *Economía* 9, no. 1 (Fall 2008); Sergei Guriev, Anton Kolotilin, and Konstantin Sonin, 'Determinants of Nationalization in the Oil Sector: A Theory and Evidence from Panel Data', *The Journal of Law, Economics, and Organization* 27, no. 2 (August 2011).

¹⁹ See, e.g., Bridge and Le Billion, *Oil*, 202–32; Guriev et al., 'Determinants of Nationalization'; David G. Victor, David R. Hults, and Mark C. Thurber, eds., *Oil and*

more conflict-prone, more economically instable, and have less diversified economies than oil-poor countries, could therefore increase the likelihood of nationalisation.²⁰ This is closely related to academic discussions about ‘rentier states’, or ‘petrostates’ — the idea that oil rents enable states to maintain control without developing robust political institutions. This often results in authoritarian and corrupt regimes. Nationalisations in rentier states and countries with weak political institutions are often less about ensuring national economic development than about consolidating elite control.²¹

To summarise, there is a lot of research on why nationalisations are carried out in oil-rich producer countries. Why oil-poor, import-dependent countries like Sweden would want to nationalise its oil industries is a much less researched question.

The historiography of oil in importing countries

Oil-importing countries have largely been ignored in the historiography of oil. It has instead primarily consisted of ‘tales of swashbuckling early oil entrepreneurs, the intrigues of the major Western oil companies, or the geopolitical tussle to capture a supposedly scarce resource’ in oil-

Governance: State-Owned Enterprises and the World Energy Supply (Cambridge University Press, 2011).

²⁰ See, e.g., Michael L. Ross, *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations* (Princeton University Press, 2013).

²¹ See, e.g., Hossein Mahdavy, ‘The Patterns and Problems of Economic Development in a Rentier State: The Case of Iran’, in *Studies in Economic History of the Middle East*, ed. M. A. Cook (Oxford University Press, 1970); Hazem Beblawi, ‘The Rentier State in the Arab World’, *Arab Studies Quarterly* 9, no. 4 (Fall 1987); Beblawi and Giacomo Luciani, eds., *The Rentier State* (Routledge, 1987); Terry Lynn Karl, ‘The Perils of the Petro-State: Reflections on the Paradox of Plenty’, *Journal of International Affairs* 53, no. 1 (Fall 1999).

rich regions of the world, as development studies scholar Adam Hanieh writes.²² Chief among these histories is perhaps economic historian Daniel Yergin's *The Prize*. Yergin offers an impressive, sweeping overview of the international oil industry, but it has been criticised for overly focusing on precisely the things that Hanieh criticises above. Hannah Appel and colleagues have even called it 'the great Whig history of the oil industry'.²³

A second branch of the international oil historiography, dominated by business and economic historians, has focused on telling in-depth histories of individual oil companies and entrepreneurs — some of which have resulted in officially sanctioned histories and biographies.²⁴

A third branch, dominated by economic historians, has focused on historical energy transitions, such as the geographically and temporally uneven transition from traditional biomass to coal, then oil, and later

²² Hanieh, *Crude Capitalism*, 16.

²³ Yergin, *The Prize*; Hannah Appel, Arthur Mason, and Michael Watts, 'Introduction: Oil Talk', in *Subterranean Estates: Life Worlds of Oil and Gas*, ed. Appel, Mason, and Watts (Cornell University Press, 2015).

²⁴ See, e.g., Allan Nevins, *John D. Rockefeller: The Heroic Age of American Enterprise*, 2 vols. (Charles Scribner's Sons, 1940); Ron Chernow, *Titan: The Life of John D. Rockefeller, Sr.* (Vintage Books, 2004); Joost Jonker and Jan Luiten van Zanden, *From Challenger to Joint Industry Leader, 1890–1939*, vol. 1 of *A History of Royal Dutch Shell* (Oxford University Press, 2007); Stephen Howarth and Joost Jonker, *Powering the Hydrocarbon Revolution, 1939–1973*, vol. 2 of *A History of Royal Dutch Shell* (Oxford University Press, 2007); Keetie Sluyterman, *Keeping Competitive in Turbulent Markets, 1973–2007*, vol. 3 of *A History of Royal Dutch Shell* (Oxford University Press, 2007); Ronald W. Ferrier, *The Developing Years, 1901–1932*, vol. 1 of *The History of the British Petroleum Company* (Cambridge University Press, 1982); James Bamberg, *The Anglo-Iranian Years, 1928–1954*, vol. 2 of *The History of the British Petroleum Company* (Cambridge University Press, 1994); Bamberg, *British Petroleum and Global Oil 1950–1975: The Challenge of Nationalism*, vol. 3 of *The History of the British Petroleum Company* (Cambridge University Press, 2000).

natural gas, and how these energy transitions have contributed to the societal transformation from feudalism to capitalism.²⁵

A fourth strand, which one might call ‘critical revisionist histories’, has reacted against the above-mentioned parts of the historiography, and instead focused on the interconnections between oil, imperialism, colonialism and the spatial expansion of capitalism. So far, even these critical revisionist histories have afforded little attention to import-country nationalisations, however.²⁶

A historiography of oil in (small) import-dependent countries has begun to emerge in recent years, however. There are several recent and ongoing research projects that investigate how political actors in oil-importing countries have responded to the entrance of the IOCs on their local markets, and how they have attempted to manage the uneven geographical distribution of oil reserves. This thesis contributes to this growing literature by offering an example of how a small, resource-poor and import-dependent country tried to secure access to oil by political means.

²⁵ For an overview of economic history research on energy transitions, see Ann-Kristin Bergquist and Magnus Lindmark, ‘Economic history and the political economy of energy transitions: A research overview’, (Working Paper no. 2023/11, Uppsala University, 21 December 2023). For examples of economic history on energy transitions, see Kander et al., *Power to the People*; Benjamin K. Sovacool, ‘How long will it take? Conceptualizing the temporal dynamics of energy transitions’, *Energy Research & Social Science* 13 (2016); Vaclav Smil, *Energy Transitions: Global and National Perspectives* (Praeger Publishers, 2016); Marten Boon, ‘A Climate of Change? The Oil Industry and Decarbonization in Historical Perspective’, *The Business History Review* 93, no. 1 (May 2019); Peter Newell, ‘*Trasformismo* or transformation? The global political economy of energy transitions’, *Review of International Political Economy* 26, no. 1 (2019).

²⁶ See, e.g., Timothy Mitchell, *Carbon Democracy: Political Power and the Age of Oil* (Verso, 2013); Andreas Malm, *Fossil Capital: The Rise of Steam Power and the Roots of Global Warming* (Verso, 2016); Young, *Blood of the Earth*; Garavini, *The Rise and Fall*; Riofrancos, *Resource Radicals*; Hanieh, *Crude Capitalism*.

In the Nordic region, Mogens Rüdiger has written about Denmark's transition to oil, the strategies and policies it employed to cope with its oil dependence (before the 1970s when it became self-sufficient following the discovery of oil in Denmark's sector of the North Sea), and the history of its NOC DONG (now Ørsted).²⁷ Pål Thonstad Sandvik and Espen Storli have led a large research project on Norway's transition to oil during the late nineteenth and early twentieth century (before it became a self-sufficient oil producer in the 1970s), and the political responses that the oil majors' entry on the Norwegian market sparked.²⁸ Similarly, Eivind Thomassen has written about the history and evolution of the Norwegian NOC Statoil (now Equinor), and Sylvia Irene Lysgård has written about Equinor's involvement in the Canadian tar sands from an STS perspective.²⁹ Saara Matala and Tanja Riekkinen have written about Finland's oil history and the country's politically sensitive dependence on Soviet oil.³⁰ Niklas Jensen-Eriksen has studied the Western powers' responses to Finland's import of "red oil" from the Soviet Union, as well as the Finnish NOC (without access to

²⁷ Mogens Rüdiger, *DONG og energien* (Handelshøjskolens Forlag, 1998); Rüdiger, 'The 1973 Oil Crisis and the Designing of a Danish Energy Policy', *Historical Social Research* 39, no. 4 (2014); Rüdiger, 'From import dependence to self-sufficiency in Denmark, 1945–2000', *Energy Policy* 125 (February 2019).

²⁸ Pål Thonstad Sandvik and Espen Storli, 'The Quest for a Non-Competitive Market: Standard Oil, the International Oil Industry and the Scandinavian States, 1890–1939', *Scandinavian Economic History Review* 68, no. 3 (2020); Thonstad Sandvik and Storli, 'Standard Oil og monopolkapitalismens inntog i Norge, 1890–1935', *Historisk Tidsskrift* 3 (2021).

²⁹ Eivind Thomassen, *Commerce and politics: Statoil and Equinor 1972–2001*, trans. Alison McCullough (Universitetsforlaget, 2022).

³⁰ Saara Matala, 'National Security, Security of Supply: Finlandisation as a Diplomatic Practice and the Finnish Energy Dependency on the Soviet Union, 1948–1992', *International History Review* 45, no. 3 (2023); Tanja Riekkinen, 'Envisaging Energy Futures: Past and Present', *Environment and History* 28, no. 3 (August 2022).

domestic oil reserves) Neste.³¹ Odinn Melsted has studied Iceland's replacement of imported oil and coal with geothermal energy for residential heating as a means of reducing its oil dependence following the oil crises of the 1970s.³² These histories have all been helpful to situate and contextualise Swedish oil history, and enabled cross-country comparisons.

Swedish oil history

Research on Swedish oil history is surprisingly sparse, given how important oil has been in the country's energy system as well as for its economic prosperity and welfare. Even the specialised field of energy history has so far largely neglected oil or treated it as a backdrop against which to write the history of other fuels and energy sources — especially energy sources that can be construed as 'domestic', such as nuclear power, hydropower, and renewables, which have all been subject of extensive research.³³

There are exceptions to this general trend, however. Historian Lars J. Lundgren has written about the establishment of the Swedish oil

³¹ Niklas Jensen-Eriksen, 'Neste — a state oil company without oil', EMERALD Teaching Case #02 (2023).

³² Odinn Melsted, 'Eliminating fossil fuels: Iceland's transition from coal and oil to geothermal district heating, 1930–1980', *History and Technology* 37, no. 4 (2021).

³³ For nuclear power, see, e.g., Maja Fjæstad, 'Visionen om outtömlig energi: Bridreaktorn i svensk kärnkraftshistoria' (PhD diss., KTH Royal Institute of Technology, 2010). For hydropower, see, e.g., Eva Jakobsson, 'Industrialiseringen av älvar: Studier kring svensk vattenkraftsutbyggnad 1900–1918' (PhD diss., University of Gothenburg, 1996). For renewables, see, e.g., Martin Hultman, 'Full fart mot en (o)hållbar framtid: Förväntningar på bränsleceller och vätgas 1978–2005 i relation till svensk energi- och miljöpolitik' (PhD diss., Linköping University, 2010); Ann-Sofie Kall, 'Förnyelse med förhinder: Den riksdagspolitiska debatten om omställningen av energisystemet 1980–2010' (PhD diss., Linköping University, 2011).

industry He argues that oil flowed into Sweden without much resistance or state control during the end of the 1800s and early 1900s.³⁴ Similarly, culture and media studies scholar Annika Egan Sjölander and colleagues have argued that oil was introduced on the Swedish market through private oil companies.³⁵ Some of these private oil companies were subsidiaries to the international oil companies, while others were founded by Swedish citizens. US oil experts played an important role both in the IOCs and the domestically owned oil firms. The establishment of these subsidiaries and domestically owned companies therefore constituted a form of ‘technology transfer’. This is further evinced by historian of technology Kurt Johnsson’s research on the Swedish petrochemical industry. Johnsson’s research suggests that US expertise and Swedish-American ‘system building’ were important factors ever since the materialisation of the very first oil distillery in Sweden (the *American Photogene Oil* plant on Reimersholme in Stockholm in 1859) through to the inauguration of the *Koppartrans* refinery in Gothenburg in 1947. These works have helped me assemble the story of how the oil industry was initially established in Sweden, and early examples of how it was politicised, presented in *Origins of the politicisation process, 1914–1931*³⁶

³⁴ Lars Lundgren, ‘Energipolitik i Sverige 1890–1975: Sammanfattning av studie utarbetad på uppdrag av Framtidsstudien Energi och Samhälle’ (Sekretariatet för Framtidsstudier, 1978), 96.

³⁵ Annika Egan Sjölander, Helena Ekerholm, Jenny Eklöf, Henrik Lång, Erland Mårald, Christer Nordlund, and Bosse Sundin, *Motorspriten kommer! En historia om etanol och andra alternativa drivmedel* (Gidlunds förlag, 2014).

³⁶ Johnsson, ‘The Swedish Petroleum Industry’; Johnsson, *Refinery to Energy Plant*.

The geopolitics of oil and oil dependence have been important themes in this historiography. Historians of technology Arne Kaijser and Per Högselius have studied the Swedish government's attempts to cope with oil dependence during the twentieth century. They argue that two overall strategies emerged: *managing* and *reducing* dependence. Policies aimed at reducing oil dependence involved efforts to develop domestic alternatives to oil, to exploit domestic sources of (shale) oil, and to promote energy conservation practices. Managing oil dependence involved attempts to diversify imports and developing domestic fuel storage capabilities to ensure that there were reserves in case of supply disruptions.³⁷ These two concepts have aided my analysis of the political attempts to regulate the oil industry during the 1930s and 40s, presented in Chapters 3 to 6.

Similarly, historians Camilla Eriksson and Jenny Ingemarsdotter have written about the Swedish government's investment in domestic shale oil extraction in Kvarntorp between 1940–1966. This was done to reduce Sweden's oil dependence and ensure supply security, particularly during WWII when Sweden's imports were drastically reduced because of the war. They have also analysed the efforts of economic defence planners and engineers to construct large underground caverns which authorities could then use to stockpile crucial goods, including crude oil. The government mandated private companies — including the IOCs — to set aside a part of their total imports for stockpiling

³⁷ Kaijser and Högselius, 'Under the Damocles Sword'. See also Per Högselius, *Energy and Geopolitics* (Routledge, 2019).

purposes to ensure supply security, even in wartime.³⁸ They highlight the importance of oil for the Swedish military and economic defence, which has informed my discussion about the military's view of the proposals to regulate the oil industry in *Foreign oil and national fuels, 1932–*

Annika Egan Sjölander and colleagues, as well as historian Helena Ekerholm, have written about the efforts to develop domestically produced fuels to replace (large parts of the) imported petrol. Specifically, they have analysed the development of ethanol-based fuels and wood gas during the interwar period and World War II.³⁹ Their research has been vital for my discussion about these alternative fuels in *Foreign oil and national fuels, 1932–*

The Social Democrats' oil policies

The Social Democratic Party played an outsized role in the politicisation of the Swedish oil industry, and the proposals to nationalise the Swedish oil industry. The historiography of the party is vast and impossible to cover in full, which means that I have had to focus on the parts that have seemed most relevant for this study.

A central concern in previous studies of the SAP has been the extent to which the Swedish welfare state was a creation of the Social Democratic Party. I have relied on works that grant the SAP a central

³⁸ Eriksson and Ingemarsdotter, 'Bergkunskap i totalförsvarets tjänst'; Ingemarsdotter and Eriksson, 'Hotbild och självbild'.

³⁹ Egan Sjölander et al., *Motorspriten kommer*, Helena Ekerholm, 'Bränsle för den moderna nationen: Etanol och gengas som alternativa drivmedel under mellankrigstiden och andra världskriget' (PhD diss., Umeå University, 2012).

role in the construction of the Swedish welfare state and the shaping of Swedish postwar society, without reducing either to a direct product of the SAP's ideology, practices or policies. Chief among these is historian Kjell Östberg's recent *The Rise and Fall of Swedish Social Democracy*. Östberg offers a comprehensive political and social history of Swedish Social Democracy: how it emerged, its role in constructing the Swedish welfare state and why it has been losing ground in recent decades.⁴⁰

Klaus Misgeld, Karl Molin and Klas Åmark's edited volume *Creating Social Democracy* likewise affords the SAP a central role in shaping the Swedish (welfare) society. Its contributions focus especially on the universalism of Sweden's welfare systems, the role of institutions in helping and hindering the evolution of the welfare state and the political trade-offs and horse-trading that were involved. It highlights that while the SAP was remarkably successful in realising its 'people's home', this success was never a given. It depended on institutional arrangements — the breakthrough of parliamentary democracy, strong trade unions with a mass base, favourable economic conditions, a good deal of luck, and so on.⁴¹

Norwegian historian Francis Sejersted's *The Age of Social Democracy* offers a comparative history of Norway's and Sweden's labour movements and welfare societies. It traces how they built 'social democratic orders' — stable societies combining parliamentary democracy, regulated capitalist economies with some measure of state

⁴⁰ Kjell Östberg, *The Rise and Fall of Swedish Social Democracy* (Verso, 2024).

⁴¹ Klaus Misgeld, Karl Molin, and Klas Åmark, eds., *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden* (Pennsylvania State University, 1992).

interventionism and ownership, and extensive welfare services. It illuminates how those societies came into being, how they shifted over time, and what tensions and crises they encountered. Sejersted treats social democracy as a modernisation project: a set of normative ideals, institutions, state capacity, culture and expectations which together produced the ‘social democratic orders’.⁴²

For broader contextualisation and comparisons to other Social Democratic and Leftist parties and movements, I have principally relied on Geoff Eley’s *Forging Democracy* and Donald Sassoon’s *One Hundred Years of Socialism*, both of which interrogate the European Left’s relation to, and role in (re)producing, liberal democracy.⁴³

Leif Lewin has investigated the Social Democratic Party’s ideas and proposals about socialisation and a planned economy, the opposition that these ideas met from right-wing parties and actors, and the debate that followed in the national press.⁴⁴ The SAP’s worst critics claimed that its proposals to investigate a nationalisation of the oil industry during the 1930s and 40s were the first step towards a wholesale socialisation of Sweden’s entire business community. In other words, they claimed that the Social Democrats ultimately aimed to abolish free enterprise and create a Soviet-style command economy. These arguments were expressed in a coordinated anti-planned economy campaign which was driven by a network of people from the right-wing

⁴² Francis Sejersted, *The Age of Social Democracy: Norway and Sweden in the Twentieth Century*, trans. Richard Daly (Princeton University Press, 2011).

⁴³ Geoff Eley, *Forging Democracy: The History of the Left in Europe, 1850–2000* (Oxford University Press, 2002); Sassoon, *One Hundred Years*.

⁴⁴ Lewin, *Planbushållningsdebatten*, 3rd ed. (Almqvist & Wiksell, 1970).

opposition parties and their party presses, the business elite, and liberal and conservative newspapers, as Sven Anders Söderpalm, Niklas Stenlås and Rickard Westerberg have shown.⁴⁵ None of these scholars have written much about the ‘oil committees’ and the debate around them, however.

Historian Thomas Jonter has focused directly on one of the four committees that investigated a nationalisation of the oil industry — the 1945 Oil Investigation — and the political conflict that it sparked. Jonter mainly focuses on the relationship between the United States’ government and State Department, on the one hand, and the Swedish government and the 1945 Oil Investigation, on the other.

Jonter claims that the Social Democrats’ proposal to nationalise the Swedish oil industry stemmed from the radical Postwar Programme of Swedish Labour, which was published in 1944 and adopted as an informal action plan at the SAP’s 1945 Party Congress.⁴⁶ This assertion is mistaken: the Social Democrats first proposed a nationalisation of the oil industry in 1916, and the party convened three committees during the 1930s that all investigated an oil nationalisation (among other

⁴⁵ Sven Anders Söderpalm, *Direktörsklubben: storindustrin i svensk politik under 1930- och 40-talen* (Lund: Zenit, 1976); Niklas Stenlås, ‘Den inre kretsen: Den svenska ekonomiska elitens inflytande över partipolitik och opinionsbildning 1940–1949’ (PhD diss., Uppsala University, 1998); Rickard Westerberg, ‘Socialists at the Gate: Swedish Business and the Defense of Free Enterprise, 1940–1985’ (PhD diss., Stockholm School of Economics, 2020).

⁴⁶ Thomas Jonter, ‘Socialiseringen som kom av sig: Sverige, oljan, och USAs planer på en ny ekonomisk världsordning 1945–1949’ (PhD diss., Uppsala University, 1995), 13–5, 167–71. For a history of the Postwar Programme, see Östberg, *Swedish Social Democracy*, 138–44.

things).⁴⁷ Hence, the nationalisation proposal did not stem from the Postwar Programme, and the Social Democrats had a much longer history of calling for an oil industry reform (specifically in the form of a nationalisation) than Jonter acknowledges.

If one wants to understand why the nationalisation attempt failed, as Jonter's dissertation aimed to do, one must analyse the three earlier 'oil committees' and evaluate if and how they affected the outcome. This dissertation contributes such a reevaluation of the empirical evidence. It challenges Jonter's interpretation and explanation of the nationalisation proposal's origins as well as why it failed. This is especially important because Jonter's narrative has been widely cited in the Swedish energy historiography.⁴⁸

Finally, historian Helena Ekerholm has written about the alternative fuels that Swedish actors developed to lessen Sweden's dependence on imported oil. In one passage, Ekerholm criticises Jonter's argument that the nationalisation proposal stemmed from the Postwar Programme. Ekerholm instead argues that conservative politicians and industrialists in the forestry sector during the early 1930s were the originators of the proposal.⁴⁹ This dissertation will argue that this assertion is as misleading as Jonter's assertion about the origin of the nationalisation proposal. I will instead argue that the nationalisation proposal was the end-result of a politicisation process that began around WWI. I will

⁴⁷ For Jonter's perspective on the pre-history of the SAP's nationalisation proposal in 1945, see Jonter, *Socialiseringen*, 25–30.

⁴⁸ See, e.g., Ekerholm, 'Ett nationellt drivmedel', 75; Kaijser and Högselius, 'Under the Damocles Sword', 161; Kaijser, 'Driving on wood', 481.

⁴⁹ Ekerholm, 'Ett nationellt drivmedel', 75.

discuss Ekerholm's argument more closely in Chapter 3, and Jonter's argument in *Repoliticising oil, 1944–1947*, which cover the same period as they have investigated.

Theoretical approach

This thesis investigates why Swedish political actors proposed a nationalisation of the domestic oil industry by analysing the politicisation process from which the nationalisation proposals emerged. Politicisation and depoliticisation serve as the two most important theoretical concepts in the thesis. The following section introduces the concepts, and their dynamic interaction over time.

Politicisation

Political scientist Claudia Wiesner argues that politicisation ‘means to mark an issue as an object or a topic of political action’.⁵⁰ Political action, in turn, is ‘any action that marks an issue as political, drives political processes, builds a polity (e.g. a political system and its institutions), changes a polity or policy, or shapes policies’.⁵¹ The act of politicising an issue hence opens it up for controversy and contestation: it turns something which had previously been considered natural, private or non-debatable into a topic of deliberation.

Similarly, political scientist Colin Hay describes politics as ‘the capacity for agency and deliberation in situations of genuine collective

⁵⁰ Claudia Wiesner, ‘Politicisation, Politics and Democracy’ in *Rethinking Politicisation in Politics, Sociology and International Relations*, ed. Claudia Wiesner (Palgrave Macmillan, 2021), 22.

⁵¹ *Ibid.*, 21.

or social choice'. Hay argues that 'politics does not, and cannot, arise in situations in which human purpose can exert no influence. Politics is synonymous with contingency; its antonyms are fate and necessity'. Hay therefore distinguishes between the non-political 'realm of necessity', in which no human agency is possible and 'it is fate and nature that fight it out for supremacy', and the political 'realm of contingency and deliberation', in which human agency and collective deliberation ultimately decide how an issue is handled.⁵²

Crucially from a historical perspective, these theorisations of politicisation make it possible to trace the trajectory and evolution of a political issue over time. They enable an analysis of how a new or previously non-political issue became political: how it first became subject to public debate and governmental decision-making.

Hay identifies three types of politicisations. A type 1 politicisation occurs when an issue is promoted from the realm of necessity to the private sphere. In moving out of the realm of necessity, issues 'become subject of deliberation, decision making and human agency where previously they were not'. Hay takes the development of the secular state as an example of such a politicisation. It transferred the governance of terrestrial affairs from God or divine rulers to humans within the state bureaucracy. The development of modern science has likewise been politicising, in that it has increased 'the capacity for

⁵² Colin Hay, *Why We Hate Politics* (John Wiley and Sons, 2007), 77, 79.

human agency or interference (depending on one's perspective) in matters previously the preserve of nature'.⁵³

A type 2 politicisation occurs when an issue is promoted from the private to the public (but non-governmental) sphere and thereby becomes 'subject to public processes of deliberation, where previously such deliberation was confined to the private sphere'. Hay takes the consciousness-raising activities of new social movements 'such as feminism in drawing public attention to issues of domestic violence and discrimination' as an example of such a further politicisation.⁵⁴

Finally, a type 3 politicisation occurs when an issue is promoted from the public but non-governmental sphere to the public and governmental sphere, where it becomes subject to direct governmental and legal deliberation and decision-making. This often entails that 'issues of considerable public concern [and] contention become newly politicized, or politicized in new ways, within the sphere of government as they become part of the formal political agenda'.⁵⁵

The three types of politicisation (and the three analogue types of depoliticisation to which I will return below) have been useful for my analyses of how the oil industry first became a political issue (see Chapter 2), and how it was subsequently further politicised, depoliticised and repoliticised, in a dynamic that unfurled over time (see Chapters 3 to 6).

Depoliticisation

⁵³ Ibid., 81.

⁵⁴ Ibid.

⁵⁵ Ibid., 82.

Depoliticisation is the opposite of politicisation. Depoliticisation is the act of marking an issue non-political; as something which should not be up for political contestation (any longer); as something uncontroversial. 'If politicisation refers to creating controversialness, involving actors, or marking issues as political,' Wiesner argues, 'depoliticisation means taking away or hiding the controversialness, excluding possible actors and denouncing the fact that something is political.'⁵⁶

Hay identifies three types of depoliticisation to complement his three types of politicisation. Type 1 depoliticisation occurs when an issue is demoted from the governmental to the (non-governmental) public sphere; type 2 when it is demoted from the public to the private sphere; and type 3 when it is demoted from the private sphere to the (non-political) realm of necessity.⁵⁷

Depoliticisation can be achieved by leaving decision-making and administration in the hands of technocrats or bureaucratic institutions, for example — that is, by removing an issue from democratic influence or control. Political scientists Niilo Kauppi and sociologist Hans-Jörg Trenz provide some further examples of depoliticising manoeuvres:

De-politicisation can occur by temporalisation, that is, by postponing something, even ad infinitum, or by spatialisation, by removing it from the repertoire of potential politicisable objects. A political issue can be synchronised with another issue that is considered as not being political, thus attempting to depoliticise the political issue through proximity or contagion. A political agent can transport an issue, a person, an institution, or other object of contention that is potentially politically explosive into a more controllable milieu such as an expert group or committee that meets behind closed doors. Making something technical or discussing it using technical jargon, that is, transforming a political

⁵⁶ Wiesner, 'Politicisation, Politics and Democracy', 22.

⁵⁷ Hay, *Why We Hate Politics*, 80, 82–7.

issue into a technical, legal, or scientific one is a familiar depoliticising move [...] Another de-politicisation strategy is to invoke the state secret or the public interest. This strategy can lead to executive politicians, such as presidents and Prime Ministers, politics and politicisation as their *domaine réservé* or monopoly.⁵⁸

Several of these depoliticisation strategies were employed throughout the Swedish oil nationalisation debate and political process, as the thesis will show. One of the most salient depoliticising moves was *technicisation*, that is, the act of making ‘something technical or discussing it using technical jargon’ described in the quote above. Kauppi and Trenz argue that technicisation does not mean that the issue is depoliticised in the abstract, or that it is equally depoliticised for all concerned individuals or groups. Instead, they argue that:

Technicisation ... is a move by which certain political agents reflexively de-politicise an issue, removing it from the horizon of consciousness and action of some groups, for instance, the general public, attempting to place it into the horizon of consciousness and action of some other, more restricted groups, making it available for them for reflection and action, provided they have the knowledge necessary to decipher the issue. For these latter groups, technicisation is akin to a process of empowerment and potentially of politicisation.⁵⁹

Hence, technicisation empowers certain groups — usually experts with the relevant knowledge — by disempowering and excluding other groups — usually lay audiences who are assumed to lack the relevant knowledge. Technicisation can therefore itself be seen as a politicising move which creates or reproduces power relations. This has clear

⁵⁸ Niilo Kauppi and Hans-Jörg Trenz, ‘(De)politicisation: Shifting Dynamics in an Emerging European Political Field and Public Sphere’ in *Rethinking Politicisation in Politics, Sociology and International Relations*, ed. Claudia Wiesner (Palgrave Macmillan, 2021), 159.

⁵⁹ *Ibid.*, 160–1.

similarities to classic studies of experts and expertise within STS and the history of science and technology.⁶⁰

Politicisation and depoliticisation dynamics over time

In a 2014 article, Hay outlines a heuristic chronology of how politicisation processes tend to evolve over time. He suggests that such processes usually follow three steps. First, some event or politicising move opens a political space that did not previously exist. The issue thus undergoes a type 1 politicisation: it is promoted from the non-political realm of necessity into the realm of contingency and deliberation. This simultaneously generates a regulatory vacuum: a new potential policy domain that might require governance. Second, a social controversy about how to govern or otherwise handle the newly politicised issue ensues. This often takes the form of an agenda-setting debate. The issue thereby undergoes a type 2 politicisation, as it moves from the private realm to the public, but non-governmental one. Third, the issue undergoes a type 3 politicisation: it is promoted into the public and governmental realm as parliament initiates a formal decision-making process. This is usually accompanied by a societal repoliticisation: public debate is often reignited when issues become subject to governmental decision-making. Finally, a resolution of the

⁶⁰ See, e.g., Thomas F. Gieryn, 'Boundary-Work and the Demarcation of Science from Non-Science: Strains and Interests in Professional Ideologies of Scientists', *American Sociological Review* 48 (1983); Brian Wynne, 'Misunderstood misunderstanding: social identities and public uptake of science', *Public Understanding of Science* 1, no. 3 (1992); Stephen Turner, 'What is the Problem with Experts?', *Social Studies of Science* 31, no. 1 (2001); Harry Collins and Robert Evans, 'The Third Wave of Science Studies: Studies of Expertise and Experience', *Social Studies of Science* 32, no. 2 (2002).

controversy is reached, commonly through the adoption of new legislation. Interest and debate tend to fade after such legal resolutions are reached. In other words, the issue is slowly depoliticised.⁶¹

While this model is very useful for identifying general trends in the emergence and evolution of politicisation processes, I contend that it has one vital flaw: it overlooks “failed” politicisation processes — that is, cases that do not lead to the adoption of new legislation or policies. I will argue that this flaw causes conceptual inaccuracy regarding how politicisation processes develop over time. Furthermore, the model cannot explain why some politicisation processes succeed while others fail. To resolve these two problems, I propose a multidirectional model of politicisation, inspired by the work of Trevor Pinch and Wiebe Bijker, in the final chapter of the thesis.

Methods and materials

Understanding the interplay between extra-parliamentary political actors, parliamentary political parties and the committees of inquiry will be vital to understand the politicisation process and the nationalisation debate.

The Swedish political system has small, independent ministries without much capacity to produce policy-relevant knowledge ‘in-house’. They therefore commonly delegate information-gathering, analysis and knowledge production tasks to committees of inquiry.

⁶¹ Colin Hay, ‘Depoliticisation as process, governance as practice: what did the “first wave” get wrong and do we need a “second wave” to put it right?’, *Policy and Politics* 42, no. 2 (2014), 309.

The power to create committees of inquiry rests with the government. A responsible minister formally convenes committees of inquiry. The committee members are expected to report their progress and so on to the responsible minister.

While formally independent bodies, the government has certain ways to influence the committees. The responsible minister has the power to pick the chairperson and the other committee members, which can affect the committee's results. The responsible minister also gets to formulate the committee's 'terms of reference', that is, its aims and goals, and, equally importantly, what lies outside of the scope of the investigation. This sets the boundaries for what the committees of inquiry can and cannot investigate and thus fundamentally shapes the investigation's work and end-results.⁶²

Committees are important arenas of knowledge production. They often function as sites where interest-alignment work takes place and consensuses are established. A committee's work usually results in the publication of a state public report (SOU) containing policy proposals, or a factual assessment on which the government can base future policymaking decisions. Committees are therefore powerful, since their results shape the government's policies. One reason for this is that it is easier for a government to implement a committee's policy proposals than not to adopt them, since ignoring a committee's results often

⁶² See, e.g., Jan Johansson, 'Det statliga kommittéväsendet: kunskap, kontroll, konsensus' (PhD diss., Stockholm University, 1992); Per Lundin and Niklas Stenlås, 'Technology, State Initiative and National Myths in Cold War Sweden: An Introduction', in *Science for Welfare and Warfare: Technology and State Initiative in Cold War Sweden*, ed. Per Lundin, Niklas Stenlås, and Johan Gribbe (Science History Publications/USA, 2010).

entails ignoring the opinions of experts in the field. Committees therefore tend to cause a kind of ‘policy path-dependence’ once they have been convened. So too in the case of the oil industry, as this thesis will show.⁶³

The SAP-led cabinets between 1932 and 1947 launched four committees of inquiry that investigated if and how the government should nationalise (or otherwise regulate) the Swedish oil industry: the 1933 Motor Fuel Committee, the 1934 Fuel Oil Committee, the 1935 Fuel Oil Committee, and the 1945 Oil Investigation. The records of these committees are all kept at the Swedish National Archives. Most of this material has not been subject to study before. The committees were a vital part of the politicisation process, since they constituted the arena where knowledge about the oil industry was produced, and where concrete policy proposals were debated and formulated, which formed the foundations of the political debate and the government’s decision-making. It is hence a crucial arena to study if one wants to understand the politicisation process, and the origins and evolution of the nationalisation proposals.

Complementary materials include cabinet meeting minutes from the ministries that the four committees sorted under — the Ministry of

⁶³ See, e.g., Hans Meijer, ‘Kommittépolitik och kommittéarbete: det statliga kommittéväsändets utvecklingslinjer 1905–1954 samt nuvarande funktion och arbetsformer’ (PhD diss., Lund University, 1956); Meijer, ‘Från uppslag till betänkande: studie i kommittépolitik och kommittéarbete’, 3 ed. (Gleerup, 1970); Göran Claesson, *Statens ostyriga utredande: betänkande om kommittéväsändet* (Studieförbundet Näringsliv och Samhälle, 1972); Jan Johansson, ‘Det statliga kommittéväsändet: kunskap, kontroll, konsensus’ (PhD diss., Stockholm University, 1992); Voitto Helander and Jan Johansson, *Det statliga kommittéväsändet: en jämförelse mellan Sverige och Finland* (Åbo Akademi, 1998).

Finance and the Ministry of Supply — which are kept at RA, and the printed records of the Riksdag (*riksdagstryck*), which are available in digitised form through the National Library of Sweden's (KB) website. The latter material includes documents like motions, bills and minutes of parliamentary debates. Moreover, I have analysed relevant state public reports, which are also available digitally through KB's website.

As mentioned, the Social Democratic Party became an essential actor in the politicisation of petroleum. The dissertation therefore draws on archival material from the party's archives, which are kept at the Swedish Labour Movement's Archives and Library (ARAB) in Stockholm. I have specifically analysed the archives of the SAP's Party Executive (*partiledningen*), Executive Group (*verkställande utskottet*) and the Parliamentary Group (*riksdagsgruppen*).⁶⁴ The Party Executive and the Parliamentary Group were the two main arenas where important issues were discussed, and decisions were taken. The Executive Committee was at this time primarily administrative in nature. Its main function was to keep minutes of the debates and decisions taken by the Party Executive. At the time, the main function of the Party Congress, meanwhile, was to retroactively legitimise the Party Executive's decisions, rather than to decide the party line for themselves, as Klas Åmark has argued.⁶⁵

I have also studied how the relevant trade union — the Swedish Transport Workers' Union (*Transport*), which organises workers in the

⁶⁴ I have also examined the archives of the Council of Trustees (*förtroenderådet*), without finding anything of use.

⁶⁵ See, e.g., Klas Åmark, *Hundra år av välfärdsolitik: välfärdsstatens framväxt i Norge och Sverige* (Boréa, 2005), 37–9.

oil industry like tank lorry drivers and petrol station employees — and the Swedish Trade Union Confederation viewed the oil industry and the nationalisation question by examining their archives at ARAB.⁶⁶ This material illuminates how different parts of the broader Swedish labour movement viewed the SAP's nationalisation proposals, and how they contributed to the overall politicisation process.

I have also investigated how newspapers contributed to the politicisation process, and how they reacted to the nationalisation proposals. The primary material consists of newspaper coverage retrieved from KB's digitised newspaper database (using search terms like petroleum, fuel oil, petrol, monopoly, and nationalisation). I have also examined the SAP's quarterly theoretical journal *Tiden* at ARAB.

Methodologically, I have focused on identifying politicising and depoliticising statements relating to the oil industry in the material, particularly statements concerning the introduction of regulatory measures (or statements about why the industry should remain unregulated). I have then used argument analysis to investigate the actors' arguments for or against a regulation.

Limitations and delimitations

While I have tried to include international events and entanglements, and the history of oil in neighbouring states into the narrative, the focus

⁶⁶ Dan Nyberg and Martin Virenius, *Svenska Transportarbetareförbundets Historik: 120 år av segrar och motgångar* (Premiss Förlag, 2018): 299–319.

of this study remains national, with the necessary limitations that this entails.

I have not been able to examine the oil companies' archives, for two main reasons. First, there is not much such material available in Sweden. Second, the committees' amassed vast amounts of data about the oil companies, and there is a lot of correspondence between the oil companies and the committees. This material has been sufficient for the purposes of this study. A study of the oil companies would be very interesting and useful for the overall historiography of oil in Sweden, but such a study falls outside of the scope of this thesis.

I have not focused on the construction and evolution of Sweden's sociotechnical oil system itself, since this would have required a closer investigation of the oil companies and their archives.

Disposition

The dissertation is largely structured in chronological order. Understanding the diachronic order of events is important if one wants to understand the continuities and change over time. Crucially, the timing of certain events had a significant impact on the actors, and the overall politicisation process. Chapters 4 and 5 are partly structured in thematic, rather than chronological order, however, to avoid jumping between themes.

Chapter 2 provides a political history of oil in Sweden between 1914 and 1932. It describes how and when the Swedish oil industry was established and the initial politicisations of the oil industry that occurred during World War I. It argues that the infrastructural breakdown of oil

imports during the war gave rise to a ‘spectre of oil scarcity’ and policy proposals which aimed at hindering a similar event from reoccurring. One of these proposals was to nationalise the Swedish oil industry.

Chapter 3 focuses on the 1933 Motor Fuel Committee, which was originally convened to investigate if the state could subsidise the manufacture of a domestically produced substitute fuel to replace imported petrol. However, the responsible minister, Minister for Finance Ernst Wigforss, added a secondary objective to the committees’ terms of reference: to investigate whether a regulation of the oil industry could help resolve the motor fuel issue. This essentially acted as a revival of the SAP’s earlier calls for a nationalisation of the Swedish oil industry. The chapter argues that the 1933 Motor Fuel Committee created a path for all three of the later ‘oil committees’ to follow — something which was encouraged by the strictness of the subsequent committees’ respective terms of reference.

Chapter 4 focuses on how the contentious investigations into the creation of coffee and petrol monopolies became linked with pensions. It shows how prominent figures within the SAP proposed to use revenues from the petrol and coffee monopolies to finance a 1935 general pension reform, which came to link oil with welfare. It also focuses on the 1934 Fuel Oil Committee which was convened to investigate two of the obstacles to nationalisation that the previous 1933 Motor Fuel Committee had identified: establishing how much a nationalisation would cost to enable cost-benefit analyses of the proposed nationalisation, and establishing how the prospective oil monopoly would affect Sweden’s trade relations — particularly with the

United States, the United Kingdom and the Netherlands, where the IOCs were headquartered.

Chapter 5 focuses on the 1935 Fuel Oil Committee, which was convened to investigate the main problem that had emerged out of the previous committee's investigations, and the public debate about the 'petrol monopoly', namely the unemployment that a nationalisation would cause. This became a major problem for the SAP, not least because the unemployment would affect its main constituency: blue-collar industrial workers.

Chapter 6 begins with a brief recapitulation of Sweden's heavily regulated wartime economy during the Second World War. The wartime economy included far-reaching regulations of oil import, production, and consumption (through price regulation and rationing). The chapter argues that the successful wartime regulations of the fuel and energy sector bolstered the SAP's confidence in the superiority of a planned economy, and the party's ability to facilitate economic planning. The chapter then goes on to analyse the SAP's repoliticisation of the nationalisation issue, and the Hansson cabinet's creation of the fourth and final oil committee: the 1945 Oil Investigation.

Chapter 7 discusses the main conclusions of the investigation. It summarises who the main proponents of the nationalisation proposal were, who their opponents were, and how the politicisation (and depoliticisation) process played out over time. It also offers comparisons between (attempted) nationalisations in oil-poor countries like Sweden and nationalisations in other countries, as well as a new

multidirectional chronology of politicisation, which challenges Hay's heuristic chronology of (de)politicisation processes.

Lastly, there are four appendices and a list of translations at the back of the dissertation. Appendix A. Prominent oil companies in Sweden, 1917–1947 lists the most prominent oil companies that operated in Sweden between 1914 and 1947, including information about the many name changes that the oil companies have undergone. Appendix B. Major parties in the Riksdag, 1914–1947 presents the major parties in the Riksdag between 1914 and 1947. Appendix C. Timeline of Swedish governments, 1900–1950 provides a timeline of Swedish cabinets during the first half of the twentieth century. Finally, Appendix D. Nationalisations and NOCs lists nationalisations of privately owned oil assets between 1900 and 1975, and the creation of national oil companies (NOCs) during the same period, since these play an important role in the narrative.

Chapter 2. Origins of the politicisation process, 1914–1931

This chapter provides a brief background on Sweden's sociotechnical oil system, the enduring legacy of the World War I supply shock and the origins of the politicisation process.

Sweden's early sociotechnical oil system

Sweden does not have any significant domestic oil reserves and has therefore depended on imported oil ever since the dawn of the 'oil age' in the mid-1800s. Moreover, Sweden lacked industrial-scale refinery capacity until 1928, which meant that Swedish companies and organisations had to import refined petroleum products (such as petrol, diesel, kerosene, bituminous asphalt, and so on) instead of crude oil. The lack of refinery capacity deepened Sweden's dependence on foreign oil companies and the subsidiaries that they established on the Swedish market.

The historian Lars J. Lundgren has argued that oil flowed into the Swedish energy system without constraint or state control during the end of the 1800s and early 1900s. Similarly, Annika Egan Sjölander and colleagues have argued that oil was introduced on the Swedish market through private oil companies. Chief among those private companies was the US-based Standard Oil Company.¹

¹ Lundgren, 'Energipolitik i Sverige'; Egan Sjölander et al., *Motorspriten kommer*.

US expertise was vital in the establishment of Sweden's oil industry. The establishment of domestic import companies and the subsidiaries of Standard (and, later, the other IOCs) constituted a technology transfer from the US to Sweden, as evinced by historian Kurt Johnsson's research on the Swedish petrochemical industry. He suggests that US expertise and Swedish-American 'system building' were important factors ever since the materialisation of the very first small-scale oil refinery for kerosene production in Sweden: the *American Photogene Oil* plant on Reimersholme in Stockholm in 1859. In short, early oil entrepreneurs set up import companies and built storage and transport infrastructure (primarily in harbour cities) with aid or inspiration from US-based oil firms and experts.²

Independent importers were relatively quickly acquired or outcompeted by Standard, which established a monopoly on the Scandinavian oil market in the 1890s that lasted until the First World War. In 1911, Standard controlled 70 per cent of the international oil market. That the company was able to monopolise most of the European oil market, including the Swedish one, is therefore unsurprising.³

Standard led its Scandinavian business operations from its Danish subsidiary *Det Danske Petroleums Aktieselskab* (DDPA), in which the US parent company was the majority shareholder. Its main instrument on

² Johnsson, 'The Swedish Petroleum Industry'; Johnsson, *Refinery to Energy Plant*.

³ Sven Nordlund 'Upptäckten av Sverige: Utländska direktinvesteringar i Sverige 1895–1945' (PhD diss., Umeå University, 1989), 266.

the Swedish market was *Krooks Petroleum & Oljeaktiebolag*, which was founded in Stockholm in 1896 as Standard Oil's general agent.⁴

Krooks and other Standard subsidiaries' business consisted of importing oil from its US parent company and distributing this oil to independently owned and operated retail outlets. Standard employed the same strategy as it had done in the US to gain control of the market: it quickly set up regional sales companies and a network of oil depots to supply the independent retailers. It also installed Standard-owned oil cisterns at the retailers' petrol stations and stores. That way, Standard made the distribution of oil more efficient, while simultaneously constructing a material infrastructure that forced the retailers into a dependence on Standard.⁵

Standard then used its infrastructure to pressure the retailers to accept Standard's pricing policies. This business strategy was as successful in Sweden as it had been in the United States. Standard soon managed to monopolise nearly the entire Swedish oil market. It held on to its monopoly until World War I, when powerful challengers began to appear.⁶

Petrol was not only sold at specialised petrol stations. Instead, a great number of retail outlets existed: 'single pumps' and self-service 'oil barrel pumps' outside of village shops, petrol cans which could be bought at apothecaries, and manned 'service stations' which oftentimes employed mechanics who could service malfunctioning vehicles. The

⁴ See Thonstad Sandvik and Storli, 'The Quest'; Thonstad Sandvik and Storli, 'Standard Oil'.

⁵ Nordlund, 'Upptäckten av Sverige', 268.

⁶ *Ibid.*, 268–9.

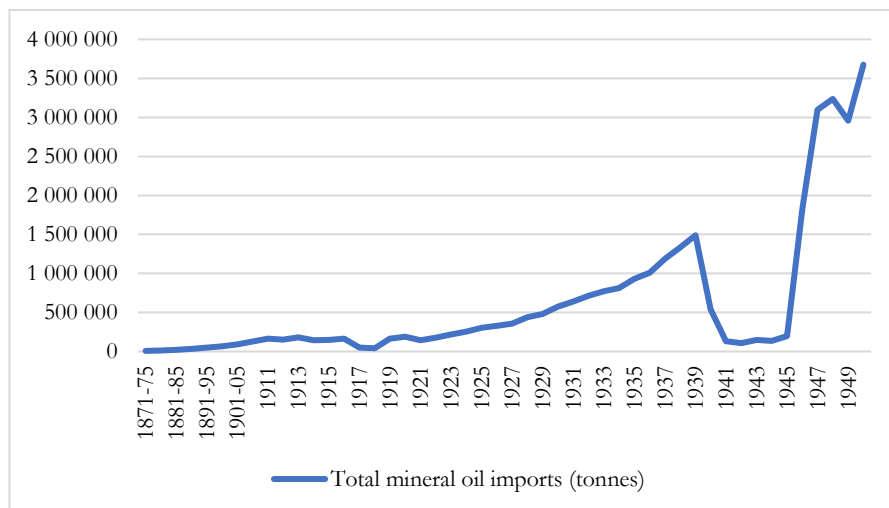
number of retail outlets grew incredibly quickly and in an uncoordinated manner. The sudden explosion of petrol retailers, and the inefficiencies of the retail network, played a major role in the politicisation of the Swedish oil industry, as I will return to below.⁷

Growing demand

Swedish oil imports kept growing before the outbreak of World War I. But total mineral oil import volumes were still very low compared to what they would become during the interwar and the post-WWII periods (see Table 2.1).

⁷ Nyberg and Viredius, *Svenska Transportarbetareförbundet*, 304–5.

Table 2.1. Sweden's mineral oil imports, 1871–1950



Sources: Statistics Sweden, ‘Statistisk årsbok för Sverige’ (Kungl. Boktryckeriet P.A. Norstedt & Söner, 1912–52); Statistics Sweden, ‘Historical statistics of Sweden: Statistical surveys. Tables not published in volumes I and II’ (Kungl. Boktryckeriet P.A. Norstedt & Söner, 1960).

The drivers of this increased oil use were many, but the main reason was the multiplication and dissemination of oil-fuelled vehicles. The number of automobiles grew from just 15 in 1900 to 250.000 in 1950, surpassing one million in 1959.⁸ The birth and diffusion of aviation in 1903 was likewise energised by petroleum-derived aviation fuel. Industrial and agricultural production increasingly adopted petroleum-fuelled machinery, as did the fishing and shipping sector. The Swedish Navy began converting to fuel oil-powered ships around WWI to keep

⁸ Statistics Sweden, ‘Bilens århundrade’, accessed 30 September 2025, <https://www.scb.se/hitta-statistik/redaktionellt/bilens-arhundrade/>; Stig Hadenius and Torbjörn Nilsson, *Sveriges historia: vad varje svensk bör veta* (Bonnier Alba, 1996). See also Per Lundin, ‘Bilsamhället: Ideologi, expertis och regelskapande i efterkrigstidens Sverige’, (PhD diss., KTH Royal Institute of Technology, 2008), 17–22.

abreast with the naval arms race between Germany and the UK. In time, most vehicles, whether civilian or military, would grow dependent on the imported fuel.⁹

Access to (cheap) oil therefore quickly became a concern not just for wealthy early adopters of the car or professional automobile drivers, but also for politicians, the military and industrialists who were concerned about Sweden's national security, productivity and economic growth.

The diffusion and proliferation of ICE vehicles in Sweden arguably exerted what historian of technology Alex Roland has called a 'directional force' on the Swedish economy: a search for a stable and cheap supply of petroleum, both at home — through unsuccessful prospecting efforts and semi-successful shale oil extraction ventures — and abroad — through efforts to secure imports and, later, investment in oil fields in other countries. That directional force grew stronger after the country's experiences of the oil supply shock during World War I.¹⁰

⁹ Schön, *Sweden's Road to Modernity*, 178–313. For the shipping and fishing industry's transition from coal to petroleum, see Hans De Geer, *Firman: Familj och företagande under 125 år från A Johnson & C:o till Axel Johnson gruppen* (Atlantis, 1998), 35–6, 85, 89–90, 102–122; Nordlund, 'Upptäckten av Sverige', 267. For the Swedish Navy's conversion to diesel-fuelled generators, see Per Insulander and Curt S. Olsson, *Pansarskepp: Från John Ericsson till Gustaf V* (Marinlitteratur, 2001), 103–7, 158–203. For the naval arms race between Germany and the UK, see Edgerton, *Warfare State*, 26–41.

¹⁰ For a discussion on technologies' directional and social forces, see Alex Roland, 'Was the Nuclear Arms Race Deterministic?' *Technology and Culture* 51, no. 2 (2010).

The World War I supply shock

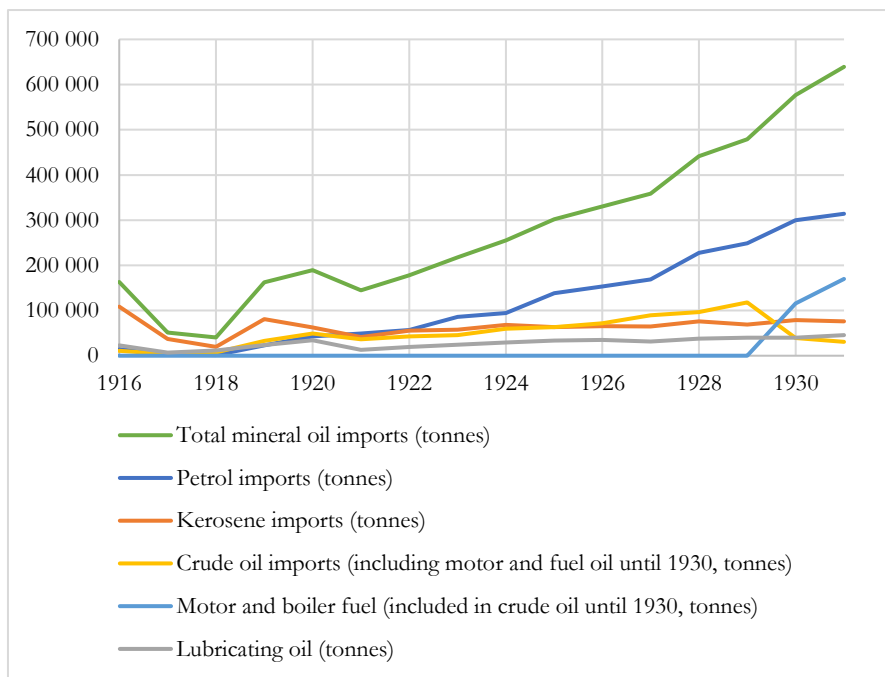
Import volumes fell precipitously during World War I, especially during 1917 and 1918 (see Table 2.2). Sweden's petroleum imports came almost exclusively from the US, which supplied just under 70 percent of the world's oil products at the time. When the US joined the war in April 1917, the US government forced Standard and its competitors to focus on supplying the US' and the Allies' armed forces with oil by cutting exports. Consequently, US oil exports to neutral countries fell as the country's petroleum was reserved for fuelling the engines of war. Another reason why transatlantic trade plummeted was Germany's unrestricted submarine warfare, which sank civilian merchant ships.¹¹

The emerging oil import and distribution infrastructure had largely remained invisible to most Swedes before WWI, but the rupture caused by the wartime supply shock made the infrastructure and its vulnerabilities starkly visible.¹²

¹¹ See, e.g., Yergin, *The Prize*, 174–9; Thonstad Sandvik and Storli, 'Standard Oil', 248–9; Brian C. Black, *Crude Reality: Petroleum in World History* (Rowman & Littlefield Publishers, 2012), 150–6.

¹² Cf. Susan Leigh Star, 'The Ethnography of Infrastructure', *American Behavioral Scientist* 43, no. 3 (1999).

Table 2.2. Sweden's mineral oil imports, 1916–1931



Note: N.B. the wartime decreases. Total mineral oil imports fell from 162 892 tonnes in 1916 to 51 355 tonnes in 1917 (down 68 per cent) and 40 437 tonnes in 1918 (down 75 per cent from 1916).

Sources: Statistics Sweden, 'Statistical yearbook for Sweden'; Statistics Sweden, 'Historical statistics of Sweden: Statistical surveys. Tables not published in volumes I and II'.

The sudden halt of US oil exports caused shortages in European countries, including Sweden. The near-total collapse of imports caused shortages of kerosene, which became particularly troublesome for countryside towns and villages that were not yet connected to the emerging national electricity grid. This incentivised expansion of the grid, but it proved hard to expand it quickly enough to keep the

darkness at bay — not least because of a shortage of metals which likewise had to be imported.¹³

The infrastructural breakdown also created petrol shortages, which prompted the state to confiscate petrol as well as ethanol (for use as a surrogate fuel) in 1917. The confiscated fuel was reserved for the military and emergency services.

The situation quickly grew dire — especially since the petroproduct scarcities were a small part of the country's broader wartime shortages, the most pressing of which concerned food supplies. Food shortages and inflated food prices caused widespread hunger in the spring of 1917, sparking demonstrations and riots across Sweden. In the summer of that year, the country teetered on the brink of a revolution.¹⁴

The Swedish Social Democratic Party (the SAP) and the Swedish Trade Union Confederation (the LO) responded to the food shortages by pressuring the sitting government — the (theoretically unpolitical, but practically conservative) civil servant cabinet of Hjalmar Hammarskjöld — to introduce export licences on produce and livestock, regulate maximum prices, introduce cost-of-living allowances or increase wages. These calls were left unheeded, however, which further stoked social tensions.¹⁵

¹³ Statistics Sweden, 'Detaljpriser och indexberäkningar, 1913–1930' (A.-B. Hasse W. Tullbergs Tryckeri, 1933), 46–7.

¹⁴ For the social unrest and revolutionary situation during 1917, see Håkan Blomqvist, *Potatisrevolutionen och kvinnoupproret på Södermalm 1917: Ett historiskt reportage om hunger och demokrati* (Hjalmarson & Högberg, 2017); Östberg, *Swedish Social Democracy*, 48–136.

¹⁵ Minutes of the SAP's Party Executive and the LO's General Council, 9–10 September 1915, vol. A2A:8, ARAB.

Differences of opinion concerning the SAP's means and ends emerged during the same period. The conflict created a fissure between radicals within the SAP, concentrated around its Youth League, and moderates, centred around the party executive. The conflict had come to a head in late 1916, when the Youth League began developing a political programme of its own; one that was significantly more radical and pro-revolutionary than the SAP's programme. The tensions ultimately led the party executive to demand that the Youth League always be ready 'to promote the party's activities in full compliance with the party and its subdivisions' decisions'.¹⁶ The Youth League balked at this 'gag order' and left the party together with other malcontent radicals to form the Swedish Social Democratic Left Party (SSV) in February 1917. The party split created an enduring and infected conflict between social democrats and 'left socialists' (eventually communists) in Swedish politics.¹⁷

This party split happened simultaneously as the food shortages caused Sweden to drift into a revolutionary situation. The situation escalated when conscript soldiers began marching alongside hunger demonstrators, and workers formed local councils, modelled on the Russian soviets. Dissent between the SSV and the SAP reappeared over the question of how to handle the revolutionary situation: whether to egg the hunger riots on and steer them in a revolutionary direction, which was generally the SSV's stance, or to urge calm, demand reforms and rally voters for the upcoming September 1917 general election

¹⁶ Minutes of the SAP's Party Executive, 5–8 November 1916, vol. A2A:8, ARAB.

¹⁷ Östberg, *Swedish Social Democracy*, 48–71.

(after which the SAP promised to resolve the food situation and introduce universal suffrage), which was the SAP's position.¹⁸

Many feared that the situation would turn violent during the May Day demonstrations of 1917 — particularly once it became known that authorities in Stockholm had organised a clandestine guard of armed civilians to protect the Riksdag against a revolution. This prompted leftists to call for the working class to take up arms, which induced the authorities to back down. The First of May demonstrations in Stockholm remained disciplined and peaceful, largely thanks to the thousands of workers' guards that protected the demonstrators and prevented clashes between workers and state security forces.¹⁹

The hunger crisis culminated with a large demonstration outside the Riksdag in June 1917. 'By then, however', writes Östberg, 'the Social Democrats had strenuously intervened to try to take control of the movement'.²⁰ Party leader Hjalmar Branting promised Prime Minister Hammarskjöld to quell the protest in exchange for a retreat of the military, which Hammarskjöld had called in against the protestors. On the whole, Branting managed to achieve this. Tensions gradually tempered throughout the summer of 1917, as the most acute food shortages were relieved and the SAP managed to impose discipline on the labour movement. The mass movement consequently dissolved.²¹

¹⁸ See Blomqvist, *Potatisrevolutionen*.

¹⁹ Ibid.

²⁰ Östberg, *Swedish Social Democracy*, 54.

²¹ Ibid., 56–7.

To return to the lighting and automobile fuel shortages, some industrialists and politicians hoped that sulphite ethanol might become Sweden's saving grace. Sulphite ethanol was a by-product of Sweden's forestry sector, which made it attractive for both financial and security reasons: it was a domestically available resource produced from a readily available raw material — trees — in a mature and economically vital industry. Some politicians therefore saw a transition from imported oil to domestically produced sulphite ethanol as a means not just of stimulating and supporting Sweden's all-important forestry sector, but also of strengthening the country's (economic) defence. The state therefore co-financed the construction of 19 sulphite ethanol factories.²²

In 1918, Sweden consumed around 1.6 million litres of a fuel mixture consisting of 95 per cent ethanol and 5 per cent petrol — what we today would call E95 — in lieu of petrol. However, the surrogate E95 fuel quickly fell out of favour when WWI ended, and petrol imports bounced back again (see Table 2.2). At that point, most consumers reverted to the cheaper and more efficient undiluted petrol. In 1919, consumption of ethanol fuel mixtures amounted to half a million litres, a number that practically fell to zero after 1919.²³ Nevertheless, some political, military and industrial leaders insisted on keeping the heavily subsidised sulphite ethanol industry alive. 'The ultimate goal was to establish domestic ethanol on the Swedish fuel

²² SOU 1933: 25, 88; Förordning no. 481 (13 July 1917). See also Eklöf et al., 'Promoting Ethanol'.

²³ SOU 1933: 25, 88.

market’, argues historians Jenny Katarina Eklöf and colleagues, ‘and replace at least large portions of the imported petrol, if not all of it’.²⁴

Origins of the politicisation process

The politicisation of the Swedish oil industry essentially had three origins: international influences, criticism from workers and competitors within the nascent industry, and Sweden’s experiences of oil scarcity during WWI.

First, international influences. Early politicising moves came primarily from those with direct experience of the emerging oil industry in the United States. Workers within the new industry and the service industries that sprang up around it protested, sabotaged and initiated strikes in and around extraction sites. The oil companies answered in kind by firing, publicly chastising, and suing the workers — especially the teamsters who had managed to monopolise the transportation of oil. Independent competitors also aired their grievances with Standard’s aggressive and monopolistic business practices in US newspapers and filed highly publicised lawsuits against the company. These conflicts were all picked up by the US press and circulated to a nation-wide audience.²⁵

There were also conflicts between oil workers, local populations and the oil companies in and around extraction sites in the Global South

²⁴ Eklöf et al., ‘Promoting Ethanol’, 625.

²⁵ See e.g., Christopher F. Jones, *Routes of Power: Energy and Modern America* (Harvard University Press, 2016), 95–109, 157–9; Mitchell, *Carbon Democracy*, 31–42, 144–72.

during the late nineteenth century. However, these conflicts do not seem to have been as well-publicised in the Global North. Nor were they generally invoked as reasons to politicise the reigning ‘oil order’ in Western countries.²⁶

Taken together, these initial contestations of the new industry generated ‘a political space (a realm of contingency and potential governance)’ that had not previously existed and ‘a regulatory vacuum’ to be filled by new policies.²⁷ In Colin Hay’s terminology, these moves constituted a *type 1 politicisation*, in that they promoted the oil industry from the non-political realm of necessity — its initial unregulated state — to the political realm of contingency and deliberation.²⁸

Ida Tarbell’s legendary 19-part ‘muckraking’ exposé about Standard Oil’s corporate malfeasance, *The History of the Standard Oil Company*, became an early turning point in the politicisation process. Published by McClure Magazine between 1902 and 1905, it caused a public outcry which has been cited as a major factor behind the US Justice Department’s 1906 lawsuit against Standard Oil which resulted in the dissolution of the company into 34 separate ‘baby Standards’ in 1911.²⁹

Tarbell and other journalists’ exposure of the dark underbelly of the oil industry can be seen as a *type 2 politicisation*, in that it promoted the

²⁶ Cf. Mitchell, *Carbon Democracy*, 43–85, Ross, *Ecology and Power*, 199–236.

²⁷ Colin Hay, ‘Depoliticisation as process, governance as practice: what did the “first wave” get wrong and do we need a “second wave” to put it right?’ *Policy and Politics*, 2014, 42, no. 2 (2014).

²⁸ For Hay’s three kinds of politicisation (and three analogue types of depoliticisation), see Hay, *Why We Hate Politics*, 80–9.

²⁹ Ida Tarbell, *The History of the Standard Oil Company* (McClure, Phillips & Co., 1904). For the public outcry and the Sherman Anti-Trust Act lawsuit against Standard, see, e.g., Chernow, *Titan*, 425–66, 519–60.

issue into the public, but non-governmental realm. A *type 3 politicisation* swiftly followed — promotion into the public and governmental realm — as the issue morphed into a legal and political question for US authorities to adjudicate.³⁰

The Swedish politicisation process was influenced by the international debate about Standard Oil's business dealings. Swedish newspapers frequently reported about the allegations and lawsuits against Standard and, later, the other oil majors. Swedish politicians and authorities therefore had every opportunity to keep abreast of the evolving state of the international oil market.³¹

Reports about the ongoing legal proceedings against Standard Oil led some Liberal MPs to propose an investigation into its Swedish subsidiaries, and the development of state monitoring of (suspected) cartels and monopolies between 1910 and 1913. These politicisations failed to garner much attention or support, however. The matter consequently fell out of the realm of formal parliamentary politics until World War I.³²

The second origin of the Swedish politicisation process was the reactions that the oil majors' business practices caused among those in closest proximity to them: workers in the industry, the IOCs'

³⁰ Hay, *Why We Hate Politics*, 79–82; Hay, 'Depoliticisation as process', 308–9.

³¹ See, e.g., 'Kampen mot trusterna', *Svenska Dagbladet*, 16 November 1906; 'Kampen mot trusterna skärpes', *Svenska Dagbladet*, 18 May 1911; 'Striden mot de amerikanska trusterna och dess återverkan på Europas ekonomi', *Svenska Dagbladet*, 8 June 1911.

³² See Erik Palmstierna's (MP for the Liberal Coalition Party 1909–11, then for the SAP 1912–20) Motion II: 1 (1910), II: 56 (1911) and Motion II: 86 (1917); August Lindh's (Liberal Coalition Party) Motion I: 96 (1913); Felix Hamrin's (Liberal Coalition Party) Motion II: 221 (1913).

competitors and independent retailers. Some of these actors turned to the media to expose the oil majors or contacted their trade unions to negotiate better working conditions and the like. Because of the close ties between the trade unions and the Social Democratic Party, the issue was soon promoted from local workplaces to national politics.³³

The third origin was the utter breakdown of Sweden's oil import system during World War I, as discussed above, which created a 'spectre of oil scarcity' that haunted policymakers.³⁴ It made politicians consider how to resolve the immediate problem and prevent a breakdown from reoccurring. The most consequential proposal, in the long run, was the Social Democrats' idea to nationalise the industry. This was the subject of two Social Democratic motions in 1916.³⁵

The WWI supply shock thereby shifted the political debate from an emphasis on enforcing competition through the adoption of anti-cartel legislation, as the Liberals had argued in their motions from 1910–1913, to securing supplies by gaining state control of imports, as the 1916 Social Democratic motions argued.

The SAP motions led to a consultation of relevant authorities and stakeholders, most of which were critical of the proposal. A nationalisation was seen as a costly and risky policy, since it could trigger retributive action from Standard (for example in the form of a

³³ See, e.g., 'Märklig trusthistoria', *Göteborgs Aftonblad*, 12 July 1912.

³⁴ See Hanna Vikström, 'The Spectre of Scarcity: Experiencing and Coping with Metal Shortages, 1870–2015' (PhD diss., KTH Royal Institute of Technology, 2017).

³⁵ Gerhard Magnusson's (SAP) Motion I: 92 (1916) and Ernst Lindley's (SAP) Motion II: 215 (1916). For a summary about these motions and what became of them, see the Second Law Committee, Opinion no. 34 (1925).

sales boycott) or even the US government. Moreover, it looked as if Standard's monopoly was about to be challenged. A nationalisation would therefore be an inefficient and costly intervention that could be avoided simply by awaiting the arrival of new competitors. The SAP motions were consequently tabled.³⁶

The consultative bodies were correct in their assessment that Standard's monopoly was slipping. It was challenged when Royal Dutch Shell (est. 1912), The Texas Company (est. 1919), and the Anglo-Persian Oil Company (est. 1927) entered the Swedish market. As in other Scandinavian countries, an oligopoly replaced Standard's monopoly during the 1920s.³⁷

The new oligopoly was itself challenged when independent actors began importing cheap Soviet oil. Chief among these independents were *Naftasyndikat* ('the Naphtha Syndicate', est. 1928), the cooperative IC/OK and, to a lesser extent, the Swedish-owned Nynäs Petroleum.

Competition from cheap Soviet petroleum products triggered a price war between the IOCs and the actors that imported and sold petroleum products from alternative sources (principally the Soviet Union). All this meant that petroleum imports grew, and prices fell. Once petrol was abundantly available and relatively cheap again — as it was throughout the 1920s — calls for oil industry reform quietened.³⁸

³⁶ National Board of Trade, 'Underdånigt utlåtande angående åtgärder för sulfitsprittillverkningens främjande m.m.', 27 August 1917; SOU 1933: 25, 106; The Second Law Committee, Opinion no. 34 (1925). See also Thonstad Sandvik and Storli, 'The Quest'; Thonstad Sandvik and Storli, 'Standard Oil'.

³⁷ Thonstad Sandvik and Storli, 'The Quest'; Thonstad Sandvik and Storli, 'Standard Oil'.

³⁸ Cf. Kaijser and Högselius, 'Under the Damocles Sword', 164.

While the SAP's early calls for a nationalisation of the oil industry led nowhere, they nevertheless planted an idea that would reemerge when the next major crisis struck: the Great Depression.

Chapter 3. Foreign oil and national fuels, 1932–1934

This chapter traces the repoliticisation of the oil industry that occurred during the Great Depression. It focuses especially on the reemergence of the nationalisation idea within the 1933 Motor Fuel Committee, which operated between 1933 and 1934. That committee primarily focused on investigating if and how the Swedish government could subsidise the development of a ‘national fuel’ with which to substitute Sweden’s dependence on ‘foreign oil’. Yet it also investigated if and how the Swedish oil industry should be nationalised. This chapter shows where that idea came from and analyses its relation to the development of a ‘national fuel’. Moreover, it examines the policy proposals that the 1933 Motor Fuel Committee produced and the public debate that they sparked.

Sweden during the Great Depression

The Great Depression began with the Wall Street Crash in October 1929. In 1932, it was heading towards its darkest moment. ‘Everything fell, demand for agricultural goods, industrial production, real incomes, prices and available jobs’, writes Yvonne Hirdman and colleagues. ‘The value of [Sweden’s] foreign trade fell by 1.5 billion Swedish kronor, exports of iron ore dropped by half.’¹ Unemployment had already been high during the late 1920s — around 10–12 per cent — but it grew to over 20 per cent during the Depression, peaking at 23.3 per cent in

¹ Hirdman et al., *Sveriges historia*, 180, my translation.

1933. Primary industries like agriculture and forestry were among the most harshly affected sectors of the economy.²

The effects of the Great Depression were still palpable in 1933. Sweden was racked by high unemployment rates, labour market instability after the Ådalen killings of 1931 and social unrest as it became clear that banks and financial institutions would be able to escape the ravages of the Great Depression unscathed — or even to profiteer from it.³ In the words of Lennart Schön, these ‘developments discredited the financial world of the 1920s, its economic policy and its leading politicians’.⁴ The Social Democratic Party (SAP) was the most salient party that challenged the economic liberalism of the financial world of the 1920s — and undoubtedly the most successful.⁵

In 1932–1933, the SAP formulated a crisis programme to try to remediate the Great Depression. Ernst Wigforss and Gunnar Myrdal were leading figures in its development. They were inspired by discussions within British economics, in which John Maynard Keynes played a prominent role.⁶ The pillar of SAP’s new economic policy was an expansionary fiscal policy. It aimed to combat unemployment through government spending on public works programmes. It can be seen as an early example of a Keynesian countercyclical fiscal policy, in

² Ibid.

³ Schön, *Sweden’s Road to Modernity*, 293–9.

⁴ Ibid., 296.

⁵ Lewin, *Planbushållningsdebatten*, 7–88; Benny Carlson, *Swedish Economists in the 1930s Debate on Economic Planning* (Palgrave Macmillan, 2018), 47–135.

⁶ See Östberg, *Swedish Social Democracy*, 97–8; Karl-Gustav Landgren, ‘Socialdemokratisk krispolitik och engelsk liberalism — ett genmäle till Otto Steiger’, *Arkiv för studier i arbetarrörelsens historia* 2 (1972): 96–107; Lewin, *Planbushållningsdebatten*, 61–2.

that it aimed to ‘increase access to money, boost demand and combat unemployment’.⁷

A second novelty in the SAP’s economic policy was its perspective of the private sector. SAP envisaged an active state that would intervene in the economy to stabilise ‘the frequently irrational market economy. Planning and social engineering would replace market mechanisms in many areas’.⁸ One such area was the oil sector.

The Great Depression also led to a breakdown of international trade. Many countries implemented protectionist or autarkic trade policies to safeguard their domestic industries, which created a considerable risk of oil supply disruptions. Swedish Conservatives and Agrarians consequently began to question the prudence of a continued reliance on ‘foreign oil’.

Enforced blending of ethanol into petrol

On 21 January 1932, Conservative Party MPs filed two identical motions in the Riksdag which eventually led to the creation of the first committee that investigated a nationalisation of the Swedish oil industry.⁹ The two Conservative Party motions did not call for such an investigation, however. They proposed forcing all petrol importers to blend ethanol produced from Sweden’s pulp and paper industry into

⁷ Schön, *Sweden’s Road to Modernity*, 297. The SAP’s new economic policy has been seen both as inspired by Keynes’ economic theories, and as a source of inspiration for Keynes — a sort of ‘Keynesianism before Keynes’ — in the historiography. See, e.g., Berman, *The Primacy of Politics*, 169–73; Carlson, *Swedish Economists*, 8–9, 148–52; Sassoon, *One Hundred Years*, 45; Östberg, *Swedish Social Democracy*, 97–9.

⁸ Schön, *Sweden’s Road to Modernity*, 297.

⁹ Motion I: 255 (1932) and Motion II: 343 (1932). The motions were also signed by a few likeminded MPs from the Farmers’ League and the Liberal Party.

their petrol imports. This would ensure a profitable market for the waste-products from Sweden's financially important and politically influential forestry, paper and pulp industries.¹⁰

The idea of enforcing a blend of domestically produced ethanol into petrol imports had a long history even in 1932. It was not only about blending waste products from the forestry industry into the imported petrol, but also about creating a 'national fuel' that some politicians, industrialists and experts had long hoped could replace imported 'foreign oil', as Helena Ekerholm, Katarina Eklöf and Erland Måråld have argued.¹¹

There were two main contenders for the role of national fuel: ethanol fuel (*motorsprit*) and wood gas (*gengas*). A pure ethanol fuel that could replace imported petrol had long been a dream, but it had never been technically viable because of the substantial modifications of petrol-fuelled combustion engines that a switch to ethanol fuel requires and the relative fuel -inefficiency of ethanol. Additional obstacles were the high production and retail costs of ethanol, and demands from the temperance movement that the ethanol be denaturalised so that it could not be consumed (which further increased the retail price). Ethanol was therefore primarily used as an additive in imported petrol.¹²

Since WWI and the oil shortages that it caused, two blends had risen to relative prominence: *bentyl* (benthyl) and *lätbentyl* (light benthyl). The former was a 25 per cent petrol and 75 per cent ethanol blend (E75)

¹⁰ Motion I: 255 (1932); Ekerholm, 'Ett nationellt drivmedel'.

¹¹ Ekerholm, 'Ett nationellt drivmedel'; Eklöf et al., 'Promoting Ethanol'.

¹² Ibid.; Egan Sjölander et al., *Motorspriten kommer*.

while the latter was a 75 per cent petrol and 25 per cent ethanol blend (E25). Helena Ekerholm has written that light benthyl was advertised as a Swedish fuel, despite it consisting of 75 percent imported petrol. One slogan read ‘buy Swedish — use light benthyl!’¹³ The enforced blending of Swedish ethanol into imported petrol thus functioned as a kind of ‘Swedification’ of foreign oil: an alchemical process through which the imported product purportedly became Swedish. Apart from their supposed Swedishness, benthyl and light benthyl were also promoted as more reliable, efficient, economical and cleaner than pure petrol.¹⁴

However, benthyl and light benthyl largely fell out of favour once Sweden’s petrol imports bounced back again after WWI. Imported petrol was normally cheaper than the ethanol fuel mixture, which meant that ethanol blends had a hard time competing with regular petrol once it became readily available again.

Wood gas had a similar history and required even greater modifications to work. The one advantage that ethanol and wood gas had was that they were made from products derived from trees — a natural resource that is bountiful and cheap in Sweden.¹⁵

Despite these setbacks, the Conservative Party and the Farmers’ League continued to chase the dream of replacing ‘foreign oil’ with a ‘national fuel’.

¹³ Ekerholm, ‘Ett nationellt drivmedel’, 65, my translation.

¹⁴ Cf. Ekerholm, ‘Ett nationellt bränsle’.

¹⁵ See Ekerholm, ‘Moderna nationen’; Annika Egan Sjölander et al., *Motorspritens kommer.*

The Conservative Party revitalised the dream of finding a ‘national fuel’ with the above-mentioned motions in 1932. Its authors argued for state subsidies of the burgeoning ethanol fuel industry because it was a sector ‘where Swedish industry could take significant strides on the domestic [fuel] market and improve the [country’s] balance of trade’. Hence, their main justifications were that Sweden’s oil imports created trade deficits with the IOCs home-countries — especially in relation to the United States — and that the foreign-owned IOCs dominated the Swedish fuel market. This meant that money that could have gone to Swedish-owned companies was instead diverted to foreign companies. Their proposal was hence motivated by economic nationalism: an ideology that prioritises the economic interests of one’s own nation above the economic interests of other nations. A common way of promoting domestic industries is through subsidies and other preferential policies, and protections from foreign competition through tariffs and import-quotas.¹⁶ Other economic nationalist policies include ‘controls on imports to create domestic monopolies, on finance to fix currencies, on capital to direct investment to priority sectors and nationalisation to establish state-owned companies’, writes sociologist Sam Pryke.¹⁷

Conservatives from the ‘agrarian wing’ of the party were already inclined to intervene in the free market to support Sweden’s traditional and largely rural primary industry — that is, agricultural, forestry and

¹⁶ See, e.g., ‘economic nationalism’, *Merriam-Webster*, accessed 26 October 2025, <https://www.merriam-webster.com/dictionary/economic%20nationalism>.

¹⁷ Sam Pryke, ‘Economic Nationalism: Theory, History and Prospects’, *Global Policy* 3, no. 3 (2012), 285.

fishery businesses. This wing of the party regularly promoted subsidies of such traditional agricultural businesses, in combination with protective tariffs to keep foreign competitors and products out. The Conservative Party's calls for subsidies to the domestic paper and pulp industry, and their promotion of ethanol and wood gas, was hence nothing out of the ordinary. Conservatives had pursued similar policies before, such as the so-called milling obligation in 1930: a policy which forced millers to blend a certain amount of Swedish cereal grain into imported grain before milling it into flour. The milling obligation primarily aimed to disincentivise imports of cheap flour from the United States, while simultaneously propping up domestic milling and agricultural businesses. In a sense, then, the conservative proposal to support the development of a 'national fuel' to replace imported petroleum was an adaptation of an old solution to a new problem.¹⁸

The 1933 Motor Fuel Committee

The conservatives' two motions were then processed by the Riksdag's bureaucratic machinery. The Second Law Committee agreed with the motion-writers' premises, stating that the development of an efficient alternative fuel from domestic raw materials that could be produced in large quantities and at a competitive price would be of great national importance. Such a fuel could move Sweden towards 'the desired goal of self-sufficiency' and remedy the balance of trade with other countries. It therefore saw an increased production of alcohol fuel made

¹⁸ See, e.g., Eriksson, 'Det reglerade undantaget', 83–171.

from forestry biproducts as a worthy cause.¹⁹ However, instead of supporting the motion-writers' proposal regarding enforced blending of ethanol into imported petrol, it recommended the Riksdag to institute 'a comprehensive investigation of the question of whether and how' the state could promote 'the production and sale of domestic ethanol for alcohol fuel use'.²⁰ This recommendation eventually won the day.²¹

It would take until the beginning of 1933 for the government to convene the investigation. By that time, the Social Democratic cabinet of Per Albin Hansson had replaced the Liberal Party cabinet of Felix Hamrin.²²

1932 was a turbulent year in the Swedish parliament. Liberal Party Prime Minister Carl Gustav Ekman, who had taken office on 7 June 1930, was forced to resign on 6 August 1932 following allegations that he had taken a bribe from the Swedish industrialist Ivar Kreuger. Kreuger's transnational business empire came crashing down in the wake of the Great Depression, which led to a severe national recession known as the 'Kreuger Crash'. Felix Hamrin (Liberal Party), who had been the Foreign Minister in Ekman's cabinet, became the transitional

¹⁹ The Second Law Committee, Opinion no. 42 (1932), 9.

²⁰ *Ibid.*, 11.

²¹ Letter from the Riksdag no. 362 (1932); Letter from the Riksdag no. 355 (1932).

²² Felix Hamrin was part of the 'Free-minded People's Party', which I have translated to the Liberal Party, for simplicity's sake. For more information, see the Author's note, Appendix B. Major parties in the Riksdag, 1914–1947 and Appendix C. Timeline of Swedish governments, 1900–1950

Prime Minister after Ekman resigned on 6 August until the general election on 14 September.

The Social Democratic Party went into the election on a political programme that argued for an ‘active stabilisation’ of the economy. SAP hoped to reduce unemployment and stimulate demand through an expansionary fiscal policy. The party won the 1932 election by a landslide — 41.7 per cent of the votes for the Second Chamber of the Riksdag. Per Albin Hansson (SAP) consequently formed a minority government on 24 September and began looking for an alliance partner it could rely on to attain a stable majority in government. The SAP initially tried to convince the reluctant Liberal Party, with which the SAP had cooperated historically. Their attention then turned to the Farmers’ League, which they managed to convince to form an alliance after hard negotiations which later became known as the “horse trade” (*kobandeln*).²³

It became the Social Democratic Hansson cabinet’s responsibility to handle the conservative calls about an enforced blending of domestically produced ethanol into imported petrol. The matter landed on the desk of the new Minister for Finance, Ernst Wigforss, once the Hansson cabinet had taken office in September 1932.

²³ See, e.g., Hirdman et al., *Sveriges historia*, 179–99.

Ernst Wigforss (1881–1977) was one of the most prominent and influential Social Democrats of his generation. He was one of the key ideologues behind the party’s transformation from revolutionary Marxism to reformist social democracy, and its shift from Marxian to Keynesian economic thinking. Yet he was also an enigmatic figure. His views were frequently radical and tinged with Marxist thinking outside of his time in office, while pragmatic and social-liberal once in office. He has thus been both lauded and criticised by party insiders.²⁴

On 17 February 1933, Wigforss summoned five committee members to form the 1933 Motor Fuel Committee. Because the proposal originally came from conservative motions, the Conservative Party ‘owned’ the question. It was therefore customary for a conservative parliamentarian to lead the committee.²⁵ Wigforss chose the Conservative Party MP and General Customs Director Nils Wohlin to chair the new committee. Why Wohlin?

One plausible answer is that Nils Wohlin had relevant experiences and competence for dealing with monopolistic and cartelised companies both in his role as General Customs Director and as a member of earlier parliamentary committees of inquiry with similar goals. Wohlin had led an investigation of the milling industry in 1926 which was empowered by a 1925 law on investigations of trusts and

²⁴ See, e.g., Östberg, *Swedish Social Democracy*, 65–136; Henrik Arnstad, *Den förbannade optimisten Ernst Wigforss* (Historiska media, 2023).

²⁵ See Meijer, ‘Kommittéarbete och kommittépolitik’, 37–43.

cartels. It was the first of only two times that this law had been used before 1932.²⁶

Wohlin represented the agrarian and nationalist wing of the Conservative Party, which was generally opposed to the economic liberalism and urban-industrial focus of the party leadership. Wohlin was an unusual conservative in that he did not oppose the Social Democrats' calls for market interventions to expand social policy and welfare provisions on ideological grounds. His approach to such interventions was pragmatic: when they subsidised or otherwise benefitted important, domestically-owned businesses, Wohlin often supported them — especially if the interventions favoured agrarian populations and farmer interests.²⁷

It is therefore likely that Wigforss chose Wohlin because of his previous experience investigating cartels and monopolies, his anti-cartel and anti-big finance political beliefs, his mistrust of laissez-faire economics and his appreciation of state interventions that supported domestic companies. Wigforss might have hoped that Wohlin would come to support a nationalisation of the oil industry, given his ideological beliefs.

²⁶ See Thorsten Odhe, *Det moderna trust- och kartellväsendet* (Kooperativa Förbundets Bokförlag, 1932), 140; Lapidus, 'Permissive Attitude', 65–88. It is important to note that cartels were not viewed as negatively during the 1930s as they are today. Both right- and left-wing parties considered that cartels could be a good thing because of the efficiency and market stability they purportedly led to. Sweden had a long way to go before any anti-trust laws were passed: cartel cooperation that aimed to limit competition was only criminalised in 1993. See Birgit Karlsson, 'Fri, sund och effektiv konkurrens', in *Organiserad samverkan: Svenska karteller under 1900-talet*, ed. Birgit Karlsson (Gidlunds förlag, 2014).

²⁷ See Hagård, 'Nils Wohlin', 158–81.

Wigforss also summoned four other experts to join Wohlin as committee members: Sven Almgren, the acting bureau chief of Swedish Control Board; Axel F. Enström, a civil servant (*kommerseråd*) and founding member of the Royal Swedish Academy of Engineering Sciences (IVA), which was instrumental in the research and development of both ethanol fuels and wood gas; Erik Kempe, a board member of the Swedish forestry companies *Mo och Domsjö AB* and *Robertsfors bruk* — both of which produced ethanol from sulphite lye; and the Conservative Party MP Sten Stendahl.²⁸ Wigforss most likely chose these people as committee members because they were proponents of, and experts regarding the domestically produced ethanol fuel.

As mentioned above, the aim of the new committee was to provide a comprehensive investigation of whether and how the state could promote the domestic production and sale of ethanol.²⁹ This begs the question where the aim to investigate a regulation of the Swedish oil industry came from.

It seems that Wigforss, as the responsible minister with the power and responsibility to write the committee's terms of reference, added that goal to the committee's aims. In Wigforss' presentation of the committee's terms of reference, he stated that:

²⁸ See Bill 232 (1934), 13.

²⁹ The Second Law Committee, Opinion no. 42 (1932), 11.

[...] the investigation should consider what tax status ethanol fuel should have in the future. However, the committee's main purpose should be to reconsider the different options that might be available to achieve increased sales of domestic motor fuel, other than more or less far-reaching tax exemptions. If the investigation should indicate that the desired result [i.e., increasing sales of ethanol and other domestically produced motor fuels] cannot be reached without imposing state control over, or a suitable regulation of, foreign oil imports, such options should also be investigated. Particular attention should be paid to the opportunities that control over motor fuel imports could provide as a protection against potential cartelisation tendencies to increase prices among the producers of such imported fuel.³⁰

'Imposing state control over foreign oil imports,' in this context, most likely refers to some form of nationalisation. Hence, Wigforss added an obligation for the committee to consider the advantages and disadvantages of a regulation of the Swedish oil industry — for example in the form of a nationalisation — to the committee's mandate. Consequently, the political impetus to regulate the oil industry came not from the Conservative Party or industrialists within the forestry sector, as Helena Ekerholm has argued, but from the Social Democratic Party — some of whose members had motioned for a nationalisation of the oil industry as early as 1916, as discussed in Chapter 2.³¹

On 1 March 1933, Nils Wohlin requested authorisation for the committee to become an investigative authority in accordance with the trust and cartel law from 1925, which the government subsequently

³⁰ SOU 1933: 25, 15, my translation.

³¹ Ekerholm, 'Ett nationellt drivmedel', 75.

approved.³² The law provided the committee with a whole new set of powers: it granted the committee special status as a temporary ‘investigative authority’, instead of a normal government committee. This meant that the subjects of the investigation were required to keep all ledgers and other financial and operational documents available for the investigators to gather and analyse. The investigated parties were also forced to provide the investigators full access to their premises, and to inform the investigators of anything that was required for the inquiry (except trade secrets of a technical nature). Further, the committee members were authorised to interrogate managers and other high-level staff under threat of legal sanction.³³

While the 1925 law gave the committee possibilities to act in new ways, it also steered and constrained their actions. The law obligated the investigators to find out if there was a monopoly or cartel within the Swedish oil sector, and, if so, how it affected ‘price and turnover conditions’ within Sweden.³⁴ This directed the investigators’ attention to things like the oil companies’ finances, the companies’ effect on price formation, illicit or dubious economic cooperation between competitors and so on. The investigators were then expected to come up with suggestions on how to handle the monopoly or cartel in question behind closed doors (if the investigation included sensitive material that couldn’t be published), or to develop policy proposals (in

³² Minutes of the 1933 Motor Fuel Committee, 1 March 1933, vol. 1, RA; Transcript of letter, Nils Wohlin to Ernst Wigforss, 1 March 1933, the 1933 Motor Fuel Committee, vol. 1, RA; Minutes of the Ministry of Finance’s classified cabinet meetings, 6 March 1933, vol. E1:2, RA.

³³ See Letter from the Riksdag no. 318 (1925).

³⁴ Ibid.

cases where the government and king deemed that the investigation's material could be published).³⁵

While the 1925 law gave the committee authority to act in new ways, it also steered and constrained their actions. The law stipulated that the investigators were to find out if there was a monopoly or cartel within the Swedish oil sector, and, if so, how it affected 'price and turnover conditions' within Sweden.³⁶ This directed the investigators' attention to matters such as the oil companies' finances, the companies' effect on price formation, illicit or dubious economic cooperation between competitors and so on. The investigators were then expected to impart their suggestions on how to handle the monopoly or cartel in question behind closed doors (if the investigation included sensitive material that could not be published), or to develop policy proposals (in cases where the government and king deemed that the investigation's material could be published).³⁷

The 1925 law thereby set the committee on a confrontational path vis-à-vis the oil companies. It mandated the committee members to investigate the oil firms' suspected cartel, and to propose policies to deal with it — not to formulate regulatory policies in cooperation with representatives of the industry, as is commonly the case within

³⁵ Anyone who wittingly left untrue information to the investigative authority or its delegate could be fined anywhere between 75 and 15 000 Swedish kronor, or, in particularly egregious cases, be jailed for up to six months. See the Second Law Committee, Opinion no. 32 (1925), 12.

³⁶ Letter from the Riksdag no. 318 (1925), § 1.

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Sweden's corporative and 'consensus-seeking' committee system.³⁸ This is a likely reason why the committee did not include any representatives of the oil industry.

The investigation of the oil industry covered the following companies: *Krooks Petroleum AB* and its shipping company *Höggarn, Vestkustens Petroleum AB, Sydsvenska Petroleum AB, Skånska Petroleum AB,* and *Ostkustens Petroleum AB*. All these companies were subsidiaries of, or controlled by, Standard Oil of New Jersey (Jersey Standard). The investigation also included *Svensk-Engelska Mineralolje AB*, the Swedish subsidiary of Shell; *Svenska Bensin & Petroleum AB B.P.*, the subsidiary of APOC; *The Texas Company AB*, subsidiary of Texaco; *AB Naftasyndikat*, subsidiary of the Soviet state-owned oil export agency *Sojusneftexport*; and the Swedish-owned *A. Johnson & C:o* and its subsidiary, the refinery company *Nynäs Petroleum* (see Table 3.1).³⁹

³⁸ See Johansson, 'Det statliga kommittéväsendet', 88–98.

³⁹ SOU 1933: 25, 107.

Table 3.1. Swedish oil firms and their parent companies

Parent / Sub-sidiary	Jersey Standard	Shell	APOC	Texaco	Sojus-neft-export	A. Johnson & C:o
	<i>Krooks Petroleum</i>	<i>Svensk-Engelska Mineral-olja AB</i>	<i>Svenska Bensin & Petroleum AB B.P.</i>	<i>The Texas Company AB</i>	<i>Nafta-syndikat</i>	<i>Nynäs Petroleum</i>
	<i>Höggarn (shipping company)</i>					
	<i>Vestkustens Petroleum AB</i>					
	<i>Sydsvenska Petroleum AB</i>					
	<i>Skånska Petroleum AB</i>					
	<i>Ostkustens Petroleum AB</i>					

The committee's investigation spanned three years: 1929, which was a relatively profitable year for the oil companies, 1931, which coincided with a 'price war' between the Western-owned IOCs and the Soviet-owned Naphtha Syndicate, and 1932, when the price war seemed to fizzle out and there were suspicions that the companies had started to cooperate in a cartel.⁴⁰

It is unfortunate that they did not study the period directly before and after 1928, when Standard, Shell and APOC signed the Achnacarry Agreement in the Scottish Highlands. The Achnacarry, or 'As-Is,' Agreement, was the start of the 'international petroleum cartel', as the

⁴⁰ See SOU 1933: 25, 107.

US Federal Trade Commission called it in 1958; a name that has since stuck.⁴¹ Because of its limited scope, the committee might have missed important cartel arrangements on the Swedish market before 1929.

Accumulation and processing of data

Guided by their newfound power as an investigative authority, the committee set to work. Nils Wohlin, Sven Almgren, Axel F. Enström, Erik Kempe and Sten Stendahl quickly began interrogating managers and other high-level employees of each company. Otto Ask, a lecturer at Malmö's Technical Grammar School, who Wohlin had enrolled as the investigative authority's delegate to the oil companies, simultaneously began accumulating an enormous amount of data about the industry: ledgers, financial statements and documents, statistics about the oil companies' fixed capital assets and number of employees, and so on.⁴² Ask, together with the experts that the committee brought in to assist him, produced a slew of memos that analysed the oil companies' finances, their cartel cooperation, and the cartel's effect on price formation. These analyses were crucial for the policies the committee eventually proposed.

The committee also enrolled Thorsten Odhe to write an account of the history of the international oil industry.⁴³ Odhe was a journalist and writer who had worked for *Dagens Nyheter* (during 1917) and *Svensk*

⁴¹ United States Federal Trade Commission, *The International Petroleum Cartel (Reprint): Staff Report to the Federal Trade Commission Submitted to the Subcommittee on Monopoly of the Select Committee on Small Business* (US Government Printing Office, 1952).

⁴² See, e.g., Otto Ask's 'main memorandum', 15 July 1933, Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

⁴³ See Bill no. 232 (1934), 66.

Handelstidning (1918–22). Odhe was employed by the Swedish Cooperative Union between 1924 and 1948, where he worked as the editor of its weekly periodical *Kooperatören* ('The Cooperatist') from 1932 onwards. He became known for his writing on economic matters, especially his opposition to trusts and cartels and his belief in cooperatives as a means of combatting private monopolies and oligopolies.⁴⁴

The committee learned that the Swedish subsidiaries of Standard, Shell, APOC and Texaco tried to come to a legally binding cartel agreement about the Swedish oil market in the autumn of 1930. The oil firms had decided to employ a nonpartisan lawyer, Åke Skiöld, to lead weekly meetings between the parties. Under Skiöld's leadership, the parties managed to produce a first draft of a cartel agreement in April 1931.⁴⁵

Roughly a year later, on 3 May 1932, representatives of the oil firms signed a contract which stated that, from that day onwards, 'full-hearted cooperation' would be established between the companies.⁴⁶ The parties would work together 'for the purpose of bringing the Swedish [oil]

⁴⁴ 'Thorsten Odhe', *Svenska män och kvinnor: Biografisk uppslagsbok* 5, ed. Torsten Dahl (Albert Bonniers Förlag, 1949), 603.

⁴⁵ Minutes of the first interrogation, 9 March 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA; Otto Ask's 'main memorandum', 15 July 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

⁴⁶ Memorandum, Meeting between representatives of the Standard, Shell, Anglo-Persian and Texaco groups, 3 May 1932, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

market into a better and sounder condition' through industrial rationalisations, and harmonised retail prices and customer discounts.⁴⁷ In other words, they had formed a cartel. Through extensive cooperation, resource pooling and intelligence sharing, they tried to divvy up the Swedish market between them, hinder competitors from entering the market and keep petroleum product prices at a profitable level.⁴⁸

The cartel members drew up several legal contracts to regulate internal and external market relations — for example by allocating customer contracts between the cartel members, by formulating communal petrol price and discount lists for different types of customers, and so on. While some of these contracts were left unsigned and undated — presumably to assure plausible deniability — it is clear from the committee's interrogations and data gathering efforts that the oil companies still mostly honoured the contracts' terms and conditions.⁴⁹ Knut Karlsson, the director of *Svensk-Engelska Mineralolje Aktiebolaget* (the Swedish subsidiary of Shell), stated that the oil companies regularly used unsigned documents as informal, but still valid, agreements between the parties.⁵⁰

⁴⁷ Ibid.

⁴⁸ Minutes of the first interrogation, 9 March 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA; Minutes of the second interrogation, 9 March 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA; Minutes of the fifth interrogation, 10 March 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

⁴⁹ Ibid.

⁵⁰ Minutes of the first interrogation, 9 March 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

The cartel had two powerful weapons in its arsenal. First, it could cut off its competitors' oil supply (through threats towards, or acquisitions of, rival companies). Second, it could undercut its competitors' prices (through coordinated prices and discounts which the independent competitor could not match). Because of the cartel's oligopoly status on the Swedish market, and their wealthy parent companies' financial support, it seems to have been relatively easy to starve the competition for shorter time periods. Forcing competitors to concessions by starving them of profit was a well-tried strategy which John D. Rockefeller had used during the ascent of the Standard Oil empire. The Swedish petroleum cartel seems to have taken a page from the master's playbook.⁵¹

The cartelised IOCs faced competition from three very different 'outsiders', that is, independent competitors that did not belong to the cartel. They comprised the Soviet-owned *Naftasyndikatet* ('the Naphtha Syndicate'), the Swedish-owned *A. Johnson & C:o* and its refinery company *Nynäs Petroleum*, and the Swedish-owned consumer cooperative *Bilägarnas Inköpscentral* (the 'Car-Owners' Purchasing Central,' or IC for short). However, August Sundström, the director of *Krooks Petroleum & Oljeaktiebolag* (subsidiary of Standard) revealed that his company and the Swedish subsidiary of Shell had signed an

⁵¹ See, e.g., Chandler, *The Visible Hand*, 321–6; Chernow, *Titan*, 129–55; Yergin, *The Prize*, 19–39.

agreement with *A. Johnson & C:o* which forced the latter to buy crude oil from Standard and Shell. Moreover, *A. Johnson & C:o* had to sell all refined oil products that it could not sell directly to its consumers to Standard or Shell. The contract thereby seriously limited *A. Johnson & C:o*'s ability to act as an independent competitor.⁵²

The cartelised companies initially seem to have considered *Bilägarnas Inköpscentral* (IC), one of the other two independent competitors on the Swedish market, as more of a nuisance than a genuine threat. Their assessment probably stemmed from IC's small size and comparative financial weakness. It was competition from the Naphtha Syndicate that worried them. Its import and sale of cheap Soviet oil had caused a price war during the early 1930s, as the parties tried to undercut each other. Handling the Naphtha Syndicate, one way or another, was vital if the cartel wanted to gain control of the Swedish market.

Shell and Texaco used two insider contacts within the Naphtha Syndicate to negotiate a price increase during 1931 and 1932. They managed to persuade the Naphtha Syndicate to increase its prices during the summer of 1932. Gustaf Dahlborn, the director of the Naphtha Syndicate, told the investigators that his company had decided to collaborate with the cartel companies because the low petrol prices during the price war were ruinous in the long term.⁵³

⁵² Minutes of the fifth interrogation, 10 March 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

⁵³ Minutes of the second interrogation, 9 March 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA; Minutes of the fifth interrogation, 10 March 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

Once the petroleum prices had begun recovering from their all-time low during the price war, the cartel's next order of business was to remedy the increasingly labyrinthine system of discounts, rebates and benefits that the oil companies had used to entice customers to switch to their brand of petrol during the price war. To do that, the cartel developed the so-called Warranty Agreement (*Garantiförbindelsen*). The agreement harmonised prices and discounts for all the cartel's distributors and retailers, so that every petrol station, for example, would offer the same prices and discounts. Retailers who refused to accept the Warranty Agreement would have their oil supply cut and, if they were directly employed by one of the cartelised companies, be fired from their job. Almost none of the distributors and retailers dared refuse.⁵⁴

Only one obstacle remained before the cartel could dictate the prices and discounts on the entire Swedish market. The cartel had to ensure that a competitor could not swoop in and take advantage of the cartel's new system of harmonised prices and discounts by offering cheaper prices or more generous discounts. In other words, they had to persuade their only real competitor — the Naphtha Syndicate — to agree to the Warranty Agreement before they could enforce it. In a bid to achieve that goal, they offered Naphtha the opportunity to sell their petroleum products to new customers at a discount of one öre (one hundredth of a Swedish krona) less than the other cartel members, thus

⁵⁴ Memorandum, 'P.M. vid sammanträde i Stockholm den 13/2 1933', 13 February 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA; Transcript of the Warranty Agreement (*Garantiförbindelsen*), 13 February 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

gifting Naphtha a competitive advantage, in exchange for employing the terms and conditions set out in the Warranty Agreement. On 21 December 1932, they agreed. With the competition out of the way, the parties sent the Warranty Agreement to all their retailers and distributors on 13 February 1933 — most of whom were forced to agree to escape financial ruination.⁵⁵

This new situation caused serious problems for the consumer cooperative *Bilägarnas Inköpscentral* (IC). In 1929, IC had begun buying petroleum products from the newly founded Naphtha Syndicate, which it then sold to its members at a much lower price point than the cartelised companies offered. When the Naphtha Syndicate was drawn into the cartel's orbit, as IC had predicted and warned Swedish petrol consumers that it would, IC's oil supply dried up. The situation worsened as IC realised that the cartel had forced Naphtha to stop selling oil to local IC divisions that refused to obey the Warranty Agreement's harmonised prices and discounts.⁵⁶

According to IC's director Casper Ehrenborg, petrol prices rose by 31 per cent when the Naphtha Syndicate agreed to the cartel's price and

⁵⁵ Summary of the 21 December 1932 agreement between the IOCs and the Naphtha Syndicate, 30 December 1932, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA; Agreement between the IOCs and the Naphtha Syndicate, 4 January 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA; Transcript of the Warranty Agreement, 13 February 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

⁵⁶ Correspondence, Casper Ehrenborg to the 1933 Motor Fuel Committee, 28 July 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA. See also Carl Zeidlitz, 'Bensinkriget – mot bättre priser', accessed 10 October 2025, <https://www.ok.se/historia/den-kooperativa-utmanaren/bensinkriget-mot-battre-priser>; Carl Zeidlitz, 'Grundandet av IC', accessed 10 October 2025, <https://www.ok.se/historia/den-kooperativa-utmanaren/grundandet-av-ic>.

discount policies. Soviet oil consequently lost its role as a price regulator on the Swedish market.⁵⁷ I have not been able to find systematic records or statistics over petrol prices for this period (apart from the material that the oil committees gathered), which makes it hard to assess how reliable Ehrenborg's assertions are. It is probably safe to say that petrol prices rose once Naphtha lost its role as the cartel companies only real competitor, however.⁵⁸

In response to its lack of access to cheap Soviet oil, IC instead began importing petrol from independent companies in Poland and Germany. IC's first delivery of Polish oil arrived by train (rather than ship) in Malmö on 24 January 1933. From the oil cartel's perspective, the cooperative thereby graduated from a pesky antitrust activist group to an independent competitor that threatened the cartel's oligopoly.⁵⁹

The cartel seems to have done everything in its power to stop their new competitor from importing oil from independent competitors and gaining customers on the Swedish market. Casper Ehrenborg claimed that the cartel companies had contacted the police in Malmö to try to hinder the first batch of Polish oil from reaching Swedish shores in January 1933. Ehrenborg also stated that the cartel companies pressured IC's Polish supplier to increase its prices and that they tried to make the

⁵⁷ Casper Ehrenborg, *Ett ord till Sveriges bilägare i bensinfrågan* (Bröderna Johanssons Boktryckeri, 1932).

⁵⁸ That is not to say that there are no such records. Economic historian Astrid Kander has calculated the price of oil compared to the price of other energy sources, in Sweden during 1800 to 2000, so statistics must be available. Kander's figures seem to corroborate Ehrenborg's story: the overall oil price rose slightly in 1933 compared to the year before. See Astrid Kander, 'Economic growth', 234–8.

⁵⁹ Correspondence, Casper Ehrenborg to the 1933 Motor Fuel Committee, 28 July 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

state-operated Swedish State Railways renegotiate a shipping agreement with the Polish government to make railway transports from Poland more expensive. Both manoeuvres aimed at making IC's Polish petrol more expensive to import, and thereby less competitive.⁶⁰

Despite the pressure from the oil majors, IC managed to continue its import of 'trust-free' petrol for its members, albeit on a small scale. Ehrenborg stated that IC had imported around two million litres of petrol per month during 1933. That would amount to roughly five and a half percent of total petrol imports that year.⁶¹ Ehrenborg hoped that IC would eventually supply around ten percent of Sweden's petrol imports.⁶²

The committee's conclusions

So, what conclusions did the committee draw from these findings? In a memorandum that summarised the investigation's findings, secretary Otto Ask reiterated that the investigation had found evidence that the Swedish subsidiaries of Standard, Shell, APOC and Texaco formed a cartel in 1931–32. The four companies had agreed to certain rules of conduct in April of 1931. These entailed promises to keep the prices and discounts at the levels the cartel participants agreed upon, to divide

⁶⁰ Correspondence, Casper Ehrenborg to the 1933 Motor Fuel Committee, 28 July 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA; 'När bensintrusten sökte polisens hjälp för att sätta stopp för Inköpscentralens bensinimport', *Bilekonomi*, 2 February 1933.

⁶¹ The total import of petrol in 1933 was around 436 million litres (converted from 327 million kilos, with an estimated 72 per cent density). Statistics Sweden, *Statistisk årsbok för Sverige 1934*.

⁶² Correspondence, Casper Ehrenborg to the 1933 Motor Fuel Committee, 28 July 1933, the Ministry of Finance's confidential cabinet meetings, vol. E1:2, RA.

sales contracts and customers ‘fairly’ between participants, and to cooperate to rationalise the distribution system and other administrative and sales-related costs. These rules were then formalised on 3 May 1932, when the four oil majors agreed to ‘full-hearted’ cooperation. Ask also wrote that while the oil majors had initially been embroiled in a price war with the Naphtha Syndicate, hostilities between them ceased in the autumn of 1932, when Naphtha agreed to employ the cartel’s prices and discounts. The cartel consequently consolidated its market domination in the autumn of 1932.⁶³

Ask did not find support for the suspicion that the Western-owned oil majors used ‘creative accounting’ to avoid Swedish tax by funnelling its subsidiaries’ revenue to the parent companies abroad. But he suspected that the parent companies sold their products to their Swedish subsidiaries at an artificially high price. That would essentially yield the same result as tax avoidance: a transfer of taxable revenue from the subsidiary to the parent company.⁶⁴

Furthermore, Ask wrote that the price war during the early 1930s had caused an extensive over-establishment of the oil distribution system. Before the cartel took shape around 1932 — when the market was still marked by a war of all against all — the oil companies tried to expand their retail networks and distribution infrastructures to gain new customers. Another strategy was to block competitors from erecting new petrol stations in attractive locations; the procedure was to rent the

⁶³ Otto Ask’s ‘main memorandum’, 15 July 1933, Ministry of Finance’s classified cabinet meetings, vol. E1:2, RA.

⁶⁴ *Ibid.*

plot of land in question without actually developing it. These spiteful, short-term investments had caused a situation where there were far more petrol stations than the Swedish automobile fleet required. Ask believed that the cost of this irrational over-establishment was passed on to the consumer. Ask argued that a company with ‘at most 60 percent’ of the oil companies’ fixed capital assets would suffice to supply all of Sweden’s mineral oil needs.⁶⁵

Lastly, Ask stated that a possible nationalisation should include the facilities and inventories of all oil companies, except some belonging to A. Johnson & C:o. Why, in Ask’s view, A. Johnson & C:o should be discounted from the nationalisation is unclear, but it could be because of the committee’s economic nationalist framing of the ‘oil issue’. Many politicians and economists favoured Swedish-owned companies precisely because they were owned and operated by Swedes who paid taxes to the Swedish state. Such companies contributed to the national economy more directly than the IOCs, which may or may not have funnelled taxable income to their parent companies abroad. Be that as it may, Ask estimated that the cost of a state expropriation of the oil companies would be around 65.5 million Swedish kronor, based on his evaluation of the oil companies’ revenues and assets in 1932.⁶⁶ That would amount to roughly 6.5 per cent of the total state budget for 1933 — a considerable sum.⁶⁷

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ See the State Budget 1933/34.

Proposals for oil industry regulation

What policy proposals and recommendations did the committee formulate in response to its terms of reference and findings? I will begin by describing their proposals concerning enforced blending of ethanol into petrol, since that was the committee's original purpose.

As historian Helena Ekerholm has convincingly demonstrated in greater detail, the committee proposed that petrol importers and producers must blend ethanol into a percentage of all their petrol products. This ethanol was to be bought from the government-owned alcohol monopoly, the Wine and Spirits Centre. They also proposed a tax exemption for ethanol-based fuels.⁶⁸ The committee hoped that a surrogate fuel made entirely from ethanol would eventually replace petrol altogether. Until such a fuel was feasible and abundantly available at a competitive price, however, the tax exemption and enforced blending initiative would ensure a profitable market for the pulp and paper industry's byproducts and act as a subsidy to that industry.⁶⁹

The committee motivated these policy proposals by arguing that oil imports harmed Sweden's balance of trade. A continued reliance on imported oil was also a security threat because of the risk of supply disruptions. Further, the Swedish oil cartel caused inflated prices (or violent price fluctuations during 'price wars' with outsider competitors) which hampered Swedish oil consumers' ability to plan ahead. The

⁶⁸ Ekerholm, 'Ett nationellt drivmedel', 70–81.

⁶⁹ The enforced blending of domestic products into imported goods has a historical precedent in the 'milling obligation' from 1930. See Hirdman et al., *Sveriges historia*, 190.

development of an alternative ‘national fuel’, meanwhile, would benefit the national economy and create new jobs. Moreover, other European countries had implemented similar policies based on a ‘national concern’ with ‘independence from foreign goods’; in other words, a political desire for increased self-sufficiency, or autarky.⁷⁰ As to the last point, the proposals were heavily influenced by similar policies in countries like Germany, Austria, Italy and France, which the committee had analysed with the help of the Ministry of Foreign Affairs.⁷¹

The committee’s proposals on a regulation or nationalisation of the oil industry were much less concrete than their proposals concerning ethanol. Right from the start, the committee made clear that a nationalisation was not their preferred method of handling either the ethanol blending issue or the oil industry’s problems. They nevertheless outlined the possible advantages and disadvantages of a nationalisation. They argued that there were two different types of state control over oil imports, which I will refer to as the ‘hard nationalisation’ option and the ‘soft nationalisation’ option.

A hard nationalisation meant a state takeover of all (foreign-owned or controlled) oil companies on the market, including relevant fixed capital assets like transport and storage infrastructure. In the private companies’ stead, the government would create a new state-owned company that would have full control over all import, distribution and wholesale operations. That company would be managed by a monopoly

⁷⁰ SOU 1933: 25, 97–9.

⁷¹ Ekerholm, ‘Ett nationellt drivmedel’, 75–6. See also SOU 1933: 25, 58–9, 88–105, 193–4; Overy, *The Inter-War Crisis*, 53–67.

board consisting of experts and tradespeople who would answer directly to the government and parliament. There were two antecedents for the hard nationalisation option: the 1915 tobacco monopoly (*AB Svenska Tobaksmonopolet*) and the 1917 alcohol monopoly (*AB Vin- och spritcentralen*).⁷²

A soft nationalisation, meanwhile, meant that the state would pass legislation that forbade anyone but the state to import oil. The private oil companies would not be redeemed by the state. Instead, the state would create an association consisting of representatives from both the private oil companies and the government. The association's statutes would be decided by the government, and the state representatives would always outnumber the private actors, thus ensuring state control. The state would then sign a contract with the association that would allow it to import oil on the state's behalf. Again, there were two antecedents: the cereal grain monopoly and the sugar monopoly.⁷³

However, the committee soon discarded the soft nationalisation option because it did not allow for an efficient control of incoming oil flows (since it left ownership and control of the industry in the private companies' hands). The investigation instead focused on the hard nationalisation option.

Despite its explicit aim of investigating other means than various tax exemptions to achieve the goal of increasing production and sale of ethanol-blended petrol, the committee argued that their preferred method of reaching that goal — a tax exemption for ethanol fuels and

⁷² Bill no. 232, 1934, 77–8.

⁷³ *Ibid.*, 78.

an enforced blending of ethanol into petrol — precluded the need for a regulation of the oil industry.⁷⁴ They conceded that ‘hard nationalisation’ would, hypothetically, make the enforced blending of ethanol into petrol much easier, since the government could then handle the entire issue, without having to resort to legislation. In fact, such an ‘import monopoly would make all legislation concerning enforced blending superfluous’.⁷⁵ Moreover, issues regarding how to tax different petroleum products could potentially be solved in an easier way if a state-owned oil company controlled the import and distribution of petroleum products.⁷⁶ Nevertheless, the committee members argued that such practical matters did not justify a drastic measure like nationalisation.⁷⁷

The committee nevertheless questioned how well ‘the interests of the Swedish national economy’ were served by the cartelisation on the oil market.⁷⁸ They argued that price formation on the Swedish petroleum market could not be characterised as the result of free competition. In the committee’s view, this was problematic because the retail price of petroleum products rose when the cartel consolidated its control over the market and caused violent price fluctuations during the intermittent price wars. While the comparatively low prices during the price wars could be beneficial for Swedish consumers in the short term, the price fluctuations and ‘unhealthy discounts’ that had marked such

⁷⁴ SOU 1933: 25, 15, 123.

⁷⁵ SOU 1933: 25, 123.

⁷⁶ *Ibid.*, 131.

⁷⁷ *Ibid.*, 123.

⁷⁸ *Ibid.*, 133.

periods made it near impossible for Swedish oil consumers to foresee how much they would have to pay for their oil products in the long term. The dysfunctional cartel arrangements made it hard for individual and institutional oil consumers to plan their future fuel expenses and caused unstable market conditions.⁷⁹

Moreover, they argued that the cartel cooperation made Swedish consumers increasingly dependent on the oil majors' 'sales policies and thereby on the foreign interests that they assert here' in Sweden.⁸⁰ The latter line of reasoning is another example of the pervasive nationalist framing of the 'oil problem': in the committee's view, the main issue essentially boiled down to foreign control and influence over vital 'national interests'.

According to the committee's investigation, a competently managed national oil company would most likely be able to import oil at a lower price than those offered by the IOCs, if the international petroleum cartel did not manage to further consolidate its control of the global oil market.⁸¹ If, on the other hand, the international petroleum cartel did managed to restrict Sweden's access to independent producers (by acquiring or out-competing those competitors), then a Swedish NOC would essentially be useless.

They stated that a possible counterargument to a nationalisation was that the Swedish subsidiaries had reported considerable financial losses and paid negligible state and municipal income taxes. Questions could

⁷⁹ Ibid., 133–4.

⁸⁰ Ibid., 133.

⁸¹ Ibid. 134–5.

thus potentially be raised about whether a NOC would be a profitable venture for the state. They dismissed this argument and asserted that a NOC would pay off handsomely, since the main reason why the oil companies were unprofitable — other than the unsubstantiated allegation concerning tax evasion — was the extensive over-establishment of oil infrastructure they had caused. As mentioned above, Otto Ask believed that a company with roughly 60 percent of the fixed capital assets that the oil majors had would suffice to supply the entire Swedish market with its mineral oil needs. The committee therefore argued that a NOC could achieve that through industrial rationalisations: by closing down surplus petrol stations, firing unproductive middle managers, reducing (or completely scrapping) advertisement budgets, and so on. Such rationalisation efforts, combined with cheaper import prices, would translate into lower retail prices, in their estimation.⁸²

On the other hand, the committee acknowledged that the over-establishment may not have ‘significantly [harmed] our country’s interests’, since the oil companies had invested ‘foreign capital’ in the industry and its infrastructure (except for Nynäs Petroleum’s investments in its refinery in Nynäshamn, which the committee wanted to exclude from any nationalisation effort because it was a domestically owned company). Hence, their argument was that an expropriation of the oil industry would only affect ‘foreign capital’. Meanwhile, the committee regarded the domestically owned oil companies and the

⁸² Ibid., 134–42.

producers of the ‘national fuel’ as products of ‘Swedish capital’, technology and scientific knowledge.⁸³ From such an economic nationalist perspective, a nationalisation would be unproblematic, since it would only affect ‘foreign capital’, while sparing ‘Swedish capital’ and business interests.⁸⁴

Nevertheless, the committee’s view was that a nationalisation ultimately constituted a ‘greater use of force’ than the situation required. The above-mentioned solution that centred on tax exemptions and enforced blending of ethanol into petrol was the committee’s preferred alternative. But because the terms of reference forced them to consider a regulation of the oil industry, they conceded to argue for a ‘hard nationalisation’. However, they clearly stated that they had excluded a discussion about the many possible trade and commercial policy problems that such a nationalisation could entail. They recommended that a follow-up committee investigate these problems before a final decision about a regulation, or nationalisation, of the industry was taken. If circumstances changed, and such a follow-up investigation could not be carried out before a government decision, the committee

⁸³ The technologies, infrastructure and knowledge that underpinned the Swedish oil industry all came from other countries — principally the United States. The alternative fuels that the committee proposed as replacements — wood gas and ethanol-blended petrol — were built upon domestic knowledge, infrastructure and technology. The Royal Swedish Academy of Engineering Sciences (IVA) was a driving force in the development of methods of extracting ethanol from the forestry industry and R&D on wood gas generators. IVA was represented on the committee by one of its founding members, Axel F. Enström. See Johnsson, ‘The Swedish Petroleum Industry’; Egan Sjölander et al., *Motorspriten kommer*; ‘Axel Fredrik Enström’, *Svenskt biografiskt lexikon*, accessed 10 October 2025, <https://sok.riksarkivet.se/sbl/artikel/16209>.

⁸⁴ SOU 1933: 25, 140, 147, my translation.

recommended the Riksdag to implement a nationalisation in accordance with the draft legislation that its members provided.⁸⁵

Two of the committee members appended reservations to the report. Sten Stendahl argued that the retail side of the industry should remain in private hands in the event of a nationalisation. He was very clear that the experts had ‘firmly rejected’ such a policy, however.⁸⁶

Erik Kempe argued even more forcibly against a nationalisation. He discussed three different scenarios that a NOC could bring about. First, a nationalised industry risked leading to *increased* retail prices, rather than the reverse, to cover the costs incurred by the bureaucratic inefficiencies of public-owned companies. Second, a NOC could decrease retail prices, if the suspicion that the oil companies funnelled taxable income to their parent companies was true. However, Kempe underlined that there was not enough evidence to suggest that the Swedish oil companies were engaged in such a tax evasion scheme. There were several alternative explanations as to why the Swedish oil companies reported financial losses, while their parent companies declared enormous earnings. Third, Kempe reasoned that it was possible that the state could manage the oil sector in a more efficient and rational way than the private companies. However, this was probably true for many other industries as well, for which the state had

⁸⁵ Ibid., 144–57, my translation.

⁸⁶ SOU 1933: 25, 176.

not considered nationalisation. Kempe's implicit question, then, was why the state should nationalise the oil industry, when many other inefficient industries were allowed to exist without threat of nationalisation.⁸⁷

Kempe believed that the committee's publication of its results, which clearly showed how the cartel had manipulated prices through cartel cooperation, would be enough to dissuade the cartel from raising prices to unseemly levels in future. He argued that the cartel was now aware that the state knew about its problematic effect on price formation and market conditions and that any transgressions could be severely punished. His hope was that the negative publicity would be enough to force the cartel to behave and keep prices at reasonable levels.⁸⁸

Consultations and deliberations

Once published, the committee's state public report was circulated for formal consultation (*remiss*) to public and private stakeholders. Very few of them had positive things to say about the committee's draft proposal for an oil industry nationalisation.⁸⁹

The IOCs emphasised that their pricing policies had been 'moderate' and claimed that fears about future price hikes were 'completely

⁸⁷ SOU 1933: 25, 178–179.

⁸⁸ The full quote reads 'I consider it likely that the mere existence of this investigation and the accompanying legislative text will discourage oil companies from attempting to maintain excessively high prices. They are now aware that the government's attention is focused on their pricing policies and that any abuse of their position of power could have dire consequences for them.' SOU 1933: 25, 179, my translation.

⁸⁹ Bill no. 232, 1934, 134–49; Ekerholm, 'Ett nationellt bränsle', 75.

unfounded'. They claimed that if they fixed prices at unreasonable levels, competitors would immediately swoop in and sell petroleum products at lower prices. Despite the overwhelming evidence of their attempts to hinder outsiders from gaining a foothold on the Swedish market, and the cartel's price fixing policies, the Swedish oil companies argued as follows. 'The guarantee against any attempt to push prices beyond commercial limits lay in the existence of competition, which in the oil sector, with its worldwide scope, would be more effective than in most other branches of trade.'⁹⁰

Moreover, the IOCs defended themselves against accusations of inefficiency and retail-side over-establishment by arguing that the expansion of their respective infrastructures took place between 1929 and 1930, when the Swedish oil trade was booming and oil demand was high. This had left the oil firms with more retail outlets than they needed to satiate demand when the Great Depression hit Sweden around 1932. However, the companies emphasised that this over-establishment was transitory: once the Depression passed, they expected demand to rebound, at which point the excess retail outlets would once again be useful. All talk of over-establishment was therefore short-sighted and exaggerated, in their view. The IOCs also argued that cost-saving industrial rationalisations would not translate into significantly lower retail prices. The committee members' hope that 'the margin between wholesale and retail prices could be considerably

⁹⁰ Bill no. 232, 1934, 137, my translation.

reduced' by cutting the top of the organisational apparatus', the oil firms argued, 'is little more than a chimera'.⁹¹

The Naphtha Syndicate mostly agreed with the Western-owned companies but added that the fierce competition between the Naphtha Syndicate and the Western-owned companies meant that 'the oil companies must avoid all unnecessary costs and hence also over-establishment out of pure self-preservation'.⁹²

Most of the consulted authorities considered it improbable that the creation of a NOC would lead to lower consumer petroleum prices. For one thing, the expropriation would require significant expenditure. The Swedish Agency for Public Management saw a risk that the state's costs would be passed on to consumers. The Royal Automobile Club and Stockholm's County Administrative Board shared this view, with the latter adding that, unlike the liquor and tobacco monopolies, the petrol monopoly would manage an 'essential commodity' for the entire society. Technical and commercial administration would therefore be more challenging and pricing much more delicate.⁹³

Moreover, Stockholm's Chamber of Commerce were of the opinion that a nationalisation risked triggering retaliatory measures from the international oil companies. The parent companies of the expropriated Swedish companies might raise export prices to punish the Swedish government, for example, which was likely to negate any potential cost-saving measures gained from the national oil company's industrial

⁹¹ Ibid., 137.

⁹² Ibid., 138, my translation.

⁹³ Ibid., 139–40, 146.

rationalisation measures. This was just one of many potential trade policy consequences a nationalisation might incur, as the consultative bodies saw it.⁹⁴

Most of the consulted authorities reasoned that the desired results — ensuring that oil flowed freely into Sweden even during wars and other crises and was attainable at reasonable prices — could be achieved without nationalising the oil sector. The National Board of Trade, for instance, suggested that one potential alternative was to introduce a licensing system that required oil importers to stockpile a certain amount of oil to ensure that Sweden had a backup supply of oil if the import system broke down again. Such a licensing system was appealing for Sweden's military organisations as well.⁹⁵

The Swedish Army, Navy and Air Force, as well as the government commission that oversaw the planning of Sweden's economic defence — the National Commission for Economic Defence — had a slightly different view of the proposed nationalisation than the civilian authorities. For defence purposes, it was vital that Sweden had ample access to oil for the military's expanding fleet of oil-fuelled vehicles. The military organisations therefore regarded state involvement in securing Sweden's access to oil in a positive light.⁹⁶

⁹⁴ *Ibid.*, 134–9.

⁹⁵ *Ibid.*, 139.

⁹⁶ *Ibid.*, 140–4.

From the military's perspective, Sweden's access to oil needed to be secured both by increasing stockpiles — so that the military had reserves to draw from in the event of war, blockades or other supply shocks — and by diversifying imports — so that there were always alternative suppliers if a particular supplier could no longer export oil to Sweden.⁹⁷

Rather than criticising the excessive number of petrol stations and oil depots, the National Swedish Commission for Economic Defence emphasised that such redundancies were beneficial from a military perspective.⁹⁸ An abundance of petrol stations and oil depots made it easier for the military to refuel its vehicles and harder for the enemy to incapacitate Sweden's oil infrastructure. If anything, the military agencies wanted to *increase* the number of retail outlets even further. The National Swedish Commission for Economic Defence, for instance, argued for the importance of creating stockpiles of petroleum in geographically dispersed, secret and bomb-proof locations to ensure safety from aerial attacks and to guarantee easy access to oil for Sweden's armed forces.⁹⁹ 'The reduction in oil installations advocated by the experts', the Swedish Navy pointed out, 'would so considerably reduce the already inadequate storage possibilities that this alone has made the naval administration very sceptical'.¹⁰⁰

This 'military security logic' differed from the 'economic cost-cutting logic' that the committee and most of the civilian authorities had

⁹⁷ Ibid., 140–4.

⁹⁸ Ibid., 142.

⁹⁹ Ibid., 141.

¹⁰⁰ Ibid., 144.

focused on. From the military's perspective, redundancies and stockpiles were useful because they secured Sweden's access to oil, even in wartime. As such, redundancies and stockpiles were a necessity for national security purposes. From an economic and business perspective, however, redundancies and stockpiles were inefficient and had to be eliminated to cut costs.

However, the military was simultaneously wary of the proposed nationalisation because it could spur the NOC to only import oil from the cheapest source. That, in turn, could lead to dependence on a single supplier, or a handful of suppliers, which was a potential security threat. 'Our supply alternatives', they wrote, 'during a blockade must be considerably greater' if we can 'maintain regular connections with several of the major oil companies in different parts of the world'.¹⁰¹ Hence, while the military and the economic logic diverged in the case of stockpiles and redundancies, they converged in the case of diversification of imports. From an economic perspective, (something vaguely resembling) a free market with a multitude of competing companies was more efficient and created cheaper products than monopolies and oligopolies did. And from a military perspective, a free market with several suppliers was safer than a reliance on a handful of suppliers.

Hence, none of the military organisations considered nationalisation the only, or the best, option to secure Sweden's access to oil.¹⁰² The National Swedish Commission for Economic Defence, for instance,

¹⁰¹ Ibid., 142.

¹⁰² Ibid., 140–4.

maintained that the above-mentioned licensing system, which required importers to stockpile a certain quantity of oil, would be enough to satisfy the military's oil requirements.¹⁰³ Similarly, the Swedish Army called for obligatory stock-piling of fuel oil which, in the event of war, would be surrendered to the state for rationing purposes. 'The size of said storage', they wrote, 'should not be set lower than three to four months' normal needs for the country's engines'.¹⁰⁴

Only two of the consulted actors were generally optimistic about the committee's investigation, namely the Swedish Co-operative Union (KF) and the Car-Owners' Purchasing Centre (IC). KF wished to emphasise 'the great importance of the public sector having a say in [oil] price regulation', and that it was important that the state intervene in the public interest 'against the abuse of power by the international oil firms'.¹⁰⁵ However, KF also declared that 'very serious reasons' had to exist for the state to carry out the proposed nationalisation. The implication being, of course, that the state lacked such reasons. KF instead recommended the Swedish state to invest in foreign oil fields to secure Sweden's oil supply, much like France had done. KF motivated this suggestion by arguing that international oil cartels and companies exhibited clear tendencies of wanting to control the entire world's oil

¹⁰³ Ibid., 141.

¹⁰⁴ Ibid., 144.

¹⁰⁵ Ibid., 136.

reserves. Hence, the Swedish state needed to participate in the scramble for oil reserves before the international oil companies had monopolised them all.¹⁰⁶

IC explained that while they generally believed that free competition was the best way to organise the economy, the prospects for free competition were uncertain, given the market power of the IOCs. They therefore argued that it was ‘fully justified to investigate’ whether ‘some form of organised state intervention could offer protection that would safeguard the interests of consumers and thus of the whole national economy against the power aspirations of foreign oil capital’.¹⁰⁷ However, IC did not endorse the committee’s draft proposal for nationalisation. Instead, it urged the government to institute another committee to continue the investigation of the oil industry and how the state could regulate it, as the committee had argued in its conclusions. In IC’s view, such an investigation needed to include other options than nationalisation.¹⁰⁸

After the opinions of the consultative bodies had been collected, Ernst Wigforss set to work writing a bill for the Riksdag to debate and vote on, which he presented on 14 March 1934.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid., 138.

¹⁰⁸ Ibid.

Despite his radical reputation, Wigforss took a pragmatic approach to the committee's conclusions. He accepted the committee's proposals to force oil importers to blend ethanol into a percentage of their petrol imports and sales (to be determined by the government on a quarter-by-quarter basis), and a continued tax exemption for ethanol-blended petrol to ensure profitability for Swedish ethanol producers in the forestry sector.¹⁰⁹ Much like several of the consulted organisations had argued, though, he acknowledged that imported petrol was cheaper than the ethanol-blended petrol fuels benthyl (E75) and light benthyl (E25), and that imported ethanol was cheaper than the Swedish ethanol.¹¹⁰ In other words, he was under no illusions about the economic nationalism of these policies, and that their primary purpose was to subsidise the domestic forestry industry.

Wigforss' stance on the nationalisation issue was more complex. He expressed that the committee's investigation of the Swedish oil industry had shone a light on the liabilities and risks that its current ownership and operation had spawned. In his opinion, the committee's results provided good reason for the state to consider a nationalisation, in one version or another, of Sweden's oil imports. He regarded it as 'highly probable that such a monopoly, under proper management, could bring about a not inconsiderable reduction in the present distribution costs', which would either lower the consumer prices or increase the state's revenues. However, he accepted the committee's call for further

¹⁰⁹ *Ibid.*, 41–60, 64–5. See also Ekerholm, 'Ett nationellt drivmedel', 76–81.

¹¹⁰ Bill no. 232, 1934, 42–3, 58–9.

investigations and stated that he was not prepared to propose a nationalisation until the issue had been investigated more thoroughly.¹¹¹

While Wigforss does not mention the near-unanimous negative feedback from the stakeholders, it is likely that the lack of support for a nationalisation also influenced his decision not to present the draft proposal for a nationalisation as an actual policy proposal in his bill.

Rather than conceding defeat, Wigforss concluded with a threat aimed at the cartelised oil companies. He stated that if they took advantage of the government's failure to introduce regulation by raising their prices to unreasonable levels, that would 'immediately renew the question about state regulation of [oil] imports'.¹¹² In other words, Wigforss used the threat of nationalisation as a deterrent against price hikes.

Wigforss' bill was then referred to the Riksdag's Appropriations Committee on 14 May 1934, which did not have anything to add regarding nationalisation since Wigforss tabled the issue, before the bill was debated in the Riksdag on 18 May.¹¹³ Because Wigforss withdrew the nationalisation proposal from the bill, nothing was said of the matter in the Riskdag debates. Instead, the debates mostly concerned the potential consequences of a transition from cheap imported petrol (the tax revenues of which were used to finance the maintenance and

¹¹¹ *Ibid.*, 84.

¹¹² Wigforss' full quote reads: 'With regard to the risks of unreasonable price increases on the part of importers as a result of the experts' proposals concerning fuel oil imports not having led to any action, one might agree with the opinion expressed in this regard by the dissenting expert. Such a pricing policy would inevitably raise the question of state regulation of imports.' Bill no. 232, 1934, 85, my translation.

¹¹³ Appropriations Committee, Report no. 44, 1934, 44.

expansion of Sweden's roads) to the expensive and tax-free ethanol fuel. There was concern that the tax incomes for roadworks would dwindle as the country attempted to switch to the ethanol-blended fuel, and over the cost of the fuel switch. Critics from SAP wondered why the state should subsidise a struggling domestic alternative fuel, when there was an efficient and cheap foreign fuel. Conservative MPs in both chambers of the Riksdag rejected this line of reasoning and countered that subsidising the paper and pulp industry was more important than pure cost-efficiency. John Nilsson, an MP for the Conservative Party in the First Chamber, for example, argued that:

Even if it were to be somewhat more expensive than buying from abroad, if we want to create jobs in both agriculture and the forestry industry, we must ensure that we create markets for domestic products in this area. It should also be borne in mind that, from a purely security point of view, it is important not to take the view that all our motor fuel should be imported since, in the event of a crisis, we might find ourselves in a situation where we are completely without [petrol].¹¹⁴

As mentioned above, the high price of this 'national fuel' made it less enticing than the 'foreign oil'. This was one of the reasons why ethanol use fell out of favour as soon as petrol was cheap and readily available — for example following WWI.

In the end, both chambers voted to accept the bill, with some minor revisions.¹¹⁵ All ethanol sales and distribution activities were to be concentrated under the government monopoly The Wine and Spirits Centre, and ethanol from the paper and pulp industry would no longer be allowed in alcohol products meant for human consumption. Instead,

¹¹⁴ Minutes of the Riksdag's First Chamber no. 34, 18 May 1934, 5.

¹¹⁵ *Ibid.*, 2–24; Minutes of the Riksdag's Second Chamber no. 36, 18 May 1934, 2–14.

ethanol from the paper and pulp industry would be reserved for motor fuel and other technical uses. Ethanol for human consumption would thenceforth only come from ethanol produced by potato farmers. This had the added benefit, from a conservative and agrarian point of view, of subsidising Swedish farmers.¹¹⁶

Conclusion

This chapter has examined the reemergence of the proposal to nationalise the Swedish oil industry during the early 1930s. This was primarily deliberated upon within the 1933 Motor Fuel Committee, which operated between 1933 and 1934. The committee originated in two Conservative Party motions from 1932 but was convened in 1933 by the Minister of Finance Ernst Wigforss after the first cabinet of Per Albin Hansson (24 September 1932–19 June 1936) had taken office. The primary aim of the committee was to investigate if and how the state could subsidise the Swedish forestry and agricultural sectors by enforcing a blending of domestically produced ethanol into imported petrol. However, Wigforss also mandated the committee to investigate whether the state needed to ‘impose state control over, or a suitable regulation of, foreign oil imports’ to boost the sale of the domestically produced motor fuel. Further, it was to investigate the ‘opportunities that control over motor fuel imports could provide as a protection

¹¹⁶ See, e.g., H. E. Kjellberg (ed.), *Svenska Dagbladets Årsbok*, 12th ed. (Åhlén & Holms Boktryckeri, 1935), 19.

against potential cartelisation tendencies to increase prices' among the oil companies.¹¹⁷

Historian Helena Ekerholm has argued that the initial proposal for an oil industry nationalisation came from conservatives and industrialists. This is based on the fact that the 1933 Motor Fuel Committee proposed draft legislation for such a nationalisation, and that the committee included two Conservative Party MPs (Nils Wohlin and Sten Stendahl) and an industrialist from the forestry sector (Erik Kempe).¹¹⁸ However, I view this assertion as misleading for two reasons.

First, the conservative motions that sparked the creation of the committee were not about any sort of regulation of the oil industry, but about an enforced blending of domestically produced ethanol into imported petrol, and a replacement of 'foreign oil' with 'national fuels'. Hence, the committee's inquiry into an oil industry nationalisation did not stem from the conservative motions. Instead, they were a later addition by the responsible minister, Minister of Finance Ernst Wigforss. It was this addition that shifted the focus of the inquiry from subsidies of domestic ethanol producers to regulation of the oil industry.

Second, the 1933 Motor Fuel Committee did not recommend a nationalisation. While the 1933 Motor Fuel Committee examined arguments for and against nationalisation and ultimately provided a draft regulation for a nationalisation of the oil industry, the committee

¹¹⁷ SOU 1933: 25, 15, my translation.

¹¹⁸ Ekerholm, 'Ett nationellt drivmedel', 75.

members were clear that they did not recommend an implementation of the policy other than as an emergency measure. They explicitly stated that the regulation was a draft (*utkast till förordning*), rather than a formal proposal (*förslag till förordning*). This underlines their appeal that further investigations were required before any decision was taken. In other words, the committee's position was far from a ringing endorsement of nationalisation.¹¹⁹

In my view, it is therefore much more plausible that the committee's examination of oil industry nationalisation stemmed from Wigforss and the Social Democrats — not conservatives or forestry industrialists.

The Hansson cabinet, through Wigforss, most likely tried to direct the committee's attention away from ethanol production and towards oil industry reform as a solution to the problem of foreign oil dependence. The Hansson cabinet's efforts in this regard were a vital step in turning the future organisation of the oil industry into an object of political debate and action, that is, of politicising the oil sector.

Why, then, were the Social Democrats interested in nationalising the oil industry? Social Democratic politicians had called for a nationalisation as early as in 1916. Consumer and political concerns about the Swedish oil industry's cartelisation and the cartel's price hikes, along with the concentration of wealth and power in the hands of a few foreign-owned

¹¹⁹ See SOU 1933: 25, 158–75.

companies, was a likely reason for leftist politicians' increased willingness to regulate, or even nationalise, the industry.

Moreover, nationalisation, or socialisation (in the Marxist sense of the word), had long been a favoured policy to bring vital domestic industries under public ownership for Sweden's two major socialist parties: the Social Democratic Party and the Communist Party. The centralisation that trusts and monopolies enabled made them ripe targets for socialisation because they brought a 'higher degree of economic order', as the SAP's 1920 party programme stated. However, trustification did not allow for an 'effective use and full utilisation of productive forces'.¹²⁰ Only by imposing public ownership and management on trusts and monopolies (for instance by nationalising them) could they be brought into the highest stage of economic order, which would have the added benefit of eradicating capitalist labour exploitation. Expropriation of highly rationalised and vertically integrated companies had the added benefit of causing less unemployment than an expropriation of less integrated and rationalised companies would. Similarly, nationalisations of trusts and monopolies would require less substantial industrial rationalisations after the nationalisation. This would thereby lower the cost of nationalisation.¹²¹

Another possibility is that the nationalisation was not a particularly ideological question, but a pragmatic solution to a practical problem:

¹²⁰ Klaus Misgeld, ed., *Socialdemokratins program 1897–1990* (Arbetsrörelsens arkiv och bibliotek, 2001), 33.

¹²¹ See Lapidus, 'Permissive Attitude'.

how best to organise Sweden's oil imports, and the blending of ethanol into those imports.

As for the committee's results, it found conclusive evidence that the Swedish subsidiaries of Standard, Shell, APOC and Texaco had formed a cartel in 1931. This was a collusion arranged to bring down the industry's costs, keep competitors out of the market and fix prices at profitable levels. Its main competitors were the Swedish-owned *Nynäs Petroleum* and IC, on the one hand, and the Soviet-owned *Naftasyndikat*, on the other, with whom the cartelised companies were engaged in a price war during the late 1920s and early 1930s. On 16 January 1931, Standard and Shell struck an agreement with *Nynäs Petroleum*, which hindered it from acting as an independent competitor.¹²² And in 1932, the cartel persuaded its main competitor, *Naftasyndikat*, to employ the same prices and discounts as the cartel, in exchange for a small competitive advantage. From then on, the cartel's main competitor was IC and other small-scale independent oil importers with less market power and sparser resources and infrastructure to import oil from independent sources. Consequently, the cartel's control of the Swedish market strengthened, and prices returned to pre-price-war levels.

¹²² The 'asphalt agreement' between A. Johnson & Company (*Nynäs Petroleum*'s parent company), *Krooks Petroleum & Olja Aktiebolag* (Standard) and *Svensk-Engelska Mineraloljeaktiebolaget* (Shell), 16 January 1931, the Ministry of Finance's classified cabinet meetings, E1:2, 1933, RA.

Some politicians and experts argued that the cartel's price-fixing schemes were not necessarily unfavourable. During certain periods, Swedish petrol prices were among the cheapest in Europe — despite (or perhaps because of) the cartel's oligopoly. A monopoly or oligopoly usually entails increased retail prices because of the lack of competition. One idea was that the cartel's low retail prices were caused by the vertically integrated oil companies' economies of scale, which made their 'upstream' and 'midstream' activities (that is, extraction, refining and transportation to Sweden) exceedingly cheap and efficient. The oil companies' vertical integration and high efficiency simultaneously painted a target on their back, however. It seems likely that the intermittently low prices coincided with periods of price war between the IOCs, or price war between the IOCs and independent importers (of Soviet oil, most notably).

The committee members' position was that Sweden could take advantage of the industry's periodic price wars. But they did not enforce competition — which, in theory at least, would assure a perpetual state of price warfare between competitors. Neither did they recommend a regulation or nationalisation of the industry (other than as a last resort), which theoretically could have undermined the cartel's ability to collude and fix prices. In short, the committee put its faith in the development of a 'domestic fuel' instead of advocating for any sort of regulation of the oil industry. If all else failed, they hoped that the oil cartel would be too frightened of rekindling the government's interest in nationalisation

to raise its retail prices to unreasonable levels, as Erik Kempe's reservation illustrates.¹²³

The committee recommended further investigations into a nationalisation of the oil industry, before any final decisions could be taken. This is the line that eventually won the day. Shortly after the publication of its report, Wigforss convened a follow-up committee to continue the investigation.

¹²³ See SOU 1933: 25, 179.

Chapter 4. Financing pensions with coffee and petrol, 1934–1935

This chapter focuses on the 1934 Fuel Oil Committee, which operated between 1934 and 1935 and had the aim of addressing some of the problems that the 1933 Motor Fuel Committee had identified. The chapter shows how Social Democratic politicians took a more active role in pushing for a nationalisation of the oil industry during this period, not least by incorporating the proposed state-owned petrol (and coffee) monopoly into its visions for the emerging welfare state. Concretely, they did so by proposing to use revenues from oil and coffee sales to finance a reform of the general pension system in 1935, and, later, other social and welfare reforms. The chapter also examines the public debate about the petrol monopoly issue in the national press.

Financial problems and solutions

Prime Minister Per Albin Hansson announced that his cabinet would ‘try to finance the next budget without raising taxes’ in a 1934 speech.¹ The cabinet would therefore have to finance its social reforms in other ways. This caused problems for the long-awaited general pension system reform.

Two main priorities topped the SAP’s reform agenda during the interwar period: ‘the fight against unemployment and the development of a basic social safety net for the working class’, as Kjell Östberg

¹ See ‘Regeringens nya monopoloffensiv’, *Dagens Nyheter*, 17 November 1934.

argues.² One vital part of that social safety net was improved old-age pensions. The SAP had wanted to improve the general pension system since its inception in 1913. Pension reform became a central question for the SAP from 1926 onwards; especially for its most pugnacious proponent, Gustav Möller.³

Gustav Möller is often credited as one of the most — if not the most — important architects of the Swedish welfare state, since he had a hand in designing many of the most emblematic social security systems that came to characterise it: the unemployment insurance, general child allowances, increased general pensions, the introduction of public dental care and two weeks' general holiday, to name a few.⁴

All the Riksdag parties agreed that the pension system needed to be reformed but disagreed on how and why. Politicians motioned for various kinds of reform during the 1920s, which prompted the Liberal Ekman cabinet (1926–1928) to create the Pension Insurance Committee (*pensionsförsäkringskommittén*) in 1928. It worked for an unusually long time, only concluding its inquiries in 1934. Gustav Möller, a serial author of pension reform-related motions, was a member of that committee until his accession as Minister of Social Affairs in 1932. Möller therefore had insight into the committee's work, and detailed knowledge about the pension issue more generally, when

² Östberg, *Swedish Social Democracy*, 270.

³ See Gunnar Olofsson, 'Det svenska pensionssystemet 1913–1993: historia, struktur, konflikter', *Arkiv för studier i arbetarrörelsens historia* 58–59 (1993): 38–40; Per Gunnar Edebalk, 'Folkpension och åldringsvård — om svensk socialpolitik 1903–1950', *Socialvetenskaplig tidskrift* no. 2–3 (2003): 140–1.

⁴ Svenskt biografiskt lexikon, 'F Gustav Möller', accessed 1 October 2025, <https://sok.riksarkivet.se/sbl/artikel/8662>.

he became a minister. Reforming the pension system naturally remained one of his top priorities as a minister.⁵

But the reform that the Pension Insurance Committee and Möller's Ministry of Social Affairs was working on required resources. As did the Hansson cabinet's other social and welfare reforms — not least the new public works-based unemployment programme that it had launched in the autumn of 1933 to alleviate the effects of the Great Depression.⁶

What is more, the Hansson cabinet was on a deadline. Möller had announced that the government aimed to reform the pension system before the parliamentary summer recess in 1935. The Ministry for Social Affairs consequently presented a bill on increased pension levels, an introduction of a universal minimum public pension and equalised pension levels between men and women, among other things, on 22 March 1935. Möller calculated that the costs would exceed the state's budget by about 25 million Swedish kronor. However, the funding issue remained unresolved.⁷

⁵ For an important example of a pension reform motion authored by Möller, see Motion I: 169 (1928). For an example of other parties' stances on the matter, see the Conservative Party countermotion, Motion II: 229 (1928). For the authorisation to convene the 1928 Pension Insurance Committee, see Letter from the Riksdag no. 206 (1928). For the Pension Insurance Committee's report, see SOU 1934: 18. For the 1935 pension reform, see Per Gunnar Edebalk, 'Spåren efter Gustav Möller: Om socialpolitiska grunder', *Research Reports in Social Work* 4 (2023), 38–47; Olofsson, 'Det svenska pensionssystemet', 38–9.

⁶ Olle Nyman, *Krisuppgörelsen mellan Socialdemokraterna och Bondeförbundet 1933* (Almquist & Wiksell, 1944); Nils Unga, 'Socialdemokratin och arbetslöshetsfrågan, 1912–34: Framväxten av den "nya" arbetslöshetspolitiken' (PhD diss., Uppsala University, 1976), 6–18, 147–95.

⁷ For the speech, see 'Folkpensionens höjning införs denna riksdag', *Göteborgs Handels- och Sjöfarts-Tidning*, 22 January 1935. For the bill, see Bill 217 (1935). For a history of the bill and its consequences, see Edebalk, 'Spåren efter Gustav Möller', 38–47.

The Hansson cabinet therefore had to come up with a way to fund the proposal. Taking out a loan or issuing government bonds to plug budget holes was unheard of at the time, even within the SAP. Even if it had been an accepted method of financing expanded expenditure, it would have been easier said than done to borrow money amid the Great Depression. The funds would therefore have to be raised through other means. The question was what means, especially since Hansson had promised not to raise taxes.⁸

Around the same time as Möller presented his pension reform bill, the Defence Committee requested 55 million Swedish kronor in appropriations to rearm Sweden's military forces. This put the 1936 budget under even further strain and the anti-militarist Social Democrats in a tough position. The government could end up in a situation where it would have to choose between financing military rearmament or pensions and other social reforms. 'In this situation', Wigforss argued 'it is incumbent on any government to explore the possibility of finding other sources of revenue'.⁹

The proposed coffee and petrol monopolies became a lifeline for the government. Revenues from the prospective monopolies presented a way of plugging the hole in the Hansson cabinet's budget. In January 1935, Prime Minister Hansson publicly announced that the purpose of

⁸ Unga, 'Socialdemokratin och arbetslöshetsfrågan', 157–95; Benny Carlson, *Swedish Economists in the 1930s Debate on Economic Planning* (Palgrave Macmillan, 2018), 47–135.

⁹ Ernst Wigforss's speech 'Monopolies or freedom of commerce', Lund, 11 March 1935, printed in *Arbetet*, 'Monopol eller näringsfrihet', 12 March 1935, 9.

the prospective petrol and coffee monopolies was to raise revenue to fund social and welfare reforms.¹⁰

In a behind-closed-doors meeting with SAP's Parliamentary Group in April 1935, Wigforss explained that he had assumed that the coffee monopoly would bring in about 20 million Swedish kronor in revenue, while the petrol monopoly would bring in 10 million, thereby plugging the 25 million kronor hole in the budget that the pension reform was calculated to cause. But if the petrol and coffee monopoly inquiries were to indicate that these figures were unrealistic, 'other avenues must be pursued and a special pension tax of 1 per cent on income could be considered. This would yield about 20 million. The remaining 10 million kronor could be raised by increasing the tax on tobacco and malt spirits.'¹¹ Hence, the petrol and coffee monopolies were not the cabinet's only viable solution to the funding issue. It was its preferred solution, however, since it wanted to avoid introducing new taxes or raising existing ones. To that end, it convened two committees that continued the investigations into the creation of petrol and coffee monopolies.

The 1934 Fuel Oil Committee

As discussed in the previous chapter, the 1933 Motor Fuel Committee had not recommended a nationalisation of the oil industry — especially

¹⁰ 'Premiär på riksdagskomedien', *Arbetaren*, 19 January 1935.

¹¹ Minutes of the SAP's Parliamentary Group, 2 April 1935, vol. A2:4, ARAB.

not without further investigations. The government's resulting bill therefore did not include oil industry reforms.

The 1933 Motor Fuel Committee had pointed out two issues that needed to be addressed before a nationalisation could be considered: the economics involved and the potential trade-related consequences. The former had to do with how much money a nationalisation would cost versus how much money the prospective state-owned oil monopoly could be expected to make. In simple terms, the government needed to ensure that the costs did not exceed the benefits. The latter issue concerned how a nationalisation could affect Sweden's trade relations with the United States (and, to a lesser extent, the United Kingdom and the Netherlands) where the IOCs were headquartered. There was a fear that a Swedish nationalisation might cause reprisals from the IOCs and their home-country governments or otherwise worsened trade relations.

Addressing these issues became a central task of the 1934 Fuel Oil Committee, which Minister for Finance Ernst Wigforss convened on 2 November 1934 to 'carry out further investigations and submit proposals concerning the establishment of a state import and wholesale monopoly on fuel oils and related matters'.¹² Furthermore, the committee was to investigate the 'increased revenue which a simplified

¹² Transcript of ministerial minutes, 2 November 1934, Ministry of Finance, BII, vol. 9:874, RA.

and more rational organisation in the form of a monopoly could bring the government without any price increase for consumers'.¹³

Moreover, the committee was expected not to 'comment on the question of [whether the state should institute] a monopoly or not', and to limit its task to 'an investigation of how a monopoly's economic results would turn out under the conditions specified by the government'.¹⁴ The new committee was also encouraged to rely on the 1933 Motor Fuel Committee's calculations and discouraged from formulating detailed suggestions about the organisation of the future state oil monopoly. This created a path dependence: the new committee needed to rely on the 1933 Motor Fuel Committee's work, without challenging or redefining its underlying assumptions or conclusions. This severely limited the scale and scope of the 1934 Fuel Oil Committee's investigation.¹⁵

In summary, the terms of reference were strict and limiting, they set up a path dependence on the previous committee's results and effectively forbade the 1934 Fuel Oil Committee's members from commenting on the contentious nationalisation issue.

¹³ Letter from Wigforss to the 1934 Fuel Oil Committee, 2 November 1934, vol. 1, RA.

¹⁴ SOU 1935: 61, 10–11.

¹⁵ Letter from Wigforss to the 1934 Fuel Oil Committee, 2 November 1934, vol. 1, RA.

Sten Stendahl, an MP for the Conservative Party in the First Chamber of the Riksdag, was appointed to chair the new committee.¹⁶ Stendahl had previously been a member of 1933 Motor Fuel Committee. He was the only person that was invited back from the earlier committee, however. The other committee members included Second Chamber MP for the Farmers' League Janne Nilsson, Second Chamber MP for the SAP Lars Anton Björklund and accountant Oscar Jelf as secretary.¹⁷

The composition of the 1934 Fuel Oil Committee reflects the so-called “horse trade” in the spring of 1933, in that it contains one Farmers' League MP and one SAP MP (under the leadership of an experienced chairman, Conservative Party MP Sten Stendahl). This could be a sign that the Hansson cabinet wanted to include the Farmer's League in the development of controversial policy proposals like the oil nationalisation to build trust and consensus with its new governing partner.

The appointments might also have been attempts to form a consensus in favour of nationalisation among parties that had previously supported nationalisations. The Conservatives had carried out a nationalisation of the tobacco industry to raise funds for the introduction of a general pension system and an expansion of Sweden's military forces during the First World War, and the Farmers' League had supported the creation of the liquor monopoly, as the SAP were

¹⁶ Stendahl was a member of the National Party of the Upper House (*Första kammarens nationella parti*), a forerunner of the Conservative Party. For simplicity's sake, I have chosen to refer to it as the Conservative Party. For more information, see Author's note and Appendix B. Major parties in the Riksdag, 1914–1947

¹⁷ Bill no. 232 (1934), 84–5; SOU 1935: 61, 10.

quick to point out when they were criticised for their nationalisation proposals.¹⁸

Initial press reactions

Right-wing parties and newspapers were quick to criticise the SAP's proposed coffee and petrol monopolies. Liberal newspaper *Dagens Nyheter*, for instance, wrote that the petrol monopoly proposal had met 'crushing criticism from almost all expert authorities and business organisations. But Mr Wigforss is not letting up. His intention is apparently now to force new monopoly proposals through Parliament'.¹⁹

Both liberal and conservative newspapers doubted that a state takeover of the oil sector would lead to rationalisation and an unchanged (or even lowered) petrol price for consumers, which was its stated aim. *Dagens Nyheter*, for instance, wrote that 'State operations have not usually proved cheaper than private operations. There is no incentive for the state to rationalise in the way that private businesses may find themselves called upon to do.' Moreover, it questioned whether the over-establishment of retail outlets was a problem for consumers, commenting that 'the crucial question for the general public is whether the price of this over-establishment has been passed on to

¹⁸ See Minutes of the First Chamber of the Riksdag, Thursday 17 January 1935, KB; 'Första kammaren', *Dagens Nyheter*, 18 January 1935; 'Premiär på riksdagskomedien', *Arbetaren*, 19 January 1935; 'Monopol eller näringsfrihet', *Arbetet* 12 March 1935; 'Fakta om monopol', *Arbetet*, 12 April 1935; Nils Holmberg, 'Ur askan i elden kommer de små näringsidkare, som följer högern o. folkpartiet', *Arbetar-Tidningen*, 10 August 1936.

¹⁹ 'Regeringens nya monopoloffensiv', *Dagens Nyheter*, 17 November 1934, my translation.

consumers in any tangible way’, which it argued that it had not. Hence, there was ‘no reason for us to intervene if foreign firms want to make losses on selling cheap petrol in Sweden’.²⁰

Moreover, the paper thought it odd that the SAP would want to nationalise an industry that provided a “first-class necessity item” such as petrol, writing that ‘This characteristic of the commodity precludes it from being turned into a cash cow for the state like the luxury goods liquor and tobacco.’²¹

Similarly, conservative newspaper *Svenska Dagbladet* commented that the goal of increasing state revenue without raising consumer prices was justified ‘in the case of petrol, where any increase in price directly affects traffic’. However, it was ‘unnecessary in the case of a pleasure food such as coffee, where the aim should be to increase prices, which will at the same time benefit the Treasury in the form of increased revenue and public health through reduced consumption’.²²

These quotes highlight how both Liberals and Conservatives saw luxury goods — especially ones with deleterious health effects — as natural domains for state monopolies. Liberals and Conservatives had both been in favour of the liquor and tobacco monopolies when they were introduced around WWI. Petrol, on the other hand, they evidently already considered a necessity rather than a luxury, even though petrol-

²⁰ ‘Bensin- och kaffemonopolen’, *Dagens Nyheter*, 20 November 1934.

²¹ Ibid.

²² ‘De nya monopolplanerna’, *Svenska Dagbladet*, 20 November 1934.

fuelled vehicles such as automobiles were only affordable for the very wealthy and professional drivers.²³

Right-wing papers also criticised the coffee and petrol monopoly committees in more general terms: they regarded them as threats to private enterprise and economic freedom. Liberal *Dagens Nyheter*, for instance, wrote that it was vital ‘for all those who still believe that private enterprise under personal responsibility is the driving force and prerequisite for sound economic progress’ to ‘safeguard economic freedom at every point where it can be defended’. The paper called on the defenders of free enterprise not to ‘accept coercive economics and state monopolism in areas where there are no compelling reasons whatsoever for restricting private enterprise’.²⁴ These kinds of critique grew louder and more widespread as the planned economy debate progressed, as I will return to in coming chapters.

The committee’s work and findings

The committee members began their work by calculating the costs of a nationalisation. These fell into two broad categories: (1) compensation for workers that would lose their jobs, and (2) compensation for the private-owned property that the state would redeem from the IOCs. These costs were then compared with the prospective national oil company’s (NOC) potential savings and revenues: savings stemming from costs associated with ‘unnecessary’ fixed capital assets that would be culled under a NOC regime (such as surplus offices, petrol stations,

²³ See Lundin, *Bilsambället*, 24–8.

²⁴ ‘Till frihetens försvar’, *Dagens Nyheter*, 3 December 1934.

ocean depots and so on) and costs stemming from surplus workers' wages.²⁵

In total, the committee estimated that roughly 19–21 million crowns could be saved through industrial rationalisation efforts and a centralisation under an NOC. The total one-time cost for the nationalisation, meanwhile, would amount to around 65 million crowns, stemming from compensation costs. The committee argued that these costs could easily be covered if the NOC took the form of a limited company which could emit stocks for 55 million and take a short-term loan for the remaining 10 million.²⁶

Based on their calculations of the oil companies' profits for 1933 and 1934, as well as the costs relating to the nationalisation, they estimated that a state monopoly would turn a profit of around 10.7 million crowns per year.²⁷

Over-establishment and industrial rationalisations

The 1933 Motor Fuel Committee had disagreed on how to handle the (perceived) over-establishment of retail outlets in case of nationalisation. The 1934 Fuel Oil Committee was therefore tasked with continuing to investigate the matter.

The committee identified two alternatives: the state could either leave the retail sector in private hands, or redeem it along with the

²⁵ SOU 1935: 61, 25–52.

²⁶ Ibid., 46–51.

²⁷ Ibid., 52.

import, distribution and wholesale sectors of the oil industry. Each option had its up- and downsides.

If the state left the retail sector in private hands while nationalising the rest of the industry, it risked angering petrol merchants. Their reactions to the new order would depend on whether their sales volumes remained roughly the same and that prices stayed acceptable. If so, the petrol merchants would have an incentive to continue operations while self-rationalising the retail sector. If that were the case, the state need not expend capital, time and energy on enforcing industrial rationalisations. Moreover, retailing would remain in the hands of the professional petrol merchants, which would avoid unnecessary bureaucratisation and financial risk.

The second option, an all-out nationalisation of the retail outlets, would allow the NOC to control and plan the entire network of retail outlets. This would make the industrial rationalisations much easier to enforce but come at the risk of bureaucratisation and profitability problems. There was also a risk that end-consumer prices would increase because of the monopoly situation — even if a prerequisite of the nationalisation was to avoid just such an outcome. Finally, a nationalisation of the retail sector would also mean that the state would have to compensate the petrol merchants for their redeemed property, which would make the nationalisation more expensive.

The committee did not definitively advocate one option over the other but left the final decision in the hands of the government and parliament.

The committee also argued that the prospective oil monopoly would have to regulate retail prices by fixing both minimum and maximum prices. That way, retailers would be guaranteed a certain remuneration per quantity sold, without fear that their prices would be undercut by competitors. To enforce compliance, violators would have their deliveries suspended — which would swiftly put them out of business, since there would be only one supplier of petroleum products.²⁸

In a reservation to the committee's state public report, the SAP MP and 1934 Fuel Oil Committee member Lars Anton Björklund argued that the prospective nationalisation should include the retail sector, since that would allow for a more thoroughgoing industrial rationalisation. Björklund calculated that this would cost an additional 8 million crowns in compensations to the retailers and 4.6 million crowns in compensations for the fired workers. In exchange, the state could make an additional 8 million crowns per year once the retail sector had been rationalised. This would increase the NOC's projected yearly income from 10.7 million to 18.7 million crowns.²⁹

However, this measure would increase unemployment. Björklund argued that the nationalisation would inevitably cause unemployment. Compared to industrial rationalisation processes in private-owned

²⁸ Memorandum, 'P.M. angående omkostnader för varornas distribution i minut genom servicestationer etc.', N.D., the 1934 Fuel Oil Committee, vol. 1, RA.

²⁹ SOU 1935: 61, 53–62.

sectors, where ‘dismissed staff only receive compensation in exceptional circumstances’, a state-led industrial rationalisation process would mean that fired workers would ‘receive a compensation of such a size as to enable them to devote their time to seeking new employment in the near future without financial worries’.³⁰ In other words, Björklund justified the unemployment by arguing that the sacked workers would at least receive compensation.

Hence, no matter which option was pursued, the proposed nationalisation would cause unemployment. This soon turned into a major political problem for the SAP.

The unemployment problem

As mentioned, two issues topped the SAP’s reform agenda: the creation of a social safety net and the fight against unemployment. It was therefore imperative that the SAP did not implement policies that counteracted these goals. Implementing a policy that would cause even transient unemployment among industrial workers was a sensitive issue for the SAP, since it could lead to a loss of trust and support among its constituency.

Yet the 1933 Motor Fuel Committee and the 1934 Fuel Oil Committee had concluded that a nationalisation would cause unemployment. The latter committee stated that ‘a major rationalisation of the present retail trade would be inevitable’ regardless of whether the state chose to include the retail sector in its nationalisation or not. And this rationalisation would invariably result in ‘dismissal of a substantial

³⁰ Ibid., 53.

proportion of the staff who have hitherto made their living' from retailing petroleum products.³¹

The unemployment problem was exacerbated by the high unemployment rates during the Great Depression. Aggregate unemployment peaked at 23 per cent in 1933, fell to around 20 per cent when the committee was convened in 1934, but remained around 15 per cent when the committee published its report in November 1935.³²

The circumstances were therefore inauspicious for nationalisation proponents within the SAP.

The problem grew worse as right-wing newspapers began to criticise the committee and the government for its inconsistent messaging concerning unemployment.

Publication and reception of the report

Public interest in the committee's conclusions and potential policy proposals was high. From the public's perspective, most of the committee's work had been shrouded in secrecy. Rumours about the contents of the committee's report therefore began to spread: liberal *Aftonbladet* reported that 'It is likely that the files will be classified' and that the report would propose 'to bring the import of fuel oils under state control', while excluding the retail sector from the

³¹ Memorandum, 'P.M. angående omkostnader för varornas distribution i minut genom servicestationer etc.', N.D., the 1934 Fuel Oil Committee, vol. 1, RA.

³² Jakob Molinder, 'Why Was Unemployment So Low in Postwar Sweden? An Analysis with New Unemployment Data by Manufacturing Industry, 1935-1948', *Lund Papers in Economic History* 201 (2019), 7–8.

nationalisation.³³ *Dagens Nyheter* likewise published an article in which a source claimed that the committee's findings would ultimately 'result in a decree for monopolisation of the petrol trade'.³⁴

It would soon become evident that these rumours were false. Yet the newspapers' decision to publish the rumours illustrates that there was a nervousness — especially among liberals — about what the committee would propose.

The committee published its report on 22 November 1935. Compared to the speculation preceding its publication, the report was not very controversial. Syndicalist newspaper *Arbetaren* reported that:

In accordance with the terms of reference, the members of the Committee did not think that they should either recommend or oppose the introduction of a [petrol] monopoly but limited their task to a purely factual examination of the economic consequences that the introduction of a state monopoly would entail.³⁵

The lack of a policy proposals for an oil industry reform was somewhat of an anticlimax. The public discourse therefore soon moved on to other matters.

Because the 1934 Fuel Oil Committee was so like its 1933 Motor Fuel Committee precursor, it prompted the same kinds of critique. The investigations into the creation of state monopolies were yet again criticised for being a slippery slope towards a Soviet-style command economy.³⁶

³³ 'Importmonopol på bensin. Fri försäljning?' *Aftonbladet*, 6 November 1935.

³⁴ 'Bensinmonopol av två typer', *Dagens Nyheter*, 19 September 1935.

³⁵ 'Bensinmonopol beräknas ge 10,2 milj.', *Arbetaren*, 23 November 1935.

³⁶ See, e.g., 'Förnyad monopolvarning', *Svenska Dagbladet*, 23 November 1935.

Conservative newspaper *Svenska Dagbladet* noted that the two committees' terms of reference were almost identical, and commented that:

The Minister of Finance's clear desire for the results of the enquiry to support his monopoly plans has only very imperfectly been concealed by the [committee's] formal impartiality. [...] Both committees have thus, without taking a direct stand on the monopoly issue itself, listed a series of supposed or real facts suitable for incorporation in a bill on the introduction of a state petrol monopoly.³⁷

This implies that Minister for Finance Ernst Wigforss wanted the two committees to support his preexisting interest in nationalisation, and that he had designed the committees' terms of reference to control their (formally independent and impartial) work.

Another recurring critique was that the committee's methodology when calculating the NOC's revenues was flawed and slipshod, which made the results unreliable, or even wholly inaccurate. *Dagens Nyheter* was particularly critical of 'the committee's overconfident assertions' regarding the future NOC's ability to purchase petroleum cheaper than the private companies and how easy it would be to carry out the sort of 'enormous staff reductions' that it proposed.³⁸ *Svenska Dagbladet* likewise expressed 'strong scepticism about the sustainability of the committee's economic calculations', arguing that it was therefore unclear if the state would actually make a profit on the import and sale of petroleum products.³⁹

³⁷ 'Förnyad monopolvarning', *Svenska Dagbladet*, 23 November 1935.

³⁸ 'Bensinmonopolet', *Dagens Nyheter*, 23 November 1935.

³⁹ 'Förnyad monopolvarning', *Svenska Dagbladet*, 23 November 1935.

Another recurring critique, especially in liberal newspapers, was that the future state-owned monopoly would be inefficiently managed because of the lack of competition, and because a state monopoly would lack incentives to treat its customers well, unlike private companies' whose future depended on their ability to provide satisfactory products and services.⁴⁰

The nationalisation plans were also criticised in the communist and syndicalist press. Communist *Norrskensflamman*, for instance, wrote that the SAP's planned monopolies on coffee and petrol had absolutely nothing to do with socialism and socialisation. 'On the contrary, such state monopolies are typical of capitalism', it argued. It also commented that several previous state monopolies — the tobacco, liquor and potato flour monopolies — had been 'implemented under the leadership and with the complicity of the Right. If state monopolies had anything to do with "socialism", then the Right would have been leading the way towards its realisation'.⁴¹

Syndicalist *Arbetaren*, meanwhile, criticised the SAP's tendency to reach out for 'new state monopolies or monopolies controlled by the state' to 'balance the budget of the capitalist state'. In the end, it argued, 'Social Democracy leads to the economic autocracy of the state and thus to state absolutism'.⁴² Hence, it saw the SAP's "state-capitalist monopolies" as an unacceptable threat to syndicalists and the broader workers' movement.

⁴⁰ 'Bensinmonopolet', *Dagens Nyheter*, 23 November 1935.

⁴¹ 'Regeringens "socialiseringsplaner"', *Norrskensflamman*, 23 January 1935.

⁴² 'Socialdemokrati och statsabsolutism', *Arbetaren*, 9 July 1935.

The most troublesome critique was that the SAP was hypocritical when it claimed to fight unemployment while simultaneously proposing policies that would increase it. Liberal newspaper *Aftonbladet* commented that it was strange indeed that the Hansson cabinet, ‘which more than any other has claimed to want to give the people work, will deliberately throw thousands into unemployment’.⁴³

The SAP’s official newspaper *Social-Demokraten* defended the petrol monopoly against by arguing that the issue need not have been raised if it would have been possible to balance the 1933–1936 budget without raising taxes or introducing new ones. Considering that increased revenue was required, however, ‘we find it difficult to see why the Riksdag should not be given the opportunity to choose between increased taxes and, for example, rationalisation of the petrol trade’. If the other parties chose ‘to allow the petrol trade to remain unrationalised and raise taxes instead’, they would at least have been made aware ‘that other possibilities exist’.⁴⁴ The text thereby constructs a binary choice between two equally undesirable options, from the opposition parties’ point of view: raised taxes or an oil industry nationalisation. It reads as a veiled threat: the SAP will raise taxes if the opposition derails its oil nationalisation plans.

⁴³ ‘Bensinmonopolet kommer närmare’, *Aftonbladet*, 25 January 1935.

⁴⁴ Quoted in ‘Pressopinionen’, *Göteborgs Handels- och Sjöfartstidning*, 25 November 1935.

Critique of the responsible minister, Minister of Finance Ernst Wigforss, was another recurring element in the press debate. Wigforss became a kind of figurehead for the SAP's alleged socialisation front. This was especially the case with the prospective petrol and coffee monopolies which were repeatedly characterised as his brainchildren. That allegation was not entirely without merit — Wigforss was a driving force and important actor throughout the socialisation and planned economy debates — but the empirics clearly show that the SAP's interest in an oil nationalisation preceded Wigforss' ministerial reign.

To summarise, the newspapers argued that the new committee was plagued by the same methodological problems as the 1933 Motor Fuel Committee. Right-wing newspapers implied that the nationalisation committees were a first step towards a Soviet-style command economy, and that their proposals posed a threat to private ownership and enterprise. Meanwhile, leftist newspapers opposed the monopolies on the grounds that they were state capitalist rather than socialist in nature. The committee members were repeatedly criticised for incompetence, and their calculations were criticised for being biased or wholly inaccurate. Most damningly, several newspapers accused the Hansson cabinet of being hypocritical when it claimed to fight unemployment, since it simultaneously championed policies that would demonstrably cause unemployment.

Creation of anti-monopolisation interest groups

The government's renewed interest in nationalising the oil industry caused uncertainty, concern and anger among managers and employees within the oil industry and automobile-related sectors. Several of these stakeholders protested and formed interest groups to lobby the government and monitor the government's nationalisation proposals.

White-collar workers within the oil industry formed an association, the Petroleum Professionals' Monopoly Committee, which monitored developments within the governmental inquiries and campaigned for the oil companies' and their employees' interests.⁴⁵ The secretary of this new association spoke to Conservative newspaper *Svenska Dagbladet* and said that it was inconceivable 'that the Riksdag would want to approve such ruthless treatment of staff who' would be made 'unemployed by the Riksdag's own action, as the Committee has now proposed'. He argued that it was obvious that those who would be made 'breadless by monopolisation' would not be able to 'find new employment. They will then become a burden on the public sector'.⁴⁶ He thereby suggested that the unemployed would become a drain on the local and state government's resources. This, in turn, would ultimately cost the government money to redress.

The oil majors formed another interest group in early 1935, the Swedish Petrol Merchants' Association, which lobbied the Government and protested against the nationalisation proposal. *Svenska Dagbladet*

⁴⁵ Letter from the Petroleum Professionals' Monopoly Committee to the 1935 Fuel Oil Committee, 14 March 1935, vol. 2, RA, my translation; SOU 1936: 45, 24.

⁴⁶ 'Trafikanterna och personalen få betala', *Svenska Dagbladet*, 24 November 1935.

wrote that the association was a union of ‘office workers, foremen and salesmen at the country’s petrol companies’.⁴⁷ The new association even managed to poach disgruntled members from the mineral oil workers’ union, much to the chagrin of the Swedish Transport Workers’ Union’s leadership.⁴⁸

Apart from these new associations, preexisting interest groups such as taxi, lorry and omnibus drivers’ associations likewise protested against the nationalisation idea. A lorry owner’s association, for instance, contacted Wigforss to pre-emptively demand compensation for the increased petrol price that a state takeover would cause.⁴⁹ This was also reflected in the Swedish Transport Union Workers’ minutes:

[J. Arvid] Mårdh, pointed out that there was great concern among taxi and omnibus owners because of the government’s plans for a petrol monopoly. Even if the monopoly did not lead to a price increase, but only to the abolition of the present rebate system, this would mean that many of the union’s employers would be in financial difficulties, resulting in unemployment for a large number of members. In view of this, Mr Mårdh proposed that the Board appoint a number of people to approach Minister Wigforss [sic] in order to obtain clear information on the matter.⁵⁰

The Swedish Transport Union decided to send Arvid Mårdh, Martin Eriksson and Ragnar Helgesson as envoys to court Wigforss.

Transport did not seem to think that a nationalisation was a good solution to the issues on the domestic oil market. They likewise worried about the unemployment that such a policy would cause. The oil

⁴⁷ ‘Opinionen mot bensinmonopol’, *Svenska Dagbladet*, 22 January 1935.

⁴⁸ Minutes of the Board of the Swedish Transport Workers’ Union, 30 April 1935, vol. A2:21, ARAB.

⁴⁹ ‘Bensinmonopol blir dyrt för staten’, *Svenska Dagbladet*, 14 April 1935.

⁵⁰ Minutes of the Board of the Swedish Transport Workers’ Union, 5 February 1935, vol. A2:21, ARAB.

workers therefore initially seem to have taken their employers' side to protect their own jobs. This would change over time, however.

This example shows that different parts of the Swedish workers' movement had different views regarding a regulation of the oil industry, at least initially. Hence, there was no consensus about the boons of a state petrol monopoly among oil industry employees, nor among the various strands of the broader workers' movement.

Conclusion

The 1934 Fuel Oil Committee followed the path that the 1933 Motor Fuel Committee had staked out. This was not a choice on the committee members' part. Instead, there was a kind of built-in path dependency, since the Ministry of Finance's terms of reference instructed the committee to build upon the 1933 Motor Fuel Committee's calculations and results, without challenging its assumptions and conclusions regarding the feasibility or advisability of a national oil company (NOC). Instead, the 1934 Fuel Oil Committee was instructed to provide more detailed calculations regarding the cost of a nationalisation, its impact on the retail sector and determine how much revenue the prospective NOC could be expected to generate. This led the committee to focus on quantifying the scope of the over-establishment of petrol stations and other retail outlets, on calculating how much industrial rationalisation efforts could cut costs, on establishing the amount of money that the state would have to pay the oil companies for their expropriated property and on ascertaining the amount that it would have to pay workers that would be made

redundant in compensation. In short, the terms of reference dramatically limited the scope of the committee's investigation, leading to a focus on the costs and the benefits of a NOC regime.

The 1934 Fuel Oil Committee cannot be characterised as having been fully impartial when its room for manoeuvre was so severely limited. Its strict terms of reference robbed it of the ability to criticise or challenge the nationalisation idea and to develop alternative solutions to the oil industry's problems (for example by developing proposals for other reforms than a nationalisation). The strict terms of reference seem to have been the result of a Social Democratic attempt to control the work of the formally independent committee.

Wigforss' presentation of the committee's terms of reference framed the continued investigation into a nationalisation as an open-ended and impartial search for the most rational and efficient way of organising the oil industry, rather than a political or ideological question that should be open for debate. This rhetoric can be seen as an attempted depoliticisation, in that it aimed to transport an 'object of contention that is potentially politically explosive into a more controllable milieu such as an expert group or committee that meets behind closed doors'. Moreover, the terms of reference seem to have aimed to transform 'a political issue into a technical, legal, or scientific one' that could only be discussed using specialist, technical jargon — in this case, economics jargon.⁵¹

⁵¹ Kauppi and Trenz, '(De)politicisation', 159.

Hence, the SAP attempted to depoliticise the oil nationalisation issue by reducing it to a pragmatic, technological and economic question, neatly separated from political-ideological concerns. By limiting the issue to its technical-economical dimensions and hiding it within a parliamentary committee, the SAP can be said to have ‘technicised’ the issue.⁵²

If the SAP’s goal with this depoliticisation was to deflect party-political, press or citizen attention from the issue, it failed miserably. If anything, it achieved the exact opposite. The opposition parties and their press outlets contested the SAP’s attempts to characterise the nationalisation issue as an apolitical, technical-organisational matter. Newspapers across the political spectrum criticised the government and the 1934 Fuel Committee for employing a flawed and biased methodology, for threatening private enterprise and ownership and for being hypocritical about its full employment goal. These actors thereby repoliticised the issue: they dragged it out of the safe expert committee environment back into the limelight.

The continued inquiry into an oil industry nationalisation also unearthed a tension between different factions within the Swedish workers’ movement. While the party leadership favoured statist solutions, trade unionists — particularly syndicalists — were less convinced about the state’s capacity to do good.

The chapter has also shown how the prospective petrol and coffee monopolies grew entangled with the general pension system reform

⁵² *Ibid.*, 160–1; Lundin and Stenlås, ‘Technology, State Initiative’, 23–9.

through Möller's and Wigforss' cooperation on securing funding for the pension reform. Revenues from the future state oil monopoly became a possible saving grace: the financial base on which the working class's social safety net could be constructed.

Through practical policy, the oil monopoly thereby became linked with the emerging welfare state. This linkage served a useful political purpose: because of its pivotal importance for the general pension reform, it became imperative that the petrol (and coffee) monopoly materialised.

The SAP simultaneously developed contingency plans, however. These included raised taxes on luxury goods (liquor and tobacco) and, if no other options were available, a special pension tax. The SAP wanted to avoid new and increased taxes as far as possible. Party leader Per Albin Hansson even promised not to raise taxes. The next chapter will show how the funding issue was eventually resolved.

So, what became of the issue? In the end, the Hansson cabinet decided to postpone decision-making. Social Democratic newspaper *Arbetet* reported that:

[N]o bill concerning the organisation of the petrol market is to be expected for the 1936 Riksdag, since it is considered within the government that further investigation must be undertaken, particularly concerning the question of employees and the possibilities of providing other forms of employment for those who are to be dismissed.⁵³

In other words, the government delayed action because of how thorny the issue had become. This had the added benefit, from the SAP's point of view, of allowing the government to settle the issue after the

⁵³ 'Ytterligare utredning erfordras', *Arbetet*, 23 November 1935.

upcoming 1936 general election. This can be seen as what political scientists Niilo Kauppi and Hans-Jörgen Trenz call ‘depoliticisation by temporalisation’, that is, the practice of ‘postponing something, even ad infinitum’.⁵⁴ Another dilatory tactic was to turn the nationalisation issue into a problem for “rolling committees of investigation” to ponder.⁵⁵ Sure enough, the government would soon convene yet another committee to try to address the thorniest aspect of the nationalisation issue: the unemployment problem.

⁵⁴ Kauppi and Trenz, ‘(De)politicisation’, 159.

⁵⁵ Johansson, ‘Det statliga kommittéväsendet’, 3, 164; Lundin and Stenlås, ‘Technology, State Initiative’, 15–9.

Chapter 5. Unemployment woes, 1934–1936

One major problem had emerged out of the 1934 Fuel Oil Committee's report and the subsequent public debate: the unemployment that a state takeover and rationalisation of the oil industry would cause. This chapter focuses on the 1935 Fuel Oil Committee, which operated between 1935 and 1936, and that the Hansson cabinet convened to address the unemployment problem. The chapter investigates the proposals that the new committee and the SAP-led government produced to resolve or mitigate the unemployment issue, as well as the public debate that ensued.

From a passive to an active unemployment policy

Unemployment reached unprecedented rates around the world during the post-World War I recession (around 1920–1922) and the Great Depression (around 1929–1933). These twin crises had devastating social consequences, causing hunger, poverty and civil unrest across Europe. Soldiers who returned home from WWI often found that there were no available jobs for them. This exacerbated the widespread feeling of betrayal among veterans. They felt that Europe's ruling elites were responsible both for the outbreak of the senseless war they had been forced to fight and for the bleak prospects they faced on their return from the horrors of the trenches. Some of the aggrieved soldiers joined revolutionary communist movements or extreme-right paramilitaries and fascist movements. 'For many of the "Front Generation"', writes historian Mark Mazower, 'fascism and communism

both represented more “modern” and more dynamic forms of economic organization than either liberalism or reform socialism.¹

Several of these communist and fascist movements eventually overthrew the fragile democracies that had emerged during the ‘first wave of democratisation’ (1826–1926).² A reversal of this wave began when Mussolini acceded as Italy’s Prime Minister in 1922. Three years later, his fascist movement crushed Italy’s young democracy. The number of democracies in the world fell from an initial peak of 29 in 1918, after the fall of the empires of the *ancien régime*, to just 12 in 1942, at the height of World War II.³

¹ Mark Mazower, *Dark Continent: Europe’s Twentieth Century* (Penguin Books, 1999), 137.

² Political scientist Samuel P. Huntington defined a ‘twentieth-century political system as democratic to the extent that its most powerful collective decision makers are selected through fair, honest, and periodic elections in which candidates freely compete for votes and in which virtually all the adult population is eligible to vote’ (p. 7). This definition excludes nearly all early and partial nineteenth-century democracies, however. Huntington therefore defines nineteenth-century democracies as political systems which ‘achieved minimal democratic qualifications in the context of that century: (1) 50 percent of adult males are eligible to vote; and (2) a responsible executive who either must maintain majority support in an elected parliament or is chosen in periodic popular elections’ (p. 16). Lastly, Huntington defined a wave of democratization as ‘a group of transitions from nondemocratic to democratic regimes that occur within a specified period of time and that significantly outnumber transitions in the opposite direction during that period of time’ (p. 15). The first wave of democratization took place between 1826 and 1926 and led to the creation of 29 democracies (including Sweden, after the franchise reforms of 1907–09, which extended suffrage to all men over 24, and 1919–21, when universal and equal suffrage was introduced). Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (University of Oklahoma Press, 1991), 7–16. See also Eric Hobsbawm, *The Age of Extremes: The Short Twentieth Century, 1914–1991* (Abacus, 1995), 54–141.

³ Huntington, *The Third Wave*, 13–8. For the two financial crises and their social consequences, see, e.g., Mazower, *Dark Continent*, 107–40; Adam Tooze, *The Deluge: The Great War, America and the Remaking of the Global Order, 1916–1931* (Penguin, 2015), 353–507.

Given the link between unemployment and the rise of fascism, it became an urgent matter for European politicians to find ways of relieving unemployment before it could cause serious social upheaval. Fearing both fascist coup d'états and socialist revolutions, European elites began making concessions to workers and the unemployed, in the form of universal suffrage, pro-worker legislation and welfare policies — including measures to fight unemployment. Ensuring social peace between the classes became a vital goal to ensure the survival of capitalism and liberal democracy.⁴

The situation was similarly tense in Sweden. Social unrest was widespread during the hunger and financial crises of 1917 and the 1920s. The country's unemployment rate reached 27 per cent in 1922, the highest point in recorded history. It would reach roughly 23 per cent in 1933, in the wake of the Great Depression. Mitigating unemployment and the social misery that often followed therefore became a political priority for Swedish politicians.⁵

Existing efforts to mitigate unemployment were broadly inadequate before the reforms of the 1930s and 1940s. The unemployed were often forced into poverty, without much of a support system from local or state authorities. There had been a system which provided cash benefits

⁴ See Hobsbawm, *The Age of Extremes*, 109–41; Clara E. Mattei, *The Capital Order: How Economists Invented Austerity and Paved the Way for Fascism* (University of Chicago Press, 2022), 53–73.

⁵ Molinder, 'Why Was Unemployment', 8; Lena Eriksson, 'Arbete till varje pris: Arbetslinjen i 1920-talets arbetslöshetspolitik' (PhD diss., Stockholm University, 2004), 15. For the social unrest and revolutionary sentiments in Sweden in 1917, see Håkan Blomqvist, *Potatisrevolutionen och kvinnoupproret på Södermalm 1917: Ett historiskt reportage om hunger och demokrati* (Hjalmarson & Högberg, 2017); Östberg, *Swedish Social Democracy*, 48–136.

to the unemployed during the early 1900s, but that system was largely abandoned when World War I broke out in 1914. Widespread fear of mass unemployment prompted the Hammarskjöld cabinet (1914–1917) to create a new authority, the Unemployment Commission, to organise a relief work programme. This ‘active’ labour market policy largely replaced the ‘passive’ cash payout system. One reason why the active policy was preferred over the passive one was that it avoided ‘demoralising idleness’ among the unemployed — instead fostering a work ethic. Relief work programmes came into full effect when unemployment spiked during the post-World War I recession (1920–1922).⁶

The jobs that the Unemployment Commission provided included road and bridge construction and ditch-digging to drain arable land. The men (the programme was exclusively for men) who were found eligible were commonly transported to remote areas of the country, where they would have to spend upwards of six months performing back-breaking labour together with hundreds of other “unemployed workers” for subsistence-level wages. The wages were deliberately insufficient to secure a liveable wage: they were set between 66 and 75 per cent of the wage of a locality’s lowest-paid manual labourer to ensure that the relief work did not compete with regular jobs. The low wages were also meant as an incentive to get the unemployed to return

⁶ Eriksson, ‘Arbete till varje pris’, 15–28, 60–97; Martin Ericsson, ‘Exkludering, assimilering eller utrotning? “Tattarfrågan” i svensk politik 1880–1955’ (PhD diss., Lund University, 2015), 107–32.

to regular employment as soon as possible. Unsurprisingly, then, the system was widely unpopular.⁷

Meanwhile, John Maynard Keynes and other British economists had begun theorising about the possibility of using countercyclical fiscal measures to mitigate financial crises and unemployment. Ernst Wigforss had followed Keynes and his colleagues' discussions and developed a new economic policy for the SAP inspired by their ideas. The policy's main novelty was that it allowed for deficit spending: that is, for the Treasury to run a temporary deficit to free up money which the government could use to finance an expansionary budget — in this case, one consisting of public works programmes with market-level wages. These new jobs would stimulate aggregate demand and kick-start consumption, which would stimulate aggregate supply — thereby resulting in a virtuous cycle that would eventually deliver the economy out of the crisis.⁸

But these new ideas were controversial and unproven. They challenged the tenets of the contemporaneous hegemonic economic thinking — which political scientist Leif Lewin has termed the 'liberal harmony doctrine'. According to this doctrine 'there was a prevailing harmony in the private capitalist system, in which everyone, in their endeavour to satisfy their own interests, also increased the wealth of the nation', much like Adam Smith had argued in *The Wealth of Nations*.

⁷ Eriksson, 'Arbete till varje pris', 15–28, 60–97; Lewin, *Planbushållningsdebatten*, 46–7; Åmark, *Hundra år av välfärdspolitik*, 67; Östberg, *Swedish Social Democracy*, 82–3.

⁸ Åmark, *Hundra år av välfärdspolitik*, 66–7; Östberg, *Swedish Social Democracy*, 97–104; Karl-Gustav Landgren, 'Socialdemokratisk krispolitik och engelsk liberalism — ett genmäle till Otto Steiger', *Arkiv för studier i arbetarrörelsens historia* 2 (1972).

Adherents of the doctrine believed that ‘state power was only allowed to expand to the point where it did not harm “the productive forces of society”’; that is, the people, things and activities that generated capital and wealth, such as privately owned companies. Lewin therefore argues that ‘the main task’ for liberals was to combat excessive state expenditure and interventionism, since the state risked undermining the ‘fine economic mechanism’ that generated wealth for both individuals and the nation. In other words, the doctrine advocated a hands-off approach to fiscal governance and frugality with Treasury funds so as not to upset the supposed harmony of the capitalist system.⁹

The accepted view of unemployment was similarly *laissez faire*. Lewin writes that the right-wing parties ‘saw the main cause of unemployment in high wages, which made it too expensive for companies to employ all applicants; lower wages, on the other hand, would make it possible to fully utilize the labour market’. Unemployment could therefore ‘not be overcome by “artificial” means, i.e. by political measures’. It could only be reduced by an adjustment of ‘wages to a natural equilibrium between the supply of labour and firms’ demand for employees’.¹⁰ In other words, by letting the financial crisis run its course with minimal to no state intervention, and this state intervention should take the form of austerity measures: cuts to wages, fiscal spending and public benefits.

⁹ Lewin, *Planbushållningsdebatten*, 14–5. See also Mattei, *The Capital Order*, 27–52, 127–60.

¹⁰ Lewin, *Planbushållningsdebatten*, 46–7.

These cutbacks would eventually result in Treasury solvency and a return to a harmonious equilibrium.¹¹

In theory, the Social Democrats' economic policy had been 'dominated by the demand for total nationalization and economic planning' ever since 1920, when the Party Congress accepted an overtly Marxist party programme.¹² One could therefore expect that the party would have been fierce opponents of the liberal harmony theory, and that is true to an extent. In practice, however, the SAP had adhered to the liberal harmony doctrine's theory of unemployment throughout the 1920s by voting for initiatives that aimed to decrease state expenditure and ensure wage cuts in times of financial crisis — such as the relief work at below-market wages — according to Lewin.¹³

The party's position on how to fight unemployment changed during the Party Congress of 1932, where Wigforss' new economic policy was accepted by the party. It distanced the party's economic thinking from both the liberal harmony doctrine and the party's Marxist past, in favour of Keynesianism. The party campaigned on the promise of reducing unemployment using its new methods during the 1932 general election. The party won the election in a landslide, which allowed Per Albin Hansson to form a single-party minority government. Hansson's cabinet presented its new plan to fight unemployment in a draft budget

¹¹ Ibid., 14–5; Östberg, *Swedish Social Democracy*, 97. See also Mattei, *The Capital Order*, 127–60.

¹² Villy Bergström, 'Party Program and Economic Policy: The Social Democrats in Government', in *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden*, ed. Klaus Misgeld, Karl Molin, and Klas Åmark (Pennsylvania State University Press, 1992), 137.

¹³ Lewin, *Planbushållningsdebatten*, 51–5.

in early 1933. It proposed an under-balanced budget to fund a public works programme that offered its workers the same wages and working conditions as ordinary employees in the same sector. Further steps were to abolish the State Unemployment Commission and its unpopular emergency relief work programme, and to institute an obligatory unemployment insurance system to provide financial aid to the unemployed.¹⁴

The Social Democratic government lacked a majority, however, which meant that it had to negotiate to get its budget through the Riksdag. It had historically leaned on the Liberal Party for support in similar circumstances, most notably during the parties' common struggle for universal suffrage during the early 1900s. But the Liberals had become less radical and more right-wing over time.¹⁵ The party's growing critique of the Social Democrats' economic policies likewise made cooperation difficult. The SAP therefore needed a new partner.¹⁶ Inspired by the Danish crisis settlement between the Danish Social

¹⁴ Nyman, *Krisuppgörelsen*, 11–21, 60–73; Östberg, *Swedish Social Democracy*, 98–100.

¹⁵ However, the party contained a more left-leaning faction, the “free-minded” (*frisinnade*) and a more right-leaning faction. The party split in 1923 following a conflict over social issues, especially alcohol prohibition. The right-leaning faction formed the Liberal Party of Sweden (*Sveriges liberala parti*), while the left-leaning faction rebranded itself the Free-minded People's Party (*Frisinnade folkpartiet*). The two parties (along with some smaller parties and groups) reconciled and reunited as the People's Party (*Folkpartiet*) in 1934. For more information, see Appendix B. Major parties in the Riksdag, 1914–1947.

¹⁶ An argument could be made that the Farmers' League was the SAP's only realistic option after its cooperation with the Liberal Party had ended. The Conservative Party was out of the question for ideological reasons, and the SAP had mostly kept its distance from the Communist Party and its offshoots since the party split of 1917. It is possible that the SAP could have come to an agreement with the Communists, but neither camp was especially keen to cooperate with the other. Hence, the only remaining option was the Farmers' League.

Democrats, the Social Liberals (*Det Radikale Venstre*) and the Agrarian Liberals (*Venstre*) which was struck on 30 January 1933, representatives of the Farmers' League and the SAP began courting one another during the budget negotiations in the spring of 1933.¹⁷

The Farmers' League wanted to support its voters — Sweden's farmers and rural population — by protecting the severely depressed agricultural sector from international competition. After the 'horse trade' with the SAP, a crisis settlement was reached on 27 May 1933. The Farmers' League convinced the SAP to accept its demands: to implement tariff protections to stabilise domestic agricultural production and price levels, an expanded regulation of agricultural imports, and the introduction of a much-maligned margarine tax.¹⁸ The SAP, meanwhile, persuaded the Farmers' League to accept most of its unemployment programme, with some caveats: The Unemployment Commission would be retained along with some vestiges of its relief work programme, and the market-level wages that the SAP wanted its

¹⁷ Nyman, *Krisuppgörelsen*; Kristina Krake, 'Reconsidering the Crisis Agreements of the 1930s: The Defence of Democracy in a Comparative Scandinavian Perspective', *Contemporary European History* 29 (2020).

¹⁸ The margarine tax was a hotly debated topic for two reasons. First, margarine had become a cheap replacement for the expensive butter for many Swedes — especially the poorer classes who could not afford butter. Yet dairy farmers saw margarine as a threat to their business. The Farmers' League (B), as representatives of Sweden's agrarian population, therefore proposed a margarine tax to subsidise farmers. Second, the Social Democrats had traditionally been opponents of protectionism. But the 27 May 1933 Crisis Agreement between the SAP and B forced the Social Democrats to accept far-reaching protectionist policies for Swedish agriculture — and thereby to abandon their preference for free trade (in practice if not ideologically). See Nyman, *Krisuppgörelsen*, 60–91.

public works programme to implement became somewhat watered down.¹⁹

Despite these concessions, the Social Democrats celebrated the Crisis Agreement and its new economic policy as a success. It is easy to see why: the economy began to recover and unemployment began to fall around 1934 (from its peak at around 23 per cent in 1933, to roughly 20 per cent in 1934, and then to circa 15 per cent in 1935, stabilising at around five per cent in the late mid-1940s).²⁰

There is consensus in the recent historiography that Wigforss' countercyclical fiscal policies were not the cause of the economic upturn at the end of the Great Depression, however. 'The much-discussed under-balancing was too small to have played a major role', writes Kjell Östberg, and the stimulus came too late to have caused the upturn.²¹ Other factors were more important for the recovery: most importantly the government's decision to follow the UK's lead in abandoning the gold standard on 27 September 1931 and the consequent devaluation of the Swedish krona. But, as historian Klas Åmark reminds us, the actors at the time did not know that. Instead, the Social Democrats' active labour market policy 'became central to the party's self-understanding and view of the possibilities of using political means to influence the national economy'.²² In the party's eyes, it had found the tools to bend the economy to its will.

¹⁹ Ibid.; Östberg, *Swedish Social Democracy*, 100.

²⁰ Molinder, 'Why Was Unemployment?', 7–8.

²¹ Östberg, *Swedish Social Democracy*, 103.

²² Åmark, *Hundra år av välfärdspolitik*, 72, my translation.

Nationalisation versus unemployment

Despite the party's turn towards Keynesianism in 1932, its policy repertoire contained some vestiges of the party's Marxist past. A tension emerged between the party's old goal — achieving a socialist transformation of society — and its new one: taming capitalism. The new goal also entailed new methods: from a socialisation of the means of production to countercyclical fiscal stimulus and a focus on welfare and social insurance policies. The clearest remnant of the earlier way of doing things was the idea of transferring important industries into public (that is, state) ownership. However, there soon emerged a conflict of aims between nationalisations and the SAP's goal of achieving full employment.

Because the SAP's reform agenda during the 1930s focused on creating a social safety net and fighting unemployment, it was important for the SAP not to implement policies that counteracted these goals. Yet one of the conclusions that the 1933 Motor Fuel Committee and the 1934 Fuel Oil Committee had drawn was that a state takeover of the oil industry would cause unemployment. This was by design: it was a prerequisite to achieve the desired rationalisation. Only by cutting “redundant” workers and retail outlets could the industry be rationalised and the over-establishment of retail outlets culled. This would inescapably cause joblessness — not least among the sort of industrial blue-collar workers who made up most of the Social Democratic Party's voter base.

This put the party in a pickle. Implementing a nationalisation policy that would cause even transient unemployment among industrial

workers risked leading to a loss of voter trust and support. The issue was exacerbated by the effects of the Great Depression. Sweden's exports were halved as world trade fell by two-thirds between 1929 and 1933, resulting in mass unemployment — as mentioned, 23 per cent in 1933 — not least in Sweden's all-important export industries.²³

The mass unemployment caused some to question the wisdom of implementing a state petrol monopoly: since it was unclear if the let-go workers would be able to find new jobs during the financial crisis, it would be socially irresponsible to go ahead with the nationalisation. Others argued that the Hansson cabinet needed to ensure that the fired workers received a generous compensation and, preferably, new job opportunities, if it intended to go ahead with its petrol monopoly plans. Social considerations like these threatened the economic efficacy of the rationalisation process, however, which would lower the monopoly's projected revenue. These issues turned into a major problem for the SAP.

The 1935 Fuel Oil Committee

As the previous chapter showed, the 1934 Fuel Oil Committee's report did not prompt the government to write a bill proposing a nationalisation, or any other kind of reform, of the oil industry. There were still unanswered questions and differences of opinion about its potential consequences that had to be resolved before a decision could be made.

²³ Molinder, 'Why Was Unemployment', 7–8.

The industry's fate remained uncertain between 22 November 1935, when the 1934 Fuel Oil Committee published its report, and 13 December, when the government announced that it would convene the 1935 Fuel Oil Committee. Newspapers were abuzz with commentary and speculation during those three weeks, which put pressure on the Hansson cabinet to announce its intentions concerning the oil industry's future. *Svenska Dagbladet*, for instance, considered it unacceptable that the government assured the public that no nationalisation bill was forthcoming in 1936, while prominent Social Democratic politicians emphasised that 'fiscal necessity knows no law' and that the state's need for money could only be obtained 'by raising taxes or by creating new state monopolies'. The paper argued that the government's wavering and unclear messaging was 'a threat to the business community, which is likely to greatly alarm it' and disturb its operations. It therefore demanded 'a clear answer of the government's immediate plans in this matter. Are the monopoly plans definitively shelved? Or is the intention merely to gain time and delay the issue until after next year's elections?'²⁴

In response to these demands, Wigforss held a speech in Norrköping on 5 December 1935 in which he responded to the press' questions. He began his speech by defending the nationalisation idea. Wigforss underlined that the oil majors' Swedish subsidiaries had operated at a loss for several years. This could not continue indefinitely. To ensure solvency and protect profits, the oil companies would

²⁴ 'Monopolhotet måste bort', *Svenska Dagbladet*, 2 December 1935.

eventually have to respond in one of two ways: by raising prices, thereby harming consumers, or rationalising, thereby harming workers. Wigforss stressed that the private companies' rationalisation measures would be far worse for the employees than if the state were to take responsibility for the rationalisation effort after a takeover of the industry (since the State would offer compensations and, possibly, re-employment opportunities). Hence, Wigforss' implied that a nationalised oil industry would be better for both workers and consumers.²⁵

However, it remained unclear how 'a reorganisation of the petrol trade' would impact the state's finances. The prospective monopoly needed to generate revenue 'in the reasonably near future' if it were to 'be presented as a serious alternative to increased taxation' for the upcoming fiscal year or two. But, in Wigforss' opinion, it was impossible to determine its revenues before 'a further investigation' had clarified 'in what form and how quickly a reorganisation' could be carried out in a way that respected the employees' interests in a better way than private-sector rationalisations usually did, and in a better way 'than has been the case with previous monopolisations'.²⁶ This was all but confirmation that the government had decided to convene another committee, and that it would focus on investigating how the rationalisation could be designed to minimise unemployment. The speech also gestured at a timeline: a potential nationalisation could only

²⁵ 'Klart besked om bensinen före riksdagsvalet 1936', *Dagens Nyheter*, 6 December 1935.

²⁶ *Ibid.*

be realised in 1937, at earliest, since the new committee would not have time to produce a report for the Government to present a nationalisation bill for the 1936 Riksdag. But the investigation would give an indication of ‘whether and to what extent a fuel oil monopoly could contribute to the financing of expected increases in State expenditure’ before the Riksdag’s 1936 summer recess. Wigforss ended his speech by intimating that the Committee’s preliminary results would allow the SAP to decide what it intended to do about the oil industry before the 1936 elections.²⁷ But, as some newspapers argued, the new committee could potentially also allow the government to delay decision-making on the contentious petrol monopoly issue until after the September 1936 general election (or perhaps, to delay decision-making indefinitely).²⁸

Convening the committee

The Ministry of Finance convened the 1935 Fuel Oil Committee on 13 December 1935, electing SAP politician Malte F. Jacobsson as chairman of the Committee. Jacobsson was the country governor of the Gothenburg and Bohus Counties, a professor of philosophy and a close friend of Wigforss.²⁹ The Second Chamber MP for SAP Lars Anton Björklund made a return appearance on the new committee — the only member to be invited back from the cast of the 1934 Fuel Oil

²⁷ Ibid.

²⁸ ‘Finansministerns svaromål’, *Svenska Dagbladet*, 11 December 1935; ‘Tredje gången gillt’, *Aftonbladet*, 19 December 1935.

²⁹ ‘Malte F Jacobsson’, *Svenskt biografiskt lexikon*, accessed 28 February 2025, <https://sok.riksarkivet.se/sbl/Presentation.aspx?id=12019>.

Committee. The CEO of weaving company *Mölnåls Väfveri AB* and cavalry captain Helmuth Ludvig von Bornstedt, the CEO of textile import company *H. I. Heyman & C:o AB* Carl August Carlsson and the secretary of the Royal Automobile Club's western division Nils Hjalmar Palmstierna were likewise selected as committee members. Moritz Marcus was chosen as committee secretary. Marcus had a PhD in economics and was a left-leaning ombudsman for the state-owned alcohol monopoly, the Wine and Spirits Centre. Moritz was a true 'reform technocrat' with a vast curriculum vitae in various state inquiries — often concerning regulation and nationalisation issues. He had been a member of the 1934 State Monopoly on Coffee Committee and the 1935 Brandy Monopoly Committee, among many others.³⁰

The two earlier committees had included MPs from the Farmers' League and the Conservative Party. With the 1935 Fuel Oil Committee, the composition of the committee members shifted in favour of Social Democratic Party politicians (Jacobsson and Björklund) and sympathisers (Marcus). That half of the committee members were members or supporters of the party could indicate that the government wanted to exert greater control over the Committee's work and

³⁰ Transcript of ministerial minutes (*statsrådsprotokoll*), 13 December 1935, Ministry of Finance, BII, vol. 9:879, RA; 'Moritz_Marcus', *Svenskt biografiskt lexikon*, accessed 6 October 2025, <https://sok.riksarkivet.se/sbl/artikel/9088>; 'Nils Hjalmar 1875–1963', *Palmstiernska släktföreningen*, accessed 6 October 2025, <https://palmstiernskaslaktforeningen.wordpress.com/slaktkronika/magnus-magnusson-schiller-1966-1716/friherre-nils-palmstierna-1696-1766/hjalmar-palmstierna-1875-1963/carl-otto-palmstierna-1790-1878/nils-axel-hjalmar-palmstierna-1836-1909/nils-hjalmar-1875-1963/>; *Vem är det? Svensk biografisk handbok 1945* (P. A. Norstedt & Söner, 1945), 154.

conclusions, for example by ensuring access to underhand information about its ongoing investigations.

When Wigforss presented the committee's terms of reference, he began by stating that the results of the previous committee's investigation justified 'that the question of a monopolisation of the fuel oil trade be brought up for a more comprehensive examination, designed to clarify the various circumstances which might speak for and against the establishment of a state monopoly'.³¹ He, and the Hansson cabinet, thereby once again overrode the nationalisation policy's critics to keep the issue alive.

This could be seen as a sign of the Hansson cabinet's disregard for public opinion, which nevertheless clearly influenced the cabinet in other regards. The discussions about the unemployment that a nationalisation would cause prompted Wigforss to comment that it was 'impossible to ignore the changed conditions on the labour market, with substantial unemployment and consequent difficulties in finding new employment, and the change in opinion on the whole question of unemployment'.³² Finding ways of mitigating unemployment therefore became an overriding concern.

Consequently, the primary aim of the 1935 Fuel Oil Committee was to clarify how different ways of carrying out the rationalisation would affect unemployment. The terms of reference instructed the Committee to investigate 'to what extent unemployment can be avoided by

³¹ Minutes of the 1935 Fuel Oil Committee, 13 December 1935, vol. 2, RA, my translation.

³² *Ibid.*

implementing the industrial rationalisations gradually or otherwise in such a form that the unfavourable social side-effects are mitigated'.³³ Wigforss stated that a gradual rationalisation would likely be less effective in bringing down costs and would therefore result in lower revenues than the yields calculated by the two earlier committees (since a gradual rationalisation process would keep up costly inefficiencies for a longer time).

Hence, the government was prepared to sacrifice some cost-cutting and efficiency gains if that was what was necessary to finally resolve the unemployment problem. Minimising unemployment was thereby becoming more important than the efficacy of the industrial rationalisations. This was a change from the previous committees, which had focused more narrowly on financial and efficiency gains, at the expense of social considerations. A tension between social considerations — ensuring the welfare of the sacked workers — and economic factors — maximising the monopoly's profits by ruthlessly rationalising the industry — nevertheless remained in the new committee's terms of reference.

A secondary aim of the committee was to draw up a compensation scheme for the workers that would lose their jobs and to investigate their re-employment prospects. This was motivated partly out of a concern for their welfare and partly to gain an idea of how the costs

³³ Ibid.

incurred by the compensations, along with the gradual rationalisation process, would impact the petrol monopoly's bottom line.³⁴

That a gradual rationalisation would lower the petrol monopoly's revenues was 'of minor importance in the longer term', in Wigforss' view. Nonetheless, it meant that a 'final consideration of the value of monopolisation, especially from the point of view of public finance, must be postponed until the now proposed investigation has been carried out'.³⁵ This, too, was a change from the rationale behind the previous two committees. As the previous chapter showed, Wigforss and Möller had justified the 1934 Fuel Oil Committee with reference to its ability to finance the 1935 pension reform. But that pension reform had now found alternative funding: the Riksdag had ultimately 'found it necessary' to assign 'certain specific tax increases' to ensure that the pension reform was fully financed, as Wigforss stated.³⁶ What, then, was the justification for a nationalisation of the oil industry when its original one — financing the pension reform — was no longer relevant?

As if to pre-empt critique about the inquiry's *raison d'être*, Wigforss said that he did not 'overlook the fact that other considerations than those of state finance can be put forward as reasons for a state [petrol] monopoly'. This suggests that the justification for the nationalisation had become an open question.³⁷

Wigforss saw 'no obstacle to postponing a decision on the monopoly question for a short time'. He did not include revenue from

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Ibid., my translation.

the prospective petrol monopoly in the government's 1936–37 budget, which meant that 'a proposal for a fuel oil monopoly to the 1936 Parliament need not be considered'. In other words, the petrol monopoly would not be implemented during 1936 but could be realised sometime thereafter. Wigforss nevertheless emphasised that it would be 'desirable' if the 'investigation be conducted with such urgency that' there were 'grounds for assessing the extent to which a fuel oil monopoly can contribute to the financing of an expected future increase in government expenditure' before the parliamentary summer recess of 1936. This again shows how the justification for the monopoly had shifted from a narrow one — financing the pension reform — to a broader and more open one — financing future increases to government expenditure.³⁸

That the government wanted the 1935 Fuel Oil Committee to produce preliminary results before the summer likely had to do with the looming general election in September 1936. The preliminary results could give an indication if the Social Democrats should campaign on the promise of a petrol monopoly or not. It would also 'satisfy a not unjustified desire on the part of those employed in the petrol trade to obtain clarity about the government's expected measures', as Wigforss pointed out.³⁹

Lastly, Wigforss explained that a state intervention need not be limited to the 'monopolisation in the hands of the state which is now under consideration' but that it would be 'desirable that the question in

³⁸ Ibid., my translation.

³⁹ Ibid., my translation.

its limited form be brought to a conclusion as soon as possible'.⁴⁰ Wigforss seems to have wanted the committee to focus on bringing the nationalisation issue to a close, before considering alternative means of reforming the oil industry. In other words, the committee's terms of reference encouraged it to focus on the task at hand: investigating how a nationalisation of the oil industry would impact the industry's employees and the state's budget.

Initial press reactions

Liberal newspaper *Aftonbladet* commented that Ernst Wigforss was 'stubborn' in his desire to bring about a petrol monopoly. Even though two committees had 'failed to form a fuel oil monopoly', Wigforss did 'not give up'. Instead, 'Mr Wigforss' appointed a third committee 'to see his pet ideas put into practice', since he believed 'in the blessings of a petrol monopoly'.⁴¹ This is another example of how the press singled out Wigforss as the progenitor of the SAP's monopolisation plans.

The *Aftonbladet* editorial also questioned whether there was a coherent plan behind the inquiries that the government had started, since the aims of some of the committees directly contradicted one another. On the one hand, the government had started the so-called 'Mammoth Inquiry into the people's livelihood' which was working 'to create work opportunities for the people'. The government's 'new petrol committee', on the other hand, worked 'to remove people from a

⁴⁰ Ibid.

⁴¹ 'Tredje gången gillt', *Aftonbladet*, 19 December 1935.

profession which provides them with a livelihood through “rationalisation”⁴².

Svenska Dagbladet commented that Wigforss’ ‘main objective’ was ‘to gain time’, since ‘the fate of the petrol monopoly project’ would ‘be finally decided not in next year’s parliament but in next year’s election campaign’.⁴³

The committee’s work and findings

Interpreting the terms of reference

The committee members’ work began with trying to interpret its terms of reference. They were unsure about the part which stated that the committee should bring up ‘the question of a monopolisation’ of the industry ‘for a more comprehensive examination, designed to clarify the various circumstances which might speak for and against the establishment of a state monopoly in the area concerned’. They therefore invited Wigforss to explain what he meant with this formulation.⁴⁴ Wigforss visited the committee shortly thereafter and clarified that he had not meant that the committee should consider ‘whether or not a monopoly should be established in this area’ or ‘the validity of the economic calculations contained in the Stendahl committee’s report’. Such analyses only needed to be undertaken ‘if the committee’s investigation of the two main points’ — that is,

⁴² Ibid.

⁴³ ‘Den tredje kommittén’, *Svenska Dagbladet*, 20 December 1935.

⁴⁴ Minutes of the 1935 Fuel Oil Committee, 3 January 1936, vol. 1, RA.

investigating how different ways of organising the retail side of the industry and ways of compensating fired workers would affect the petrol monopoly's economic results — 'made it necessary'.⁴⁵

Despite this, one of the first things that the committee members did was to contact Sten Stendahl to obtain information 'concerning certain data' in the 1934 Fuel Oil Committee's report. They were particularly interested in understanding if Stendahl's committee had 'drawn up a plan for the rationalisation measures on which its calculations were based'. Stendahl answered that the information 'concerning the percentage amounts by which' the costs of the oil companies could be reduced after rationalisation was based on discussions between Stendahl and a well-informed 'senior official of one of the oil companies'. The specific examples that it used to calculate the cost-cutting potential were based on real-world examples — 'a certain ocean facility, the depots in a certain region', and so on — from one of the oil companies, but the selection process was not particularly scientific. Neither had there been a 'detailed plan for the administration of the monopoly or the organisation of its activities in general'.⁴⁶ In other words, the 1935 Fuel Oil Committee could not rely on the Stendahl committee's results or methods when it came to detailing how the rationalisation should be carried out, and who and what it would affect. The committee members needed to draw up that plan themselves; an effort that was led by committee secretary Moritz Marcus.

⁴⁵ Minutes of the 1935 Fuel Oil Committee, 14 January 1936, vol. 1, RA; Minutes of the 1935 Fuel Oil Committee, 13 December 1936, vol. 2, RA.

⁴⁶ Minutes of the 1935 Fuel Oil Committee, 24 January 1936, vol. 1, RA.

Calculating unemployment

Moritz Marcus drew up two memoranda that would inform the committee's final report. In the first memorandum, Marcus re-examined the question of how a nationalisation would affect unemployment and the monopoly's revenues. The second memorandum concerned how the retail side of the oil industry could be rationalised, and how that rationalisation would affect the monopoly's revenues.

The first memorandum noted that the previous committee had not given 'any indication of the absolute number of employees who would be affected' by a nationalisation. The 1935 Fuel Oil Committee needed to remedy this to calculate the monopoly's expected revenues, adjusted for compensatory payments and other factors. The committee therefore carried out 'certain investigations concerning the number and salaries of the personnel employed by the oil companies as well as their years of birth and service'.⁴⁷

Marcus wrote that 'the projected unemployment' would primarily 'affect the staff employed at headquarters and branch offices', even if the rationalisation were to be implemented gradually. Marcus estimated that 1 324 of the 2 698 white-collar office workers — roughly 50 per cent — were expendable, while 'only 246' of the 1 217 blue-collar workers could be cut. Marcus legitimised these proposed layoffs by arguing that a 'limitation of the administrative apparatus' was a

⁴⁷ Memorandum, 'P.M. nr 1 angående oljemonopolet och partihandelns anställda', 21 April 1936, vol. 1, RA.

precondition if the ‘centralisation of a business such as the present one’ was ‘to have any appreciable economic efficiency at all’. It was important that ‘at least the headquarters of the monopoly’ was ‘organised in a rational manner’, without ‘redundant staff’, from the outset.⁴⁸ Such a rational manner of organising the headquarters would ‘entail the dismissal of 583 persons employed in the oil companies’ central administration’ resulting in a staff of 146 at the petrol monopoly’s headquarters.’⁴⁹

There were some factors that could enable more employees to retain their jobs, however. If oil consumption kept growing, for example, the future petrol monopoly might need a larger workforce than Marcus had calculated. Most signs, in fact, pointed towards such an eventuality. Oil importation and use had grown exponentially since the start of the twentieth century. Motor fuel oil imports had risen by 462 per cent, and petrol imports by 278 per cent, just between 1925 and 1935, and it seemed likely that they would continue to grow by a about 10 per cent throughout 1936. Marcus therefore considered it likely that the oil industry would be tasked with ‘satisfying ever-increasing consumption in the near future’, barring ‘far-reaching changes in oil supply or motor technology’ and assuming ‘peaceful political developments’. But it was difficult to assess to what extent this increase would ‘require increased human labour’. Marcus argued that it could not be assumed that labour demand would ‘increase in proportion to the expansion in turnover, since a reasonably tightly organised wholesale trade’ would assuredly be

⁴⁸ Ibid.

⁴⁹ Ibid.

‘able to meet an increase in consumption of the magnitude in question’ without expanding the workforce. In Marcus’ view, this was particularly true of the office staff for whom the workload ‘scarcely increased, even if the quantity of goods sold’ did. Continued growth could lead to increased demand for ‘transport work and comparable work’, however — that is, blue-collar jobs — ‘although the extent of this’ demand ‘should not be overestimated’. Marcus therefore argued that one could not assume that ‘an expected increase in consumption’ would ‘give rise to such an increase in the workload of the office staff that any significant reserve needs to be retained, or new recruitment made’.⁵⁰

In short, Marcus’ calculations pointed towards a heavy scale-down of white-collar office jobs, and a significantly smaller, but by no means insignificant, curtailment of blue-collar jobs. His calculations implied that even if oil consumption continued to grow by roughly 10 per cent per year, the state petrol monopoly would need much fewer workers than the competing oil majors’ respective organisations.

Marcus’ calculations were slightly adjusted in the committee’s final report. According to the adjusted calculations, 1 606 of the 2 977 employees would lose their jobs following a nationalisation: a 54 per cent reduction. Most of these layoffs would affect white-collar workers at the oil companies’ headquarters (which would see an 80 per cent reduction of the workforce) and district offices (which would experience a 75 per cent reduction), while blue-collar workers at the companies’ ocean works, on-land depots, and warehouses would be

⁵⁰ Ibid.

reduced by 25 per cent. In total, 1 253 of the 1 760 white-collar office workers, and 224 of the 1 217 blue-collar workers would be made redundant.⁵¹

Marcus drew up two contingency plans for a slower rationalisation process ‘to mitigate its inconvenience to the human labour force’. In both scenarios, office jobs would face severe cutbacks — between 950 and 1 250 — and manual labour jobs more lenient cutbacks — 75 in both cases. The number of office workers would be higher if a Byzantine credit and rebate sales system remained in place, and lower if it was abolished in favour of a cash payment system with standardised rebates for wholesale customers.⁵²

The committee also worked out a three-tiered scheme for how different categories of workers would be compensated if the nationalisation was carried through, based partly on Marcus’ work, and partly on a compensation scheme that the Coffee Monopoly Committee had formulated during its inquiries. Even the same expert as the Coffee Monopoly Committee had used was brought in to calculate the compensation costs; this was the bank director and frequently enrolled expert of pension-related insurance matters, Sven Fischerström. The Coffee Monopoly Committee thereby contributed to shaping the 1935 Fuel Oil Committee’s policy proposals in important ways.⁵³

⁵¹ SOU 1936: 45, 12–5, 20–5.

⁵² Memorandum, ‘P.M. nr 1 angående oljemonopolet och partihandelns anställda’, 21 April 1936, vol. 1, RA.

⁵³ Minutes of the 1935 Fuel Oil Committee, 21 April 1936, vol. 1, RA; Paul Harnesk, ed., *Vem är Vem: Stor-Stockholm* (Bokförlaget Vem är Vem, 1962), 387.

To be eligible for remuneration, one had to be over 21 and been employed for at least four years. A total of approximately 670 persons would be eligible for compensation: 270 of which were white-collar workers over the age of 25 and 400 a combination of white- and blue-collar workers aged between 21 and 25.⁵⁴

The committee majority accepted Marcus' compensation scheme. But one committee member, Carl Carlsson, attached a reservation to the final report, in which he argued in favour of more generous compensations and less rigid rules for eligibility.⁵⁵

Calculating the effects of rationalisation

Marcus' second memorandum focused on mapping the retail side of the industry and on calculating how much a petrol monopoly could save after completing the envisioned rationalisation measures. The object was to figure out how many retail outlets were necessary to supply Sweden's automobile fleet with petrol in a rational and efficient manner.

Marcus began by mapping the number of service stations (manned petrol stations which also offered maintenance and repair services), single pumps (unmanned stations with just one pump), and "oil barrel kiosks" (self-service oil barrels where one could fill bottles or cans of petrol) in Sweden, and how much each type of outlet contributed to

⁵⁴ SOU 1936: 45, 12–5, 20–5; Memorandum, 'P.M. nr 1 angående oljemonopolet och partihandelns anställda', 21 April 1936, vol. 1, RA.

⁵⁵ Carlsson wanted 'the minimum period of service for entitlement to compensation' to be 'three instead of four years, and that thereafter compensation should be set at the full amount for all persons entitled to compensation, irrespective of the length of service'. Carlsson also wanted single pump owners to receive the same 'distribution allowance' as service station owners. Minutes of the 1935 Fuel Oil Committee, 9 November 1936, vol. 1, RA, my translation.

total petrol sales. As for their ownership, 97 per cent of the retail outlets were owned by the subsidiaries of the oil majors.⁵⁶ The single pumps and oil barrel kiosks were mostly operated by small stores like apothecaries and rural merchants (*lantbandlare*) who sold petrol and other car-related goods as a side business.

Of the 13,505 total retail outlets, 1 227 were service stations (9 per cent), 8 051 were single pumps (60 per cent) and 4 227 were oil barrel kiosks and the like (31 per cent). The service stations sold 44 per cent of total petrol sales, while single pumps sold 50 per cent and barrel kiosks 6 per cent.⁵⁷ Marcus argued that while single pumps made up about 60 per cent of the number of retail outlets, they ‘sold less than half of the petrol’. Service stations, meanwhile, ‘accounted for no more than 9 per cent of the total’ outlets, but they ‘sold almost as much as the single pumps’. The oil barrel kiosks, on the other hand, accounted for about a third of the number of outlets ‘but covered only 6 per cent of all distributors’ sales’. ‘On average,’ wrote Marcus, ‘service stations sold 167 000 litres of petrol per year, single pumps 29 000 and kiosks 7 999 litres’.⁵⁸

The conclusions one can draw from this were that there seemed to be many more single pumps than demand motivated; that service stations were much more efficient than single pumps and oil barrel kiosks; and that the kiosks were inefficient and had a negligible role in

⁵⁶ Memorandum, ‘P.M. nr 2 angående detaljförsäljningsställen för bensin’, 21 April 1936, vol. 1, RA.

⁵⁷ Ibid.

⁵⁸ Ibid.

the overall retail network. The data seemed to indicate that bigger was better.

In the committee's final report, it wrote that there were 13 505 retailers in Sweden for just over 205 000 motor vehicles, which sold around 466 million litres of petrol during 1935. This meant that the average retailer served roughly 15 vehicles per day. The committee's — admittedly approximate — calculations suggested that 4 225 retailers would suffice to provide the entire country with its petrol needs.⁵⁹ This presupposed that the remaining retailers would serve many more vehicles per day. The committee calculated that the average turnover per salesman would have to double or triple, depending on the type of outlet.⁶⁰

Meetings about Marcus' memoranda

Marcus presented the two memoranda for the committee members' consideration in a meeting on 21 April 1936. The other committee members agreed with Marcus' proposal to focus on limiting the job-losses for blue-collar workers. The committee's calculations therefore assumed that rationalisation of blue-collar jobs would 'take place at a slower pace'. Consequently, 'the staff employed in these branches' were assured 'continued employment under a monopoly' for the time being.⁶¹ The committee did not extend this grace to the white-collar office

⁵⁹ 610 of these outlets would be service stations, 3 015 would be single pumps, and 600 would be barrel or bottle retailers. See Press briefing, 9 November 1936, the 1935 Fuel Oil Committee, vol. 1, RA.

⁶⁰ SOU 1936: 45, 28–34, 47–8, 73. See also Press briefing, 9 November 1936, the 1935 Fuel Oil Committee, vol. 1, RA.

⁶¹ Minutes of the 1935 Fuel Oil Committee, 21 April 1936, vol. 1, RA.

workers, who would face harsher and faster cutbacks, resulting in more redundancies.

Blue-collar workers at the ocean facilities and depots were much more likely to vote for the Social Democrats than the white-collar office workers. It is probably not a coincidence, then, that the committee chose to protect the blue-collar jobs. It also flowed naturally from the committee's assumption that large swathes of the white-collar workers were redundant.

The costs of the compensatory payments and a more gradual rationalisation would affect the petrol monopoly's projected yearly revenue, which the 1934 Fuel Oil Committee had estimated at 10.7 million Swedish kronor. The 1935 Fuel Oil Committee estimated that the revenues would fall to either 5.8 million (if the Byzantine credit payment system was kept) or 7.9 million (if that system was abolished in favour of cash payments). But if the nationalisation were to include the retail sector, these annual profits would rise by 5.6 million, resulting in total yearly revenues of either 11.4 million (with the credit system) or 13.5 million (with a cash-only system). In summary, revenues would rise if the nationalisation were to include the retail sector and the credit system was scrapped.⁶²

⁶² The committee attached several caveats to these calculations, however. First, the numbers were explicit estimations which assumed unchanging, peaceful conditions. Sudden shifts (e.g., higher growth than expected or lower imports due to infrastructural disturbances) would make the figures obsolete. Second, the petrol monopoly's revenues would be 2.7 million crowns lower during its first five years of operation (due to one-time compensatory payments and the like), meaning that the annual profits would be 8.7 million crowns (with credit payments) or 10.8 million crowns (with cash payments) for the first five years. Third, the committee expected revenues to rise after 20 years, when the monopoly's loans had been fully paid off,



Figure 5.1. A general election poster for the SAP from 1936. Unknown illustrator. It features a comparison of unemployment in Sweden, England, the Netherlands and France between 1933 and 1936 (after the SAP had implemented its crisis policy). It reads ‘The decreasing unemployment in Sweden is unprecedented. Our country is in a class of its own. Why is that? The result of a sensible crisis policy. Vote with the [Social Democratic] Workers’ Party.’

Political debate and the 1935–1936 elections

The oil monopoly was subject to heated debate during the January 1935 ‘referral debate’ (*remissdebatt*) in the First Chamber of the Riksdag, where it became subject to many of the same criticisms as the proposal had previously received. Wigforss criticising the contradictory positions that the oil monopoly’s critics held. On the one hand, they argued that nationalisations are harmful because ‘the state is not inclined to keep up with technological improvements’, it does not

‘keep up with the necessary process of rationalisation’ and has no incentive to constantly improve its ‘organisation in order to make

bringing the expected yearly revenue to 12.4 million crowns (with credit payments) or 14.6 million crowns (with cash payments) after two decades. See Press briefing, 9 November 1936, the 1935 Fuel Oil Committee, vol. 1, RA.

production and distribution cheaper', unlike private companies. On the other hand, they criticised the oil industry nationalisation for causing 'such radical rationalisation that thousands of people will become unemployed'. He therefore called on the critics to 'choose once and for all from which of these positions they wish to attack socialisation'.⁶³

The oil monopoly likewise came to play an important role in the 1935 municipal election in Stockholm and the 1936 general election campaign.

Stockholm's 1935 municipal election

The government's renewed interest in investigating the creation of a petrol monopoly — and the inquiry's preliminary results — played an important role in Stockholm's municipal election of 1935 and the general election of 1936, to which I shall now turn.

A municipal election was held in Stockholm on 17 March 1935, three months after the creation of the 1935 Fuel Oil Committee. The primary critics of the SAP's renewed interest in investigating the creation of a petrol monopoly, the Liberal Party, became the election's big winners, gaining 11 seats (advancing from 3 to 14 seats) in the city council.⁶⁴ The SAP, meanwhile, lost seven seats (dropping from 52 to 45 seats).⁶⁵

⁶³ Minutes of the First Chamber of the Riksdag, Thursday 17 January 1935, 47.

⁶⁴ The two parties that had formed after the party split in 1922 were reunited under the name *Folkpartiet* (the People's Party) in 1934, but I have chosen to continue to call it the Liberal Party, for simplicity's sake.

⁶⁵ The full election results were as follows: the Social Democratic Party got 40.4 per cent of the vote and 45 seats (minus 7 seats compared to the previous municipal election in 1931). The Conservative Party got 31.8 per cent and 33 seats (minus 2

A Farmers' League-aligned newspaper commented that it had probably been a mistake for the SAP to talk so much about the future coffee and petrol monopolies before the Stockholm election, thereby implying that it had been the SAP's nationalisation investigations that were the cause of its disappointing results.⁶⁶ Some within the SAP seem to have felt the same way. Wigforss recounts that 'it was felt' that the opposition parties and the right-wing press's 'campaign against the petrol monopoly had made an impression' during the Stockholm municipal election. 'Fear of unemployment from rationalisation had had its usual effect', he commented.⁶⁷ Hence, to Wigforss at least, the disheartening election results were directly connected to the opposition's campaign against the coffee and petrol monopolies — and especially the unemployment that those monopolies would cause.

But the results from the other municipal elections of 1934–1935, and the 1936 general election results showed that 'the monopoly battles were ripples on the surface, which did not noticeably stem the Social Democratic tide', in Wigforss' view.⁶⁸ He was right insofar as the Social Democratic losses were negligible in the grand scheme of things.

seats). The Liberal Party got 13.4 per cent and 14 seats (plus 11 seats). The Socialist Party got 8.6 per cent and 7 seats (plus 2 seats), and the Communist Party got 3.3 per cent and 1 seat (plus 1). Voter turnout was higher than all previous municipal elections, reaching 70,4 per cent. Statistics Sweden, 'Kommunala valen åren 1934 och 1935' (Kungliga boktryckeriet P. A. Norstedt & Söner, 1936).

⁶⁶ 'Kaffe- och bensinmonopol', *Aftonbladet*, 2 March 1935.

⁶⁷ Wigforss, *Minnen III*, 75, my translation.

⁶⁸ *Ibid.*

*The 1936 general election
campaign*

As mentioned, the Hansson cabinet resigned in June 1936, when the party failed to garner support for its minimalist stance regarding defence spending and its desire to fund an indexing of the old-age pensions issue, just a few months before the general election. The SAP therefore entered the 1936 election campaign both as incumbents and as an opposition party to Axel Pehrson in Bramstorp's (Farmers' League) 'vacation government', which held office between June and September 1936.



Figure 5.2. A general election poster for the Conservative Party's youth organisation the Young Swedes (*Ungsvenskarna*) from 1936. Illustrated by [Börje?] Hammarberg. It reads 'Fight monopolies. Protect the individual. Vote with the Conservatives.' An octopus symbolises the SAP's desired monopolies, and the octopus' arms symbolise (from top to bottom) the petrol, coffee and pharmaceutical monopolies, which a disembodied hand is in the process of severing with a sword.

The petrol monopoly came to play a prominent role in the political debate and campaigning before the general election on 20 September 1936.

Within the SAP, there were discussions about what its campaign should focus on. Party leader and Sweden's Prime Minister Per Albin Hansson wanted it to focus on the successes it had achieved during its



Figure 5.3. A general election poster for the Conservative Party from 1936. Illustrated by Willie Bergström. It reads ‘Demand constitutional protection against a petrol monopoly. Swedish unity with the Conservative Party for free enterprise.’ It features blue-clad petrol station workers protecting an oil pump from the grasping hand of the state.

term of office; an approach which eventually won the day. The above-mentioned disheartening result in the 1935 Stockholm municipal election might have influenced the party not to campaign on a radical message focused on future nationalisations. Chief among the successes that Hansson wanted the party to focus on was the crisis policy with its countercyclical fiscal measures and unemployment-fighting initiatives, which the party saw as the main reason why Sweden’s economy had begun to recover from the Great Depression and the 1932

Kreuger Crash. ‘We overcame the crisis’ became a party slogan on the campaign trail. ‘Housing, bridges, harbour facilities, electrified railways

and thousands of newly founded working-class smallholdings [arbetsmåbruk], writes political scientist Peter Esaiasson, were ‘visible evidence’ of the party’s ‘effective governance’, not just in the party’s own view, but also in many voters’ eyes. One of their election posters boasted that Sweden’s ‘unrivalled’ drop in unemployment was a direct result of the Hansson cabinet’s ‘sensible crisis policy’ (see Figure 5.1).⁶⁹



Figure 5.4. A general election poster for the Conservative Party from 1936. Illustrated by Karin Ageman. It reads ‘Clean house with the monopoly proposals. Vote with Swedish unity for constitutional protection against [state] monopolies.’ It features a broom sweeping away several documents symbolising the SAP’s monopoly proposals, including the petrol and coffee monopolies.

⁶⁹ Peter Esaiasson, *Svenska valkampanjer 1866–1988* (Allmänna förlaget, 1990), 157, my translation. See also Linderborg, *Socialdemokraterna skriver historia*, 350–8.



Figure 5.5. A general election poster for the Conservative Party from 1936. Unknown illustrator. The top (the red face) reads ‘Red dictatorship’ and ‘Monopolies’. The middle part reads ‘Four more red members of parliament and the mask falls’. This references the parliamentary balance of power. If the ‘socialist bloc’ got four more mandates, it would attain a majority in the Riksdag. Hence, the poster signals that the SAP would show its real face — red dictatorship — if it attained a majority. The bottom of the poster reads ‘Choose with the Conservative Party for Swedish unity’.

The Social Democrats’ historiography of its 1932–1936 term in office drew criticism from the other parties in the Riksdag. The opposition, according to Esiasson, ‘pointed out that others had also been involved in the crisis policy, that the cyclical improvements of the economy were not caused by the government’s actions and that the country’s economy was weaker than the Social Democrats claimed’. But the opposition parties’ campaigns remained reactive, whereas the SAP actively steered the political discussion in ways that were favourable for the party.⁷⁰

The opposition parties’ criticism of the SAP was at its

harshest when it came to the monopoly investigations that it had initiated, and the future they believed these investigations to portend. The Conservative Party, the Liberal Party and the Farmers’ League

⁷⁰ Esiasson, *Svenska valkampanjer*, 157, my translation.

campaigned against the SAP's supposed socialisation plans. Together, these three parties turned the SAP-initiated monopoly investigations into a ballot issue.

The Conservative Party's election campaign prominently featured its criticism of the SAP's monopoly proposals. This was reflected in the party's election posters. Their youth organisation, the Young Swedes (*Ungsvenskarna*)

published a poster depicting an octopus whose arms extend into the petrol, coffee and pharmaceutical sectors. These arms are in the process of

being severed by what one must assume to be the sword of the Conservative Party (see Figure 5.2).

Two of its other election posters called for constitutional protections against the petrol monopoly. In the first, the enormous hand of the state hovers over a petrol pump, while three men in workwear try to wrest it free from the hand's grip (see Figure 5.3). In the second, a broom is sweeping away the SAP's monopoly proposals, including the

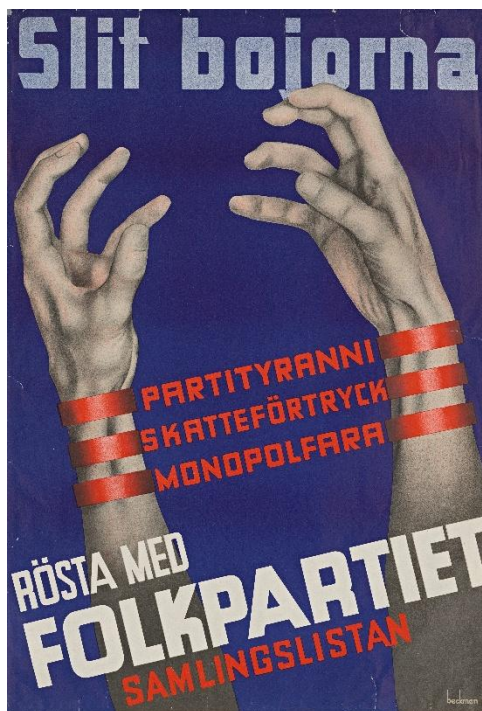


Figure 5.6. A 1936 general election poster for the Liberal Party. Illustrated by Anders Beckman. The top reads 'Break the chains.' The symbolical handcuffs read 'party tyranny', 'tax oppression' and 'danger of monopolies', from top to bottom. The bottom of the poster reads 'Vote with the Liberal Party, the unity list.'

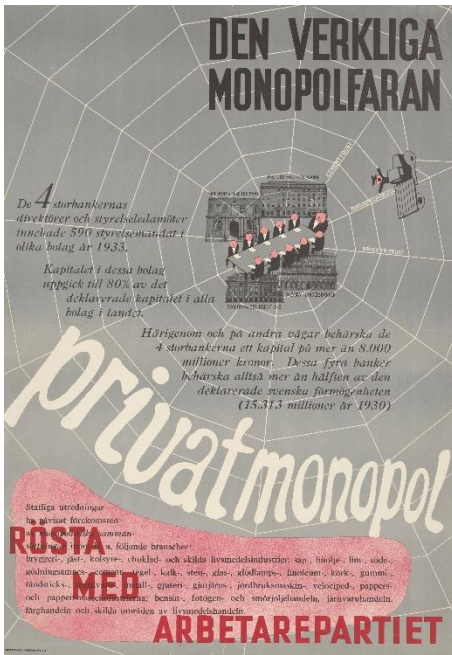


Figure 5.7. A 1936 general election poster for the SAP. Unknown illustrator. The top reads ‘The real monopoly threat’. The middle reads ‘The directors and board members of the four major banks held 590 board positions in various companies in 1933. The capital in these companies amounted to 80 per cent of the declared capital in all companies in the country. Through this and other means, the four major banks control capital of more than 8 000 million Swedish kronor. These four banks thus control more than half of the declared Swedish wealth (15 313 million in 1930).’ The bottom reads ‘Vote with the [Social Democratic] Workers’ Party’, over a text stating that parliamentary committees had shown that there existed private monopolies in a long list of sectors of the Swedish economy.

petrol and coffee monopolies (see Figure 5.4). A third poster alleged that the SAP would show its real face — the face of ‘red dictatorship’ — as soon as it attained a majority in the Riksdag (see Figure 5.5). These posters indicate just how dangerous the Conservative Party considered the SAP’s monopoly investigations. The Conservative Party also published advertisements in right-wing newspapers, with the message: ‘A petrol monopoly would put at least 3,000 people out of work, according to a preliminary estimate. Haven’t we had enough of unemployment? Vote with the Conservatives — against monopolies’.⁷¹

The Liberal Party, meanwhile, published a poster which criticised the government’s ‘party

⁷¹ See, e.g., ‘Ett bensinmonopol’, *Svenska Dagbladet*, 16 September 1936.

tyranny’, ‘tax oppression’ and ‘danger of monopolies’ which was clearly aimed at the incumbent Social Democrats (see Figure 5.6).

The SAP defended itself against these attacks throughout the election campaign. One of the party’s election posters, which must have been a response opposition’s criticisms of its petrol monopoly plans, argued that private monopolies were the real problem (see Figure 5.7).

In August 1936, Hansson reiterated that the Social Democratic government ‘did not initiate the monopoly investigations out of any desire for monopolisation. It was the need to raise revenue for the State to finance new expenditure that prompted these investigations’ — especially the need to finance the 1936 pension reform without resorting to raising taxes. The monopolies were simply an alternative way of financing the pension reform, according to Hansson. In a show of his signature pragmatism, Hansson signalled that he was not wedded to monopoly plans by stating that if ‘other reasonable ways of raising the necessary funds’ could be found, ‘then we would happily put the monopoly plans to rest’.⁷²

First Chamber MP for the Social Democrats, Richard Lindström talked about the petrol monopoly in a speech on Stortorget in Stockholm in the leadup to the election. Lindström argued that the coffee and petrol monopolies had only been created to solve a taxation issue. ‘It is a question of controlling a few imported goods which cannot be produced in our country, and which are already heavily taxed’, Lindström claimed. The Social Democrats’ interest in the matter

⁷² ‘Pressfronter’, *Svenska Dagbladet*, 1 August 1936, my translation.

was purely a pragmatic issue of ‘whether this taxation can be used more effectively to raise funds to meet the state’s needs’, Lindström claimed.⁷³

Wigforss similarly commented that the SAP had not proposed the coffee and petrol monopolies as a first step towards a ‘transformation of society in a socialist direction’, but as means of providing ‘the state with increased revenue’. Instead of being distracted by ‘matters of comparatively minor importance’, such as the monopoly investigations, voters should focus on the successful crisis policy, which was a much better indication of the party’s ‘general economic policy’, Wigforss argued. The crisis policy showed that the SAP wanted ‘societal intervention to keep the economy running more smoothly, to create work and maintain purchasing power, to allow capital and natural resources to be more fully utilised’, and not a wholesale socialisation of all privately owned industries, as the opposition implied.⁷⁴

Wigforss argued that the Social Democrats had been ‘innocent enough to believe’ that revenues from state monopolies on coffee and petrol could offer a ‘relatively neutral way out’ between two incompatible positions: the Social Democrats who wanted to avoid ‘consumption taxes on the broad strata’ and the Conservatives in the Pension Insurance Committee who wanted to avoid ‘income taxes on the affluent’. Wigforss took the fact that prominent Conservatives had initially been ‘willing to participate in various monopoly investigations’

⁷³ ‘Femton tusen på Stortorget i går kväll’, *Arbetet*, 10 September 1936, my translation.

⁷⁴ Ernst Wigforss, ‘Monopol och valrörelse’, *Arbetet*, 15 September 1936, my translation.

as a sign that they were open to using state monopolies as means of raising state revenue.⁷⁵

Wigforss lamented that the other parties seemed to have altogether abandoned nationalisation as a policy option. As things stood, it seemed to him 'more feasible to raise taxes on high-income earners and wealth' than to rally parliamentary support for the coffee and petrol monopolies. He stated that the SAP 'would have no reason to demand' that a certain amount of the state's revenues 'should necessarily come from some new state monopoly' if the opposition parties agreed to cover the state's expenses by increasing the income and wealth taxes. In other words, Wigforss made the opposition an offer: the SAP would put the monopoly plans on ice if they allowed the Social Democrats to increase taxes on the wealthy.⁷⁶

A caveat to this was that the monopoly plans could be revived at any point, if 'the bourgeois parties again threaten to raise taxes and thus the prices of consumer goods such as coffee'.⁷⁷ If the plans were revived, the SAP had two preconditions before a monopolisation could be carried out: to hinder a price increase for consumers who 'must not be further burdened' and to safeguard the interests of the employees 'in a way that is reasonable for our times and dignified for the state'.⁷⁸ This signalled that no monopolisations were imminent so long as alternative ways of increasing the Treasury's revenues could be negotiated with the opposition parties.

⁷⁵ Ibid, my translation.

⁷⁶ Ibid, my translation.

⁷⁷ Ibid, my translation.

⁷⁸ 'Pressfronter', *Svenska Dagbladet*, 1 August 1936, 4.

Why did the Hansson cabinet not defend the monopoly inquiries it had convened more vigorously? One likely explanation is that the Hansson cabinet worried that the monopoly plans were unpopular among its electorate — especially after the disappointing 1935 municipal election in Stockholm which had revolved around the petrol monopoly. Another is that the issue really was of minor importance, as Wigforss claimed in his memoirs. Sacrificing the petrol monopoly plan to pass comparatively more important legislation, like the wealth and progressive income taxes, perhaps seemed like the best-case scenario, given that none of the other parties seemed willing to vote in favour of a petrol monopoly if the SAP had presented a bill on the matter.

Election results and a renewed worker-farmer alliance

The party leadership need not have worried about the possible negative effect that the monopoly inquiries might have caused among its voters. The general election was held on 20 September 1936. The Social Democrats emerged as the election's big winners. The party won 46 per cent of the vote, and 112 of the 230 seats in the Second Chamber of the Riksdag: an uptick of four percentage points and ten mandates from the previous general election in 1932.⁷⁹

Meanwhile, the Conservative Party became the election's clearest loser. It won 18 per cent of the vote and 44 seats in the Second Chamber, which was six per cent lower than the previous election. The 1936 election marked the first time that the Conservatives gathered less than a fifth of the vote. The Farmers' League and the Liberal Party

⁷⁹ Esiasson, *Svenska valkampanjer*, 161.

received around the same voter support as in the previous election: 14 per cent, or 36 seats, and 13 per cent, or 27 seats, respectively. As did the Socialist Party, who received four per cent of the vote, or six seats, in the Riksdag and the Communist Party, which received three per cent of the vote, or five seats.⁸⁰

Despite the Social Democratic Party's groundswell support, it was some distance away from a single-party majority. The party would therefore have to continue to rely on coalition-building or haggling over individual policy proposals to get its bills accepted by the Riksdag.

This was resolved when the SAP formed a coalition government with the Farmers' League on 28 September 1936, thereby formalising the 1932–1936 alliance between the two. That the SAP chose to continue to lean on the Farmers' League for support surprised many at the time.

The Farmers' League party leader Axel Pehrsson of Bramstorp was the driving force behind the creation of the coalition. His stance was that right-wing politics had played out its role in Sweden and that the Farmers' League's prospects of gaining political influence together with the Conservatives or Liberals were non-existent. A coalition with the SAP, on the other hand, would 'preserve the party's influence' over Swedish politics, 'give farmers better conditions and prevent the Social Democrats from pursuing socialist policies' — chief among which were the petrol and coffee monopolies. Consequently, the coffee and petrol

⁸⁰ Ibid.

monopolies became casualties of the SAP's coalition negotiations with the Farmers' League.⁸¹

Another factor that may have contributed to the creation of the coalition was that the Farmers' League was aware that King Gustav V was in favour of a worker-farmer coalition to avoid communist influence over Swedish politics, which might have happened if the SAP had formed an alliance or a coalition with the Comintern-loyal Communist Party instead.⁸²

Nevertheless, it is not clear exactly why the SAP decided to govern together with the Farmers' League. It could have been to ensure independence from the Communist Party and the Socialist Party, or simply to secure a stable majority with a broad voter base. The Farmers' League had attained 14.3 per cent of the vote, and 36 mandates, in the 1936 general election. Together with the SAP, they reached 60.2 per cent, and 148 out of the total 230 seats in the Second Chamber of the Riksdag. Hence, the coalition ensured a comfortable majority and put an end to the period of unstable and short-lived minority governments that had been a feature of Swedish parliamentarism since the democratic breakthrough.

The Farmers' League was awarded three ministerial posts in the second cabinet of Per Albin Hansson: Axel Pehrsson of Bramstorp became Minister of Agriculture, Karl Gustaf Westman became Minister

⁸¹ 'Axel A Pehrsson-Bramstorp', *Svenskt biografiskt lexikon*, accessed 28 February 2025, <https://sok.riksarkivet.se/sbl/artikel/7079>, my translation.

⁸² Ibid.

of Justice and Janne Nilsson became Minister of Defence.⁸³ Pehrson in Bramstorp and Nilsson had tried to negotiate a deal with the Social Democrats to support Swedish agriculture since the late 1920s, and Westman had been instrumental in brokering the Crisis Settlement with the Social Democrats in 1933. In other words, all three ministers were veterans of the worker-farmer alliance.⁸⁴

Hansson's second cabinet introduced two weeks' paid holiday leave for all employees and implemented the cost-of-living indexing of pensions that the first Hansson cabinet had resigned over — together with the contentious defence spending issue — in June 1936. But as WWII loomed larger, the government imposed a reform freeze. The SAP's first wave of social reforms was thereby over. The second wave did not begin until after the war.⁸⁵

The SAP received its strongest election result so far in the municipal elections of 1938, which party insiders interpreted as support for its continued alliance with the Farmers' League and the moderation of its economic programme.

⁸³ Janne Nilsson passed away on 9 December 1938, however, at which point the Social Democrat Per Edvin Sköld replaced him as Minister of Defence, while Farmers' Leaguer Gerhard Strindlund replaced the Social Democrat Albert Forslund as Minister of Communication. This reshuffle was undertaken to ensure that the Farmers' League retained three ministerial positions.

⁸⁴ See Janne Nilsson, *Svenskt biografiskt lexikon*, accessed 24 February 2025, <https://sok.riksarkivet.se/sbl/artikel/8953>.

⁸⁵ Östberg, *Swedish Social Democracy*, 122, 130, 271–2; Carlsson, *Swedish Economists*, 12.

Publication and reception of the committee's report

The press coverage in the lead-up to the publication of the 1935 Fuel Oil Committee's report on 19 November 1936 was not as intense as when the previous committees had been about to publish their reports. This was likely because the government had communicated that, for the foreseeable future, it would not realise the coffee or petrol monopolies, or any other more radical market intervention, before the committee even published its report. Its contents was therefore less newsworthy than the previous committees' reports had been.

Nevertheless, the press did cover the issue. *Svenska Dagbladet* published an article stating that the inquiry had not 'resulted in a favourable proposal, nor do the experts express any opinion on the suitability or unsuitability of a monopoly of the kind envisaged'. Instead, they had confined themselves 'to presenting a technical study of how a possible monopoly would be organised and to setting out the arguments and counterarguments which the idea might give rise to'.⁸⁶ Like its 1934 predecessor, the 1935 Fuel Oil Committee had heeded its terms of reference and limited its investigation to technical, financial and administrative matters.

The initial reporting focused on relaying its factual contents: how much the prospective petrol monopoly's yearly revenue would generate (roughly 8–14 million crowns during its first decade), how many employees would be fired (between 1 100 and 1 500, whereof around

⁸⁶ 'Intet positivt förslag till bensinmonopol', *Svenska Dagbladet*, 15 November 1936.

300 would be ineligible for compensation) and how many retail outlets would be shuttered (roughly 9 000).⁸⁷ But editorials soon appeared that criticised the report for many of the same things that the previous two committees had been criticised for: that the terms of reference hindered the committee members from expressing their views on nationalisation and from investigating alternative regulatory measures, that a majority of the committee members were Social Democratic Party members or sympathisers, that the projected financial results were disappointing considering the cost of a nationalisation and so on. Another recurring criticism was that the Hansson cabinet lacked stakeholder and public support — even within the broader workers’ movement — for its authorisations of renewed investigations of a petrol monopoly.⁸⁸

The most problematic criticism, however, concerned unemployment. Liberal Party-aligned newspaper *Eskilstuna-Kuriren*, for instance, wrote that it was ‘abnormal’ to ‘investigate how to make even more people unemployed and dependent on state benefits’ at a time ‘when many people are still not in financially satisfactory or secure employment’. The newspaper also pointed out that private employers who fire

⁸⁷ See, e.g., ‘Bensinmonopol ger 13 á 14 miljoner’, *Arbetaren*, 20 November 1936; ‘1.160 skulle bli arbetslösa genom ett bensinmonopol’, *Dagens Nyheter*, 20 November 1936; ‘13.5 milj. årsvinst på bensinmonopol’, *Aftonbladet*, 20 November 1936; ‘Bensinmonopol ger 13,5 miljoner’, *Göteborgs Handels- och Sjöfartstidning*, 20 November 1936; ‘Bensinmonopol skulle ge 11.4 à 13.5 miljoner kronor’, *Svenska Dagbladet*, 20 November 1936.

⁸⁸ See, e.g., ‘Pressfronter’, *Svenska Dagbladet*, 22 November 1936.

employees ‘just to earn more money’ are not ‘usually considered a model of social virtue’. Yet when the state does the same thing, it is applauded by ‘those who are always ready to point out the shortcomings and moral weaknesses of private enterprise’.⁸⁹

The continued inquiry into a nationalisation also stirred discontent among retailers. A newly formed interest group for small business owners, the Swedish Small Business Owners’ Association, visited Hansson and Wigforss to protest against the government’s monopoly plans and launched an opinion-formation drive against the plans.⁹⁰ Sweden’s largest union for white-collar workers, the Swedish Union of Clerical and Technical Employees in Industry (Sif), likewise protested against the inquiry’s conclusions and a realisation of the petrol monopoly. Two union representatives visited Wigforss to hand over a written protest. They said that white-collar oil workers increasingly joined Sif and that the union intended to ‘make every effort to ensure that the interests of these workers are protected in the event of a monopoly’.⁹¹ The nationalisation, and the committee’s proposals to drastically reduce the number of white-collar jobs within the industry, thereby caused previously unorganised white-collar workers to unionise. This illustrates that there was a growing schism between employees in the oil sector and proponents of the petrol monopoly; a conflict which resembles current-day debates about a “just transition” away from fossil fuels, which focuses on how the rights of workers within fossil fuel-

⁸⁹ Quoted in ‘Pressgrannar’, *Dagens Nyheter*, 22 November 1936.

⁹⁰ See ‘En ouppfylld profetia’, *Svenska Dagbladet*, 3 August 1936.

⁹¹ ‘Protest mot bensinmonopolplanerna’, *Svenska Dagbladet*, 25 November 1936.

dependent industries and communities can be protected when those jobs and communities disappear.⁹²

Coalition negotiations and postponement

Liberal *Dagens Nyheter* reported that the Government seemed to have abandoned its petrol monopoly plans and that no bill on the matter would be presented during the parliamentary year of 1937, since the report had not ‘yet been circulated for formal consultation by the Ministry of Finance’. Wigforss responded that ‘it had by no means been decided that no proposal would be submitted to the 1937 parliament’ and that ‘a formal consultation on the matter will be carried out’. He could not answer whether the government would present a bill for the 1937 Riksdag to vote on, however. Instead, he stressed that the consultation needed to be completed before a decision was taken.⁹³

That formal consultation process never took place, however. This resulted in frustration among the stakeholders, since consultation processes are opportunities for relevant stakeholders (and the public at large) to express their views and, potentially, to shape any resulting policy proposals. Stakeholders therefore resorted to using the press to express their views about the work of the 1935 Fuel Oil Committee and the petrol monopoly idea. For instance, *Aftonbladet* wrote that the Swedish Merchants’ Association (*Svenska köpmannaförbundet*) found it

⁹² See, e.g., Anna Bohman, Clifton Evers, and Eva Lövbrand, ‘More than one story: remaking community and place in Sweden’s transition away from fossil fuels’, *Local Environment* 29, no. 4 (2024).

⁹³ ‘Oljemonopolet icke skrinlagt’, *Dagens Nyheter*, 9 December 1936.

‘remarkable that the investigations into the petrol and coffee monopolies, which were conducted under such pressure’, had not yet been circulated for formal consultation in July 1937 — eight months after the Committee published its report. The Swedish Merchants’ Association argued that while it was clear that the petrol monopoly would not materialise under the favourable economic conditions that had set in during late 1937, these conditions would not last forever. This could mean that ‘the monopoly plans’ would ‘once again be actualised’. In the Board’s view ‘the danger of further monopolisation of the private sector’ had therefore not ‘been averted’ but continued to hang ‘like a sword of Damocles over the head of private entrepreneurs’. Because the monopoly plans could be reactivated as soon as the business cycle turned downwards, the Board argued that ‘it would be desirable for’ stakeholders ‘to be given the opportunity to present their views’ through a formal consultation process ‘as soon as possible’.⁹⁴

Minister of Trade Per Edvin Sköld was invited to the Swedish Merchants’ Association’s around a week later. He reassured them that they had nothing to fear concerning the shelved coffee and petrol monopoly plans. Sköld reiterated that the petrol and coffee committees’ investigations ‘were not based on principle but on financial concerns. As the business cycle stands at present, these plans are not worth worrying about’.⁹⁵ This was likely not especially soothing for the merchants to hear, since it left the door open for a revival of the

⁹⁴ ‘Monopol aktualiseras vid högkonjunktarens slut’, *Aftonbladet*, 3 July 1937.

⁹⁵ ‘Ingen fara för kaffe- och bensinmonopol’, *Göteborgs Handels- och Sjöfartstidning*, 9 July 1937.

monopoly plans as soon as Sweden's economic fortunes turned, as they had feared.

The inability of the Hansson cabinet to realise the nationalisation while in a coalition government with the Farmers' League — who had vowed to hinder the SAP from implementing overly socialist policies — is the likely reason why the consultations never happened. Why waste time on a consultation when the outcome was already settled? Moreover, the business cycle had bounced back, with the effect that the government no longer had difficulties in financing its budget. The main justification for the implementation of a state-owned petrol monopoly — to raise revenue for the pension reform — was therefore no longer reasonable. Moreover, the SAP's argument that petrol monopoly revenues could fund a general increase in state expenditure was not as urgent as it had been during the Great Depression and the Krueger Crash. Using the Treasury's urgent need for revenue as a pretext to push the nationalisation through the Riksdag was likewise no longer an option, if that had ever been the goal.

Ultimately, Hansson's second cabinet decided not to present a bill on a nationalisation of the oil industry.⁹⁶ Instead, the government shelved the issue for the time being, which can be understood as another depoliticisation by temporalisation: that is, the practice of delaying something, even *ad infinitum*, to avoid decision-making.⁹⁷

⁹⁶ *Förteckning över statliga utredningar 1904–1945* (Riksdagsbiblioteket, 1953): 738; 'Bensinmonopol: nya utredningen ligger färdig', *Dagens Nyheter*, 19 September 1936; 'Oljemonopolet icke skrinlagt', *Dagens Nyheter*, 9 December 1936.

⁹⁷ Kauppi and Trenz, '(De)politicisation', 159.

Wigforss' 1938 reform freeze was the final nail in the coffin for the coffee and petrol monopolies before WWII. The rapidly deteriorating security situation in Europe increasingly occupied the government's time and attention as the 1930s progressed, which continued to delay the issue. But the petrol monopoly idea would be revived when World War II neared its conclusion, as the next chapter will show.

Conclusion

This chapter has investigated why and how the 1935 Fuel Oil Committee was created, and the policies it proposed. It has also traced the attempts by the government and the committee to resolve the unemployment issue.

Because full employment was one of the central political goals of the Social Democrats, it was politically sensitive for the party to champion policies that could cause unemployment. It was especially problematic to do so in the wake of the Great Depression and the Kreuger Crash, as unemployment remained around 15 per cent and it was unclear if fired workers would have reemployment options. This became a major problem for the SAP-instigated committees that investigated nationalisations of the coffee and oil sectors.

The Hansson cabinet summoned the 1935 Fuel Oil Committee to help resolve this issue. Minister of Finance Ernst Wigforss tasked it with investigating how unemployment could be minimised and how to organise and rationalise the retail side of the industry if it was included in the nationalisation.

Like the 1934 Fuel Oil Committee before it, the 1935 Fuel Oil Committee was discouraged from considering ‘the question of whether or not a state monopoly should be established’ and from evaluating ‘the validity of the economic calculations contained in the 1934 Committee’s report’.⁹⁸ Hence, its scope to contest or rework the nationalisation policy, or to develop alternative policy proposals, was limited by the committee’s strict terms of reference, just like its predecessor.

There emerged a conflict between workers in the oil industry, who saw the nationalisation as a threat to their job security and futures, and the Social Democratic government, who ultimately saw the nationalisation as a means of better serving social needs. The conflict pushed previously unorganised white-collar workers within the oil industry to unionise and blue-collar workers to protest against the nationalisation plan on the grounds that it threatened their livelihoods. The short-term self-interestedness of the workers paradoxically aligned them with the (long-term) interests of their employers: that is, continued business as usual. This transient convergence of interests between capital and labour created contradictory aims within the broader workers’ movement: the oil workers’ goal of continued status quo and social peace to protect livelihoods clashed with the SAP’s politicisation of the status quo and attempts to upend the reigning regulatory order.

Syndicalists and communists likewise criticised the nationalisation proposal, but for partly different reasons. The former group regarded it

⁹⁸ Press briefing, 9 November 1936, the 1935 Fuel Oil Committee, vol. 1, RA.

as an unacceptable centralisation of power into the hand of the state, while the latter considered it a state capitalist proposal that would not challenge the capitalist system in any way. In this context, historian and journalist Åsa Linderborg has argued that ‘party historians’ — that is, internal chroniclers of the SAP and the workers’ movement — have failed to elucidate the party’s relationship and approach to the state. ‘Historically, the state has been a class state based on violence,’ Linderborg writes, ‘but in the hands of the labour movement, the state became the tool to realise socialism/people’s home’, according to these party historians. ‘After 1932,’ therefore, ‘the working class “took over” the state’ which meant that ‘all problematisations of the state since then are superfluous.’⁹⁹ This chapter shows that the problems involved with the centralisation of power and ownership, and increased bureaucratisation, did not cease to exist after 1932. However, criticism of these centralising and bureaucratising tendencies was increasingly limited to the extra-parliamentary and extra-governmental parts of the broader workers’ movement — that is, to anarchists, syndicalists and communists.

Hence, external pressure — principally from the opposition parties, organised business interests and employees within the oil industry — combined with internal disagreement regarding the advisability of a nationalisation conspired to repoliticise the nationalisation issue.

When the oil industry nationalisation became a bargaining chip in the SAP’s coalition negotiations with the Farmers’ League in the

⁹⁹ Linderborg, *Socialdemokraterna skriver historia*, 248, my translation.

autumn of 1936, some within the SAP may have been relieved to be rid of the issue, given how thorny the unemployment question had become. The 1938 reform freeze and the rapidly deteriorating security situation in Europe marked a denouement both for the SAP's first reform wave and its push to materialise the petrol monopoly.¹⁰⁰ The unstable international context forced the Social Democrats to focus on military preparedness and defence spending — issues they had traditionally been hostile towards — rather than on expanding social and welfare services.

¹⁰⁰ For the 1938 reform freeze, see Carlsson, *Swedish Economists*, 12; Östberg, *Swedish Social Democracy*, 122, 130.

Chapter 6. Repoliticising oil, 1944–1947

This chapter focuses on the Social Democrats' repoliticisation of the Swedish oil industry after the end of WWII, and the 1945 Oil Investigation that the Social Democratic government convened to, yet again, investigate a nationalisation of the oil industry. The chapter begins by tracing the origins of the repoliticisation to the successful corporative regulatory regime that had emerged during WWII. It then moves on to analyse the work and results of the 1945 Oil Investigation, and the heated public debate that followed. Finally, the chapter contributes a reevaluation of why the nationalisation was not carried out. A common interpretation in the Swedish energy historiography is that it failed because the United States' State Department pressured the Swedish government and the 1945 Oil Committee to abandon the nationalisation plan. This chapter criticises that explanation and puts forward an alternative interpretation.

Wartime origins of the repoliticisation

A wartime unity government took office in response to the Soviet invasion of Finland on 30 November 1939. The unity government consisted of the four major parties — the Social Democratic Party, the Farmers' League, the Liberal Party and the Conservative Party — but

excluded the smaller Communist Party and the Socialist Party.¹ It was led by Per Albin Hansson, who remained Prime Minister.

The new unity government faced tough energy and fuel-related challenges during the war. Sweden's oil and coal imports were drastically circumscribed. Most European countries faced scarcities and shortages, not least because of Nazi Germany's unrestricted submarine warfare during the Battle of the Atlantic.² After the German invasion of Denmark and Norway in April 1940, Sweden's maritime trade routes, all of which passed through the Nazi-controlled waters of Kattegat and Skagerrak, were effectively severed. The naval blockade meant that the influx of oil from the country's major suppliers — Standard, BP, Shell, Gulf, and Texaco — largely dried up. The country was not completely starved of oil, however. Sweden endured the shortages by striking controversial trade agreements with Nazi Germany, which, among other things, made it possible for the Swedish government to import German

¹ The Communist Party of Sweden held five seats in the Second Chamber and one in the First Chamber. It was excluded because it was the Swedish section of the Soviet Comintern organisation. As such, the party was under Soviet orders to oppose the unity government. Its members were therefore treated as potential spies for the Soviet Union who were likely to engage in sabotage or other malicious activities. The Socialist Party, meanwhile, was an offshoot of the Communist Party which held six seats in the Second Chamber. It had split from the Communist Party over its support for Stalin's regime. The Socialist Party was excluded from the unity government because its resentment for Stalin and the Comintern was so intense that it became pro-German from 1937 onwards and openly Nazi around 1943. Its pro-German, and later openly Nazi, sentiments likewise made it and its members into potential national security threats. See Yvonne Hirdman, 'Sveriges Kommunistiska Parti 1939–1945' (PhD diss., Stockholm University 1974), 80–7; Alf W. Johansson, *Per Albin och kriget: Samlingsregeringen och utrikespolitiken under andra världskriget* (Tiden, 1984), 81–96; Klas Åmark, *Att bo granne med ondskan: Sveriges förhållande till nazismen, Nazityskland och Förintelsen* (Albert Bonniers Förlag, 2016), 76–81, 308.

² Yergin, *The Prize*, 355–9.

coal and oil from Nazi-occupied Romania, in exchange for Swedish iron ore. The exported iron ore reportedly covered around forty per cent of Germany's wartime requirements.³

The Swedish government eventually managed to negotiate a trade deal with its counterparts in Germany and the United Kingdom, the so-called 'safe conduct trade' (*leidtrafiken*), which enabled some overseas trade to continue from September 1940 onwards. Merchant ships that were let through the German and UK blockades were monitored by the two great powers. The ships left port in Gothenburg to destinations in the United States and Latin America, mainly to import petroleum in exchange for wood products.⁴ Still, petroleum imports fell by around 90 per cent: from 1 487 000 tonnes in 1939 to around 150 000 tonnes per year during 1941–1945.⁵

The wartime coalition government was determined not to repeat the mistakes of World War I, which had led to severe fuel shortages. The government therefore swiftly imposed rations and banned all private and non-essential automobilism.⁶ All the oil that Sweden nonetheless managed to import, together with the meagre yields of shale oil that the Swedish Shale Oil Company produced from fields in Kinne-Kleva and Kvarntorp, was prioritised for the military, the police and other emergency services.⁷

³ Kaijser and Högselius, 'Under the Damocles Sword', 160–1; Judt, *Postwar*, 83.

⁴ Gunnar M. Hägglöf, 'A Test of Neutrality: Sweden in the Second World War', *International Affairs* (1960).

⁵ Statistics Sweden, *Historisk statistik för Sverige: Del 3. Utrikeshandeln 1732–1970*.

⁶ Egan Sjölander et al., *Motorsprit kommer*, 69.

⁷ Kaijser and Högselius, 'Under the Damocles Sword', 160; Egan Sjölander et al., *Motorsprit kommer*, 69.

In 1940, the government established the State Fuel Commission, which consisted of government officials and industrialists. The Fuel Commission was granted a far-reaching mandate to manage and regulate Sweden's wartime fuel economy. Together with the government, it managed Sweden's oil dependence and looming oil and coal shortages by developing alternative fuels that could be extracted within the country's borders: ethanol, wood gas and shale oil. Most of these homegrown substitutes, like wood gas for cars, were decommissioned once fuel imports returned to pre-war levels. At the time, however, it was uncertain if and when fuel imports would recover, so every conceivable alternative fuel was pursued.⁸

The Fuel Commission was just a small part of the sprawling wartime bureaucracy that sprung from the unity government's need to ration and plan Sweden's production and consumption during the war. Most of Sweden's economy was planned or overseen by corporative sectoral commissions during the war. These commissions enabled close cooperation between capitalists and the SAF, on the one hand, and the labour movement and its organisations (the trade unions, the LO and the SAP), on the other. This worked better than expected, achieving full employment and continued production despite supply chain disruptions and so on. Representatives of both labour and capital therefore hesitated to dismantle the wartime order when the war was ending.⁹

⁸ Lennart Friberg, 'Styre i kristid: Studier i krisförvaltningens organisation och struktur, 1939–1945' (PhD diss., Stockholm University, 1973), 106–35.

⁹ Friberg, 'Styre i kristid', 12–3, 157–202; Molin, *Försvaret, folkhemmet och demokratin*, 349–401.

The wartime experiences of a planned economy inspired the Swedish labour movement to return to the question of bringing key industries and economic sectors under state ownership or control. The Social Democrats' push for a continued planned economy during peacetime would also be a major reason why the wartime unity eventually began to dissolve, however.¹⁰

Planning for peace

There was a widespread fear that a serious economic depression would follow WWII, as had happened after the previous world war. Several countries therefore began to plan for how to avoid the predicted slump and reconstruct war-torn economies, and how to achieve a more equitable and stable post-war democracy. 'There was a great faith in the ability (and not just the duty) of government', wrote historian Tony Judt, 'to solve large-scale problems by mobilizing and directing people and resources to collectively useful ends.'¹¹ Planning even became postwar Europe's political religion, in Judt's view.¹² Examples of the plans that grew out of this vogue for planning include the United States' Marshall Plan, Canada's Advisory Committee on Reconstruction, the Soviet Union's Gosplan, and France's Monnet Plan.

¹⁰ Molin, *Försvaret, folkhemmet och demokratin*, 368–95; Sejersted, *Age of Social Democracy*, 293.

¹¹ Judt, *Postwar*, 67–8.

¹² *Ibid.*

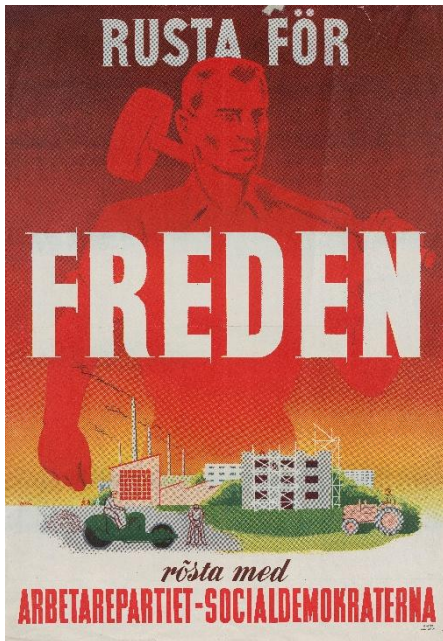


Figure 6.1. A First Chamber election poster for the SAP from 1942. Illustrated by Carl Axel Virin. It reads ‘Preparedness for peace, vote with the Social Democratic Workers’ Party’.

blueprint for the modern welfare state that came to be admired by liberal and labour politicians in other European countries.¹⁴ Inspired by this general planning trend and the Beveridge Report in particular, the SAP launched a series of initiatives to alleviate the predicted postwar depression and to smooth the transition from wartime to peacetime production.

The unity government convened the Commission for Postwar Economic Planning to prepare for the transition to peacetime

The Beveridge Report from November 1942 might be the most famous example of these postwar plans, however. Named for its author, the UK Liberal Party MP William Beveridge, the report proposed far-reaching welfare reforms to combat what it termed ‘the five giants on the road to reconstruction’: Want, Disease, Ignorance, Squalor and Idleness.¹³

The report was widely read and imbued a sense of hope for a better and more just future among Britons. It became a sort of

¹³ William Beveridge, *Social Insurance and Allied Services: Report by Sir William Beveridge* (His Majesty’s Stationery Office, 1942), 6.

¹⁴ Östberg, *Swedish Social Democracy*, 135; Judt, *Postwar*, 63–99.

production. It consisted of 21 politicians from different parties along with business leaders, and was led by the economist, Social Democratic ideologue and Minister of Trade (1945–47) Gunnar Myrdal. It therefore came to be known as the Myrdal Commission. ‘Its task’, writes Östberg, ‘was to collect the ideas’ about how to avoid the predicted postwar slump and how to guide the transition to peacetime production ‘already expressed in various parliamentary initiatives, based on which it would draw up concrete action plans’.¹⁵ The Commission produced several reports about the state of the Swedish economy, the rate of investment, the possibilities of arranging relief work in case of postwar mass unemployment, and so on.¹⁶ It also set up around forty sectoral committees that investigated whether the sector in question — everything from the shoe sector to the insurance sector — needed state oversight, to be rationalised or even nationalised.

Representatives of the SAP and LO also formed a Postwar Council of the Labor Movement in the summer of 1943, after an initiative by Wigforss.¹⁷ The ‘fundamental question’ for the Council, writes Östberg, ‘was how to achieve full employment. It was considered out of the question that business could eliminate unemployment without government intervention’.¹⁸ Hence, the Programme afforded the state great power over private industry: government planning, control measures and market interventions were considered necessary to get the economy to work efficiently. In Östberg’s words, the Social Democrats’

¹⁵ Östberg, *Swedish Social Democracy*, 140.

¹⁶ See SOU 1944: 7; SOU 1944: 12; SOU 1944: 14.

¹⁷ Molin, *Försvaret, folkhemmet och demokratin*, 379.

¹⁸ Östberg, *Swedish Social Democracy*, 138.

central task was ‘to coordinate economic activity within a planned economy, so that labour and material resources were used for efficient production under the direction of society’.¹⁹

The Council’s work resulted in one of the most famous documents in the SAP’s history: the Postwar Programme of Swedish Labour, which was published in 1944. It set forth policies to reach three overarching goals: (1) full employment, (2) a fair economic distribution and better living standards and (3) greater industrial efficiency and democracy. It stated that ‘We need not tolerate unemployment and we can abolish want, if the productive capacity the war has shown that we possess is used in an all-out effort in the tasks of peace’.²⁰

Unity turns to dissent

During 1944–1945, the SAP went on a ‘motion-writing offensive’ to realise the aims of its Postwar Programme. It led to the creation of an unprecedented number of new governmental committees, fifteen of which were investigated socialisation-related questions.²¹ Furthermore, the Commission for Postwar Economic Planning launched additional

¹⁹ Östberg, *Swedish Social Democracy*, 138.

²⁰ Ernst Wigforss, ed., *The Postwar Programme of Swedish Labour* (Viktor Pettersons Bokindustri, 1946), 4.

²¹ One scholar calculates that 462 new committees were formed between 1945 and 1949. Not all these committees were ‘socialisation committees’, of course, and not all were instigated by SAP motions. Nevertheless, the SAP-led cabinets during this five-year period spawned a record number of committees. See Kent Zetterberg, ‘Det statliga kommittéväsendet — en del av den svenska modellen’, *Svensk Juristtidning* 8 (2011), 758; Lewin, *Planbushållningsdebatten*, 256 (footnote 2), 324–30.

investigations into sector-by-sector socialisation and rationalisation measures.²²

That the SAP adopted the Postwar Programme as its action programme during its 1944 Congress was unmistakably a radicalisation of the party's platform. Rather than an 'organic' ideological shift, it must be understood as a strategic move, aimed to minimise voter loss to the Communist Party and to capture the widespread pro-socialist sentiments that the Red Army's victories against the Nazis produced across Europe. In another sense, the new Programme and the 1944 party programme that was developed alongside it was a deradicalisation. Whereas the 1920 party programme had been clearly rooted in Marxism, with calls for extensive socialisation and social control of the economy, the 1944 party programme was scrubbed of all such formulations. It nevertheless met heavy criticism and resistance from the opposition parties.²³

In the leadup to the 1944 election, which coincided with major German defeats in the European theatre of war, the unity government's consensus started to fray at the edges. With a lessened risk of invasion and a possible end to the war in sight, the cooperation between the governing parties grew strained — especially after the SAP started to motion for state interventionist policies in accordance with its Postwar Programme.²⁴ During the summer of 1945, Prime Minister Per Albin

²² Sejersted, *Age of Social Democracy*, 294.

²³ Molin, *Försvaret, folkhemmet och demokratin*, 368–95; Östberg, *Swedish Social Democracy*, 143.

²⁴ Molin, *Försvaret, folkhemmet och demokratin*, 349–401; Johansson, *Per Albin och kriget*, 379–400.

Hansson worried that the coalition partners' opposition to SAP's new party platform — specifically the party's interest in nationalising the oil and insurance sectors — could shatter the coalition government. This suspicion turned out to be well-founded.²⁵

While most of the representatives of the other parties within the unity government balked at the SAP's pursuit of a planned economy, behind the scenes, actors from both left- and right-wing parties scrambled to save the unity government — most notably Prime Minister Per Albin Hansson, who saw it as a way of neutralising the opposition's critique of the SAP and forcing them to accept more progressive policies. The widening differences of opinion, and the increased importance of 'party norms' above 'unity norms' in the leadup to the 1944 general election, were too substantial for the coalition to survive, however.²⁶

On 27 June 1945, Hansson announced that the coalition government had been dissolved. It was replaced by a Social Democratic one-party majority government on 31 July 1945, which was likewise headed by Per Albin Hansson. The new cabinet set to work realising the Postwar Programme. It seemed that the Social Democrats' harvest time had finally arrived: the expected peace heralded the start of the long-awaited socialist societal transformation.²⁷

²⁵ Minutes of the SAP's Parliamentary Group, 5 June 1945, vol. A2:4, ARAB; Molin, *Försvaret, folkhemmet och demokratin*, 394.

²⁶ Molin, *Försvaret, folkhemmet och demokratin*, 389–95.

²⁷ *Ibid.*, 379–401; Hirdman et al., *Sveriges historia*, 408–13; Lewin, *Planhushållningsdebatten*, 234–62.

The 1945 Oil Investigation

The Social Democrats' revival of the oil nationalisation proposal can be traced back to point 23 of the Postwar Programme, which stated that the government should support non-profit production or socialisation where private enterprise entails abuses or monopolism.²⁸ Specifically, it stated that:

There is a general idea that private enterprise always supplies needs in the most efficient manner. This is frequently untrue. In several branches of industry enterprise is too highly disintegrated for production to be really effective and systematic. In a growing number of cases competition has been eliminated by private monopolies, which restrict output and thereby employment, against the interests of the consumer. In such cases, it will often be desirable to set up efficient competition, either under public administration or through non-profit establishments, aided and supported by the State where necessary. Where the entire field of production is dominated by a single combine or concern, or where competitive production is not feasible for economic reasons, such concerns or combines should be transferred to public ownership.²⁹

The oil industry was soon pinpointed as an industry that was plagued by the sort of issues that only a state intervention could resolve. On 23 January 1945, five Social Democratic politicians in the First Chamber, led by Rickard Lindström, filed a motion in which they argued that a committee should be formed to investigate 'the future organisation' (meaning the ownership, control and operation) of the oil industry.³⁰ Ten SAP politicians, headed by Torsten Nilsson, filed an identical

²⁸ Molin, *Försvaret, folkhemmet och demokratin*, 392; Wigforss, ed., *The Postwar Programme*, 28.

²⁹ Wigforss, ed., *The Postwar Programme*, 28.

³⁰ Motion, I: 288 (1945).

motion in the Second Chamber.³¹ The fifteen signatories of the two motions argued that it was ‘desirable that the Swedish oil import and distribution system be adapted to peacetime circumstances in a way that satisfies consumer and public interests in the best possible way’.³² They contended that an unregulated market would lead to a large and inefficient distribution system, the costs of which would be passed on to end-consumers. A private monopoly or cartel would similarly entail artificially high import and retail prices and continued tax evasion. A state-owned monopoly, on the other hand, would in their view have opportunities to import oil at lower costs than the IOCs and encourage industrial rationalisations. This would translate into lower prices for end-consumers. These arguments are by now familiar: they were lifted straight from the three earlier oil investigations.³³

The 1945 motion authors argued that it was likely that the problems plaguing the industry during the 1930s — over-establishment, cartelisation and suspected tax evasion — persisted. They admitted that the war had caused a severe rationalisation of the number of petrol retailers but argued that this was a brief wartime respite that would vanish as soon as oil imports recovered to pre-war levels. Hence, the government faced a choice: it could either allow the oil market to return to the interwar period’s unregulated and cartelised state, or it could

³¹ Motion, II: 447 (1945).

³² Motion, I: 288 (1945), 11.

³³ *Ibid.*, 13–5.

finally create the state-owned oil monopoly that actors within the SAP had been pushing for since at least 1932 (if not 1916).³⁴

The motion-writers recommended that the government convene a committee while petrol imports were limited and petrol was rationed, which it remained until the spring of 1946. By acting before the industry had a chance to swell back to its pre-war level, the unemployment and compensatory costs that a nationalisation would entail would be minimised.³⁵

The labour union that organised workers in the oil industry, *Transport*, arranged a vote among its members concerning the SAP's nationalisation proposal. 26 out of the 34 local divisions that answered voted for the proposal. Hence, the initial scepticism among its members had at this point evaporated.³⁶

The reemergence of the oil industry nationalisation proposal, along with the SAP's other planned economy initiatives, caused a sharp, ideologically charged debate between the right-wing parties and the Social Democrats.³⁷ Because the SAP held a majority in the Riksdag, the motion nevertheless passed on 31 August 1945. It likewise passed through the Second Temporary Committee, which processed the

³⁴ Ibid., 12–15.

³⁵ The Myrdal Commission calculated that 59 per cent of the employees in the petrol trade (petrol importers, distributors and retailers) had lost their jobs between 1939 and 1944. For the oil industry as a whole, the number of employees fell from around 14 500 in 1939 to around 7000 in 1944. SOU 1945: 54, 193–4; Motion, I: 288 (1945), 14.

³⁶ Nyberg and Viredius, *Svenska Transportarbetareförbundet*, 306.

³⁷ Lewin, *Planbushållningsdebatten*, 275–347.

motion and collected opinions from relevant stakeholders, despite the opposition's unanimous critique of the SAP's radical proposals.³⁸

Once the motion had passed, Fuel Minister John Ericsson summoned five men to form the new committee on 14 September 1945.³⁹ Ericsson appointed Karl-Gustav Ljungdahl as chairman. Ljungdahl had a long history of prestigious positions within government, business and academia. Between 1938 and 1939, he was the general director of the State Waterfall Board — a fully state-owned hydropower company — and first the vice president (1943–1946), then the president (1946–1947), of the State Fuel Commission.⁴⁰ Ljungdahl was also the CEO of the Central Organisation of the Swedish Steam Generation Organisation (1939–1961), and a member of the Royal Swedish Academy of Engineering Sciences from 1940 onwards.⁴¹

The other four members of the committee were Yngve Bengtsson, CEO of the coal import company *Olaus Olssons Kolimport AB*; Erik

³⁸ Molin, *Försvaret, folkhemmet och demokratin*, 393; The Second Temporary Committee of the First Chamber, Opinion no. 14 (1945); The Second Temporary Committee of the Second Chamber, Opinion no. 11 (1945).

³⁹ John Ericsson was a so-called 'minister without portfolio', meaning that he did not head a government department. The position as Fuel Minister was instated during WWII to oversee matters relating to fuel imports and the development of domestically produced alternative fuels.

⁴⁰ Ljungdahl kept his position within the Fuel Commission when he was appointed as chairman of the Oil Investigation.

⁴¹ Report on the Oil Investigation's work from Karl-Gustaf Ljungdahl to the Head of the Ministry of Supply, 29 November 1945, the 1945 Oil Investigation, vol. 1, RA; Harnesk, *Vem är Vem*, 859.

Severin, SAP MP and member of the State Fuel Commission (1946–1953); Hjalmar Olsson, SAP member and ombudsman for the Swedish Transport Workers' Union; and Folke Thunborg, SAP member and State Secretary of the Ministry of the Interior. Lastly, the committee members appointed Hugo Digman, deputy judge and former director of the Fuel Commission's legal bureau, as secretary and delegate to the oil companies.⁴²

The composition of the committee was criticised by right-wing parties and media outlets for not including relevant experts, members from other political parties or industry representatives. Three of its five members were SAP members (Thunborg, Olsson and Severin), and Bengtsson was active in the Swedish Cooperative Union, which had close ties to SAP. The only person who was not directly linked to the Social Democratic Party was the chairman Ljungdahl, but he was a vital person within the wartime State Fuel Commission. Right-wing newspapers therefore characterised the Oil Investigation as a politically oriented 'socialisation investigation'. Several stakeholder organisations, including the trade organisation Swedish Petroleum Retailers' Association, pleaded with the government for representation on the committee, but these calls were turned down.⁴³

⁴² Ingeborg Burling, ed., *Vem är det: Svensk biografisk handbok 1957* (P. A. Norstedt & Söners Förlag, 1956), 211, 973–4; Harnesk, *Vem är Vem*, 102, 1166. Report on the Oil Investigation's work from Karl-Gustaf Ljungdahl to the Head of the Ministry of Supply, 29 November 1945, *Oljeutredningen 1945*, vol. 1, RA.

⁴³ See, e.g., Jonter, *Socialiseringen*, 55; 'Oljeutredningen', *Dagens Nyheter*, 20 September 1945.

It was hardly a coincidence that the committee almost exclusively featured Social Democrats was hardly a coincidence. It must be interpreted as an effort to steer the committee towards the government's desired result, that is, of finally achieving the nationalisation.

The government announced the Oil Investigation's terms of reference on 31 August 1945. The Oil Investigation would act as a brief, supplementary investigation to the three earlier oil-related inquiries. The investigation's objective would be to analyse the 'future organisation of the oil industry', that is, if the industry should be nationalised and, if so, to what degree and in what form. According to the terms of reference, the committee should consider whether certain companies and consumer associations should be allowed to import oil independently of the possible government monopoly.⁴⁴

The committee was also tasked with considering how the retail market for domestically produced or refined petroproducts should be organised. The committee was expected to 'consider the oil-consuming public's interest in low distribution costs' and a well-functioning distribution apparatus in its considerations and proposals.⁴⁵ To do that, they would have to investigate 'whether the state should own the distribution system and lease it to individual retailers, or if the state can gain control of the distribution through other means' while

⁴⁴ Parliamentary report (*riksdagsberättelse*), 4 January 1946, 266–7.

⁴⁵ *Ibid.*

simultaneously attaining guarantees against a return to the sort of over-establishment that had characterised the retail market before WWII.⁴⁶

The Oil Investigation appointed auditors Oscar Jelf (erstwhile employee of the State Fuel Commission), Nils Eng (member of the National Food Commission) and Sven Henriksson (member of the National Industry Commission) along with engineer Hans Christian Wiborgh (member of the Price Control Board) as experts. The experts helped design questionnaires that the committee then sent to the oil firms and their retailers (e.g. petrol station owners).⁴⁷ The questionnaires pertained to the companies' import volumes just before the war (1938–1939) and at the time of the investigation (1945–1947); their financial results and taxable incomes; rebates, sales commissions and product pricing practices; their employees and distributors; distribution assets (tank facilities, oil depots, storage facilities, railroad tankers, tanker ships, and so on); the petrol stations that the oil companies owned or distributed their products to, and so on.⁴⁸ In short, the experts initiated a herculean data gathering effort.

Investigating the suspected oil cartel

One of the committee's goals was to analyse if the Swedish oil market was cartelised, and if so, what effect the cartel had on the market. As mentioned above, the three government investigations of the oil market during the 1930s had found compelling evidence of cartelisation. This

⁴⁶ Ibid.

⁴⁷ Minutes of the 1945 Oil Investigation, 27 October 1947, vol. 1, RA.

⁴⁸ See the Distribution Investigation, the 1945 Oil Investigation, vol. 3, RA; Minutes of the 1945 Oil Investigation, vol. 1, RA.

evidence consisted mainly of agreements between the major oil firms which stipulated inter-firm cooperation regarding sales volumes, price fixing, efforts to lower the industry's transport and distribution costs, and a division of the market. One of the previous investigations had revealed that Standard, Texaco, Shell and BP had come to an agreement in 1932, which specified shared discount terms for their customers, and cooperation regarding the establishment of new petrol stations. In short, the agreements wore all the tell-tale signs of cartelisation — or at least extensive cooperation.⁴⁹

Initially, the 1945 Oil Investigators were not as fortunate in their attempts to uncover secret trade agreements. The investigators demanded that the oil companies sent them copies of trade agreements. When the oil companies failed to present these documents, the investigators resorted to direct confrontation. The committee called the CEOs of Standard, Shell, Texaco, BP, Gulf and Nynäs to a meeting on 25 September 1946. Chairman Ljungdahl asked the gathering if the agreements from the 1930s were still active, or if there were any other agreements between the firms. The CEO of Standard, Knut G:son Bergstrand, answered that no such agreements existed, but said that the companies communicated with each other to keep the prices at a similar level and that they cooperated to avoid an unnecessary over-organisation of the distribution system.⁵⁰

Ljungdahl then questioned the CEOs about the so-called As-Is Agreement. Ljungdahl wanted to know if the agreement still existed and

⁴⁹ SOU 1933: 25, 121–2; SOU 1947: 14, 167.

⁵⁰ SOU 1947: 14, 169.

if it was employed on the Swedish market.⁵¹ The As-Is Agreement, or Achnacarry Agreement, was a 1928 ‘status quo agreement’ between Standard, Shell and Anglo-Persian (later BP). As per the agreement, each company was ‘allocated a quota in various markets — a percentage share of the total sales, based upon its share in 1928. A company could only increase its actual volumes insofar as the total demand grew, but it would always keep the same percentage share’.⁵² Along with this division of the world oil market, Standard, Shell and Anglo-Persian also agreed to restrict petroleum extraction to ward against overproduction (since an oversupply of oil on the market would lower oil prices) and fix prices.⁵³ The artificial scarcity that the As-Is Agreement aimed to create would ensure a lucrative price on crude oil for the cartel members.⁵⁴ However, the original As-Is Agreement was short-lived. It fell apart around 1930 amidst internal conflict among the signatories, discoveries of new oil fields (particularly the East Texas Oil Field), and competition from ‘Outsiders’—i.e. oil companies and utilities that had not signed the agreement. The outsiders were quick to exploit the new status quo by undercutting the cartel’s prices to gain market shares.⁵⁵

⁵¹ The cartel investigation, the 1945 Oil Investigation, vol. 13, RA; SOU 1947: 14, 171–2.

⁵² Yergin, *The Prize*, 247.

⁵³ ‘As-Is Agreement’, Encyclopedia.com, accessed 4 June 2025, <https://www.encyclopedia.com/humanities/encyclopedias-almanacs-transcripts-and-maps/agreement>.

⁵⁴ ‘This “capitalisation of inefficiency”’, argues Timothy Mitchell, ‘was especially profitable with a commodity such as oil, which was relatively cheap to produce but becoming so vital to industrialised society that great profits could be made if the supply was restricted’. Mitchell, *Carbon Democracy*, 40.

⁵⁵ Yergin, *The Prize*, 247–8.

Most of the CEOs of the Swedish oil companies said that the As-Is Agreement had been inactive at least since the start of the war, and that they did not think that the agreement had been employed on the Swedish market. What the CEOs did not tell the investigators was that there had been several attempts to create a more well-functioning version of the As-Is Agreement since the failure of the original agreement. The Swedish subsidiaries to the IOCs had signed multiple of those agreements, it would turn out.⁵⁶

In 1930, Standard Oil of New Jersey, Shell and Anglo-Persian tried to create a new version of the As-Is Agreement, known as the ‘Memorandum for European Markets.’ The goal was to make local cartel agreements on European oil markets that divided market shares between the cartel and the ‘outsiders.’ Again, however, the system quickly failed because of new oil discoveries and competition from recalcitrant outsiders — particularly Soviet oil firms.⁵⁷

Then came the 1934 Draft Memorandum of Principles, which the Oil Investigation managed to collect a copy of from J. K. H. Holthuis, the CEO of Shell. The Draft Memorandum of Principles was like the two earlier agreements, in that it divided local markets between the cartel and outsiders. However, the agreement was more flexible than the

⁵⁶ The cartel investigation, the 1945 Oil Investigation, vol. 13, RA; SOU 1947: 14, 171–7.

⁵⁷ Yergin, *The Prize*, 248–9.

earlier versions. It put mechanisms in place to regulate how a cartel company could compensate for ‘overtrading’ or ‘undertrading’ — i.e. selling more or less than its quota of — a certain petroproduct. If a cartel member sold more than its allotted (‘as-is’) quota of petrol, for example, that member had to compensate the other cartel members, either by transferring some of its customers to the undertrading members, or by paying a fine. Hence, if a cartel member sold less than its quota, it would receive customer contracts that would enable the company to make up for its undertrading in future or receive compensatory payments from overtrading members. That way, the relative market share of each cartel could be kept intact. Daniel Yergin argues that the Draft Memorandum of Principles solidified the As-Is system by providing for less strict cooperation agreements.⁵⁸

Once the Oil Investigators had discovered that Holthuis had a copy of the Draft Memorandum of Principles (together with the agreement’s ‘Explanatory Notes’), they had compelling evidence that the oil cartel’s tentacles extended into the Swedish market. The investigators were less successful in determining exactly what effect the agreement had on the Swedish market, however, and to what extent the Swedish subsidiaries complied with the agreement’s rules. They found inconclusive evidence that the Swedish subsidiaries may have regulated under- and overtrade in accordance with the agreement. But it was hard to say whether the cartel cooperation led to exaggerated oil prices and an over-

⁵⁸ SOU 1947: 14, 182–3; The cartel investigation, the 1945 Oil Investigation, vol. 13, RA; Yergin, *The Prize*, 248–51.

dimensioned distribution system, which were the Investigation's primary concerns.⁵⁹

Moreover, the cooperation between the Swedish firms seems to have ended around 1938 — which would coincide with Standard Oil of New Jersey's termination of its As-Is agreements. The investigators did find a draft agreement from 1 January 1947 that stipulated discounts for different customer groups, however. The investigators speculated that the Swedish oil firms may have decreased discounts for various customers in order to achieve a relative price increase on their products. But they found no evidence of price-fixing at extortionate levels, or that the Oil Majors had resurrected the As-Is system for the post-war era.⁶⁰

Pål Thonstad Sandvik and Espen Storli argue that the oil cartel might have kept prices low in response to the Swedish government's nationalisation threat. By keeping the oil prices low, they hoped to avoid the kind of stringent anti-trust legislation that the US had implemented to tackle Standard Oil, or an all-out expropriation of their businesses. This would align with Standard Oil's tactics in Norway.⁶¹

Contrary to what the Oil Investigators might have expected, it seemed as if the cartel's pricing policies had kept oil prices at a reasonable level before World War II, compared to the prices in other European countries. It also seemed like the cooperation between the firms promised substantial industry-led rationalisation efforts in the

⁵⁹ SOU 1947: 14, 190–205.

⁶⁰ *Ibid.*, 194–202. For Jersey Standard's cancellation of its As-Is Agreements, see Yergin, *The Prize*, 251.

⁶¹ Thonstad Sandvik and Storli, 'The Quest'.

future. These findings would make it harder for the Oil Investigation to motivate the need for a nationalisation, as I will return to below.

Rationalising the distribution system

Sweden's first petrol station opened in Norrköping in 1918. By 1939, the number of petrol stations had grown to roughly 12 300. The sudden and explosive growth of this new form of infrastructure gave rise to various responses.⁶²

According to the SAP motions and the Postwar Programme, the number of petrol stations had led to a wasteful over-abundance of petrol stations, particularly in larger cities and towns. Specifically, SAP and the Oil Investigators considered the Swedish oil companies to be incapable of planning the distribution system because of the competition between them. The competitive pressure to establish petrol stations in ever-more profitable locations was what had caused the disarray, in their view. The Oil Investigation's analyses of the distribution system indicated that the issue was a fair bit more complex than they had originally assumed, however.⁶³

As mentioned, the cooperation between the companies led to a limited self-regulation of the distribution system. From what the investigators could gather, it seemed like the oil companies had cooperated to limit the establishment of new petrol stations.

⁶² SOU 1947: 14, 86–91; 'Från bensinmack till energistation: En bransch i utveckling', *Drivkraft Sverige*, accessed 31 October 2025, <https://drivkraftsverige.se/wp-content/uploads/2025/01/Fran-bensinmack-till-energistation-slutlig.pdf>; 'Försäljningsställen', *Drivkraft Sverige*, accessed 23 September 2025, <https://drivkraftsverige.se/statistik/forsaljningsstallen/>.

⁶³ The distribution investigation, the 1945 Oil Investigation, vol. 3, RA.

Furthermore, 71 per cent of the country's total number of petrol stations in 1939 had been dismantled between 1940 and 1945. The over-abundance of stations had thus been radically curtailed during World War II. The investigation also found evidence suggesting that most of the oil companies had plans to shut down unprofitable petrol stations during the 1940s. Consequently, some of the investigators started questioning whether state intervention was required to rationalise the industry.⁶⁴

In addition to the excessive number of stations, SAP and the Oil Investigation also criticised the oil companies for establishing the stations in irrational locations. The Oil Investigation carried out careful investigations of the optimal number and placement of petrol stations in relation to the traffic flow, the number of automobiles, and population in different parts of Sweden. Using engineering and science as a means of rationally ordering society was typical of the time, and evident in the SAP's efforts to bring about the people's home. But calculating optimality was easier said than done.⁶⁵

The Investigation did not just influence the future organisation of the oil market. It also shaped the industry in real time. During the committee's first meeting with the oil companies' executives, Folke Thunborg told them that investment in new petrol stations was tantamount to 'gambling' under the present circumstances. Chairman

⁶⁴ The distribution investigation, the 1945 Oil Investigation, vol. 3, RA

⁶⁵ Ibid.; SOU 1947: 14, 75–117. For the use of engineering and science in the People's Home, see Hans de Geer, *Rationaliseringsrörelsen i Sverige: effektivitetsidéer och socialt ansvar under mellankrigstiden* (Studieförbundet Näringsliv och Samhälle, 1978); Hirdman, *Att lägga livet till rätta: Studier i svensk folkhemspolitik*, 3rd ed. (Carlsson Bokförlag, 2018).

Ljungdahl reinforced this notion by saying that it was conceivable that the Investigation, and other authorities, would intervene to prevent the oil companies from expanding the distribution system until the Investigation had reached a conclusion on how the oil market should be organised.⁶⁶

The Oil Investigation was eventually granted permission to judge incoming applications to build new petrol stations and oil depots, which the Labour Market Commission referred to the committee. This meant that oil companies effectively had to receive permission from the Oil Investigation before they could expand their oil distribution and retail network. Throughout the committee's lifespan, it frequently recommended a rejection of the oil companies' building applications, oftentimes saying that it was unnecessary to build more petrol stations in the area. Hence, while it existed, the committee had direct regulatory effects on the industry, despite it not being a formal regulatory agency.⁶⁷

Despite the detailed analyses of the distribution system, the investigators were unable to definitively prove that the over-establishment of the distribution system led to higher oil prices, as some SAP politicians had assumed. Furthermore, the investigators could not specify how much money a hypothetical state monopoly could save from rationalisations of the distribution system — at least not without first undertaking a far larger investigation of the Swedish oil industry. These findings left the committee members in a troubling situation once

⁶⁶ Minutes of the 1945 Oil Investigation, 26 November 1945, vol. 1, RA.

⁶⁷ See, e.g., Minutes of the 1945 Oil Investigation, 30 January 1946, vol. 1, RA; Minutes of the 1945 Oil Investigation, 13 February 1946, vol. 1, RA.

the time came to issue a verdict on whether the oil market should be socialised.⁶⁸

To monopolise or not to monopolise?

The committee eventually had to decide whether to recommend a nationalisation, and, if so, what form the new state monopoly should take. The committee was split into two camps: A pro-nationalisation group, consisting of SAP members Thunborg, Olsson and Severin, and an anti-nationalisation group, consisting of Ljungdahl and Bengtsson.

Thunborg, Olsson and Severin began their proposal to nationalise the oil market by restating that the purpose of a state intervention into the oil market would be to ‘achieve an order that is as satisfactory as possible for the consumers with regard to pricing and customer service’. A state intervention, in their view, was also motivated by the ‘societal need, during times of war or otherwise exceptional international circumstances, to avoid an unnecessary jeopardisation of our [Sweden’s] oil supply’ due to a lacking diversity of import sources.⁶⁹

Lower prices and a nimble distribution system could be achieved through a centralised and rationalised distribution system, according to Thunborg and colleagues. ‘If one thinks it is possible to buy oil at a cheaper price by gathering the country’s entire oil demand in one entity’, they argued ‘and that it is possible to reduce retail prices for the entire market by planning the distribution system, then every measure that splits imports, and decentralises the retail organisation over multiple

⁶⁸ SOU 1947: 14, 127–41.

⁶⁹ *Ibid.*, 262, my translation.

companies would counteract that purpose'. The most rational solution to the problems of the oil market was therefore to 'concentrate all trade with fuel and lubricating oils — with some exceptions for the refinery industry's import of oil — to a government-owned monopoly'.⁷⁰

Thunborg, Olsson and Severin argue that a government monopoly, representing the entirety of Swedish oil demand, should be able to import oil at a lower price than the oil majors' Swedish subsidiaries. The Oil Investigation had not been able to definitively prove that a monopoly would import oil at lower prices than the private companies — how would they, when the state monopoly did not yet exist? All they had to go on was evidence from similar cases in other countries. The committee had therefore investigated nationalisations in, among others, the United Kingdom, the Soviet Union, Spain, Italy, Bolivia and Mexico. Of these, Spain was the most comparable case, since it was an importing country which lacked domestic oil reserves and it did not have an overseas empire, like the UK. The Spanish case indicated that creating a NOC might lead to adverse reactions from the IOCs: Standard and Shell had embargoed Spain in response to its nationalisation, which had cut off Spain's supply routes and raised end-customer prices. Their analysis of the Spanish case likewise showed that consumer prices had risen after state oil monopoly was created, even after alternative sources of oil had been found. This did not stop the

⁷⁰ Ibid., 262–3, my translation.

pro-nationalisation group from proposing that a Swedish NOC would be able to import oil products at a lower cost than the IOCs.⁷¹

Thunborg, Olsson and Severin restated their belief that the over-dimensioning of the oil distribution system was caused by the competition between the oil firms to establish new petrol stations in profitable locations. From this they drew the conclusion that competitive markets inevitably result in over-establishment. However, the Oil Investigation had painted a more complex picture: it had indicated that the cartelised cooperation between the companies had led to a 'limited self-regulation of new petrol stations'.⁷² Nevertheless, this cooperation was not enough to guard against bad petrol station investments that exacerbated the over-dimensioning of the distribution system, in the pro-nationalisation camp's view.⁷³

Once the oil market was nationalised, the state should begin its rationalisation of the industry by weeding out old and poorly located petrol stations. The state should also move some of the remaining petrol stations to 'fulfil the requirement for the greatest possible correspondence between the need for sales outlets and the frequency of traffic'.⁷⁴ Thunborg, Olsson, and Severin proposed a concession-based system wherein the state would own both the petrol stations and the land they occupied, but private and cooperative retailers were allowed to lease and operate the stations.⁷⁵

⁷¹ *Ibid.*, 37–54, 263–5.

⁷² *Ibid.*, 104, my translation.

⁷³ *Ibid.*, 263–9.

⁷⁴ *Ibid.*, 278, my translation.

⁷⁵ *Ibid.*, 275–7.

The pro-nationalisation faction also proposed a dissolution of the oil companies' labyrinthine system of discounts for different consumer groups. Instead of the discounts, the state monopoly would employ an egalitarian pricing policy, with unitary prices for different consumer groups. This idea plays into SAP's interest in transforming oil into an egalitarian, cheap, and readily available commodity for Swedish consumers. The future NOCs 'pricing policy shall be determined solely by the legitimate claims of consumers to obtain quality products at the lowest possible retail price', they argued; 'It follows that the business may not in any way be used by the government for fiscal purposes'.⁷⁶

Thunberg, Olsson and Severin wrote that the investigation's analysis of the alleged cartel cooperation between the oil majors gave them good reason to believe that it controlled the US Gulf Coast prices, that is, the export price of U.S. crude oil. If so, attempts to monitor the Swedish import prices for irregularities were self-defeating, since the prices were already set by the cartel. They nevertheless argued that the only way to tell if the import prices were indeed fair was for the Swedish government to act as a consumer on the international oil market. It is unclear if that would have helped much, however, given that a Swedish NOC would most likely still have to import oil from the cartelised oil majors.⁷⁷

The pro-nationalisation group relied on ideologically motivated enthusiasm for socialisation where empirical evidence failed. At times, however, Thunberg, Olsson and Severin seem to have recognised that

⁷⁶ *Ibid.*, 272, my translation.

⁷⁷ *Ibid.*, 264–5.

they were taking certain logical leaps in their argumentation. When discussing the transport and distribution-related savings a state monopoly could expect, they admitted that ‘a thorough calculation of how great the savings within this part of the oil trade could be, requires a total inventory of all retail locations and transport vehicles’.⁷⁸ As the Oil Investigation had not undertaken such an inventory, the pro-nationalisation camp had to rely on rough estimates.

Lastly, Thunberg, Olsson and Severin proposed that the government should compensate the oil companies and distributors for the capital, goodwill, unemployment and retail facilities they would lose following the nationalisation. Taken together, they estimated that the government would have to spend 197 million Swedish kronor on compensations; around 5 per cent of the four billion kronor budget for 1947–1948.⁷⁹

The anti-nationalisation wing, consisting of Ljungdahl and Bengtsson, authored a dissenting opinion. Their main argument was that the Oil Investigation had not been able to conclusively prove that the oil industry was marred by the sort of serious abuses or monopolism that only state intervention could solve. In their view, three main points of criticisms had been levelled at the oil industry: that it engaged in tax evasion, that the distribution system was over-dimensioned and that the private oil companies were unable to ensure imports during crises. In Ljungdahl and Bengtsson’s view, none of these issues were bad enough to warrant a nationalisation.⁸⁰

⁷⁸ *Ibid.*, 282.

⁷⁹ *Ibid.*, 288–97; State Budget 1947/48.

⁸⁰ *Ibid.*, 300.

Ljungdahl and Bengtsson considered that the future organisation of the oil market should meet six criteria, including plentiful oil imports to meet social needs, imports that did not rely too heavily on any one exporter and a nimble distribution system that was fit to provide consumers with cheap oil in a convenient manner. In Ljungdahl and Bengtsson's view, all these demands could be met without resorting to nationalisation. In principle, they argued, private enterprises could provide ample imports and a convenient distribution system that supplied cheap oil just as well as a state monopoly could. This they illustrated with the industry's rationalisation efforts, which they regarded as a possible solution to the over-establishment problem.⁸¹

The anti-nationalisation wing dismissed many of the radical wing's logical leaps and ideological assumptions. When discussing the tax evasion issue, for example, they stated that the pro-nationalisation wing 'seem to think, that the major oil companies set the US Gulf Coast prices through extensive cooperation. We, on the other hand, have the impression that independent producers have a substantial influence on price formation'. They argued that it would be impossible to form a conclusive opinion about the matter 'without a thorough and time-consuming investigation', however.⁸² Such an investigation would have to have been international in scope and include exporting countries. The important part for my argument is that Ljungdahl and Bengtsson recognised the empirical limitations of the Oil Investigation's material.

⁸¹ Ibid., 299–300.

⁸² Ibid., 301, my translation.

Nonetheless, they also made logical leaps and ideological assumptions in their argument against nationalisation.

When discussing the perceived over-dimensioning of the distribution system, they argued that the investigation had shown that the over-dimensioning was not as bad as they had feared. In their view, it amounted to an ‘objectively unnecessary’ clustering of petrol stations in some cities and towns. They argued that the excessive supply of petrol stations was ‘the price society must pay for the advantages that private enterprise is considered to bring’.⁸³

Furthermore, while Ljungdahl and Bengtsson conceded that a government monopoly would probably be able to import enough oil to cover national demand, they disagreed with the pro-nationalisation group’s opinion that the monopoly would be able to do so at a lower cost than the private companies. On the contrary, they argued, customers buying from the non-cartelised independent oil companies should be able to import oil at a lower cost. As mentioned above, the Oil Investigation had not been able to conclusively prove the assertions regarding a state monopoly’s import price. From a purely logical standpoint, then, both the pro- and anti-nationalisation groups jumped to conclusions. There simply was not enough evidence to support either group’s assertions.⁸⁴

Instead of relying on a nationalisation, the anti-nationalisation faction put their faith in domestically owned oil companies and consumer cooperations. In Ljungdahl and Bengtsson’s view, the demand for

⁸³ Ibid., 301, my translation.

⁸⁴ Ibid., 301–2.

imported oil from the IOCs would lessen as ‘Swedish companies increase their market shares of the oil trade’.⁸⁵ There were certain signs that the Swedish oil companies (primarily Nynäs) and cooperatives (KF and IC/OK) were in an expansionary phase — a circumstance that KF chairman Albin Johansson had continuously emphasised.⁸⁶ However, the investigation had shown that 98,8 per cent of Sweden’s petrol stations were owned by the five oil majors, and that roughly 75 per cent of Sweden’s total imports were provided by the IOCs.⁸⁷

How the comparatively small Swedish-owned companies could be expected to compete with the IOCs is therefore unclear. Like the pro-nationalisation group’s assumptions about the oil market, then, the anti-nationalisation group’s expectation that the Swedish-owned companies and cooperations would grow, and enable greater independence from the oil majors, were based on little but hopes and expectations. Both groups filled in the gaps in the empirical material with logical leaps and ideologically tinged assumptions.

The public debate

The Social Democrats’ renewed proposal to nationalise the Swedish oil industry caused loud protests in the press and the Riksdag. ‘The press debate about the oil issue became more heated than for any other investigation proposal because of the radical suggestion’, writes Lewin,

⁸⁵ *Ibid.*, 302, my translation.

⁸⁶ Second Temporary Committee of the First Chamber, Opinion no. 14 (1945), 31–6.

⁸⁷ SOU 1947: 14, 98.

noting that the oil companies ‘added to the right-wing criticism with propaganda brochures’.⁸⁸ One example of this was a pamphlet called ‘Monopoly brake on motorisation’ which the oil companies published in 1946. It claimed, among other things, that state-led rationalisation of petrol retailers would result in long queues at the remaining retail outlets and force motorists to take long and costly detours. All of this would result in extravagant financial costs for both car-owners and petrol retailers. The pamphlet was widely circulated and discussed in the press, which prompted committee member Folke Thunborg to clap back. He railed against the pamphlet in a series of articles in Social Democratic newspaper *Morgon-Tidningen* in May 1946, arguing that it was propagandistic and that its assertions were based on nothing but guesses.⁸⁹

BP, Standard and Shell also published a full-page ad in liberal newspaper *Dagens Nyheter* which stated a Gallup poll had indicated that 90 per cent of Swedish oil consumers considered the industry ‘well-organised’, and therefore questioned whether it was reasonable to nationalise the oil industry ‘against the wishes of consumers and with unpredictable consequences for the country’s economy and oil supply?’⁹⁰

⁸⁸ Lewin, *Planbushållningen*, 326, my translation.

⁸⁹ *Monopolbroms på motorismen* (Oljebranschens utredningsbyrå, 1946); Folke Thunborg, ‘Andakt på oljeberget: PHM-katekes förtiger vitala fakta’, *Morgon-Tidningen*, 5 May 1946; Thunborg, ‘Andakt på oljeberget II: Kö- och väntekalkyl utan värde’, *Morgon-Tidningen*, 6 May 1946; Thunborg, ‘Andakt på oljeberget III: 15 beskattade miljoner i broschyren blev 1.2 miljoner i verkligheten’, *Morgon-Tidningen*, 7 May 1946.

⁹⁰ ‘Ytterligare 100 miljoner ur landet?’, *Dagens Nyheter*, 20 March 1947.

Moreover, *Dagens Nyheter* reported that industrialists in Sweden's export industries worried that the 'goodwill that Swedes have built up is in danger of being ruined if the Swedish government gets involved in experiments' like the oil industry nationalisation.⁹¹ The Farmers' League newspaper *Svenska Landsbygden*, meanwhile, criticised it for being 'very poorly thought out', containing 'many inaccuracies, incomplete calculations and loose assumptions'.⁹²

The anti-planned economy movement rattled the SAP. On 9 December 1945, the SAP and the LO responded by convening a joint meeting with the editors of the party press to discuss how to counter the propaganda campaign.⁹³ Hansson stated that:

We must make it clear to the public that we do not have the kind of socialisation programme that our opponents claim we have. We have our Postwar Programme to follow, and this requires certain state interventions. But this is not a socialisation programme. It is essential that our speakers and our editors in the party newspapers make this clear.⁹⁴

The parties of the joint meeting ultimately decided to launch a counter-propaganda campaign during March-April 1946.

Not everyone within the SAP was happy about the radical course staked out by the Postwar Programme, or the intense debate about the SAP's planned economy proposal that followed. Sven Andersson, for instance, stated that voters were confused about the party's proposals

⁹¹ 'Bensinen dyrare med oljemonopol, anser amerikaner', *Dagens Nyheter*, 28 March 1947.

⁹² Quoted in 'Pressgrannar', *Dagens Nyheter*, 10 April 1947.

⁹³ Minutes of the SAP's Executive Committee, 12 December 1945, vol. A3A:7, ARAB.

⁹⁴ Minutes of the SAP's Party Executive, 9 December 1945, vol. A2A:14, ARAB.

concerning nationalisation of industry; a situation which was exacerbated by the opposition's anti-planned economy propaganda. Elof Lindberg similarly criticised the overly theoretical focus of the planned economy discussion and called for concrete examples. Hence, there was both external pressure and internal dissent about the party's nationalisation and planned economy proposals.⁹⁵

Resolution

Simultaneously as the Erlander cabinet was considering whether to write a bill on oil industry nationalisation, in line with the Oil Investigation's policy proposal to that effect, Sweden was entering into a currency crisis.⁹⁶ The shortage of US dollars was particularly problematic. This was a major problem, since many goods were exclusively traded in dollars — like coffee, tea and cacao from South America, all of which were subject to reinstated rationing — and, of course, oil. The dollar shortage was so severe that Sweden had to restrict imports from the United States on 15 March 1947 (with certain exclusions for vital goods like oil). The government implemented this policy unilaterally with just two days' notice to the US Legation.⁹⁷

⁹⁵ Ibid.

⁹⁶ The matter was discussed in the SAP's Executive Committee on 26 February 1947. It decided to invite Folke Thunborg to report on the committee's results, which he did in a Parliamentary Group meeting on 4 March. No decisions on the nationalisation issue were taken during these meetings, but it illustrates how closely the SAP were following the matter. Minutes of the SAP's Executive Committee, 26 February 1947, vol. A1A:4, ARAB; Minutes of the SAP's Parliamentary Group, 4 March 1947, vol. A2:5, ARAB.

⁹⁷ Östen Undén, *Anteckningar 1918–1952* (Kungliga Samfundet för utgivande av handskrifter rörande Skandinaviens historia, 2002), 185.

The US Legation handed in a formal letter of protest to the Swedish government on 24 March, objecting that the import regulation violated a 1935 trade agreement between the two countries, stipulating that Sweden needed to give the United States thirty days' notice before implementing such measures.⁹⁸

The Truman Administration was also critical of Sweden's five-year trade agreement with the Soviet Union, worth one billion Swedish crowns, which had been struck in the autumn of 1946. It was primarily intended as a means of plugging Swedish coal and oil shortages, in exchange for export of Swedish goods. The US government was critical of the agreement because it risked jeopardising the United States' emerging containment strategy towards the Soviet Union. Hence, the import regulations strained the already shaky Swedish-American relations.⁹⁹

Amid this delicate situation, the SAP's Party Executive discussed the oil industry nationalisation issue on 28 March 1947. Chairman of the General Council of the Riksbank (Sweden's central bank) Dag Hammarskjöld was invited to the meeting, where he relayed the General Council's unanimous wish that the government delay the nationalisation due to the Riksbank's shortage of US dollars. It simply could not spare its meagre dollar reserves on redeeming the US oil companies' assets. A majority within the Party Executive consequently voted for a

⁹⁸ *Ibid.*, 187.

⁹⁹ Bertil Ohlin, *Bertil Ohlins memoarer* (Bonniers, 1975), 61–5, 159–65, 184–7; Birgit Karlsson, 'Handelspolitik eller politisk handling: Sveriges handel med öststaterna, 1946–1952', (PhD diss., University of Gothenburg, 1992), 25–73; Charles Silva, 'Keep Them Strong, Keep Them Friendly: Swedish-American Relations and the Pax Americana, 1948-1952' (PhD diss., Stockholm University, 1999), 23–79.

postponement of the issue, including Minister of Supply Axel Gjöres, Minister of Finance Ernst Wigforss, Fuel Minister John Ericsson and Foreign Secretary Östen Undén. However, Minister of Social Affairs Gustav Möller urged that the question be brought before the Parliamentary Group for a final resolution, which the Party Executive granted.¹⁰⁰

Eager to explain its precarious currency situation to its US counterpart, the Swedish government sent Dag Hammarskjöld to Washington to try to resolve the matter. These negotiations took place at the same time as the Erlander cabinet was debating what to do about the nationalisation proposal. Historian Alf W. Johansson has argued that the Erlander cabinet did not want to burden Hammarskjöld's negotiations by spending its dollar supply on redeeming US oil companies' property, since this risked putting Hammarskjöld in an unfavourable bargaining position.¹⁰¹

Minister for Foreign Affairs Östen Undén notes in his memoirs that the government discussed the oil monopoly again on 3 April. There was 'a prevailing view that we should postpone the matter, given the monetary policy situation and in view of trade policy difficulties with the United States'. He most likely meant the ongoing negotiations concerning the import restrictions.¹⁰²

¹⁰⁰ Undén, *Anteckningar*, 187; Alf W. Johansson, Review of *Socialiseringen som kom av sig* by Thomas Jonter, *Historisk Tidskrift* 1 (1996): 203.

¹⁰¹ Minutes of the SAP's Party Executive, 20 April 1947, vol. A2A:14, ARAB; Lewin, *Planshushållningsdebatten*, 324–47; Johansson, Review of *Socialiseringen*, 205; Göran Ahlström and Benny Carlsson, 'Hammarskjöld, Sverige och Bretton Woods', *Penning- & valutapolitik* 3 (2005), 17–8.

¹⁰² Undén, *Anteckningar*, 189; Johansson, Review of *Socialiseringen*, 204.

During that Parliamentary Group meeting on 10 April 1947, Fuel Minister John Ericsson stated that he had hoped to present the nationalisation proposal to parliament during 1947. 'After carefully considering the entire matter', however, 'which had also been discussed within the Party Executive, he had decided to postpone the issue until a later session of Parliament'.¹⁰³ Gustav Möller stated that he wanted the nationalisation to be presented for a vote in the Riksdag. 'If the issue is postponed this year', he said, 'no one knows how long the delay might be'.¹⁰⁴ There was a risk that the issue would be shelved indefinitely. Gunnar Jansson and Axel Strand agreed with Möller, but a majority of the Parliamentary Group ultimately voted against a nationalisation. 'It is regrettable to postpone when one has been counting on a bill', lamented Edvard Björnsson, 'but given the reasons for postponement cited by Minister Ericsson, there is no other option'.¹⁰⁵ 'The general mood' among the Parliamentary Group, noted Undén in his diary, 'was to follow the government's advice to postpone the matter in view of the currency situation'.¹⁰⁶ With that, the SAP postponed the oil nationalisation issue for a second time. This time, the postponement would be indefinite.

The talks in Washington, meanwhile, concluded in June 1947, and 'led to a relaxation of the terms of the [1935 trade] agreement', writes Charles Silva, 'allowing Sweden to progressively restrict dollar imports and defer payments with the US'. Hence, the US 'did not retaliate

¹⁰³ Minutes of the SAP's Parliamentary Group, 10 April 1947, vol. A2:5, ARAB.

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

¹⁰⁶ Undén, *Anteckningar*, 191.

against Swedish [trade] discrimination, but negotiated a *modus vivendi* for continued trade'. In exchange, 'Sweden pledged to expand the volume of exports and encourage free and multilateral trade as soon as possible'.¹⁰⁷ The crisis was thereby averted, for the time being.

In short, the most immediate reason why the SAP postponed the nationalisation was the currency crisis that followed WWII. Yet this was not the only reason why it was never actuated. Another reason was the loud and widespread resistance to the idea. This resistance came from a wide range of actors: the right-wing parties and press, the oil companies and other industrialists, the cooperative movement, communists and syndicalists. As this thesis has shown, there was also internal dissent: not all Social Democrats were as enthusiastic about the nationalisation proposal.¹⁰⁸

The SAP leadership was particularly wary of alienating the cooperative movement. Historically, there were close ties between the SAP and the cooperatives — so much so that the cooperative movement is sometimes described as the third leg of the workers' movement (together with the Social Democratic Party and the labour

¹⁰⁷ Silva, 'Keep Them Strong', 53.

¹⁰⁸ Lewin argues that the supposed dissent within the SAP was a construction of right-wing newspapers. I would argue that Lewin is right in pointing out that they were unclear and inconsistent about who among the Social Democrats were in favour of the proposals and who were sceptical, but that the newspapers were right that there existed differences of opinion within the party. See Lewin, *Planbushållningsdebatten*, 330–1.

unions).¹⁰⁹ As this chapter has shown, the cooperatives criticised the nationalisation of the oil industry because it threatened the cooperative OK's business and because they considered the cooperative model a better way of reaching the same goal, that is, cheap and plentiful oil imports.¹¹⁰

The SAP party leader and Prime Minister (1946–1969) Tage Erlander said in a meeting with the Party Executive on 20 April 1947:

The bourgeois parties have interpreted our relinquishment of the oil monopoly and Myrdal's departure from the government as signs of acquiescence. This is not the case; in both instances, objective motives were decisive. We relinquished the oil monopoly because of the currency situation and because we consider increased tension with the Cooperative Union to be unfortunate. We cannot cope with a three-front war against the bourgeoisie, the communists and the Cooperative Union.¹¹¹

He said this in the context of the upcoming September 1948 general election. The SAP was preoccupied with handling the anti-planned economy campaign of the right-wing parties and newspapers. It was simultaneously engaged in a conflict with the communists, who had unilaterally adopted the Postwar Programme as its party platform and looked to win over Social Democratic voters. Antagonising the Cooperative Union (KF) — a long-time ally — by ignoring its concerns about the oil nationalisation proposal in the middle of this turbulent situation was not an attractive proposition. The oil nationalisation therefore had to be discarded.

¹⁰⁹ 'Arbetarrörelsen', *Nationalencyklopedin*, accessed 26 September 2025, <https://www.ne.se/uppslagsverk/encyklopedi/lång/arbetarrörelsen>.

¹¹⁰ See Lewin, *Planbushållningsdebatten*, 323.

¹¹¹ Minutes of the SAP's Party Executive, 20 April 1947, vol. A2A:14, ARAB.

The period of Social Democratic radicalisation immediately following the war came to an end in 1947–1948, when Myrdal stepped down as Minister of Trade and the SAP moderated its economic-political programme.¹¹² After that, the government hastily wrapped up its socialisation and sectoral rationalisation committees. The results of the sector-by-sector rationalisation investigations ‘were generally modest’, writes Östberg, ‘and their proposals were mainly of a generic or technical nature — increased specialization, better staff training, changes in customs duties or quality declarations for goods — and far from all of them were implemented’.¹¹³ Leif Lewin, the foremost scholar of the planned economy debate, therefore considered them a failure.¹¹⁴

The party soon abandoned its plans for a state-led planned economy, in favour of closer cooperation with the Swedish business community. This would reinforce the so-called ‘Swedish model’, wherein trade unions and employers cooperate to develop labour and workplace regulations without government involvement, at the expense of more radical alternatives.¹¹⁵

¹¹² Örjan Appelqvist, ‘Bruten brygga: Gunnar Myrdal och Sveriges ekonomiska efterkrigspolitik 1943–1947’ (PhD diss., Stockholm University, 2000), 384–450.

¹¹³ Östberg, *Swedish Social Democracy*, 141.

¹¹⁴ Lewin, *Planbushållningsdebatten*, 329–40.

¹¹⁵ *Ibid.*, 330–4; Östberg, *Swedish Social Democracy*, 143.

Two main explanations have been proposed for the lack of results of the Postwar Programme and the Myrdal Commission. In the words of Östberg:

The first is the inaccuracy of economic forecasts. A postwar depression never materialised. Instead, the capitalist economy entered its longest sustained period of expansion, for thirty golden years. This strong growth required fundamentally different interventions than the crisis policies of the 1930s, and the programme for this had yet to be developed. The second reason was the strong opposition that even the rather modest proposals advanced by the Social Democrats aroused within the bourgeoisie.¹¹⁶

The ‘golden age of capitalism’ that followed the war enabled the private companies to rationalise their organisations while upholding full employment without state intervention — although, as Lewin points out, the threat of enforced rationalisation or nationalisation measures caused some industries to rationalise that otherwise would not have.¹¹⁷ This was most likely also true of the oil industry: the threat of nationalisation seem to have forced the IOCs to cooperate to promote rationalisations in line with those proposed by the four ‘oil committees’: limitations to the number of new petrol stations, cuts to the advertising budget and a standardisation of wares, for example.

Historian Thomas Jonter has argued that another factor was decisive in the failure of the nationalisation proposal, namely the pressure that the US State Department allegedly exerted, through informal channels,

¹¹⁶ Östberg, *Swedish Social Democracy*, 141. See also Lewin, *Planbushållningsdebatten*, 331–47.

¹¹⁷ Lewin, *Planbushållningsdebatten*, 326–9. See also Rune Höglund et al., *Branschrationaliseringen: Mening, metoder, möjligheter* (Studieförbundet Näringsliv och Samhälle, 1958). For the golden age of capitalism, see, e.g., Stephen A. Marglin and Juliet B. Schor, eds., *The Golden Age of Capitalism: Reinterpreting the Postwar Experience* (Oxford University Press, 1992).

on the head of the Ministry of Foreign Affairs' Trade Department Rolf Sohlman and the 1945 Oil Investigation's chairman Karl-Gustaf Ljungdahl, to force Sweden to retract the nationalisation proposal. However, the evidence that Jonter presents in defence of this hypothesis is not entirely convincing.¹¹⁸

The extortion hypothesis

According to Jonter, the United States wanted to shape a neocapitalist economic world order following WWII. This required liberalised markets and free trade, unrestricted from state monopolies and regulation.¹¹⁹ It was especially vital that monopolies in sectors that were important to foreign trade were abolished. Jonter alleges that the United States intervened in other countries' domestic affairs to sweep away obstacles to the realisation of this multilateral trade system, including in Sweden.

In Jonter's view, the Truman administration regarded a Swedish oil monopoly as a risk, since it could become an opportunity for the Soviet Union to extend its grasp of the European oil market (since a Swedish NOC could import oil from the Soviet Union instead of the US, UK, and Netherlands-based IOCs) and to draw Sweden into its sphere of influence. This, in turn, could threaten the central tenet of the Truman Doctrine: containing the Soviet Union to prevent the spread of

¹¹⁸ Jonter, *Socialiseringen*, 112ff; Jonter, Response to Alf W. Johansson's review, *Historisk tidskrift* 1 1996: 154–7.

¹¹⁹ Jonter, *Socialiseringen*, 120, 125, 135, 137, 140.

communism.¹²⁰ Jonter therefore argues that the United States developed a ‘policy of extortion’ against the 1945 Oil Investigation and the Swedish government to ensure that the nationalisation was stopped, and that this was what ultimately derailed the Social Democrats’ oil nationalisation proposal, along with the broader policy of state interventionism. The latter refers to nationalisation and socialisation policies, and other unwanted market interventions that could adversely affect Sweden’s trade relations with the United States.¹²¹

In my view, Jonter’s main argument is flawed for three main reasons. First, Jonter’s argument presupposes that the oil nationalisation was *the* pivotal policy on which the Hansson and Erlander cabinets’ broader ‘policy of state interventionism’ hinged. This supposition is not borne out by the evidence. State interventions in the economy continued — even increased, depending on how one defines such interventions — after 1947.¹²² The postwar ‘Boom Years’ was the period when most of the reforms that the Swedish welfare state is associated with were implemented — for example, the universal child allowance (1947), obligatory health insurance (1955), the National Supplementary Pension Scheme, or ATP (1959), subsidised rents and housing construction, and so on. All these reforms were market interventions.¹²³ Social

¹²⁰ ‘The Truman Doctrine, 1947’, *Office of the Historian*, accessed 20 August 2025, <https://history.state.gov/milestones/1945-1952/truman-doctrine>.

¹²¹ Jonter, *Socialiseringen*, 17–8, 22–3, 53–4, 91, 112–40, 160–6, 170–7, 188.

¹²² Lundin and Stenlås, ‘Technology, State Initiative’, 10–29.

¹²³ See Karl Molin, ‘Historical Orientation’, in *Creating Social Democracy*, ed. Klaus Misgeld, Karl Molin, and Klas Åmark (The Pennsylvania State University Press, 1992), xxv; Gøsta Esping-Andersen, ‘The Making of the Social Democratic Welfare State’, in *Creating Social Democracy*, 45–7.

Democratic cabinets likewise oversaw the ongoing nationalisations of private-owned railways (1939–1952), implemented the Rehn-Meidner Model which thoroughly regulated Sweden’s economy in 1955 (and remained in place until 1974), nationalised the pharmacies in 1971 and enacted the Employee Funds, which transferred ownership (shares) of small and medium-sized companies from capitalists to workers, in 1982, to name a few examples.¹²⁴ The inescapable conclusion is that if the US government tried to force the Social Democrats to abandon the policy of state interventionism, it failed miserably.

Second, Jonter’s argument presupposes that the US government and authorities were knowledgeable enough about Swedish domestic politics to accurately pinpoint the oil nationalisation proposal as *the* policy it had to stop if it wanted to stop further Swedish state interventionist policies.¹²⁵ In my view, this is highly unlikely, and the evidence that Jonter presents in support of the argument does not substantiate this hypothesis. Moreover, as historian Alf W. Johansson stated in his review of Jonter’s thesis, ‘Nowhere in the American material does it appear that the Americans, as Jonter claims, systematically set out to stop the Swedish oil monopoly plans.’¹²⁶

¹²⁴ See, e.g., Jan Ottosson and Lena Andersson-Skog, ‘Stat, marknad, och reglering i historiskt perspektiv’, the Swedish Competition Authority’s Commissioned Research Report no. 3, 2013; Bhaskar Sunkara, *The Socialist Manifesto: The Case for Radical Politics in an Era of Extreme Inequality* (Basic Books, 2019), 105–28; Östberg, *Swedish Social Democracy*, 142–67.

¹²⁵ For an example of US officials’ initial (1945–47) lack of knowledge about Swedish politics, see Silva, ‘Keep Them Strong’, 47–79.

¹²⁶ Johansson, Review of *Socialiseringen*, 202.

The fact that the Social Democrats abandoned its oil nationalisation proposal around the time that the Bretton Woods institutions were constructed (1944 onwards) and the United States launched the Marshall Plan (1948–1952) does not mean that the latter *caused* the former. Granted, the late 1940s was a period of ideological change for the Social Democrats. One could even argue, broadly in line with Jonter's assertions, that the period between 1944 and 1948 signified the party's definitive break with the policy of socialisation of the means of production.¹²⁷ However, the failure of the oil nationalisation proposal was not the sole cause of this turn, as discussed above.¹²⁸

Third, if the United States' plans for a new economic world order really hinged on stopping Sweden's oil nationalisation, as Jonter suggests, one wonders why the State Department did not interject more forcibly.¹²⁹ In this context, Jonter criticises historian Geir Lundestad's argument that the United States steered clear of interfering in the domestic affairs of democratically elected governments.¹³⁰ Yet Lundestad raises several important points that Jonter has trouble addressing: he notes that one-fifth of the UK's economy came under state ownership under Labour leader Clement Attlee's first ministry (1945–1950), and that between one-third and one-fourth of France's

¹²⁷ See Östberg, *Swedish Social Democracy*, 78–81, 135–47; Johansson, *Per Albin och kriget*, 359–78; Lewin, *Planbushållningsdebatten*, 324–47; Linderborg, *Socialdemokraterna skriver historia*, 195–250.

¹²⁸ See Lewin, *Planbushållningsdebatten*, 324–47; Östberg, *Swedish Social Democracy*, 78–81, 135–47.

¹²⁹ Jonter, *Socialiseringen*, 121–5, 171–7.

¹³⁰ *Ibid.*, 171–7; Geir Lundestad, *America, Scandinavia, and the Cold War, 1945–1949* (Columbia University Press, 1980), 113–5.

economy was likewise nationalised under the postwar cabinets of Charles de Gaulle, Félix Goin, Georges-Augustin Bidault, and Léon Blum.¹³¹ Hence, the (largely socialist) governments of two of the United States' closest allies, the UK and France, undertook major nationalisation programmes during the same period as the Swedish oil nationalisation policy was under review, *without prompting US protest or interference*.¹³² Why would the US government accept France and the UK's far-reaching nationalisation programmes but strongarm Sweden to abandon its much less extensive ditto?¹³³ Jonter has trouble answering this question, and is forced to concede that he cannot definitively disprove Lundestad's argument that the United States' government did not meddle in its (prospective) allies' domestic affairs.¹³⁴ The hypothesis that it did should therefore be rejected, at least pending further empirical evidence to the contrary.¹³⁵

Conclusion

The SAP radicalised its political programme during the end of WWII, in response to growing socialist and communist sympathies among voters.

¹³¹ Lundestad, *America, Scandinavia*, 112–20. Tony Judt instead estimates that around 'One fifth of France's total industrial capacity was in state ownership by May 1946'. Judt, *Postwar*, 70. See also David H. Pinkney, 'Nationalization of Key Industries and Credit in France After the Liberation', *Political Science Quarterly* 62, no. 3 (September 1947).

¹³² See John Singleton, 'Labour, the Conservatives, and nationalisation' in *The Political Economy of Nationalisation in Britain 1920–1950*, ed. Robert Millward and John Singleton (Cambridge University Press, 1995), 13–33.

¹³³ See Lundestad, *America, Scandinavia*, 112–20; Judt, *Postwar*, 67–77.

¹³⁴ Jonter, *Socialiseringen*, 171–7; Lundestad, *America, Scandinavia*, 114.

¹³⁵ Alf W. Johansson makes a similar argument in his review of Jonter's thesis. See Johansson, Review of *Socialiseringen*, 204–6.

Inspired by the successful wartime system of corporative management and regulation, the proposal to nationalise the oil industry reemerged during this radicalisation phase.

In accordance with its Postwar Programme, the SAP's motivation for relaunching the oil nationalisation issue was that the oil industry was characterised by 'abuse and monopolism'. Fuel Minister John Ericsson convened the 1945 Oil Investigation on 14 September 1945, with the goals of analysing if and how the Swedish oil industry should be nationalised, considering if Swedish-owned oil firms should be excluded from the potential NOC, and considering how the retail market for domestically produced or refined petroproducts should be organised.

The appointment of the committee members diverged from common practice in that almost all of them were Social Democratic Party-aligned politicians and tradespeople. This suggests that the SAP wanted to steer the committee towards its desired result, that is, finally accomplishing the nationalisation. This would also align with the committee's goal of acting as a brief investigation to supplement the three earlier oil nationalisation committees.

A pro-nationalisation faction within the SAP (and the 1945 Oil Investigation) wanted to nationalise the oil market because they thought that a centralised NOC was necessary to rationalise the industry's inefficient construction and use of infrastructure, to rid it of its cartelisation and to lower the supposedly inflated end-consumer prices. Moreover, a state oil monopoly was presumed to enable a further diversification of import sources, which would lessen Sweden's dependence on the IOCs. Hence, the NOC was primarily envisioned as

a means of rationalising the industry and breaking the IOCs' market domination.

The committee members eventually split into two camps: a pro-nationalisation camp — represented by Thunborg, Olsson and Severin — and an anti-nationalisation camp — represented by committee chairman Ljungdahl and Bengtsson. The pro-nationalisation camp argued that a centralised NOC was necessary to rationalise the industry's inefficient construction and use of infrastructure, to rid it of its cartelisation, to diversify imports and to lower end-consumer prices. The anti-nationalisation camp did not judge that the oil sector exhibited the kinds of abuse and monopolism that the Postwar Programme specified as a pretext for state intervention in the market, nor did they perceive severe enough problems to warrant a nationalisation. They likewise cast doubt on the NOC's ability to import cheap crude oil or petroleum products from independent sources. Ultimately, the anti-nationalisation camp recommended the government to let the Swedish-owned companies and cooperatives challenge the IOCs' market power instead of creating a NOC. Because the anti-nationalisation camp was in the minority, however, the committee report concluded with a proposal to nationalise the oil industry.

As for why the nationalisation never took place, there were three main reasons. First, the SAP's resurrection of the nationalisation issue, and the committee's proposal to nationalise the industry, led to widespread criticism in the press and spawned a conflict between the SAP and the anti-planned economy movement (PHM). The loud and

widespread criticism was most likely a contributing factor to why it failed to be effectuated.

Second, Sweden slid into a currency crisis (specifically a lack of US dollars) around the same time as the Erlander cabinet was to decide what to do about the nationalisation proposal. The Riksbank pleaded with the government not to nationalise the oil industry, since this would require US dollar expenditure — a currency which was in deperately short supply. The currency crisis forced Sweden to reintroduce rationing on goods traded in dollars and to restrict imports from the US. At roughly the same time, the government had negotiated a barter-based trade deal with the Soviet Union. Both these actions irritated the US government. Eager to resolve the situation, the Erlander cabinet sent its envoy Dag Hammarskjöld to Washington to negotiate a solution to the matter. The Erlander cabinet did not want to lessen Hammarskjöld's chances of reaching an agreement with the US government concerning Sweden's import restrictions and dollar shortage. It therefore finally decided to postpone the oil industry nationalisation.

Third, the Erlander cabinet did not want to unnecessarily antagonise the cooperative movement, which were firmly against the nationalisation proposal — especially not while it was simultaneously engaged in tempestuous debates with the bourgeois parties and the communists.

Chapter 7. Conclusions

Between 1914 and 1947, the IOCs on the Swedish oil industry became subject to intense governmental scrutiny and political debate. Calls for regulation and industrial reform grew louder around WWI. Liberals motioned for the development of anti-trust laws and institutions during the early 1910s. The most controversial proposal came from the Social Democratic Party, however. In 1916, two of its MPs proposed a nationalisation of the IOCs' Swedish subsidiaries. While their proposal did not garner enough support to be adopted at that time, it nevertheless became the start of a long-lasting political conflict over the meaning, ownership and operation of the Swedish oil industry which only came to an end in 1947.

Proponents and opponents of nationalisation

Some of the most prominent actors that argued for some form of regulation or intervention to curb the market power of the IOCs included employees within the oil industry, independent petrol station merchants and competitors, the cooperative movement and the trade unions. The most prominent actor, however, was the Social Democratic Party. Social Democrats were likewise the progenitors of the proposal to nationalise the Swedish oil industry.

The main reasons why the SAP wanted to transfer ownership of the oil industry from private to state hands were fiscal in nature. The SAP envisioned that the state oil monopoly would be a simpler and more efficient way of organising Sweden's import, distribution and sale of oil

products. A centralised and rationalised organisation would translate into lower costs and increased revenues. These revenues could then be used to finance desirable welfare policies, like the 1935 pension reform. The SAP also perceived a more rationally organised sociotechnical oil system, with cheap and readily available petroleum products for all, as a way of engendering economic growth and raising the standard of living for the working class.

The most salient opponents of the SAP's nationalisation proposal included the IOCs, organised business interest groups, right-wing parties — particularly the Conservative Party (before WWII) and the Liberal Party (after WWII) — right-wing newspapers, the cooperative movement, and internal critics within the SAP and the broader workers' movement.

The opponents regarded nationalisation as a threat to their business and ideological interests, an unwarranted incursion into the free market and a threat against free enterprise. The most incendiary critics warned that an oil monopoly was the first step towards a Soviet-style command economy.

Most of the actors maintained broadly the same views about nationalisation throughout the studied period. Actors within the SAP, for instance, remained positive about the ability of an oil industry nationalisation to resolve the problems they had with how it was organised. Sweden's business community and the right-wing parties, meanwhile, remained critical of the nationalisation proposal, although the amount and intensity of their criticism increased over time.

Two groups of actors stand out from this general pattern: the cooperatives and the labour union *Transport*. Cooperative actors lobbied the government to intervene against the oil companies' market power during the early 1930s. They clearly wished for the government to regulate the oil companies, or to develop anti-cartel laws to break their market power. However, when it became clear that the SAP's favoured means of contravening the IOCs' market power was nationalisation, the cooperatives turned and became increasingly critical. This was most likely because a nationalisation threatened the cooperatives' business interests, and because they considered free market competition a better way of challenging the IOCs' market power. They were particularly critical when the SAP relaunched the nationalisation proposal after WWII, and when the 1945 Oil Committee recommended a nationalisation.

The labour union *Transport*, on the other hand, had the opposite trajectory. When the government launched the first investigation into a nationalisation of the Swedish oil industry, *Transport* was caught off guard. Its members were broadly critical of the idea, because it threatened their job security. To allay fears, the union contacted the responsible minister to gain a better understanding of the government's proposal. Once Minister for Finance Ernst Wigforss had explained the Hansson cabinet's position to *Transport*, criticism mostly died down. *Transport* eventually became proponents of the nationalisation proposal.

Some of those who opposed the state oil monopoly organised themselves into business interest associations. They were mostly composed of oil industry insiders, but some also consisted of members

of the right-wing parties and press, and other industrialists who wanted to protect free enterprise and the business community from intervention and regulation. These associations mounted progressively antagonistic political advocacy campaigns against the SAP's plans to introduce a planned economy during the late 1930s and the mid-1940s, which have come to be known as the anti-planned economy movement (*planbushållningsmotståndet*, PHM). This movement included press campaigns aimed specifically at the proposed oil monopoly, which its opponents construed as emblematic of the SAP's supposed plans to dismantle private ownership and free enterprise.¹

The nationalisation became gradually more contentious because of these press campaigns and the heated replies they sparked. Yet that were not always the case. A nationalisation of the oil industry was initially presented as one of several options to solve the (perceived) issues of the Swedish oil sector. The SAP's representatives 'depoliticised' the issue by framing it as a pragmatic, technical-economical solution to practical problems — a solution which several of its opponents had advocated in the past, no less. These depoliticisation attempts largely failed, however. Instead, the nationalisation issue became increasingly politicised and ideologically charged over time.

This was also reflected in the composition of the committee members. The 1933 Motor Fuel Committee's members consisted of a mix of politicians, tradespeople and experts, as is the norm for

¹ See Lewin, *Planbushållningsdebatten*; Stenlås, *Den inre kretsen*; Söderpalm, *Direktörsklubben*; Westerberg, *Socialists at the Gate*.

parliamentary committees. Over time, however, the number of Social Democratic committee members increased, and the number of 'apolitical' tradespeople and experts decreased. The last of the 'oil committees', the 1945 Oil Committee, consisted almost entirely of Social Democratic politicians and members of the broader workers' movement. This indicates that the Hansson cabinet considered the issue too contentious and polarising to be resolved by non-partisan experts and tradespeople.

Another reason why the committees were increasingly populated by Social Democrats could be that the SAP wanted to steer the committees' towards proposing a nationalisation. The SAP's wish for the 'oil committees' to focus on nationalisation is reflected in the committees' terms of reference. While the first committee was presented as an open-ended investigation into the best way to regulate and organise the Swedish oil industry, the three subsequent committees focused singly on nationalisation. Moreover, the latter three committees' terms of reference discouraged their members from criticising the nationalisation proposal and from proposing alternative regulatory policies. This compelled the committees to focus on nationalisation.

The primary policies that emerged from the four oil committees were an enforced blending of domestically produced ethanol into imported petrol, and, after much deliberation and investigation, a decision to nationalise the Swedish oil industry. The latter policy was shelved at the last minute, however, due to a post-WWII currency crisis

and widespread criticism of the proposal — including from the cooperative movement, whom the SAP were keen not to antagonise.

Nationalisations in oil-poor countries

Why political actors in oil-poor countries would want to nationalise their oil industries is an under-studied phenomenon. This thesis has attempted to understand this phenomenon by studying Sweden's attempted nationalisation. Why did some Swedish political actors propose to nationalise the domestic oil sector? How does the Swedish case compare to nationalisations in other oil-poor importer countries, on the one hand, and nationalisations in oil-rich producer countries, on the other hand?

During the first half of the twentieth century, nationalisations were primarily undertaken by socialist governments — in the Soviet Union, in Bolivia under president David Toro, and in Mexico under president Lázaro Cárdenas — and nationalist or fascist governments — in Mussolini's Italy, in Spain under the dictatorship of Primo de Rivera, and in Nazi Germany.² It is therefore reasonable to conclude that anti-capitalist or nationalist ideology is a motivating factor behind nationalisations.

However, the United Kingdom and France provide counterpoints to this general pattern. The UK government purchased a controlling interest in APOC in 1914, thereby effectively nationalising it. This occurred under the Asquith coalition ministry, a wartime coalition

² See Appendix D. Nationalisations and NOCs

government consisting of the British Conservative, Labour, and Liberal parties. Similarly, the French government, under the centre-right Poincaré cabinet, urged bankers and industrialists to create CFP in 1924. Although formally privately owned and operated, CFP was created at the behest of the French government and remained in close collaboration with it. While not formally a nationalisation, the French government essentially created the NOC as an instrument of the French interests on the world oil market. Hence, the French and British cases show that nationalisations (or creations of NOCs) have not only been carried out by socialist and nationalist governments.³

The Swedish case does not quite fit the general pattern either. On the one hand, the Social Democratic Hansson and Erlander cabinets were certainly radical enough for their opponents to consider them socialist and to decry their supposed intentions to Sovietise Sweden. This would mean that the Swedish case in fact conforms to the general pattern. On the other hand, the Hansson and Erlander cabinets were profoundly reformist in character, unlike the militant and revolutionary socialist movements that nationalised the oil industries in Soviet Russia, Mexico and Bolivia. This would make the Swedish case into a countervailing example.

³ See, e.g., Robert Millward and John Singleton, eds., *The Political Economy of Nationalisation in Britain 1920–1950* (Cambridge University Press, 1995); Donald Sassoon, *One Hundred Years of Socialism: The West European Left in the Twentieth Century* (I.B. Tauris, 2014), 150–66.

Ideology was not the only factor that shaped states' likelihood of pursuing nationalisation policies. Material economic and historical forces played a fundamental role in shaping states' responses to the emerging global oil market during the 'second Thirty Years War'.⁴ This was a period of profound socioeconomic change and instability, including on the emergent world oil market. The frequent economic crises of the first decades of the twentieth century seemed to presage, if not the end of capitalism as a socioeconomic system, then a radical change of that system. Another radical change was that kingdoms and empires fell, one after another, following the end of WWI — oftentimes as the result of popular uprisings and revolutions. This was followed by the Great Depression, the remilitarisation of Germany, and the outbreak of WWII. These ongoing crises contributed to violent conflicts over oil reserves, intense fluctuations in oil supply and price, and uncertain trade conditions on the world oil market. The instability of the 'second Thirty Years War' period is a vital contributing factor why so many governments — regardless of ideological persuasion — nationalised their oil industries or created NOCs to explore and exploit oil reserves at home or abroad.

As discussed in Chapter 1, a common reason why oil-rich countries have nationalised their oil industries is to (re)gain control over domestic

⁴ Richard Overy, *Blood and Ruins: The Last Imperial War, 1931–1945* (Allen Lane, 2021), xii.

oil reserves and to attain a greater share of the industry's profits and rents. This tactic is obviously unavailable to oil-poor countries like Sweden. The Swedish nationalisation attempt was instead envisioned as a means of simplifying the enforced blending of ethanol into petrol and Sweden's fuel-related taxation schemes (see Chapter 3) and as a source of revenue with which to fund desirable welfare policies (see Chapter 4 and Chapter 5). Hence, the main justifications were fiscal in nature.

Oil-rich countries have frequently used (the threat of) nationalisation to renegotiate the distribution of rents and profits between the IOCs and the host-country government. The nationalisations in Mexico, Bolivia and Ecuador, for example, were motivated by the promise that revenue from the newly nationalised oil sector would finance economic development and welfare reforms. This has clear similarities to the attempted nationalisation in Sweden, which aimed to use the revenues from the nationalised oil sector to finance welfare programmes.⁵

The most obvious difference between nationalisations in oil-poor versus oil-rich countries is resource endowment, and the strong bargaining position that it entails — at least theoretically. 'Resource-holding' producer countries stand a good chance of succeeding in negotiations with the 'resource-seeking' IOCs, for the simple reason that the former can deny the latter access to oil. This strengthens producer countries' bargaining position vis-à-vis the IOCs.⁶ For resource-poor 'petroleum product-seeking' countries, however, the

⁵ See Eibl and Hertog, 'From Rents to Welfare'; Garavini, *The Rise and Fall*; Riofrancos, *Resource Radicals*; Young, *Blood of the Earth*.

⁶ For a discussion about 'resource-holding' national governments and 'resource-seeking' oil firms, see Bridge and Le Billon, *Oil*, 62–3.

balance of power often tilts in favour of the ‘petroleum product-holding’ oil firms, since the latter controls supply. So too in the Swedish case. One of the reasons why the nationalisation proposal became hard to actualise was that there was no clear plan for how to secure access to oil, as I will return to below.

In practice, the IOCs have often been supported by their home-country governments when their business operations have been threatened with nationalisation. Because the home-country governments of the ‘Seven Sisters’ — the US, the UK, and the Netherlands — are some of the world’s most economically and militarily powerful countries, the odds have often been in the IOCs’ favour.⁷ Moreover, power struggles over who should own, operate and profit from the oil industry have often resulted in violent conflict, ‘oil wars’, corruption and coups d’état. Producer countries have therefore not always been able, or allowed, to effectively use their ‘resource-holding’ power against the IOCs.⁸

These kinds of resource conflicts are not as prevalent in oil-poor countries precisely because of their lack of oil reserves. However, conflicts in oil-producing regions frequently have spillover effects in importing countries. They often affect global oil supply and the global oil prices, which can cause scarcities and economic instability in countries dependent on imported oil — as was the case during the two world wars, for instance. Such problems are trivial compared to the

⁷ See, e.g., Sampson, *The Seven Sisters*.

⁸ See, e.g., Bridge and Le Billon, *Oil*, 135–72.

conflicts that have affected many producer countries, but they are nevertheless problems.

The oil committees' and the SAP-led cabinets' lack of attention to how to ensure access to oil was one of the reasons why the nationalisation became hard to realise in practice. The following section discusses the problem of oil access in relation to the Swedish nationalisation proposal and compares the Sweden to other oil-poor importing countries, on the one hand, and oil-rich exporting countries, on the other.

Securing access to oil can be done in at least four ways. First, an importing country can diversify its imports by buying crude oil or refined products from a broader range of suppliers. In the Swedish case, this could potentially have been accomplished by establishing trustful relations and mutually beneficial long-term sales agreements with independent sellers like the Mexican or Venezuelan NOCs, for example. As far as I have been able to tell, this was not done.

A second way of accessing oil is to negotiate access to another party's crude oil reserves and to create an enterprise to extract those reserves. This was a favoured tactic among Europe's old empires, like the United Kingdom and France. APOC and CFP's primary sources of crude oil came from concessions in the Middle East and North Africa — principally Iran and Iraq — which were under British and French imperial control. The IOCs' home-countries enabled intra-imperial extraction and trade of petroleum products, which favoured the

European empires at the expense of the producer countries and anyone outside of their infrastructures of circulation. Intra-imperial trade was obviously never an option for Sweden and other small countries without overseas empires. The tactic of negotiating access to another party's oil reserves, on the other hand, could perhaps have been pursued.

The Spanish NOC Campsa successfully employed the tactic of negotiated access after Standard and Shell froze their exports to Spain in response to the Civil Directory of Miguel Primo de Rivera's nationalisation of the Standard and Shell's Spanish subsidiaries. Campsa at first tried to paper over the lack of import sources by importing Russian oil. Later, Campsa's executives negotiated direct access to a concession in a Venezuelan oil field. They then set up a private company, CEPESA, which extracted the Venezuelan crude oil, constructed refineries on Tenerife in the Canary Islands, and sold its refined products to Campsa on the Spanish mainland. This was possible because of a loophole: Campsa's monopoly on the import, distribution and retail of petroleum products only covered mainland Spain, not the Canary Islands.

If the Swedish NOC had acquired a concession abroad, like Campsa, the Swedish nationalisation proposal might have stood a better chance of being achieved. This would have ensured the NOC access to oil, even in the event of an IOC embargo against Sweden in retaliation for the nationalisation, as happened in Spain. I have not been able to find any evidence that Swedish actors tried to attain concessions abroad, however, nor that such discussions took place.

A third way to secure access to oil is to construct dependable infrastructure to import, transport, refine and store petroleum products. One option to achieve dependable infrastructure is to construct pipelines or other import infrastructure to enable imports from new sources of oil. Building refineries to enable domestic refining of imported crude oil is another option. Refinery construction became a crucial turning point for most European countries after WWII, including Sweden. The increased capacity enabled increased imports of crude oil, which, in turn, enabled imports from new sources — primarily the Middle East. Western Europe’s expanded refinery capacity was a key enabler of the ‘Great Acceleration’ of oil use that occurred after WWII, as Robert Gross and colleagues have argued.⁹ Stockpiling oils to ensure supply even during crises is another option that falls under this category; a strategy which Sweden pursued both during and after the studied period.¹⁰ While these sorts of measures do not solve the fundamental problem — oil dependence — they are ways of coping with dependence and reducing import vulnerabilities. This became Sweden’s main way of coping with its oil dependence after the nationalisation proposal came to nothing.¹¹

A fourth tactic, on the extreme end of the spectrum, is to secure oil through military intervention, covert operations or coups d’état. Among oil-poor countries, this tactic was primarily employed by expansionist

⁹ Robert Gross et al., ‘Creating the Conditions’. For the Great Acceleration, see J. R. McNeill and Peter Engelke, *The Great Acceleration: An Environmental History of the Anthropocene since 1945* (The Belknap Press of the Harvard University Press, 2014).

¹⁰ See Eriksson and Ingemarsdotter, ‘Bergkunskap i totalförsvarets tjänst’; Ingemarsdotter and Eriksson, ‘Hotbild och självbild’.

¹¹ Kaijser and Högselius, ‘Under the Damocles Sword’, 157–8.

empires like Nazi Germany and Imperial Japan. Nazi Germany's lack of oil drove Hitler to 'fatally divide its Eastern Front forces between the fight for Stalingrad and the capture of Caucasian oil', write the geographers Gavin Bridge and Philippe de Billon.¹² Imperial Japan, meanwhile, equally fatefully invaded 'the Dutch East Indies to unsuccessfully circumvent a US oil embargo'.¹³ Oil wars and Machiavellian oil plots like these were never a realistic option, nor up for debate, in the small and militarily weak Sweden.

A multidirectional model of politicisation

As discussed in the introduction, Colin Hay has developed a heuristic chronology which describes how politicisation processes tend to develop over time, following three consecutive steps. First, some event or politicising move opens a political space that did not previously exist. The issue thereby undergoes a type 1 politicisation: it is promoted from the non-political realm of necessity into the realm of contingency and deliberation. This simultaneously generates a regulatory vacuum: a new policy domain that might require governance. Second, a social controversy about how to govern or otherwise handle the new political issue ensues. This often takes the form of an agenda-setting debate. The issue thereby undergoes a type 2 politicisation, as it moves from the private realm to the public, but non-governmental one. Third, the issue is promoted into the public and governmental realm (a type 3

¹² Bridge and Le Billon, *Oil*, 137.

¹³ *Ibid.*

politicisation) as parliament initiates a formal decision-making process. Societal repoliticisation usually follows, as public debate reignites while the issue awaits a legal resolution. Finally, a resolution of the controversy is achieved, commonly through the adoption of new legislation. Thereafter, interest usually fades, and the issue is depoliticised.¹⁴

The case of the nationalisation of the Swedish oil industry broadly adheres to Hay's chronology up until step two. However, once the issue became subject to parliamentary deliberation and governmental decision-making, the process ground to a halt, and started back on itself. The social repoliticisation of the nationalisation issue was so heated and thoroughgoing that the government had trouble even attaining a good enough basis for decision-making, much less reach a decision on the matter.

Hence, the unfolding politicisation process was not as linear as Hay's model suggests. There were several stops and starts, with sudden de- and repoliticisations — notably during the period between 1916 and 1932, when oil nationalisation or some other form of industry regulation arguably experienced a type 3 depoliticisation: a demotion to the non-political realm of necessity, only to reoccur when the Great Depression threatened Sweden's import system, and the Social Democratic Hansson cabinet took office.

The most significant difference, however, concerns the last step of Hay's model, wherein a controversy is settled, legislation is passed, and

¹⁴ Hay, 'Depoliticisation as process', 309.

a waning of both societal and governmental politicisation follows. This never occurred in the case of the Swedish oil nationalisation process. Instead, the issue was indefinitely postponed (that is, 're-demoted' to the realm of necessity and indefinitely removed from the SAP's political agenda).¹⁵

This highlights a broader problem with the politicisation chronology, namely that not all politicisation processes succeed. They do not all lead to the adoption of new legislation, followed by a cooling of tempers and fading interest. Sometimes, the *failure* of a politicisation process (that is, it *not* leading to formal political decision-making and new legislation) is what causes interest to fade. Other politicisation processes lead nowhere, begin again from somewhere new, or become part of parallel politicisation processes. Hence, *politicisation processes are not unidirectional*. They do not all proceed in a series of neat steps from social politicisation, via governmental decision-making, to legal resolutions. The politicisation process that led to Sweden's failed oil nationalisation shows that we instead need to conceive of politicisation processes as open-ended and multidirectional that are fundamentally shaped by historical and socioeconomic forces.¹⁶

In the case studied here, the international oil companies' entrance on the Swedish market was interpreted and assigned different meanings by

¹⁵ Ibid.

¹⁶ Cf. Pinch and Bijker's influential critique of the unidirectional model of technological innovation. Trevor J. Pinch and Wiebe E. Bijker, 'The Social Construction of Facts and Artifacts: Or How the Sociology of Science and the Sociology of Technology Might Benefit Each Other' in *The Social Construction of Technological Systems*, ed. Wiebe E. Bijker, Thomas P. Hughes, and Trevor J. Pinch, Anniversary ed. (The MIT Press, 2012): 11–44.

social, or sociopolitical, groups. These sociopolitical groups identified problems with the new sociotechnical system which they felt needed solutions. The identification of such problems can also be described as politicisations, since they marked various aspects of the existing sociotechnical oil system as objects or topics of political action.¹⁷

The cooperative movement, the SAP's leadership and the Conservative Party are three examples of sociopolitical groups that politicised different aspects of the Swedish oil industry. Cooperative IC's main points of contention with the industry were its *monopolism and cartelisation* and the *monopoly pricing* that this risked causing. The cooperative was reluctant to specify how this problem should be resolved but nevertheless contacted Social Democratic politicians to encourage the state to intervene against the oil companies. The upper echelons of the Social Democratic Party, meanwhile, did not necessarily view the vertical integration and monopolism within the industry as a problem in and of itself. On the contrary, trusts were generally seen as stepping-stones to socialism. The enormous US trusts were seen as having attained the next-highest level of economic rationality. However, private-owned trusts in competition with one another still used resources, labour, and infrastructures in inefficient ways. To fully reap the rewards of vertical integration and reach the highest level of economic rationality, the state needed to centralise and plan the sector. Hence, the main problem for the SAP's leadership was the *economic irrationality of private ownership*, and they suggested direct state ownership

¹⁷ Wiesner, 'Politicisation, Politics and Democracy', 22.

through nationalisation or indirect state control as solutions. A third sociopolitical group, the Conservative Party, identified *the industry's foreign owners* and *the trade imbalance that Sweden's foreign oil dependence caused* as its two biggest problems, and saw government investment in the production of domestic alternative fuels as a solution.

As this thesis shows, the sociopolitical groups' differing interpretations of the meaning of the oil system gave rise to conflict over whether and how the state should intervene against the oil majors. This can be compared to Pinch and Bijker's idea of design flexibility, that is, the idea that technologies can always be (re)designed in different ways — within given material and socio-historical limits and depending on when the attempt to redesign the technology is made, I would add.¹⁸

According to Pinch and Bijker, technological controversies can 'end' in one of two ways. One is through rhetorical closure, wherein the (meaning of the) technology is stabilised and relevant social groups see their problems as solved. The other is through a redefinition of the problem, wherein the technology is seen as the solution to a new and

¹⁸ Pinch and Bijker, 'The Social Construction', 34. Historian of technology Thomas P. Hughes has pointed out that the relationship between society and technology is not static, but time dependent. Whether attempts to redesign or reform established large technical systems succeed or fail may therefore depend on when such attempts are made. Young socio-technical systems tend to be more open to societal influences. Social groups' interpretations of a technology, and the problems they identify with that technology, can therefore have a major impact on its design during the invention and innovation stage, as in the empirical case presented by Pinch and Bijker. But technological systems tend to shape society more than the other way around when they achieve "technological momentum" and become ingrained in the societies they evolve out of. At that point, technological systems become difficult to influence and steer; they become 'less shaped by and more the shaper of its environment'. Thomas P. Hughes, 'Technological Momentum' in *Does Technology Drive History? The Dilemma of Technological Determinism*, ed. Merritt Roe Smith and Leo Marx (The MIT Press, 1994), 108.

different problem in such a way as to override the other problems that the relevant social groups had with the technology.¹⁹

In the case of the controversy over the potential nationalisation of the Swedish oil industry, the politicisation process failed to reach a state of closure. Consequently, the meaning of the sociotechnical oil system remained in flux, with relevant social groups continuing to hold conflicting views of whether and how the state should intervene against the oil majors.

Why, then, do we need a multidirectional model? Because it ‘is only by retrospective distortion that a quasi-linear development emerges’, as Pinch and Bijker write. Like the commercially unsuccessful bicycle models they analysed, failed politicisation processes and policy proposals tend to ‘figure only as amusing aberrations that need not be taken seriously’. Dismissing such failed policies and politicisation processes reveals nothing about why some politicisations succeed while others fail; why some policies ‘survive’ while others ‘die’, to borrow Pinch and Bijker’s evolutionary terminology. To answer those questions, we need a multidirectional model that can account for what one might call the policy selection process.²⁰ Hence, adopting a multidirectional model can help us better explain how politicisation processes evolve over time and why some succeed (that is, result in new legislation or ideological innovations) and others fail (that is, do not result in new legislation or ideological innovations). The

¹⁹ Pinch and Bijker, ‘The Social Construction’, 37–9.

²⁰ *Ibid.*, 22.

multidirectional model of politicisation is a contribution to (de)politicisation theory and to political history more broadly.

Oil for welfare and warfare

Swedish oil historiography has primarily focused on the economic, technical and scientific measures that influential Swedish actors have employed to cope with Sweden's oil dependence (for example by constructing underground caverns to stockpile oil in) or reduce its oil dependence (for example by subsidising the development of alternative replacement fuels). To the extent that previous research has discussed the political debate about the oil industry nationalisation proposals, it has tended to view the nationalisation proposal as a victim of the geopolitical rivalry between the US and the USSR during the first years of the Cold War.²¹

Yet the actors' justifications of the nationalisation policy were not primarily about geopolitics or energy security, as this thesis has shown.²² Instead, the actors justified the nationalisation with reference to its supposed ability to solve domestic problems: as a source of funding for expanded welfare services, job opportunities and economic growth, for example. In a sense, it was an example of the adage that foreign policy is an extension of domestic policy.

Analysing the nationalisation debate from a politicisation perspective has shown how the actors' arguments for and against nationalisation

²¹ Jonter, *Socialiseringen*, Kaijser and Högselius, 'Under the Damocles Sword', 161.

²² That is not to say that energy security was not important — it certainly was. As discussed, it was a contributing factor why the nationalisation failed to materialise.

changed over time. The thesis has demonstrated that the actors' ideological beliefs and party-political positions were central to their politicising moves, but also that the actors pragmatically compromised and opportunistically changed tactics as the debate unfurled and the historical context evolved. Hence, applying a politicisation perspective on the nationalisation debate has helped highlight the contingency of politics — how historical forces shaped the debate, the committees' investigations and the resulting policy proposals — and how the actors adapted to their shifting historical environment.

Understanding how messy politicisation processes are, and how contingent they are upon historical and socioeconomic forces, serves as a potent reminder that things could have been otherwise. This insight is also vital for current-day (energy) politics, which all too often feels stuck at an impasse. By reminding ourselves that it might have been otherwise — in fact, very nearly was otherwise — we might either be grateful that things turned out as they did or strengthened in our conviction that there are always alternatives to the status quo.

Appendix A. Prominent oil companies in Sweden, 1917–1947

International oil companies (IOCs)

Standard Oil of New Jersey

John D. Rockefeller and Henry Flagler established the Standard Oil Company in Ohio in 1870. It is widely regarded as one of the first—if not *the* first—truly multinational companies. Standard Oil was an innovator in both horizontal and vertical integration. Through economies of scale and scope, the company streamlined production and logistics to lower costs and undercut competitors' prices. Through vertical and horizontal integration, aggressive pricing policies, and secret transport deals with railroad operators that its competitors could not match, Standard Oil managed to create a monopoly, or a near-monopoly, on the US oil market.

Standard Oil was also an innovator of the business trust. The Standard Oil Trust soon became infamous for its aggressive and monopolistic business practices. In 1904, Standard controlled 91 per cent of oil refinement and 85 per cent of final sales in the United States.¹ However, an antitrust case was filed against Standard in 1906 under the Sherman Antitrust Act of 1890. In 1911, the US Supreme Court ruled that Standard Oil was an 'unreasonable' monopoly and

¹ Jeff Desjardins, 'Chart: The Evolution of Standard Oil', *Visual Capitalist*, <https://www.visualcapitalist.com/chart-evolution-standard-oil/>.

forced it to split into 34 independent companies with separate boards of directors on the US market. However, the trust was not forbidden from continuing its business overseas. It did so through Standard Oil of New Jersey, one of the 34 fragments of the Standard juggernaut.

The new companies became wealthy and powerful oil companies in their own right. Standard Oil of New Jersey changed its name to the Exxon Corporation in 1979, and Standard Oil of New York (‘Socony’) became Mobil in 1963. Those two companies merged into ExxonMobil in 1999. Standard Oil of California (‘SOCAL’) merged with Gulf Oil in 1984–1985 and acquired Texaco in 2000.² That company changed its name to Chevron in 2013. In 2020, ExxonMobil was the 11th most profitable company in the world, and Chevron the 36th most profitable, according to the Fortune Global 500 list.³

Standard’s main subsidiary in Sweden was *Krooks Petroleum och Olja AB*. That company had its roots in *Krook, Åhrberg & Co*, an import company which began its operations in Stockholm in the 1860s. Through mergers and acquisitions, it became *Krooks Petroleum och Olja AB* in 1896.⁴ Standard was the majority shareholder of the latter company. In 1934, it merged with four other regional Standard

² Robert J Cole, ‘SOCAL agrees to buy Gulf in record deal; Price is \$13 billion’, *The New York Times*, 6 March 1984, <https://www.nytimes.com/1984/03/06/business/socal-agrees-to-buy-gulf-in-record-deal-price-is-13-billion.html>; ‘Oil giant Chevron buys rival Texaco,’ *BBC News*, 16 October 2000, <http://news.bbc.co.uk/2/hi/business/973161.stm>.

³ Fortune *Global 500*, 2020, <https://fortune.com/global500/2020/>.

⁴ ‘Krooks petroleum- & oljeaktiebolag’, *Aktiebolag 1901–1935*, Riksarkivet, accessed 20 October 2025, https://sok.riksarkivet.se/aktiebolag/?Bolagets_namn=Krooks&page=1&postid=Bolag_1019&tab=post#tab.

subsidiaries — *Vestkustens Petroleum*, *Skånska Petroleum*, *Sydsvenska Petroleum*, and *Ostkustens Petroleum* — to form *Svenska Petroleum AB Standard*.⁵

Royal Dutch Shell

Royal Dutch Shell was founded in 1907 through a merger of the Dutch-based Royal Dutch Petroleum Company and the British-based Shell Transport and Trading Company. The merger was considered a necessary evil to compete with Standard Oil on the global oil market. Royal Dutch Shell still exists under the same name and held the 5th spot on the 2020 Fortune Global 500 list.⁶

Its Swedish subsidiary, *Svensk-Engelska Mineralolja Aktiefbolaget*, was established in 1912, shortly after the 1911 US Supreme Court decision that dissolved Standard into 34 smaller companies.⁷ Shell became Standard's biggest competitor on the Swedish market throughout the 1920s — until the companies started cooperating in 1928, around the same time as their parent companies signed the Achnacarry (or 'As-Is') Agreement.

The Texas Company (Texaco)

Texaco was founded (as the Texas Fuel Company) in Beaumont, Texas in 1902 after the discovery of the nearby Spindletop oil field. Chevron

⁵ SOU 1933: 25, 107.

⁶ 'Fortune Global 500', *Fortune*, accessed 20 October 2025, <https://fortune.com/global500/2020/>.

⁷ 'Aktiefbolag 1901–1935: Svensk-Engelska Mineralolja-AB', Riksarkivet, accessed 20 October 2025, https://sok.riksarkivet.se/aktiefbolag/?Bolagets_namn=Svensk-Engelska&page=5&postid=Bolag_12093&tab=post#tab.

bought Texaco in 2000, but its name was retained as a petrol brand name.

The Texas Company AB, the Swedish subsidiary of Texaco, was established in 1919.⁸

The Anglo-Persian Oil Company (APOC)

The Anglo-Persian Oil Company (APOC) was founded in 1908 as a subsidiary to the Burmah Oil Company. APOC's goal was to explore and develop Iranian oil fields. First Lord of the Admiralty Winston Churchill successfully urged the British government to invest in the company to fuel its new petroleum-fuelled Dreadnought-class warships. The British government acquired a controlling share (51 per cent) of the company in 1914. Thatcher-era privatisations led to a decreased state ownership of the company (down to 46 per cent in 1979 and 31 per cent in 1987).

APOC changed its name to Anglo-Iranian Oil company (AIOC) in 1935 and to British Petroleum Company in 1954. Today, it is simply known as BP.

Svenska Bensin och Petroleum AB BP, was founded in 1927 as its Swedish subsidiary. It answered directly to APOC's London office.⁹

⁸ 'Aktiebolag 1901–1935: The Texas Company', Riksarkivet, accessed 20 October 2025, https://sok.riksarkivet.se/aktiebolag/?Bolagets_namn=Texas&page=1&postid=Bolag_12343&tab=post#tab.

⁹ 'Aktiebolag 1901–1935: Svenska Bensin och Petroleum AB, BP', Riksarkivet, accessed 20 October 2025, https://sok.riksarkivet.se/aktiebolag/?Bolagets_namn=Svenska+Bensin+och+Petroleum+AB&page=1&postid=Bolag_12101&tab=post#tab.

Gulf Oil

Andrew Mellon and William Larimer Mellon Sr. were two of the founders of Gulf Oil, which has its origins in Pittsburgh, Pennsylvania in 1901. Like Texaco, it was started after the discovery of the Spindletop oil field in Texas. The Mellon family consolidated its various oil enterprises into the Gulf Oil Corporation in 1907. Gulf merged with Standard Oil of California in 1984–85, as mentioned above, and is now part of Chevron.

Gulf Oil entered the Swedish market in 1937, when it acquired the Naphtha Syndicate's operations and founded its Swedish subsidiary *Gulf Oil AB*. However, it was present on the Swedish market before then through the Gulf-owned transport company *Alfred Olsen & Co* (est. 1933).¹⁰

AB Naftasyndikat

Naftasyndikat ('the Naphtha Syndicate') was established in 1928. The company was owned by the Soviet Union's oil export agency *Sojusneftexport*. The Soviet Union wanted to sell petroproducts on the Swedish market during the latter half of the 1920s and cooperated with *Kooperativa Förbundet* (KF), which acted as a local agent on the Swedish

¹⁰ 'Svenska aktiebolag 1901–1935: Alfred Olsen & Co', Riksarkivet, accessed 20 October 2025, https://sok.riksarkivet.se/aktiebolag/?Bolagets_namn=Alfred+Olsen&page=2&postid=Bolag_11060&tab=post#tab.

market. KF acquired ocean depots for oil import at Loudden outside of Stockholm, which it rented to *Sojusneftexport*.¹¹

The Naphtha Syndicate was established in Sweden in 1928 to handle imports from the Soviet Union, without KF as middleman. The company quickly (around 1930–1931) became the fiercest competitor of the Western-owned companies. The Soviet oil generally acted as a ‘price regulator’ on the Swedish market during the late 1920s, drastically reducing petrol prices for consumers. KF, and other consumer cooperatives such as IC, rejoiced: the IOCs’ cartel finally had a real competitor that could challenge their prices. Naphtha used low prices as a means of gaining market shares. This stopped in 1931, however, when the company agreed to employ the same price policies as the Swedish oil cartel. The company was eventually bought by the US-based company Gulf in 1937.

Swedish-owned oil companies

Nynäs Petroleum

Nynäs Petroleum sprang from the Swedish business empire (which exists to this day) *A. Johnson & C:o*’s shipping company *Nordstiernan AB*. The latter company constructed Sweden’s first oil refinery near Nynäshamn, roughly five miles south of Stockholm, in 1929. *Nynäs Petroleum* was

¹¹ ‘Svenska Aktiebolag 1901–1935: AB Naftasyndikat’, Riksarkivet, accessed 20 October 2025, https://sok.riksarkivet.se/aktiebolag/?Bolagets_namn=Naftasyndikat&page=1&postid=Bolag_10876&tab=post#tab; Fredrik Malm, *Naftasyndikat: Berättelsen om direktör Kruse och Stalins oljeföretag i Sverige* (Carlsson Bokförlag, 2020).

consequently founded in 1930 to import, refine and sell petroleum products on the Swedish market.¹²

The refinery played an important role during WWII, during which it was used to refine oil for the state-owned petroleum company *Svenska Skifferoljeaktiebolaget* (SSAB). The latter enterprise extracted low-grade shale oil from domestic sources in a small town called Kvarntorp, located roughly in the middle of Sweden. *Nynäs Petroleum* primarily refined aviation fuel from this shale oil. This was of strategic value because of the wartime shortages of petroleum products.

Bilägarnas Inköpscentral (IC)

Bilägarnas Inköpscentral (the ‘Car-Owners’ Purchasing Central,’ or IC for short) was a consumer cooperative that purchased car-related goods from ‘anti-trust’ sources, that is, independent producers that were not part of a cartel or monopoly, to challenge monopolies and cartels on the Swedish market. IC, as a centrally organised consumer cooperative, was officially founded in August 1926, but it had its roots in local car-owners’ associations and consumer cooperatives that began cropping up in 1915, in response to the wartime shortages of petrol during WWI. The cooperative movement had strong ties to the Social Democratic Party, even though it is and was politically neutral.

Several of these car-owners’ associations bought petrol from Swedish-owned companies that imported oil from the Soviet Union during the late 1920s. Competition from Soviet oil products forced the cartel to decrease their prices. Soviet petroleum products therefore

¹² De Geer, *Firman*.

came to have a price-regulating role on the Swedish market. But many small Swedish import firms were quickly purchased by the Western-owned cartel companies, thereby breaking the incoming flow of Soviet-produced ‘anti-trust oil’ — or ‘Bolshevik benzine’, as its detractors called it. Once the cartel had regained its oligopoly through acquisitions of independent importers, petrol prices usually increased. In 1929, IC began buying petroleum products from the newly founded Naphtha Syndicate, which it then sold to its members at a much lower price point than the cartel companies offered.¹³

¹³ Letter from Casper Ehrenborg to the 1933 Motor Fuel Committee, Ministry of Finance’s confidential cabinet minutes, vol. E1:2, RA. See also Carl Zeidlitz, ‘Bensinkriget – mot bättre priser’, accessed 15 October 2025, <https://www.ok.se/historia/den-kooperativa-utmanaren/bensinkriget-mot-battre-priser>; Carl Zeidlitz, ‘Grundandet av IC’, accessed 15 October 2025, <https://www.ok.se/historia/den-kooperativa-utmanaren/grundandet-av-ic>.

Appendix B. Major parties in the Riksdag, 1914–1947

Socialist parties

The Social Democratic Workers' Party (SAP), 1889–present.

The Swedish Social Democratic Workers' Party was founded in 1889. Sweden's ongoing industrialisation process brought on a host of new social issues: dangerous workplaces, long working hours, substandard living conditions, employers' unrestricted power over employees, and Sweden's feudal lack of democracy. The Social Democratic Party had its roots in the trade union movements, private sick and funeral benefit societies (*sjuk- och begravningskassor*), and socialist groups that had emerged in response to these new social issues. The party's early political demands included universal suffrage, parliamentarism, an eight-hour working day, and the right to form unions.¹

The Liberal Party became a partner to the SAP during the struggle for universal suffrage during the 1910s. The cooperation between Liberals and Social Democrats reached its highest point with the liberal Edén cabinet (1917-20) — a coalition government between the Liberals and the Social Democrats. The Edén cabinet finally implemented parliamentarism and universal and equal suffrage.

The SAP was a founding member of the Second International (or the Socialist International), a transnational organisation of socialist

¹ See, e.g., Torbjörn Nilsson, 'Socialdemokraterna — folkhemmets byggherrar', *Populär Historia*, July 6, 2010, <https://popularhistoria.se/politik/folkhemmets-byggherrar-partiernas-historia-socialdemokraterna>.

political parties and trade unions that existed between 1889 and 1916. The Second International consisted of Social Democratic, Socialist, Communist and Anarchist (until they were expelled) parties from over 20 European countries which came together to discuss socialist strategy and policy. Like the other members of the Socialist International, the SAP was internationalist and anti-militarist prior to the outbreak of World War I, which changed everything. The Second International fell apart when European socialist parties — most notably and symbolically the German Social Democratic Party (SPD) — supported its home-countries' war efforts, thereby implicitly supporting their decisions to send workers to the frontlines to fight other workers from other countries. This obviously ran counter to the organisation's internationalist message.

World War I and the Russian Revolutions of 1917 spawned a revolutionary moment in Sweden. Stagnated food imports and domestic crop failures caused widespread hunger in 1917, which stoked anger and revolutionary sentiment. Pro-Bolshevik Leftists within the SAP wanted to use the hunger demonstrations to foment a Swedish revolution. But the majority within the SAP, under the leadership of party leader Hjalmar Branting, promoted a reformist and peaceful way towards socialism. The revolutionaries, along with anarchists and other more radical Leftists, were consequently expelled from the party (see the Communist Party below). Anti-communism and reformism have been defining features of the party ever since the party split of 1917.

The 1920s were marked by a quick succession of short-lived minority governments. While the Social Democrats were in power for

about half of the 1920s, the Social Democratic cabinets were weak. This was because the alliance with the Liberal Party had fallen through once universal suffrage was won, and the SAP's electoral results were not enough to form a majority government.

The SAP became a dominant force in Swedish politics in 1932. Its partner throughout much of the 1930s became the Farmers' League, with which it formed an alliance between 1933–36 and a coalition government between 1936–39. The party was continuously in government between 1932 and 1976 (except for three months in 1936), as well as between 1982–1991, 1994–2006, and 2014–22. It has been the largest political party in Sweden since 1917.

Ideologically, the party strives to bring about Democratic Socialism, which it sees as a society with a democratic economy based on the socialist principle 'from each according to his ability, to each according to his needs'. The means of reaching this goal has been socialisation. In the early days, socialisation was understood to mean the 'common ownership of the means of production', in accordance with Marxist theory, but the party gradually redefined socialisation to mean an increasing 'democratic influence over the economy' during the twentieth century. Crucially, this democratic influence could be attained without nationalisations or other forms or direct State ownership over the means of production.²

The party was influenced by Marxist theory and praxis in its early days but gradually moved away from his teachings, not least during the

² Berman, *The Primacy of Politics*, 196.

lead-up to the party split in 1917 (see The Communist Party below). Remnants of Marxist ideology and methodology remained long afterwards, however. But its interpretations of Marx have often been loose and non-dogmatic. The party adopted a Keynesian new economic policy and party programme in 1932, which marked a further move towards the political centre. Today, the party is commonly considered a centre-left Third Way or social liberal party.

The Communist Party (SKP), 1917–present.

Major disagreements about the ongoing Russian Revolution — especially concerning the Bolsheviks' revolutionary aims and methods — and how Swedish Social Democrats should react to the domestic hunger demonstrations caused the Social Democratic Party to expel Leftist critics from the party during the 1917 Party Congress. The excommunicated members created the Social Democratic Left Party (*Sverges* [sic] *socialdemokratiska vänsterparti*, or SSV for short) on 13 May 1917. Zeth Höglund was chosen as the SSV's party leader. He had been a driving force behind the formation of the new party, along with other Communist luminaries such as Ture Nerman, Kata Dalström, and Karl Kilbom. The new party enticed 15 of the Social Democrats' 87 MPs and its youth organisation to defect from the SAP and join the new party. It retained 8.1 per cent of the vote in the 1917 general election.

Modelled on the Russian Revolution, the SSV tried to develop the ongoing hunger and suffrage demonstrations into a Swedish revolution in 1917. But the SAP and LO retained control over the Swedish

workers' movement and managed to enforce discipline on the movement, thereby dampening revolutionary sentiments.

The SSV was one of the founding members of the Third International, more commonly known as the Communist International, or the Comintern, in 1919. The Comintern was a transnational organisation of Communist parties which existed between 1919 and 1943. It advocated world communism and worked to export the Russian Revolution to other countries. It was dominated by the Soviet Communist Party, which used the Comintern as a foreign policy tool.

Members of the Comintern had to submit to the Twenty-one Conditions, a series of strict guidelines that enforced ideological purity (through purges of reformists and centrists) and made the participating parties subservient to the Soviet Communist Party. This, too, is what happened to the Communist Party of Sweden (*Sverges* [sic] *kommunistiska parti*, SKP), as the SSV became known in 1921. As a section of the Comintern, it had to follow Moscow's orders or face expulsion from the international. But the party's deference to the Soviet Union made it a pariah in Swedish politics (not least because Russia was, and is, commonly seen as Sweden's ancestral enemy). It also sparked party-internal critique.³

A majority of the SKP's members were discontented with the minority's loyalty to Moscow. They wished to cut ties with the Soviet Union and develop the SKP into an independent Communist party.

³ See, e.g., Torbjörn Nilsson, 'Partiernas historia: Vänsterpartiet', *Populär Historia*, September 28, 2010, <https://popularhistoria.se/politik/partiernas-historia-vansterpartiet>; 'Twenty-one Conditions', Wikipedia, accessed 4 April 2025, https://en.wikipedia.org/wiki/Twenty-one_Conditions.

SSV's party leader Zeth Höglund and Fredrik Ström left the party in 1924, due to the increasing centralisation of the Comintern. And in 1929, the Moscow-faithful minority purged the party of the faithless majority, in accordance with the Comintern's Twenty-one Conditions. The banished members formed a rivalling Communist party with the same name as the old one. To separate the two, the old, Moscow-faithful party was popularly called the *Sillén Communists* (after its party leader Hugo Sillén) and the new party was called the *Kilbom Communists* (after its party leader Karl Kilbom). The latter party was renamed the Socialist Party in 1934 (see the Socialist Party below). When spirits cooled, most of the SSV's and SKP's leaders returned to the SAP.

The SKP was a party of and for the working class. Its goals — as formulated by the Comintern — were to create a revolutionary working-class culture, and to educate workers in class struggle and Marxism, thereby sowing the seeds of revolution.

The party's views shifted in lockstep with the Soviet Union's policies — especially its position on Social Democracy and other reformist tendencies. The SSV initially viewed Social Democrats as class traitors and 'social fascists'. After the 1935 Comintern Congress, however, Social Democratic and all other anti-fascist parties were seen as acceptable alliance partners in so-called 'popular fronts' — united fronts between Communists and other anti-fascists against Fascist parties and threats. The Comintern's political credibility collapsed after the Nazi German invasion of the Soviet Union in 1941. At that point, the Soviet Union joined the Allied side of the war, and the Comintern actively began supporting the Allies, which was of course led by the

arch-capitalist United Kingdom and the United States. This led to a fracturing of the organisation, which only ended when Stalin terminated the organisation in 1943. He dissolved the Comintern to avoid antagonising the Allied leaders, most notably US President Roosevelt and UK Prime Minister Churchill.

The SKP were critical of the 1938 Saltsjöbaden Agreement between the LO and the SAF, which promoted labour peace and created a system of orderly negotiations concerning wages and working conditions, free of state involvement. The SKP instead promoted working-class militarism and trade union radicalisation.

World War II was a tempestuous time for the SKP. The party was excluded from the unity government, and its members were seen as enemies of the state because of the party's close ties to the Soviet Union. The party press was censored and subject to a 'transportation ban', which hindered the distribution of the SKP's newspapers, pamphlets, and the like, on State railway lines. Moreover, many Communists were interned in military work camps for political enemies.

Ever loyal to the Comintern line, the party defended the Soviet attack on Finland and was conspicuously quiet about the Nazi invasions of Norway and Denmark (because of the Molotov-Ribbentrop Pact). It was only when Nazi Germany invaded the USSR in 1941 that the party became consistently and outspokenly anti-Nazi. This, again, aligns with the Comintern's change of policy regarding Nazi Germany.

Communists across Europe experienced electoral success in the wake of the Red Army's victories, and the accomplishments of Communist (or United Front) resistance movements in Nazi-occupied

territories. So too the SKP, which, for these reasons, and for being excluded from the unity government, garnered 10.3 per cent of the vote in the 1944 general election, and 11.2 per cent in the municipal elections of 1946.

But the wind in their sails waned as the World War II morphed into the Cold War, and the Soviet Union's partnership with the Allies came undone. As large parts of Eastern Europe were annexed by the Soviet Union or turned into Communist autocracies and dictatorships, the allure of Communism began to fade. The SKP were sidelined and isolated in Swedish politics, and the SAP and the LO cooperated with military and police agencies to stop Communists infiltration in important spheres of society.

The SKP often voted with the Social Democrats in the Riksdag, despite the two parties' adversarial relationship since the 1917 party split. Apart from its above-mentioned interest in a radicalisation of the trade unions, the party fought for peace (often on terms that would benefit the Soviet Union), better housing conditions, social reforms and a better school system.

Many abandoned the party in 1956, when the Soviet Union invaded Hungary.⁴

The Socialist Party (SP), 1929–1948

After the 1929 split of the Communist Party, a new party with the same name formed (see the Communist Party above). Karl Kilbom was one

⁴ Torbjörn Nilsson, 'Partiernas historia: Vänsterpartiet', *Populär Historia*, September 28, 2010, <https://populärhistoria.se/politik/partiernas-historia-vansterpartiet>.

of its leaders, wherefore the party became known as the *Kilbom Communists*. A cohort of disgruntled members of the Gothenburg section of the SAP joined the Kilbom Communists in 1934. As that merger happened, the party changed its name to the Socialist Party (*Socialistiska partiet*, or SP). It became the largest party to the left of the SAP during the 1930s.

The SP was critical of the developing Stalinism in the Soviet Union and distanced itself from the Comintern. The party was antifascist during the 1930s, mobilised support for the Second Spanish Republic, and recruited volunteers to defend it against Franco's Nationalist faction in the Spanish Civil War.

The SP was plagued by infighting and dissent, however, and soon lost members — including the party leader Kilbom who was expelled from the party in 1937. Nils Flyg replaced him as party leader. Kilbom returned to the SAP, along with many disgruntled SP members who left the party when Flyg usurped Kilbom's party leadership.

The party grew increasingly hostile towards the Comintern and the Soviet Union during the late 1930s. So much so that the party took Nazi Germany's side during WWII. The party's increasingly pro-German stance under Flyg's leadership caused further infighting, splintering, and loss of members. In 1940, for example, prominent members Albin Ström and Evald Höglund left the party and founded the Left Socialist Party (*Vänstersocialistiska partiet*). The party's increasing pro-German sentiments caused the SP to lose all six of its seats in the Riksdag in the 1940 general election.

When party leader Nils Flyg died in 1943, Agaton Blom was elected party leader. The party then began morphing into an openly Nazi party, changing its name to the Swedish Socialist Party (*Svenska socialistiska partiet*, or SSP), and adopting a swastika in the Swedish flag's blue and yellow hues as the party symbol. It continued to lose members and electoral support during this period, obtaining just five thousand votes (or 0.2 per cent of the vote) in the 1944 general election and retaining less than a thousand members. In other words, the Nazi SSP was a negligible force in Swedish politics. The party was dissolved in 1948.

Non-socialist, or bourgeois, parties⁵

The Conservative Party (H), 1904–present.

Around two hundred conservatives and moderates founded the General Electoral League (*Allmänna valmansförbundet*) during a dinner at restaurant *Ruman* in Stockholm in 1904. These men (because they were all men) disliked political parties, since political agitation sowed national

⁵ A bourgeois party (*borgerligt parti*) is any non-socialist, pro-capitalist party espousing a liberal or conservative ideology, in Swedish political parlance. The term stems from the Social Democrats' phraseology. During the SAP's long hold on political power, it became a widely adopted shorthand for the parties to the SAP's right: the Conservative Party, the Christian Democrats (1964–today), the Liberal Party, and the Centre Party. The Liberal and Centre Parties have at times rejected the label, however. They both contain strong social-liberal tendencies — the so-called 'bourgeois Left' (*den borgerliga vänstern*) — and have frequently cooperated with the SAP. A more value-neutral term is the frequently used 'non-socialist parties', but the 'bourgeois' moniker has remained — not least because the Conservative Party and the Christian Democrats have adopted it as its own. See e.g., Dick Harrison, 'Varför talar man om "borgerligheten"?' *Svenska Dagbladet*, July 24, 2016, <https://www.svd.se/a/m054p/varfor-talar-man-om-borgerligheten>; 'Borgerlig', *Nationalencyklopedin*, accessed April 7, 2025, <https://www.ne.se/uppslagsverk/encyklopedi/lang/borgerlig>.

division and unrest. They nevertheless felt forced to form a party to counteract the increasingly well-organised and popular radical movements of the day: the liberal suffrage movement, the socialist workers' movement, and the women's movement. These movements, and the parties and organisations they formed, increasingly threatened the status quo, and the power and authority of traditional elites.⁶

Before 1904, these elites lacked a stable party organisation. Conservatives in the Riksdag were often strong-willed and individualistic, and disliked political parties, as mentioned above. Because of this, the traditional Conservative elite was fragmented and had difficulties mounting a united front against the radical movements. This remained the case even after the creation of the General Electoral League in 1904, since that party was essentially a joint election campaign organisation for otherwise independent parties (such as the Protectionist Majority Party, the Moderate Party, the National Progressive Party, and so on). That the Right was weak and divided has been presented as one of the main reasons why the Left, and especially the Social Democratic Party, was so successful in claiming and retaining political power in Sweden during the twentieth century.⁷

Business owners, merchants, and the wealthy became the party's main financiers and constituency. Because the Conservative Party's main source of funding came from capitalists, the party adopted a market-liberal stance at an early stage (unlike traditionalist conservatism

⁶ See, e.g., Torbjörn Nilsson, 'Partiernas historia: Moderaterna', *Populär Historia*, July 5, 2010, <https://popularhistoria.se/politik/partiernas-historia-moderaterna>.

⁷ See, e.g., Östberg, *Swedish Social Democracy*, 276–8.

which often sees the capitalist market society as a threat against the traditional social values and ties that it wishes to protect). Nowadays, the party's official ideology is liberal conservatism; a legacy of its founder-donors' interest in market-liberalism during the party's early days.⁸

Ideologically, the conservatives were royalists, Christian, proponents of increased defence spending, opponents of universal and equal suffrage (before the revolutionary wave of 1917 which forced the party to concede to the SAP's and the Liberal's voting reform demands), defenders of free enterprise and private ownership, and proponents of fiscal restraint during the twentieth century.⁹

In 1938, it changed its name to the National Organisation of the Right (*Högerns riksorganisation*), or simply the Right (*Högern*). The name was changed again in 1952, this time to 'the Rightist Party' (*Högerpartiet*), or the Conservative Party. It has been called the Moderate Coalition Party (*Moderata samlingspartiet*) since 1969, and, more informally, the Moderates (*Moderaterna*) since 2014. I have chosen to refer to the party as the Conservative Party because it is a common moniker in the international historiography.

The Liberal Party (FP), 1900–present.

The Liberal Party has its earliest roots in the Liberal Coalition Party (*Liberala samlingspartiet*) which was created in 1900. The party gathered

⁸ See, e.g., Torbjörn Nilsson, *Mellan arv och utopi: Moderata vägnal under 100 år, 1904–2004* (Santérus Förlag, 2004).

⁹ Ibid.

liberals in both chambers of the Riksdag into a single organisation. It fought for private enterprise, free trade, republicanism, and a separation of church and state. The Free-minded National Association (*Frisinnade Landsföreningen*) was founded in 1902 as the national association for the Liberal Coalition Party.

The Liberal Party was principally a social-liberal party during the early twentieth century. It was committed to parliamentarianism, individual rights and freedoms, and a social market economy. The Liberal Party was an early proponent of universal and equal suffrage. It cooperated with the SAP to push an extension of the franchise through the Riksdag in 1919–21.

Like most parties, the Liberal Party is not a monolith. It has encompassed several bickering factions. During the twentieth century, the party contained a large left-wing ‘free-minded’ social liberal faction, and a smaller right-wing conservative liberal faction. The free-minded social liberal faction of the party had close ties to the temperance movement and the Free Church movement and largely represented rural populations. Compared to the right-wing faction, it was more interested in helping the poor and those in need (in accordance with scripture) through state-provided social services and market interventions, and in enforcing temperance through prohibition to fight the social harms associated with alcohol-drinking.

By contrast, the right-wing conservative liberal faction emphasised individual responsibility and negative rights (that is, freedom from the state); that civil society, rather than the state, should provide a social safety net; limited market interventions; and a smaller state. It also

tended considerably more towards ‘cultural radicalism’ (*kulturradikalism*) than the left-wing faction, meaning that it opposed the state church, traditional social norms and Victorian sexual morality. Its main constituency was city-dwellers.

After a conflict concerning social issues, especially alcohol prohibition, the Free-minded National Association split in 1923. Despite the people’s rejection of an alcohol prohibition in a 1922 plebiscite, a majority within the Liberal Coalition Party kept agitating for a prohibition. This caused an anti-prohibition minority to split with the party and create the new Liberal Party of Sweden (*Sveriges liberala parti*). The remaining party majority rebranded itself the Free-minded People’s Party (*Frisinnade folkpartiet*). The two parties (along with some smaller liberal parties and groups) reconciled and reunited as the People’s Party (*Folkpartiet*) in 1934. It chose to rename itself the Liberal People’s Party (*Folkpartiet Liberalerna*) in 1990, and the Liberals (*Liberalerna*) in 2015. For clarity’s sake, I will mostly refer to it as the Liberal Party. Where relevant, however, I will mention the splinter groups.¹⁰

The Farmers’ League (B) 1910–present.

The Farmers’ League (*Bondeförbundet*) was founded sometime between 1910 and 1914, depending on what one counts as the beginning of the party’s existence.

¹⁰ See, e.g., Torbjörn Nilsson, ‘Partiernas historia: Folkpartiet’, *Populär Historia*, July 5, 2010, <https://popularhistoria.se/politik/partiernas-historia-folkpartiet>.

The Farmers' League's electorate mostly consisted of smallholding family farmers and rural populations who felt they lacked representation in the Riksdag. It was not so much a class party as an interest group for rural populations who felt threatened by Sweden's rapid industrialisation and urbanisation. The party argued that rural populations and farmers had different social and economic interests than city-dwellers. It saw both big businesses and socialists as threats against these interests, and the rural way of life.¹¹

Ideologically, the party was broadly conservative. The party championed traditional Christian family values, nationalist policies in defence of King and country, and, above all, protectionist policies for the Swedish agricultural sector. The party's ideology was not as pronounced and inflexible as that of some other parties, however. It was pragmatic: it did what it thought best represented the interests of its constituents. It was this pragmatism that enabled it to go from cooperating with the non-socialist parties to allying itself with the SAP during the 1930s.¹²

It merged with its competitor for the rural population's vote — Sweden's other major Agrarian party, the National Agrarian League —

¹¹ Yngve Mohlin, 'Bondepartiet och det moderna samhället 1914–1936 — en studie av svensk agrarianism' (PhD diss., Umeå University, 1989); Torbjörn Nilsson, 'Partiernas historia: Centerpartiet', July 5, 2010, <https://popularhistoria.se/politik/partiernas-historia-centerpartiet>; Anders Widfeldt, 'The Swedish Centre Party: The Poor Relation of the Family?' in *From Farmyard to City Square? The Electoral Adaptation of the Nordic Agrarian Parties*, edited by David Arter (Routledge, 2017).

¹² Ibid.

in 1922 but retained the Farmers' League name. The party adopted the name the Centre Party (*Centerpartiet*) in 1957, which it retains to this day.

The party has undergone several ideological shifts after the end of World War II and is today considered a social liberal, or sometimes neoliberal, party focusing on decentralisation, environmentalism, and economic liberalism.

In the international historiography, it is sometimes known as the Agrarian League or the Agrarian Party. I have elected to call it the Farmers' League, because it is a common English translation of the name, and because it was called *Bondeförbundet* for most of the period this dissertation covers.

The National Agrarian League (JR), 1915–1922.

The National Agrarian League (*Jordbrukarnas riksförbund*, JR) was founded in 1915. Its main constituency was large estate owners (cf. the landed gentry in the British context). Ideologically, the party was conservative and nationalist. Nationalism of an overtly racist and antisemitic character was more common in the National Agrarian League and its constituency than in the Farmers' League. It merged with the Farmers' League in 1922, retaining the latter's name.¹³

¹³ Ibid.

Appendix C. Timeline of Swedish governments, 1900–1950

Before the democratic breakthrough

The Fredrik **von Otter cabinet** (12 September 1900–5 July 1902), the Protectionist Majority Party of the First Chamber (*Första kammarens protektionistiska majoritetspartiet*). Cabinet appointed by king Oscar II.

Erik Gustaf **Boström's second cabinet** (5 July 1902–13 April 1905), the Protectionist Majority Party. Consisted of ministers from The Party of the Rural People (*Lantmannapartiet*) and The Protectionist Majority Party. Cabinet appointed by king Oscar II.

The Johan **Ramstedt cabinet** (14 April 1905–2 August 1905), independent. Consisted of ministers from the Party of the Rural People and the Protectionist Majority Party. Cabinet appointed by king Oscar II.

The Christian **Lundeberg cabinet** (2 August 1905–7 November 1905), the Protectionist Majority Party.

The Lundeberg cabinet was the first cabinet that was formed based on the candidates' proportional strength in the Riksdag, rather than the MPs' personal relationships with the monarch. It was a majority government consisting of a kind of coalition between the Protectionist

Majority Party of the Upper House, the Party of the Rural People, and the Liberal Coalition Party (*Liberala samlingspartiet*).

Karl **Staaß's first cabinet** (7 November 1905–29 May 1906), the Liberal Coalition Party. Single-party minority government.

Resigned when it failed to implement a franchise reform and a first-past-the-post voting system. The incoming Lindman cabinet would instead choose a proportional voting system, and a less far-reaching reform of the franchise.

Arvid **Lindman's first cabinet** (29 May 1906–7 October 1911), the Protectionist Majority Party. Coalition government between the Party of the Rural People, the Protectionist Majority Party, The Moderate Party of the Upper House (*Första kammarens moderata parti*), and National Progressive Party (*Nationella framstegspartiet*). Majority in the First Chamber, minority in the Second Chamber.

Lindman's cabinet introduced proportional elections to both chambers of the Riksdag and oversaw a franchise reform which the Riksdag voted to introduce in 1909. The reform introduced universal suffrage for men in 1909, which extended the right to vote to men over the age of 24 who had paid their taxes, abided by the draft, not been in jail, and who were not currently in a workhouse. In total, this gave around one million men (out of Sweden's total 5.5 million inhabitants) the right to vote in general elections for the Second Chamber of the Riksdag. First Chamber elections remained weighted by wealth, however, which meant that the wealthy had many more votes than the

poor (who were most likely ineligible to vote anyway). The very wealthiest could have anywhere between 40 and 4,000 votes. This system preserved Conservative dominance in the Riksdag's First Chamber.

Lindman's cabinet also managed to get the Riksdag to accept its proposal to expand defence spending to a level that would reach around 50 per cent of the State's budget. The main expenditure item was the construction of *Dreadnought*-style battleships to keep up with the naval arms race in the leadup to World War I. The SAP and the Liberal Party, both of which contained strong pacifist and antimilitarist factions, were fervently against these proposals and protested against the burden that the inflated defence budget would place on taxpayers. The incoming liberal cabinet even tried to reverse the Lindman cabinet's defence spending decisions.

Karl Staaff's second cabinet (7 October 1911–17 February 1914), the Liberal Coalition Party. Single-party minority (in both chambers) government.

Resigned when King Gustaf V threatened to veto the cabinet's decisions to lower Sweden's defence spending and cancel the planned battleship-building. This led to a constitutional crisis that threatened to overturn Sweden's nascent democracy: the so-called 'Courtyard Crisis' (*borggårdskrisen*). It actualised the question whether the elected government had the power to decide the country's policies, even when the monarch disapproved of those policies. If not, and the King could

veto the government's decisions and enact his preferred policies, Sweden's nascent democracy would be democratic in name only.

The Hjalmar **Hammarskjöld cabinet** (17 February 1914–30 March 1917), the National Party of the Upper House (*Första kammarens nationella parti*). Majority in the First Chamber, minority in the Second Chamber.

The Hammarskjöld cabinet was a government of civil servants (*ämbetsmannaregering*) which King Gustaf V tasked with solving the defence spending issue. Despite its supposed 'non-political' nature, the cabinet was Conservative-leaning and loyal to the King, meaning that it was favourable to increasing Sweden's defence spending. The defence issue was resolved when World War I broke out in July 1914. The new situation caused the parties, including the antimilitarists in the Social Democratic Party and the Liberal Party, to let the military's needs dictate defence spending.

Waning imports during the war paired with domestic crop failure led to nationwide hunger in 1917, causing hunger demonstrations and riots to break out across Sweden. The February Revolution in Russia (8–16 March 1917) added fuel to the fire and created the preconditions for a Swedish revolution. The situation was further exacerbated by the Hammarskjöld cabinet's austerity measures, the police's and military's violent suppression of the hunger demonstrations, and the formation of bourgeois paramilitary groups that were prepared to protect the old order, gun in hand. When Hammarskjöld rejected a proposed trade agreement with the United Kingdom which might have reduced hunger

and eased social tensions (presumably because of his pro-German tendencies), Conservatives in the Riksdag retracted their support of his cabinet, forcing it to resign.¹

The Carl **Swartz cabinet** (30 March 1917–19 October 1917), the National Party. Coalition government between the General Electoral League (*Allmänna valmansförbundet*) and the National Party. Majority in the First Chamber, minority in the Second Chamber.

The Swartz cabinet was severely pressured by the ongoing hunger and military demonstrations. Conservatives and traditional elites — the bourgeoisie — feared the masses and the spectre of a Communist revolution; so much so that they feared that the 1 May 1917 demonstrations in Stockholm could result in revolution. Swartz's cabinet negotiated with the Social Democrats to avoid such a scenario. The Swartz cabinet banned bourgeoisie paramilitaries in exchange for the Social Democrats' promise to ensure a peaceable and orderly International Workers' Day demonstration.

Meanwhile, the SAP used the revolutionary moment to push the Swartz cabinet to accept universal and equal suffrage (for all adult men and women) and a removal of the First Chamber's weighted voting

¹ See, e.g., Gunnela Björk, 'Hungerkravallerna 1917–18', *Populär Historia*, May 20, 2017, <https://popularhistoria.se/sveriges-historia/1900-tal/1917-18-sverige-i-uppror>; Blomqvist, *Potatisrevolutionen och kvinnoupproret*; Karin Jonsson, 'Sablar mot krav på jämlikhet', *Aftonbladet*, June 4, 2017, <https://www.aftonbladet.se/kultur/a/1mz8m/sablar-mot-krav-pa-jamlikhet>; Jonsson, 'Revolutionens tid och plats: Oktoberrevolutionen och begreppet revolution i svensk socialistisk press', *Fronesis* 60–61 (2018); Dick Harrison, 'Arbetarna på Seskarö tog vapnen från soldaterna', *Svenska Dagbladet*, June 3, 2020, <https://www.svd.se/a/zGnnzK/arbetarna-pa-seskaro-tog-vapnen-fran-soldaterna>.

system. The cabinet decided to let the people decide the matter in the upcoming election.

Minority parliamentarism (1919–1933)

The Nils **Edén cabinet** (19 October 1917–10 March 1920), the Liberal Coalition Party. Coalition between the Liberal Coalition Party and the Social Democratic Workers' Party. Minority in the First Chamber, majority in the Second Chamber.

The liberal Edén cabinet's coalition with the Social Democrats marked the first time that the SAP was invited to participate in a government. The cabinet faced continued hunger demonstrations, which it solved by intensifying Sweden's trade with the United Kingdom.

The Edén cabinet also presided over the December 1918 Riksdag negotiations about the constitutional reform that would introduce universal and equal suffrage. Once passed, the new law gave all men and women who had turned 23 the right to vote. There were restrictions to this rule, however: people who were incarcerated, who had large tax debts, who received poor relief, or who had been declared 'incapacitated' (*omyndig*) in a court of law remained ineligible to vote. Because of these exceptions, only about 55 per cent of the population could vote. This was still a major increase from the one million men who had been permitted to vote in 1909. After the reform, around three million citizens were eligible to vote, half of whom were women. The reform likewise removed the wealth-weighted voting system, along with several other restrictions, for First Chamber elections. From that point

on, each eligible person's vote counted equally in both First and Second Chamber elections (with the above caveats).

Pressured by the revolutionary fervour that swept across Europe in the wake of the Russian October Revolution on 7 November and the end of WWI on 11 November 1917, the Conservatives reluctantly accepted the constitutional reform. Many among the bourgeoisie feared revolution more than the consequences of passing the voting reform.

The SAP's demands for an abolition of the monarchy and the First Chamber of the Riksdag were struck from the reform, however. Nevertheless, the extension of the franchise was a major win for the SAP and the Liberal Party. The constitutional reform passed the Riksdag in 1919, was ratified in 1920, and implemented in 1921.²

Hjalmar **Branting's first cabinet** (10 March 1920–27 October 1920), the Social Democratic Workers' Party. Single-party minority government.

Branting's first cabinet was the first single-party Social Democratic government. It was short-lived partly due to the ongoing constitutional reform, which required two consecutive Parliaments to pass it, with an intervening general election, and partly due to its minority status, which made it hard to pass bills through the Riksdag. Branting's cabinet nevertheless instituted three parliamentary inquiries: one on controlling trusts and monopolies, one on industrial democracy, and one on socialisation of private companies.

² Ibid.

The Louis **De Geer cabinet** (27 October 1920–23 February 1921), the General Electoral League. Single-party minority government. ‘Non-political’ government of civil servants (*ämbetsmannaregering*.)

The Oscar **von Sydow cabinet** (23 February 1921–13 October 1921), the General Electoral League. Single-party minority government. ‘Non-political’ government of civil servants.

Hjalmar **Branting’s second cabinet** (13 October 1921–19 April 1923), the Social Democratic Workers’ Party. Single-party minority government.

Universal and equal suffrage was finally implemented in 1921. Branting’s second cabinet was the first to be elected after the franchise reform.

The cabinet did not manage to pass many of its propositions through the Riksdag. Its proposals to sign a trade agreement with the newly formed Soviet Union, and to expand unemployment benefits, for example, were both downvoted by the opposition. The cabinet did garner appreciation for its spending cuts, e.g., in the Minister of Finance’s ‘committee slaughter’, which closed over 80 per cent of the committees of inquiries. Branting’s second cabinet also oversaw a plebiscite on alcohol prohibition which resulted in a narrow win for the nay side. Resigned when the First Chamber rejected its above-mentioned unemployment benefit reform.

The Ernst **Trygger cabinet** (19 April 1923–18 October 1924), the General Electoral League. Single-party minority government.

Trygger's cabinet remained in office for the remainder of the 1921–24 term when Branting's second cabinet resigned. It proposed a defence reform, which was voted down by the Riksdag. The cabinet resigned after the general election of September 1924.

Hjalmar **Branting's third cabinet** (14 October 1924–24 January 1925), the Social Democratic Workers' Party. Single-party minority government.

Branting's third cabinet was elected on a platform of disarmament and defence spending cuts, which the Sandler cabinet implemented after it took office.

The Richard **Sandler cabinet** (24 February 1925–7 June 1926), the Social Democratic Workers' Party. Single-party minority government.

Sandler replaced Branting as the SAP's party leader and Sweden's Prime Minister after Branting fell ill and retired on 24 January 1925. He died a month later, which forced a cabinet reshuffle, resulting in the accession of the Sandler cabinet. The Sandler cabinet implemented the Defence Act of 1925, which reduced Sweden's defence spending cap and instigated far-reaching disarmament.

The Sandler cabinet resigned over the so-called Stripa Directive, a decision by the Unemployment Commission which could force the unemployed to take jobs in workplaces where there was a labour dispute, i.e., to force the unemployed to become strike-breakers.

Carl Gustaf **Ekman's first cabinet** (7 June 1926–2 October 1928), the Free-minded People's Party (*Frisinnade folkpartiet*). Minority coalition government between the Free-minded People's Party and Liberal Party of Sweden (*Sveriges liberala parti*).

Arvid **Lindman's second cabinet** (2 October 1928–7 June 1930), the General Electoral League. Single-party minority government.

Lindman's second cabinet convened a labour peace conference aimed at strengthening national cohesion between capitalists and workers.

The cabinet began a protectionist regulation of the agricultural sector. It passed subsidies for dairy farming and beet growing and introduced a milling obligation, which forced mills that imported foreign grain to blend Swedish-grown grain into the mixture, thereby subsidising domestic grain-producing farmers. The cabinet also proposed increases in grain tariffs, but that idea faced heavy criticism from the Social Democrats and Liberals. The cabinet made the tariffs a cabinet issue. When the Riksdag rejected its tariff proposal, Lindman's cabinet resigned.

Carl Gustaf **Ekman's second cabinet** (7 June 1930–6 August 1932), the Free-minded People's Party. Single-party minority government.

Governed during the Great Depression and the Kreuger Crash. Ekman was forced to resign on 6 August, after rumours that he had taken donations (or been bribed) by captain of industry Ivar Kreuger,

whose business empire came crashing down in the wake of the Depression, causing the so-called Krueger Crash.

The Felix **Hamrin cabinet** (6 August 1932–24 September 1932), the Free-minded People's Party. Single-party minority government.

The Minister of Finance in Gustaf Ekman's second cabinet, Felix Hamrin, replaced Ekman after his resignation. The Hamrin cabinet only held office until the 1932 general election about a month later.

Social Democratic hegemony (1932–1976)

Per Albin **Hansson's first cabinet** (24 September 1932–19 June 1936), the Social Democratic Workers' Party. Single-party minority government (supported by the Farmers' League).

Hansson's first cabinet negotiated an alliance with the Farmers' League — the so-called 'horse trade' (*kobandeln*) — which effectively gave the cabinet a majority position in the Riksdag.

The Hansson cabinet implemented a crisis policy aimed at lessening unemployment and kickstarting the economy, the main feature of which was a public works programme financed through deficit spending. In exchange for these concessions, the Farmers' League prevailed upon the SAP to subsidise Swedish farmers and implement tariffs on imported agricultural products.

The Hansson cabinet resigned in June 1936 when it failed to garner support for its defence policy — it demanded continued disarmament and lower defence spending than any other major party — and an

indexing of public pensions to inflation (*dyrortsgrupperingen av folkepensionerna*).

The Axel **Pehrsson cabinet** (19 June 1936–28 September 1936), the Farmers' League. Single-party minority government.

The Pehrsson cabinet took office when Hansson's first cabinet resigned in June 1936. It governed during the parliamentary summer recess of that year and has therefore become known as the 'vacation government' (*semesterregeringen*). The cabinet was essentially powerless: it implemented no reforms and changed no laws because the Riksdag was not in session during its term in office.

Per Albin **Hansson's second cabinet** (28 September 1936–13 December 1939), the Social Democratic Workers' Party. Majority coalition government between the Social Democratic Workers' Party and the Farmers' League.

The SAP and the Farmers' League formed a coalition government after the 1936 general election, thereby formalising their 1933–1936 alliance. The two parties formed the first majority government since the democratic breakthrough in 1921, which put an end to the volatile and short-lived minority governments that had characterised Swedish politics ever since.

Hansson's second cabinet implemented several social reforms, including the above-mentioned indexing of pensions to inflation and the introduction of two weeks paid vacation for all employees.

It resigned when the Finnish Winter War broke out in 1939, in favour of a wartime unity government.

Per Albin **Hansson's third cabinet** (13 December 1939–31 July 1945), the Social Democratic Workers' Party. Wartime majority, unity government consisting of the Social Democratic Workers' Party, the Conservative Party (*Högerpartiet*), the Farmers' League, and the liberal People's Party (*Folkpartiet*).

Hansson's third cabinet was formed to ensure stability during World War II. It had two overarching goals: to keep Sweden out of the war and to keep the unity government together. The parties therefore put contentious issues of domestic policy to one side. The unity government consisted of the four largest parties (SAP, H, B, and FP). The pro-Soviet Communist Party of Sweden and the short-lived Socialist Party, which flip-flopped between pro-Soviet and pro-Nazi positions, were excluded from the unity government for security reasons.

Because the unity government included the four largest parties, the Riksdag (the legislative branch) lost power and influence, at the expense of the Government (the executive branch). It also meant that Sweden had no real political opposition throughout the war.

The unity government gave itself far-reaching powers. A suite of contentious actions followed ranging from the censoring of supposedly sensitive materials (from newspaper articles to films and theatre plays) in order to appease the belligerent great powers, to the creation of internment camps for political enemies (mostly communists who were

suspected of anti-state activities). Because Sweden effectively lacked an opposition that could counterbalance the unity government's power, democracy and accountability reached a low point during WWII.

The Communist Party, which had been excluded from the unity government and whose members had effectively been seen as enemies of the state during the war, faced a resurgence in the 1944 general election, reaching an unprecedented 10 per cent (up almost 7 per cent from the 1940 election. The SAP lost a corresponding amount). Hence, the Communists had benefitted from not being included in the unity government.

Per Albin **Hansson's fourth cabinet** (31 July 1945–6 October 1946), the Social Democratic Workers' Party. Single-party minority government.

Many within the Social Democratic Party wanted to break free of the limitations of the unity government when the war neared its conclusion. Party leader and PM Hansson, along with some other senior leaders within the party, was of a different mind, however, and tried to maintain consensus and unity for as long as possible.

Hansson's fourth cabinet marked the first time that the SAP held a single-party majority in both chambers of the Riksdag (with exactly half, 115 of the 230, seats in the Second Chamber and 84 of the 150 seats in the First Chamber). It also enjoyed support from MPs within the Farmers' League and the Communist Party, the latter of which had become an independent party and undergone a realignment towards national politics after the Comintern lost its political credibility

following Nazi Germany's 22 June 1941 invasion of the Soviet Union, and the 1943 dissolution of the Comintern.

The cabinet enacted the controversial and heavily criticised extradition of 146 Baltic Soldiers, who had fought on the Axis side of the war, to the Soviet Union in January 1946. The soldiers had fled Soviet occupation of their home countries. On arrival to Sweden, they had been placed in detention camps. After being extradited to the Soviet Union, many of the soldiers were imprisoned, and five were sentenced to death. Three executions were carried out, while two sentences were commuted to hard labour in Gulag camps.

Tage **Erlander's first cabinet** (11 October 1946–1 October 1951), the Social Democratic Workers' Party. Single-party minority government (1948–1951). Majority in the First Chamber, minority in the Second Chamber.

Tage Erlander was chosen to replace Per Albin Hansson as party leader and Prime Minister after Hansson's death on 6 October 1946. Erlander's cabinet remained in office for the remainder of the term (1944–1948) and were re-elected in the 1948 general election (for the period 1948–1952).

The post-war period, during Erlander's extraordinarily long term as Prime Minister (1946–1969), was when the Social Democrats realised most of the reforms that have since become synonymous with the Swedish welfare state. Erlander's first cabinet introduced some of these reforms, such as a universal public health insurance, child benefits (*barnbidrag*), and housing policy reforms which lowered rents and

subsidised housing construction. The main architect of these social policies was Gustav Möller, who had long been an eminence within the SAP. It was not until the post-war period that conditions allowed the party to realise his programme, however.

Erlander's first cabinet likewise introduced some of the fiscal means of sustaining the welfare state: a form of progressive income tax whereby high-income earners paid higher taxes than low-income earners, a raised corporate tax (from 32 to 40 per cent), and two quite far-reaching wealth and inheritance tax reforms. The new taxes stemmed from the 1945 State Tax Investigation within the Ministry of Finance, headed by Ernst Wigforss.³ He was one of the main architects of these fiscal reforms.

Erlander later led the SAP's efforts to create 'the strong society' (*det starka samhället*) with a large public sector, mainly financed by indirect taxes. A sales tax was introduced in the autumn of 1959, which was replaced by a value added tax (VAT) in 1969. These tax reforms cofinanced many public agencies and social reforms like the 1959 general supplementary pension (ATP), the 1965–74 affordable housing 'Million Programme' (*miljonprogrammet*), and expanded publicly funded health care and education services.⁴

³ See SOU 1946: 79.

⁴ See, e.g., Dick Harrison, 'Tage Erlander — Sveriges längsta statsminister', *Populär Historia*, April 28, 2020, <https://populärhistoria.se/politik/politiker/tage-erlander-sveriges-langste-statsminister>.

Appendix D. Nationalisations and NOCs

Table D.1. Nationalisations of privately owned oil supplies, 1900–1975

Year(s)	Country	Note
1911–14	United Kingdom	First Lord of the Admiralty Winston Churchill accelerated the shift from coal- to oil-fuelled warships and convinced the House of Commons to purchase 51 per cent of the Anglo-Persian Oil Company (APOC) to secure access to oil. This effectively nationalised APOC and turned it into a national oil company (NOC).
1918–20	Soviet Russia	Nationalised the entire oil industry without compensation. The industry was operated by People's Commissariats (cf. government ministries).
1926	Fascist Italy	Expropriated Sinclair Oil's operations. Replaced by the 60 per cent state-owned and -operated NOC Agip.
1927	Second Polish Republic	Nationalised the Polmin refinery in Drohobycz, Austrian Galicia, after Marshal Józef Piłsudski's 1926 May Coup.
1933–39	Nazi Germany	The oil industry remained under private ownership but was politically steered by the Nazi regime through corporative organisations and political appointees. It can be considered a nationalisation in all but name, in that it

partially transferred control of the industry from private to public interests. The regime arranged efforts to explore and exploit domestic sources of crude oil but failed to find sufficient oil reserves to meet domestic demand. The Nazi war machine instead relied on imports from trade partners (the USSR after German-Soviet Trade Agreement on 19 August 1939 until Operation Barbarossa began on 22 June 1941, and Romania after it joined the Axis powers in 1940), on exploiting oil reserves in conquered territories (for example in Austria after 1938 and Poland after 1939), and on I. G. Farben's hydrogenated synthetic petroleum and other replacement fuels.

1937

Bolivia

The 'military socialist' junta under president David Toro nationalised Standard Oil of New Jersey's operations without compensation. Replaced by the NOC Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), which was modelled on Argentina's YPF (see Table D.2. below). Bolivia's nationalisation presaged Mexico's more consequential nationalisation the following year. The Roosevelt administration (1933–45) took no retaliatory action, partly due to concerns that retaliation might provoke Axis influence in the country (and, thereby, the United States' backyard).

1938	Mexico	Nationalised the entire oil industry, consisting of 17 foreign-owned companies. The expropriated companies were promised compensatory payments. Replaced by the NOC Petróleos Mexicanos (Pemex). The Roosevelt administration again decided not to retaliate, or to offer support to the US-based expropriated companies. The administration wanted to ensure good relations with Mexico so as not to invite Axis influence in Latin America.
1951	Iran	Arab nationalist leader Mohammad Mosaddegh became Prime Minister of Iran in 1951. His regime nationalised 100 per cent of the British-owned Anglo-Iranian Oil Company (AIOC) in May 1951, and formed the NOC the National Iranian Oil Company (NIOC), which took over AIOC's operations. This sparked outrage among UK and US oil executives and state officials. The UK responded by imposing an embargo on Iranian oil, threatening legal action against anyone who tried to buy or transport Iranian oil. The sanctions were devastatingly effective, pushing Iran towards economic collapse. However, Mossadegh remained popular, which prompted the UK to draw up detailed plans for a military invasion of the strategically important Abadan refinery and port. These plans were ultimately rejected by

both the Attlee ministry (1945–51) and Churchill's third ministry (1951–55), not least because the United States' Truman administration (1945–53) opposed the invasion plans. But the incoming Eisenhower administration (1953–61) took a different stance on the matter, largely because of fears that Iran under Mossadegh might turn to communism and align with the Soviet Union. President Eisenhower therefore approved the Central Intelligence Agency (CIA) to use covert action against Iran. The CIA and the SIS (now MI6) went on to engineer the 1953 Iranian coup d'état which overthrew Mossadegh's regime. The Western-oriented Shah of Iran, Mohammed Reza Pahlavi, then returned to power, and negotiated the Consortium Agreement of 1954, which gave five US-based companies 40 per cent of Iran's oil shares (marking the first time that US-based oil firms were allowed entry into Iran); the British-owned AIOC, now renamed British Petroleum, 40 per cent; UK and Dutch-owned Royal Dutch Shell 14 per cent; and French-owned Compagnie Française des Pétroles (CFP) 6 per cent. The industry remained nationalised, but the foreign-owned companies, organised under the Iranian Oil Participants' consortium, effectively ran the

industry on behalf of the national oil company, which had limited say. The Consortium Agreement lasted until the 1979 Iranian revolution, when NIOC unilaterally cancelled it. NIOC thereby returned as Iran's dominant oil company.

1960	Cuba	Fidel Castro's revolutionary government nationalised all US property, including US-owned oil companies. Resulted in the formation of the fully state-owned NOC Unión Cuba-Petróleo (CUPET).
1961	Iraq	Passed a law which revoked 99.5 per cent of the Iraq Petroleum Company's (IPC) concession area. The IPC was jointly owned by a consortium of the world's largest oil companies, including (but not limited to) BP, Shell, Standard of NJ, Standard of NY, CFP, and Gulf Oil. Created the Iraq National Oil Company (INOC) in 1964 which was awarded the exclusive right to exploit new oil fields in 1967. Complete nationalisation of the entire industry by 1975.
1961–64	Egypt	Created the General Petroleum Authority (GPA) to oversee the sector in 1956. The GPA became the fully state-owned NOC the Egyptian General Petroleum Corporation (EGPC) in 1962. Between 1961–64, Anglo-Egyptian Oilfields (a joint venture between BP

and Shell) and Shell Egypt were nationalised. The EGPC entered several joint ventures with foreign firms. Hence, foreign companies could still access Egypt through cooperation with EGPC.

1963

Argentina

Renationalised 100 per cent of all oil production operations, dismantling President Arturo Frondizi's (1958–62) partial privatisation of the industry.

Indonesia

Legislation limited international oil companies from operating in Indonesia in future. Oil exploration and mining could only be done by state-owned companies, and foreign companies could no longer hold concessions. This effectively made the oil majors into contractors of Indonesia's state-owned NOCs Perusahaan Tambang Minyak Negara Republik Indonesia (PTMN-RI) and Eksploitasi Tambang Minyak Sumatra Utara (PT ETMSU), which later changed its name to PT Permina. Indonesia also renegotiated profit-sharing terms with the international oil companies.

Myanmar

Government decree increased ownership in Burmah Oil Co., Indo-Burma Petroleum Co., and British Burmah Oil from 51 to 100 per cent. All petroleum exploration and production operations were then taken over by the NOC Myanma Oil and Gas Enterprise (MOGE).

1967–71	Algeria	Nationalised US-owned Standard Oil of New Jersey and Socony Mobil's interests in the country and purchased BP's ditto. Getty Oil Company negotiated a deal in 1968 which gave Algeria 51 per cent of its interests in the country, thereby retaining a foothold in the country. This foothold disappeared in 1971, when Algeria nationalised 100 per cent of all non-French companies, and 51 per cent of French companies. The newly acquired assets befall the fully state-owned NOC Sonatrach, which had been founded in 1963.
1968	Peru	A military government, the Revolutionary Government of the Armed Forces (1968–80), nationalised 100 per cent of Standard Oil of New Jersey's subsidiary the International Petroleum Company (IPC). This prompted the United States to suspend its economic and military aid to the country. The two parties reached a settlement in 1974, after which aid was resumed.
1969	Bolivia	Renationalised 100 per cent of Gulf Oil's interests in Bolivia. The United States' government retaliated by cutting aid. The later government of General Hugo Banzer Suarez (1971–78) partially rolled back the nationalisation, allowing IOCs to re-enter Bolivia.

1969–73	Libya	<p>After Muammar Gaddafi deposed King Idris in a military coup on 1 September 1969, his regime began to renegotiate contracts with the IOCs (gaining income tax, back-payments and better pricing from them) and implement a program of nationalisation, beginning with BP's interest, which was fully expropriated in December 1971. In 1973, the regime took over 51 per cent of all foreign companies in Libya, and fully nationalised the Libyan interests of Texaco, Shell, Arco, and a partnership between BP and Bunker Hunt. The Libyan government settled most compensation claims in 1977, after prolonged negotiations and arbitration.</p>
1969–79	Nigeria	<p>New law gave the state the right to acquire partial ownership in oil companies operating in Nigeria. Joined OPEC in 1971 and created the NOC the Nigerian National Oil Corporation (NNOC). The government increased its shares between 35 to 100 per cent in all foreign-owned companies operating on its soil between 1972–79. NNOC, renamed Nigerian National Petroleum Corporation (NNPC) in 1977, later entered joint ventures with IOCs. Hence, foreign companies were not entirely banned from operating in Nigeria, but they had to do so in cooperation with NNPC.</p>
1972	Ecuador	<p>Renegotiated contracts with foreign oil</p>

companies and nationalised oil prospecting, extraction, transport, production, and marketing operations. Created the NOC Corporación Estatal Petrolera Ecuatoriana (CEPE), later renamed Petroecuador, to operate sector.

- 1973** Abu Dhabi The Abu Dhabi National Oil Company (ADNOC) acquired 25 per cent of the Abu Dhabi Petroleum Company (ADPC), a consortium jointly owned by APOC, Shell, CFP, Near East Development Corporation, and Gulbekian, along with the BP and CFP-owned Abu Dhabi Marine Areas (ADMA), in accordance with OPEC's participation agreement. In a separate agreement from 1974, it raised its shares in the ADPC and ADMA to 60 per cent. Abu Dhabi did not fully eject foreign owners from its petroleum sector, however.
- Qatar, Kuwait, and Saudi Arabia OPEC's participation agreement gave the countries 25 per cent of all oil companies operating on their soil from 1 January 1973, a share which was supposed to rise to 51 per cent by 1983. The figures in the participation agreement were not followed exactly as written. Instead, all three countries expanded their shares to 100 per cent between 1975 and 1980, thereby fully nationalising their oil sectors ahead

of time. Most other OPEC members had already nationalised its oil sectors or were in the process of doing so.

1975	Venezuela	The government of Carlos Andrés Pérez passed a law which signalled an upcoming nationalisation of all oil operations. Expropriated (with compensation) 100 per cent of all 40 foreign oil companies operating in Venezuela on 1 January 1976. Replaced by the NOC <i>Petróleos de Venezuela S.A. (PdVSA)</i> .
	Oman	Acquired 60 per cent of the Shell, CFP, and Gulbekian-owned Petroleum Development (Oman).
	Bahrain	The Government of Bahrain acquired over 60 per cent of the Caltex-owned Bahrain Petroleum Company (Bapco), procuring the remainder in 1980. It founded the Bahrain National Oil Company (Banoco) in 1976 to control its petroleum sector.

Note: The list includes all nationalisations that I have been able to cross-reference in multiple credible sources. That does not necessarily make it an exhaustive list of *all* nationalisations during the stated period, however.

Sources: 'National Oil Company Database', Natural Resource Governance Institute, accessed April 16, 2025, <https://www.nationaloilcompanydata.org/>; Stephen J. Kobrin, 'The Nationalisation of Oil Production, 1918–80', in *Risk and the Political Economy of Resource Development*, ed. David W. Pearce, Horst Siebert, and Ingo Walter (Palgrave Macmillan, 1984), 158–162; Kobrin, 'Diffusion as an Explanation of Oil Nationalization: Or the Domino Effect Rides Again', *Journal of Conflict Resolution* 29, no. 1 (March 1985); Arnold Krammer, 'Fueling the Third Reich' *Technology and Culture* 19, no. 3 (July 1978); Raymond G. Stokes, 'The Oil Industry in Nazi Germany, 1936–1945', *The Business History Review* 59, no. 2 (Summer 1985); Marius S. Vassiliou, *Historical Dictionary of the Petroleum Industry*, 2 ed., Rowman & Littlefield Publishers, 2018.

Table D.2. Creation of national oil companies, 1900–1975

Year(s)	Country	Note
1908	Austria- Hungary	Created a form of NOC to build a gasoline-removing refinery in Drohobycz in Austrian Galicia (later known as the Polmin refinery).
1911–14	United Kingdom	First Lord of the Admiralty Winston Churchill accelerated the shift from coal- to oil-fuelled warships and convinced the House of Commons to purchase 51 per cent of the Anglo-Persian Oil Company (APOC) to secure access to oil. This effectively turned it into a NOC. However, the UK government’s stake was “passive”, without management control, and only two appointees on the board of directors.
1920–24	France	France received Deutsche Bank’s 25 per cent share in the Turkish Petroleum Company (TPC) as compensation for German war damages in 1920. The French government created a French oil company to utilise its stake in TCP, thereby ensuring French access to oil. The Compagnie Française de Pétrole (CFP) was created for this reason in 1924. The French government transferred its share in TCP to the new oil company. CFP was a privately owned company, but it cooperated very closely with the French government. The latter acquired 25 per cent of CFP’s shares in 1926 and expanded its ownership to 35 per cent in 1931, thereby turning it into a

		NOC.
1922	Argentina	Created the world's first fully state-owned, vertically integrated NOC: Yacimientos Petroliferos Fiscales (YPF). It became a model for many other countries, especially in Latin America.
1926	Imperial Japan	Founded the fully state-owned North Sakhalin Oil Company to prospect and extract oil on Soviet-owned Sakhalin Island north of Japan, after the bilateral Soviet-Japanese Basic Convention normalised relations between the two. The company was principally meant to supply the oil-starved Imperial Japanese Navy with fuel.
	Italy	Created the NOC Agip through nationalisation (see Table D.1).
1927	Spain	Established a state petroleum monopoly. Created Compañía Arrendataria del Monopolio del Petróleo, S.A. (Campsa), a partially state-owned NOC.
1929	Bahrain	Created the NOC Bahrain Petroleum Company (Bapco).
1931	Uruguay	Passed a law establishing a state monopoly on the import and refining crude oil. Created the NOC Administración Nacional de Combustibles, Alcoholes y Portland, ANCAP.
1936	Bolivia	A government decree created the fully state-owned and -operated NOC Yacimientos

		<p>Petrolíferos Fiscales Bolivianos (YPFB), modelled on Argentina's YPF. A 1937 decree then confiscated Standard Oil of NJ's property (see Table D.1).</p>
1938	Mexico	<p>Created the NOC Pemex through nationalisation (see Table D.1).</p>
1940–41	Imperial Japan	<p>The government took shares in the partly state-owned Teikoku Oil Corporation to unify Imperial Japan's various oil exploration and exploitation efforts in Japan and its overseas territories (especially in North Sakhalin). Despite striking oil in multiple locations, the reserves were insufficient to meet demand. The government tried to increase production in existing oil fields and to invest in synthetic fuel production. These efforts fell short because of the limited quantities of oil in the domestic fields and Allied bombardment. The Teikoku Oil Corporation lost most of its overseas assets after WWII. It is now known as INPEX Corporation.</p>
1945	Indonesia	<p>After its independence from the Netherlands, the Indonesian government created the NOC Perusahaan Tambang Minyak Negara Republik Indonesia (PTMN-RI) and postponed granting new concessions to foreign-owned companies. In 1957, the government established Exploitasi Tambang Minyak Sumatra Utara (PT ETMSU), which was later renamed PT Permina. In 1960,</p>

Indonesia barred foreign companies from holding concessions. Exploration and mining could then only be done by state-owned companies. The Indonesian government claimed 60 per cent of all foreign companies' profits. The government also began purchasing Shell's assets in 1966. The NOCs Permina and Pertamina merged to form PT Pertamina in 1968, which is still active.

- | | | |
|----------------|-------------------|---|
| 1946 | Republic of China | Created the NOC the Chinese Petroleum Corporation (CPC). Relocated to Taiwan after the Kuomintang-led Republic of China lost the civil war and were forced to flee mainland China in 1949. |
| 1948 | Finland | Created the NOC Neste to secure Finland's supply of oil. |
| 1948–51 | Columbia | Government created the NOC Empresa Colombiana de Petróleos (Ecopetrol) in 1948, which took over the Concesión de Mares (Mares Concession) when it reverted to the Colombian government on 9 January 1951. It later took over other expired concessions, ultimately becoming the dominant oil company in Columbia. Foreign companies were still allowed to operate in Columbia, however, so the government did not entirely monopolise oil production. |
| 1948–76 | India | Newly independent India passed the Industrial Policy Resolution, which stated that India's |

petroleum sector should be state owned and operated. However, foreign IOCs were still allowed to operate in India. In 1953, the Indian state negotiated access to the Nahorkatiya oil field that Burmah-Shell had just discovered. Between 1955-56, Indian state officials sought Soviet assistance in developing its oil industry. In 1956, India established the Oil and Natural Gas Commission (ONGC) to carry out upstream (exploration, drilling, and extraction of crude oil and gas) operations. It began to explore India for oil with Soviet and Romanian support. In 1959–64, India created the NOC the Indian Oil Corporation (IOC) which focused on downstream (refining and distribution) activities. Taken together, ONGC and IOC encompassed most segments of India’s oil industry. Finally, India nationalised Burmah-Shell’s and Caltex’s refineries in the country in 1976.

1949 People’s Republic of China

The Government of the (mainland) People’s Republic of China created the Ministry of the Fuel Industry dedicated to the management of fuel in 1949. The specialised Petroleum Administration Department was created within that ministry in 1952 to oversee petroleum exploration and mining operations. That Petroleum Administration Department was promoted to form the Ministry of the Petroleum

		Industry (MPI) in 1955. In 1988, the MPI was dissolved in favour of the NOC the China National Petroleum Corporation (CNPC), which came to handle all petroleum operations. Since 1999, CNPC has a publicly listed branch known as PetroChina, which is Asia's largest oil and gas producer. CNPC is the majority shareholder of PetroChina.
1950	Chile	Created the fully state-owned NOC Empresa Nacional del Petróleo (ENAP) to prospect and exploit oil deposits in southern Chile.
1951	Iran	Created the National Iranian Oil Company (NIOC) through nationalisation (see Table D.1).
1953	Brazil	Created the fully state-owned NOC Petróleo Brasileiro (Petrobrás) which was awarded a legal monopoly on all petroleum activities within Brazil.
1955	Japan	Created the fully state-owned NOC Japan Petroleum Exploration (or JAPEX) for oil exploration and production purposes.
1956	Egypt	Created the General Petroleum Authority (GPA) to oversee the sector. It was reformed and renamed the Egyptian General Petroleum Corporation (EGPC) in 1962. The BP and Shell-owned company Anglo-Egyptian Oilfields (AEO), along with Shell Egypt, were nationalised between 1961–64. EGPC entered joint ventures with IOCs, who were still allowed to operate in

		Egypt.
1960	Kuwait	Created the Kuwait National Petroleum Company (KNPC).
1962	Saudi Arabia	Created the NPC (focused on lubricating oils) Petromin.
1963	Algeria	Created the NOC Société Nationale de Transport et de Commercialisation des Hydrocarbures (Sonatrach). Its first task was to construct a third export pipeline from the Hassi Messaoud oil field to the Mediterranean oil terminal Arzew. In 1965, it led the first state-organised exploration effort, and, in time, Sonatrach would be involved in most upstream, midstream, and downstream activities, not least after Algeria's nationalisations of IOCs (see Table D.1).
1964	Iraq	Created the Iraq National Oil Company (INOC). Iraq gradually nationalised the entire oil industry and awarded INOC exclusive rights to explore and exploit new and existing oil reserves between 1967–75.
1965	South Africa	Created the fully state-owned NOC the Southern Oil Exploration Corporation (Soekor) for on-land oil exploration endeavours. The company failed to find commercial sources of oil. It is now part of the NOC PetroSA.
1968	Indonesia	Created the NOC Pertamina through a merger of two earlier NOCs: Permina (established in 1957 through nationalisation, see Table D.1) and

		Pertamin (established in 1961).
1969	Tanzania	Created the fully state-owned NOC the Tanzania Petroleum Development Corporation (TPDC). It began operations in 1973.
1970	Libya	Created the National Oil Corporation (NOC) of Libya.
1971	Nigeria	Created the Nigerian National Oil Corporation (NNOC).
1972	Bangladesh	Two presidential orders created the NOCs the Bangladesh Mineral Oil and Gas Corporation (BOGMC) and the Bangladesh Mineral Exploration and Development Corporation (BMEDC). They were merged into Bangladesh Oil, Gas and Minerals Corporation (BOGMC) in 1985, and renamed Petrobangla in 1989.
	Denmark	Created the fully state-owned NOC Dansk Naturgas A/S to manage gas and oil resources in the Danish sector of the North Sea. It was renamed Dansk Olie og Naturgas A/S (DONG) in 1973. It has since been partly privatised, but the Danish government remains the majority shareholder (with 50.1 per cent of the shares). Renamed Ørsted in 2017.
	Norway	Created the fully state-owned NOC Den Norske Stats Oljeselskap A/S (Statoil) to establish a domestic petroleum industry and to ensure Norwegian participation in the production of North Sea oil. It was partly privatised in 2001, but

		the Norwegian government remains the largest shareholder with 67 per cent of the shares. It adopted the name Equinor in 2018.
	Tunisia	Created the NOC <i>Entreprise Tunisienne d'Activités Pétrolières (ETAP)</i> to manage Tunisian petroleum exploration and production activities.
1973	Philippines	Created the fully state-owned and operated NOC the Philippine National Oil Company (PNOC) in response to the 1973 oil crisis. It forged partnerships with supplier countries, acquired refineries and petroleum transport companies to secure access to oil.
1974	Malaysia	Established the NOC <i>Petroliam Nasional (Petronas)</i> in August 1974 and renegotiated existing contracts with the IOCs. Replaced concessions with new production-sharing agreements that came into effect in 1976. These agreements stipulated that 70 per cent of net income (after royalties had been paid) would befall the government.
	Qatar	Created the NOC <i>Qatar General Petroleum Corporation (QGPC)</i> through nationalisations (see Table D.1).
1975	Canada	Created the NOC <i>Petro-Canada</i> .
	Côte d'Ivoire	Established the NOC <i>Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire (Petroci)</i> to oversee its petroleum operations.

Jamaica	Created the fully state-owned State Energy Corporation under the Ministry of Mining and Energy. Renamed the Petroleum Corporation of Jamaica (PCJ) in 1979.
Venezuela	Created the NOC PdVSA through nationalisation (see Table D.1).
Vietnam	Established the wholly state-owned NOC Petrovietnam (PVN), which came to cover most segments of the domestic oil industry.
United Kingdom	Created the NOC the British National Oil Corporation (BNOC).

Note: I have defined a NOC as a petroleum company that is partly or wholly owned by a country's government. The list includes all national oil companies (NOCs) I have been able to cross-reference in multiple credible sources. That does not necessarily make it an exhaustive list of *all* NOCs during the stated period, however.

Sources: 'National Oil Company Database', Natural Resource Governance Institute, accessed April 16, 2025, <https://www.nationaloilcompanydata.org/>; Alison Fleigh Frank, *Oil Empire: Visions of Prosperity in Austrian Galicia* (Harvard University Press, 2005): 167–9; Leslie E. Grayson, *National Oil Companies* (John Wiley and Sons, 1981); Grayson, *Who and How in Planning for Large Companies: Generalizations from the Experiences of Oil Companies* (Palgrave Macmillan, 1987); Masanari Koiki, Gento Mogi, and Waleed H. Albedaiwi, 'Overseas oil-development policy of resource-poor countries: A case study from Japan', *Energy Policy* 36, no. 5 (2008); Mohamed Sassi, 'The Emergence of the French Oil Industry Between the Two Wars', *Business and Economic History On-Line* 1 (2003); Vassiliou, *Historical Dictionary*; Silvana Tordo, Brandon S. Tracy, and Noora Arfaa, 'National Oil Companies and Value Creation', Working Paper no. 218, The World Bank, <https://documents1.worldbank.org/curated/en/650771468331276655/pdf/National-oil-companies-and-value-creation.pdf>; David G. Victor, 'National Oil Companies and the Future of the Oil Industry', *Annual Review of Resource Economics* 5 (2013).

Translations

Organisations and institutions

- 1928 Pension Insurance Committee (1928 års pensionsförsäkringskommittén)
- 1933 Motor Fuel Committee (1933 års motorbränslekommitté)
- 1934 Fuel Oil Committee (1934 års brännolja-kommitté)
- 1935 Fuel Oil Committee (1935 års brännolja-kommitté)
- 1945 Oil Investigation (1945 års oljeutredning)
- Appropriations Committee (*Bevillningsutskottet*)
- Car-Owners' Purchasing Centre (*Bilägarnas Inköpscentral, IC*)
- Central Organisation of the Swedish Steam Generation Organisation (*Svenska Ångpanneföreningens Centralorganisation*)
- Cereal Grain Monopoly (*spannmålsmonopolet*)
- Commission for Postwar Economic Planning (*Kommissionen för ekonomisk efterkrigsplanering*, otherwise known as the 'Myrdal Commission')
- General Council of the Riksbank (*Riksbanksfullmäktige*)
- Malmö's Technical Grammar School (*Malmö tekniska läroverk*)
- Ministry of Finance (*Finansdepartementet*)
- Ministry of Supply (*Folkhushållningsdepartementet*)
- Ministry of the Interior (*Inrikesdepartementet*)
- Ministry for Foreign Affairs (*Utrikesdepartementet*)
- Ministry for Social Affairs (*Socialdepartementet*)
- National Board of Trade (*Kommerskollegium*)
- National Coal Board (*Statens kolnämnd*)

National Commission for Economic Defence (*Rikskommissionen för ekonomisk försvarsberedskap*)

National Food Commission (*Statens livsmedelskommission*)

National Industry Commission (*Statens industrikommission*)

National Library of Sweden (*Kungliga biblioteket*)

National Reserve Storage Board (*Statens reservförrådsnämnd*)

National Wood Board (*Statens vednämnd*)

National Wood Gas Board (*Statens gengasnämnd*)

Oil Industry Investigation Bureau (*Oljebranschens utredningbyrå*)

Petrol and Oil Board (*Bensin- och oljenämnden*)

Petroleum Professionals' Monopoly Committee (*Oljetjänstemännens monopolkommitté*)

Price Control Board (*Priskontrollnämnden*)

Royal Automobile Club (*Kungliga Automobilklubben*)

Royal Swedish Academy of Engineering Sciences (*Kungliga Ingenjörsvetenskapsakademien*)

Second Law Committee (*Andra lagutskottet*)

Second Temporary Committee of the First Chamber (*Första kammarens andra tillfälliga utskottet*)

Second Temporary Committee of the Second Chamber (*Andra kammarens andra tillfälliga utskottet*)

Social Democratic Party's Council of Trustees (*Socialdemokraternas förtroenderåd*)

Social Democratic Party's Executive Committee (*Socialdemokraternas verkställande utskott*)

Social Democratic Party's Parliamentary Group (*Socialdemokraternas riksdagsgrupp*)

Social Democratic Party's Party Executive (*Socialdemokraternas partiledning*)

State Fuel Commission (*Statens bränslekommission*)

State Labour Market Commission (*Statens arbetsmarknadskommission*)

State Waterfall Board (*Statens Vattenfallsverk*, later Vattenfall)

Stockholm's County Administrative Board (*Stockholms länsstyrelse*)

Swedish Agency for Public Management (*Statskontoret*)

Swedish Board of Control (*Kontrollstyrelsen*)

Swedish Competition Authority (*Konkurrensverket*)

Swedish Cooperative Union (*Kooperativa Förbundet*)

Swedish Labour Movement's Archives and Library (*Arbetarrörelsens arkiv och bibliotek*)

Swedish Merchants' Association (*Svenska köpmannaförbundet*)

Swedish Petrol Merchants' Association (*Bensinhandlarnas Riksförbund*)

Swedish Petroleum Retailers' Association (*Sveriges bensinhandlares riksförbund*)

Swedish Royal Library (Kungliga Biblioteket, KB)

Swedish Shale Oil Company (*Svenska Skifferolje Aktiebolaget*, SSAB)

Swedish Small Business Owners' Association (*Svenska småföretagarnas intresseförening*)

Swedish Social Democratic Youth League (*Sveriges Socialdemokratiska Ungdomsförbund*, SSU)

Swedish Spirits Company (*Aktiebolaget svensk sprit*)

Swedish State Railways (*Statens Järnvägar*)

Swedish Tobacco Monopoly (*AB Svenska Tobaksmonopolet*)
Swedish Trade Union Confederation (*Landsorganisationen, LO*)
Swedish Transport Workers' Union (*Transportarbetareförbundet*)
Wine and Spirits Centre (*Vin- och spritcentralen*)

Terms, titles and concepts

administrative director (*kanslichef*)
administrative officer (*kanslisekreterare*)
benthyl (*bentyl, E75*)
bill (*proposition*)
cabinet meeting minutes (*konseljakter*)
Cavalry Captain (*ryttmästare*)
commissioned research report (*uppdragsforskningsrapport*)
consultation body (*remissinstans*)
consultation response (*remissvar*)
country governor (*landshövding*)
deputy director (*kansliråd*)
director (*byråchef*)
director general for administrative affairs (*expeditionschef*)
fuel oil (*brännolja*)
horse trade (*kobandeln*)
investigative authority (*undersökningsmyndighet*)
letter from the Riksdag (*Riksdagens skrivelse*)
light benthyl (*lättbentyl*)
milling obligation (*inmalningstvång*)
ministerial minutes (*statsrådsprotokoll*)

monopoly board (*monopolstyrelse*)
opinion (*utlåtande*)
parliamentary report (*riksdagsberättelse*)
people's home (*folkhemmet*)
petrol (*bensin*)
postwar programme of Swedish labour (*arbetarrörelsens efterkrigsprogram*)
printed records of the Swedish parliament (*riksdagstryck*)
public pension (*folkpension*)
public works programme (*reservarbeten*)
purchasing association (*inköpsförening*)
referral/formal consultation (*remiss*)
relief work (*nöd hjälpsarbeten*)
safe conduct trade (*lejdtrafiken*)
state public report (*statens offentliga utredningar*)
terms of reference (*kommittédirektiv*)
underground caverns (*bergrum*)

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