

*German Economic Relations with
Occupied Denmark, 1940-45, and the
Extraordinary Industrial Deliveries*

by

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A Thesis submitted in conformity with the
requirements for the Degree Doctor of Philosophy,
Graduate Department of History, University of Toronto

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0-612-27931-6

*Thesis Abstract: German Economic Relations with Occupied Denmark,
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*Presented for the Doctor of Philosophy degree,
1997*

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German economic relations with Denmark reveal only a limited German interest in harnessing Danish economic resources. Mostly, Germany was concerned with maintaining economic and social stability in Denmark. Fears that occupation would cause a Danish economic collapse were colored by assumptions that such a crisis could make occupying the country a considerable burden. German officials were therefore pleased to find the Danes to be receptive to cooperating rather than resisting. This active cooperation of the Danish authorities was a central reason for their country's avoiding a much worse fate at German hands. Thus, German officials were satisfied with the situation in Denmark, and this state of mind prevailed to the end of the occupation.

Concluding that the German attitude was largely unchanged differs from older views of the German perceptions of Denmark, which held the Danish cabinet's withdrawal on August 1943 to be a watershed in the occupation. After this event, the Germans ostensibly "took off the gloves," and no longer felt constrained to maintain German - Danish cooperation. This study proves that the Germans continued to desire economic and social stability above all, and thus kept to the previous form of their relations with the Danes. This reversion to the previous relation is especially clear in the economic sphere, where there is no sign whatever of Germany becoming any harsher or more exploitive when it ostensibly now had a "free hand." For the entire occupation, the Germans tended to see Denmark — in their own unique formulation — as an "occupied neutral," whose rights were largely respected, not as a prize whose economy was to be squeezed dry of every last possible asset to further the war effort.

The account of the Danish government's cooperative efforts constitutes approximately half of the work. By cooperating, the Danes blunted the effects of occupation much more effectively than any other occupied country. Literature on the Danish government's cooperation with the Germans has been sparse: the work thus fills a gap in the literature, and illustrates an unusual form of collaboration.

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Acknowledgments

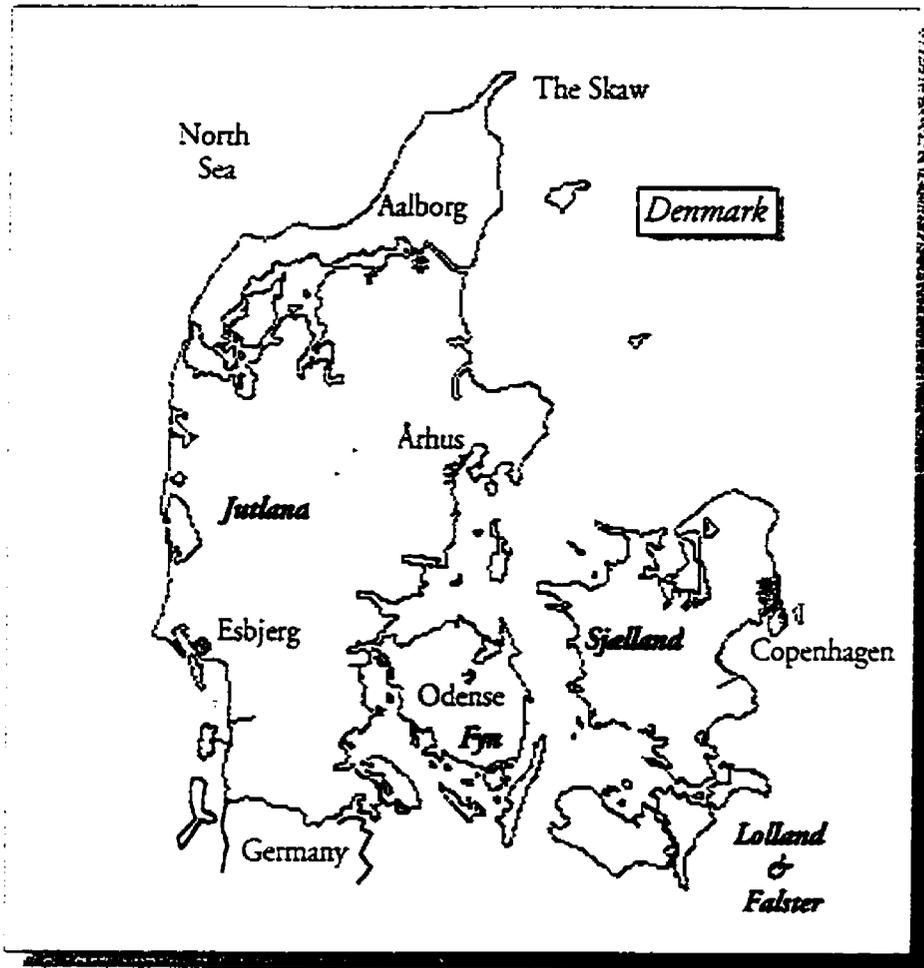
Many people have directly and indirectly helped in the production of this thesis. On an institutional level, I would like to thank the people at the Institute for European History in Mainz, who awarded me a research fellowship for 1994. Without their aid, it would have been impossible to conduct the research done at the various sites in Germany. The expertise there and their encouragement was especially helpful. For my work in Denmark, my kind thanks go out to the American Scandinavian Foundation, which provided a research grant making possible a stay in Denmark during winter 1995. I must also give my warmest thanks to the history department at the University of Toronto, which invited me to be a guest in their city and allowed me to receive not only a good professional education, but also gave me the unique and irreplaceable experience of living in Toronto. I thank them for the faith they showed in me, as well as the assistance in making my stay in Toronto possible at all. I must also thank the University's Centre for International Studies, which generously bestowed a Sir Val Duncan Research Grant, and the School of Graduate Studies, which awarded me with a Travel and Research Grant.

My thanks go out to the Danish Industrial Council and the Employers' Association of the Metal- and Iron- Working Industries for extending their kind permission to view their files kept in Århus. This access proved exceptionally helpful in my efforts, and no doubt

affected the final focus of the work.

On a more personal level, I would like to thank all the librarians who had the mixed fortune of fielding a series of questions and interlibrary loan requests I made. At the archives, I must thank all the very kind people who helped me find my way about and who make historical research much more enjoyable. I should especially like to thank Herr Moritz at Freiburg, Frau Schenke at Koblenz, Marianne Reimer at the *Rigsarkiv*, and Jørgen Fink at the *Erhvervsarkiv*. I should also like to thank the scholars in Denmark, Great Britain, Germany, and the United States who have helped me. I think in particular of Hans Kirchhoff, Henrik Nissen, H. Peter Krosby, Patrick Salmon, Robert Bohn, Ole Hyldtoft, Jan Pedersen, and Neils Thomsen. Special thanks to the ever helpful Michael Jensen, originally of Bornholm, who was willing and able to help me in Copenhagen while I was there as well as after I left. My thanks especially to my thesis advisor Denis Smyth, who endured the entire project from its inception, for his insights and helpful guidance.

Last, but certainly not least, I thank my wife, whose encouragement and support was the most irreplaceable, rewarding, and delightful part of these last few years.



List of Persons

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- Best, Karl Rudolf Werner, SS General. German Plenipotentiary in Denmark, 1942-45
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- Buhl, Vilhelm. Finance Minister, Prime Minister.
- Christensen, H.P., Director. Chairman of Helsingør Shipyards. Chairman of Danish Industrial Council, from 1941.
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Wiehl, Emil Karl Josef. Director Trade Policy Division, German Foreign Ministry, 1939-1944.

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Yde, Martinus. Danish Consulate General, Hamburg.

Zahle, Herluf, Count. Danish Minister to Germany.

List of Abbreviations Used

BF	<i>Besættelsestidens Fakta</i> The Facts of the Occupation
DBN	<i>Deutsche Berufsgruppen Nordschleswig</i> German trade group of North Sleswick
DFDS	<i>De forenede dampskibs-selskab</i> The United Steamship Company
DGFP	Documents on German Foreign Policy
DIS	<i>Dansk Industri Syndikat</i>
DNSAP	<i>Dansk Nationalsocialistiske arbejdersparti</i> The Danish Nazi Party
DPK	<i>Den Parlamentariske Kommissioners Beretning</i> The Parliamentary Commissioner's Report
DSB	<i>Danske statsbaner</i>
EID	Extraordinary Industrial Deliveries
HaPolAbt	<i>Handelspolitisches Abteilung</i> Trade Policy Division of the German Foreign Ministry
HM	<i>Handelsministeriet</i> Danish Ministry of Trade, Shipping, and Industry
HPA	<i>Handelspolitisches Ausschuss</i> Trade Policy Committee chaired by the German Foreign Ministry
HWK	<i>Sonderstab für Handelskrieg und wirtschaftliche Kampfmassnahmen</i> Special Staff for Economic Warfare and Commercial War Measures
IR	<i>Industrirådet</i> The Industrial Council
IWW	<i>Institut für Weltwirtschaft</i> Institute for World Economics

NSDAP.....	<i>Nationalsozialistische Deutsche Arbeiterpartei</i>
OKH.....	<i>Oberkommando des Heeres</i> Army High Command
OKM.....	<i>Oberkommando der Marine</i> Naval High Command
OKW.....	<i>Oberkommando der Wehrmacht</i> German High Command
OU.....	<i>Odeludvalget</i> The Odel Committee
RüStabDän.....	<i>Rüstungsstab Dänemark</i> Armaments Staff — Denmark
RVM.....	<i>Reichsverkehrsministerium</i> Reich Transportation Ministry
RWiM.....	<i>Reichswirtschaftsministerium</i> Reich Ministry of Economics
UM.....	<i>Udenrigsministeriet</i> Danish Foreign Ministry
WiRüAmt.....	<i>Wehrwirtschafts- und Rüstungsamt</i> War Economy and Armaments Office
WO.....	<i>Wehrwirtschaftsoffizier</i> Military Purchasing Officer
WS.....	<i>Wehrwirtschaftsstab</i> Military Purchasing Staff

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Introduction

Among western European countries occupied by Hitler's Third *Reich*, Denmark enjoyed the most lenient treatment at German hands. This good fortune can be credited to a combination of factors. First, like Norway, Belgium, and the Netherlands, Denmark was known to be economically vulnerable to severance from foreign trade: indeed, the Danish case was even more precarious, as Denmark was the most dependent upon outside trade of them all.¹ Accordingly, Berlin was very concerned not to let Denmark founder economically. This decision was not based on altruism, but on purely military calculations: because the invasion to invade Denmark, like Belgium in 1914, was only taken as part of a larger strategic thrust against the Western Allies, the German High Command, the *Oberkommando der Wehrmacht*, or OKW, wanted little from occupied Denmark other than stability and security, in order to keep the actual effort of occupying the country to a minimum. By Hitler's order, the planning for the invasion and occupation of Denmark was kept a close secret — only the OKW would be involved — and this meant that civilian experts were not

1. Norway and Denmark were the most trade-dependent of these four smaller neutrals, and Denmark was even more trade-dependent than Norway. Denmark's trade per capita amounted to £16. For comparison, corresponding figures were: Norway £12.7, Sweden £12.4, England £9.4, and Germany £5.8. Harald Winkel, 'Die Wirtschaftlichen Beziehungen Deutschlands zu Dänemark in den Jahren der Besetzung 1940-1945,' in Fritz Bläich, ed., *Probleme der nationalsozialistischen Wirtschaftspolitik* (Berlin, 1976), pp. 121-2. At the time, Iceland was the most trade-dependent country in the world.

consulted to gain a more accurate picture of the Danish economy. Hence, the OKW underrated many of Denmark's economic strengths, overlooked potential economic assets that would have been useful to wartime Germany, and generally expected a serious Danish economic crisis to follow the invasion. Sure that this would happen, the generals expected that they would be saddled with a restive population that would need to be pacified, and this anxiety put the pursuit of economic stability high on the OKW's list of priorities. This fear is the subject of the first chapter.

The generals' fears alone did not lead to the Danish exemption from harsh German rule, for the generals naturally did not wish for economic collapse or social unrest in Norway, the Netherlands, or Belgium, yet those countries suffered more at German hands than the Danes did. What made the greatest difference in Denmark was that the Germans encountered a democratic government that was willing to collaborate in preserving economic and social order in the country.² The Danish reaction to the war and invasion, and the decision to cooperate with Germany are the focus of chapter II. An appreciation of the Danish government's actions and decisions in the months before the invasion is necessary to understand how the Danish government came to take the steps it did in response to the threat of war and the fact of occupation. Danish policy on the verge of occupation was consistent with the policy after the occupation, and one cannot overestimate the importance of the Danish government's remaining in office if one is to account for Denmark's good fortune under German occupation. Though all the smaller countries invaded by Germany were also offered similar terms, only Denmark chose — albeit under protest — to accept the “offer” of “protective occupation,” what the Nazis called “occupied neutrality.”³ Whereas the Danes

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2. One of the central assertions of Danish historical revisionism is that the Danish government's cooperation with the Germans was a form of collaboration. This hotly-contested claim has not been widely accepted, and this author has therefore sought to keep from entering the debate in the current work. When the terms “collaborate” or “collaboration,” are used, they are intended only to convey the meaning that the Danish parties in question deliberately chose to work with the Germans, not to imply any particular motivation for that “collaboration.”
 3. Hans Umbreit, “Auf dem Weg zur Kontinentalherrschaft,” in *Militär-geschichtliche Forschungsamt. Das Deutsche Reich und der Zweite Weltkrieg*, 5/1, Bernhard R. Kroener, Rolf-Dieter Müller and Hans Umbreit. *Organisation und Mobilisierung des deutschen Machtbereichs. Erster Halbband. Kriegsverwaltung*.
-

put up only a symbolic resistance, the other countries fought on, even if it meant being led from abroad by governments in exile. Moreover, because they were concerned about the economic viability of occupied Denmark, the Germans found the cooperation of the Danish government to be most welcome.

Of course, once the legitimate authorities in the smaller neutral countries were unseated, the way was open for a series of German National Socialist interventions in these countries' internal affairs. With the legitimate Danish government remaining in power in Copenhagen, this opportunity for intrusion was closed to the Germans. Without their own national governments to protect them, the other countries were left defenseless against harsher German measures. This vulnerability was made worse by the fact that in these countries, opportunists of doubtful personal character and integrity often assumed positions of authority under Nazi tutelage. In these countries, the Jews were rounded up and sent to the East for extermination, while the SS and *Gestapo* arrived to keep watch on domestic affairs and expand their own private empires. Unhelpful or obstinate bureaucrats were replaced with more pliable or sympathetic men. In Norway, local Nazis — the *Nasjonal Samling* or National Union — attempted to mold the country along the lines of their ideology, just as local Nazis were given similar opportunities in the Netherlands and Belgium. In the economic sphere, the Germans treated local economic assets and physical plant as war booty, which they regarded as freely available. Labor “comb-outs” dragooned local workers to Germany. Occupation costs and indemnities were imposed. Currency exchange rates were fixed — in German favor, which seriously undermined the local economies. German interests bought up local assets in the Netherlands, Belgium, and Norway at prices far below their actual worth, and harnessed them to the German war economy. The Germans also constructed their own industrial and infrastructure projects in these countries. The Germans also introduced Nazi corporatist organizations in industry, education, labor and agriculture in an effort to “direct” the local economies and societies along National Socialist

lines.⁴ However, in Copenhagen the Danish government and bureaucracy remained able to pursue the protection of Danish interests, and such German incursions into their domestic affairs were avoided.

The initial Danish advantage of maintaining its own government and bureaucracy solidified over the course of 1941-43, during which the German officials in charge of affairs in Denmark had concluded that the situation was entirely satisfactory and should be retained for the duration of the occupation. In the beginning of 1941, not only had the generals' fears for economic crisis not been realized, the Danish economy appeared to be performing quite well. Having acknowledged the merits of both Danish cooperation and their own forbearance, German officials were in a receptive mood when the Danes proposed to place limitations on German economic activity. Meanwhile, in the other small occupied countries, the economic picture was darkening. With the Danish economy appearing to be comparatively healthy, the Germans permitted the Danish bureaucracy to create a control system that in fact put a very effective check on German economic activity. The Danish control system was built to fight inflation and ensure adequate supply for industry and every German industrial contract in the country was subjected to Danish auditing and approval. This arrangement was satisfactory not just to the Danes, but to the Germans, too. This was because the German priority in Denmark was not exploitation, but avoiding a situation in which the Danish economy became a burden on the *Reich*. Preserving the health of the Danish economy remained the chief German priority for the entire occupation.

4. The most famous example would be the extensive hydroelectric projects in Norway which were constructed to support a Norwegian component in a German-run pan-European aluminium industry. The Germans would also develop rail and road links in that sparsely populated country. (Alan S. Milward, *The Fascist Economy in Norway* (Oxford, 1972), chapter VII, Fascist Planning and the Aluminium Industry.) See also, Norman Rich, *Hitler's War Aims, 2, The Establishment of the New Order* (New York, 1974), pp. 122-39, 140-60. Jochen Thies, "Hitler's European Building Programme," *Journal of Contemporary History*, 13 (1978), p.416 describes Hitler's ambitions to create a tremendous harbor at Trondheim (p.416) and for a bridge across the Øresund (p.415). Richard J. Overy, *Goering: The Iron Man* (London, 1984), pp. 66, 112, 119-21, 125-27, 140, 142-3 describes German efforts to develop infrastructure. Militär-geschichtlich Forschungsamt, ed., *Das Deutsche Reich und der Zweite Weltkrieg*, 5/1, Bernhard R. Kroener, *Organisation und Mobilisierung des deutschen Machtbereichs. Erster Halbband. Kriegsverwaltung, Wirtschaft und Personellen Ressourcen. 1939-1941* (Stuttgart, 1988), p. 239 describes the German acquisition of, and development of, the productive assets of occupied nations.

Chapter III, which analyzes the make-up of German industrial purchasing in occupied Denmark, provides further proof of the primacy of Germany's interest in economic stability over the utilization of the Danish economy for Germany's own ends. Whereas the resistance of the Netherlands, Norway, and Belgium presented the Germans with the opportunities to take advantages of the resources found in those countries, Berlin's pledge to deal with Denmark as a "neutral," despite the occupation, limited Germany to pursuing its initial goals of social stability and prevented the kind of exploitation found elsewhere. Nevertheless, Danish industrial production for German customers, even under the tight control of Danish auditing, appears to have been at a level that the Germans found entirely satisfactory. Though some parties in Berlin might have wished to exploit the Danish industrial economy further, those in charge of policy for Denmark showed little interest in doing so, and only a relatively small proportion of all Danish industrial production went south to Germany. In fact, in many cases, Germany even took a back seat to other Danish export customers such as Italy, Spain, Finland, and Sweden.

In part, the limited scope of German industrial purchasing can be attributed to the effects of having a Danish government control system that monitored and limited German economic activity. Knowing that their own government was keeping tabs on who was doing business with the Germans probably helped to dampen the enthusiasm of some who would rather not have the government involved in their business dealings. Though the Germans agreed to allow the Danes to create a control system in early 1941, at a time when they realized that their fears for Danish economic collapse were no longer valid, it is not certain that they imagined that the resulting system would have the elaborate form that it ultimately did. Though complex, the system was equitable and was deemed to be useful to the Germans, as well as the Danes. Chapter IV discusses the control system in detail and demonstrates how it served German interests at the same time that it served Danish interests. This community of interest in having the Danes control German economic activity in the country

was another manifestation of the general German dependence upon the cooperation of the Danes.

This German dependence upon the Danes even survived the most difficult period of the occupation, the "August uprising" of 1943 and the ensuing "withdrawal" of the Danish Cabinet on 29 August. With the Danish cabinet now out of office, the opportunity would have been ripe for the Germans to break free from the restraints implicit in Danish control of German economic activity. Yet after this crisis, German economic policy towards Denmark remained essentially unchanged. The Danes continued to audit German purchasing, and the German share of Danish industrial exports remained constant. There was no great hollowing out of the Danish economy to serve German needs, nor did the Danes find themselves churning out U-Boats, Panzers, or Messerschmitts for the German war effort. The final chapter demonstrates the over-riding consistency of German policy towards Denmark from beginning to end of the occupation.

To assert that German economic policy towards occupied Denmark was characterized by consistency throughout, as this thesis does, means that it does not adhere to either of the two chief schools of Danish history writing about the occupation, the "consensus," or traditionalist, and the revisionist schools.⁵ Both schools see German policy to have changed

5. For early examples of the consensus see Hartvig Frisch's political history of the occupation in volumes I and III of Hartvig Frisch, Vilhelm Buhl, Hans Hedtoft, and Eiler Jensen, eds., *Danmark besat og befriet* (Copenhagen, 1945-48), Aage Früs, ed., *Danmark under Verdenskrig og Besættelse. Historiske Enkeltfremstillinger*, 5 vols. (Odense, 1946-48), and Vilhelm La Cour, ed., *Danmark under besættelsen*, 3 vols. (Copenhagen, 1945-47). More subtle views of the occupation are now presented by today's traditionalist historians, such as Henrik Nissen. Though not as melodramatic as the immediate postwar accounts, neo-traditional views of the occupation steadfastly refuse to apply the "collaborationist" label to the Danish government, and prefer instead to speak of cooperation. The leading example of a more traditionalist history of the entire occupation is Henrik Nissen's account of the occupation in H. P. Clausen, and Søren Mørch, eds., *Danmarks Historie*, 7. Niels Finn Christiansen, Karl Christian Lammers, and Henrik S. Nissen, *Tiden 1914-1945* (Copenhagen, 1988).

Hans Kirchhoff should be counted as the foremost of contemporary Danish revisionist historians. Never hesitating to call the Danish policy collaboration, Kirchhoff in particular calls the Social Democrats and Radical Liberals to task for abandoning their principles. Hence, the Social Democratic fear of losing control of the labor movement lay behind the government's "withdrawal" after the strikes of summer 1943 (*Augustoprøvet 1943. Samarbejdspolitikens Fald. Forudsætninger og forløb. En studie i kollaboration og modstand* (Copenhagen, 1979)). Kirchhoff also has demonstrated an abandonment of Social Democratic principle in their promulgation of legislation to reverse many of the gains of the Danish labor movement during the 1930s, *Kamp eller tilpasning. Politikere og modstanden 1940-45* (Copenhagen, 1987), especially chapter 2.

fundamentally with the "withdrawal" of the Danish Cabinet on 29 August 1943 (withdrawal, rather than resignation, it was reasoned, would not leave any gaps for the Germans to fill with their own men). Where the two schools differ is on the nature of the Danish government's cooperation with the Germans. Whereas the consensus school, in varying degrees, see the Danish government as refusing to cooperate with the Germans after August 1943, revisionists, led by Hans Kirchhoff, never hesitate to focus on the ethically dubious nature of the pre-August 1943 cooperation, call it collaboration, and claim that it persisted even afterward. Yet if they differ in their view of Danish behavior during the war, both schools tend to hold the same view of German policy in Denmark. Actually, only one monograph has focussed on German policy in Denmark, and it was clearly flawed by its marked reliance upon Werner Best, *Reich Plenipotentiary in Denmark from 1942-1945*, as a source.⁶ Depictions of German policy have thus tended to be embedded in Danish works that interpret *Danish* policy under the occupation.⁷ Generally speaking, the prevailing view of German policy in Denmark is that the German crack-down on 29 August 1943, "Operation Safari," was an expression of a "rationalization" of German policy on military priorities. Kirchhoff, for example, claims that "in the last years of the war, the *Dagmarhus* [where Best's office was located] became merely a post office for the generals at Silkeborg Bad [in Jutland]."⁸ The present study thus brings such a conclusion into question. By critically evaluating German economic policy in Denmark, it disputes the claim that the Plenipotentiary was suddenly

Among the more popular views of the occupation, there is still some resistance to the revisionists. Such observers prefer to keep focussed upon the more palatable episodes highlighted by the traditional interpretation (e.g., the evacuation of the Danish Jews to Sweden, the Danish resistance movement). For a review of the most recent Danish literature on the occupation, see Palle Roslyng-Jensen, "Befrielsesjubilæet og den nyeste besættelseslitteratur. Idealister og »materialister« i besættelsesforskningen." *Historisk Tidsskrift*, 95, 2 (1995), pp. 367-98. As noted above, traditionalists such as Nissen still reject the "collaborationist" label, but do admit to the unvarying nature of the Danish stance towards the Germans.

6. Erich Thomsen, *Deutsche Besatzungspolitik in Dänemark, 1940-1945* (Düsseldorf, 1971).
 7. An exception to this is Bjorn Rosengreen, *Dr. Werner Best og tysk besættelsespolitik i Danmark 1943-1945* (Odense: Odense universitetsforlag, 1982), which focuses on Best and the legal and police system in Denmark during the last two years of occupation. There are no other monographs on German occupation policy in Denmark.
 8. Kirchhoff, *Augustoprøret*, 2, p. 465.
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eclipsed, and instead of seeing a shift to rationalizing policy around the *Wehrmacht's* needs, it finds a consistent German focus, from beginning to end, upon military and strategic priorities.

Thus the German military had always held Denmark's fate in its hands. As long as Denmark remained quiet, the *Wehrmacht* remained content. However, calm and order in Denmark depended upon the ability to maintain economic stability there. This required German economic moderation. Thus, the most significant change in the German view of Denmark was not a conclusion that cooperation ended on 29 August 1943 (Indeed, this seems implausible if, as it is now widely recognized, that Danish cooperation did not come to an end). Rather, the most important decision was two years earlier in the beginning of 1941, when the officials in charge of economic ties with Denmark concluded that the occupation was not going to be a burden, and that they ought to retain their policy of economic leniency and allow the Danes to manage German economic activity. It was apparent that to maintain the current policy of allowing the Danes to manage the economic ties between the two would be the most effective option, and this fundamental psychological resolve persisted to the end of the occupation. After the Danish cabinet's "withdrawal," the Germans consistently showed their preference to maintain this policy. As late as August 1944, they reiterated that they would prefer to uphold the policy developed over the course of 1940-41 and that matured during 1941-43. Firmly rooted in the strategic need to keep Denmark quiet, the maintenance of economic stability was the bedrock of German policy. Moreover, Germany's economic concerns were not aimed at the exploitation of the Danish economy, but only towards the maintenance of the country's economic life, and reasonable access to a few sectors of Danish industry. This stance never varied, not least because Danish acquiescence in the occupation continued to reinforce its rationale.

The present study thus relies upon Danish historical revisionism in that it agrees with revisionism's claim that the Danish political establishment continued to cooperate with the

Germans even after 29 August 1943. For this argument is crucial to the point that Germany continued to welcome Danish cooperation, and therefore was willing to maintain the same attitude as before August 1943, and even helps prompt that conclusion. Still, this study stands apart from Danish historical revisionism in its conclusion that German policy remained fundamentally unchanged after the events of August 1943. To Berlin, the situation in Denmark was not altered, rather, it was *reaffirmed*. To demonstrate German consistency, this study focuses on the activity of the *Wehrwirtschaftsstab Dänemark* — the purchasing office of the OKW in Denmark. Whereas Germany — which has always been in need of imported food — would purchase whatever agricultural production it could from the Danes, as regards industrial purchases, it was more selective. This was the difference between what Germany needed and what it wanted from Denmark. An examination of German industrial purchasing thus reveals how Germany acted when it had more discretion. If there had been a total change in August 1943, then Germany for example, could have turned to squeezing everything possible out of Denmark, or integrating the Danish economy into the German economy, neither of which courses did it follow.

Such a study yields another clue to understanding the wider German policy in Denmark, for the leader of the *Wehrwirtschaftsstab* was one of a very few German officials who remained involved with Denmark from before the invasion to its very end. Hence, his perspective on the situation in Denmark reflects Germany's general policy there more comprehensively than those whose arrival or departure was associated with one of the crises in German-Danish relations. Thus, Plenipotentiaries Cécil von Renthe-Fink and Werner Best, generals von Hanneken and Lüdke, or Günther Pancke, the SS police chief who arrived after August 1943, all lacked the longer-term perspective of the chief industrial purchasing officer, Captain Walter Forstmann. His more nuanced view of the situation is therefore a valuable reflection of Germany's attitude over the course of the entire occupation rather than merely a portion thereof, and the essential continuity of German priorities and policies

therein.

Although Forstmann's role began in the month before the invasion, German sensitivity towards Danish economic sensitivity can be found even earlier. A consistent German awareness of Danish economic fragility can be seen as early as September 1939, at the war's outbreak, months before the decision to invade. Within the German Foreign Ministry, the *Reich* Ministry of Economics, the OKW, and the *Kriegsmarine*, there was a general recognition of the vulnerability of the Danish economy. This awareness resulted in the contradictory situation wherein Nazi Germany was gearing up for a total war with Britain and France at the same time that it granted Denmark concessions that were also beneficial to the British. While the Germans were aware that these concessions might help the British, they assumed that this decision helped Berlin more than London: in fact their ignorance of the true situation in Denmark was such that they had it backwards. This was partly in hopes of eventually getting Danish ports and shippers to act as illicit middlemen for Germany, as they had in the First World War. However, the factors that motivated the *Kriegsmarine*, which held the key position in the discussions on this issue, were firmly grounded in the recognition that German imports of foodstuffs from Denmark were dependent upon Danish access to the world market. Once Denmark was invaded on 9 April 1940, this belief in Danish vulnerability remained unaltered, and the OKW feared the economic repercussions of their invasion of Denmark.

I.

*The Generals' Fears:
German Views of Denmark's Economy
from September 1939 to Winter 1941*

"If these questions are not solved as soon as possible, at least in part, Denmark will be able to help our war production only to a very meagre extent. Germany would then only have a few million useless and unsatisfied foreigners to feed."¹

The initial reason that Denmark was treated so leniently by the Germans was simply that the OKW's generals, who determined the parameters within which the wider German policy could be defined, were certain that the Danish economy was extremely fragile. Even before the invasion, German fears for the fragility of the Danish economy led the *Kriegsmarine* to give the Danes exclusive free passage through the its blockade of the British Isles. In the planning for the invasion, the OKW paid note to the need to take steps to keep the Danish economy functioning, and the economic plan of the occupation stressed the need to meet the

1. General Kaupisch's Economic and Political Situation report of 11 Apr 40. Wi/IE.7: "Norwegen, Dänemark." German Federal Archives, Military Division, Freiburg. This report was sent to the German Foreign Ministry on the 13th with the recommendation that its suggestions be followed. Files from this archive are hereafter referred to as "document, file number, 'file name,' Freiburg."

Danes' import needs as fully as possible. Once Denmark was occupied, the German officials in charge of the situation in Denmark were extremely concerned that economic disaster loomed. In this atmosphere, they chose to step lightly, lest German economic activity make the situation even worse. By the turn of 1940-41, however, this view changed completely. Denmark had proved not to be a burden, but had become an asset, an outcome that was quite different from what was initially anticipated.

The anticipation that the Danish economy would collapse was partly due to the way that the planning for the invasion and occupation was carried out. The decision to invade Denmark and hold it was based on purely strategic factors — a strategic thrust against the Allies, Operation "Weser Exercise" put Denmark in the same position as Belgium in 1914 — and the OKW was left in exclusive control of the planning for both invasion and occupation.² What the occupation of Denmark would entail was not fully worked out, but it appears that the generals feared that occupying Denmark would saddle Germany with an unwelcome economic burden. OKW planning for the invasion thus paid notice to Danish economic vulnerability, and the economic plan of the occupation stressed the need to meet the Danes' import needs as fully as possible. Beyond this, there was not much planning for the occupation, and Germany's civilian agencies were completely ignored in making preparations for occupied Denmark. Even Ribbentrop himself was not informed of the attack until two days after the invasion was ordered and six days before its execution.³ The German Ambassador in Copenhagen, Cécil von Renthe-Fink, had only learned of the invasion hours

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2. Hitler's orders of January 1940 to this effect went out only to Himmler and the very highest authorities ["Oberste Reichsbehörden"], which apparently did not include Ribbentrop. Danish National Parliament, *Beretning til Folketinget afgivet af de af Tinget under 8. januar og 25 Oktober 1950 nedsatte kommissioner i henhold til grundlovens § 4*. "De parlamentariske Kommissioners Beretninger" (Copenhagen, 1945-58), XII, 2, no. 9, p. 9. Hereafter cited as *DPK*.
 3. Hitler had not even decided whether to tell the German Foreign Ministry as late as 5 March. *DPK* XII, 2, no. 21, p. 33. *Idem*, XII, no. 10, p. 12. Jodl's diary entry of this date: "18.30 Uhr. R. Auss. Minist. durch Führer unterrichtet." The OKW had prepared a thorough memorandum on the invasion and its plans the day before, see *DPK*, XII, 2, no. 54, pp. 119-33. According to Nils Svehnielsen, Ribbentrop's comment upon hearing of the invasion plan: "For God's sake! We have a non-aggression pact with Denmark!", in "Danmarks status efter 9. april og dr. P. Munchs politik," *Historiske Tidsskrift*, 12/5 (1971), p. 350.
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before the attack, when he was to present the demand for the Danish surrender. Such secrecy was perhaps a poor decision, given that Germany had civilian experts on the Danish economy. Chief among such officials with expertise were the members of the German delegation to a Danish-German "Government Committee," which had managed trade between the two countries since the early 1930s, under the direction of the chair, Dr. Alexander Walter of the *Reich* Ministry of Nutrition and Agriculture, and his assistant, Emil Ludwig of the *Reich* Ministry of Economics (*Reichswirtschaftsministerium*, hereinafter referred to in the abbreviated form RWiM). The two men were thus left in the dark by the OKW, and were even unavailable to the Danes or any German officials in Denmark on invasion day, as they were in other countries.⁴

Though the *Wehrmacht* might not seem to be the most likely organization to have a balanced and informed understanding of the Danish economy, the civilian experts were not necessarily any better at assessing Denmark's economic situation. The civilians also gave their approval to the October 1939 Maltese Trade Agreement between Denmark and Germany, an arrangement that stands as a clear sign of the German fear of a Danish economic collapse. Under this agreement, the Danes were permitted to continue supplying the British with food despite the German blockade. As Germany's chief official for economic ties to Denmark, Dr. Walter was partially responsible for the Agreement, but the German reasons to sign the agreement were based on faulty assessments of the Danish economy.⁵ The Danes were fully aware that the deal was not as much to German advantage as they claimed, but the full facts of the matter went unnoticed on the German side.

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4. Sigurd Jensen, *Levevilkår under besættelsen. Træk af den økonomiske og sociale udvikling i Danmark under den anden verdenskrig* (Copenhagen, 1971), p. 17. Danish industrial production is not as fully treated in Jensen's work as the activity of the Danish delegation to the Government Committee. It is a common observation about *Levevilkår under besættelsen* that it is incorrectly entitled. Its title, "Living Conditions under the Occupation. Economic and Social Developments in Denmark During the Second World War" masks the fact that the work is chiefly about the Government Committee during the occupation up to August 1943. The period after that is handled more summarily.
 5. For a detailed account of the Maltese Trade Agreement, see Philip Giltner, "Trade in 'Phoney' Wartime: The Danish -German 'Maltese' Agreement of 9 October 1939," *International History Review* [forthcoming].
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The German Foreign Ministry also had a second motive to initiate the negotiations that led to the Agreement. At the end of August 1939, officials in the German Foreign Ministry and RWiM hoped to get Denmark and the other neutral nations of Europe to act as middlemen with the wider world economy, as they had during the First World War.⁶ The Danes might have seemed to be good candidates for such a role. The Danish policy towards Germany was, in the words of Danish historian Henrik Nissen, to present “a flat profile” to the Germans, to avoid provoking the Nazis.⁷ Earlier in 1939, Denmark had shown its willingness to appease Hitler, when, unable to get a common Nordic stance on the matter, it accepted Hitler’s April offer of non-aggression treaties made to Germany’s neighbors. Possibly this might have prejudiced Germany in Denmark’s favor, though no documentation to this effect has been found.

Lastly, the Maltese Trade Agreement also demonstrates another important fact about the relationship between Denmark and Germany, namely that it was the German military that determined what would happen vis-à-vis Denmark. Henrik Nissen, quoted above, put it bluntly when he noted that, “in the conduct of Denmark’s foreign policy, there was one basic fact to be considered: the independence of the country was at the discretion of the German army.”⁸ In Nazi Germany at war, this truth was especially relevant, for the German military dominated the other arm of German statecraft, the German Foreign Ministry. Even though the diplomats raised the topic of such an agreement with the Danes, and had its own motives for it, in the end, the military decided whether such an agreement would be negotiated at all, and the justifications for that agreement were those that the military found most cogent, not those in which the diplomats were most interested. The determining factors were

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6. 24 Aug 39 Wiehl memo on economic preparations. 68971/20: “Handakten Clodius. Sicherstellung der Außenhandelsbeziehungen mit den neutralen Staaten. u.a. Luxembour, der Schweiz, die Niederlande, Belgien, Dänemark, Norwegen, und Schweden,” 4-5/1939, Trade Policy Division, German Foreign Ministry, German Federal Archives, Potsdam. German Foreign Ministry files at Potsdam are hereafter to be cited as “File Number, File Name, Potsdam.”
 7. *Scandinavia during the Second World War*, edited by Henrik Nissen (Oslo, Minneapolis, 1983), p.45.
 8. This fear existed ever since the defeats in the 1863-64 war, but was made especially clear after the unification of Germany in 1871. Nissen, *Scandinavia during the Second World War*, p. 9.
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the economic arguments, but, in pattern that would be repeated in the Danish - German relationship during the occupation, they also were not especially accurately derived.

In the last days of the peace, the Trade Policy Division (*Handelspolitisches Abteilung*, hereinafter referred to by its abbreviation, HaPolAbt) of the German Foreign Ministry and the RWiM both evaluated Germany's trade prospects in the event of war.⁹ Reflecting Berlin's sensitivity to the role trade played in the 1918 defeat, the HaPolAbt report emphasized the importance of trade with neutrals, and both ministries recommended that diplomatic steps be taken to stave off the effects of a new blockade, while the RWiM report emphasized the likely Danish agricultural crisis if Denmark were cut off from Britain as a supplier of feeds and fertilizers and the ensuing drop in Danish food shipments to Germany. A few days before the invasion of Poland, State Secretary Ernst von Weizsäcker concurred with these reports, and told representatives of the various neutrals of Germany's wish to maintain its normal trade patterns: any change in neutral trade to German detriment would be viewed most gravely. In addition, two ambassadors at large — Ulrich von Hassell and Karl Ritter — were sent to the capitals of the neutral countries to emphasize Berlin's wish to maintain normal trade. This mission was simply to inform: new agreements, if necessary, would be negotiated "in the normal manner."¹⁰

Von Hassell, formerly ambassador to Rome, arrived in Copenhagen on September 1, and was politely received on 2 September by Prime Minister Thorvald Stauning and Foreign Minister Peter Munch, both anxious about Denmark's trade now that the invasion of Poland had begun.¹¹ Von Hassell relayed his government's message of interest in maintaining its trade with Denmark and the Danes reminded him that a protocol to the May 1939 Danish-

9. 28 Aug 39 Memorandum by Schlöterer (RWiM), 68971/20: "Handakten Clodius. Sicherstellung der Außenhandelsbeziehungen mit den neutralen Staaten, u.a. Luxemburg, der Schweiz, die Niederlande, Belgien, Dänemark, Norwegen, und Schweden," Potsdam.

10. Weizsäcker to missions in The Hague, Bruxelles, Stockholm, Copenhagen, and Oslo [Bern crossed off this list], 29 Aug. 39, *ibid.*

11. *Documents on German Foreign Policy*, Series D, volume VIII, Item No. 42, pp. 39-40. Von Hassell's memorandum summarizing his trip to the Nordics of 9 Sep 39. Hereafter *DGFP*.

German Non-Aggression Treaty had provided that Denmark would be able to maintain its trade with *all* parties in the event of a German war.¹² Von Hassell confirmed this commitment, pledging that Germany would allow uninterrupted trade with Great Britain as long as German trade with Denmark was not affected. If the Danes were interested in discussing the matter in detail, Germany was ready.¹³ The same day, von Hassell and Renthe-Fink also spoke to Director¹⁴ O.C. Mohr at the Danish Foreign Ministry. At this meeting, von Hassell reaffirmed Berlin's desire to maintain normal trade levels and willingness to allow Denmark to trade with Great Britain, again, as long as Germany continued to have normal trade with Denmark. Mohr asked whether this assurance should be interpreted to mean that Denmark should try to arrange a three-way agreement to include not just Danish agricultural products — as was the case when Denmark was a neutral in the First World War — but all goods. Von Hassell confirmed this, and instructed Mohr to pass along word via Renthe-Fink in case of Britain's acceptance of such an offer. All agreed that the prospects for such an agreement were good.¹⁵ The Danish ambassador in London was instructed to inform the British government confidentially that Denmark expected Germany would uphold its assurances of freedom of trade as pledged in the Danish-German Non-Aggression Pact.¹⁶

However, von Hassell's assurances on 2 September were soon undermined by the work of the German military. The *Kriegsmarine* added agricultural goods as "conditional

12. *DGFP*, D, VIII, Item No. 461, pp. 621-2.

13. *DGFP*, D, VII, Item No. 552, pp. 522-3.

14. The Director of the Danish Foreign Ministry is the position similar to that of State Secretary in the German Foreign Ministry or a Permanent Under Secretary in the British Foreign Office; Mohr was the senior diplomat in the Danish Foreign Ministry.

15. Report on the Maltese agreement written by Mohr in May 1948, from his notes of 1939 and the beginning of 1940, box number 20, 83.D.5.b, "Overenskomst med Tyskland 8/10 1939," 1939-52, Fortrolige skabssager 1899-1945 (1993 levering), Danish Foreign Ministry, proviens number 02, Danish National Archives (Rigsarkiv), Copenhagen. Those files of the Danish Foreign Ministry that were examined are divided into two main groups, the main file group of 1909-1945 and the 1993 release of confidential files. They are henceforth referred to as follows. Files of the 1909-1945 group will be indicated as "box number, journal number, file title, UM, 1909-1945." Files from the 1993 release will be indicated as "box number, journal number, file title, UM, 1993 afl." Where UM stands for *Udenrigsministeriet*, "Foreign Ministry" and "afl" stands for *aflevering*, "delivery" or "release."

16. Box H 83-18, 83.D.5.a, "Danmark-Tyskland: Handelstraktatforhandlinger under krigen 1939ff." UM, 1909-1945.

contraband" to its contraband list, causing disagreement as to whether Danish exports fell under this rule.¹⁷ The Danes vigorously contested this reversal, and were able to get Renthe-Fink to repeat von Hassell's offer. They were also skeptical as to whether they would succeed in the negotiations: they knew that they would be able to uphold their shipments of agricultural goods to Germany even without British feed imports, given that Danish grain production was much higher than it had been in the First World War — a fact that Mohr was certain the Germans would discover.¹⁸ Mohr also shared these doubts with a Danish industrialist he had asked to help secure an agreement.¹⁹ It was apparent to the Danes that the proposed agreement was not entirely in German interests. If the Germans had an accurate picture of the Danish economy, they would certainly rescind their offer.

A further step by the *Kriegsmarine* darkened the prospects for getting an agreement with Germany when the OKM ordered unannounced U-boat attacks on all shipping heading to Great Britain. The *Kriegsmarine* decision to intensify the war at sea naturally caused displeasure in the German Foreign Ministry, and Weizsäcker admonished the *Kriegsmarine*, and then sent Ernst Wiehl, director of the HaPolAbr, to convince the *Kriegsmarine* to reverse its stance on the basis of Germany's need for imports from Denmark.²⁰ Despite the Foreign Ministry's interest in using the Danes as a gateway to the outside world, it was able to convince the *Kriegsmarine* only by using arguments about the immediate need to keep Danish agricultural supplies flowing. This is probably because the *Kriegsmarine* still believed that it was facing a short war: only immediate benefits could carry any weight in the

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17. Renthe-Fink presented this 'modification' to the Danish Foreign Ministry on the 16th. Mohr's resumé of talks with Germany and Great Britain to the embassy in Berlin. 21 Sep 39, box H 83-18, 83.D.5.a. "Danmark-Tyskland: Handelstraktatforhandlingerne under krigen 1939ff." UM, 1909-1945. *DGFP*, D. VIII, Item No. 66, p. 63.
 18. Report on the Maltese agreement written by Mohr in May 1948, from his notes of 1939 and the beginning of 1940, box 20, 83.D.5.b. "Overenskomst med Tyskland 8/10 1939." UM, 1993 afl.
 19. Undated memorandum by Mohr on the selection of Sthyr for this position. 99.F.3/36, "Minister O.C. Mohrs Notarer." UM, 1909-1945.
 20. Viggo Sjøqvist, *Danmarks udenrigspolitik 1933-1940* (Copenhagen, 1966), p. 309.
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discussion.²¹

The German Foreign Ministry tried to keep the option of Denmark as a gateway open, as once it had secured the *Kriegsmarine's* approval for the plan, Renthe-Fink's final negotiating instructions noted that, despite this being a German expression of concern for the issue of neutral rights in principle, this offer was being made only to Denmark and not to the other neutrals. This was to be a controlled experiment. Moreover, Denmark was expected to hold up its end of the bargain: it was to do all it could to build up its stocks of feeds and fertilizers. The Danish government was to understand that an explicit pledge from the German government on Danish exports with the English was not possible, and that Germany would reserve the right to change its policy. Keeping an eye on Denmark's function as a "German port," the Danes were told that they were expected to secure British approval of goods passing through Denmark to Germany.²²

Thus would Denmark gain a concrete sign of German intent to live up to the principles von Hassell had relayed on 2 September. This news was no doubt welcome in Copenhagen, where attention was drawn to the aggressive actions of the *Kriegsmarine*. Returning to Copenhagen with Walter on the 4th, Renthe-Fink reported to Berlin that Munch had given his approval to the agreement and that it would be brought before the cabinet later that day.²³ From this, it was only a matter of working out the details to get an actual agreement, and on the 5th Renthe-Fink reported that all that remained were administrative matters.

The details were hammered out in a week between Mohr, Renthe-Fink, and Walter. A week into the life of the agreement, the largest Danish shipper to England (The Federated Danish Steamship Company, [*De forenede dampfskibs-selskab A/S*] DFDS) took charge of

21. Vortrags Notiz für Ob.d.M., 30 Sep 39, RM 7/1316: "1.Skl. I.C. 1.III Völkerrecht. III.5.F. Handhabung der Neutralität. Sonderabkommen Deutschland-Dänemark-England." Freiburg.

22. Wiehl to Renthe-Fink, 1 Oct 39, RM 7/1316: "1.Skl. I.C. 1.III Völkerrecht. III.5.F. Handhabung der Neutralität. Sonderabkommen Deutschland-Dänemark-England." Freiburg.

23. Renthe-Fink telegram ^f185 of 4 Oct 39, RM 7/1316: "1.Skl. I.C. 1.III Völkerrecht. III.5.F. Handhabung der Neutralität. Sonderabkommen Deutschland-Dänemark-England." Freiburg.

providing the German embassy with contents summaries and voyage itineraries. DFDS had also lent its corporate symbol, a white Maltese cross, to be the distinguishing marking for the ships. This also gave the name to the arrangement: the Maltese Trade Agreement. The actual agreement on the 9th took the form of a written offer to the Danes which was approved only verbally: there would be no signature, treaty, or public announcement. The agreement also carried a protocol (the only part of the agreement in Danish) that noted that this was an arrangement exclusively for Denmark, and was being agreed to only given the “special circumstances.”²⁴ The agreement was to be kept in the strictest secrecy. Munch briefed the Danish parliament’s Foreign Policy Committee on the arrangement and pledged it to silence.²⁵ Even on the Danish side, there was motive enough for such a precaution: during the First World War the Germans and Danes drew up a similar arrangement after the Imperial German Navy adopted unlimited U-boat warfare in 1917 but its disclosure in the Danish press caused the Germans to denounce the agreement.²⁶ The agreement would go into effect at 6:00 am on the 11th.²⁷

The Maltese agreement stayed in effect until the invasion on 9 April 1940. Even though Germany was at war with Britain, the *Kriegsmarine* agreed to allow the Danes to pass through the blockade and supply the enemy with “contraband” foodstuffs. The Maltese Agreement demonstrates the primacy of the military in German decision making at this stage of the war: although the agreement was negotiated by the Foreign Ministry, it was brought to Hitler by the *Kriegsmarine*, not Ribbentrop. It also shows that the OKW was far more responsive to economic arguments than diplomatic or legal ones. The *Kriegsmarine*’s reasons differed from those of the Foreign Ministry, where the emphasis was laid on the diplomatic

24. Tysk Forligstilbud akcepteret 8. Oktober 1939, box 20, 83.D.5.b. “Overenskomst med Tyskland 8/10 1939,” UM, 1993 afl.

25. 10 Oct 39 meeting notes, box 10, 3.E.92. “Det udenrigspolitiske nævnr. Mødeprotokoller. (2 binde).” UM, 1993 afl.

26. Sjøqvist, *udenrigspolitik*, p. 311.

27. Telegram copy of the order 11 Oct. Wichl *Schnellbrief* of 10 Oct RM 7/1316: “1.Skl. I.C. 1.III Völkerrecht. III.5.F. Handhabung der Neutralität. Sonderabkommen Deutschland-Dänemark-England.” Freiburg.

aspects of the scheme and its implications for neutrality, which it was hoped could be turned to German use later on. To convince the *Kriegsmarine*, however, Weizsäcker felt compelled to send his chief economic official, the head of the HaPolAbt, who used economic arguments about Danish agricultural production. Though the documentation presented to the *Kriegsmarine* included an appendix with arguments on neutral trade rights, the points that it found salient were the immediate matters of the Danish agricultural economy. It might be surprising that Wiehl's argument convinced the *Kriegsmarine*. For one thing, Britain could do practically nothing to stop Danish trade with Germany — a geographic reality that ought to have been clear. In fact, the most important question was Danish imports from Britain, and this part of the HaPolAbt case went uncontested by the *Kriegsmarine*. As the Danes knew, they could probably supply Germany at normal levels without British feeds and fertilizers due to increases in Danish grain production and improvements in fertilizing techniques since the First World War, and because the anticipated drop in agricultural output would still leave enough production to cover the amounts planned to send Germany. Perhaps one could not expect the German Naval Command to have known this: yet this possibility had already been reported to the War Economy and Armaments Office, (*Wehrwirtschafts- und Rüstungs-Amt* hereinafter referred to by its abbreviation, WiRüAmt), the OKW's economic experts, only to be dismissed.²⁸ Furthermore, there is no evidence of the *Kriegsmarine* having consulted the WiRüAmt on this issue at this time. One can only speculate as to why Wiehl's argument was so persuasive; perhaps it reflects a naval sensitivity to the importance of trade warfare. It seems that neutral rights did not make much of an impression, and Weizsäcker's

28. There is no evidence exactly when this report, written in March 1939, arrived at the WiRüAmt. It is found among the papers of one of its subdivisions, the *Wehrwirtschaftsstab Dänemark*, which was established only in March 1940, but this does not rule out the possibility that the report had already been filed in the WiRüAmt before that latter date. The German Institute for World Economics in Kiel (IWW) had prepared a few reports on the Danish agricultural economy over the course of 1939. The March 1939 report concluded that in the event of a war Danish output of animal products would remain high because of Denmark's gains in domestic feed production: a decrease as in the First World War was not probable. However, its conclusions were disputed by marginalia. Wi/IE.1.36: "Report by the Institut für Weltwirtschaft, Kiel. 'Die außenhandelsmässige Verflechtung der dänische Landwirtschaft Dänemarks'," Freiburg. These also appear on United States National Archives Microfilms T-771697-98.

intervention alone does not seem to have tilted the scale.

The German Foreign Ministry's plans to keep Denmark open as a potential middleman thus faded to the background and a focus on economics moved to the fore in German calculations about Denmark. The *Kriegsmarine* continued to pressure the economic savants for a sign of the Danes making progress on accumulating British imports so that the agreement could be abandoned. In Copenhagen on 15 January 1940, Walter pressured the Danes to build up their stockpile of feeds and fertilizers. Back in Berlin on 19 January, Walter and Ludwig reviewed the Government Committee negotiations at the meeting of the *Handelspolitisches Ausschuss*, the HPA. The HPA was a secret interagency committee, made up of senior officials at the various ministries with any economic policy function, such as the Four Year Plan, the *Reichsbank*, the RWiM, and the Ministry of Food and Nutrition. Chaired by Wiehl, the HPA met fortnightly, and its decisions were confidential: its meeting minutes were marked as secret, and the name of the HPA was not to be mentioned. The Danes had reported to Walter and Ludwig that they would hardly be able to meet their feed importing needs by April, and the two men therefore recommended that the Maltese Agreement be maintained for the foreseeable future and that the *Kriegsmarine* be so notified. This position must not have been too soundly endorsed, however, for on his return to Copenhagen the next day, Walter warned Mohr that he would have difficulty explaining to the *Kriegsmarine* why Denmark was behind in buying its grain and feeds, and hinted several times that the *Kriegsmarine* and the *Luftwaffe* would be increasing their operations soon in a way that would make it "practically impossible" for boats to get through to Britain.²⁹ According to a postwar account written by a former Danish official (and future Prime Minister), this Danish lag in importing feeds and fertilizers was due to importing companies' unwillingness to buy at prices raised by war speculation. By the time the government had arranged for

29. Protocol of meeting of 19 Jan 40, 68939: "13.a. Allgemeines Handel. Handelspolitisches Ausschuss." Potsdam. Wassard's memoranda to Mohr of 15 and 20 Jan 40, box H 83-18, 83.D.5.a. "Danmark-Tyskland: Handelstraktatforhandling under krigen 1939ff." 1939-1960, UM. 1909-1945.

import subsidies, the Danish ships which would have carried the cargo were all fully occupied with other customers.³⁰ However, the veracity of this claim can be questioned, when one considers that Danish imports of agricultural supplies were decreasing even before the war as Denmark hurried to build stores of industrial supplies (below, p. 92).

The *Kriegsmarine* was already sinking other Danish ships; they would soon be making things more difficult for the Maltese boats, too. Though it had agreed to the arrangement, the *Kriegsmarine* bridled under its constraints. Of 36 Maltese ships, four were torpedoed and sunk and a fifth was attacked from the air; many were boarded, and others seized and brought into Hamburg for suspicion of carrying contraband.³¹ The *Kriegsmarine* was skeptical towards the Danes from the start. On 15 October it reviewed the importance of the agreement and noted its displeasure. On 30 October, it sought confirmation of its right to board and inspect the Maltese boats, and soon thereafter it began random searches to ensure Danish compliance. In January, the Trade Warfare Staff within the German General Staff, the HWK (for *Sonderstab für Handelskrieg und wirtschaftliche Kampfmaßnahmen*), reviewed the 1. *Seekriegsleitung* (1.Skl) position of 15 October and concluded that Germany should pressure the neutrals: most of them were sufficiently dependent upon Germany that they would not be able to protest. However, the real problem if the Germans wanted to quash Britain's trade was that they lacked the military means to pressure the neutrals effectively.³²

Yet German support for the agreement was not always dwindling. At times it could appear to be more solid. After the HPA notice to the *Kriegsmarine* following its 19 January meeting, the 1.Skl informed the operational command that lengthy inspections of Danish ships were "politically undesired;" instead, any search or seizure should be done quickly and

30. Jens O. Krag, *Byhvervene*, pp. 8-9.

31. Tørtzen, *Søfolk*. 1, p. 309.

32. 'Stellungnahme der Sonderstabes HWK zur Denkschrift der SKL vom 15.10.39,' 9 Jan 40, box 7, lag 147. "Denkschrift der Sk. über den verschärften Seekrieg gegen England." Tyske Arkiver 1848-1945. German Navy. Archive of the German Navy, 1919-1939. Håndskriftsamling XVI. Danish National Archives (*Rigsarkiv*). Copenhagen. German files in the *Rigsarkiv* shall hereafter be cited as "File number, 'title,' TA."

courteously without ungrounded confiscations. Danish butter deliveries to Germany were "very satisfactory" and therefore all efforts must be made to avoid giving the British a reason to object to the arrangement.³³ Because economic considerations counselled *Kriegsmarine* restraint, the *Kriegsmarine* tried to explore economic steps to release it from that restraint.³⁴ Nevertheless, Denmark's economic vulnerability remained convincing, and the HWK regretfully concluded that the moment to drop the Maltese trade arrangement still had not come. Moreover, breaking the agreement might backfire completely: after being cut off from the British, the Danes could easily redirect all their exports not to Germany but to Norway and Sweden.³⁵

This German focus on the economic consequences of breaking the Maltese Trade Agreement rested on Germany's faulty assessments of the fragility of the Danish economy. As proof, one need only look at how Mohr secured London's agreement to the arrangement. In London for Danish-English trade talks, Mohr convinced the British Ministry of Economic Warfare that the proposed arrangement was in fact more advantageous to the British than to the Germans. Mohr showed how Denmark would be able to meet its quota of exports to Germany even without an overseas supply of feeds: any feeds Britain sent Denmark would only increase Danish output, which could then be sold to Britain. The British, like the Germans, were unaware of this change in Denmark's agricultural economy since the First World War; once Mohr brought it to their attention, British investigations confirmed it, and the way was opened for British assent to the arrangement.³⁶

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33. 1. Skl. to Gruppe West, 22 Jan 40. RM 7/1316: "1. Skl. I.C. I.III Völkerrecht. III.5.F. Handhabung der Neutralität. Sonderabkommen Deutschland-Dänemark-England." Freiburg.
34. 1. Skl. to Lohmann (Legal Division, German Foreign Ministry), 8 Nov 39, RM 7/1316: "1. Skl. I.C. I.III Völkerrecht. III.5.F. Handhabung der Neutralität. Sonderabkommen Deutschland-Dänemark-England." Freiburg.
35. Sonderstab HWK. "Untersuchung über eine Verschärfung der Behandlung der Malteserkreuz-Dampfer ausserhalb einer späteren grundlegenden Aufsahe der Absprache mit Dänemark" 21 Jan 40, RM 7/1316: "1. Skl. I.C. I.III Völkerrecht. III.5.F. Handhabung der Neutralität. Sonderabkommen Deutschland-Dänemark-England." Freiburg.
36. Report on the Maltese agreement written by Mohr in May 1948, from his notes of 1939 and the beginning of 1940, box 20, 83.D.5.b, "Overenskomst med Tyskland 8/10 1939." UM, 1993 afl.
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Thus, what Great Britain gained was clear. On the German side, perhaps it is not so readily apparent why Berlin gave the Danes such liberty. The Maltese accord seems to be an anachronistic arrangement where the National Socialist regime showed an uncharacteristic respect for neutrality that benefited an enemy with whom it was at war. Moreover, the Germans were, from the very early stages of the war, engaged in U-boat warfare against the very same kind of shipments to England that they were allowing the Danes to send through their blockade. However, it is significant because it demonstrates an exaggerated German fear for Danish economic fragility. Though the Agreement focussed on the Danish agricultural economy, one cannot dissociate the agricultural sector from the wider Danish economy. Without agriculture, the Danish economy would utterly collapse, given the large numbers of workers in the food processing and transportation industries that were dependent upon Denmark's food exports. This fear for the health of the Danish economy would color German attitudes towards the Danes well into 1941, by which time the momentum of practice or force of habit gave Denmark considerable economic "breathing room" under German domination. Other, more familiar motives, can also be found in Berlin. The German Foreign Ministry's hope of using the Danes as a way to break through the British blockade was an early motive, though this alone did not convince the *Kriegsmarine*. What was more important to the Naval High Command was the fact that Germany, as ever, needed to import food, for which the Danes were significant suppliers, and the Danes were able to convince their German partners that they needed to ship to Britain if they were to produce for German consumption.³⁷

Despite German awareness of the fragility of the Danish economy, however, the decision was still made to invade Denmark. Given the awareness of Denmark's delicate economic health, and Germany's limited ability to replace Denmark's overseas suppliers, one

37. John Lukacs, *The Last European War. September 1939/ December 1941* (London, 1977), suggests that Hitler had assented to the Maltese Agreement as an olive branch to the British, or at least that he did not think that the war would go on for much longer. Such arguments do not appear in the German documents on the Maltese Agreement, where Denmark's need for agricultural supplies were paramount.

can conclude that the military leadership was worried about the repercussions of their attack. At the 26 February 1940 meeting sketching out the final form of Operation Weser Exercise, the WiRüAmt was first brought into the planning for Operation Weser Exercise, and its commander, General Georg Thomas, was assigned the task of bringing these two countries into the continental economy [*kontinentaleuropäischen Wirtschaftsraum*]:

Their economies must be supplied at least as far as is necessary to keep their exports of materials needed for the war to Germany, and increase them where possible. Their supply should, however, burden the *Reich* as little as possible. To this end the economies of the North Sea and Baltic countries [i.e., Denmark, Norway, and Sweden, which would be caught behind German lines by the planned invasion] must be systematically integrated into the continental economy under German leadership...

The study of this matter is to be left to the War Economy and Armaments office.³⁸

The WiRüAmt thus began its own planning for the occupation of Denmark and Norway. In Thomas' office, the economies of Denmark and Norway were assessed for their potential utility to the *Reich*. Of particular concern was how to keep the economies of Denmark and Norway functioning despite being severed from world trade. The economic goals for occupied Denmark and Norway were simply that Germany would take what it needed for its war effort: beyond that, the two would be expected to redirect their economies towards Europe. In Norway, the plan would take a radically different course from that originally planned. In Denmark, on the other hand, the plan would be followed right up to the end. Though both countries were seen to be vulnerable to the economic shocks that occupation would bring, the Danes came out better simply because they quickly acquiesced to the invasion and resolved to cooperate with the German authorities. The Norwegians, on the other hand, chose to resist, which in turn led to all kinds of German intervention in those areas where the Danes were able to maintain control.

Though the outcomes of occupation were different for Norway and Denmark, in

38. Notice for discussion of occupation management issues. 26 Feb 40, *DPK*, XII, a, no. 13, pp. 15- 17.

German planning, the two countries were treated in a similar manner. In the planning for the invasion, Operation "Weser Exercise," Hitler emphasized again and again that in occupying the Scandinavian countries, the *Wehrmacht* should strive to give it "the character of a peaceful occupation" and that the goal was to "protect Danish and Norwegian neutrality through peaceful German occupation." The neutrality of both countries was to be carefully respected (although not, of course, to the point where Germany would honor their right not to be invaded).³⁹ It is apparent that, in some quarters, at least, Germany did not expect Denmark to mind being invaded all that much. General Nikolaus von Falkenhorst, the commander for the combined attacks on Norway and Denmark even suggested that the battalion landing in Copenhagen be led by a military band playing music: the commander of the Danish end of the attack, Luftwaffe General Leonard von Kaupisch, was not so sanguine and argued that they just might have to blast their way into the Danish General Staff Headquarters.⁴⁰

The political planning for the occupation was laid out by the OKW along the most general lines. If all went well, the Danish and Norwegian governments were to be kept in power. In return, they were expected to ensure that Germany could secure the safety and supply of the German forces, to exercise their governing and administrative functions in a loyal manner while prohibiting "hostile" [*feindselig*] activity and, lastly, to strive to maintain the nations' economies. Race and nationality issues were not to be raised.⁴¹ The OKW occupation plans were in accordance with the Hague conventions of warfare: no domestic German organizations would exercise authority in the occupied territories, and contact between Germany and the two "occupied neutrals" would be directed via the German Foreign Ministry. Ironically, it was Hitler who nudged the OKW towards showing respect for international law. As German activity in occupied Poland was a clear violation of the

39. DPK XII, 2, no. 18, pp. 24-8, no. 21, p. 32ff.

40. DPK XII, 2, no. 145, p. 266.

41. DPK XII, 2, no. 24, p. 39.

standards of international law, Hitler's emphasis on the "protective" nature of Operation "Weser Exercise" led to an OKW return to the conventions of international law for military occupation.⁴² As Nazi expansion continued in the west, the Netherlands and Belgium would be offered similar terms.⁴³ However, in the Netherlands and Belgium, as in Norway, the local governments chose to reject the offer and to fight. Cooperation with the Germans would be against the wishes of the government, now functioning in exile in London.

As noted, economic planning for the occupation of Denmark and Norway rested with the OKW, which gave the task to Thomas. In this effort, Thomas studied the basic structure of the economies of Denmark and Norway, and set German "war economic" priorities for them. Far from being overwhelmingly confident, Thomas' review bore marks of caution. On 18 March he laid out a series of economic recommendations for the OKW, including "essential conditions" [*unerlässliche Voraussetzungen* (emphasis in the original)] the Danish and Norwegian governments must guarantee. Thomas claimed that these must be secured so that Germany could make use of the two countries' militarily significant industrial facilities to provide "urgently needed relief" (emphasis in the original) for the German war economy, which, he noted, would be able to supply the two occupied nations only to a limited extent. Thomas' demands included the general maintenance of economic activity, measures to reduce shocks to the economy, price freezes, adoption of defensive measures for important facilities (as well as any other facilities designated by Germany), measures to protect the local currency and to use German script (*i.e.*, military currency), and an export ban to Germany's enemies. Thomas mapped out specific industries of importance to Germany. While Norway, with its cheap hydroelectricity and notable mineral reserves was characterized as having a "quite special importance" [*ganz besonderer Bedeutung* (emphasis in the original)], the list of Danish industrial facilities was more modest. In Denmark, Thomas

42. Hans Umbreit, "Kontinentalherrschaft," p. 47.

43. Henning Poulsen, *Besættelsesmagten og de danske Nazister: Det politiske forhold mellem tyske myndigheder og nazistiske kredse i Danmark 1940-43* (Copenhagen, 1970), p. 75. Umbreit, "Kontinentalherrschaft," pp. 57-8.

mentioned the Danish explosives and superphosphate industries, arms works, ship engine manufacturing, shipyards, and the Cryolite Refining Company of Copenhagen. Beyond this, the power plants supporting these facilities were also identified.⁴⁴

Though Thomas' report reflected caution, it was also characterized by some surprising oversights. In the Danish case, at least, Thomas' review was surprisingly inaccurate and emphasized areas where Denmark was weak while it missed areas in which his office later would ultimately show great interest. The Danish explosives industry, for example, was of marginal utility. Its possible usefulness as well as that of much of the Danish armaments industry were repeatedly dismissed by the War Economy Officer in Denmark once he arrived. The Danish machine tool industry, which would be heavily occupied with German orders during the occupation (see below, p. 168), went practically unmentioned. This is remarkable, given its quality and utility for a Germany at war. It was perhaps not especially well known in Germany, but at least one pre-war German study noted the Danish machine industry's "versatility as well as its quality..." and concluded that, technically, its products could measure up to the best in world.⁴⁵ The Cryolite Refining Company of Copenhagen would be of no use once the flow of cryolite from Greenland ceased. Thomas saw Denmark primarily as an agricultural supplier, and this limited interest in exploiting the full potential of Danish industry characterized German economic policy for the entire occupation. German industrial purchasing in Denmark would be selective, rather than extensive. Only in shipbuilding and repair, machine tools, and metalworking, Germany would take a good share of exports, but never all of them. Moreover, Denmark's largest manufacturers went largely unused by Germany.

The coordination, Thomas suggested, of the utilization of the economies of Denmark and Norway would be the responsibility of the WiRüAmt, whose representative would

44. *DPK*, XII. a, no. 41, pp. 91-4.

45. Harald Seehusen, *Der Maschinenbedarf Dänemarks in der Industrialisierungsperiod nach der Weltwirtschaftskrise unter besondere Berücksichtigung der deutschen Maschinenausfuhr* (Flensburg, 1939), p. 87.

accompany the commander of the invading forces. Three War Economy Officers were to be sent with the invasion forces in Denmark, four to Norway.⁴⁶ This representative would work together with the military commander and the civilian "Plenipotentiary," but the "attaching of this [industrial] production to the German armaments economy will remain the task of the civilian Plenipotentiary and the officers attached to him."⁴⁷

Significantly, Thomas' recommendation of leaving authority with the German civilian Plenipotentiary was reversed by the OKW's next draft, specifically drawn up for Denmark alone. In the 21 March version, signed by General Warlimont, the Plenipotentiary was expected *to support* the WiRüAmt's efforts. This draft also expressed further concern about Denmark's economic health and admitted that Germany would be forced to take measures to ensure the "highest possible" production of the industrial facilities that were eyed.⁴⁸ This was the final outline that would be handed to the German Foreign Ministry on 2 April, when it learned of Operation "Weser Exercise."

Although the directives for the Danish economy mentioned the "realignment" of the local economy into the greater economic area [*Großraum*], little was said about the form that change would take. Instead, only a few more practical and immediate objectives were listed. German concerns about the strength of the Danish economy and the limited economic objectives for occupied Denmark might indicate that the decision to occupy Denmark was accompanied by some reluctance. Thomas and his staff expected an economic crisis for the Danish economy under German occupation, just as the British blockade had caused in 1917. No one considered that Denmark would possibly do better than it had in 1917-1918. In other words, changes in the Danish economy over the last twenty years went unstudied. Among the papers of the War Economy Staff - Denmark appears a March 1939 report from

46. General Georg Thomas, *Geschichte der deutschen Wehr- und Rüstungswirtschaft (1918-1943/45)* (Boppard-am-Rhein, 1966), p. 206.

47. *DPK*, XII. 2. no. 41. pp. 91-4.

48. *DPK*, XII. 2. no. 44. pp. 102-5.

the civilian *Institut für Weltwirtschaft*, a research institute, that suggested that the Denmark would do better than the WiRüAmt expected. The report recognized that Danish production of feeds and fertilizers was better in 1939 than it had been under during the First World War, and concluded that Danish agriculture would be able to supply itself fairly well with its own grain production, if the country should be cut off from overseas supply. These conclusions were dismissed: unattributed marginalia in the report brusquely rejected its claims. As mentioned above, there is no way to tell when this report arrived at the WiRüAmt, but it seems unlikely that it did not have the report from the IWW as soon as it was available in March 1939: the IWW produced its papers for exactly such an audience, and the OKW no doubt was among the first recipients for IWW reports. As far as the OKW was concerned, things looked dark for the Danish economy, and the prospects for industry were no better, as a March 1940 report from the embassy in Copenhagen emphasized:

...if Danish-English trade ties were to come to a halt, or if Denmark were otherwise to be cut off from overseas supply, Danish industry would not be able to survive. Help would have to come from the European economic area. What form this help would be able take and how far it could happen in cooperation with the German economy, would be a question that, in my judgement, ought to be substantially explored.⁴⁹

In the Foreign Ministry copy of this report, this particular section is highlighted in pencil; a copy was passed along to Thomas' office, probably to draw Thomas' attention to the idea of conducting such a study.⁵⁰ Of course, the German Foreign Ministry was still in the dark about the pending invasion. This message, however, probably served to reinforce Thomas' pessimism regarding Danish economic resilience, and as the operational planning for the invasion progressed, his office planned its own operations to avoid economic catastrophe in occupied Denmark.

Thomas had also decided that he did not need the input of civilian experts. He had already selected his own economic official to send to Denmark. Dr. Walter Forstmann, a

49. Renthe-Fink report of 15 Mar 40, 68049: "Industrie. Dänemark. 1. Industrie im allgemeinen." Potsdam.

50. Renthe-Fink report' Pol 2213 of 9 Mar 40, Wi/IE.7: "Norwegen, Dänemark." Freiburg.

U-Boat commander in the First World War, was appointed leading War Economy Officer for Denmark on March 13.⁵¹ He would have less than a month to learn everything about the Danish economy.⁵² On 23 March, he received orders outlining his goals in Denmark and a copy of the economic demands to be presented to the German Plenipotentiary in Denmark upon his arrival in Copenhagen. Above all, he was to take whatever measures he could to keep the Danish economy going.⁵³ The order to launch Operation Weser Exercise was given on 1 April. On Friday, 5 April, Forstmann met at the WiRüAmt and received his final briefing before heading to Kiel to board the battleship *Schleswig-Holstein*, which would leave for Korsør on Monday 8 April. The invasion of Denmark would be complete before breakfast; the troops would leave Denmark only after the capitulation on 5 May 1945.

There is little doubt that on the eve of the occupation, the German military saw Denmark to be especially vulnerable to the economic strains that invasion would cause, and that concern for Danish economic health colored official German attitudes as they worked to establish the mechanisms of occupation. The tone that officials used when discussing the Danish economy certainly was pessimistic. In March 1940, the HWK reported that various ministries were investigating how to come to Denmark's economic rescue in the event that Denmark were to be cut off from overseas supply. At the RWiM, there were also signs of awareness of Danish vulnerability. There the RWiM had pledged to increase its supply of coal to Denmark, despite the war's demands upon the German economy.⁵⁴ In November,

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51. Forstmann's Service Record, provided by correspondence from "Deutsche Dienststelle für die Benachtrichtung der nächsten Angehörigen von Gefallenen der ehemaligen deutschen Wehrmacht," Berlin. 22 June 1994. Forstmann commanded two different U-boats during the years 1914-1917, after which he was moved to flotilla command. In 1919, he left the *Kriegsmarine*, reappearing in German records at the War Economy and Armaments Field Office in Osnabrück in 1939 (the actual date is not certain, but Forstmann had his rank reinstated on 19 Jul 39).
 52. Forstmann had a doctorate in political science (dr. rer.pol.), but his more exact area of expertise is not known. From his comments during the occupation, it appears that he did understand Danish, but this is no indication of whether he had previously studied the Danish economy, nor does it rule out the possibility that he learned Danish only after his arrival in Denmark. All his contact with the Danish Foreign Ministry was in German.
 53. Internal memorandum of 23 Mar 40, Wi/IE.7: "Norwegen, Dänemark." Freiburg.
 54. Jensen, *Levevilkår*, p. 15.
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the RWiM had also informed the Foreign Ministry that the German steel industry was willing to meet Denmark's needs, although the industry was reserving the right to renege on that pledge.⁵⁵ Most of all, Berlin's agreement to draw up the Maltese arrangement also reveals a strong fear for the fragility of the Danish economy. This fear persisted into the winter, when the agreement was reviewed again by officials at the Foreign Ministry and *Kriegsmarine*, and was reluctantly reaffirmed, even by a German navy which was very eager to cut off the Danes. There apparently was a general consensus that Denmark's economy was simply too fragile to withstand being cut off from its overseas suppliers, and that is where the invasion plan left the matter of Denmark's situation under occupation.

Operationally, the invasion went especially well for the *Wehrmacht*, and the country's strategically important points were quickly secured. The Danish military was under restrictive orders designed to avoid provoking any incidents: the navy had orders not to fire, while the army, though on alert, had been drawn back from the border.⁵⁶ Fighting occurred in a few small skirmishes in southern Jutland and at the royal palace, Amalienborg, in Copenhagen, where the royal body guard, in their Napoleonic era uniforms, defended the King against a small German detachment. A more modern vision could be seen at the Ålborg airport and the *storstroms* bridge linking Lolland and Falster to Sjælland, where the world's first airborne attacks successfully secured their targets.⁵⁷ The *Wehrmacht* used a relatively small force of about 40,000 men to take the country: Copenhagen was taken by a detachment of only 800. Obviously Berlin expected little resistance. Total Danish losses amounted to sixteen killed, twenty-three wounded.

Politically, the invasion also went well. The goal was to gain Danish acceptance and

55. RWiM to Scherpenberg., 9 Nov 39. 68316: "Economy. Denmark. 9. Gründung und Erweiterung wirtschaftlicher Unternehmungen." Potsdam.

56. These steps were taken to avoid lighting a match to a potentially explosive situation. The Danish navy, for its part, was at sea to ward off a feared British infringement on Danish neutrality. Hans Kirchhoff, "Foreign Policy and Rationality", p.252-53.

57. Hans Kirchhoff, "Kamp eller kapitulation?." in Hans Kirchhoff, ed., 1940. *Da Danmark blev besat* (Copenhagen, 1990), p. 35.

cooperation in securing the country, and these came quickly. Simultaneous with the attack, Renthe-Fink presented Munch with a memorandum explaining that Germany had been forced by allied activity to occupy Denmark “peacefully,” for Denmark’s own protection, and presented him with a list of demands — what would come to be called “the Thirteen Conditions” — for securing the country. Should Denmark refuse, it would face an aerial bombardment of the capital. In return, the memorandum pledged to respect the sovereignty and territory of Denmark and not to intervene in Danish affairs. Munch protested at the invasion and left to meet with King Christian and Stauning at Amalienborg at 5:30. At the very tense meeting of the King, Crown Prince, Prime Minister, Defense Minister, and the Danish military chiefs, discussion centered not around whether to defy the Germans and join the allied cause, but rather just how long Denmark should hold off before surrendering. After half an hour, the decision was made to surrender immediately. Denmark had been conquered in less than two hours. The Danish army and navy were left standing, although the army was reduced from a strength of 16,500 to a core of about 2,000 and restricted to a few garrison towns. The navy, however, which was still needed to keep the Danish waterways clear of mines, was kept at a greater strength. Though limited in its ability to conduct exercises, the army would continue to recruit and conscript; only in November 1942 did the German fear of an allied invasion lead to the evacuation of the Danish army from Jutland. In August 1943, the entire Danish military and navy were disbanded.

The maintenance of the Danish military and other liberties were all part and parcel of Hitler’s notion of “occupied neutrality,” which entailed a limited respect for Danish sovereignty. Being both a new, and a not entirely logical, concept, “occupied neutrality” presented many occasions when German officials were forced to grapple with concrete examples of the concept’s actual meaning. In the polycratic National Socialist system, it was typical that jurisdictional questions would also plague the occupation of Denmark. What should bureaucrats make, for example, of the 7 June notice that Denmark was to be regarded

as a sovereign state, though "In [its independence] however, as it recognizes itself, it is subject to the principles laid down by the *Reich* government"?⁵⁸ Renthe-Fink, ambassador since 1936, was now designated "Plenipotentiary to Denmark," ostensibly making him the highest German authority in Denmark. The military commander was to be responsible for the security of his troops and purely military matters only.⁵⁹ Danish domestic affairs were, except in those areas that were seen as threatening to German security, to be left entirely alone. Very soon, Renthe-Fink formally proposed that German "liaisons" to the various branches be established in the Danish bureaucracy, but this suggestion was successfully rejected by the Danes as being inconsistent with the German non-interference pledge. After this suggestion was rebuffed, Renthe-Fink seemed agreeable to this arrangement. In the middle of April, he emphasized the diplomatic format of contact with Denmark by ordering that all documents leaving the Plenipotentiary's office carry his signature and that all demands to be made to Denmark be cleared with him personally. What constituted a demand, of course, was matter of subjective judgement. Still, neither German military nor the civilian authorities would exercise any direct control over Danish ministries for the duration, "apart from the fact that all Foreign Ministry correspondence outside of Denmark was gently reviewed by a well-meaning Austrian legation counsel at the Plenipotentiary's office," in the words of Nils Sventnigsen and Paul Fischer.⁶⁰

Once the invasion had secured its military and political objectives, German attention turned to the country's changed economic condition. The German military or civilian leadership in Denmark would not emit a sigh of relief for all of 1940. Two days after the invasion, General von Kaupisch gave Berlin his "political and economic situation report:"

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58. *DGFP*, D, IX, Item No. 399, pp. 526-8. Memorandum entitled "Competence for foreign economic relations for the occupied territories."
59. For example, Ribbentrop's summary of the relationship between Renthe-Fink and the Commanding officer in Denmark of 12 April 1940. *DGFP*, D, IX, Item No. 97, pp. 141-2.
60. Paul Fischer and Nils Sventnigsen, *Den danske udenrigstjeneste 1770-1970. II, 1919-1970* (Copenhagen, 1970), p. 178. This implies, perhaps, that Austrians were less a "wild Nazi" than "regular Germans," a common observation, a belief, of course, that overlooks the national origins of "the Leader" himself.
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If [the questions of coal supply, agricultural and industrial raw materials] are not solved as soon as possible, at least in part, Denmark will be able to help our war production only to a very meagre extent.

Germany would then only have a few million useless and unsatisfied foreigners to feed.

The economic situation must be handled such that it would present the German war economy with the greatest possible advantages. However, Denmark's necessities must also be considered. In essence, the attitude of the population depends on the maintenance of agricultural production and other economic activity.⁶¹

Von Kaupisch's assessment of the economic situation, probably based on a report from Forstmann, largely reiterates the concerns laid out by the WiRüAmt before the occupation.⁶² They also are characteristic of Germany's public and private stance on what they wanted to do with Denmark. Peace and quiet was Germany's main concern in Denmark, and that required economic stability. The commander's warnings were echoed by a report in the WiRüAmt that declared that there should be no economic exploitation of Denmark, including the arms industry.⁶³ Given the tone of talks between the German Foreign Ministry and the Danish government, it would appear that Danish cooperation was to be the watchword. On the 20th, Von Kaupisch requested the OKH Quartermaster to stop using script, arguing that it was imperative to avoid doing anything that might disturb the Danish economy and thus "undermine Danish industry's willingness to cooperate with Germany."⁶⁴ Danish "*Lieferfreude*," or "happiness to deliver" would remain one of the chief German policy concerns for the entire occupation.

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61. Kaupisch's Economic and Political Situation report of 11 Apr 40, Wi/IE.7: "Norwegen, Dänemark." Freiburg. This report was sent to the German Foreign Ministry on the 13th with the recommendation that its suggestions be followed.
 62. 11 Apr 40 entry, RW 27 /2, "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark, mit Anlagen. Bd 1b. (Reinschrift)." Freiburg. According to the War Diary, Forstmann produced an economic situation report on this date, but it was not attached to the war diaries. (The appendixes to this volume of the war diaries are lost). Forstmann, it will be remembered, was Kaupisch's chief economic advisor.
 63. Staff report of 16 Apr 40, Wi/IE.7: "Norwegen, Dänemark." Freiburg.
 64. Kaupisch to the Quartermaster of the OKH, 20 April 40, RW 19/724: "Vorbereitung und Inangsetzung der wehr- und rüstungswirtschaftlichen Ausnutzung Norwegens und Dänemarks. Errichtung, Organisation, Aufgaben und Einsatz der entsprechenden Dienststellen. Erfahrungs- und Lageberichte. Bd 1." Freiburg.
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Until Walter and Ludwig arrived on 18 April, the economic activity of German officials in Denmark would be informed by the plans made before the occupation, and because it had been kept secret, civilian expertise on the Danish situation had not been consulted, and Germany's plans for Denmark echoed Thomas' inaccurate and poorly informed picture of the situation in Denmark. Already the occupation plan was moving towards the flexible conciliatory tone that had been implied in its "best-case" scenario, but the German military would remain the primary economic policy actor in Denmark for the tense first days of the occupation. Specifically, as the representative of the WiRüAmt, this meant Captain Forstmann. On invasion day, Forstmann landed at Korsør with von Kaupisch's headquarters, and headed across Sjælland for Copenhagen, arriving at the German embassy shortly after noon. After contacting Berlin, Forstmann met with General Counsel Krüger, who offered to assist him as he could. Krüger also met with Danish officials on that morning.⁶⁵ The next morning, Forstmann met with Renthe-Fink for the first time, and the newly designated Plenipotentiary assured him that he would be consulted on all economic questions. Forstmann spent the first week of the occupation meeting with officials at Renthe-Fink's office, at von Kaupisch's office, taking inventory of the various economic facilities in Denmark, and meeting with representatives from Danish subsidiaries of German interests. He also held a few meetings with representatives of the German Chamber of Commerce in Denmark (see below, p.46), whom von Kaupisch had directed to him. Forstmann's monopoly on economic policy came to an end on 14 April, when a representative of Dr. Walter, one of his assistants at the *Reich* Ministry of Food and Nutrition, Dr. Franz Ebner, arrived in Copenhagen to be Renthe-Fink's "Commissioner for Economic

65. Sigurd Jensen, pp. 17, 20-22. Sigurd Jensen's work on the activity of Danish officials during this period is complete and thorough; the only aspects of their activity that will be covered here will be those that reveal the collaborative nature of Danish behavior and decisions and those that show German worry about the Danish economic situation. Coal import figures drawn from H. P. Clausen, and Søren Mørch, eds, *Danmarks Historie*, 9. Hans Christian Johansen, *Dansk økonomisk statistik* (Copenhagen, 1985), pp. 205-6. Hereafter, Johansen, *økonomiske statistik*.

Questions." Ebner established contact with Forstmann as soon as he arrived.⁶⁶ As "Walter's man," Ebner was seen as a signal of German wishes for continuity with the pre-war relationship and hopefully also of German self-restraint.⁶⁷ Like Forstmann, Ebner remained in Copenhagen until the very end of occupation.

Forstmann's duties in the first days of the occupation had been prescribed by the 21 March WiRüAmt order (above, p. 47) which laid out the economic demands to be put to the Danish government and listed the industries of particular interest to the WiRüAmt, as well as agencies of the German government and industry. He was to assess the productive capacity of the identified industries, assess the transportation and shipping situation under the occupation conditions, make a determination on the reliability of the leadership of the various firms, and determine the necessity for any anti-sabotage measures at the locations.⁶⁸ Forstmann established his office in the same Copenhagen hotel as von Kaupisch's headquarters, while his own two staff officers established themselves in Denmark's second city, Århus, and the west coast port of Esbjerg. Forstmann and his two officers sent Berlin a steady stream of reports giving the state of stocks, supplies, industry, and shipbuilding.⁶⁹ On 15 April, Forstmann reported that the general situation, and contact with the Plenipotentiary, was "the best possible" (*denkbar best*), that all economic questions were being referred to him, and that he had briefing privileges (*Vortragsrecht*) with von Kaupisch, who showed strong interest in economic matters.⁷⁰

Although as *Wehrwirtschaftsoffizier* (WO), Forstmann was designated by the OKW's

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66. Entries for 9-14 Apr 40. RW 27 /2, "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark. mit Anlagen. Bd 1b. (Reinschrift)." Freiburg.
67. Henning Poulsen, *Besættelsesmagten*, p. 81.
68. DPK XII, no. 44, pp. 103-5.
69. Numerous documents, including a great number of the actual inventory reports. e.g., on 18 April, Forstmann sent a report summarizing the state of the Danish cryolite refining industry (which refined cryolite mined in Greenland); on 21 April, a review of ships being built at Danish shipyards was sent along. Wi/IE.7: "Norwegen, Dänemark." Freiburg. The KTB during these first weeks is packed with references to harbor tours, factory tours, meetings with Danish and German informers, inventories, & cetera. RW 27 /2, "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark, mit Anlagen. Bd 1b. (Reinschrift)." Freiburg.
70. Forstmann's 15 April Report. Wi/IE.7: "Norwegen, Dänemark." Freiburg.
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pre-invasion plan to be the chief agent for the Danish economy, the OKW also had hoped to leave the administration of Denmark — and hence of its economy — as undisturbed as possible. With Hitler demanding that the operation have a “friendly character,” the OKW’s invasion orders had concluded that this meant that the local governments were to be left in charge. The treatment of Danish officials would depend upon their own behavior. As long as they kept to their posts and performed their duties in good faith, the OKW expected to keep them there: the reverse was also true — if there should be resistance or ill-will shown by local officials, they would be replaced forthwith (although it was noted that this was hoped to be kept to a minimum). The logic of this decision left the German Foreign Ministry as the most obvious candidate to manage contact with Denmark. Thus, the Danish government’s accession to the German terms on 9 April implied that the German Foreign Ministry would soon be back in charge of relations with Denmark. The embassy in Copenhagen became the central office for German-Danish contact, and the Foreign Ministry in Berlin served as ‘gatekeeper’ to Denmark, controlling all access to the country: business and other travellers were required to secure an “Entry Permit-North” from the ministry.⁷¹ As the Foreign Ministry already had managed economic ties with Denmark, it was also natural that these ties be expanded to cover the new areas that would arise under the new situation. Accordingly, in the OKW’s evolving plan, both Ebner and Forstmann would be subservient to Dr. Walter. Militarily and for disciplinary purposes, Forstmann and his staff were placed under the command of the Commanding Officer in Denmark, but hierarchically, this office was directly responsible to the WiRüAmt in Berlin. Still, Forstmann was forced to work under the limitations placed on him by Walter: in May, the Captain felt compelled to ask Walter to bring his office’s interests to Danish attention at the Government Committee.⁷² WOs also

71. 19 Jun 40 Memorandum from Reich Economic Ministry to various, R 7 /4670, “Allgemeine Erlasse und Runderlasse des Reichswirtschaftsministerium und der Reichsstelle für Devisenbewirtschaftung (sog. Ländererlasse). Bd 8: Dänemark.” 1935-1945, Reich Economic Ministry, German Federal Archives, Koblenz. Files from the Archives in Koblenz are hereafter referred to as “File number, Title, Koblenz.”

72. Forstmann to WiRüAmt, 6 May, WiIE.7: “Norwegen, Dänemark.” Freiburg.

had an advisory and support function to perform for the local theater commander. As the list of German conquered territories grew, the *Wehrwirtschaftsstab Dänemark* would come to occupy a unique place in the WiRüAmt hierarchy. Forstmann would be directly responsible to the top of the WiRüAmt hierarchy instead of being grouped under one of its many different functional subdivisions, as other War Economy Staffs were.⁷³

Forstmann, like other WOs, had been specially trained for his position. Recruited from First World War veterans who had entered industry and engineering in the 1920s and 1930s, these officers underwent six weeks of training in the general activity of troop supply, industrial organization, and bureaucratic procedures at a special educational staff set up within the WiRüAmt in 1938. In the event, the WiRüAmt's experience in Poland, Denmark and Norway revealed that they had not adequately trained their staff for the broad array of duties that they had to fulfill. The need for further staff training and education continued to draw attention in Berlin.⁷⁴ Forstmann and his staff would frequently be summoned to Berlin for briefings and training. As things turned out, Forstmann's position as a WO became better defined with Ebner's presence. A neat division evolved whereby Forstmann's chief duties were to arrange for the supply of the German armed forces in Denmark, advise the German Commanding Officer in Denmark on economic matters, and thirdly, to secure Danish industrial contractors for German customers. Responsibility for the supply for German industrial purchases also fell to his office. Agriculture and the general supply of the Danish economy, on the other hand, were left to the Government Committee under Dr. Walter, to be administered by Ebner.⁷⁵

In Berlin, the eventual form of economic policy towards Denmark remained unclear.

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73. General Georg Thomas, *Geschichte der deutschen Wehr- und Rüstungswirtschaft (1918-1943/45)* (Boppard am Rhein, 1966), pp. 258-9. Entry of 14 April 40, RW 27 12, "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark. mit Anlagen. Bd 1b. (Reinschrift)." Freiburg.
 74. General Georg Thomas, *Geschichte der deutschen Wehr- und Rüstungswirtschaft (1918-1943/45)* (Boppard am Rhein, 1966), pp. 105-7, 208-9.
 75. In Ebner's office, there was an official, Dr. Meulemann, in charge of non-agricultural business. It appears, however, that he was more an administrator who worked in conjunction with whatever Forstmann and Walter determined.
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Not having been informed of the invasion until its execution, the bureaucrats were forced to formulate policy as events unfolded. At the HPA, perhaps a bit overly excited by the very strong success of the *Wehrmacht* in Denmark, Walter suggested a plan of action that was more ambitious than he himself should have known to be possible. At the HPA's 15 April meeting, he outlined his plan for the upcoming Government Committee session in Copenhagen:

The aim is to divert to Germany the whole volume of Danish export which was previously sent overseas. In return we can promise our willingness to supply the Danes with all the coal they require on condition that supplies for domestic use are strictly rationed, and supplies for industry are limited to those firms which produce goods of interest to us.

Before the departure of the delegation there must still be settled to what extent we can also supply motor fuel, fertilizers, and iron. With regard to motor fuel and iron, concessions seem advisable only in the case of supplies to firms which manufacture goods vital to us; with regard to fertilizers, we have in mind advising them to obtain supplies from Norway for the time being.⁷⁶

This was in fact an impractical plan, as he surely must have known. Germany was neither able nor truly willing to supply the Danes with all the coal they would require, a fact that Walter himself implied by stipulating conditions. Nor was it possible simply to limit the supply of industry to those producing 'goods of interest to' Germany: to do so would shut down large sections of the Danish economy, not to mention exacerbate Denmark's general supply situation. Certainly conservation and recycling could ease some supply problems for Denmark, but they could not solve them. Denmark's import needs meant also that Germany could not be Denmark's only customer. If such a path had been chosen, it would have put Germany in an expensive position that would only contribute to further deterioration of the situation. Given that Germany could provide some raw materials only at extremely high prices (if at all), these high prices could only be passed back to the German customer for Danish exports. It would be far more effective for Germany to allow Denmark to trade with

76. *DGFP*, D. IX, Item No. 122, pp. 174-5. Norway could supply nitrates, an industry that grew from the country's plentiful supply of hydroelectricity, developed during and since the First World War.

other nations within the allied blockade to obtain critical raw materials at more reasonable prices. In the absence of multilateral clearing or free currency markets, Denmark would need to export to gain credits for these supplies. The best export product for the Danes would be the protein-foods (*e.g.* fish, cheese, bacon, butter, poultry, and eggs), which were also in short supply in wartime Europe. In the short term, perhaps Germany could take the position Walter proposed, but only for the short term.

Walter did indeed drop this proposal. Already after the second session of the Government Committee, held in Berlin, he recommended to the HPA that, in light of the Danish supply situation, Denmark should be allowed to trade with third countries.⁷⁷ His survey of the situation in Copenhagen and Danish arguments had apparently helped change his mind. This would come to be a common pattern. In the new situation, the Danes made no secret of their difficulties in supply. This was not the last time that enthusiastic German visions would be brought down to earth by realities pointed out by Danish officials. Of course, Danish officials were not Walter's only influence. German officials in Copenhagen were well aware of the troubling realities of the Danish economic situation. As demonstrated by the Maltese Agreement, Forstmann's orders for the invasion, and von Kaupisch's assessment in the first week of occupation, the German military, too, was convinced that a crisis loomed for Denmark. (One should note that Walter, cited by some as a steady self-restraining influence on German policy, was at this early date sketching a far more ambitious plan than the military and the German Foreign Ministry.⁷⁸) No doubt Walter's perhaps originally rosy

77. HPA meeting notes of 7 May 40, 68939: "13.a. Allgemeines Handel. Handelspolitisches Ausschuß." Potsdam.

78. Sigurd Jensen's *Levevilkår* tends to be favorable towards Walter, as does Erik Ib Schmidt, *Fra psykopatklubben. Erindringer og optegnelser* (Copenhagen, 1993), p. 211. Schmidt claims that in his own office, the Directorate for Supply, Walter was seen as a reasonable contact for Danish concerns. "Of no small importance was the fact that the chief German negotiator, Ministerialdirektor Dr. Walther [*sic*] remained in his position. He was an official of the old school and was uncomfortably disturbed by the new situation in which he found himself. He knew the Danish economy inside and out and understood the Danish position. When difficult problems arose in Denmark, it was reassuring to say: couldn't we speak with Dr Walther [*sic*] about this: maybe he can find a solution." On the other hand, a junior official in the Danish Foreign Ministry at this time, has testified that that no such illusions prevailed in his ministry: Walter was an "icecold Prussian of the old style." Letter from Gunnar Seidenfaden to the author of 30 March 1994.

picture was challenged by these and other bodies. Indeed, on the very day that Walter assured the HPA of an exclusive German position in Danish trade, Renthe-Fink gave a more sober assessment of the situation in Denmark:

The most urgent problem arising out of the occupation and the cutting off of Denmark from her overseas supplies and from her trade with England is to keep Denmark's economic life going. A great change will be necessary in Denmark itself as well as a readjustment of German-Danish trade. The economic commissioner [*i.e.*, Ebner] has already begun these tasks in consultation with me. The most urgent matter in this respect is the problem of coal and fuel in general. Secondly there is the question of providing agriculture with feedstocks: the greater adaptation of agriculture to production of its own needs and the question as to whether we can supply Denmark with feeding stuffs from the continent. Industry, which hitherto has worked for the most part to supply Denmark's own needs, must in future switch over to orders from Germany. Previous experience has shown that we cannot successfully employ Danish workers in Germany. It is better to let them work for us indirectly by employing them in their local industry.

It is of the utmost importance for the maintenance of calm and order that economic life should be kept going, and this will help to safeguard the security of the occupying forces and our military interests in the country. The best thing to do would be to keep the economy going by smooth, friendly cooperation with the Danish Government and Danish industrialists. If we took over the administration directly, [it] would produce considerable points of friction. In that way it would probably be possible to get something from the country for our own war economy on a short term basis. The maximum economic output will certainly not be reached in that way on a long term basis, and at the same time we would be seriously handicapped both militarily and economically. Our aim must therefore be to keep the Danish Government in cooperation with us, which will be all the easier if we adopt strong measures while at the same time outwardly preserving the appearance of Danish sovereignty, which will make it easier for the Danish Government to justify many unpleasant measures to its own people and to put them into effect...⁷⁹

Renthe-Fink, reminding Berlin that Denmark was not cooperating out of any special liking for Germany, but out of soberly realistic calculations of its own interests, had highlighted the essence of the Danish situation. Walter's ambitious summary seems thus to be an aberration from the general assessments of the situation in Denmark, and one might indeed wonder whether he ever seriously meant to divert all of Denmark's exports to Germany. It is possible,

79. Renthe-Fink's political situation report of 15 April. *DGFP*, D. IX, Item No. 125, pp. 177-81.

for instance, that at the meetings of the HPA he felt some need to put his case in a more dramatic light.

Elsewhere on that 15 April, there appeared yet another expression of German self-restraint. For the instructions that the Foreign Ministry gave the Plenipotentiary's new Commissioner for Internal Affairs, Paul Kanstein, emphasized that "any intervention in the domestic politics or the ideological [*weltanschaulischen*] questions of Denmark absolutely must be avoided."⁸⁰ The general outlines of German policy laid out now would in fact be upheld throughout the occupation. It was much more desirable and effective to leave the unpleasantness of administering in these difficult circumstances to the Danes.

This German receptiveness toward cooperation with the Danes was especially clear in the economic sphere. The second quarterly Government Committee meeting for 1940, which was already slated for Copenhagen, ran from 18-20 April.⁸¹ Hitler had ordered that these negotiations should be conducted in an especially friendly manner.⁸² The Führer's wishes were apparently fulfilled, for the outcome of this meeting was Danish relief that Germany generally, and Walter, specifically, was willing to continue dealing with the Danes by negotiation, and had made no demands for rationing in Denmark. There was also some satisfaction that Germany would pay higher prices for Danish exports than Britain paid before the occupation.⁸³ It could hardly be expected that the Government Committee would be able to wrap up all Denmark's needs in a single session, and a new meeting was scheduled

80. DPK, Xlii, a 1, no. 6, p. 21. Kanstein, though an SS *Brigadenführer*, arrived in Copenhagen with a confidential letter of introduction from more moderate (*i.e.*, professional and not "nazzified") German police chiefs to Thune Jacobsen, the chief of the Danish national police. E. Thune Jacobsen, *Paa en Uriaspost* (Copenhagen, 1946), pp.25-7. Jacobsen maintained that Kanstein was a moderating influence on Renthe-Fink and other more virulent personalities. In fact, before the "Telegram Crisis" in October-November 1942, Kanstein was lobbying Berlin to replace the abrasive Renthe-Fink; when it was suggested that he himself take Renthe-Fink's place, he suggested that Werner Best, an old acquaintance take the position. Until his departure from Denmark in October 1943, Kanstein was probably Best's most influential advisor. See Kirchhoff, *Augustoproceset*, 1, pp.99-104.

81. Jensen, *Levevilkår*, pp. 28-33, reviews this and all meetings of the Government Committee at length.

82. Memorandum of 17 Apr 40, Wi/IE.7: "Norwegen, Dänemark." Freiburg.

83. 3:00 pm cabinet meeting of 20 April, box 31, 11.004, "Forhandlingsprotokoller fra ministermøder." 1/29/40-7/18/40, Socialdemokratiet, Privat Institutioner, Danish National Archives (Rigsarkiv), Copenhagen.

for the end of the month in Berlin, which gave all parties time to prepare further.

After the Government Committee meeting, Renthe-Fink repeated his previous warnings of the precarious economic situation in Denmark:

If a total collapse is to be avoided, Germany must — as much as is possible at all — make up the shortfall of supplies that used to come from third countries. As it will be impossible to ship any significant amounts of feeds, Danish agriculture will have to adjust, which will not be without severe repercussions not just for agriculture, but for the entire Danish economy. Thus it is even more urgent that Germany do all it can to keep the commercial life of the country running.⁸⁴

Echoing as it did the concerns of the military agencies, Renthe-Fink's advice found resonance in the German capital; by and large such descriptions would color the decisions regarding the "occupied neutral."

The same day that the Government Committee meeting opened, Hitler issued another decree which would have profound implications for the occupation of Denmark and Norway. The WiRüAmt was notified that Hitler had issued the following order:

1. The economic and "military-economic" [*rüstungswirtschaftliche*] utilization, in the friendliest manner [*in freundlichster Weise*], of Denmark can begin. *i.e.*, contracts with relevant Danish firms can be drawn up following normal business practices.
2. The utilization of the Norwegian economy may begin. Norway is to be considered enemy territory.

This pronouncement was accompanied by the warning that Danish companies were not to be forced to accept German contracts.⁸⁵ This "*Führerbefehl*" created two separate classifications of occupation practice for Denmark and Norway, each of which was distinct from the pattern set in Poland. The Norwegian condition would come to be applied to the other occupied small western countries, though, as noted, they too would be offered the same deal the Danes accepted.⁸⁶ While Poland had been dismembered and subjugated, Norway was

84. Renthe-Fink to German Foreign Ministry, 22 Apr 40, 67773: "Handel. Dänemark. 13-1. Anfragen und Wünsche zum Handelsvertrag," Potsdam.

85. Notice of 18 April 40, Wi/IE.7: "Norwegen, Dänemark," Freiburg.

86. Umbriet, "Kontinentalherrschaft," p. 58.

seen as enemy territory, but was kept intact — but probably only because Germany had no conceivable land claims on Norwegian territory. There, German self-restraint was not otherwise particularly visible: once installed, *Reich* Commissioner Josef Terboven did not show much regard for local sensitivities. Other western countries bordering on Germany, and which had decided to resist the invasion, would not be so lucky; border “adjustments” had been made in many of the same areas Germany had hoped to annex in the First World War (*e.g.*, Eupen and Malmédy from Belgium).⁸⁷ In Holland, Seyss-Inquart had the same far-reaching authority as Terboven. The basis for Denmark’s lenient treatment was not forgotten in Berlin when the occupation policies of the various smaller West European countries were compared to each other over the course of the war. For example, on one occasion, Wiehl noted that it was entirely unreasonable to treat Denmark worse than either the Netherlands or Norway, both of whom had chosen not to cooperate.⁸⁸ Denmark’s willingness to cooperate was not forgotten, and it was able to gain German concessions that amounted to a considerable amount of self-restraint.

Denmark thus stood alone in another category. Hitler’s “friendliest possible manner” order, promulgated already on the tenth day of occupation, summarized German policy for Denmark for the duration. “Occupied neutrality” in many respects had the effect of making it seem almost as if Denmark were not occupied at all. The concept of “protective occupation” contained its own internal logic, and Hitler largely followed its principles up to the end of the occupation. He saw the Danes as having been willing to go along with the arrangement, and once German goals in Denmark — domestic peace and quiet and security for the *Wehrmacht* — were met, Hitler continued to maintain a favorable view of the Danes’ stance

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87. The Danes, with a German minority in North Slesvig, knew that they might risk losing this territory to the Germans. As early as 3 May 40, Peter Munch argued that the “adjustment” policy being pursued by the government had helped to keep Denmark from losing territories, just as Eupen and Malmédy had been lost. Cabinet meeting notes of 3 May 40, box 31, 11.004, “Forhandlingsprotokoller fra minister-møder.” 1/29/40-7/8/40, Socialdemokratiet, Privat Institutioner, Danish National Archives (Rigsarkiv), Copenhagen.
88. Wiehl memorandum of 25 Jul 40, 113552, “Dänemark: Währung-, Valuta- & Devisenpolitik,” 3/38-9/41, German Foreign Ministry, Political Archives, Bonn. Files from the Political Archives of the German Foreign Ministry are henceforth to be cited “Number, Title, Bonn.”
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long after the invasion. Hitler was willing to accept a democratic Denmark within his new empire for the duration of the war as long as it behaved in a suitably subservient manner for as long as the arrangement was working well enough. It was no coincidence that the *Führer* would hold the Danes up as an example of a sensible response to German aggression. His October 1942 rant that "Denmark must be made a German province" (followed in the same conversation by the contradictory order that Denmark was now to be considered enemy territory) bore little resemblance to his policy towards Denmark afterward.⁸⁹ As late as February 1943, the *Führer* reiterated that Denmark, as a neutral, was exempt from the general mobilization of Europe for the crusade against Bolshevism.⁹⁰ As will be demonstrated in chapters III and V, there was little demonstrable deviation from this line for the entire occupation. More prosaically, however, Hitler's 18 April 1940 order shifted Forstmann's priorities from stabilizing the situation in the wake of the invasion to a long-term policy of doing business in Denmark.

Having the duty of assessing the Danish economy's capacity for productive work for Germany, Forstmann's office was logically designated to be the contact for any German party which might wish to draw up a contracts in Denmark. However, in the confusion and uncertainty that arose as the contours of the occupation regime continued to be mapped out, this function was not immediately clear to all parties. For example, though Forstmann's office, the *Wehrwirtschaftsstab Dänemark*, was, in the eyes of the military, the chief agency for non-agricultural matters, civilian agencies often tended to approach the Foreign Ministry directly. At first, the Ministry was uncertain to whom such applications should be forwarded. Though all representatives who arrived in Copenhagen eventually would have gone to Forstmann's office, this primacy was not fully established at the start. On one occasion, the

89. These comments were part of the tirade he poured out to von Hanneken upon his briefing to assume the office of commander of German Forces in Denmark. The briefing is reported in Kirchhoff, *Augustoprozet*, I, p. 46.

90. Various documents, box H 84-1, 84.A.1b, "Officiel tysk udtalelse om at Danmark betragtes som neutral stat." 1943, UM, 1909-1945.

Reich Transportation Ministry (RVM), looking for contracts for railway equipment, was instructed by the Foreign Ministry in Berlin to meet with Ebner, and his staff made the contacts with the Danish Foreign Ministry about the visit. This practice would be short-lived, as Ebner's portfolio became limited to non-industrial matters of agriculture and the general supply of Denmark. Three weeks earlier, Renthe-Fink had informed the Danes that Forstmann's office was the Plenipotentiary's official contact with the WiRüAmt, and that all should go via Forstmann's office, but a civilian agency's position in this hierarchy was still unclear.⁹¹

Though there might have been some confusion of hierarchical authority and jurisdiction, this did not stop a long list of German companies and ministries from trying to do business in Denmark. At the end of April, the *Wehrwirtschaftsstab Dänemark's* war diary began to record frequent arrivals of their representatives. These representatives came from various purchasing offices of the WiRüAmt as well as the *Kriegsmarine*, civilian ministries, and German companies. It is noteworthy that among the first representatives of companies and German ministries to arrive in Denmark, many seemed eager to find ways to get around their own bottlenecks and shortages in Germany. It should be of interest to students of Germany's mobilization and economy that the activity and priorities of these agents seem to give little sign of any "Blitzkrieg economics" at work.

The theory of "Blitzkrieg economics" arose as a possible explanation of how it could be that Germany's industrial output peaked only in 1944, rather than from the outset of the war, as outside observers had expected.⁹² One early explanation of the paradox of low levels of German mobilization and stunning success was that Hitler had underestimated his enemies, and only mobilized after he found himself "in over his head" on the eastern front at

91. Noted in several places, including, 23 April 40 notice from Renthe-Fink's office, box H 84-79, 84.B.4a. "De til samarbejder m. de danske myndigheds udnævnte tyske embedsmænd." 1940-48, UM, 1909-1945.

92. e.g. the British intelligence and diplomatic community was convinced that Germany was fully mobilized and on a war footing as early as 1938. Wesley K. Wark. *The Ultimate Enemy: British Intelligence and Nazi Germany, 1933-1939* (Ithaca, 1985), pp. 172-3.

the end of 1941.⁹³ A later theory was the so-called “*Blitzkrieg* economics” theory, whereby Hitler chose to arm “in breadth” rather than “in depth,” so as to avoid overburdening the German people, an attempt at “guns *and* butter.”⁹⁴ Implicit in this argument was that the Nazi economy was functioning according to plan in 1939-1941. The Danish example in 1940 seems to indicate that all economic activity was not going smoothly back in the *Reich*. In October 1940, the *Führer* ordered an increase in Germany’s armaments output, and that 300,000 SS and police officers be released for munitions work.⁹⁵ In addition to German companies hoping to alleviate their shortages and bottlenecks by using Danish capacity, in the fall, Germany had to reduce its manpower in the occupied areas to meet a labor shortage back home, and soldiers in Denmark were also sent home to work in German factories.⁹⁶ Thousands and thousands of Danish men and women looking for work were eagerly received and immediately found work in the *Reich*, a fact that reflects the general labor shortage in Germany already in 1940. These and other pieces of evidence tend to undermine the theory that in Germany, all was moving along according to a planned policy of “*Blitzkrieg* economics.”

“*Blitzkrieg* economics,” moreover, presupposes a *Blitzkrieg* military doctrine, in itself a shaky premise upon which to build an analysis of German grand strategy. The image of a modern, mechanized *Wehrmacht* that conquered Europe with a lightning blow was one that was carefully cultivated by Goebbels’s propaganda ministry, but is disproved in many cases. For example, Operation Weser Exercise was not a *Blitzkrieg*. Most of the forces that occupied Denmark and Norway were ship-borne infantry heavily dependent upon horse-drawn

93. See, e.g., Burton H. Klein, *Germany’s Economic Preparations for War* (Cambridge, 1959), *passim*.

94. The idea of “*Blitzkrieg* economics” was first put forth in Alan S. Milward, *The German Economy at War* (London, 1965).

95. 1 Oct 40 Memo from Keitel and Todt to various, RM 7/1499: “1.Skl III.a 6-4. Forderungen für Rüstungsprogramme und Fertigungsprogramme.” Freiburg.

96. 19 Oct 40 “Unterstützung der Rüstungsindustrie.” memo from Lüdke’s (Kaupisch’s successor) office, RW 38/45: “Sammelakte: Stimmungsbericht, Lage in Dänemark; Truppengliederung, -Verlegungen und -Zuführungen; Aufgaben u Einsatz der deutschen Besatzungstruppen in Denmark, 19.6.40: Unterstützung der Rüstungsindustrie. Hetzsendung in dänischer Sprache, 1940-1943.” Freiburg.

transport. Of the major combatants, Germany fielded one of the least motorized armed forces in all of the Second World War.⁹⁷ For all the association of Nazi Germany with *Blitzkrieg*, the German military in fact only recognized the value of this doctrine once the war was under way. Thus it seems highly unlikely that, on the eve of the Second World War, Hitler actually developed a doctrine of *Blitzkrieg* economics to go hand-in-hand with a military *Blitzkrieg*. The military doctrine was not seriously considered until after the Polish campaign.⁹⁸ Nor had Hitler ever referred to *Blitzkrieg* as anything but a military concept.⁹⁹ Instead of the model of the National Socialist economy as a directed, efficient machine whose activities were closely controlled for specific political aims by the Nazi state, as the Nazis themselves were wont to claim, what has emerged is a picture of a chaotic, and inefficient economy that squandered resources terribly as Hitler tried — already with the Four Year Plan in 1936 — to force the economy to full war mobilization. The low level of German armaments production in 1939-1942 was not for want of trying but was rather due to inefficiency and profligate spending on exceptionally high quality armaments:

During 1940 Germany spent an estimated \$6 billion on weapons where Britain spent only \$3.5 billion. Yet Britain produced 50 per cent more aircraft, twice as many heavy vehicles, twelve times as many armored cars, considerably more naval equipment and almost as many tanks and artillery pieces. Even by the end of the war the actual cost of British weapons per year did not reach two-thirds of the amount spent in Germany in 1940.¹⁰⁰

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97. The supposedly top-to-bottom motorized Germany also was hugely dependent on horse transport: the motorized army of the Second World War was surely the American. R. L. Di Nardo and A. Bay, "Horse-Drawn Transport in the German Army," *Journal of Contemporary History*, 23 (1988). Even Germany as a country was not particularly motorized on the eve of the war, being the 15th most motorized country, coming behind such mechanized powerhouses as South Africa and Uruguay. Whereas the USA had 227 autos per 1,000 persons, Germany had only 25. Rolf-Dieter Müller, "Die mobilisierung der deutschen wirtschaf für Hitlers Kriegführung," in *Militärgeschichtliche Forschungsamt. Das Deutsche Reich und der Zweite Weltkrieg*, 5/1, Bernhard R. Kroener, Rolf-Dieter Müller and Hans Umbreit, *Organisation und Mobilisierung des deutschen Machtbereichs. Erster Halbband. Kriegsverwaltung, Wirtschaft und Personellen Ressourcen. 1939-1941* (Stuttgart, 1988), p. 651.
98. Williamson Murray, "Force Strategy, Blitzkrieg Strategy and the Economic Difficulties: Nazi Grand Strategy in the 1930's," *Journal of the Royal United Services Institute*, 128, no. 1 (1983), pp. 39-43.
99. Rolf-Dieter Müller, "Die mobilisierung," p. 361.
100. Richard J. Overy, *Goering: The Iron Man*, (London, 1984), p. 159. See also Overy's 1994 *War, Economy, and the Third Reich* (Oxford), which is largely an anthology of previously published articles. In addition, one should consider Overy's "Mobilization for Total War in Germany 1939-1941," *The English Historical Review*, 103 (Jul 1988).
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The strains of the German attempts at total mobilization had led to the first wave of purchasing agents sent northward. For example, heavy military demands on the German railway network caused serious supply problems for the *Reich* Ministry of Transportation. With shortages of locomotives and cars, and of a list of large and small components, the RVM and the *Reichsbahn* informed the German Foreign Ministry that they were very interested in placing orders with a series of Danish companies, especially Scandia in Randers, makers of railway cars, and Frichs in Århus, manufacturers of locomotives and railway equipment. Already on 27 April — even before the attack on western Europe — the RVM approached the Foreign Ministry to arrange meetings with potential Danish suppliers.¹⁰¹

Indeed, there was a notable flurry of German activity in these early days of the occupation. Forstmann's staff, along with other German officials and business representatives, visited Danish machinery and tool manufacturers, while the *Kriegsmarine* approached the major Danish shipyards to draw up fitting and repair contracts. The various organizations within the OKW showed a strong interest in technically advanced products like machine tools and heavy equipment. The army, for instance, hoped to order high-pressure water drills from Atlas. Above all, however, Danish shipyards attracted considerable German attention as sites for repair, re-fitting, and the completion of ships begun elsewhere.

Forstmann's office was responsible for receiving these orders for Germany, but he had other duties as well. This first duty was directed at Denmark's production for export to Germany. Moreover, he was also responsible, in the broadest sense, for the economic activity of the German forces actually in Denmark. In practice, however, many of the duties in this area — those of a routine day-to-day nature — fell to the quartermaster of the German forces in Denmark. Purchases of a more permanent nature — *e.g.*, construction materials and contracts — were Forstmann's task, falling under the rubric of "*Wehrwirtschaft*," whereas the first part of the WO's job — those dealing with the general armament of

101. Bergmann (Reich Transportation ministry) to the German Foreign Ministry. 27 Apr 40, 67741: "Handel. Dänemark. 11-5. Warenangebote; Preisbildung. Bd 1." Potsdam.

Germany — fell under the heading of “*Rüstungswirtschaft*.” Forstmann would handle both areas until the second half of 1944, when the *Wehrwirtschafts* functions were handed over to a separate officer directly under the commander of the German forces in Denmark. Both duties involved diplomatic and negotiating skills, and both required him to work through the Danish Foreign Ministry.

The form of Forstmann’s purchasing program was determined by Wassard and Walter at the end of May. At a meeting between the two, Wassard presented Walter with arguments in favor of containing the WiRüAmt’s activity in Denmark. As Wassard put it, the matter was essentially a question of money and material. The one-time increase in Danish agricultural exports had created a larger Danish credit than Germany would be able to pay down by shipping supplies to Denmark. This put Denmark in a debt trap: given the prospect of future substantial German purchases, it appeared that the Danish government would have to extend further credits to finance these purchases. At the worst, this could liquidate the Danish economy completely. Wassard calmly warned that this could be a “problem,” which would be only exacerbated by Germany’s non-agricultural purchases. Denmark would continue to accumulate debt faster than it could pay it off. Industrial purchases simply had to be kept in check. If any German firms or agencies — and here he was referring to the *Wehrwirtschaftsstab Dänemark* — wished to make purchases outside the program laid out by the Government Committee, this would have to be done in close cooperation with Danish authorities, who would have the necessary expertise and familiarity with the Danish situation. Walter had already informed Wassard that Germany would provide the material for such work aside from Denmark’s already established metal quotas (because these materials had already been designated for their end production by German producers, Danish producers could simply use the German producers’ quotas already assigned¹⁰²). Similarly, the Committee also had agreed that any such purchases could only be

102. 20 May 40 Note on results of Government Committee talk, box H 99-308, 99.F.5/15/14, “Dansk-tyske regeringssudvalg. Resultater med bilag og følgeskr. jan-juli 1940,” UM, 1909-1945.

made if Denmark were to have the necessary supplies *replaced* by Germany. This seemed to be the only way that Denmark's economic and raw material situation might be protected.¹⁰³ Someone would have to control this flow of material, and the Danes hoped to do it themselves.

The first steps toward Danish control of Germany's economic activity were taken at a 6 June meeting hosted by Ejnar Wærum, head of the Danish Foreign Ministry's Trade Policy Division, and Wassard.¹⁰⁴ In attendance were the leadership of the Danish Industrial Council, Forstmann (along with one assistant), and a WiRüAmt representative, on a mission to Denmark to determine what machine tools might be produced for Germany.¹⁰⁵ The meeting opened with a Danish expression of concern about the extent of German orders. The Danish side also complained that the Industrial Council should be notified of German visits to Danish firms ahead of time. In reply to these complaints, Forstmann was notably conciliatory. He explained that "he had been charged with trying keep the Danish economy functioning as much as possible, and that he therefore saw it as his first priority to identify suitable work for Danish firms." He added that, "in Germany, one works under pressure; technicians sent to Denmark had little time to wait on discussions about visiting firms." However, he eventually agreed to address the Danish concerns. This was not the last time

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103. 28 May 40 memorandum by Wassard, box H 99-307, 99.F.5/15/10, "Notitser til overgivelse til det tyske regeringsudvalg," 1938-Jul 41, UM, 1909-1945.
104. The Trade Policy Division of the Danish Foreign Ministry was one of the two principal divisions of the Ministry. The other division was the "Political and Legal Division." In 1940, the Trade Policy Division was under Wærum's direction. Each division was further divided into geographical regions. Wassard's office ("1.a") — in 1940 still under Wærum — dealt with central European areas occupied by and associated with Germany and Norway. Wærum also led an office in the Trade Policy Division, which handled trade with Sweden and Finland, the USSR, France, and other countries. Wærum also led the "business office," which handled many administrative functions, provided informational services, and supported Danish commerce abroad. By 1942, Wærum & Wassard were made co-Chiefs of the Economic Policy Division. G. Bardenfleth and C.A. Møller (eds.), *Kongelig Dansk Hof- og Statskalender. Statshaandbog for Kongeriget Danmark for Aaret 1940* (Copenhagen, 1940, 1941, 1942). Danish Foreign Ministry, *Udenrigsministeriets Kalender*, 1941-42 (Copenhagen, 1941, 1942).
105. Ø.P. report number 23. Undated, box H 99-17d, 99.F.3/44, "Ø.P. Oversigter," 1940-42, UM, 1909-1945. The Danish notes from this meeting refer to Director "Panken," of the WiRüAmt whom the Danes believed was from the WiRüAmt, appears to be seconded to the WiRüAmt for this assignment. The *Wehrwirtschaftsstab* War Diary entry of 5 Jun 40 identifies Director "Panten" as being "im Auftrage" with the WiRüAmt, and being in Copenhagen to identify suitable machine tool manufacturers.
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Forstmann would argue that there could be no accommodation, only to end up retracting his objections. It was equally characteristic of him that he would not stand by his bluster. He pledged to provide the Danes with a list of firms already visited and others that he planned to have visited. He also met a Danish request for a projection of German purchases with the following figures:

	million <i>Reich Marks</i>
Machine tools:	3.0
Presses:	2.5
Drill accessories	1.0
Tools:	0.5
Various machine parts:	2.0
Electric motors:	0.5
Radios, telephones, & <i>cetera</i> :	1.0
Work at shipyards	5.0
<u>Dansk Industri Syndikat (DIS):</u>	<u>3.5</u>
	19.0

The Germans recommended adding another two million *Reich Marks*, just to be safe. There was also the possibility that the *Reichsbahn* might wish to make some more purchases.¹⁰⁶ This brought the total to 21 million *Reich Marks*, or 42 million *kroner*.¹⁰⁷ For the most part, Forstmann's "shopping list" would not be exceeded by the end of the year.

Assessing the scale of these orders is not especially easy, given the categories Forstmann used here. For example, official Danish export figures for "machine tools" are given only for specific machine types, such as drill presses or woodworking tools. A reasonable comparison, however, can be made in the electrical motors category. Forstmann's order here was for 1 million *kroner*. In 1938, Denmark exported 1.862 million *kroner* of electrical motors, of which .012 million *kroner* had gone to Germany. The largest peacetime customer for Danish electrical motors had been Norway, followed by India, with Great Britain close behind. These three countries accounted for about half of the exports. Countries left outside Denmark's trading range (not excluding western European countries about to be conquered

106. Ø.P. report number 23. Undated, box H 99-17d. 99.F.3/44. "Ø.P. Oversigter." 1940-42. UM, 1909-1945.

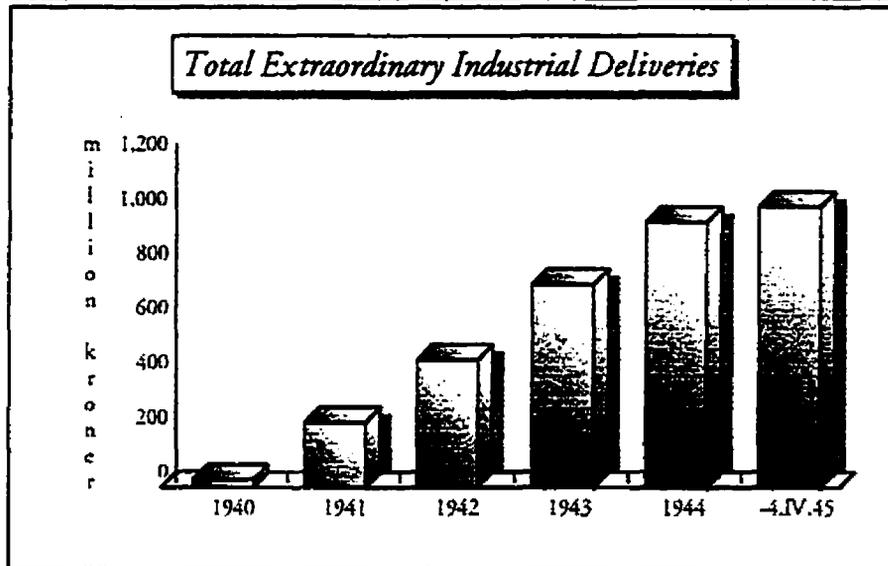
107. The exchange rate was roughly two Danish *kroner* to the Reich Mark. Generally, *kroner* will be used except when directly citing German sources, which invariably were drawn up in RM.

by the *Wehrmacht*) by the occupation accounted for .872 million *kroner*, or almost 47% of Denmark's exports of electrical motors. In this situation where Danish manufacturers had lost almost half their business, the WiRüAmt new orders exceeded that figure by a small amount. If one adds lost business to the Benelux countries and France, where the situation was still unsettled, then German orders would not meet Denmark's lost business.¹⁰⁸ This appears to be more a replacement of the Danes' lost business than a German shopping spree.

The long-term impact of German orders upon Danish industrial production and the German willingness to live up to its professions of good-will still remained to be seen at this time, of course. Forstmann agreed to work with the Danish Industrial Council to manage German-Danish trade. By early July, the mechanics of the supply situation for Forstmann's list had been sketched out. Under the plan, the Industrial Council would function as the link between public and private interests, representing Danish industry to both the Danish Foreign Ministry and *Wehrwirtschaftsstab Dänemark*. Companies negotiating with a German customer would contact the Industrial Council, which would determine whether that contract fell within the planned totals in Forstmann's 6 June list. To track Germany's replenishment of metals used, a "Central Office for Iron and Metals" was set up in the Industrial Council. The Council had performed a similar function during the First World War, and this was only the beginning of the Industrial Council's active role in the administration of the German purchasing in the country.

This industrial purchasing program, which came to be called the "Extraordinary Industrial Delivery program" (*ekstraordinære industrileverancer* - hereafter to be called EID) because its supply and payment were outside the normal contingents for Danish-German trade, would come to encompass practically all German purchasing of non-agricultural

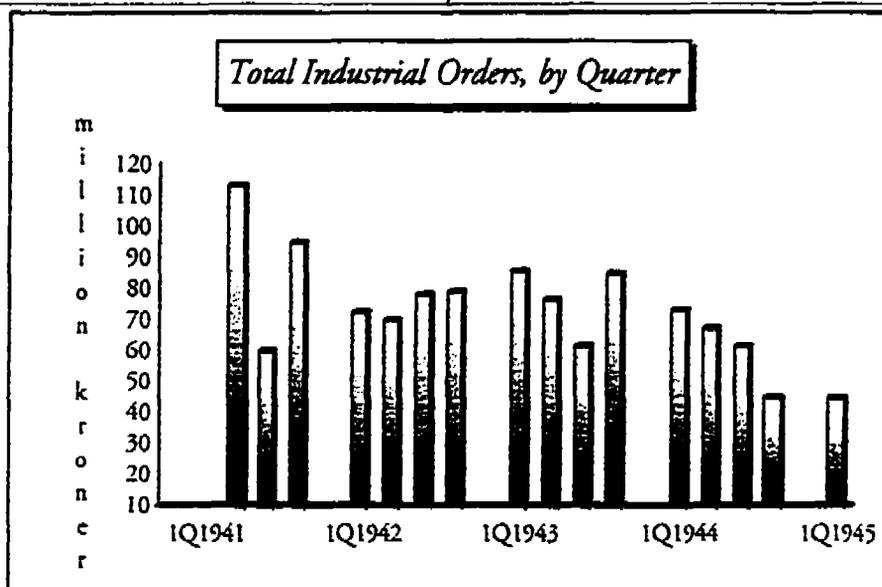
108. Danish Statistical Department. *Statistisk Tabelværk. 5th Series*. 1938 (Copenhagen, 1939), p. 134-5.

Figure 1¹⁰⁹

products in Denmark. Forstmann's initial 42 million *kroner* shopping list represented only part of all German industrial purchasing in Denmark: German shipping interests, for example, were interested in buying ships either already begun in Danish shipyards or having new ones started. But as the war progressed, Forstmann's office came to manage all German industrial purchasing in Denmark, setting up a separate purchasing procedure for "non-essential" purchases. The EID would grow to approximately one billion kroner by the end of occupation, a significant figure, given that Denmark previously had exported very little industrial production to Germany.

Significant as the growth in Danish industrial exports to Germany may have been, what is even more interesting is that the rate of shipments of industrial goods remained surprisingly steady over the course of the occupation, as indicated in figure 2: rather than displaying any upward tendency, the quarterly orders showed only some slight fluctuation both upward and downward. This Danish achievement in restraining German economic

109. Source: *Besættelsestidens Fakta. Dokumentarisk Haandbog med Henblik paa Lovene af 1945 om landskadelig Virksomhed m.v.*, edited by Nils Aikil (Copenhagen, 1945-46), pp. 999-1000. *Besættelsestidens Fakta* was a compilation of laws and background facts provided by the Danish Trial Lawyers' Association to aid in the legal proceedings after the occupation. It is anything but superficial; for example, the DNSAP and pro-German organizations are covered in some 500 pages in the first of its two volumes. Hereafter *BF*.

Figure 2¹¹⁰

activity was based upon Germany's perhaps overblown assessment of the fundamental problems of the Danish economy, as the Germans sought to avoid over-straining the Danish economy. Such German preconceptions about the Danish economy proved to be the thin end of a wedge. Once Walter agreed to allow "close cooperation" with Danish officials, the path was open for Denmark to control German economic activity. The Danes repeatedly worked to impress upon the Germans that their own economic situation was serious. At one of the earliest Danish-German meetings on industrial matters, two of the main points that Wassard made to Forstmann were the matter of supply and the inflation danger.¹¹¹ Industrial production for German billing was overshadowed by the issue of where the supplies for that work would come from. Tracking these supplies was competently done by the Council until the "Forstmann Industrial Program" entered a new stage in the beginning of the new year. The arrangements made in May 1940 seemed sufficient, and during 1940, the EID re-

110. Derived from the quarterly overviews of the Committee for Extraordinary Industrial Deliveries, box 4, A.4, "Oversigter over de ekstraordinære industrileverancer," 1941-45, Centralkartoteket, Udvalget for Ekstraordinære Industriarbejder m.v. for Tysk Regning (Odel-udvalget), proviens number 2402, Danish National Archives (Rigsarkiv), Copenhagen. These files of the Odel Committee will henceforth be cited in the following format: "Box number, Journal Number, Tide, OU."

111. 26 April 40 report by Forstmann to Berlin, W1/IE.7: "Norwegen, Dänemark." Freiburg.

mained in its modest form.

Indeed, German self-restraint towards the Danish economy thus was apparent throughout 1940. German officials held back from a rapacious exploitation of Danish industrial production and repeatedly emphasized that their policy goal was the stabilization of the Danish economy. A fortnight after the invasion, Wassard and Forstmann met at Krüger's office (showing, incidentally, how the OKW had already moved to its best-case scenario, and made the Plenipotentiary the intermediary for the occupation). At this meeting, Wassard was able to impress upon Forstmann the need for caution on the part of the Germans. What is even more notable, however is Forstmann's reaction — or lack thereof — to Wassard's statements about arms production. The captain merely reported to the WiRüAmt that Wassard's reaction to the German interest in doing business in a friendly fashion was to remind him that Denmark had placed a ban on the export of weapons to nations at war. Forstmann made no further comment on this position; nor does there appear to be any written record of a German discussion of it. In March 1941, Forstmann reminded the *Luftwaffe* of this limitation.¹¹² What emerges from examining the actual make-up of Danish production, however, is that Germany was entirely willing to live with the Danish prohibition on armaments exports, even after the official collapse of the Danish "caretaker's policy." The only exception was that DIS, already an arms manufacturer, was allowed to ship to Germany. Yet it is also notable because Germany did not monopolize DIS's production for the whole occupation. In the early days of the occupation, the officials in Berlin told DIS that Germany was totally willing to allow Denmark to continue exporting weapons "to the widest possible extent" to other neutral countries.¹¹³ DIS would continue to ship armaments even to Sweden as late as 1943. Rather than converting Danish factories to armaments

112. Entry of 6 Mar 41, RW 27 /2. "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark, mit Anlagen. Bd 1b. (Reinschrift)." Freiburg.

113. DIS to Danish Foreign Ministry, 20 May 40, box 25. [uden nummer] ad 84. "Forskellige ujournaliserede skrivelser vedr. økonomiske forhandlinger med Tyskland i besættelsestiden (april-maj)." UM, 1993 aff.

factories, contracts generally were drawn up to produce items similar to those produced already in peacetime. Metalworking shops made metal parts for assembly in Germany. Clothing companies sewed uniforms, while engineering firms made machinery for German manufacturers. It was expedient to purchase the kinds of things that Danish companies already produced, for a German economy at war needed a wide variety of items. For example, Burmeister & Wain, which already made marine diesel motors, simply made diesels that were specific to German U-boat designs. For the *Kriegsmarine Admiral Skagerrak* and the *Kriegsmarinearsenal Kiel*, B&W's business was mostly pumps, engines, engine parts and other nautical engineering items. For the German army, the OKH, B&W would produce medium-sized forged metal parts and machined engine parts. German industrial customers, such as the Stinnes concern, bought motor parts and smaller generators.¹¹⁴ Ford's car plant in Copenhagen did assemble small motor boats for the *Wehrmacht*, but this was not perhaps such a great change from assembling cars.

This self-restrained nature of German policy towards Denmark would also allow the Danes to avoid incursions into their internal affairs, even in some of the most prosaic areas. One example would be the attempts of Göring's Four Year Plan's *Reichkommissar für die Preisbildung* (price control) to send auditors along with the Government Committee delegations to Denmark. Already in May 1940, Renthe-Fink's office prodded the German Foreign Ministry to convince the *Reichkommissar für Preisbildung* to desist from these efforts. Eventually this approach by the Four Year Plan was put off by allowing two auditors to travel to Denmark for informational purposes only.¹¹⁵ Another even more mundane example would be the case of coordinating energy and water policy. In June 1943, the military commander in Denmark (the third in a succession of four over the course of the occupation), General Hermann von Hanneken, himself a rather self-assertive Prussian who generally preferred

114. Drawn from an assessment of correspondence between B&W and its contractors that ran through Forstmann's office, box K 544, "Korrespondance med Burmeister & Wain." TA.

115. Various correspondence May-Jun 40, 67740: "Handel. Dänemark. 11-3. Austauschgeschäfte. Wirtschaftsabkommen." Potsdam.

forceful solutions to problems, would be approached by a friend in the Speer Ministry's *Generalinspektor für Wasser und Energie* who wanted to transfer an official from France to Copenhagen as Speer's *Energiewirtschaftsreferent*. All the other occupied areas had one; it appeared to him that Denmark needed one too. Von Hanneken, however, deflected this suggestion on the grounds that Denmark was "a totally sovereign state that determines its own economic policy on a sovereign basis." Moreover, he noted that "Denmark is totally free in its decisions and cannot be forced to take any economic measures."¹¹⁶

This example sheds some new light on the character of von Hanneken, whose role in the tightening the German occupation of Denmark has often been cited. In the polycratic Nazi system, it is unsurprising that he and the Plenipotentiary, Werner Best, should have clashed as they performed their duties, but the depiction of the suave, sophisticated Best versus a brutish, irritable, von Hanneken is possibly too simplistic. Von Hanneken's short temper made itself known on many occasions (Danish officials complained that, after the General's arrival in November 1942, some German officials were less friendly and accommodating, while Hanneken had unsuccessfully tried to loosen Danish restraints on German economic activity¹¹⁷), and it was a contributing factor in the decision to launch Operation "Safari" on 29 August 1943, but he also understood the complexities of keeping the Danish situation, and especially the Danish economy, stable. Before being named commander in Denmark, he had been an *Unterstaatssekretär* in the RWiM, managing steel production. He also appears to have been good friends with the technocratic General Thomas.¹¹⁸ It also

116. Barth to Hanneken, 10 Jun 43 and Hanneken to Barth, 15 Jun 43, 5533. "v. HANNEKEN, Herman," 1936-45, Personarkiver, Danish National Archives (Rigsarkiv), Copenhagen. Files from personal archives at the Rigsarkiv shall henceforth be cited as "Item, date, number, 'archive title,' personark."

117. Undated Memorandum by Wassard and Worszke, probably early 1943, box 19, 64.Dan.80.a/5.c. "Private and confidential. Udenrigsministeriet; det Rådgivende Handelspolitiske udvalg," 1940, UM, 1993 afl.

118. Notes between Thomas and Hanneken carry salutations such as "Lieber Thomas!" rather than the more customary and formal "Sehr geehrter Herr General," which, in addition to the exchange of birthday greetings and smaller private dinner invitations between the two, and a confidential approach by von Hanneken to Thomas on Forstmann's behalf, leads one to conclude that there was some kind of personal relationship between Thomas and von Hanneken. Various correspondence, 5533. "v. HANNEKEN, Herman," 1936-45, personark.

undermines pictures of a very tough von Hanneken to note that he provided a friendly letter of introduction for SS Police Commissioner Kanstein, widely regarded to be a German "moderate," upon his departure from Denmark in protest over the collapse of the Danish government's policy of adjustment.¹¹⁹

Given Berlin's obvious leverage, this self-restraint appears puzzling. A ready answer might be found for 1940, if one considers that at that time Germany still expected a short war. In May, Munch informed the cabinet that the Germans had told him as much. With the war expected to wrap up shortly, the Germans were unwilling to draw up contracts for longer than a few months ahead.¹²⁰ This particular bit of German optimism would be turned to Danish advantage; the Danes were able to use this limit to make larger, potentially more disruptive projects much more difficult to approve. Here, as elsewhere, momentum and precedent kept this pattern in place. The Danes got Berlin's agreement that contracts would only be drawn up for periods of up to six months. Once this agreement was secured, Denmark would fall back on the arguments of vulnerability to argue against rescinding the regulation, a tactic that succeeded because Danish production remained satisfactory. As long as production was good enough, Denmark could argue that there was no apparent need to alter this (or any other) regulation. German self-restraint in 1940 would carry on to the later years of the occupation, and momentum and precedent kept this pattern in place, even when German illusions about a short war had been shattered. At the beginning of 1941, as Berlin prepared for the attack on Russia, the situation in Denmark was beginning to look better than expected, and no doubt it looked good in comparison with developments elsewhere. The economy of Norway had already turned into a burden. Holland's agricultural exports were beginning a precipitous decline.¹²¹ Even in Berlin, there was consternation at Germany's

119. v. Hanneken to Toussaint, 25 Oct 43, *ibid*.

120. Cabinet meeting notes of 21 May 40, box 5, 5579, "HASLE, Henning (1900-) højsteretssagfører, politiker." 1939-59, personark.

121. Umbreit, "Kontinentalherrschaft," pp. 219-20, 231.

own lack of productivity in the arms industry.¹²² Denmark, being a smaller, quiet part of the growing German empire, proved able to avoid drawing German attention and efforts at further mobilizing the economy for German purposes.

In any case, the rapacious exploitation of the Danish economy would not have been a simple endeavor for Germany. It will be remembered that Germany largely saw Denmark as a producer of foodstuffs for Germany. Controlling agriculture was impractical. With 200,000 farms, it would be simplest and require the least effort to deal with Danish agriculture in the same manner as before the occupation, that is to say, via the Government Committee. This rather facile argument has been used to account for Germany's hands-off policy on agriculture:¹²³ however, it overlooks the fact that practically every other occupied country, despite having more farms in total, still experienced tight German control. It was also feared that tighter German control would force Danish agricultural producers into the black market: if agriculture could be kept in Danish hands, then this might be avoided. Thus, what was decisive was the Danes' willingness to keep up their end of the deal. A component of this Danish-German cooperation also was the very limited amount of rationing in Denmark, which the Germans eventually would come to call "*der Sahnefront*" or "the Cream Front." Domestic consumption of many foods remained close to 90% of pre-war levels.¹²⁴ The notable potential of Danish agriculture made its attainment a very high priority. The effectiveness of the Government Committee was reaffirmed in November 1940, when the HPA agreed to keep representatives of *Reich* agencies and occupation authorities in Copenhagen off the committee.¹²⁵ Moreover, because Berlin had misjudged the condition of the agricultural economy before the invasion, its reasonable output under occupation made things seem even more satisfactory (a bad harvest in 1941, due mostly to bad weather,

122. Rolf-Dieter Müller. "Die mobilisierung," pp. 543-6.

123. e.g., Poulsen, *Besættelsesmagten* p. 91.

124. Peter Døssing, "Landbruget," in Aage Friis, *Danmark besat*, V, pp. 100-45.

125. Protocol '34, 7 Nov 40, 116814-15, "Protokollen der Handelspolitisches Ausschuß," Bonn.

probably reinforced the view that the economy was on the verge of collapse and in turn reinforced the decision to uphold the “hands-off” policy made explicit in winter 1941¹²⁶). In comparison with the Netherlands, the other occupied country with a highly developed agricultural sector, the Danish agricultural economy performed well.¹²⁷

Satisfied with agricultural production, it appears that the German officials were quite willing to pursue limited goals for industry, which meant that the WiRüAmt would be kept on a short leash. Even with industry being a secondary concern, worry about the local economy in general played its part, as, for example, when Walter readily agreed to Wassard’s entreaties to exercise caution at the end of May (as noted on p.72). It is probable that Walter did not need to convince Forstmann of the need for caution. Throughout 1940, Forstmann, in fact, was pessimistic about Denmark’s potential to survive economically. His mid-June situation report noted that “the mood of the Danish population is — despite our strong political and cultural propaganda — not confident.” He held that the general atmosphere was very negative, with everyone expecting an economic collapse to be caused by the poor supply situation. In October he noted that the mood — especially among the educated classes — in Denmark had taken a turn for the worse, as the war had not come to an end. In November and December, he saw little improvement in the general gloom, though he did note that Denmark’s suffering was only general to the war, and not, as Danes might think, due to Germany’s action.¹²⁸

Though the professionals might have appeared more cautious, there were lurking in the wings in Berlin and in Copenhagen those who dreamt of more sweeping interventions in the Danish economy. Such visions reveal the kind of things that might have been done about Denmark, had not cooler heads prevailed on the policy towards Denmark. Given these

126. Henrik Nissen, “Den Økonomisk Udvikling,” in *Norden under 2. verdenskrig*, edited by Karl Molin, Henrik Nissen, Magne Skodvin, Hannu Soikkanen, and Jörgen Weibull (Copenhagen, 1979).

127. Umbreit, “Kontinentalherrschaft,” p. 231.

128. Situation Reports from June, August, and October 40. RW 27 /19, “Lagebericht des Wehrwirtschaftsstabes Dänemark. Bd. 1,” Freiburg.

ambitions for Denmark, one can speculate that, had Germany won the war, the Danish exception would have come to an end before long. One of the first studies on the economic implications of Operation Weser Exercise appeared in the German Foreign Ministry in early May, and circulated to the various embassies in the Baltic region as well as the missions in the capitals of the other smaller European states. This report, written by Karl Ritter, who, incidentally, had written the report that helped trigger the Maltese Trade Agreement, proposed that the moment had come to make the Baltic a German lake, just as the Danubian basin had come under German domination.¹²⁹ (No doubt enthusiastic about his vision, Ritter was also the chief German actor in the failed Danish-German Customs and Currency Union talks (see below, p. 128).)

Outside the German Foreign Ministry, eyes also looked northward. In the first six months of the occupation both the *Reichsgruppe Industrie* and *Reichsgruppe Handel* (i.e., trade) produced reports on the Danish economy. An August report from the *Reichsgruppe Industrie* particularly recommended some fundamental interventions in the Danish economy, despite the report's observation that "There are no actually dangerous competitors in Danish industry." For example, the report called for the abolition of Denmark's import controls, in as far as they protected industry. Among other things, Denmark should remove "most-favored nation" status for third countries, "modernize" its tariffs and harmonize them with the German ones, allow free access of German business travellers in the country, remove all restraints on the establishment of German companies in Denmark, stop favoring Danish producers for government contracts, and introduce Nazi-style programs to stimulate production. The report also recommended the "Aryanization" of Danish industry along German lines.¹³⁰ In July, the *Reichsgruppe Feinmechanik und Optik* also studied its prospects across Europe, and found that despite having over 96% of the Danish eyeglass market and over

129. 11 May 40 Memorandum by Ritter, 68314: "6-1. Wirtschaftlichsgemeinschaft mit Deutschland," Potsdam.

130. Wi/IE.1.42: "Reichsgruppe Industrie Report: Dänemark Bericht." Freiburg. Appears also on USNARA Microfilm Roll T-77/698.

89% of the precision instrument market, it would be desirable that toll and other barriers to free access to the Danish market be removed and that the development or expansion of Danish competitors be prevented.¹³¹ Despite the rather predatory nature of these suggestions, a thread of self-restraint ran through the reports. The *Reichsgruppe Industrie* report recommended that Germany should recognize its own “pressing interest” [*dringendes Interesse*] in maintaining — if not increasing — Danish agricultural exports, and that it would probably be better to keep Danish industrial exports at their current “inconsequential” [*unerheblich*] levels. More accommodating was the November report of the *Reichsgruppe Handel*, which saw its interest in terms of maintaining markets in Denmark. This 133-page “Report on Post-War Planning for Denmark,” although concurring with many of the suggestions by the *Reichsgruppe Industrie*, emphasized the desirability of maintaining Denmark’s standard of living even at a higher level than Germany’s so as to keep the Danish market strong for German exporters. Accordingly, Germany should avoid making any essential changes in the Danish economy and leave it in a position to regenerate after the war. Germany’s plan for the postwar world, the report went on, should be to take Great Britain’s place as Denmark’s greatest supplier, an achievement which would be facilitated in part by the anticipated German acquisitions of tropical colonies and the *Reich Mark* replacing the pound as the main trading currency. The *Reichsgruppe Handel* also hoped to develop “partnerships” with Danish trading companies such as the royally chartered Danish East Asia Company.¹³² Both the *Reichsgruppe Industrie* and *Reichsgruppe Handel* reports found their way to Forstmann’s office. Although it is impossible to say exactly how much importance he gave them, the restraint of his policy might reflect that he concurred with their conclusions.

131. R 13 VI/60, “Berichte der Wirtschaftsgruppe Feinmechanik und Optik über die optische und feinmechanische Industrie (Industrie-Analysen, Produktion, Handel, Firmen, deutsche Maßnahmen u. dergl.) im Ausland;... Dänemark.” Koblenz.

132. W/IE I.43: “Reichsgruppe Handel. Bericht über Nachkriegsplanung, Dänemark.” Freiburg. Also available on USNARA microfilm T-77/698 and in the library of the World Economic Institute, Kiel (IV 2763 (3)). In 1942, the Germans learned that the East Asia Company, like the other Danish trading companies, was uninterested in cooperating with them. Scherpenberg to Schnurre & Grundherr, 23 July 42, 68313: “6. Wirtschaftliche Beziehungen zu Deutschland,” Potsdam.

Those more directly involved with policy towards Denmark also had an eye on changing the face of Europe and Denmark's part in it. Dr. Walter, though hardly Denmark's friend, argued for the management of international trade along lines that were mindful of the rights and liberties of smaller states such as Denmark. Walter had written a few articles whose recommendations, if implemented, would affect Denmark's position in the European economy. Mostly, Walter's calls for closer European cooperation would be unexceptional today, though at the time they went beyond both the terms of the Thirteen Conditions and contemporary standards of international commerce. While denying that the future Europe could be "autarkic" he still recommended making Europe independent from the world economy and keeping European resources in Europe.¹³³ Such a policy was counter to Denmark's prewar practice of fully engaging in worldwide trade.

Walter's assistant, Ebner, now the Plenipotentiary's "Commissioner for Economic Questions," also turned his sights to the prospects of integrating Denmark more fully into the Greater Economic Area. Both Ebner and Walter were from the *Reich* Ministry of Nutrition and Agriculture, and one might recall the privileged place the peasant-farmer held in Nazi ideology. Though the Ministry certainly had its share of sober technocrats, it still held an ample number of ideological visionaries.¹³⁴ Yet Walter and Ebner seem to represent the more sober professional side of the ministry. However, although they may have been

133. Alexander Walter, "Die Wirtschaft der nordischen Länder," *Nauticus. Jahrbuch für Deutschlands Seeinteressen. Herausgegeben auf Veranlassung des OKM*, 24 (1941), pp. 357-75. Alexander Walter, "Landwirtschaftliche Zusammenarbeit im Europa," *Bericht über Landwirtschaft. Zeitschrift für Agrarpolitik und Landwirtschaft. Herausgegeben im Reichsministerium für Ernährung und Landwirtschaft*, 28 (1942/43), pp. 351-9. Alexander Walter, "Zwischenstaatliche Landwirtschafts-Zusammenarbeit," *Odal: Monatschrift für Blut und Boden*, 10 (1941), pp. 97-101. Walter also gave a speech on the Greater Economic Area to the Swedish Industrial Association in Spring 1941 in which he held out the lure of greater power as members of the new Greater Economic Area to small countries. Reported on in the circular of the German Chamber of Commerce in Denmark. Issue 11/12 of 19 April 1941. Danish National Archives (Rigsarkiv), Copenhagen. Det tyske Handelskammer i Danmark, Privat Virksomheder, 10.347, box 71, "Rundschreiben, 1941," 1936-46.

134. The Minister of Agriculture himself, Walter Darré, was one of the more extravagant visionaries. Darré was shunted aside in 1942 favor of Herbert Backe. Backe would propose his own reform of the European agricultural economy in his *Um Die Nahrungsfreiheit Europas: Weltwirtschaft oder Großraum* (Leipzig, 1942). Backe envisioned a Europe of concentric circles centered on the industrial core of Germany. Each circle would be less and less industrial, focused on supplying the center, and would be ever more intensely cultivated in order to stay profitable.

cautious, they showed little respect for the long-term fate of small countries such as Denmark. In Copenhagen, Ebner noted that Denmark was primarily an agricultural land, and saw no difficulty if a Toll and Currency Union with Germany should cause a widespread closing of Danish industrial enterprises:

Shipbuilding, given Denmark's favorable geographical location, should of course be preserved. The cement industry is practically the only industry which does not need to import its raw materials and will remain suitable for continuing export. The competent larger industries, such as the notable example of the machinery industry, will continue to be competitive. As for the other smaller industries, which currently meet the needs of the small Danish population, it is doubtful whether they could withstand the competition that would arise from a rational division of labor. But its importance is minor. After the war, what by *Großdeutschen* standards will be insignificant numbers of unemployed will easily be put to other work, such as the building of roads, bridges, power plants, and land recovery in Denmark.¹³⁵

Ebner's and Walter's disinterest in honoring the sovereign rights of Denmark demonstrates the limits of the wider German lenience towards the Danes. If any Danes thought that the two men were watching out for Danish interests, then they would have been very mistaken. Rather, the good grace that the Danes enjoyed would not be a permanent state. The conditions that the Danes enjoyed were only a matter of expediency to the Germans, and the liberties of the "occupied neutral" would eventually be revoked in favor of what German officials ultimately hoped for: the removal of Danish competition, partial de-industrialization, complete barrier-free access to Danish markets and the full absorption of the Danish economy by the German economy.

There were plenty other German bodies that were eager to move towards the goal of more full Danish-German integration and cooperation. Outside official circles and within Denmark, Forstmann had to contend with the activity of German or pro-German groups. Among the German minority in north Slesvig,¹³⁶ for example, ethnic German groups saw the

135. Ebner failed to notice, incidentally, that the cement industry was a sizeable consumer of imported coal. Ebner's report of 24 July 40: "The future status of German- Danish economic ties," 68314: "6-1. Wirtschaftlichsgemeinschaft mit Deutschland." Potsdam.

136. Slesvig is the Danish spelling of Schleswig, itself the German spelling of Sleswick. Generally, the Danish spelling is used when referring to Danish territory, unless quoting a German source.

occupation as their opportunity to serve the Fatherland. The most significant of these, in terms of economic activity, was an organization under the NSDAP's *Abteilung Ausland*, the *Deutsche Berufsgruppen Nordschleswig — Arbeitsfront der Volksdeutschen* (DBN-ADV or just DBN).¹³⁷ The DBN, acting as a clearing house or broker for smaller firms, actively coordinated the execution of contracts across southern Jutland. Forstmann, for his part, appears not to have been an especially strong defender of its interests. On occasions where the Danish government, *i.e.*, the Foreign Ministry, put the brakes on the DBN's activity, Forstmann could be convinced of the correctness of the Danish position though it could also happen that "he did not wish to be quoted on this." For his part, Renthe-Fink would agree with him.¹³⁸

Another source of difficulty was the "German Chamber of Commerce in Denmark." Established in 1936, this *Handelskammer* was only a spectator to official policy, though it did on occasion serve as an intermediary and an introducer of Danish firms to Forstmann and his officers. Already on the first day of occupation, the Chamber approached *Landeskreisleiter* Schäfer of the NSDAP and offered to act as an intermediary for Germany on all economic matters (suggesting also, that the British trade attaché's office be searched and its records seized).¹³⁹ Forstmann met representatives of the *Handelskammer* at least twice in the first week of the occupation, and informed them that he was responsible for all economic questions.¹⁴⁰ Naturally, the *Handelskammer* was not without its use for Forstmann and other German officials new to Denmark, and was able to provide local knowledge and intelligence reports (*e.g.*, it provided the *Wehrwirtschaftsstab* with a report on the amount of gasoline in Denmark a week after the invasion). One gets the impression, however, that the *Handelskammer* was something of a tolerated nuisance. Though in the first weeks of the occupation, its

137. *BF*, pp. 604-5.

138. *DPK*, XIV, a, no. 232, p. 312-3, and no. 239, p. 322.

139. *BF*, p. 649.

140. Entries for 10 and 13 April 40, RW 27 12, "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark, mit Anlagen, Bd 1b. (Reinschrift)," Freiburg.

representatives met with important German authorities in Denmark and made its willingness to assist clear, its activity became increasingly marginal as the occupation regime became more settled. It never went away, of course, and, as an unofficial organ, it had a tendency to stray from the official German policy, occasionally causing some concern among Danish and German officials. As early as April 1940, the *Handelskammer* was aggressively soliciting Danish firms to become members.¹⁴¹ Companies with which Forstmann had drawn up contracts were solicited for membership by the Chamber; though the Danish government took no official stance on such private arrangements, the Industrial Council, never far from official policy, would only recommend to its own members caught in such a position that the Industrial Council could take no position on this matter, but "on the other hand, we cannot say what conclusions one might draw if you were to say [to the Chamber of Commerce] that you are not interested in being a member."¹⁴² The Industrial Council, like the Danish government, could not bring itself openly to encourage cooperation with the Germans, but neither could it deny that "loyal cooperation" was the order of the day.

In the fall, the Industrial Council confidentially surveyed its members to learn whether they had been approached by any German parties on the issue of cartels or market regulation. The tone of the message was not entirely one of concern: the Council was interested to know what its membership thought of the possibilities and which such arrangements might be advantageous. Though cartels and market controls were hardly revolutionary, the new situation obviously changed things. The responses that the Council received varied: many firms had received no advances from Germany or German organizations on the matter, while a few industries had been approached or were already members of such cartels.

141. For example, the Porcelainfabrikken Norden a/s asked for guidance on such an approach, reporting that many other companies have also been approached. A fortnight later, the Industrial Council was still unable to advise, box 1/140, "Det tyske handelskammer i Danmark," 1940, gulde zesker, Industrirådet, Danish National Archives, Commercial Archive, Århus. Files from the Industrial Council archives at Århus will hereafter be cited as, "File, box number, 'title,' year, IR, file group.." Other files from Århus, whose indexing system is not as systematic, will be cited as fully as possible, though "Århus" shall stand for the Danish National Archives, Commercial Archives.

142. Correspondence between the Industrial Council and J.E. Rasmussen of the Danish Machine Company of Jul 40, box 1/140, "Det tyske handelskammer i Danmark," 1940, IR, gulde.

For the most part, there was little enthusiasm for the prospect of such agreements, with some firms expressing strong reservations because of the competitive dangers of such agreements. Other firms also expressed doubt whether such arrangements could come to any good result, given German infidelity to other such agreements.¹⁴³ By and large, however, these overtures came to nothing. The only notable case of Denmark joining any new international economic organization was when it agreed to join the Baltic regional timber agreement in 1942.¹⁴⁴ In the long run, such plans remained mostly pipe-dreams. The real German fear about the economic circumstances in Denmark overruled any such plans. As noted above, Forstmann remained pessimistic and reported to Berlin that the general mood in Denmark remained negative. This view would persist long into the winter. Grand schemes would have to wait for more settled times. In Denmark in 1940, the security of the *Wehrmacht*, which depended upon economic stability in the country, remained paramount.

A ready example of the primacy of economic stability can be found in the so-called "New Year's Crisis" of 1940-41. As fall 1940 progressed, Renthe-Fink adopted an increasingly confrontational stance towards the Danes. The personally abrasive Renthe-Fink was perhaps also provoked by recent public displays of Danish patriotism, such as a vigorous celebration of Christian's 70th birthday, the "Alsang" (nationwide public folk-song evenings), scuffles between the DNSAP and the Danish public, and not least the public pugnacity of Danish National Conservative Party Leader, John Christmas Møller. There had also been more concrete annoyances such as when a Danish army officer at the Berlin embassy was accused of spying (though one should note that others were not so upset about the affair: Forstmann for his part reported home that the resolution of the case showed a good Danish attitude, and that "as such, in Denmark the foundation for a good cooperation [was] at

143. Diverse correspondence from box 2/63, "Dansk-tyske Kartelaftaler," 1941. IR. gulde. (Though indexed as 1941, this box includes 1940 and 1942 correspondence.)

144. Renthe-Fink to Berlin, 6 Jan 42, 68712: "Handakten Clodius. Wirtschaftsbeziehungen zu Dänemark. Korrespondenz." Potsdam.

hand"¹⁴⁵). Another incident arose with the Danish government's hesitation in fulfilling a December request to sell Germany some old torpedo boats for training use.¹⁴⁶ In January, Renthe-Fink pushed for Stauning's removal and the formation of a pro-German cabinet (*i.e.*, including some DNSAP members).¹⁴⁷ But the ensuing New Year's Crisis did not come to much and eventually fizzled out. It must have become apparent to Renthe-Fink that he had little support, when his suggestion that the Danes be pressured by postponing the upcoming Government Committee talks "for health reasons," was rejected. The very next day his proposal was answered by the message from Berlin that Walter "urgently warn[ed] against taking any measures against Denmark which could harm [Germany's] own economic interests." Walter added that, "We are so dependent upon Denmark for food and for industrial output that under no circumstances can we allow the Danish economy to be threatened."¹⁴⁸

One of the first things that one notices from this exchange is the relative impotence of the Plenipotentiary. This also appears to be the first occasion when Walter called attention to Danish industry's contribution to Germany. Walter's optimism perhaps was drawn from Ebner's report on the Danish economic situation the previous month. Though Ebner's December economic situation report began with a negative tone, on balance, it may have made a more positive impression in Berlin. Noting the difficult supply situation, though "no crucial area had been stricken by any notable shortages," Ebner saw Danish agricultural deliveries to be highly significant [*von grosser Bedeutung*], and the economy, though producing at a lower level than normal, was still doing well [*augenblicklich noch in geordnetem Gang*]. Significantly, Ebner emphasized the importance of German purchasing in keeping

145. 15 Feb 41 Lagebericht, RW 27 /20, "Lagebericht des Wehrwirtschaftsstabes Dänemark. Bd. 2." Freiburg.

146. 24 Dec 40 notice from Kramatz, Pol I M. 61119: "Berichte u.a. der deutsche Gesandt in Kopenhagen bzw. der Bevollmächtigten des Reichs in Dänemark über die innere Lage in Dänemark," Potsdam.

147. See Henrik Nissen, 1940. *Studier i forhandlingspolitikken og samarbejdspolitikken* (Copenhagen, 1972), pp. 440-7. Henning Poulsen, *Besættelsesmagten*, pp. 199-203.

148. 8 Jan 41 Renthe-Fink telegram to Berlin. Scherpenberg to Renthe-Fink 9 Jan 41. Wiehl to Renthe-Fink, 10 Jan 41. 67772: "Regierungsausschuß. Bd 3." Potsdam.

industry and its workers productively employed rather than the importance of its output to Germany. Even as the total of EID orders reached 40 million *kroner*, he reported that this program had helped not only to meet Germany's wartime needs, but to keep important Danish industrial facilities busy [*Hierin liegt für die Beschäftigung wichtiger dänischer Industriezweige ein wirksame Unterstützung*].¹⁴⁹

The *Wehrwirtschaftsstab Dänemark* was also beginning to see things in a more positive light as year's end approached. At the end of November, Forstmann reported that the full capacity of the Danish apparel factories had been reached.¹⁵⁰ A week after Ebner's December report, Forstmann, though noting that general situation was difficult, was optimistic for the future: there was still a lot of Danish capacity that could be used for German contracts, and his office was researching the prospects. In January and February, the first steps towards a coordinated shipbuilding program would be taken (see below, p. 134). Politically, Forstmann was not entirely pleased, as he felt that the Danish government was making things more difficult by throwing up obstacles against more German industrial orders, this despite the *Wehrmacht's* willingness to relieve Danish economic difficulties. However, in January he was certainly happy about the way that orders were unfolding in machinery and shipbuilding, but he showed little knowledge of developments regarding the "New Year's Crisis," reporting only that there were "rumors" of German pressure for a change of government in Denmark. He made only more mundane suggestions that German travellers into Denmark not talk about air raid or wartime conditions in Germany so as not to alarm those Danes with whom they might come in contact. In February, in contrast, Forstmann was clearly wading into the wider policy issues for Denmark when he presented arguments that certainly were colored by the crisis. Berlin was told that "from the point of view of our defense contracting, Denmark needs calm, which can be used to ensure the

149. Ebner's economic situation report, 9 Dec 40, 68311: "Denmark. Economy. 1. Allgemeine wirtschaftliche Lage. bd 2," Potsdam.

150. 30 Nov 40 entry, RW 27 /2, "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark. mit Anlagen. Bd 1b. (Reinschrift)," Freiburg.

unhindered production of military equipment and the delivery of agricultural materials...”

In view of Germany's current wish to move as much civilian production outside Germany's borders, he argued further, thus:

... all decisions regarding Denmark should be directed toward keeping the country calm. Accordingly, this means that we can rapidly make some political changes after the war which at this moment could only be forced on Denmark. If we were to make them now, their implementation would cause great disorder throughout the country. The consequences of these could be the loss of a Danish willingness to work not only among employers, but among employees as well, passive resistance, and even possibly the sabotage of the most important war equipment being worked on at Danish facilities.¹⁵¹

Ebner's, Forstmann's and Walter's judgements on the status of the Danish economy marked a shift in the general attitude the Nazis held towards occupied Denmark. Whereas the first year of the occupation was characterized by an acute German fear of economic collapse, the mood had now changed, and fear was replaced with contentment. The view now was not that Denmark would collapse, but rather that Germany needed Denmark. The country had shifted from potential liability to actual asset. This was the single greatest change in German policy towards Denmark.

There was no illusion as to why the Danes had chosen to cooperate. Walter and Forstmann both recognized the Danish stance for what it was: a purely expedient business arrangement. However, their opinion that the Danish economy could benefit Germany had changed their receptiveness to the Danes, who now had adequately demonstrated their willingness to cooperate. More importantly, they demonstrated their capacity to produce. Though the German officials were soberly skeptical about Danish motives, it was now possible to take Danish initiatives at face value. With the Danes showing that they would deliver the goods, their approaches to Walter and Forstmann could be assumed not to be ruses, but real efforts at improving the economic situation. On 9 April 1940, Germany had hoped for Danish cooperation: in winter 1941, Germany could count on it. This German

151. 15 Dec 40 situation report. RW 27 /19, "Lagebericht des Wehrwirtschaftsstabes Dänemark. Bd. 1.", Situation Reports of 15 Jan 41 and 15 Feb 41, RW 27 /20, "Lagebericht des Wehrwirtschaftsstabes Dänemark. Bd. 2." Freiburg.

recognition of the usefulness of Danish cooperation would also be the foundation on which the Danes could construct their price-control regimen to contain German economic activity. Price control, though it entailed a German surrendering of authority to the Danes, held benefits for both sides. Successful price control would ensure that inflation did not wipe out the Danish economy, which would leave the Danish population "a few million useless and unsatisfied foreigners."

The conclusion that the Danes could be trusted to hold up their end of the bargain did not rest solely on the amounts of agricultural and industrial production that had been shipped south; it also arose from the reality of Danish cooperation. The difficult decision to cooperate was taken early by the Danish government, and began to take on its distinguishing features over the course of 1940. True cooperation was on a bureaucratic level, with the Danish political establishment standing in the wings. However, the professionalism of the Danish bureaucracy worked to assure Germany of the sincerity of Danish cooperation and, thus, to ward off some of the damage that could have been wrought by German economic activity. From the beginning of the war, the Danes scrambled to lessen the effects the war would have on their economic situation: this remained a high priority even after the occupation, and bureaucratic cooperation with the Germans became the method by which they pursued that goal. The Danes' efforts to ward off the worst effects of war and occupation are the subject to which we now turn.

II.
Denmark Chooses to Cooperate

9 April 1940 - June 1941.

“The Danish Government will
adjust matters in light of the given
invasion.”¹

Although Danish economic vulnerability was the initial reason for relatively decent treatment that the Danes received at German hands, it is not the reason that German policy remained so self-restrained. The reason that Denmark continued to enjoy Germany's generous policy is because the Danes made themselves indispensable to the Germans by cooperation with their occupiers. Once the other smaller countries chose to resist the Germans in any way, the possibility of effective and forthright cooperation with the Germans was greatly diminished. In the Danish case, resistance was at best perfunctory, and the Danish government's actions convinced the Germans that they were willing to cooperate fully. The virtually frictionless invasion of Denmark made it possible for the OKW to stick to its original plans, and thus the stabilization of Denmark was more an administrative affair than a military one. Danish willingness to abide by the OKW's conditions as delivered by Renthe-Fink left the legitimate Danish government and its bureaucracy in charge of affairs.

1. *DPK*, IV, no. 12, p. 21.

As we have seen, one of the main factors that nudged German decisions in a direction beneficial to Denmark was the realization that Denmark would in fact be a useful economic asset to the German war effort, but the really critical factor was Danish cooperation. With a Danish bureaucracy ensuring that the country would produce for the *WiRüAmt* and the *Reich* Ministry for Food at the same time that it endeavored to protect its own country's interests, active cooperation proved especially beneficial for both sides. Aware that economic cooperation with the German occupation authorities would be the cause of much public criticism, the Danish political establishment and cabinet left the nation's bureaucrats in charge of the day-to-day questions and avoided public discussion of economic cooperation with Germany. As this policy matured, this primacy of the Danish bureaucracy would have an unexpected benefit after the Danish government "withdrew" in August 1943. Having already been in charge of containing German economic activity as well as ensuring that the Germans were kept happy, the Danish Foreign Ministry was well-placed to continue performing that function afterward. Germany had become dependent upon Danish cooperation. How the Danes entered that relationship and what they hoped to achieve by it are the subject of this chapter.

Given the responsibility for managing contact with the Germans, the Danish bureaucracy assured the Germans that there would be adequate economic production. Though Danish historical revisionism has demonstrated that the Danish political establishment exerted its influence during the entire occupation, in terms of economic affairs, it has failed to notice that so much was determined by the bureaucracy not only after August 1943, but before, as well. The most important aspect of the status quo — Denmark's economic health — was left specifically in the hands of Mattias Aagaard Wassard. From beginning to end, Wassard directed policy and formulated responses to Walter's and Forstmann's initiatives while fielding the concerns and desires of the other branches of the Danish administration. It was Wassard who, whenever anything was needed, brought Denmark's economic

concerns to the Germans. He conducted his duties within the broader outlines of economic policy that were laid out for him by the political establishment during the first months of the occupation. Information seems to have flowed upward more than orders flowed downward. Papers were presented for the Minister's information, but in Wassard's papers or papers from his office, there is no sign of written instructions from the Minister to his administrators. Most of the contact and direction between the Minister and Wassard was verbal rather than written.² It seems possible that the Danish political establishment was just as happy leaving this hot potato in the hands of the invisible mandarins rather than standing out taking necessary but unpopular stands. Just as Renthe-Fink pointed out, on 15 April 1940, that it was more desirable to leave the unpleasant business to the Danes, so did the Danish politicians choose to leave it to the more anonymous civil servants such as Wassard. Though the argument might be made that they had intended to leave it all to the "non-politicals" such as Scavenius and Gunnar Larsen (Minister of Public Works), archival evidence does not reveal that either of them had much impact on economic policy. Even though Scavenius left no papers,³ the recorded pattern of Danish activity makes this absence seem less crucial than one might expect. His authority was infrequently evoked in discussing economic matters at Wassard's office.⁴ Except for during the very beginning of the occupation, economic deci-

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2. Mohr's relationship with Scavenius cooled over the course of 1940, and it appears that he was not routinely involved with Scavenius' discussions on economic matters. Mohr's successor (Munch was appointed Ambassador to Berlin in spring 1941). Nils Svenningsen, similarly was not a member of the Minister's "inner circle," which consisted of Scavenius, Wassard, Sthyr, and Gunnar Larsen (along with a secretary, Gunnar Seidenfaden) met almost daily in a "fried egg club" (named after their purchase of the only reliably palatable food from the Foreign Ministry canteen) to discuss issues of the moment. Interview with Henrik Nissen, Copenhagen University, 7 February 1995. Nissen's information is from conversations with Seidenfaden and Gunnar Larsen.
 3. This according to the introduction to Sjoqvist's *Scavenius*.
 4. In fact, observers at the Foreign Ministry noted that Wassard tended to influence Scavenius, steering him towards his own suggestions. It is claimed that Wassard was one of the few at the Foreign Ministry who held Scavenius' respect. This from a 8 Sep 49 article in Ole Küllerich, "Dr Munch og Erik Scavenius," *Politiken*. "[Scavenius wouldn't listen to anyone who disagreed with him.] There was actually only one man in the Danish Foreign Ministry who had a positive influence on Scavenius. This was the office chief Wassard, who is now the Danish ambassador to the Hague. Scavenius thought much of him — and for once he was entirely right! Wassard had an amazing ability to deflect Scavenius' worse notions [*dårlige indfald*]. He would first accept Scavenius's suggestion, but then would suggest something entirely different in a way that made it sound as if it was Scavenius who just said it; and Scavenius quite often went along with it" Found in Wassard's personnel file, box 1. 3.G.Wassard.M.Aa.186.a.
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sions were not made at the cabinet level, but rather were handled at the expert level, which increasingly came to mean Wassard. This is perhaps an interesting Danish-German parallel: on both sides of the German-Danish divide, expert-level bureaucrats were left with the most far-reaching authority. During the war, Forstmann, Ebner and Wassard received promotions.⁵ After the war, both politician and official in Denmark reaped rewards. The Danish politicians were able to return to their positions of power, Wassard was promoted, and only the more obvious pro-Germans were punished.

The bureaucrats who were involved in managing the relationship with the Germans had their task facilitated by the fact that the course of combat left the country virtually untouched. Physical damage would be limited mostly to that wrought by sabotage and German "counter-terror" in the last stages of the war (see below, p. 226). Allied aerial bombardments were limited to a very few pinpoint raids with specific political purposes. For example, two Gestapo headquarters buildings were bombed in 1944 to aid the Danish resistance. Burmeister & Wain, Denmark's largest shipbuilder, was also bombed in December 1943: the raid dropped 42 bombs, and only a portion of those hit the complex. Beyond that, allied raids on Danish territory were few and far between.⁶ Other factors that helped thwart an economic crisis were the Danish government's preparations for the strains of economic isolation on the eve of the war and its adoption of an aggressive public works job creation program during the occupation. Moreover, the conditions of the economy under occupation also created employment as materials' substitution, made necessary by severance from overseas supply, by their very nature promoted labor-intensive activities: e.g., heating

"Mathias Aagaard Wassard." 1921-49, UM.

5. Ebner was promoted to Ministerdirigent in December 1942, Peschardt and Wassard to Ebner, 12 Dec 42, box H 84-79, 84.B.4a. "De til samarbejder m. de danske myndigheds udnævnte tyske embedsmænd," 1940-48, UM, 1909-1945. Box 1, 3.G.Wassard.M.Aa.186.a. "Mathias Aagaard Wassard." 1921-49, UM, Personnel Files. (Wassard was made ambassador to Norway after the war). Personnel List, RW 27 /2. "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark, mit Anlagen. Bd 1b. (Reinschrift)." Freiburg. Forstmann was promoted from *Fragastenkäpitan* to *Käpitan zur See* effective 1 July 1942.
 6. Henrik Skov Kristiansen, "Western Air Raid: Denmark during World War II," in *Neutralität und totalitäre Aggression: Nordeuropa und die Großmaschine im Zweiten Weltkrieg*, edited by Robert Bohn, Jürgen Elvert, Hain Rebas, and Michael Salewski (Stuttgart, 1991), pp. 399-417.
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buildings with bog peat requires more effort than importing coal. Put another way: industrial and economic progress is about saving labor, and the conditions of the occupation removed some of the sources of progress and made things more labor-intensive. Still, economic measures alone would probably have proved inadequate for the strains of occupation if the political environment had not provided an atmosphere in which such measures could have any affect.

The Danish economy did function reasonably well, although not very well. The occupation caused its slow steady growth since the 1920s to fall into a trough for the duration (see figure 3). In the first year alone, the Danish GNP fell by over one-fifth. For the first

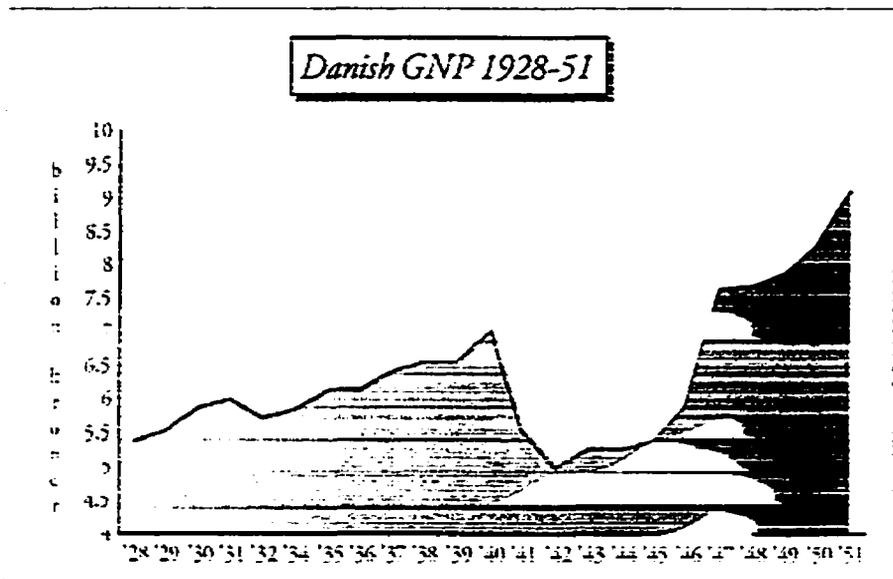


Figure 3⁷

half of the occupation unemployment remained high, particularly during the winter months; only by the end of 1942 was it firmly under control. Beyond the drop in output, rationing and the loss of imported goods caused a fall in consumption and in the quality of products available.

Danish economic suffering under the occupation has been fairly well documented.⁸

7. Source: Brian R. Mitchell, *European Historical Statistics, 1750-1970* (London, 1975), pp. 764, 791.

8. Sigmund Jensen, *navim*.

Yet there was a tolerable economic milieu for the Danes, under all the circumstances. The high level of Danish food consumption has already been noted, but also German confiscation was rare and became a serious problem only as the war entered its last desperate phase. The Germans did not force the utilization of Danish physical plant, human capital, or natural resources. Nazi economic organization was not forced on the Danish economy, as it was elsewhere. German interests did not buy up Danish economic assets, as they did in the other occupied neutrals. There were no labor "comb-outs" or conscription: workers went southward only voluntarily. The Germans did not force manufacturers to accept work. Even during the last half of the war, Denmark was exempted from the intensifying exploitation seen in other occupied countries. Even the chronic unemployment of the 1930s disappeared.

Such an outcome was far from certain to the Danes on the eve of the Second World War. For, although they did know that their feed and fertilizer situation was better than they had let the Germans believe during the negotiations for the Maltese Trade Agreement, their experience during the last war between Great Powers was, to put it mildly, inauspicious. There is little doubt that the economic troubles of the First World War and the years afterward weighed heavily in the minds of the Danish leadership. Indeed, many of the same men in office had held office during the 1914-1918 war.⁹ No doubt one of the most popular books at the various ministries in fall 1939 was Einar Cohn's "gray book" history of the Danish economy during the first war (Cohn, too, would play a role in both world wars).¹⁰

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9. There was a remarkable continuity of the Danish leadership in 1914 and 1939-40. To claim that the Danish leadership had the lessons of the Great War in mind is not simply to speculate. Peter Munch, Defense Minister in 1914, had been Foreign Minister since 1929. Herluf Zahle, the chief diplomat at the Danish Foreign Ministry in 1914, was ambassador to Berlin in 1940. Christian X was king during both wars. Erik Scavenius was Foreign Minister during both wars. Prime Minister Thorvald Stauning also held a cabinet position in the Great War. There were numerous other examples of this continuity throughout the Danish government.
10. The *gray book* in all essentials appeared in Einar David Cohn, *Danmark under den store krig: en økonomisk oversigt* (Copenhagen, 1928). Cohn, Director of the Statistical Office under the Ministry of Finance, was one of two Jewish brothers in the administration who remained at their influential posts despite the occupation. Georg Cohn was the international law advisor for the Foreign Ministry, and a strong advocate of the notion of "neo-Neutrality" in the interwar years. His influence on Munch and others is a much discussed issue. Nissen, for example, argues that Munch was heavily influenced by Georg Cohn's philosophy (Henrik Nissen, 1940, p. 43). On the other hand, Nils Svehnielsen, Director of the Foreign Ministry, denied Munch's philosophy was strongly influenced by Cohn's theories
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The country's leadership looked closely at the boom and bust of the First World War and the years afterward. The Danish economic response to Central Power demand created distortions in the economy that took a decade to correct, and industrial capacity expanded significantly, in part due to a leap in domestic demand in the absence of foreign competitors, but also because of exports, as demand from the Central Powers for various manufactures was practically insatiable. Many Danish firms were able to expand their facilities, while other new firms sprang up, especially in the shipbuilding industry.¹¹ Machine exports increased markedly, with shipments of metalworking machines increasing eighteen-fold.¹² All went well until an English blockade against Denmark beginning in 1917 suffocated the Danish economy. Agriculture and industry were both devastated by the repercussions, and by mid 1918, unemployment had reached new highs.¹³

If the First World War was an ominous example, by 1939, the prospects seemed even worse, because the Danish economy had undergone considerable change in the interwar years. Though it was not widely recognized outside Denmark, the country had made the transformation from a solidly agricultural-based economy to being a high value-added refining economy with a significant industrial sector. In 1914, the largest sector of the economy—almost a third of GNP—was accounted for by agriculture, forestry and fishing while nearly a fifth was earned by industry. In 1939, the rankings were reversed: industry now accounted for 27% of GNP where agriculture accounted for only 19%.¹⁴ Danish industry specialized in high value-added production, as befits a country that must import

(Svennigsen, "Danmarks status," p. 362). Georg Cohn's work also appears in English and French. Georg Cohn, *Neo-Neutralitet* (Copenhagen, 1937), *Neo-Neutrality* (New York, 1939), and *Neutralité et Société des Nations (Les origines et l'œuvre de les Société des Nations, tome II)* (Copenhagen, 1924). Both Cohn brothers fled to Sweden after the German "Jewish action" on 1 Oct 1943.

11. Paul Fischer and Nils Svennigsen, *udenrigstjeneste. II*, p.234.

12. Hans Christian Johansen, ed., *Dansk Industri efter 1870. 2*, Carl-Axel Nilsson and Hans Kryger Larsen, *Forbrug og produktion af industrivarer* (Odense, 1989), pp. 234-7.

13. E. Cohn, p. 166.

14. Johansen, *økonomisk statistik*, pp. 392-3.

virtually all its industrial supplies.¹⁵ Hence, the loss of foreign trade and supplies would quickly weaken national income. Denmark would also lose much national income once it lost access to the open sea, which was the source of significant Danish earnings. In fact, many of the largest Danish firms were not industrial firms, but trading and shipping firms. Loss of overseas markets would also hammer the country's food processing and service firms, which also were intimately connected to seaborne commerce.¹⁶ In addition, earnings gained abroad in services such as shipping, engineering, and construction would disappear once Denmark was cut off. Loss of business among Denmark's predominantly small scale-industry could quickly lead to bankruptcies, as small companies simply did not have the resilience of larger companies with much more substantial assets.¹⁷ Practically no segment of the Danish economy was isolated from foreign commerce, which made the dangers of a new world war very troubling.

15. For example, Danish manufacturers specialized in ship-building, nautical equipment and machinery, medical products, communication equipment, all of whose value lies in the transformation of the raw materials into a complex product. A machine-tool, for example, is made from imported metals which are bought cheaply, but transformed into a valuable product by the application of expensively acquired and specialized techniques. See Hans Christian Johansen, *The Danish Economy in the Twentieth Century* (London, 1987), p. 38-40, 54-7.
 16. In 1938 Denmark's ten largest industrial firms were:
 - The Great Northern Telegraph Company
 - The Danish Sugar Factories
 - United Brewers
 - Nordic Cable and Wire
 - Burmeister & Wain (shipyards, machine works, and ship engines)
 - Ålborg Portland (cement)
 - United Paper Mills
 - Århus Oil Factories (animal and vegetable oils) [This company was an excellent example of the country's value-added economy. With its plants situated on harborfronts, it milled imported grains into various products for further export.]
 - Superfoss (capital machines, engineering)
 - F.L. Smidth & Co (capital machines, engineering)

(Steen Thomsen, "De største danske industrifirmaer 1904-1987," in Ole Feldbæk and Erik Lund, eds., *Presse og historie. Festskrift til Niels Thomsen* (Odense, 1990), p. 223.) To this list, one should also add the Royally chartered Danish East Asiatic Company, a trading company, and the several large shipping companies held by A.P. Møller, one of Denmark's wealthiest men. Møller also owned the Odense Shipyards.
 17. In 1935, it is estimated that about 325 industrial firms employed more than 100. Ole Markusson, "Danish Industry 1920-39: Technology, Rationalization and Modernization," *Scandinavian Journal of History*, 13 (1988), p. 248. Johansen, *økonomisk statistik*, p. 168, lists over 5,000 Danish industrial firms that year.
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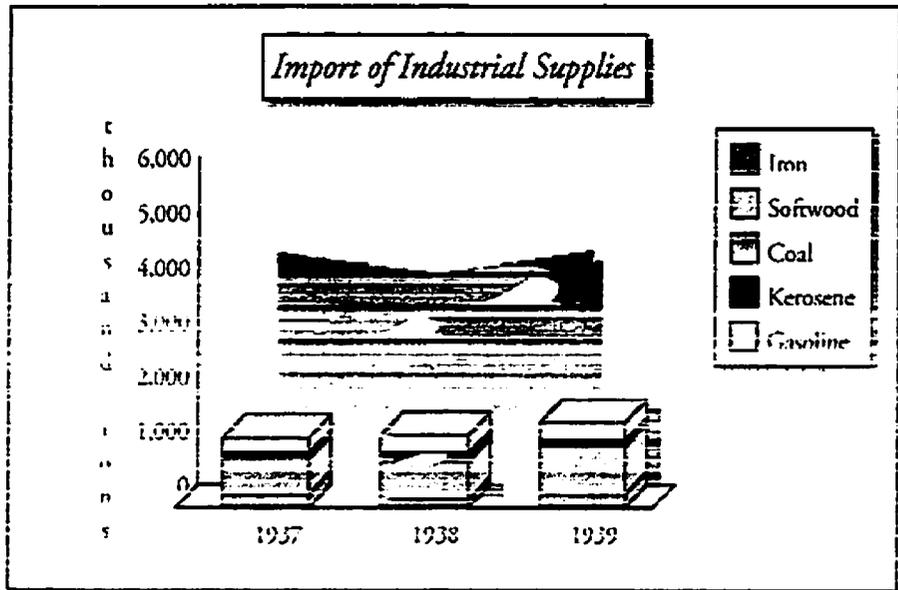


Figure 4

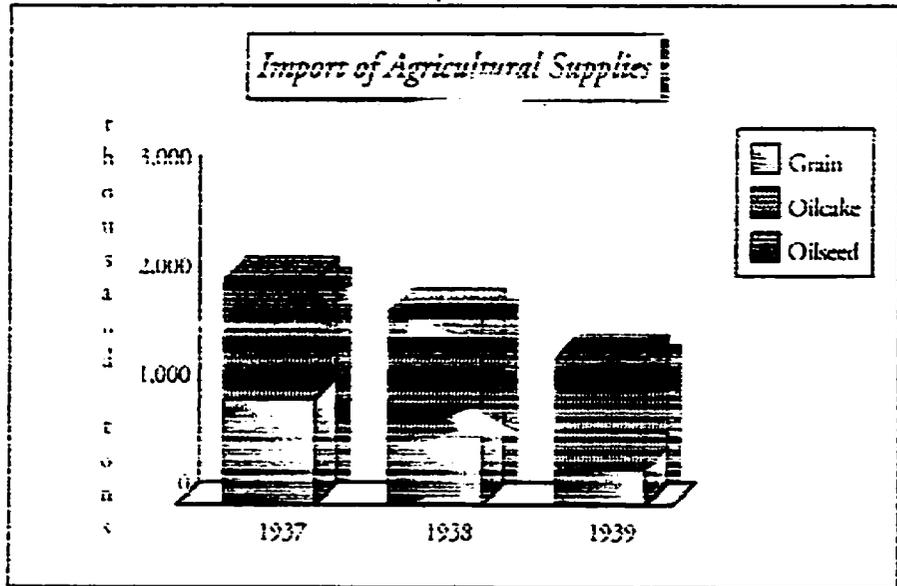


Figure 5¹⁸

It is therefore unsurprising that Denmark's leadership took the danger of a new war very seriously and took the first steps to protect themselves already in 1938 after the *Anschluss* and Sudeten crises. Measures to avoid distortions in the economy would have to be taken ad hoc, but steps could be taken to address Denmark's precarious supply situation, and the

18. Figures 4 & 5, source: Johansen, *økonomisk statistik*, pp. 205-6.

country actively expanded its stockpiles of necessary imports. In 1914, Denmark had been caught unprepared, with its stocks very low; this would not be allowed to happen again. The *Nationalbank* built up its foreign currency reserves. Companies stockpiled raw materials. The parliament authorized a special 50 million *kroner* loan for the purpose and the Foreign Exchange Office eased its restrictions for import permits. Even the state began stockpiling supplies. It is noteworthy, however, that this stockpiling was especially pronounced in the matter of supplies for the non-agricultural sector. Imports of iron, fuels, and lumber increased, while imports of grain, oilcake, and oilseed remained steady or dropped. The fact that imports of Danish agricultural supplies actually dropped could indicate that the Danish government had decided that it would be possible to supply the agricultural sector with Danish production, or at perhaps that Denmark could rob Peter to pay Paul by cutting back on imports for the agricultural sector while stocking up on industrial supplies. By the time of the invasion stocks of certain supplies were projected to last up to 1½ years.¹⁹ Rationing plans were drawn up by the Danish administration in spring 1938 and 1939.²⁰ These efforts, combined with stringent controls under the occupation, proved largely successful. After the war and five years of occupation, the Directorate for Supply and Provisioning (*Direktoratet for Vareforsyning og Varefordeling*) assessed remaining stockpiles of many critical commodities to be at a few months of pre-war usage levels.²¹

But the track of Danish imports 1937-1939 also casts new light on the Maltese Trade Agreement. It will be recalled that the Germans agreed to the arrangement because of Denmark's professed need to import agricultural supplies. Yet in the three years before the occupation, Denmark was in fact importing less and less of such supplies while it increased

19. Arne Lund, *Dansk Industriberetning. Industrien under den tyske Besættelse. 1940-1945. Part I: Regulatión* (Copenhagen, 1949), pp. 56-8, p. 14.

20. Jens O. Krag, *Byhistorien*, p. 18.

21. Direktoratet For Vareforsyning og Varefordeling, *Vareforsyning og Varefordeling under den tyske Besættelse* (Copenhagen, 1948), p. 12. For example, at the end of June 1945 (one and half months after liberation on 5 May), Denmark still had five months' worth of raw iron, two months' worth of piping and tubing, and three months' worth of rails. On the other hand, coffee had run out by the end of 1941, rubber in 1943, and only two days' supply of liquid fuel (gasoline, kerosene, and diesel) were still available.

its imports of industrial supplies. This would be characteristic of the Danish-German relationship even under the occupation. On one side, the Germans would operate on the basis of faulty assumptions about the Danish economy. On the other side, the Danes would continue to control information about the Danish economy and the Germans would largely accept it at face value. Reading Forstmann's situation reports, one is struck by the volume of statistics they present for Berlin. With its small staff, the *Wehrwirtschaftsstab* would not have been capable of collecting all this sort of information in addition to its purchasing (and supplying) functions: this information was provided by the Danish bureaucracy.²² The pace at which the Danes provided reports could vary, and towards the end of the war, they could even drag their feet in providing this information. A November 1944 request for a copy of Denmark's 1943 production statistics went unmet, and a duplicate request for this information was put to the Danes again in April, 1945.²³ After the war, the Danes claimed that in some areas, such as the status of the leather supply or meat consumption, they successfully kept accurate information from the Germans.²⁴ Because the economy was supervised by Danish officials without German intervention, it was possible to keep the Germans in the dark about many facets of the Danish economy.

Though Danish officials might have been occasionally reticent in cooperating with the Germans under the occupation, before the invasion, they found that the level of cooperation within Denmark needed to be improved. Therefore, the government also took other lessons from the First World War and resurrected the regulation, control, and government-private sector cooperation that had been effective in the 1914-1918 war. Steps taken to fight

22. In addition to detailed listings of consumption, Forstmann's office provided Berlin with figures on (among other things) tons of coal and iron shipped, unemployment, numbers of ships and train cars that had entered and left the country, and all sorts of other statistical information. The *Wehrwirtschaftsstab* usually had between twenty-five and thirty officers and officials, plus typists. Situation reports and War Diaries of the *Wehrwirtschaftsstab*. RW 271. Freiburg.

23. Skade to Foreign Ministry, 6 Nov 44, and Ebner to Foreign Ministry 12 Apr 45, box H 84-59, 84.X.57. "Danmark: oplysninger til den tyske værnemagt o.a. om danske industrielle virksomheder." 1941-1945. UM. 1909-1945.

24. Aage Friis, ed., *Danmark under Verdenskrig og Besættelse. Historiske Enkeltfremstillinger*. V. Vilhelm Buhl et al. *Danmarks Økonomiske Forhold 1939-45* (Odense, 1948), p. 31.

the economic crisis of the 1930s had already increased government cooperation with the country's commercial organizations; as the danger of wartime economic difficulties loomed, the government looked to increase the use of such measures to address the darkening trade picture. One of the first priorities in coordinating the economy was to find someone to manage the efforts. After the war broke out, Mohr discussed possible candidates for the job with Munch, and they decided to approach Knud Sthyr, who had helped coordinate economic policy toward Germany in the Danish Foreign Ministry during the First World War. With the country facing the threat of losing economic contact with Great Britain, Germany would again move to the front of the list of trading partners, and Denmark needed someone who was well-connected south of the border. Sthyr had such connections, for he had left government service to pursue a career with the cement industry after the First World War and, in that position, he had maintained and expanded many of his contacts in Germany. Sthyr's German contacts had proved helpful to the Foreign Ministry already in September 1939, in the Danish maneuvers trying to establish the Maltese agreement, and this probably convinced Mohr and Munch that he was the best man for the job.

In October, Sthyr assembled the "Foreign Ministry's Trade Policy Advisory Committee," outside the normal hierarchy of the Ministry.²⁵ Made up of officials from the Foreign, Finance, Trade, and Agricultural Ministries, as well as the Statistical Department and Foreign Exchange Council, the "Sthyr Committee" began its work that month. True to its name, the Committee monitored Denmark's imports and exports, and advised the Foreign Minister with an eye towards minimizing the economic effects of the war, with a particular emphasis on price controls and rationing. Perhaps the most notable achievement of the Committee was that its recommendations in winter 1941-2 led to a unique example of rational German policy in Denmark, when the HPA and *Reichsbank* approved a revaluation of the *krone* in Denmark's favor. However, the real decisions tended to be made in Wassard's

25. Undated memorandum by Mohr, 69 F 2136, "Minister O.C. Mohrs Notater," UM, 1909-1945.

office, and by fall 1943, the Sthyr Committee was dissolved.

By such measures as stockpiling and the creation of the Sthyr Committee, the Danish government had prepared itself to watch the war unfold, but it had done little to prepare itself to withstand a German attack or invasion.²⁶ This was in keeping with the general Danish "flat profile" policy towards Germany. After the German attack, the Danish government decided that resistance was essentially futile, and that the wisest course of action would be to attempt to ameliorate the very difficult situation. Before the attack, as we have seen, Denmark's leaders were very motivated to avoid the economic strains of the war. Under the new and unforeseen circumstances of the German attack and occupation, they were now determined to carry on with the job of protecting the Danish population by cooperating with the Germans, as much as was possible, and as was consistent with their own principles.

What form the Danish-German relationship would take was impossible to know at this stage. In the event, it would take form incrementally, once the broadest parameters of the occupation were laid out. On invasion day, 9 April, the Danish position was expressed in a note that Munch presented Renthe-Fink in response to the German invasion. In his memorandum, Munch responded directly to the note that Renthe-Fink had presented early that morning.²⁷ This response from Munch and Germany's memorandum announcing the invasion, the "Thirteen Conditions," formed the legal basis of more than five years of occupation. Berlin's invasion-day memorandum to the Danish government stressed that Denmark was not considered an enemy, that the invasion was 'peaceful' in nature, and that Denmark's territorial integrity would be respected, while the Thirteen Conditions essentially called for the preservation of public and economic stability and the severance of all links with

26. in general, after the apparent collapse of collective security in the mid-1930s, Denmark reverted to a policy of benign neutrality designed to convince Germany of its harmlessness. Under the pacifistic Munch's direction, the policy consequently avoided taking any steps to provoke Berlin. Hence, there was a decrease in the size of the military, and the Danish army and navy were incapable of defending against any Great Power attack. For a concise summary of Danish policy on 9 April 1940, see Hans Kirchhoff, "Foreign Policy and Rationality — The Danish Capitulation of 9 April 1940. An Outline of a Pattern of Action," *Scandinavian Journal of History*, 16 (1991), pp. 257-68.

27. *Besættelsens Hvem Hvud Hvor*, p. 18. The German memorandum and 13 demands appear in *DPK* IV, nos. 10 and 11, pp. 14-21.

Germany's enemies. In his reply, Munch deliberately avoided recognizing the notion of an occupied neutral, but acknowledged the German proclamation that the invasion was not directed against Denmark as an enemy [...*das Betreten des dänischen Bodens von deutschen Truppen nicht in feindseliger Gesinnung erfolgt ist...*]. He also repeated Berlin's pledge to respect Danish territorial integrity and political independence. Having received the German notice, the government had decided to "adjust matters in light of the given invasion," and "strongly protested this violation of Denmark's neutrality."²⁸ No further agreement on the nature of the occupation between the two countries was ever reached. Munch firmly refused suggestions to draw up any agreement on the terms of occupation: to do so would imply Danish free will, which did not exist in these circumstances.²⁹ Moreover, any agreement would mean accepting the German occupation. Denmark was occupied against its will; there could be no sign that Denmark freely accepted its position under German domination. This point was crucial. If this were surrendered, acceptance of the new arrangement would undermine whatever claim Denmark could make for its neutrality. Germany would — it was hoped — accept this as the basis for negotiations. On a practical level, any formal negotiations on the terms of occupation would have to be built upon the foundation of Denmark's alleged sovereignty and neutrality: any Danish agreement to formalize (and possibly change) the arrangement between the two countries could easily undermine that foundation.

Later on, the Danes received more assurances that the Germans remained willing to live with this *modus vivendi*. In the beginning of 1941, Scavenius, Strbyr and Wassard secured verbal reaffirmations from the Germans of these principal outlines of the Danish-German relationship as had been laid out on 9 April 1940. Germany's and Denmark's guiding principles would continue to be the pursuit of calm and order in Denmark, while the Danish

28. *DPK* IV, no. 12, p. 21.

29. One might note, however, that such a position was also used as a postwar justification about Munch's position. See, for example, Nils Svenningsen, "Danmarks status efter 9. april og dr. P. Munchs politik. (Speech given to the Danish Historical Society 15 Nov 1971). *Frisorske Tidsskrift*, 12/5, 1971, pp.343-70.

government gave lip service to the principle of equal access to the political process for the DNSAP — though without giving them any advantages, either. Denmark also pledged to see what it could do to influence the press to increase public ‘understanding’ of Germany’s ideals. In return, Germany pledged not to weaken the Danish government’s negotiating position by forcing any changes in its make-up.³⁰ It appears that Berlin had already lost its enthusiasm for the DNSAP, which had never been a significant presence in Danish political life.³¹ In the *Reich* Chancellory— *i.e.*, Hitler’s administrative office — a scathing report on DNSAP leader “Fritz [*sic*] Clausen und das Dänentum” sneered at their less than pure National Socialist credentials, noting that one of its members was even a Free Mason, that another had even shown a lack of understanding of the dangers of racial mixing (being married to a “South Seas beauty”), and that the editor of the DNSAP’s *Fadrelandet* had even worked for “the English-Jewish Reuter news service.”³²

If Munch and Renthe-Fink had laid out the political and diplomatic framework for the occupation with the exchange of notes on 9 April, King Christian managed also to present a social style for it. On invasion day, he and Stauning issued proclamations exhorting all Danes to exhibit a decent, respectful, and cooperative demeanor towards the German forces and anyone in an official position. For over three years, the behavior of the general population lived up to this royal admonition, “the King’s Word.”³³ The riots of 1943 would be the most significant departure from this. Yet, even after them a measure of calm did return. These positions and the government’s exhortations for calm and order placed the

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30. 20 Jan 41 Memo by Sthyr on Danish - German cooperation, a similar, undated note by Wassard (presumed to be written shortly thereafter), box number 21, uden nummer (V. 4.), “V. 4. Forhandlinger med tyskerne januar-februar 1941.” 1941. Another copy of Wassard’s note, with the addendum that it was ‘supplemental to the principles of 9 April’ appears in, box number 21, uden nummer (V. 6), “V. 6. Sthyr, Wassard, & cetera. Samtaler.” 1940-41. Both folders are from UM, 1993 af.
31. Unattributed note on conversation with dr. Dr. , 14 Jan 41, box 21, uden nummer (V. 6), “V. 6. Sthyr, Wassard, & cetera. Samtaler.” 1940-41, UM, 1993 af. According to Draeger, the president of the Nordische Verbindungsstelle, DNSAP leader Fritz “Clausen had not just been pursuing the wrong policy, but a stupid one, too.”
32. 7 Jan 41 report, “Fritz [*sic*] Clausen und das Dänentum,” R 13 II/1 130, “Danemark,” Koblenz.
33. *DF*, p. 147.
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Danish people in the uncomfortable position where resisting the Germans in any way put them at odds with their own democratically elected government: its decision not to fight made outlaws of those who would resist the occupying power.

If Denmark's cooperation with the Germans was thus established in principle, what remained was to see what that cooperation would look like in practice. At Renthe-Fink's first appearance at the Danish Foreign Ministry after the invasion, it appeared that the German officials themselves were unsure what form the two countries' relationship would take, but they seemed to be thinking of some form of close cooperation with Danish officials.³⁴ This idea, however, foundered upon Danish objections, and contact between the two countries was channelled via the Danish Foreign Ministry. The German suggestion was opposed by both the Cabinet and the Danish ministries. At a 15 April meeting at Director Mohr's Foreign Ministry office, the directors of the different ministries confirmed their preference for this policy. They all agreed that there was no need for direct German-Danish liaisons, and expressed instead a preference that all communication go through the Foreign Ministry. The director of the Ministry of Agriculture noted the desirability of this approach, especially given the competence in trade issues that the Foreign Ministry had developed over the last decade. On the Danish side, such an arrangement had its limitations. The Foreign Ministry's modest resources necessitated that contacts from the other ministries to the Foreign Ministry be on an *ad hoc* basis, and the other ministries would only be given a contact list of competent officials in the Foreign Ministry rather than being given permanent liaison officers. The Foreign Ministry thus kept control of all contact with the Germans. During the occupation, the Ministry — with only 127 officials of all classes, in Denmark and abroad — would fail to expand its ranks to accommodate more German activity: only nine more officials would be recruited during the entire occupation.³⁵ Only in a very few areas did officials see any need for direct Danish-German bureaucratic contact outside diplomatic channels. For example,

34. Paul Fischer and Nils Svehnijsen, *udenrigstjeneste*, p. 151.

35. *Ibid.* p. 234

the *Nationalbank* already negotiated directly with the German *Reichsbank*, the German Commanding officer in Denmark had operational contact with the Danish military, and the Danish National Railways (DSB) had a German liaison officer to coordinate schedules and other logistical problems. The Danish Justice Ministry (which also included the national police) dealt directly with a "Commissioner for Internal Management" [*Innere Verwaltung*] at the German embassy, SS captain Paul Kanstein.³⁶ In addition, *Wehrmacht* units had direct contact with local Danish authorities when it came to routine matters. These exceptions aside, all German contact with the Danish government would thus be via the Foreign Ministry. Danish officials remained isolated from the Germans for the entire occupation. After the directors' meeting of 15 April, the cabinet reviewed this subject and endorsed Munch's position that the German proposal for "commissioners" to the Danish bureaucracy should be rejected, in writing, as being inconsistent with the Germans 9 April note and "the Thirteen Conditions."³⁷ Naturally, this would not be the last time that the Germans would have to be reminded of this restraint. Already on 30 April, the cabinet prompted Munch to remind the Germans that contact with Denmark was only to be via the Foreign Ministry.³⁸ By and large, however, the German officials did keep to this pattern.

To sup with the devil, one should use a long spoon, and the Danish Foreign Ministry kept the Germans at a sufficiently healthy distance from much of Danish society. This "gatekeeper" policy not only limited German contact with Danish officials, but the limited ability of the Foreign Ministry to handle German requests also functioned as a deliberate bottleneck. This policy yielded another advantage: with Danish policy channeled through only a few hands, it would be easier to monitor German activity.³⁹

36. *Besættelsens Hvem Hvad Hvor*, p. 22. Meeting memorandum of 15 April 1940, box H 84-79, 84.B.42. "De til samarbejdet m. de danske myndigheds udnævnte tyske embedsmænd." 1940-48. UM, 1909-1945.

37. Meeting notes for 16 April 1940, box 31, 11.904. "Forhandlingsprotokoller fra ministermeder." 1/29/40-7/8/40, personark.

38. Meeting notes for 30 April 1940. *Ibid*.

39. Mouritzen chooses a poor metaphor in calling this a 'floodgate policy,' though it might well be appropriate in Danish. Henrik Nissen, 1940, p. 83, cited in Hans Mouritzen, *Finlandization* —

Keeping the Germans at a distance was a relief, for Danish officials had a large number of problems to address under the new situation of foreign occupation. Immediately on invasion day, the top Danish officials in the various ministries convened to map out the country's most pressing priorities. Among other things, quick action was required to prevent a run on the banks and the hoarding of cash and wares. An immediate price freeze and further rationing were ordered. It was also necessary to sell off 40 million *kroner* worth of food products "in the pipeline" for export to countries now outside the German area of control (This amount alone represented 13% of Denmark's 1938 export to Germany.⁴⁰) Now cut off from overseas supply of feeds and fertilizers, Denmark was also forced to reduce its livestock population, a measure which would result in a one-time increase of exports to Germany, with the most notable being an almost 1,300% increase over previous levels of pork shipments to Germany. These matters and others needed to be taken care of right away, but the officials first needed to know what they could expect under the new situation. Danish officials and trade representatives did what they could in the immediate circumstances, but the rest depended on what Germany could do for Denmark. As mentioned, on the day of the invasion, Walter and Ludwig could not be contacted. It was not at all immediately clear that the Government Committee would continue to be Denmark's point of access for trade with Germany. Danish officials, understandably, preferred not to deal with the German military if they could, and they were able to find a helpful hand in Dr. Paul Krüger, general consul at the German embassy. The day after the invasion, Krüger had made an appeal for the increase of the German coal quota to be shipped to Denmark of 1 million tons (m/t) of coal and coke above the 1.6 m/t already set for 1940. This news was not a great relief, however, as Denmark's 1938 coal consumption was over 3.8 m/t.⁴¹ Whether this was going to be the final amount Denmark would get would have to wait until Walter and

Towards a general theory of adaptive politics (Brookfield, VT, 1988), p. 132.

40. Johansen. *økonomisk statistik*, p. 209. 1938 is chosen as the last full peacetime year.

41. Sigurd Jensen, pp. 17, 20-22. Coal import figures drawn from Johansen. *økonomisk statistik*, pp. 205-6.

Ludwig arrived in Copenhagen the next week.

As argued in the preceding chapter, German economic policy from the very start was characterized by a particularly reserved and/or cautious character. This caution made it possible for the Danes to present themselves as willing to work towards relieving the economic and social situation. This was done primarily by endeavoring to limit any form of German influence, be it social, political, or economic. Such efforts, however, required active engagement with the Germans, which came in the form of Danish cooperation with Germany. Hitherto, there has not been much historical research on Danish cooperation with Germany, in large part because it comes very close to raising the issue of *collaboration*.⁴² Such squeamishness is not necessary, however. Danish cooperation with the Germans was not a blot on the Danish record. This cooperation was neither ideologically motivated nor was it opportunistic. The decision to cooperate was simply a pragmatic one. It was clear that, no matter how unpalatable the path chosen, if the Danish leadership left its posts, the Germans would undoubtedly replace them with more compliant individuals, a sequence of events that many politicians and officials believed to be contrary to Danish interests.

In Denmark, no political faction gained advantage or favor by cooperating. In fact, the German occupation reinforced the status quo in Denmark. Pre-invasion Denmark could never be called sympathetic to National Socialist Germany. The pre-invasion government remained in place after the invasion and was still headed by Stauning, a Social Democratic labor organizer. The Foreign Ministers, Munch and Scavenius were both "Radical Liberals" a pacifistic party.⁴³ Cooperation with Germany did not cause a swing to the right in Denmark:

42. Hans Mouritzen. *Finlandization*, puts the Danish experience along side other equally ambiguous examples of 'adaptive' foreign policies, but it is a political science work, without any basis in primary sources. It also has many of the other characteristics of political science works, for better or for worse, namely in that it focuses more on developing an analytical framework across several examples (throughout the Nordic Countries) rather than attempting to provide a historical reconstruction. Joachim Lund, a graduate student at the University of Copenhagen, has produced two articles on the ideological motives of some collaborators, but he has not demonstrated that their role was particularly central. P. Joachim Lund, "Den danske Østindsats 1941-43," and "Lebensraum og kollaboration 1941-43." *Den Jyske Historiker*, 71 (1995) pp. 19-41.

43. The Radical Liberals broke off from the Liberals at the beginning of the century on pacifistic grounds. Whereas the Liberals maintained that Denmark should keep a traditional military establishment, the

with no new political leadership having been installed, a political shift under the conditions of occupation was avoided.⁴⁴ Immediately after the invasion, Stauning invited the two other major parties to join the cabinet as ministers without portfolio, an offer that they reluctantly accepted, thus putting Stauning at the head of a national government.⁴⁵ A further reinforcement of the pre-invasion leadership was the creation of a "shadow parliament" that operated out of German view. In early July, Stauning proposed that a "parliamentary cooperation committee" be formed of two representatives from each of the four leading parties in the *folketing* (the national parliament). In the negotiations, a single representative from the small "Justice League" party was added to the committee, creating a "Committee of Nine" (After the withdrawal of the cabinet in August 1943, the committee of nine increased to thirteen members with the addition of four cabinet members). Meeting privately, the "Committee of Nine" was regularly presented with reports on the matters being discussed in the cabinet and bureaucracy. Its discussions had the character of a miniature parliament, where the merits of various proposals were discussed, but because the parties represented in the committee were the same ones represented in the cabinet, there was not a notable variation between its view and the cabinet's. Though it discussed a great many subjects, the Committee did not discuss industrial policy in much detail. Generally, it concentrated its attention on matters of the maintenance of the peace and quiet and the broader policy towards the Germans.⁴⁶ The political establishment, as represented in the Committee of Nine, would continue to exercise its influence right to the end. In relations with the Danish bureaucracy, ministers, who after the "withdrawal" of the government were ostensibly out of office, continued to go to their

Radical Liberals advocated a more pacifist ideology. Under a Radical Liberal- Social Democratic coalition government, the Danes drastically reduced the size of the Danish military during the 1930s.

44. Kirchhoff has argued that when the Conservative and Liberal parties joined the national government in 1940, this represented a shift to the right in Danish politics. He maintains that, e.g., ensuing anti-strike legislation, demonstrates this swing to the right. Though such legislative changes did occur, it seems that they do not measure up to the more drastic changes in other occupied countries. Hans Kirchhoff, *Kamp eller tilpasning*, p. 40.

45. Henrik Nissen, 1940, pp. 28-34.

46. The meeting protocols of the Committee of Nine up to 29 August 1943 appear in *DPK*, IV pp. 507-821.

ministries, and the *folketing* continued to meet informally in a “*snapssting*” (a play on the words “*snaps*,” the Danish national liquor, and “*ting*,” the *snapssting* was the nickname given the restaurant at Christiansborg, location of the *folketing* as well as the Prime Minister’s and Foreign Ministry’s offices. Despite the connotation, at the *snapssting*, more coffee was drunk than *snaps*). At the end of June 1940, a cabinet of eighteen members including six ministers without portfolio had proved to be too cumbersome, and after having struggled over domestic policy issues, Stauning formed a new and smaller government on 8 July. This cabinet included three “non-political” members, one at the head of the Justice Ministry, another at the Ministry of Public Works (which included transportation, also a matter of German attention), and the third at the Foreign Ministry. Munch, blamed by the Liberals and Conservatives for the occupation, resigned as Foreign Minister in favor of Scavenius, a Radical Liberal career diplomat, who was preferred by Christian X on the basis of his having held the same position during the First World War. Munch remained a member of the Committee of Nine, however, and thus retained a strong influence over affairs. The Danish government would be a national coalition government, peppered with non-political members until the collapse of the “policy of cooperation” in August 1943, and would remain the actual authority even afterwards. Continuity in this leadership allowed Denmark to react to German moves while keeping its own interests in view.

The Danish political establishment thus remained constant throughout the occupation, and the Radical Liberal-Social Democratic government remained the dominant force in Danish politics. The Telegram Crisis of 1942 was the only occasion when German pressure resulted in its candidate being put in office, though there had been some cases where very vocal critics of the government’s policy were moved out of the public light.⁴⁷ Yet one could

47. The Telegram Crisis of September-November 1942 involved a tantrum by Hitler in response to King Christian’s terse, but completely routine, telegram thanking Hitler for his birthday greeting, which led to the replacement of Renthe-Fink and the commander of the German forces in Denmark, General Lüdke. However, though early postwar depictions of the Telegram Crisis played the crisis as another blow to Danish - German relations, the ensuing German policy, which in all essentials remained unchanged, indicates that the Crisis was more a public show, a *Nervekrieg* to remind the Danes who had the upper hand. See Kirchhoff, *Augustoprovet*, 1, pp. 35-52.

say that the removal of sources of friction was not unwelcome, from the perspective of those who would cooperate. In February 1941, for example, the Germans pressured the Social Democrats to remove its party chairman Hans Hedtoft Hansen, on the basis of his interwar activism against fascism. Despite this, Hedtoft Hansen remained supportive of the cooperation policy to the end of the occupation, twice rejecting offers from the resistance to escape to Great Britain and join the struggle against the Germans.⁴⁸ The resolution of the New Year's Crisis in January 1941 included the removal from the cabinet of the head of the National Conservative Party, John Christmas Møller. When the Germans successfully pushed for a new Prime Minister in the Telegram Crisis, in November 1942, it was not a DNSAP member, but in fact Scavenius, who would become Prime Minister in November 1942, succeeding Social Democrat Vilhelm Buhl (who himself had succeeded to the office upon Stauning's death that May). Scavenius, though preferred by the Germans, was certainly not pro-German, but rather had an ability to convince them that Denmark understood its place in the New Order.⁴⁹

The economic implications of that place were feared from the start. That Denmark would serve as an agricultural supplier was a foregone conclusion, but the repercussions for industry were of more concern. Whatever role was planned for industry, the government hoped to keep that plan from harming Danish interests, and repeating the distortions the economy had suffered during the First World War.

Containing the economic effects of the German presence now carried another risk, as the Danish government had to worry about the ideological effects of having so many representatives of the National Socialist regime in the country. The prospect of wave upon wave of Nazis coming to Denmark to do business and to perform the support work needed by the *Wehrmacht* in Denmark — barracks, runways, and fortifications surely would need to be

48. *Besættelsens Hvem Hvad Hvor*, p. 295.

49. In July 1941, Weizsäcker would tell the Danish ambassador to Berlin that the Danes owed their good fortunes to Scavenius. 15 Jul 41 Mohr notes on conversation with Munch, Scavenius, and Stauning, 99.F.3/36. "Minister O.C. Mohrs Notater." UM, 1909-1945.

built — was completely unwelcome. If German companies doing such work should come to Denmark and hire Danish laborers, their working conditions were also feared for: it was preferable that Danish workers continue to be protected by the more beneficial Danish labor laws. This fear was quickly highlighted, for immediately after the invasion, the *Wehrmacht* requested Danish labor for construction work. At a cabinet meeting on 15 April, the government concluded that it had no choice but to encourage Danish firms to take on this work instead of allowing Danish workers to work directly for the Germans. Germany was told that these projects would be built not with merely with Danish labor, but by Danish contractors, which would be in keeping with the “Thirteen Conditions.”⁵⁰ Thus many dangers were averted by the decision to have Danish companies work for the Germans. Ideological “infection,” economic exploitation, the preservation of Danish labor law, the relief of Danish unemployment, and the bolstering of Danish sovereignty were all redressed by this expedient.

This decision was the first step towards economic collaboration with the Germans, and the very broadest principles of Danish economic policy under the occupation were worked out over the next three months. The decision to have Danish construction firms accept German contracts was made already on 15 April, six days after the invasion. Once the Government Committee’s position and authority were reaffirmed with the meetings of 18-20 April, the Danish government approached the subject with some levelheadedness. There is, however, only limited documentary evidence of such decisions. Yet sometimes, a decision might appear at first glance to be more crucial than it actually was. Such was the case of the “Crisis Committee,” established on 3 May, and charged with monitoring the economic situation. The dramatic name, however, masked its rather limited purview. The Crisis Committee, under the chairmanship of the Minister of Trade, was made up of the Prime Minister and the Ministers of Foreign Affairs, Agriculture, Finance, Public Works,

50. Cabinet meeting notes of 15 April 1940, box 1, 5579. “HASLE, Henning (1900-) højsterretssagfører, politiker.” 1939-59, personark.

and later even the Ministers of the Interior, Labor, and Transportation. The Crisis Cabinet was not especially select, given that it excluded only the Ministers of Education and the National Church. Generally, the Crisis Committee focused on mundane matters of prices, supply, and employment.⁵¹ Its meeting notes were of a routine nature, and its gatherings resembled briefings more than committee meetings of the country's highest political leadership, and produced little substantial debate on important issues.⁵²

Indeed, in the whole cabinet, economic discussions in May and June were only slightly more interesting, but still, significant decisions were made in this period. In late May, it appears that there was still no solid consensus on what to make of the German economic activity. On one hand, Munch could report that the Germans wanted to negotiate only contracts that would be completed over the course of the next few months, as they thought that the war would be over soon. Yet German activity was still causing some serious concern. Denmark's only substantial weapons manufacturer, DIS, had not surprisingly attracted early German attention (although Forstmann recommended that DIS not be converted to the production of German weapons⁵³), a fact which raised hackles in the cabinet. For example, DIS was negotiating for a sale of recoilless rifles to Romania in exchange for shipments of gasoline. What the cabinet found to be the most objectionable part of the deal, however, was that DIS had made this deal with German help, rather than going via the Danish bureaucracy. Christmas Møller complained that DIS's behavior amounted to

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51. Cabinet meeting notes of 3 May 40, box number 5, 5579. "HASLE, Henning (1900-) højsteretssagfører, politiker." 1939-59, personark.
 52. See box number H 99-272, 99.F.5/12B.3-1. "Referater af møder i ministerudvalget 18/7/41-24/3/42." 1941-43, box number H 83-23, 83.Dan.1.c. "Danmark: ministerudvalgets mødereferater, I-II," 1941-47, UM, 1909-1945, and Journal nr. 207. "Ministerudvalgets møder 5/1-1940-25/8/ 1943. Bd 1-2." ujournaliserede sager, Ministry of Trade, Industry, & Shipping, proviens number 15, Danish National Archives (Rigsarkiv). Copenhagen. Files of the Ministry of Trade, Industry & Shipping, which are not nearly as well catalogued as those of the Danish Foreign Ministry, shall hereafter be cited as "number, 'title,' date, HM." (for Handelsministeriet, as the Ministry of Trade, Industry & Shipping was commonly called).
 53. Forstmann report of 6 May 1940, WIT:17. "Norge, Danmark." Freiburg. Though noting the quality of Madsen production and the modern state of its production facilities, Forstmann saw no reason to make such a change. It was possible that German troops in Northern Europe might be equipped with Madsen small arms, and he thought also that Madsen anti-aircraft cannon would be worth ordering.
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“an alliance with the Germans against us.” All agreed that this deal would not be permitted to continue. The Cabinet feared that other companies also might be dealing directly with the Germans.⁵⁴ One of the most substantial decisions was reached in mid-June, when the *Nationalbank* was authorized to continue extending credit to the Germans, which made the Danish state the financier of German industrial purchases. A week earlier, Defense Minister Alsing Andersen had reported that the Germans were interested in producing weapons in Denmark, and would provide the supplies for this production and compensate for labor costs completely and separately from the rest of Danish-German trade. This proposal would eventually be realized as the “extraordinary industrial deliveries program,” but, for the moment, the cabinet agreed that this hot potato should be discussed later. Christmas Møller (characteristically) blurted out at the Cabinet meeting that this project would be rejected.⁵⁵ He was wrong, though the details would not be exactly as initially proposed by Germany. Still, Denmark would not risk any provocations.

Despite the lack of a written record of any thorough discussion of pivotal issues in the Crisis Committee or in the cabinet, the main Danish decisions about the economy must have been reached in this period. Given the absence of extensive records on policy decisions or discussion thereof, it appears that keeping the economy going was quickly decided upon at a political level, then left to the Foreign Ministry to execute. There remains, for example, no document from the political leadership which puts forth a fundamental Danish policy on German industrial orders. No mention of Stauning’s opinion on industrial orders to Germany is to be found in the archives. Nor do the three different Trade Ministers in 1940 seem to have left any record of their opinion on the wider issue of working for the Germans. There is no written record on the Foreign Minister’s own view on such work, either, though the industrious Munch was known to be especially well-informed on most aspects of the Danish

54. Cabinet meeting notes of 21 May 40, box number 5. 5579. “HASLE. Henning (1900-) højsteretssagfører, politiker.” 1939-59. personark.

55. Cabinet meeting notes of 7 June 40, box number 5. 5579. “HASLE. Henning (1900-) højsteretssagfører, politiker.” 1939-59. personark.

Foreign Ministry's work. Scavenius seems not to have involved himself deeply in the formulation or execution of economic policy in the Ministry. For the most part, it appears that the decisions on industrial policy tended to fall on Wassard's shoulders. Given the good relationship between Wassard and Scavenius and Wassard's putative ability to steer the Minister, it is likely that his influence in these affairs was considerable. Only long after the fundamental decisions had been made did the Danish Foreign Ministry produce some summary reports on Germany's industrial purchasing, and then the decisions to permit the activity were only mentioned in passing.⁵⁶

Reconstructing the Danish government's formulation of economic policy in the first months of the occupation can only be done indirectly, then, but it can be done. One must keep in mind that the atmosphere in which decisions were made led to a great amount of secrecy: one never knew when or if the Germans would abruptly close down the whole Danish government. Discussion of the Germans or the attitude toward them at the highest level could not be committed to paper. Meeting notes for the Cabinet or the Committee of Nine in their earlier sessions tend to be very brief, and were often a mere list of subjects discussed. For example, one of the early meeting notes for the Committee of Nine merely states that Scavenius gave a detailed briefing on Denmark and the League of Nations.⁵⁷ The 7 June 1940 cabinet meeting records list discussion of four points, two of which read, "II. Foreign Minister reported on a few things and they were discussed. III. Discussed sealing of windows & doors against winter drafts."⁵⁸ Later notes, made when the politicians had become more comfortable with the situation, went into greater detail. The bureaucrats themselves were usually more expansive in their reporting of events, but sometimes what they did not mention was significant, too. On one occasion, Wassard admitted to the

56. For example, the Danish Foreign Ministry's Office for Special Trade Matters' Annual report, 1 April 1943, box 23, uden nummer (VL), "VI. Udenrigsministeriets Kontor for særlige handelssager. Kontrol med tyske myndigheders indkøb under besættelsen," 1940-45, UM, 1993 afl.

57. Committee of Nine meeting notes of 12 July 1940, *DPK*, IV, a, p. 50.

58. 7 Jun 40 cabinet meeting notes, box 31, 11.004. "Forhandlingsprotokoller fra ministermøder." 1/29/40-7/8/40, personark.

Industrial Council that the Danish Foreign Ministry had avoided putting down on paper its position on the matter of controlling German purchasing (see below, p. 122).⁵⁹ Another difficulty confronting the historian is that the Danish Foreign Ministry burned its most sensitive documents right before German clampdown in Operation Safari on 29 August 1943.⁶⁰ What the Danish Foreign Ministry wanted to keep from the Germans can only be surmised, but one might imagine such documents showed Danish assessments of Germany's actual intentions, Danish plans for various contingencies, and Danish contacts with third countries. Nor are there many traces of decisions made at this time that reveal that Danish government officials actively encouraged Danish companies to take on contracts. The only exception to this is the matter of construction companies, as mentioned above. This lack of documentary evidence, of course, does not rule out the possibility that privately and in person, manufacturers were prodded to cooperate, but as a rule, it appears that the government's policy aimed more at establishing and maintaining an atmosphere wherein the Germans felt that the Danes were cooperative. There were thus two chief goals. First, companies would be allowed to take on the work, if they needed it, and, secondly, the Germans needed to be kept content with their access to Danish production.

Cooperation with the Germans was not an easy thing to sell publicly, so it was necessary to emphasize what Denmark got from the arrangement. Hence, whenever Danish officials publicly mentioned their decision to cooperate with Forstmann's industrial purchasing program, they tended to mention it as an unemployment relief effort. This concern

59. Wassard to Netterstrøm (Industrial Council) 3 Jul 40, box number H 64-243. 64.Dan.80/12. "Bestillinger fra Tyskland af jernbanematerial i Danmark og reparationer for værnemagten." U.M. 1909-45.

60. In burning its most sensitive documents at the end of August 1943, it seems unlikely that the Danish Foreign Ministry was doing so to hide something from posterity. More likely, they were specifically worried about the Germans getting access to records. It appears that the Ministry has been able to maintain a satisfactory — to itself — level of control over the Danish public's access to records: even though all files from the occupation period were ostensibly opened right after the occupation, in variance from the standard Danish practice of sealing records for eighty years, a significant group of occupation files — so-called "confidential documents" — was released only in 1993. In conversations with Danish historians, this author has learned that they believe that a significant number of occupation era files still have yet to be released. On the burning of sensitive documents, see Hans Kirchhoff, *Augustoprøvet*, 2, p. 398.

seems quite genuine, given Danish worries about the First World War experience as well as the points that they made to the Germans. The need to redress unemployment claim was also emphatically made to the *Wehrwirtschaftsstab* at the 6 June 40 meeting described above (p.62). The Danes noted that, so far, German orders were being placed with only a few firms: from their point of view, it was far more desirable that orders be spread more widely among contractors. This preference could only be because the Danes wished to spread the benefits of further employment. At this meeting, Forstmann was not too helpful, however, as he claimed that his investigations had determined that only "a quite small number of Danish firms were suitable," which would make distributing the work impractical.⁶¹ Still, the Captain did respect this Danish preference and his contracts were spread across the country.

This official Danish interest in relieving unemployment would be cited as justification in one of the few contemporary documents expressing the official Danish policy towards taking on German industrial orders. On 10 June, Wassard informed the other Danish ministries of the following:

the Foreign Ministry suggests that the Danish Government Committee delegation be authorized to declare that the Danish government, in an effort to combat unemployment, will authorize advance payments to Danish companies for contracts from the German side for the rest of the calendar year for the approximate amount of 21 million *Reich Marks*. The conditions for these payments shall be that the materials be provided and that the value of these materials be subtracted from the 21 million *Reich Marks* total.⁶²

Two days later, Wassard and other Danish officials from the Foreign Ministry briefed the parliamentary Foreign Affairs Committee on the general situation, presumably with the same message about industry.⁶³ Wassard's 12 June briefing of the Foreign Affairs Committee can

61. Ø.P. report number 23. Undated, box number H 99-17d, 99.F.3/44, "Ø.P. Oversigter," 1940-42, UM, 1909-45. A dated copy (6 Jun 40) was found in the files of the Industrial Council: The WiRüAmt. Director Panken, representative was actually only seconded to the WiRüAmt for this assignment: Panken can be identified from the *Wehrwirtschaftsstab* War Diary entry of 5 Jun 40.

62. Wassard to the Ministries of Trade & Industry, Finance, and Agriculture. 10 June 40, box number H 64-227, 64.Dan.80.u, "Danmark-Tyskland: dansk finansiering i forhold til Tyskland. Generelle spørgsmål. I-II," 1940-45, UM, 1909-45.

63. Meeting notes of the Foreign Affairs Committee, box number 10, 3.E.92, "Det udenrigspolitiske nævns. Modeprotokoller. (2 binde)," 1934-46, UM, 1993 *all*. No transcript of Wassard's briefing was found.

probably be seen as the moment when the Danish political establishment was informed of the character that the economic relationship between the two countries would take. Was-sard's presentation was at the same time that the Cabinet authorized the *Nationalbank* to extend credit for industrial exports to Germany.⁶⁴ On 3 August, the financial committees of the *landeting* and *rigsdag* (the two houses of the *folketing*) gave the Foreign Ministry their approval of credit for the EID.⁶⁵ From this moment, the Danish government had committed to economic cooperation with Germany.

Similar conclusions had been reached within industry during these first few months of the occupation. Industry also concluded that, no matter how unpalatable it might be, it ought to cooperate with Germany and accept contracts, though this conclusion came slowly. At the 23 April meeting of the "Working Committee" of the Association of Metalworking Companies, the subject of working for Germany was brought up, although the (unnamed) members did so only "confidentially." Unwilling to make any commitment, they agreed to bring the matter to the attention of their parent organization, the Industrial Council, before they made any decisions.⁶⁶ In the beginning of May, the Industrial Council informed the Danish Foreign Ministry of German scouting of some Danish manufacturers, and the manufacturers made clear that, given its loss of overseas markets, industry was very interested in getting the business.⁶⁷ The Council also directed its members to desist from sales to the German military without any agreement between the German and Danish governments.⁶⁸ Scandia, a manufacturer of railway cars, informed the Council that it had been contacted by

64. 14 Jun 40 cabinet meeting notes, box 31, 11.004. "Forhandlingsprotokoller fra ministermoder." 1/29/40-7/8/40, personark.

65. Folketing and Landsting's financial committees to Danish Foreign Ministry, 3 Aug 40, box H 64-227, 64.Dan.80.u. "Danmark-Tyskland: dansk finansiering i forhold til Tyskland. Generelle spørgsmål. I-II." 1940-45, UM, 1909-1945.

66. 23 April Meeting notes of the Arbejdsudvalg, "Forhandlingsprotokoller for Forretningsudvalget. Arbejdsudvalget." 1940-45, *Sammenslutning af Arbejdsgiver indenfor Jern- og Metalindustrien*, Århus.

67. Bergsøe & Søn to Industrial Council, 7 May, box number H 99-300e, 99.F.5/12 tilføjelse. "Industrirådet (vedr. Tyskland. Korrespondance, forhandlinger, m.v.)." UM, 1909-45.

68. Industrial Council membership circular, 14 May 40. *BF*, pp. 11-2.

the *Wehrwirtschaftsstab* and had been asked to complete a capacity and facilities survey.

Scandia had refused, telling the Germans that all Danish companies had been instructed to direct any German queries to the Industrial Council. Not every company was as reticent as Scandia, however. In fact, the Industrial Council soon found itself with a pile of Danish companies' responses to the surveys, and no idea of what to do with the information; it applied to the Danish Foreign Ministry for guidance on the subject.⁶⁹ This would not be the last time that the *Wehrwirtschaftsstab* would conduct such a survey, but always the German efforts would be blunted by a Danish effort to control this information-gathering.

Still, it was readily apparent to Danish manufacturers that the Germans were strongly interested in doing business with them, and the Industrial Council had to adjust to meeting the challenges of doing business with the Germans. The Council harbored no illusions that Germany, "as one large war machine," was going to make supplying Denmark a high priority, but it was apparent that Denmark would be increasingly enmeshed with the German economy. The Industrial Council's Director, G.E. Hartz, saw that there were going to be some opportunities in Germany:

...In German circles, the attitude towards Denmark is especially friendly... Moreover, in official circles, they make no secret that they are looking forward to closer cooperation between Denmark and Germany. On more than one occasion, German officials confidentially mentioned this to members of our delegation [that accompanied the Government Committee to Berlin]. I don't mean to mix myself up in politics here, but I should like to mention that I think it's important that people in our position keep as closely informed as possible about developments regarding Denmark that might be coming up in official circles in our large southern neighbor.⁷⁰

Industry likewise was looking for signals from the Danish government. In a letter to Munch two days later, Hartz and the Industrial Council chairman, August Holm, explicitly asked the Danish Foreign Ministry what they should do:

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69. Industrial Council to Danish Foreign Ministry. 18 May 40, box number H 84-39, 84.X.51, "Danmark: forskellige oplysninger til tyske besættelsesmyndigheder." UM. 1909-45.
70. Industrial Council meeting of 21 May 40, box 35/26. "Danmark, Industrirådet under Besættelsen." 1945. IR, gulde.
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...we must inform you that it appears to us that perceptions of how extensively they should accept orders from the German military vary widely among companies throughout the country. In many cases it's been noticed that contracts that have been offered to a company that — in compliance with the Foreign Ministry's and the Trade Ministry's admonitions — have shown a bit of reluctance, are immediately withdrawn and placed with competing firms. Conditions like these make the situation entirely untenable, and we think it is extremely necessary that a final decision on this subject be made as soon as possible.⁷¹

No further evidence of whether the *Wehrwirtschaftsstab* was systematically behaving in this manner has appeared. However, it is clear that anecdotal evidence was making industry feel that its position in the new circumstances of the occupation was not being addressed by the government. The same day, Hartz sent the Foreign Ministry a copy of a letter from the Shipyard Association detailing some contracts that the *Kriegsmarine* yards in Kiel had drawn up with Danish shipyards for repairs. Though the contracts were entirely in keeping with standard business practices, the association was concerned that it was not getting any guidance on this matter from the Government. The shipyards assumed, simply, that the matter *was* being considered by the government, but they had not heard anything definitive from the authorities.⁷² More letters expressed the same concern at other yards and reported the same German willingness to follow standard business practices.

Despite the *Wehrwirtschaftsstab*'s apparent willingness to conduct business in a normal manner, some companies still showed a hesitation to do certain kinds of work for the WiRüAmt. The Frichs works in Århus, makers of locomotives, was approached early on with an offer to make diesel engines for U-boats. However, though they felt themselves to be as capable of making diesel engines as anyone else, Frichs preferred not to take on such contracts, and would rather do business with the German *Reichsbahn*. Frichs did not feel entirely comfortable with making this decision on its own, however, and asked the Foreign Ministry

71. Holm and Hartz letter to the Foreign Ministry, 23 May 1940. "H. Tyskland. Værnemagt. Handelsministeriet. Udenrigsministeriet." 1940. IR. sorte.

72. 24 May 1940 letter from Hartz to Danish Foreign Ministry. "H. Tyskland. Værnemagt. Handelsministeriet. Udenrigsministeriet." 1940. IR. sorte.

for an expression of its position on the matter.⁷³ In an example of the mutually consultive nature of the relations between government and industry in Denmark, the Foreign Ministry in turn asked the Industrial Council for a statement of its position before Wassard reached a definitive decision.⁷⁴ In the end, Frichs was able to follow its own preferences for working with the *Reichsbahn*, which placed an order for ten locomotives the next month.⁷⁵ It is also notable that the German order was for only two-thirds of Frichs' available capacity: according to information the company provided the Danish Foreign Ministry and the Germans, it could produce fifteen locomotives per year.⁷⁶ Here, the Germans again showed a tendency to avoid using up all the Danish capacity.

This tendency shows how German policy and Danish policy seemed to coincide when it came to industrial production. As will be discussed more fully in chapter III, the Germans showed little interest in the exploitation of Denmark, but were instead more interested in ensuring the economic stability of the country. Both the Danish government's and the German purchasing officers seemed more concerned about keeping Danish industry busy than attempting to mobilize Danish industry for the war effort.

With the Germans having little interest in the full exploitation of the Danish economy, there were few occasions for the Danish government to pressure industry to take on work for the Germans. Though the Danish government had committed, in general to economic cooperation with the Germans, it appears that it put no pressure on industry as a whole to produce as much as possible for them. Although the construction industry had been prodded in April 1940 to take on work, by summer 1940, there was no longer any effort to

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73. 27 May 40 Frichs a/s to Danish Foreign Ministry, box number H 64-243, 64.Dan.80/12, "Bestillinger fra Tyskland af jernbanematerial i Danmark og reparationer for v rnemagten." 1940-1945. UM, 1909-45. No reply has been found.
74. Stenderup (political division of Danish Foreign Ministry) to Hartz, 14 Jun 40. "H. Tyskland. V rnemagt. Handelsministeriet. Udenrigsministeriet." 1940. IR. sorte.
75. Peschardt to Industrial Council, 23 Aug 40. "H. Tyskland. V rnemagt. Handelsministeriet. Udenrigsministeriet." 1940. IR. sorte.
76.  .P. report number 11, 21 May 40, box H 99-17d, 99.F.3/44, " .P. Oversigter." 1940-42. UM, 1909-1945.
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pressure the rest of industry to cooperate. As a result, Danish firms were left to decide for themselves whether or not to do such work. Some companies simply refused to take on the work, and could afford the loss of business brought on by Denmark's new isolation from traditional markets. Some kept their workers busy by refitting, repairing, and upgrading their facilities.⁷⁷ Still, despite the government's policy of letting firms decide for themselves, at times there were those that felt they had been encouraged by the government to take on such work. In the tense days after the crisis in August 1943, some members of the Industrial Council's Business Committee expressed concern that they might now be left in the lurch: they wanted to know whether the work that they were doing for the Germans — which they believed the Foreign Ministry had encouraged them to take on — would still be legal in the changed circumstances.⁷⁸ Yet, this belief that the government had been encouraging them to take on the work is not well-substantiated by the evidence. True, the Foreign Ministry wanted the Germans to spread their work to as many companies as possible, but this wish was only directed at getting work for idle firms. Time and again, the official Danish emphasis was on allowing the Germans to use free capacity, not the utilization of all of Denmark's resources or the expansion of Danish industry. The Foreign Ministry sought to balance the needs of industry to keep itself afloat with the conflicting need of limiting the German presence in Danish economic life. The only way that Denmark could hope to steer German activity was the path of cooperation and negotiation. Scavenius, one of those who took more than his fair share of the blame for the "caretaking policy" after the war, summarized the Danish government's policy on economic cooperation to the postwar investigatory "Parliamentary Commission," thus:

It can't be denied that the economic cooperation that began right from 9 April 1940— and that ran over the whole occupation — had the uncondi-

77. "Industrivirksomhedernes Tilstand efter Krigen. Interessante Betragtninger i Arbejds- og Fabriktilsynets Beretning for 1947." *Tidsskrift for Industri*, 15 Dec 48, p. 204-5.

78. Meeting notes of 2 September 1943, "Forhandlingsprotokoller for Forretningsudvalget. Arbejdsudvalget," 1940-45. *Sammenslutning af Arbejdsgiver indenfor Jern- og Metalindustrien*. Danish National Archives, Commercial Archive, Århus.

tional support of the different cabinets over the course of the occupation. The different parties of the *rigsdag* also supported this policy. Economic cooperation with the occupation power was a necessity not just because they had the power of force here in Denmark, but also because the maintenance of economic life and especially industry was dependent upon supply from Germany. Without this economic cooperation the German authorities would have made their own arrangements for the distribution of supplies, which would no doubt would have caused irreparable economic and political harm to Denmark.

The various ministries as well as the business organizations loyally helped execute this crucial economic cooperation, and I am convinced that, when asked, government officials and representatives of the business organizations alike agreed with this policy.⁷⁹

These comments, incidentally, were typical of the Foreign Minister (though it lacked his often bitter wit: to the “resistance’s” postwar proclamation that Denmark had been at war against Germany, he quipped, “It’s a good thing the Germans didn’t find out about it”). To him, cooperation with Germany was an unavoidable evil, and to defend it was a tiresome chore. He had absolutely no patience for the hesitations of the political class, and could be brutally dismissive to them.

Though there was general support for the cooperation policy, there was often disagreement in assessing just how far cooperation should go. Cabinet meetings could be extremely stormy, and Scavenius was scarcely on speaking terms with many of the politicians in the government, such as Minister of Trade Halfdan Hendriksen, or the members of Committee of Nine. Yet Scavenius also had a strong sense of the goodwill that gestures could create. Often quarrelling with other ministers, he threatened to resign on several occasions: a prospect that the politicians liked even less, for to do this so would have irritated the Germans, who made no secret of their preference for him.⁸⁰ Scavenius focused on the reality of German power, and because of it was often irritated by the doubts the politicians might have had about gestures to assuage German suspicions,⁸¹ and he repeatedly argued that only fools

79. *DPK*, VII, bilag, no. 41, p. 211.

80. *Besættelsens Hvem Hvad Hoor*, p. 335

81. For example, wishing to avoid a stormy reception in the cabinet for the idea, Scavenius did not even inform the cabinet that he had helped create an “Eastern Areas Committee” to explore a role for

failed to recognize the implications of German power. At one Committee of Nine meeting, Scavenius' public statement to the effect of Germany's dominant position in Europe was questioned, and the Defense Minister commented that "Germany hasn't won the war, you know." To this Scavenius shot back, "They have won it here in Denmark."⁸² No matter what happened to Germany, he contended, Danes should remember that they would continue to have a very strong Germany as a neighbor long after the dust settled.

Moderation towards the Germans did last after the dust settled. After the occupation, when Denmark addressed the issue of cooperation and treason in the so-called "Legal Settlement" [*retsopgørelse*], economic cooperation was the dog that did not bark. In these trials, the investigating counsel, who also possessed an anti-capitalist bent, was very eager to expose the greed and unpatriotic character of Danish industry, and in particular Danish construction companies, who had done well out of German contracts. He was for the most part unsuccessful. Large companies evaded serious penalties for their economic cooperation. As often can be the case, the greatest penalties were paid by the less than high or mighty, like the washerwoman in Esbjerg whose business expanded chiefly because of the increased work made available by German customers. The investigating counsel's first intended victim was one of the country's largest construction firms, and as chance would have it, also one of the firms that the Danish cabinet had pressured into accepting work for the Germans. When the government's pressure upon the contractor was made public, charges of treasonous motives fell by the wayside. In the end, the prosecutor withdrew from office, depressed and defeated. Still, the legal settlement would require that all contact with the Germans during the occupation be reviewed by a commission; profits were trimmed, and restitution was made to the

Denmark in occupied Eastern Europe, in an effort to convince Germany of Denmark's interest in the "reconstruction" of the East. Scavenius only told the cabinet of this "Eastern Areas Committee's" existence six months after its creation, and after Gunnar Larsen, along with Thorkil Juncker, a leading Danish businessman, a committee member and DNSAP member, had made a "fact-finding trip" to the Baltic lands. (P. Joachim Lund, "Den danske Østindsats 1941-43. Østrumudvalget i den politiske kollaboration," *Historisk Tidsskrift*, 95, 1 (1995), p. 48.)

82. Meeting notes of Committee of Nine, 4 May 42, *DPK*, IV, 2, p. 673.

Danish state.⁸³ Generally, however, the "legal settlement" was more moderate than might be expected.

This was despite postwar public sentiment, which required that Scavenius' sober rationale for the necessity of cooperation with Germany be forgotten, and it was discreetly and quickly swept under the carpet. Denmark preferred to remember (or perhaps mythologize) the more dramatic and (in the postwar world more acceptable) activity of the resistance and the successful evacuation of the Jews to Sweden.⁸⁴ The fact was, however, that both the public and private sectors cooperated to ensure that working with Germany went as smoothly as possible. Towards the end of July 1940 the government established a "Danish-German Association" under the chairmanship of the DSB director Poul Knutzen. The Danish-German Association was intended to promote social contact between German and Danish officials, in no small part because the government wished to steer the Plenipotentiary's contacts towards other Danes than DNSAP members. It appears that some of the German officials in Denmark genuinely thought that the Association represented a good-faith effort at bringing Denmark closely into the German sphere. Forstmann's August situation report noted that this group included influential businessmen who wished to steer Denmark away from its dependence on the British, and recommended that Berlin encourage its efforts.⁸⁵ As a propaganda organ to promote 'goodwill' between the two countries, all with the imprimatur of official support, the Association also was intended to serve as a forum for the public discussion of the two countries' partnership. After the war, Knutzen, who had

83. See ch. 8, "The war profiteers, the settlement that stumbled from the start," in Dider Tamm, *Reisopgøret efter Besættelsen* (Copenhagen, 1985), p. 479-98. Tamm's work is a definitive and exhaustive examination of the juridical aspects of "the legal settlement." A more analytical and historical work still needs to be written.

84. Most Danish Jews were able to escape to Sweden before the Germans rounded them up on the night of 1-2 October 1943. An example of the kind of mythologizing that occurred about the Jews in Denmark involves a tale one still hears upon occasion. According to this story, King Christian responded to a German demand that Danish Jews wear the Star of David with the response that he himself would wear the star. In actual fact, the Germans never made such a demand in Denmark.

85. 15 August 1940 situation report, RW 27 /5. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 1z: 1. Vierteljahr 1943 (Entwurf)." Freiburg.

been asked to take on this job by the Danish political establishment, would lose his job for this and other allegedly “un-Danish” activity. Yet the Danish-German Association was typical of the kind of attitude the government maintained towards Germany up to August 1943. Though the Danish-German Association was dissolved after August 1943, social and professional contact between officials of the two countries would continue.

However, cooperation was not just something to be built between Germany and Denmark: it had to be built between the Danish actors as well. Fortunately for the Danes, Danish economic and political life was already well coordinated before the occupation, and was suited for presenting the kind of united front to the Germans that the circumstances called for. This corporatist structure might even have had an effect in keeping Germany from pushing for the adoption of Nazi corporatism in Denmark, though no evidence to prove this point has surfaced. The roots of Danish corporatism can be found even before the First World War, but it really matured during the war, as the government increasingly turned to private organizations to perform public services.⁸⁶ The Industrial Council coordinated Denmark’s imports, while Danish industries and shippers — on behalf of the Danish state — ended up negotiating deals with belligerent governments.⁸⁷ These kinds of practices expanded in the 1930s, and national economic bodies such as the Agricultural and Industrial Councils, the Employers Federation, and the Trades Union Confederation worked with the appropriate Danish officials in formulating legislation and policy. In part, this practice was due to the government’s lack of competent officials: it was often simplest to rely on the expertise of economic organizations, but it also was indicative of the consultive nature of Danish politics and policy-making.⁸⁸ Hence, by 1940, little would — or indeed even could

86. On the roots of Danish corporatism, consider the example of social insurance programs that were originally created by private associations, or national collective agreements (*i.e.* between all laborers and the Danish Employers Federation), which were an established practice. See Johansen, *Danish Economy*, pp. 11-2.

87. Tortzen, *Søfolk*. 1, pp. 84-5. H.N. Andersen, State Counsel of the Danish East Asiatic Company [a royally chartered business], for example, negotiated trade and shipping agreements for Christian X, the Danish Foreign Ministry, and business organizations, depending on the circumstances.

88. This tendency came under scrutiny only after the Second World War. An early critique can be found in

— happen without the active cooperation of these groups. So, under the occupation, the Agricultural Council negotiated the prices and amounts of exports to Germany, and sent representatives to Berlin to provide the necessary expertise for the Government Committee. As noted, the Industrial Council represented Danish industry to both the Danish government and the *Wehrwirtschaftsstab*, and was left in charge of ascertaining that Germany provided the materials needed for its contracts. The Council also sent an engineer to the Berlin embassy, Erik Klem (an F.L. Smidth employee), to be the attaché for industrial affairs. As much as possible, Klem administered day-to-day contact with the German bureaucracy.⁸⁹

Of course, leaving the Industrial Council in charge of the EID was something akin to leaving the foxes in charge of the henhouse, but this concern was not on top of people's minds at that time. This was rather characteristic for the way that the Danish government formulated policy. Relying on its informal corporatist practices, the Danish government repeatedly turned to private organizations to provide expertise. Hence, it was not seriously questioned whether the Industrial Council would pursue the nation's interest before its own. With the Industrial Council and the Danish bureaucracy cooperating in monitoring German industrial purchases, no doubt the two became increasingly aware of the other's activities in other areas, too. This probably helped the relationship between them (and may have smoothed the way for their cooperation after the end of the war). In July 1940, Wassard wrote Svend Netterstrøm, one of the administrators at the Industrial Council, thanking him for the Council's update on its administration of Forstmann's program. Wassard thought the arrangements with Forstmann were coming along nicely, and that they should be effective, even if they were imperfect. At least the entire process would enable Denmark to track and quantify whatever information it might need in negotiations with Germany. He hoped that this procedure would give the Council a direct method of following individual firms'

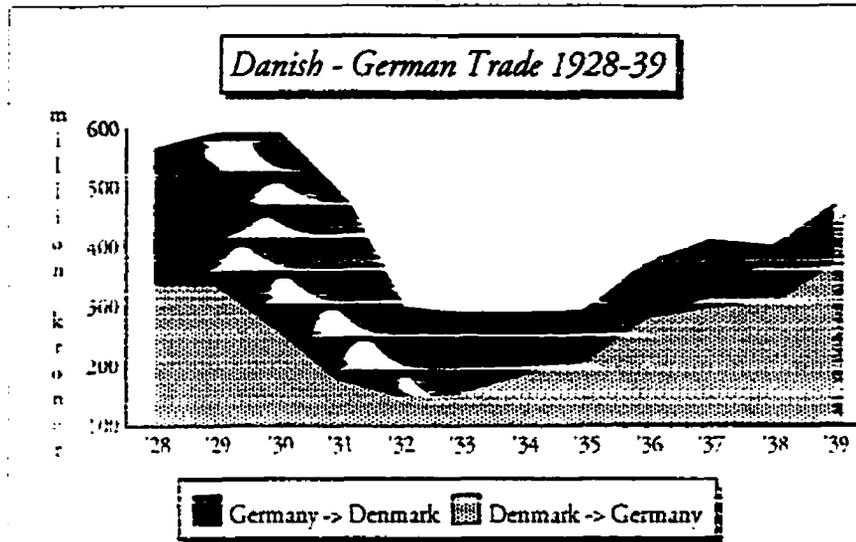
Ebbe Groes. "Statsmagten. Erhvervslivet og Forbrugerne." *Nationaløkonomisk Tidsskrift*. 85 (1947), pp. 1-17.

89. Hartz to Wassard 6 May 40. "H. Tyskland. Materiale til Tysklandsforhandlingerne." 1940. IR, sorte.

relations with the *Wehrmacht*. It was also hoped that this might limit certain firms' "perhaps too great enthusiasm."⁹⁰ (There is also a curious statement that the Danish government had thus far avoided producing any official written statement on controls for industry — to minimize confusion on the government's policy towards industrial cooperation with Germany. Perhaps this comment could be interpreted to mean that the real reason that the Ministry had not put anything in writing was because it did not want to make explicit its endorsement of such activity, but it is unlikely that Wassard was being deceptive in this remark.⁹¹) The Industrial Council would not remain the only control on German production, however. On 3 August, a "supply law" converted the Foreign Exchange Office into the "Directorate for Supply and Provisioning." Moreover, under this new law, the Ministry of Trade, Industry and Shipping was authorized to promulgate regulations for the supply and rationing of the economy at large.⁹²

As one might expect, in regulating Danish-German trade, the playing field was not

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90. Wassard to Netterstrøm, 3 jui 40, box number fi 64-243, 64.Dan.80/12, "Bestillinger fra Tyskland af jernbanematerial i Danmark og reparationer for vœrnemagten," 1940-1945, UM, 1909-45.
91. This claim is based on an assessment of Wassard's general character. Wassard was an indefatigable worker, whose record seems to indicate no sign of talent for dissimulation or trickery. In fact, on one occasion, he even appears to have been slightly naive on the matter of public perceptions or the politicians' stance vis-à-vis cooperation. After the collapse of the Danish government's collaboration policy, he suggested to Foreign Ministry Director Nils Sœnning that a non-political 'mini-cabinet' be formed to fill the vacuum created by the cabinet's withdrawal. To have done so would probably have played right into German hands. (Jørgen Hæstrup, ...*til landets bedste*, 1, p. 102).
92. Sigurd Jensen, pp. 69-70. The Directorate for Supply and Rationing was disbanded only in 1960.
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Figure 6⁹⁵

quite level. Just because Denmark and Germany had agreed to build their occupation relationship upon the basis of the pre-war relationship does not mean that the prior relationship between the two countries was very cordial. Germany's blunt flaunting of its advantages had always forced the Danes to swallow several unpleasant arrangements. The best example of this would be the "*Devisenspitze*." Beginning in 1933, as Germany came to take an increasingly large proportion of Danish trade, the Danish-German Government Committee largely kept trade in a limited imbalance — in Germany's favor. The resulting payment gap between Danish exports and German exports was met by a fixed Danish remission of one million *Reich Marks* per month, payable in pounds sterling. This amount was demanded by Germany, ostensibly to recover its raw materials costs for manufactures that were sold to Denmark. This was a specious argument, for Germany was financing its imports of raw materials via other clearing accounts. Moreover, as a fixed amount, it could not bear any relationship to the actual levels, which fluctuated (see figure 6). Whatever the justification, this payment, the "*Devisenspitze*," actually reflected Germany's retreat from the world trading economy and showed how it took advantage of Denmark's annual trade surpluses to increase

95. Johansen, *økonomisk statistik*, pp. 209, 212-13.

its own foreign exchange reserves. Despite having little foreign exchange to spare, Denmark had little option but to acquiesce in this demand. German markets were too close and too big to ignore, and the British showed no willingness to increase their imports from Denmark.⁹⁴

Thus, once Denmark was invaded, it was hardly likely that Denmark could expect the Germans to become any more magnanimous towards them. Still, not all were pessimistic. In some quarters, there was even a capacity to be naive. The *Nationalbank's* clearing office produced a report that started off with the incredible claim that Germany was probably not interested in purchasing items beyond those that Germany had already imported from Denmark in 1933.⁹⁵ Such an assessment might stand as an excellent example of the wisdom of the policy of limiting contact with the Germans to the Foreign Ministry, for such naiveté naturally did not characterize the Ministry's method of dealing with the Germans.

The Foreign Ministry's expertise was most welcome, as 1940 was a time for cold calculations on how to deal with the new German hegemony across Europe. In 1940, it appeared to the defeated nations and to the neutrals alike that they would have to gain whatever credit they could with the new masters of the continent. In the Netherlands, Norway, and Belgium, the legitimate governments had fled to Britain and exhorted their populations to resist the occupiers. Such calls did not yield immediate results, for the scope of the German successes gave most people little hope of reversing the decisions won on the battlefield. New rulers and authorities, often without solid popular support, would attempt to carve out comfortable niches for their countries under German occupation, but these efforts largely failed. Because of the conflict between the legitimate governments abroad and the new governments left back home, adequate popular support for the post-combat status

94. Sjøqvist. *udenrigspolitik*, pp. 204-5.

95. "Efter vor formening er Tyskland ikke berediget til at købe varer, der ikke er opført i den tyske statistik for 1933 som udført fra Danmark til Tyskland." Undated memorandum, among items for May-June 1940 Government Committee talks from Nationalbank's Clearing Office, initialled only by LV, possibly L.V. Fasting, Chief Bookkeeper, "H. Tyskland. Materiale til Tysklandsforhandlingerne," 1940. IR. sorte.

quo never materialized.⁹⁶ This tension left room for Germany to insinuate themselves into the domestic situations of the small occupied countries, and the political and social conditions began their war-long decline.

In Denmark, in contrast, the "King's Word," the retention of the legitimate government, and the cohesion of Danish society as reflected in its corporatist practices, had an entirely different effect. In the Danish case, the Danes presented a united front to the Germans, and this unity was preserved by the centralizing function of the Foreign Ministry's control over contact with Germany. This united front, however, could not of itself convince Berlin of Denmark's good intentions. That would require the explicit gestures of the government. Scavenius took it upon himself to convince the Germans of Denmark's goodwill. Upon the occasion of the announcement of the new cabinet on 8 July 1940, Scavenius, as the newly designated Foreign Minister, issued a statement that he hoped would have the desired effect:

...I would like to draw a parallel between the situation during the [First] World War and now.

It has been this small country's task to follow a policy that keeps it out of the conflicts of the great powers. More precisely, this task must be understood as meaning that Denmark cannot, under any circumstances, come in conflict with its large neighbor to the south. This policy has had Germany's understanding and support during the [First] World War as well as during the current war, with the differences that arise out of the changing forms of modern warfare.

Considering these differences, one can compare the situation in August 1914 and April this year. In both cases, the German policy sought to keep Denmark out of the war, because its location secures the Baltic Front against the English. Due to the changes in the art of warfare, this task essentially fell upon the German army and air forces, whereas in the previous war the job could be left to the German naval forces. It must be noted that the German forces' presence, no matter how frictionless it thankfully has been, has naturally made understanding more difficult for the Danish people. During

96. A useful study on the general situation, and in particular on the domestic political atmosphere across Europe, during this time is certainly John Lukacs, *The Last European War. September 1939/ December 1941* (London, 1977), although its assessment of the Danish situation is a bit weak. This work served as inspiration for Hans Kirchhoff to write an article on Denmark's swing to the right in 1940: it appears as chapter 2 in his *Kamp eller tilpasning*.

the [First] World War the German navy made it impossible for the British to attempt to force their way through to the Baltic and open a third front. This protected Denmark's neutrality, and this will always be remembered with thanks by Denmark. During the recent League of Nations era, Danish policy kept to this line, and refused to take part in the League's Anti-German policies.

With the great German victories that have struck the world with surprise and admiration, a new era has begun in Europe, one which will lead to a new political and economic order under Germany's leadership. It will be Denmark's task under this new order to find its place in a necessary and mutually active cooperation with Greater Germany. The Danish nation trusts that in the new European order it will be able to preserve its independence, and hopes to find understanding for its uniqueness and for its traditionally peaceful political and social development.⁹⁷

Scavenius' statement had the full endorsement of the cabinet both before he released it to the press, and after, when he suggested that the ambassador in Berlin should present a written affirmation of this statement.⁹⁸ Later, he would be severely criticized for this; at the time, however, all opinion leaders, including the Danish press, were saying similar things. It was also explicitly re-affirmed as late as May 1942.⁹⁹ The general tone of the new Foreign Minister's statement would be characteristic of the Danish government's public face on cooperating with Germany. Especially now, with Germany apparently unstoppable, there was no telling the current relationship with Germany would last: it could easily have been for a generation or more. It appeared quite clear, however, that Denmark would have to adjust to German domination over the entire continent, and there was a strong wish to avoid giving Germany any cause to back off from its pledges of non-interference.

Despite such window-dressing from Scavenius, it is clear that the Germans did not shake off their skepticism about the motives behind Danish cooperation, and it is doubtful how sincere they had taken Scavenius' proclamation to be. In Copenhagen, Forstmann warned the WiRüAmt that it "should not in any way be considered an expression of the

97. Cited in Sjøqvist, *Scavenius*, II, pp. 89-90.

98. Cabinet meetings of 8 July and 11 July 1940, box numbers 31 & 32, 11.004, "Forhandlingsprotokoller fra ministermøder," 1/29/40-7/8/40, Socialdemokratiet, Privat Institutioner, Rigsarkiv.

99. Meeting notes of Committee of Nine, 4 May 42, *DPK*, IV, 2, pp. 674-5

Danish business world or the majority of the general population.” On the contrary, Forstmann warned Berlin that Denmark would restore trade with Great Britain and remain Anglophile after the war. However, there were, he thought, a good number of “insightful and respected” businessmen who did not like this dependence on Great Britain, and who wanted better ties with the *Reich*, but genuine Danish cooperation would depend on Germany defeating the British.¹⁰⁰ In the German Foreign Ministry, Weizsäcker was also skeptical as to Denmark’s sincerity, having seen Danish politics up close when he was posted to Copenhagen.¹⁰¹ In fact, the Germans had tended to see the Danes as “cunning and sly and tend[ing] towards deception,” and as being inspired only by the search for comfort and profit.¹⁰² In the last months of the war, Mohr, ambassador in Berlin since 1941, was told by an official at the German Foreign Ministry that Scavenius’ declaration was thought to be practically meaningless, and that for the entire occupation, Germany thought that the Danes had only “played a charade” [*spillede komedie*] towards the Germans.¹⁰³

Others were more optimistic about Denmark’s cooperativeness and suitability for a distinguished place in the New Order. As noted above, the *Reichsgruppe Industrie* and

100. Situation report of 15 August 1940, RW 27 12. “Kriegstagebuch des Wehrwirtschaftsstabes Dänemark mit Anlagen. Bd 1b. (Reinschrift).” Freiburg.

101. Nissen, 1940, p. 283.

102. See for example, the appendix to the orders for Operation Weser Exercise:
“...The following points are to be observed:

- 1) The Dane has a strong national identity. On top of this, the Danes feel themselves to be Scandinavians. *Therefore:* Avoid anything that could offend the national honor.
- 2) The Dane loves freedom and is self-aware. He rejects being forced or put under any authority. He has no sense for duty or authority. *Therefore:* Give few orders, don’t shout at him - it makes him stubborn and has no effect. Explain the reasons for things and convince him! A friendly tone gets more done...
- 3) The Dane is cunning and sly and tends towards deception.
- 4) The Dane thinks economically. His interests generally focus on life’s material questions...
- 5) The Dane lives a home-loving comfortable existence. He can be won over by friendliness, through little considerations, and recognition of his person.
- 5) This commercial nation shows a pro-English tendency, and it rejects the war. With few exceptions, they show no understanding for the goals of National Socialist Germany.”

DPK, XII, bilag, p. 64.

103. Mohr’s notes on conversation with Gesandt Hancke, 31 Mar 45, 99.F.3/36. “Minister O.C. Mohrs Notater.” UM, 1909-1945.

Reichsgruppe Handel, as well as Ritter, Walter, and Ebner, all had their dreams of a German empire that would include Denmark as a part. Notwithstanding Forstmann's reservations, Scavenius' statement opened the path for a what could have been a profound German incursion into Danish affairs. His address, and the Danish government's follow-up, directly led to a very controversial, and ultimately abortive series of talks on the establishment of a German-Danish Customs- and Currency Union. At the same moment that Scavenius proclaimed Denmark's willingness "to find its place in a necessary and mutually active cooperation with Greater Germany," German enthusiasm in the wake of the collapse of the western allies in France led to a wave of German activity as officials in the Foreign Ministry and in other German agencies produced a flood of studies and proposals on the New Order and its economic aspects. Among ideas discussed, it was suggested that Denmark and the other small neutrals should be incorporated in the Greater Economic Area through a toll, monetary, and economic union, "as soon as the military and political situation permits."¹⁰⁴ Later in July, Walter Funk, *Reichsbank* President, Finance Minister — and Göring's puppet — launched a publicity campaign for the ideas of a new economic order.¹⁰⁵ Into this charged atmosphere, Scavenius had in fact in fact been preparing to publish his comments as a private citizen in the *Berliner Börsenzeitung*: when he reluctantly¹⁰⁶ took the post of Foreign Minister, these remarks were already drawn up, and he was able to attach the authority of the Danish government to them. When Zahle presented Weizsäcker with a note reiterating Scavenius' pledge, the wheels began to turn, and Berlin decided to measure Copenhagen's real interest in future cooperation between the two nations. Even Hitler thought that the

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104. On 1 June, for example, Ambassador Ritter, directly responsible to Ribbentrop to advise on economic matters, presented the German Foreign Minister with a report on the prospects for a new order. *DGFP*, D, IX, Item No. 367, pp. 496-501.
105. Walter Funk, "Die Wirtschaftliche Neuordnung Europas. Erklärung des Reichswirtschaftsministers und Reichsbankpräsident Walter Funk vom 26. Juli 1940." *Mommshefte für Auswärtige Politik*, 7 (1940), pp.630-6.
106. It took several days hard pressure on Scavenius from Stauning and others, and finally a direct plea from King Christian to get Scavenius out of retirement. After agreeing to take the position, he confided to his wife, "If Germany loses, it'll be good for Denmark, but it'll be hell for me." Sjøqvist, *Scavenius*, 2, p. 85.
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talks would be a good idea.¹⁰⁷ When the talks convinced the Danes that the Germans held only vague ideas on the terms of the proposed union and that Danish interests were not adequately protected by the proposed union, the Danes notified the Germans that they were going to put the idea on the back burner until after the war.¹⁰⁸

In Berlin, there was only some disappointment on the Danish about-face, in particular on the part of Ambassador Ritter, who had hoped that a successful outcome to the talks would boost his standing within the hierarchy in Berlin.¹⁰⁹ However, there seems to have been little German displeasure at the failure of the talks. In winter 1941, Wassard was told by a German Foreign Ministry official that in Berlin they considered Denmark's leaving Berlin "standing at the altar" by dropping the Customs- and Currency- talks without any agreement to have been a "diplomatic victory."¹¹⁰ It is also possible that Denmark's evasion of penalty for the collapse of these talks reflects a deeper German skepticism towards Danish sincerity in their cooperation with the New Order.

Scavenius, for his part, took pains to smooth over whatever ill-will the talks' collapse might have caused. He emphasized to Walter that Denmark *was* interested in the subject, and had therefore sent such a high-level delegation to explore the matter.¹¹¹ He also made a symbolic demonstration of Danish good faith by establishing a Danish study "Committee on Economic Cooperation with Germany." The Committee produced a report much after the fact, which was rather guarded in its recommendations, advising that Denmark wait and

107. Wiehl to various 24 July 1940, 68313: "6. Wirtschaftliche Beziehungen zu Deutschland," Potsdam.

108. Ritter to German Foreign Ministry, 23 Aug 1940, 68314: "6-1. Wirtschaftlichsgemeinschaft mit Deutschland," Potsdam.

The Toll and Currency Union talks have been exhaustively covered in over some 200 pages in Henrik Nissen's *1940*. The work includes a summary of its contents in German.

109. Ritter stood outside the normal ranks in the German Foreign Ministry, and answered directly to Ribbentrop. Paul Seabury, *The Wilhelmstrasse. A Study of German Diplomats Under the Nazi Regime* (Berkeley, 1954), p. 102.

110. 12 Mar 41 report on meeting between Wohltat, Scherpenberg, Bramsnæs, & Wassard, box number 21, uden nummer (V., 6), "V., 6. Shtyr, Wassard, & cetera. Samtaler." 1940-41, UM, 1993 afl.

111. Walter to Ritter, 23 Sep 40, 68314: "6-1. Wirtschaftlichsgemeinschaft mit Deutschland," Potsdam. The delegation was led by Minister of Public Works Gunnar Larsen.

see.¹¹² There the subject of the Customs- and Currency- Union rested for the duration.

The toll and currency union was potentially the most intrusive plan discussed as a part of Danish-German relations during the occupation. In practice, relations between the two countries tended to be more routine in nature. The Danish government pursued, in effect, five major economic policy goals. First, it sought to maintain a reasonable standard of living in the country. Second, it hoped to preserve the country's productive capacity. Third, it hoped to protect the Danish population, especially from conscription or forced labor outside Denmark. Next, it hoped to preserve confidence in the currency. The government also sought to prevent any alteration in the Danish economy for solely military production.¹¹³ To this list, one might add the consideration that it was absolutely imperative that Denmark secure German cooperation and supply to avoid a economic crisis. There was no chance that Germany would supply the Danish economy just out of magnanimity. Though no contemporary written mention of any direct German threat to the effect has come to surface, there appears that there was little doubt on the Danish side that the German willingness to supply the Danish economy was dependent upon the Danes' willingness to help Germany. After the war, for example, the chairman of the Industrial Council noted such pressure in a speech to its membership.¹¹⁴ Though such a claim might smack of postwar justification, already, at the turn of 1940-41, one can find some clues that such pressure was applied.

112. Ebner to Berlin, 12 Nov 40. 105874, "Dänemark." Bonn. 21 Apr 1941 final report, box number H 64-228. 64.Dan.80y. "Statsministeriets udvalg for økonomiske samarbejde med Tyskland." UM, 1909-45.

113. This list is derived from one presented in the postwar "Social Democratic history" of the occupation. As such, the original is rather colored by ideological considerations and a touch of postwar justification. As an example of the former problem, consider that the first point cataloged emphasized that Denmark wished to "secure a decent standard of living for the *whole* population" (emphasis in original). As an example of the latter, there is a sixth point that stated that the Danish government wished "to avoid making any deliveries that directly supported German military operations," a mendacious distinction since the Danish government encouraged companies to sew uniforms, make aa-guns, or build naval transports. (Hartvig Frisch, Vilhelm Buhl, Hans Hedtoft, and Eiler Jensen, eds., *Danmark besat og befriet*, II. Jens O. Krag, *Byhørvæne og Krigsøkonomien* (Copenhagen, 1947), p. 27.)

114. H. P. Christensen, also chairman of the Helsingør shipyards, spoke to the Industrial Council on 16 May 45. His speech was reprinted in the Council's journal, *Tidsskrift for Industri* as well as *BF*, pp. 1181 ff.

For example, the Industrial Council's copy of the German Chamber of Commerce in Denmark's 1940 *Annual Report* contains a few interesting notations on this subject. Many of the group's claims were underlined, including these:

Securing raw materials for Danish industry has been the cardinal question... This has not yet — the Danes believe [*doubly underlined by the Industrial Council's reader*] — been satisfactorily solved, while it must be noted that Germany has actually made extraordinary efforts to help Denmark... [T]hat those supplies, which come almost exclusively from Germany — iron, steel, rubber, & *cetera* — have already, under strong German urging, come under a closely managed distribution system can only be explained by the fact that it has absolutely nothing to do with coercing production [from Denmark].¹¹⁵

Reading between the lines, it can be surmised that the Industrial Council reader, for one, found these claims to be noteworthy, and probably blatantly false. Perhaps it is obvious that the Danes felt such pressure. But one should note that the Danes also needed the work.

After all, the Danes, like the Germans, were anxious about the economic health of the country. In July, the Sthyr committee (above, p. 95) commissioned a study to assess Denmark's economic prospects for the rest of the year. After a month, this report, "An Attempt to Estimate the Prospects for Denmark's Trade, Production, and Employment for the Second Half of 1940," painted an extraordinarily bleak picture. The country's three greatest dangers were the clearing debt with Germany, the threat to the feed supply for agricultural stocks, and unemployment. Without any changes from the current situation, the country would run out of pig feed by March, which would mean that Denmark could only produce enough to meet one-quarter of its normal consumption of pork. Though the current unemployment rate was at 15.9%, it was entirely possible that it could approach 40% by winter (in fact, it reached 36%).¹¹⁶ The report was distributed among the country's highest

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115. German Chamber of Commerce in Denmark's 1940 report, box 1/140, "Det tyske handelskammer i Danmark," 1940, IR, gulde.
116. "Forsøg paa et Skøn over Udsigterne for Danmarks Udenrigshandel, Produktion og Beskæftigelse i andet Halvjaar af 1940." This report, and documents in its production and distribution appear in numerous locations in the archives, including, the following: box number H 64-29, 64.D.29, "Udsigterne for Danmarks udenrigshandel, produktion og beskæftigelse i andet halvår 1940" resp. "i første halvår 1941", box number H 99-283, 99.F.5/12.Dk.10-1, "Skrivelser og memoranda ang. produktion og beskæftigelse, derunder korrespondance med regeringens beskæftigelsesudvalg ("udsigterne") 9/7-21/8-40." 1940, box number H 99-283, 99.F.5/12.Dk.10-2, "Skrivelser og
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officials, but was kept from the Germans; the notation, "Dr. Krüger?" (Legation Counsel at the German embassy) appears in pencil along the margin in the list of recipients, but it was not checked off as other names of the list were. At the end of September, Krüger was given a six-page summary of the report, which in its printed form was over 130 pages long.¹¹⁷ One can surmise that the reason for this was to avoid giving the Germans a complete picture of Denmark's economic situation in order to preserve Danish leverage in negotiations. This would be consistent with the general Danish tendency to limit the flow of economic information to the Germans. On another occasion, a suggestion to create a German liaison at the Danish Statistical office was rejected.¹¹⁸

It is one thing to keep information from the Germans, but the report was also kept from the country's economic organizations, which caused a bit of trouble with them. One of the four authors of the report, Gunnar Seidenfaden, argued in October that the report really should not be distributed any more than it already had, on the grounds that it contained too many errors: instead of distributing the old book, the business organizations should be asked to join in producing a similar report for the next half-year.¹¹⁹ Nonetheless, the report was lent to the Industrial Council, where it was ill-received. Noting that its figures failed to consider

memoranda ang. produktion og beskæftigelse, derunder korrespondance med regeringens beskæftigelsesudvalg ("udsigterne") 15/8-40 - 21/1-1," 1940-41, box number H 99-283, 99.F.5/12.Dk.10-3, "Skrivelser og memoranda ang. produktion og beskæftigelse, derunder korrespondance med regeringens beskæftigelsesudvalg ("udsigterne") 22/1-41 - 24/3-42," 1941-2, box number H 99-300g, 99.F.5/12 tilføjelse, "Rapporter: rapport til Udenrigsministeren fra formanden for Udenrigsministeriets rådgivende handelspolitiske udvalg vedr. tiden fra Okt 1939-til sept 1943; arbejdsudvalgets udsigterne for Danmarks udenrigshandel, produktion og beskæftigelse i første halvår 1941 (Se også efterlevering II)," 1940, UM, 1909-45. A full, printed and bound copy is contained in box number H 99-17a, 99.F.3/44, "Det rådgivende handelspolitiske udvalg, P.A. Apr-Dec," 1940, UM 1909-45. The 36% figure is drawn from Hans Kirchhoff, *Kamp eller tilpasning*, p. 46.

117. Recipient list, 16 Sep 40, box number H 99-283, 99.F.5/12.Dk.10-2, "Skrivelser og memoranda ang. produktion og beskæftigelse, derunder korrespondance med regeringens beskæftigelsesudvalg ("udsigterne") 15/8-40 - 21/1-1," 1940-41, UM, 1909-45.
118. Jespersen (Ministry of Trade, Industry & Shipping) to Peschardt, Foreign Ministry, 2 Aug 40, box number H 84-39, 84.X.51, "Danmark: forskellige oplysninger til tyske besættelsesmyndigheder," 1941-1945, UM, 1909-45.
119. Seidenfaden memo 7 Oct 40, box number H 99-283, 99.F.5/12.Dk.10-2, "Skrivelser og memoranda ang. produktion og beskæftigelse, derunder korrespondance med regeringens beskæftigelsesudvalg ("udsigterne") 15/8-40 - 21/1-1," 1940-41, UM, 1909-45.
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the EID's replenishment of metals, and doubting that unemployment would reach the considerable total the report had suggested, Hartz's response made clear that industry was much more concerned that the report had suggested that the only way to control Denmark's consumption of metals was to control industry's activity, a concept that the Council was simply unwilling to countenance. Hartz and Sthyr engaged in a lively exchange of letters in December and January where Hartz repeatedly questioned the conclusions of the "Attempt at an Estimate."¹²⁰ Perhaps Hartz's reaction seems extreme, given the circumstances under which Danish industry was already functioning. The EID, which was ostensibly being supervised by Wassard, was already being administered by the Industrial Council, its Central Office for Iron and Metals, and the Directorate for Provisioning and Distribution. Production outside the EID was all coordinated with the Directorate for Provisioning and Distribution.

Such fears of economic collapse failed to materialize, and were replaced by a new threat to the economic health of the country. As the year came to an end, and at about the same time that Forstmann, Walter, and Ebner were concluding that the economy of Denmark just might function tolerably well, increases in Forstmann's activity began to set off alarm bells within the Danish bureaucracy. At the beginning of November, the *Wehrwirtschaftsstab* still had over 6 million *kroner* of the pledged 42 million *kroner* left to spend.¹²¹ In the beginning of December, Hartz alerted the Danish Government Committee to the fact that there had recently been a significant increase in German industrial orders, and suggested that the Committee get an overview of what the Germans thought they would be purchasing

120. Hartz to Sthyr, 13 Dec 40, box number H 99-283, 99.F.5/12.Dk.10-2, "Skrivelser og memoranda ang. produktion og beskæftigelse, derunder korrespondance med regeringens beskæftigelsesudvalg ("udsigterne") 15/8-40 - 21/1-1." 1940-41, UM, 1909-45. State controls on industrial production — in principle, and not just for the duration of the occupation — came to be a hot issue in Denmark from about 1943. See, e.g., "Statsingrebenes fremtidige omfang under diskussion. Enadvarsel mod en fortsættelse af Statsindgrebenes hidtidige Omfang," *Berlingske Tidende*, 10 Oct 44. A speech from the chair of the Wholesalers' Association. Or the Industrial Council's *Tidsskrift for Industri*, December 1944.

121. 9 Nov 40 Stenderup memo, "H. Tyskland. Værnemagt. Handelsministeriet. Udenrigsministeriet." 1940. IR, sorte.

over the next year.¹²² However, there appears to have been little activity on the issue in January or February. No doubt this might be because at that moment the highest priority was not industrial problems, but smoothing out the New Year's Crisis. In mid-January, Scavenius received explicit assurances from the president of the German *Nordische Verbindungsstelle*¹²³ that "as long as the war goes on, the most important thing is to preserve peace and calm; but there has to be some sign of 'progress,' too."¹²⁴ This last condition remained some cause for concern, apparently, but a fortnight later Wassard was able to inform Scavenius that he had been assured by Berlin that this German preference for peace and order over "experiments with governments" finally appeared to have prevailed.¹²⁵

At this same time, the "Shipping Expert" [*Schiffahrtssachverständigen*] from the Plenipotentiary's office, Georg Duckwitz, had begun talks with Wassard's office to explore the potential for a shipbuilding program in Denmark. Duckwitz and Ebner, along with representatives from the Danish *Nationalbank* and the "Association of Iron Ship Builders" (representing Denmark's largest shipyards), attended an informational meeting at Wassard's office in January.¹²⁶ A week later, the Industrial Council could inform Wassard that Duckwitz had negotiated a list of ships to be built. It is possible that this list was already more than Denmark was ready to produce. Wassard asked the Industrial Council to tell the Iron Ship men to refrain from drawing up actual contracts, until the financial implications of the

122. 3 December 40 memo summarizing meeting of Danish Government Committee and business leaders, box number H 64-205, 64.Dan.80a/1, "Interne referater af regeringsudvalgsmøder vedr. dansk-tyske handelsaftaler o.a. referater vedr. da-ty forhold I-II," 1935-45, UM, 1909-45.

123. Though events would prove that the *Nordische Verbindungsstelle*, as a branch of Alfred Rosenberg's *Aussenpolitisches Amt*, would have limited influence in Germany, this was not abundantly clear to the Danes at the time. From December 1940-March 1941, Draeger spoke with Wassard and Scavenius on several occasions about Denmark's political position, and the results of these discussions are summarized here.

124. Undated Scavenius memorandum, presumably 18 Jan 41 or shortly thereafter, box number 21, uden nummer (V., 6), "V., 6. Sthyr, Wassard, & cetera. Samtaler," 1940-41, UM, 1993 aff.

125. Wassard to Scavenius, 8 Feb 41, box number 21, uden nummer (V., 6), "V., 6. Sthyr, Wassard, & cetera. Samtaler," 1940-41, UM, 1993 aff.

126. 8 Jan 41 meeting notes, box number H 64-244, 64.Dan.80/15a, "Danmark-Tyskland: nybygninger på danske værfter for tysk regning," 1940-47, UM, 1909-45.

entire project could be determined.¹²⁷ The proposals were not insubstantial. Denmark's 1938 output of ships was 31 ships totalling just under 150,000 BRT. Comprising eight ships totalling 50,100 BRT plus the completion of one ship already begun, Duckwitz's list prompted Wassard to secure Ebner's estimate for the total program before any decisions be made on individual proposals.¹²⁸ At the February Government Committee meeting, Walter agreed to send an official from the RVM to Copenhagen to discuss the program.¹²⁹

Making matters worse, there were signs that the *Wehrwirtschaftsstab* had its eyes on even more purchases. In January, the Industrial Council asked the Foreign Ministry for advice on how to react to the fact that its members had been receiving survey forms from the Germans as to their productive capacity. (The forms, incidentally, appeared to be the same ones being used in Germany, with *Geheim* crossed out by typewriter.) The Council suggested that any such surveys by the *Wehrwirtschaftsstab* be brought to the Foreign Ministry instead.¹³⁰ It is apparent, however, that the Foreign Ministry was not very eager to press this issue with the Germans. Nils Svennigsen, at this time the head of the Legal-Political Division at the Ministry, replied two weeks later that he had discussed the matter with Forstmann, who informed him that he had already received responses from 163 companies, and was expecting to hear back from another 25. Most surprising, however, and what attracted the Industrial Council's attention, was this comment:

This information is provided for the Industrial Council for your own information, and it should be noted that the Foreign Ministry on its part has a difficult time imagining how such German demands could harm the interests of these firms.¹³¹

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127. 18 Jan 41 Wassard to Industrial Council. "H. Tyskland. 1941/I-b. Ministerier m.v." 1941. IR. sorte.
128. 27 Jan 41 Industrial Council to Danish Foreign Ministry, 29 Jan 41 Wassard to Ebner. box number H 64-244. 64.Dan.80/15a. "Danmark-Tyskland: nybygninger på danske værfter for tysk regning," 1940-47. UM, 1909-45.
129. 18 Feb 41 Wassard to Industrial Council. "H. Tyskland. 1941/I-b. Ministerier m.v." 1941. IR. sorte.
130. Industrial Council to Foreign Ministry, 29 Jan 41, box number H 84-39. 84.X.37. "Danmark: oplysninger til den tyske værnemagt o.a. om danske industrielle virksomheder," 1941-1945. UM, 1909-45.
131. Svennigsen to Industrial Council, 2 Feb 41. "H. Tyskland. 1941/3-. Cirkulærer. Wehrwirtschaftsstabs Spørgeskema af 25.4.1941." 1941. IR. sorte. The Danish Foreign Ministry copy of this notice seems to
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This kind of cooperativeness did not usually distinguish the Foreign Ministry's attitude toward economic cooperation with Germany. As noted in the Maltese Agreement, and above in the case of the *Wehrwirtschaftsstab's* May 1940 capacity survey (above, p. 112), Wassard and the Industrial Council seemed to work by the adage that "information is power." They apparently preferred to supply the *Wehrwirtschaftsstab* or the Plenipotentiary's office with only the most essential information. One might wonder if in the Legal-Political Division there was a bit less hesitation to cooperate than in the Economic Policy Division or whether this episode reflected less awareness of the impact that such incursions could have on the Danish economy. Perhaps Svehnielsen underestimated the impact of economic contact with Germany. Such a survey, it could be argued, could be the first step towards a further integration of Danish industry into the German *Großraum*, as it could make planning in Berlin that much easier, which in turn could lead to a more intensive exploitation of Danish capacity. The survey clearly constituted a German intervention in Danish internal affairs and it should have been brought to the Foreign Ministry. Providing Germany with more information than it absolutely needed, too, would threaten to undermine Copenhagen's already endangered authority.

At this time there was another example of Forstmann's efforts to formalize and extend the scope of his industrial purchasing. In the last months of 1940 and the first months of 1941, Forstmann managed to establish an arbitration court where German and Danish parties could bring grievances arising from business contacts between them. This court was comprised of four members, two each chosen by Denmark and Germany. In keeping with Munch's policy to avoid any written agreement, the Danes held off giving it any statutory foundation or drawing up an international agreement laying out its powers, but they did agree to its establishment. However, it is also noteworthy that Renthe-Fink's suggestion of including this panel as part of a general arbitration agreement between the two countries (which would also include paternity and traffic settlements) was quickly rejected.

have been lost.

For its part, the German Foreign Ministry was not too eager to enter such an informal agreement because it was feared that it was vulnerable to becoming a forum for changing the wider occupation policy. The arbitration court was fully established in April, but no record has been found of its ever deciding a case. (It should be noted that this court should not be considered as an attempt at building a German empire in Denmark: the Danish-German agreement was modeled after a similar arrangement between Germany and the Soviet Union in 1935.)¹³²

In late winter 1941, the Danes began to plan a more elaborate system to keep German industrial purchases in check and to avoid the dangers of inflation, exploitation, and the distortion of the Danish industrial economy. A handwritten note by Carl Peschardt, under Wassard, stated that Denmark ought to construct a control system for "the Forstmann program."¹³³ On 28 February, officials from the Danish foreign and Trade Ministries met to discuss the prospect of controlling Germany's industrial purchasing. To do so was not pure fantasy: the Ministry of Trade and industry had already tried establishing some control over the *Wehrmacht's* construction projects in the fall by providing three auditing engineers in a "technical centrale."¹³⁴ Making matters more difficult, the effort to control the industrial purchasing also met stern opposition from the Danish side, namely on the part of the Industrial Council. When it was suggested that this "technical centrale" should audit industrial orders, the Council so vehemently opposed the idea that it was agreed to revert to the system whereby the Industrial Council would merely keep a record of orders placed by the

132. Discussed in several documents, including Schultz (OKW) to Jantz (German Foreign Ministry), 30 Jan 41. Schultz to Forstmann, 6 Feb 41. Schultz to Forstmann, 19 Feb 41. Svenningsen to Forstmann, 26 Mar 41. Wi/IE.5, "Norwegen und Dänemark." Freiburg. This file group has a large number of records on the arbitration court.

133. "C.P." note of 27 Feb 41, box number H 64-243. 64 Dan 80/11b. "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland." 1940-1 (1946). UM, 1909-45.

134. A history of efforts to control German construction spending can be found in *BF*, pp. 1047-52. However, *BF* maintains that the "technical Centrale" was not a big success in 1940, but in 1941. Worsaae, who was charged with supervising construction work, would maintain that in fact, the "technical centrale" had produced good results. 10 May 41 meeting notes, box number H 64-243. 64 Dan 80/11b. "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland." 1940-1 (1946). UM, 1909-45.

Wehrwirtschaftsstab. Coming on the heels of Hartz's "*Papierkrieg*" with Sthyr's office over the "Prospects" report, Sthyr concluded that the Council had feared that "the proposal was a socialization suggestion in disguise."¹³⁵ As noted above, industry's suspicions of governmental control over its prerogatives would not die.

But there was no doubt that something had to be done soon about the German industrial orders. Though it might be possible that the Germans did not appear to be greatly interested in fully utilizing Danish economic assets, it was a real danger that their industrial purchasing might soon get out of hand if nothing was done to try to slow it down. The Finance Ministry made its approval of a trimmed-back version of a German shipbuilding plan contingent upon the creation of an auditing and control organ for German industrial purchasing.¹³⁶ The EID thus ended up triggering a Danish reaction in the form of a price control regime that would regulate the Danish-German commercial relationship for the remainder of occupation.

At the end of March, the Industrial Council had provided Wassard and Worsaae with a review of the EID to date. According to the Council, the EID had reached a total of 72 million *kroner*, putting the orders in less than three months of 1941 at 30 million *kroner*, or 75% of the total orders for the last eight months of 1940. The Council estimated that the total for the year would be 150 million *kroner*, plus another 91 million *kroner* for ship repairs and construction. At that time, new *Wehrwirtschaftsstab* orders were being drawn up at a rate of 10 million *kroner* per month, about 20% of what industry could handle.¹³⁷ Soon after, Wassard and Peschardt met with Meulemann, Ebner's man for non-agricultural matters, and Meulemann agreed that it would be desirable to establish a central office to control the EID

135. 3 Mar 41 Sthyr memorandum, box number 19, 64.Dan.80.a/5.c. "Private and confidential. Udenrigsministeriet; det Rådgivende Handelspolitiske udvalg," 1940, UM, 1993 afl.

136. Finance Ministry to Foreign Ministry, 3 Apr 41, box number H 64-244, 64.Dan.80/15a. "Danmark-Tyskland: nybygninger på danske værfter for tysk regning," 1940-47, UM, 1909-45. Dige to Foreign Ministry, 3 Apr 41, box number H 64-243, 64 Dan 80/11b. "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland," 1940-1 (1946), UM, 1909-45.

137. 26 Mar 41 Summary of EID, box number H 64-243, 64 Dan 80/11b. "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland," 1940-1 (1946), UM, 1909-45.

as soon as possible,¹³⁸ and the next day Meulemann presented Wassard with a summary of the planned EID for the year:

1. Level of *Wehrwirtschaftsstab* contracts now at 148,587,000 Kr, including finished contracts.
2. From 1 April 1941 to end 1941, we anticipate another 150 million *kroner*.
3. We are asking for a *Zahlungswertgrenze* [i.e., a contract total] of 100 million *kroner* for first $\frac{1}{2}$ of this year.¹³⁹

That Meulemann's figures on the EID were roughly double the Industrial Council's caused some alarm. Two days later, Wassard hosted a meeting with officials from the Finance and Trade Ministries and the *Nationalbank* to discuss the EID. Noting the considerable discrepancy between the figures provided by the Industrial Council and Meulemann, all agreed to use the Danish figures as the basis for discussion with Walter at the next Government Committee meeting. They also decided to make a monitoring system for the EID, and sketched out the Danish wishes before they would be presented to Walter. They settled upon creating an office headed by a non-governmental professional, that would be supervised and instructed by a panel comprised of representatives from the various responsible ministries. This official would "have some influence on the division of orders (and thereby also the division of employment)," and it was hoped that he could "exercise a braking influence" over German purchasing and ensure that materials were supplied for those contracts. This official would also ensure that contracts were reasonable both in terms of the prices negotiated and their conditions. On one side, the Foreign Ministry, Finance Ministry, and the *Nationalbank* all agreed that such duties as these could not fall under the Industrial Council, "because it first and foremost [had] to watch for the interests of their members." On the other side, the Ministry of Trade and industry representative reported that his Minister objected to such

138. 28 Mar 41 Peschardt Memorandum, box number H 64-243, 64 Dan 80/11b, "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland," 1940-1 (1946), UM, 1909-45.

139. 31 Mar 41 note from Meulemann, nr. 82, "Odel-møder, værnemagtsarbejder, ekstraordinære industrileverancer m.m. i tiden fra 3/1-1940-22/12/1944," 1941-45, HM.

reasoning and thought that the Council should in fact be given such responsibility, though it was possible that the Minister was not entirely firm on this position. The officials were very eager to get this system established as soon as possible. On the very next day, 3 April, Worsaae informed the *Nationalbank* that EID orders had increased by 5.6 million *kroner* since the Council's summary on 22 March. On 7 April, these officials reconvened to discuss the control system: the Minister of Trade had conceded that the Industrial Council should not be given this duty, but now suggested that one of its own engineers be given the position and that it be placed under his ministry. The representative of the Directorate for Supply and Provisioning, who was also present at this meeting, added that he believed that such an office was an unnecessary duplication of his office's work. Two weeks later, Wassard and Worsaae rejected the proposal that the office be put under the Trade Ministry, as it was contrary to the standing policy of steering all German contact through the Foreign Ministry. They, thus, decided to establish an interdepartmental committee on the "Extraordinary Deliveries for German Billing." With representatives from the Ministries of Trade and Finance, the Directorate for Supply, and the *Nationalbank*, it would direct the activity of its own commissioner for the Extraordinary Industrial Deliveries, a trained engineer from the Naval Shipyards, Axel Odel. Under Wassard's chairmanship, this "Odel Committee" would review every industrial contract drawn up between the *Wehrwirtschaftsstab* and a Danish contractor, ensuring that Forstmann's office did not pay the contractor an unreasonably high price and that the materials for the contract were provided. On 8 May, Worsaae presented the Germans with the new auditing system, and Meulemann and officers from Forstmann's office agreed to the arrangement.¹⁴⁰

Thus, shortly after a year of occupation, the Danish Foreign Ministry constructed a price-control system that had authority over German purchases. This was possible because,

140. 2 Apr 41 Meeting notes, 3 Apr 41 Worsaae to Dige, 7 Apr 41 meeting notes, 17 Apr 41 Notice (Wo/Wass/AB) (Worsaae & Wassard), 8 May 41 meeting notes, box number H 64-243, 64 Dan 80/11b, "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland." 1940-1 (1946), UM, 1909-45.

in the winter of 1941, Walter, Ebner, and Forstmann had each come to the conclusion that the Danish economy would in fact survive better than they had feared at the outset of the occupation. Though Germany's interest lay mostly in agricultural production, the prospect of future increases in industrial orders affected both sides. While Forstmann's office was optimistic, and as it watched the negotiations for a substantial shipbuilding program, Wassard, together with the *Nationalbank*, watched these increases with some concern. As the Danish government was now financing German purchases, it was very worried that they might literally break the bank.

Germany's wartime desires and Denmark's hopes to avoid a completely rapacious occupation now had an arena where they could be reconciled. The Odel Committee would last to the end of the occupation (and indeed after, as it wrapped up its business upon the German departure). The establishment of a Danish bureaucratic structure enabled Denmark to protect its own interests at the same time as it would allow the country's industry to produce to German satisfaction. Though providing occasional irritation to Forstmann, it appears that Germany remained entirely content with the situation in Denmark right to the end. This is because the scope of German industrial purchasing, in the event, ended up being more restrained than the Danes had initially feared. Through political crises and the varying fortunes of the rest of the occupation, German policy aimed at securing the economic stability needed to provide peace and quiet in Denmark. At each of these junctures, economic policy makers would act deliberately to restore the status quo. Though this consistency might have surprised some observers,¹⁴¹ it may well have appeared prudent not to question Denmark's good fortune. It appeared that the Germans got as much as they wanted out of occupied Denmark, and these German industrial priorities are the subject to which we now turn. What Germany got from the Danes, and what they thought of Danish industrial

141. Erik Ib Schmidt, for example, an official at the Directory for Supply and Provisioning, admitted that it was surprising but true that the August uprisings did not lead to greater German exploitation of the Danish economy. Erik Ib Schmidt, *Fra psykopatklubben. Erindringer og optegnelser* (Copenhagen, 1993), p. 201.

productivity, help explain the tenor of the entire occupation. These conclusions were reached as Danish-German economic cooperation matured over the course of 1941-43.

III.

The Wehrwirtschaftsstab and its Purchases

“The execution of contracts is running smoothly.”¹

Despite yielding authority to the Danish authorities to approve or disapprove German industrial purchases in the country, the Germans were still satisfied with the amount of Danish production that was made available to them. This was not because Danish control was ineffective, a mere rubber stamp upon German orders. On the contrary, as we shall see in chapter IV, the auditing system was genuine, rigorous, and fair. It seems that what limited German industrial purchasing was Germany's own reluctance to dominate Danish industry fully. In no instance did German orders take over all of Danish industry, nor was manufacturing integrated into Germany's war economy. Danish and German industry kept each other at arm's length, as German purchasing adhered to its original procedures, by which German customers approached Danish manufacturers on a contract-by

1. Forstmann's situation report. 15 Mar 42. RW 27 /22. "Lageberichte des Wehrwirtschaftsstabes Dänemark. Bd. 4." Freiburg.

contract basis and drew up short-term contracts. Even in shipbuilding, which was both Denmark's largest single industry and Germany's chief interest for the entire occupation, German orders never monopolized Danish productive capability, but instead were limited to about half of the available capacity. The Danes were able to use the other half. In other industries, even ones with an obvious utility to the German war economy, the Germans occasionally were ranked as Denmark's second largest export customer, behind countries like Finland, Spain, or Italy. One is hard-pressed to find any sign of ravenous German purchasing fully monopolizing an industry at Danish expense: even though Germany essentially could have ordered any item for which it was willing to provide the necessary raw materials, never did it swamp Danish industry and crowd all other customers. One might think that a Germany, at war with the USA, Britain, and the USSR, would have had a nearly insatiable appetite for all sorts of industrial output, yet they did not use most Danish capacity. The only notable exception to this would be the very small Danish armaments industry, chiefly represented by a single company, DIS/Madsen. Yet even in this case, Germany allowed Denmark to ship machine guns to Sweden as late as 1943.

None of this is to say that the *Wehrwirtschaftsstab* was lackadaisical or uninterested in Danish industry. By all indications, Forstmann's office remained fully engaged in its efforts to utilize the Danish industrial economy as it saw fit, but the failure to use the lion's share of Denmark's free capacity for the war effort against the Allies is equally apparent. Forstmann's view of the entire EID, it seems, was colored by a somewhat condescending view of the Danes. Rather than seeing the program in terms of what Germany got out of it, it seems that he and others saw the program to be a selfless German effort to help the Danes in a difficult situation. When it came to reporting the WS's work to Berlin, Forstmann was content to promote its efforts by pointing out not so much the absolute volume of work being done by the Danes (which, given Denmark's small size, probably would not have impressed Forstmann's superiors anyway), but rather by emphasizing Denmark's high work completion

rates. Whenever it was suggested that more could still be squeezed out of Denmark, the *Wehrwirtschaftsstab* was compelled to inform Berlin that the only thing holding Danish industry back was Germany's inability to provide Denmark with necessary raw materials and assembly components. This gap between capacity and supply was never closed, and one is forced to conclude that Berlin was either unable or unwilling to provide Denmark with enough supplies, a fact which meant that it never exploited Denmark as well as it might have.

Initially, what held Germany back was not so much its failure to supply Denmark. At the outset, concerns about Danish economic strength, as related in chapter I, kept German hands tied. From mid-1941, however, this fear subsided, and what became more important to calculations about Denmark was the German dependence on Danish cooperation. Still, the initial wish to keep Denmark stable continued to dictate German policy towards Denmark, and such stability entailed avoiding inflation and any other economic strains that full economic exploitation might entail. By summer 1943, this preference was so strongly rooted that the "August uprising" and ensuing collapse of the Danish government's policy of public cooperation were mere bagatelles in comparison.

This constancy was crucial. To see how the Germans viewed their wider policy, this chapter presents an examination of the actual composition of the EID. As will be shown by this review, a sign of a German effort to exploit the advantage over the Danes is lacking. Instead of a German wish to plunder the Danish economy, this chapter will show Germany's actual motives in the EID, which were based on a persistent concern simply to keep the Danish economy alive enough to maintain social order. As such, the *Wehrwirtschaftsstab* was not interested so much in output as it was in avoiding, as General von Kaupisch put it, having "a few million useless and unhappy foreigners to feed." This was Germany's priority in Denmark, from beginning to end. As always, whatever variations might have occurred in German action towards Denmark were derived not from any aspect of the Danish-German

relationship itself, but were consequences of some external condition. The great internal Danish event, the "August uprising" had very little impact on the wider German policy towards Denmark. One can see that Germany showed equally little interest in the full economic exploitation of the Danes both before August 1943 and after. Post-1943 levels of purchasing were consistent with those from before.

Even though Germany took only a limited interest in Danish industry, the Danish economy in its entirety made the country important to Germany. Agricultural output and food products were considerable, and by June 1941, Denmark had moved to second place among Germany's trade partners, behind only Italy. Accordingly, Ebner's report on the Danish economy after one year of occupation was generally positive, noting that Denmark's agricultural shipments to Germany had exceeded pre-invasion expectations. Though agricultural goods were preeminent in Danish exports to Germany, Ebner also reported that industry's contribution was satisfactory. He noted that the *Wehrwirtschaftsstab* was very pleased with its Danish suppliers, whose work was both prompt and of good quality. There was still Danish capacity for more contracts, and Forstmann's office, it was hoped, would be able to negotiate them as soon as the difficult supply situation could be relieved.² For his part, Forstmann also reported his satisfaction with Danish industrial output for German orders, informing the WiRüAmt that the rate of completed "war-economic" contracts was 50% higher than in the case, e.g., of France.³ However, a careful observer might conclude that this was a statistical trick: a high percentage of completed contracts could well have been a result of fewer unrealistic contracts having been drawn up in the first place. In other countries, German purchasing agents were not subjected to the same auditing procedures put

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2. Ebner's report on Danish economy, 15 Jun 41, reprinted in in *Europa unterm Hakenkreuz. Die Okkupationspolitik des deutschen Faschismus in Dänemark und Norwegen (1940-45) Dokumentenauswahl und Einleitung*, edited by Fritz Petrick, Helma Kaden and Eva Hintze (Berlin, Heidelberg, 1993), pp. 112-4.
 3. 'Darstellung der rü-wirtschaftliche Entwicklung', 31 Dec 43, RW 27 /12, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 4a. Reinschrift." Freiburg.
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in place by the Odel committee, and it seems probable that purchasers from Germany drew up more contracts than actually could be completed. In Denmark, on the other hand, the Odel committee put a brake on producing this sort of contract, and this resulted in a higher percentage of contract completions. Thus this German 'success' was in no small part due to the Odel Committee's work, rather than to Forstmann's action. Hence, the discipline in drawing up contracts that was imposed by the work of the Odel Committee, despite being an annoyance to Forstmann, enabled him to present Berlin with positive reports. In short, Danish bureaucratic effectiveness helped improve Forstmann's own effectiveness. It seems likely that Forstmann was aware of this benefit.

Forstmann's general satisfaction with the Danish situation, then, led him to advocate the maintenance of the status quo. A Danish exception, the Odel Committee, thus encouraged the perpetuation of further Danish exceptions to the tighter German control and harsher exploitation seen in the Netherlands, Norway, and Belgium. However, this development only became apparent over time. At first, Forstmann and Ebner both doubted whether the system would work to their advantage. When the Danish Foreign Ministry officials Wassard and Worsaae told Forstmann and Ebner of their intention to create a price control regime, Forstmann was unhappy with the idea, complaining that "he didn't see any use for the new arrangement," as it duplicated the current system, and would only lead to delays and "bureaucratism." Moreover, if Odel were to try spreading around *Wehrwirtschaftsstab's* jobs, it would work to Germany's disadvantage. This was because Forstmann believed that such an effort would be impossible, as some Danish firms did not want to take on German contracts and many others were unsuited to the work at hand. As for the Danish proposal to control supply and prices, Forstmann thought it was better to "give affairs a free reign." To this comment, Wassard countered that under the circumstances there was simply no question of "free reign:" Danish firms were desperate to get whatever work they could, as long as they could get the necessary supplies, and having desperation steer affairs was never a sound basis

for policy. Though Ebner expressed some understanding of the Danish position, Forstmann still remained unenthusiastic, but all agreed to meet again to discuss the matter further.⁴ But Forstmann and Ebner did not meet again with the Danes, and instead sent their assistants to attend the meeting when the control system for the Extraordinary Industrial Deliveries, the EID, was formally presented by Wassard. What one should make of Forstmann's and Ebner's absence from the meeting where the entire EID was put under Danish supervision is not fully clear, but one might conclude that it was a sign of only guarded German support for the Danish plan.⁵ Though Ebner had expressed some support for the idea at the first meeting, Forstmann remained skeptical. In the absence of any concrete evidence of what changed Forstmann's mind, one might assume that he was overruled by the German Government Committee Chairman, Dr. Walter. At the most recent Government Committee meeting, Wassard had impressed upon Walter the need to reach an agreement on the scope of the EID for 1941.⁶ And Walter seemed sympathetic to the Danish situation. He had already approved the "Technical Centrale," which was an attempt to control construction spending, on the grounds that it was in German interest to avoid inflation in Denmark.⁷ Forstmann probably received Walter's order to accept the Danish control via the Plenipotentiary's office, though no record thereof has been found. One could also note that German self-restraint was in keeping with Walter's and, to a lesser degree, Forstmann's statements on the state of the Danish economic situation over winter 1941.

It was crucial that the *Wehrwirtschaftsstab* agree to the imposition of Danish price control, for it controlled the economic activity of the *Wehrmacht* and *Kriegsmarine*, Germa-

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4. 6 May 41 Meeting report, box number 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." OU.
 5. The *Wehrwirtschaftsstab's* war diaries at this time are complete, and there is no mention of Forstmann's absence from Copenhagen, which normally there would have been. On the Monday following this Friday meeting, he briefed his staff on in Copenhagen on the establishment of Odel's position. 12 May 41 entry, RW 27 12. "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark. mit Anlagen. Bd 1b. (Reinschrift)." Freiburg.
 6. 25 Feb 41 unattributed memorandum on origins of EID, box 19, 64.Dan.80.a/5.c. "Private and confidential. Udenrigsministeriet; det Rådgivende Handelspolitiske udvalg." 1940, UM, 1993 aff.
 7. Sigurd Jensen. *Levevilkår*, p. 118.
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ny's chief economic actors in Denmark. One of the most visible aspects of that activity was the intensified construction of the "West Wall" along the Jutland coast, which began in 1942.⁸ This would grow to be a substantial project. Monthly totals of spending of the *Wehrmacht* inside Denmark (*i.e.*, for provisioning, quartering, transportation, and construction) ranged from a low of 580,000 RM in February 1942 to over 10,000,000 RM in March 1944.⁹ However, the decision to build these fortifications was not based on the Danish-German relationship, but, like the invasion itself, was motivated by external strategic concerns, namely the fear of an Allied invasion. The rest of German economic activity in Denmark, on the other hand, tended to reflect the general tone of the Danish-German relationship under the occupation.

If the Germans did not wish to ravage the Danish industrial economy, they were still able to purchase practically anything they wanted, as long as they could provide the raw materials for it. The Danish example provides a small case where many of the theories of the German war economy can be tested. German wishes, as revealed by a study of the composition of the EID, shed light on Germany's view of its own mobilization needs and priorities, and perhaps even its greater strategic position in the war against the Grand Alliance. For example, one of the questions that inevitably arises about Germany's war mobilization is, "when did Germany consider itself to have mobilized for war?" In the Danish case, the purchasing of industrial products shows no significant change following Goebbels' famous *Sportpalast* speech of summer 1944, which is traditionally seen as the moment when Germany finally vowed to wage "total war." Nor is there any indication of a more intense utilization of the Danish economy when, in 1942, the *Reich* Ministry for Armaments was brought under Albert Speer, who was usually seen as the genius behind the German war economy's

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8. German defense plans assumed that any invasion in Denmark would land on Blåvands Huk, north of Esbjerg, in an attempt to capture that city and use its deep-sea port. On German defense plans in Denmark, see Arne Bouvig Christensen, *Invasion i Danmark? Danmark i det tyske invasionsforsvar under den anden verdenskrig* (Odense, 1976).
 9. Box 93 3301/45. "Monthly Führmeldungen." USSBS photocopies, Imperial War Museum, London, England.
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significant achievements.¹⁰ Here, where Germany found itself both unhampered by serious resistance or aerial bombardment and met with reasonable cooperation and helpful industrialists, it pursued the same goals in 1943-44 as it had in 1941-42. The changes at mid-1944 do not show an intensified exploitation of Danish industrial capacity, but an inability or unwillingness to make the necessary efforts to fully utilize it. In 1944, one sees a reduction of lower-priority purchases and a fall in German ability to provide raw materials for manufacturing.

At this point, it is instructive to take a look at some of the data pertaining to German purchasing in Denmark. Though the two data groups presented in figures 7 and 8 do not lend themselves to detailed comparison because of variation in the content of the available

10. Speer's ostensibly pivotal role was in part a result of his own campaign to rehabilitate his image in the world's eyes after Germany's defeat in 1945. According to Speer's depiction of his role at the top of the Nazi hierarchy, he was a naive technocrat who was ignorant of the more criminal aspects of the Nazi reign over Europe. As proof of his overwhelming focus on purely technical matters, he claimed that the Reich Ministry for Armaments, whose direction he received from Hitler after the death of the previous Minister in an airplane explosion, was in a state of near chaos; his efforts alone turned the ministry around and brought rationality and effectiveness to the German war economy. Research since then has undermined this picture, but the picture of Speer being the modernizing saviour of the floundering German economy still is still widely held. Speer's depiction of himself as a naive technocrat also is popular in Germany, where it provided average Germans with the chance to exculpate themselves from the crimes of the Nazi regime: if someone as well-placed as Speer knew nothing, then average Germans could believe that they too knew nothing. See Matthias Schmidt, *Albert Speer: Das Ende eines Mythos. Speers wahre Rolle im Dritten Reich* (Munich, 1982).

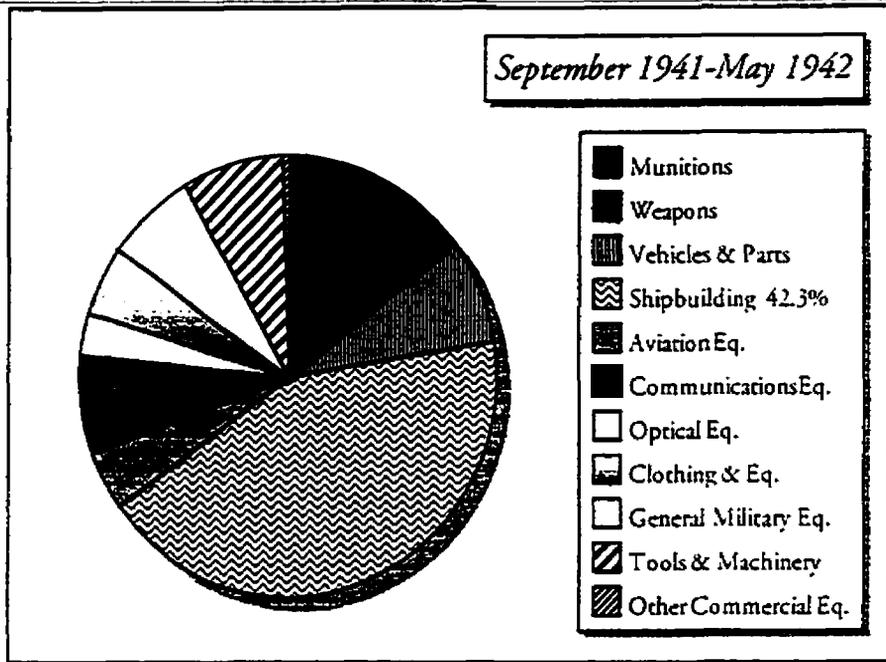


Figure 7 Composition of EID Orders 1941-42

source material (see note), the two taken together still provide some useful information.¹¹ The figures for both periods present the same variety of purchasing categories. In the first period, non-shipbuilding contracts appear to be more widely distributed among other categories. Orders for communications equipment, for example, are roughly equal to those for vehicles and parts purchases whereas they fell in the latter period. The sewing of uniforms and production of other outfitting eclipsed the production of munitions and weapons in the latter period, whereas the prior proportion was the reverse. In the period indicated by figure 8, it is apparent that purchases of weapons and munitions were scaled back, perhaps reflecting an increasing standardization of German weapons. Early on, Forstmann had decided that Danish companies were unsuited to conversion to the production of German weapons

11. The information that Forstmann was required to report for the period after June 1942 (shown in figure 8) was for direct contracts with the *Wehrmacht*. This is the reason that two separate charts are presented. As such, figure 8 does not include information for civilian contracts with the Danes. Thus, machine tools practically drop out of sight in Forstmann's list. This is misleading. As we shall see below (pp. 159), German purchases of machine tools from the beginning of the occupation to the end remained at roughly the same level.

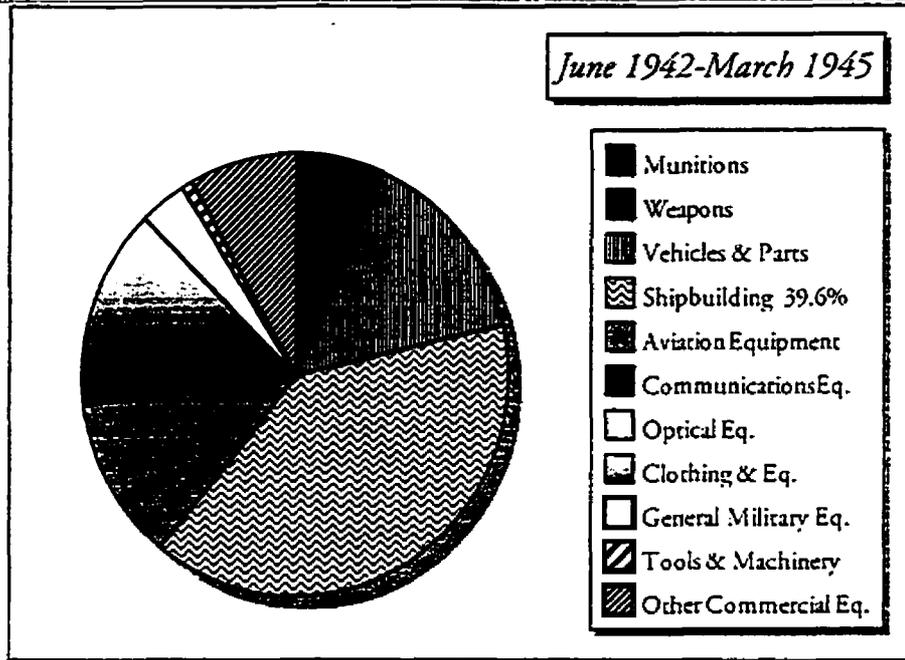


Figure 8: *Wehrmacht* Orders 1942-45¹²
 (Note: Two separate charts are given because of a change
 in the method of reporting. See text.)

(above, p. 107), but Danish weapons maker DIS/Madsen did export its flak-cannons to Germany and provided weaponry for the *Kriegsmarine*. In September 1943, the *Kriegsmarine* stopped buying Madsen's 2cm cannons, which might also partially account for this drop.¹³

Moving from the aggregate of German industrial purchases to an examination of the changes in their make-up over the course of the occupation, Figure 9 presents another view of the changes in German purchases over the course of 1942-45. In this figure, June and December were selected as representative sample summer and winter months, although it must be admitted that such a method does have its limits. For example, a discrepancy can appear between the totals provided in figure 8 and the samples selected in figure 9. For example, although communications equipment shows up here only on the June 1944 order

12. Figures 7, 8, and 9. Source: Box 93 3301/45. "Monthly Führermeldungen." USSBS photocopies. Imperial War Museum. London, England.

13. The reason that the *Kriegsmarine* chose to stop purchasing these cannons is not discernable from the sources. 30 Sept 43 situation report, RW 27 19. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.

list, deliveries of communications equipment for the *Kriegsmarine* remained a steady part of EID purchases for the entire occupation. Hence it happens that figures 7 and 8 show communications equipment, where five of the six sample months in figure 9 show none. Though choosing June and December excludes this individual category of purchases, they still provide "mile-markers" to give an impression of the general make-up of *Wehrmacht* orders over 1942-44. In addition to this benefit, because the sizes of the various piecharts are scaled to reflect the relative size of the total *Wehrmacht* orders, one gains a graphical representation of the fall-off of orders in 1944. This fall-off was a direct result of the Danish requirement of proof of adequate supply before orders could be approved, which made it impossible for the Germans to place orders for which they could not actually provide the supplies. As Germany's raw materials situation degenerated, one can see which priorities Germany was unwilling to relinquish. This priority was shipbuilding and repair. The share of December 1942 and 1943 shipbuilding orders remained small; due in part to the impact of the winter months, when long Danish nights and blackout conditions combined to make it impossible to draw up more contracts. (This is also apparent by noting figure 11, where an increase in shipbuilding is apparent in summer months (below, p. 164)). In December 1944, however, the drop-off of other orders left shipbuilding as the overwhelmingly predominant part of new orders. Thus one sees the results of Germany's ever-dimming fate. After mid-1944, German transportation became increasingly difficult, and Germany could no longer rely on

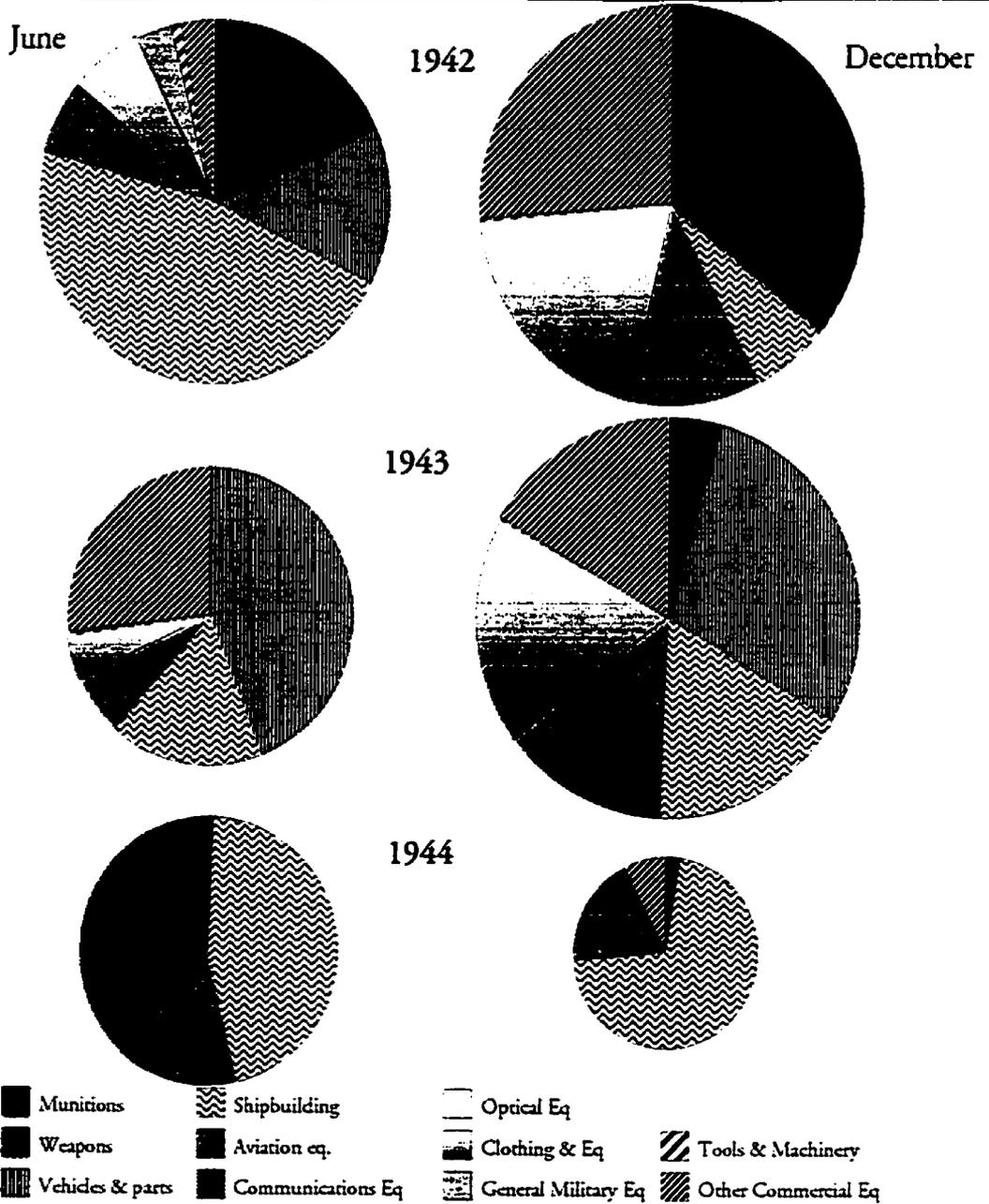


Figure 9: Composition of *Wehrmacht* Orders
June and December, 1942-44

NB: Circle size reflects relative volume of orders

suppliers from across the continent (e.g., Spain, Sweden, Finland) for political reasons, too. One should also remember that at this time, Hitler was also losing direct control of numerous other territories. With the increasing economic strain on Germany, in 1944 the *Wehr-*

macht had simplified its shopping lists and ordered a smaller variety of goods. Vehicles, and vehicle parts, a significant part of orders in 1943, comprised no part of June or December 1944's orders. Weapons and munitions orders, so significant in 1942, were almost invisible in 1943 and 1944. In 1943-44, Danish production was increasingly focused on the basics of military needs that Denmark could best provide: transportation (shipbuilding), aviation, and general commercial equipment. (Though Denmark had no noteworthy aeronautical industry, there was still a capacity for making such items as machined parts and barrage balloons.)

As these figures indicate, German industrial purchasing in Denmark does not show any particular sign of a sudden German mobilization in 1942, 1943 or 1944. Thus one can map out a curve of German purchasing in Denmark, which went roughly as follows. In 1940, purchasing was modest, and it increased dramatically at the turn of 1940-41. After that, it levelled off. The increase in 1941 can be attributed in part to Forstmann's office's increasing familiarity with Danish capacity and to the German conclusion that the Danish economy was more robust than was feared on invasion day. It also could reflect the German realization that the war would not be a short one. After this plateau of orders was reached in 1941, the amount of new orders remained fairly steady. A combination of German inability to supply orders already placed with Danish firms and Danish restrictions on unsupplied new orders created a backlog of orders under way and caused a reduction in new orders beginning in the last quarter of 1944 (see figure 2, p. 66). Total orders in the fourth quarter of 1944 and first quarter of 1945 averaged about 45 million *kroner*, compared to an average quarterly order level of 77 million *kroner* before, which represents about a 42% drop-off.¹⁴ This decrease, of course, reflects only a decline from Germany's average level of purchases, not total Danish capacity. The share of Danish capacity used by the EID will be examined below. In 1943 and 1944, as the rationalizations of the Speer Ministry began to take effect, one sees a German withdrawal from placing orders of non-standard equipment, such as was

14. Source: derived from box 6. A.9, "Standpunktoversigter," 1941-45. OU.

available from Danish producers. For example, in September 1943 the Germans stopped buying Danish design anti-aircraft cannons, as noted above. Given Denmark's dependence on imported raw materials, and Germany's worsening material and supply situation in 1944, it probably would not have been able to exploit the Danish economy any further, even if Germany wanted to.

Instead of a broad exploitation of Danish industry, the WS tended to concentrate on a handful of specific contractors. Consider Odel's June 1942 report of his office's first year of activity, in which he provided a list of Danish companies that had drawn up over one million *kroner* of contracts with the *Wehrwirtschaftsstab*. Though this is not the same thing as a list of items purchased, it is still possible to assess the kind of work being done from looking at the kind of companies that Forstmann did business with. It is not unreasonable to use this list (see table 1, below) to determine the main contours of the non-shipbuilding EID (shipbuilding is reviewed below). For one thing, one notices the absence of most of the largest Danish companies, as listed in the note on p. 91. Companies such as Nordic Cable and Wire, the Great Northern Telegraph Company, or Superfoss all held back from working with the Germans in any great fashion. Companies like Nordic Cable and Wire could even draw up their own conditions for doing business. For example, Nordic Cable requested that the Germans should make part of its payment for work in the form of extra raw material shipments. As far as the records indicate, this suggestion went nowhere, and this might account for the firm's absence from the list of Forstmann's biggest suppliers.¹⁵ Burmeister & Wain, on the other hand, though big, could not afford to refuse the Germans' work, for they had been in financial difficulties for a decade. Hence, B&W's non-shipbuilding work alone (motors, metalworking) put it second on the list, while DIS's automatic cannons and other expensive weapons put it at the very top. This list clearly shows that, after shipbuilding,

15. Nordic Cable and Wire to the Foreign Ministry, 19 Jun 41, box H 64-228. 64.Dan.80.v. "Danmark-Tyskland: Generelle spørgsmål vedr. ty. arbejder og ordrer i Danmark." 1941. UM, 1909-1945.

Table 1: Largest EID contractors, April 1942¹⁶

(Excluding shipbuilding, repairs, and garments)

Company	Amount (approximately, in million kroner)
DIS	49.1
B&W	27.4
Brandt & Ravntoft	15.7
Nicolayson & Neilsen	11.1
Vilh. Pedersen, Hong	10.2
FL Smidth & Co. & Valby Maskinfabrik & Jernstøberi	7.9
Scandia A/S	7.8
Wilhelm Johnsen A/S	6.9
Maskinfabriken Atlas	6.6
M.P. Pedersen	6.4
Thomas B. Thrige, Odense	6.3
A/S Vølund	6.0
A/S Frichs	5.8
Dansk Radio A/S	3.6
The Dania Shoe Machinery Works, A/S	6.1
A/S Titan	2.8
Kuno Budgaard, Esbjerg	2.6
Aage Sørensen	1.8
Hou Savværk & Træindustri	1.5
Aabenraa Motorfabrik	1.4
Dansk Automobil Byggeri, Silkeborg	1.4
Motorfabriken Bukh A/S, Kalundborg	1.4
Møller & Jochumsen A/S, Horsens	1.4
I. Krüger A/S	1.3
Dansk Akkumulator & Elektromotorfabrik A/S	1.1
Viggo Øberg	1.0

Germany was mostly interested in expensive, specialized, engineered items. Most of the companies listed here were metalworking companies and producers of specialized machinery. Thos. Thrige, for example, produced machinery for the food-processing and food transport industries; FL Smidth, Titan, and Atlas all produced capital machinery (cranes, cement making machinery, & cetera), Vølund, Frichs, and Scandia were all in the engineering business. Some of these companies were smaller machinery manufacturers, which had emerged as part of Denmark's expanding machine-tool industry in the 1930s: Vilhelm Pedersen, for example, was a small machine tool company in a small provincial town. In fact, the firm was so small that it had to inform the Germans that its ability to expand its production was limited by the town's shortage of suitable housing and the difficulty of finding

16. Source. *Beretning fra Udvalget for Ekstraordinære Industriarbejder m.v. for Tysk Regning for tiden indtil 1 april 1942*, p. 78.

skilled workers who wanted to live in a small town.¹⁷ The Dania Shoe Machinery Factory was a similar operation. The automotive companies executed repairs on German vehicles and produced gas generators, in demand because of the difficult fuel situation. The only exception to this pattern of German purchasing of engineering items are two companies on this list, which were consortia for smaller shoemakers (one of these represented makers of clogs).

These non-shipbuilding contractors would account for the majority of German purchases, but shipbuilding and repair was the single largest item on the German shopping list. Shipbuilding was one of the first things German eyes fell upon, as we saw in General Thomas' pre-invasion study of the Danish economy. As early as July 1940, when the Government Committee reviewed the prospects for the EID, nearly a quarter of the anticipated spending would be for ship repairs and ship building. In August 1940, Forstmann could report home that shipyards were hiring and had resumed using eight-hour shifts.¹⁸ By 1943, an increase in shipyard workers was plainly visible (see figure 10). Forstmann's "Unit History" for the period ending December 1941 also identifies shipbuilding as the single largest item that he was interested in, and over 31% of his purchases from October 1940 to the end of 1941 were for shipbuilding and repair. The next single largest categories on his list were weapons and clothing and outfitting (*i.e.*, belts, cartridge pouches, & *cetera*), each of which came in at about 15% of his total purchasing.¹⁹

In 1941, moreover, the shipbuilding program was still only in its formative state; up to the middle of that year, purchases of new ships were predominantly purchases of ships already begun for other countries before the invasion (see below, table 2, p.160). When, in May 1940, the German delegation to the Government Committee inquired about the

17. Vilhelm Pedersen to Industrial Council. 11 Mar 42. "Den tyske værnemagt. Brancheforeninger. - Håndværksrådet, Rüstungsstab. & *cetera*." 1941-45. IR. sorte.

18. 15 Aug 40 situation report, RW 27 /19. "Lagebericht des Wehrwirtschaftsstabes Dänemark. Bd. 1." Freiburg.

19. RW 27 /24. "Geschichte des Wehrwirtschaftsstab Dänemark von 1.Oct 40 bis 31 Dez 41." Freiburg. Appears also as USNARA Microfilm T-771697/1907946-8033.

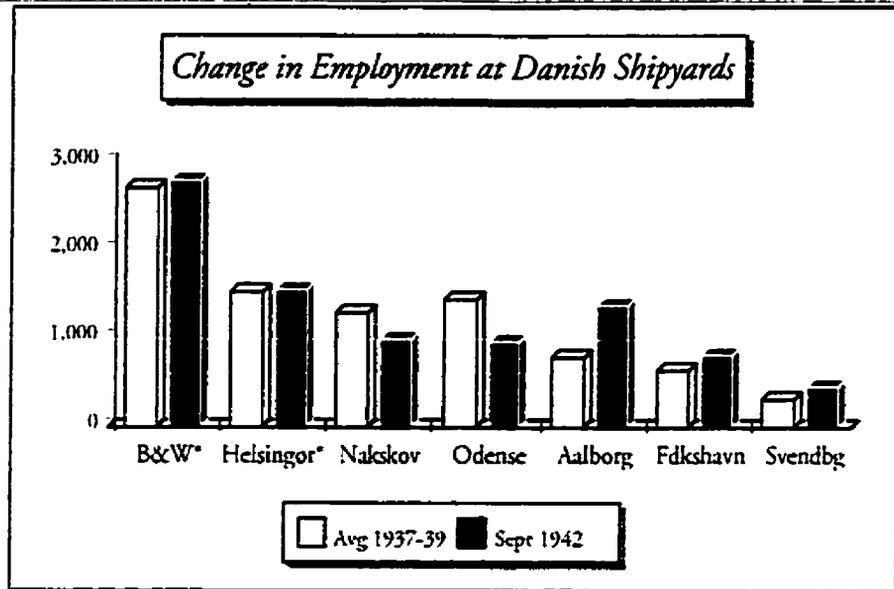


Figure 10 Shipyard Workers 1937-9 versus September 1942²⁰

Note: Helsingør and B&W figures exclude machinery and foundry workers.

possibility of building ships for the *Kriegsmarine*, the Danish side had responded that currently there were no free beddings.²¹ This obstacle was overcome by the simple expedient of the German purchase of those projects already begun in Danish yards. With this capacity thus ready to open up, the Germans opened talks with the Danes about further shipbuilding in January 1941. As noted elsewhere, as an outcome of these meetings, Duckwitz and the shipyards association had agreed to build eight ships.²²

Despite the appearance of other officials such as Duckwitz, Waldeck, and Ebner in shipbuilding discussions, the work remained under Forstmann's direction.²³ This reflected the truth that for Germany, shipbuilding was mostly a military matter. Though a military organization, however, the *Wehrwirtschaftsstab's* orders for ship construction were predom-

20. Source: Agreement on Hansa Ship program, complete with chart of slip plans for Danish yards, box number H 99-17c, 99.F.3/44, "Det rådgivende handelspolitiske udvalg. P.A. Apr 42- July/August 43." UM 1909-45.
21. 20 May 40 report on outcome of Government Committee meetings, box number H 99-308, 99.F.5/15/14, "Dansk-tyske regeringsudvalg. Resultater med bilag og følgeskr. jan-juli 1940." UM 1909-45.
22. 27 Jan 41 Industrial Council to Danish Foreign Ministry, box number H 64-244, 64.Dan.80/15a, "Danmark-Tyskland: nybygninger på danske værfter for tysk regning." UM 1909-45.
23. 12 Feb 41 memorandum summarizing phone call from Wassard to Peschardt, box number H 64-244, 64.Dan.80/15a, "Danmark-Tyskland: nybygninger på danske værfter for tysk regning." UM 1909-45.

inantly for non-combat vessels, while repair work could be done on both combat and non-combat ships. Smaller military boats (*e.g.*, those not for use on the open seas) could be and were built at various locations such as smaller boatyards and machine shops. Although repairs and construction of naval vessels usually outweighed that of merchant ships (table 3), this was not always obvious, and the presence of the *Kriegsmarine* could appear to be limited.

Table 2: German Takeover of Ships Being Built for Third Countries²⁴

<u>Hull #</u>	<u>Yard</u>	<u>Size (BRT)</u>	<u>Danish State Financing</u>	<u>Original Customer</u>
81	Odense	6,300	none	France or Great Britain
643	B&W	9,138	2,741,000	-
645	"	11,063	1,432,000	-
646	"	12,349	2,963,000	-
85	Odense	10,511	2,000,000	-
87	Odense	10,050	1,600,000	Norway
651	B&W	5,275	4,202,960	-
652	"	7,714	(part of above)	-
663	B&W	3,076	1,000,000	-
653	B&W	7,715	11,600,000	-
656	"	5,275	(part of above)	-
657	B&W	5,275	(part of above)	-
<u>95</u>	<u>Nakskov</u>	<u>5,600</u>	<u>3,500,000</u>	-
<i>Total</i>		99,341	31,038,960	

For example, OKM records from the end of February 1941 show only one OKM vessel, the *Jeverland*, as being repaired in Denmark at the time, though motor boats were being built at a smaller yards (the *Jeverland*, incidentally, would still be in a Danish yard in May 1942, reflecting German problems in supply in 1941).²⁵ As can be seen in table 4 (p. 160), the majority of ships built for Germany in 1940-42 were merchant ships. However, new ships might not be the most accurate measure to use. Ship repair, for instance, told another story. According to figures provided to Odel by the Industrial Council in April 1942, of larger (*i.e.*,

24. Source: Account of Danish financing of German takeover of third-country ships. 8 Aug 42 box number 11. D.1.a. "Skibs-sagerne. Reparationer. Generelt." OU.

25. Undated list, "Kriegsschiffsbauren auf ausländischen Werften nach dem Stande von Ende Feb 41." RM 7/94: "I. Seekriegsleitung KTB Teil B.V. Allgemeinen Inhalts." 1/41-12/41. and 12 May 42. "Kriegsschiffsbauren auf ausländischen Werften nach dem Stande von Ende April 1942." RM 7/95: "I. Skl KTB Teil B V Anlagen Allgemeinen Inhalts." Freiburg.

over 200,000 *kroner*) ship repair orders from 9 April 1940 to 1 April 1942, 34 contracts had been on merchant vessels, while 47 had been on naval ships.²⁶ The total value of repairs up to 1 April 1942 was set at 102 million *kroner*.²⁷ By 1 February 1945, the total amount of ship repairs would reach 626.1 million *kroner*. By war's end, however, the preponderance of the *Kriegsmarine* in ship repairs was unmistakable. According to figures provided by the Industrial Council's Central Office for Shipbuilding, almost 90% of repairs up to that date were on OKM ships.²⁸ One German document notes the construction of a mine-layer at the Odense shipyards, while the Helsingør shipyards developed and produced their own special mine-sweeping equipment for the *Kriegsmarine*.²⁹ Given this preponderance of *Kriegsmarine* contracts and the repair of German U-Boats at Danish yards, one can conclude that the motivation behind the Danish prohibition against the production of military equipment arose more from concern about alteration in the make-up of Danish productive capacity than from any stance of neutrality or anti-German attitude, despite whatever stance Danish industry might have wanted to seem to take retrospectively, once the occupation was over.³⁰

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26. 1 Apr 42 Industrial Council's Central Office of Ship and boat building to Odel Committee, box number 11, D.I.a. "Skibs-sagerne. Reparationer. Generelt." OU.
 27. 13 Jul 42 summary of German shipbuilding, marked Confidential, box number 11, D.I.a. "Skibs-sagerne. Reparationer. Generelt." OU.
 28. The *Kriegsmarine* would account for 556.4 million *kroner*, while the merchant marine repairs totalled 69.7 million *kroner*. 27 Feb 45, "Samlet Oversigt over Betalingen for Reparationer af tyske Skibe. "Centralkontoret." 1942-45, IR, sorte.
 29. Undated memorandum on Danish industrial firms, estimated Jan 1943, R 13 I/661. "Rüstungs- und Rohstoffbetriebe (Bergwerke) sowie Elektrizitätswerke im Deutschen Reich sowie in den besetzten Gebieten (tabellarische Übersichten, insbesondere über deren Produktionskapazität) Bd 1/2: Frankreich, Belgien, Niederlande, Norwegen, Dänemark. Hierin: Werften in Frankreich, Belgien und den Niederlande." Koblenz, and various places in Fotsmann's situation reports, including 31 Jul 44, attached to the war diaries, RW 27 /16. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 7. 3. Vierteljahr 1944. (Entwurf)," Freiburg.
 30. 1942 rumors appearing in the Swedish press reporting that Burmeister & Wain had built secret underground beddings for U-Boat construction were quickly and publicly demonstrated to be false. Note from Stockholm embassy, 26 Mar 42, box number H 64-244, 64.Dan.80/15a. "Danmark-Tyskland: nybygninger på danske værfter for tysk regning," UM 1909-45. As for post-war denial of having worked in any extended manner in work for the German military, in a memorandum on shipbuilding under the occupation, which was later published in the Industrial Council's journal *Tidsskrift for Industri*, the Danish Iron Shipbuilders' Association claimed, "At the Danish shipyards, we avoided building complete German warships, even though several times the Germans made sharp demands for such construction, and the shipyards' work for the Germans was essentially [*i det væsentlige*] limited to the repair of merchant ships." Christensen to Hvass (Danish Foreign Ministry), 30 Mar 47, box H 64-244, 64.Dan.80/15b. "Tyskland: ekstraordin. industrileverancer. Skibsnybygninger. I-II."
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Table 3: Shipbuilding and the EID³¹

Qtr	New EID Orders (million kroner)	Shipbuilding Orders (million kroner)	% for OKM	Shipyards as % of EID
2Q1941	98.1	15.6	66.98%	15.90%
	50.8	9.0	83.78%	17.71%
	71.6	23.0	63.63%	32.12%
1Q1942	54.8	17.3	64.44%	31.56%
	47.8	22.4	88.12%	46.86%
	58.0	20.4	53.28%	35.17%
	66.9	12.5	57.00%	18.68%
1Q1943	75.4	10.6	63.52%	14.05%
	64.0	12.7	63.95%	19.84%
	46.7	14.9	57.94%	31.90%
	71.6	13.2	92.95%	18.43%
1Q1944	60.0	13.1	43.47%	21.83%
	59.4	8.3	78.12%	13.97%
	44.8	17.2	53.08%	38.39%
	31.5	13.8	*	43.80%
1Q1945	27.2	18.2	*	66.91%

* Figures not available.

Shipbuilding and repair for Germany in 1941-44 was in fact a booming business across Europe, even in unoccupied countries like neutral Sweden, which was constructing naval vessels for Germany as late as April 1943.³² It might be instructive, incidentally, to note that Germany found the working atmosphere in the Danish shipyards preferable to that encountered elsewhere. From an early date, ships being worked on in some French yards had to be disguised as merchant ships to avoid difficulties with French shipyard workers.³³ Such a ruse does not appear to have been necessary in the Danish yards. A recent study of labor at Burmeister & Wain (which had done the largest number of German orders) indicates that

1941-47. UM. 1909-1945.

31. Source: box number 6, A.9. "Standpunktsversigter." OU.
32. Six "Sperrbrecher," blockade runners, are listed as under way at Swedish yards in the Kriegsschiffbau-plan, 14 Apr 43, RM 7/1422: "1.Skd KTB Teil B V Anlagen Allgemeinen Inhalts." Freiburg. But by September 1943, these ships were re-designated as non-combat ships, and their delivery date postponed to 1945, 6 Sept 43 "Kriegsschiffsbauten auf ausländischen Werften nach dem Stande von Anfang Sept 1943." RM 7/98: "1.Skd KTB Teil B V Anlagen Allgemeinen Inhalts." Freiburg.
33. 9 Sept 40. Hauptamt Kriegsschiffbau to various, RM 7/1499: "1.Skd III.a 6-4. Forderungen für Rüstungsprogramme und Fertigungsprogramme." Freiburg.

Table 4: German Shipbuilding in Denmark 1940-42*

<u>Yard/Ship</u>	<u>(Size)</u>	<u>Cost (million kroner)</u>
I. For the <i>Kriegsmarine</i> :		
<i>Aalborg</i> :		
icebreaker (hull 74)		5.37
<i>Svendborg</i> :		
transport ship (hull 51)		.37
II. For the German merchant marine		
<i>B&W</i> :		
hull #659	(3,500BRT)	8.78
hull #667	(8,000BRT)	12.95
hull #670	(8,000BRT)	12.7
<i>Helsingør</i> :		
hull #271	(3,100BRT)	4.12
<i>Nakskov</i> :		
hull #106	(4,000BRT)	5.21
hull #109	(2,100BRT)	1.79
hull # 111	(2,100BRT)	1.85
Ship completion	(1,750BRT)	.65
<i>Odense</i> :		
hull # 96	(3,000BRT)	2.59
<i>Svendborg</i> :		
<u>hull# 48</u>	<u>(900BRT)</u>	<u>1.70</u>
Total:	36,450BRT	ca 58.1 million kroner

workers, at least, were not especially unhappy with working on German ships: the grievances they filed with their unions were of an entirely routine and ordinary nature.³⁴

Germany's positive experience in shipbuilding in Denmark no doubt colored the wider German policy towards Denmark. It would appear, however, that shipbuilding did not come to be the deciding factor in policy towards Denmark. If it had, one might expect to see shipbuilding come to have a "crowding out" effect in all other endeavors, as Germany rationalized its policy around shipbuilding in Denmark. Until the last half of 1944, industrial purchasing in Denmark generally remained more diverse than that. For the most part, figures on shipbuilding's share of EID contracts reveal no particular trends, and shipbuild-

34. Source: 13 Jul 42 summary of German shipbuilding, marked Confidential, box number 11. D.I.a. "Skibs-sagerne. Reparationet. Generelt." OU.

35. Jan Pedersen. "Produktion og arbejdsmarked under besættelsen: normalitet og unormalitet i maskin- og skibsbygningsindustrien." *Årbog for arbejdsbevægelsens historie* (1994), p.159-188.

ing's share of the EID was erratic; only in the last months of the war was there a discernible upward trend in shipbuilding's share of the total EID. Similarly, there was no apparent trend in the OKM's share of *shipbuilding*, which also fluctuated between 40%-90% of the total billing. It will be remembered, however, that ship *repairs* in Denmark were almost exclusively OKM contracts.

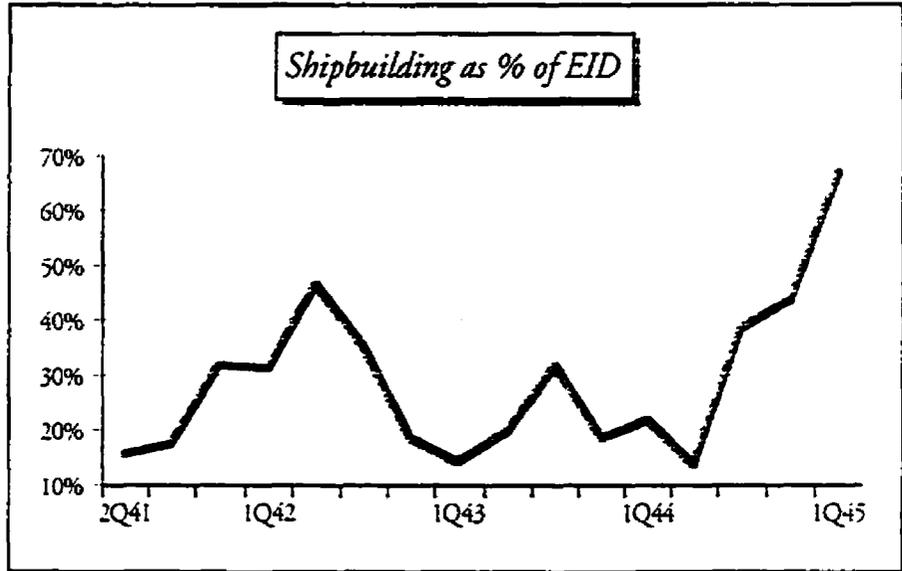


Figure 11³⁶

Despite this pronounced German interest in shipbuilding, the Germans did not come to monopolize the industry's work. In fact, Germany operated in a surprisingly restrained manner. For example, in March 1941, Germany agreed to a 50-50 Danish-German split of available bedding capacity in Danish yards. At talks with a German delegation led by *Ministerialdirektor* Waldeck from the *Reich* Transportation Ministry, Danish shippers and shipbuilders were able to impress upon the visitors their own urgent need to build more ships as soon as possible, due to their losses in the war. Of course, this argument was probably bolstered by the fact that, often, Danish shippers were carrying cargoes for German contract.³⁷ Wartime conditions, most notably the blackout, had cut Danish ship-

36. Source: box number 6, A.9. "Standpunktoversigter," OU.

37. From 1940-43. Danish ships carried cargoes for Germany for the following billings (in million *kroner*):

building capacity to 100,000 BRT per year from the normal 150,000 BRT. After agreeing to an even split of the available capacity at the shipyards, the two sides agreed to create a subcommittee to draft a more precise program: at its first meeting, Duckwitz assured the Danes that his side in fact had not developed any specific program, but was only looking to use free Danish capacity.

These talks on shipbuilding were not entirely warm, however, as the two sides differed on the Danish proposal that any contracts be limited to six months. In light of this Danish proviso, the German negotiators threatened to drop the deal altogether and, in the words of the German report on the negotiations, "this declaration obviously made a very strong impression on the Danish delegation." The Germans apparently were not willing to push the Danes to the wall, however, as they agreed to take up the matter again in June, and left Copenhagen after quietly placing a provisional order for eight ships, and the six-month contract limit remained to be resolved at a later date.³⁸

These rather positive signs were forgotten later, when it appeared that Germany's appetite for new ships might be growing very quickly, and that German orders could crowd Danish shippers out of their own yards. During the winter of 1942, a variety of German parties began appearing in Denmark to explore the possibilities of further shipbuilding contracts. Later, in the spring, Duckwitz concurred with Danish apprehensions about this development. He suggested that in fact Germany was really more interested in accelerating the output of ships by finishing those already being built and putting off orders for new ones, adding that he, thought "it would be in the German government's interest — and which in this case happened to be the same as the Danish government's — to refuse all the new

1940: 14, 1941: 48, 1942: 66, 1943: 78. These fares were split roughly 50-50 between ships carrying cargoes between Germany and Denmark, and ships carrying cargoes for Germany's own interests. R 7 /3407, "Die wirtschaftlichen Verhältnisse in Dänemark während des Krieges: Memorandum des dänischen Außenministeriums." 14 Jun 44, Reichswirtschaftsministerium, Koblenz.

38. 8 Mar 41 Meeting note on shipbuilding under the EID, two separate meeting memoranda from 10 Mar 41, one of which was from the shipbuilding subcommittee, box number H 64-244. 64.Dan.80/15a, "Danmark-Tyskland: nybygninger på danske værfter for tyske regering," UM 1909-45. And 12 Mar 41 report of Hauptausschuss Schiffbau, 67772: "Regierungsausschuß. Bd 3." Potsdam. These ships are included among the ships in table 4. Ships 1940-42.

applications for shipbuilding contracts (except for [one certain] contract ...), in order to finish ships that have been launched, and for whose completion all materials are on hand."³⁹ In June, the *Wehrwirtschaftsstab* assured the Danes that they remained in charge of shipbuilding in Denmark; they would not let things get out of hand.⁴⁰

At the end of that month, Waldeck returned to Copenhagen to discuss bringing Denmark into a pan-European naval building program, to be called the "Hansa" program. An expression of Germany's decision to maximize the total available tonnage by standardization and taking advantage of plentiful German coal, Hansa freighters would be simple steamers of 3,000 BRT, 5,000 BRT and 9,000 BRT. It appears also that they were not especially well-designed. When presented with the plans for these ships, the Danish shipbuilders demonstrated to the Germans that there were both errors and stark inefficiencies in their designs (*e.g.*, their actual displacements were different from the professed figures, a small alteration in hull shape would have yielded greater speeds, and a change in the decks would have increased carrying capacity).⁴¹ Danish shippers, who (unlike those in any other country involved in the Hansa program⁴²) were to continue to receive 50% of Danish output, were clearly unhappy with the prospect of being saddled with poorly designed coal-burning ships that would need to be expensively refitted after the war with oil-burners. Despite their stake in the program, Danish shippers' design objections were dismissed as being overly disruptive to a Europe-wide plan.

The details having thus been worked out Danish and German officials finalized the Danish part of the Hansa ship program in October 1942. Germany agreed to accelerate the delivery of supplies needed to free up the necessary slips, so that the six largest shipyards were

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39. 8 Apr 42 Worsaae report on meeting with Duckwitz, box number 11, D.I.a. "Skibs-sagerne. Reparationer. Generelt." OU. Appears also in box number H 64-244, 64.Dan.80/15b. "Tyskland: ekstraordin. industrileverancer. Skibsnybygninger. I-II." 1941-47, UM 1909-45.
 40. 1 Jun 42 memorandum summarizing meeting with Meulemann, box number H 64-244, 64.Dan.80/15b, "Tyskland: ekstraordin. industrileverancer. Skibsnybygninger. I-II." UM 1909-45.
 41. 22 Sep 42 H.P. Christensen to Blohm. "Centralkontoret." 1942-45. IR. sorte.
 42. B&W Memorandum on 18 Mar 43 meeting between Danish shipbuilding interests and German officials, box number 11, D.I.a. "Skibs-sagerne. Reparationer. Generelt." OU.
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to produce 37 ships (four at 3,000 BRT, 30 at 5,000 BRT, and three at 9,000 BRT) over eighteen months, with the first keel to be laid in February 1943. On 29 October the subject was brought to the Cabinet, and approved.⁴³ Completed ships were to be alternately delivered to Danish shippers and Germany. Germany also claimed the right of first refusal over the Danish-owned ships for three years after war's end. The two shipyards whose workforce had shrunk since the beginning of the war, Nakskov and Odense, would each have all three of their slips fully occupied under the plan. Frederikshavn, with its one slip, would build only one ship over the period, while B&W, Helsingør, and Aalborg would all hold one slip free. A 5,000 BRT ship was projected to be completed in nine to fourteen months, depending on the yard.⁴⁴ B&W, with twice as many slips as the next largest competitors, would put 1,500 men to work, while the medium-sized yards of Helsingør, Nakskov, and Odense would each put 675-750 to work at the program. All together, 4,250 men were expected to work on the Hansa ships.⁴⁵ Despite the plan to build 37 ships, only a handful were delivered to the Germans before the capitulation, due largely to the German inability to provide adequate materials to build more ships.⁴⁶

As shipbuilding clearly demonstrates, when the Germans were interested in doing business in a certain sector, they did not hesitate to purchase all they could. Yet this predom-

43. It should be remembered that at this very moment, Denmark was at the receiving end of a German *Nervekrieg* in the Telegram Crisis (above, note 47, p.105). Unfortunately, the Cabinet notes say nothing about the way that the program was received, only that it was accepted, and should be presented to the Committee of Nine. There is no mention of it in the Committee's notes. 29 Oct 42 cabinet meeting notes, *DPK*, iv, 2, p. 480.
44. B&W and Nakskov, for example, were expected to finish a 5,000 BRT ship in nine months, while Frederikshavn was expected to use 14 months to do the same job.
45. Agreement on Hansa Ship program, complete with chart of slip plans for Danish yards, box number H 99-17c, 99.F.3/44. "Det rådgivende handelspolitiske udvalg, P.A. Apr 42- July/August 43," UM 1909-45. *DPK*, IV, bilag, p.480. Sigurd Jensen, *Levevilkår*, pp. 173-5.
46. This is contrary to the claims in Sigurd Jensen, *Levevilkår*. In April 1944, Werner Best would report that the first 3,000 ton ship had been delivered, and Forstmann reported a total of six (all four of the 3,000 BRT ships and two of the 5,000BRT ships) to have been delivered in November 1944. Best's situation report, 1 Apr 44, R 43 II/1430, "Dänemark," 1940-1945, Neue Reichskanzlei, Koblenz. Forstmann's situation report, 30 Nov 44, RW 27 /17, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 8. 4. Vierteljahr 1944. (Entwurf)," Freiburg. Only eight of the Hansa ships were cancelled, and the Danes also received at least two Hansa ships, according to a note Wassard sent to SHAEF on 26 May 45, box H 64-244, 64.Dan.80/15b/a, "Tyskland: ekstraordin. industrileverancer. Hansaskibene. Bilag," 1941-47, UM, 1909-1945.

inance did not cover the whole spectrum of Danish manufacturing, as one might expect from a country engaged in a modern war. After all, a modern war effort requires a virtually endless stream of manufactured goods, ranging from shoelaces to bombers. Even in those areas where Germany had a predominant share in Danish exports, it was not always as large a share as one might expect. Though Germany was the predominant customer for shipbuilding work, other countries still got work done on their ships at Danish shipyards. Among others, Sweden, Norway, Ireland, Spain, Switzerland, Peru, and the USA (in 1943) were all customers for Danish shipyard work, though the proportion these orders took of overall export shipwork was insignificant.⁴⁷

The second greatest category of German industrial purchases was the machine tool industry. As noted above, a German specialist had been sent to Copenhagen to explore the possibilities of buying Danish-made machine tools, and he was present at the meeting where Forstmann laid out the 1940 program. Yet, although Germany was especially interested in machine tools, certain curiosities still emerge, as shown in table 5 (below). Though Germany dominated the rankings of customers for Danish machine tools, the percentages of Danish exports of those items is often smaller than one might expect under the circumstances. Of the four years when Germany controlled Denmark for complete calendar years (*i.e.*, 1941-

47. Danish Statistical Department. *Statistisk Tabelværk. 5th Series* (Copenhagen, 1940-48), figures for heading 46. "Transportation equipment." In 1943, there is an entry that notes that 9,786 BRT of steamers were repaired for American billing. This is probably only one ship, though it could be several. There are also a few instances in German and Danish files where Panamanian registered ships are discussed. Burmeister & Wain, for example, reported that it had just finished working on one ship & had others in the slips for Panamanian billing, though none was delivered. Danish Foreign Ministry Summary on the status of Danish shipbuilding 15 Sept 41, box H 64-244. 64.Dan.80/15a. "Danmark-Tyskland: nybygninger på danske værfter for tysk regning," 1940-47. UM. 1909-1945. Given the relationship between Panama and the USA, Panamanian could well mean an American company owned the ship. On another occasion, the German Foreign Ministry cottoned on to this reality when a tanker, partially owned by the Danish shipping company, A.P. Møller, had its Norwegian share sold to an American company which then sold its share to a Panamanian company. The Panamanian company froze its payment for A.P. Møller's share in the tanker, and the German Foreign Ministry decided to confiscate the tanker on the basis of its American share. As a reflection of the German willingness to do business in the "friendliest possible manner," the Germans compensated A.P. Møller for the frozen payment from the Panamanian firm. Barondon (Copenhagen) to German Foreign Ministry, copy to OKM, 4 Aug 42. RM 7/1187: "1. Skd. I.C1: I. Kriegführung durch Deutschland. 12. Dänemark-Norwegen-Unternehmen. B. Dänemark Bände 3 und 4. Juni 1942-Sept 1943. August 1943 - November 1943." Freiburg.

Table 5: Danish Machine Tool Exports 1940-44⁴⁸

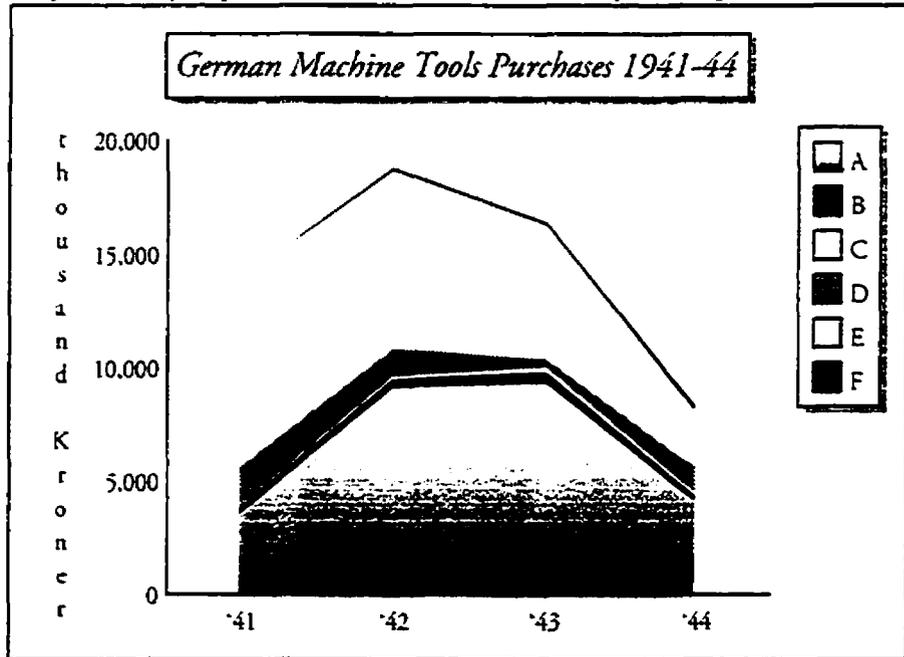
	<u>Category</u>	<u>First Rank (%)</u>	<u>German Rank (%)</u>
1940	Motors & Parts	Britain (29.77)	4th (8.89)
	Drills	Britain & Finland (20.69 <u>ca.</u>)	3d (1.39)
	Milling machines		1st (15.41)
	Lathes		1st (15.95)
	Other Metalworking Machines		1st (23.24)
	Woodworking Machines	Norway (42.69)	4th (2.25)
1941	Motors & Parts		1st (49.57)
	<u>Drills</u>		1st (<u>63.99</u>)
	Milling machines	Finland ⁴⁹ (58.22)	2d (13.70)
	<u>Lathes</u>		1st (<u>73.29</u>)
	<u>Other Metalworking Machines</u>		1st (<u>64.03</u>)
	Woodworking Machines	Finland (38.59)	3d (20.90)
1942	<u>Motors & Parts</u>		1st (<u>52.20</u>)
	Drills		1st (44.33)
	Milling machines	Finland (53.10)	3d (13.50)
	<u>Lathes</u>		1st (<u>62.32</u>)
	<u>Other Metalworking Machines</u>		1st (<u>54.51</u>)
	Woodworking Machines	Norway (40.49)	2d (28.43)
1943	Motors & Parts		1st (48.53)
	Drills		1st (26.80)
	Milling machines	Finland (24.38)	2d (21.72)
	Lathes	Finland (21.84)	2d (19.72)
	Other Metalworking Machines		1st (42.23)
	Woodworking Machines	Finland (33.97)	3d (25.24)
1944	Motors & Parts		1st (48.19)
	Drills	Finland (22.67)	2d (21.75)
	Milling machine	Finland (28.04)	2d (16.06)
	<u>Lathes</u>		1st (<u>54.07</u>)
	Other Metalworking Machines		1st (32.03)
	<u>Woodworking Machines</u>		1st (<u>50.10</u>)

NB: More than 50% is underlined.

44), of 24 examples shown here, in only eight instances did the German share exceed 50%. In some categories, even though Germany held first place, it still purchased less than half of those exports, *e.g.*, in the 1943 exports of drills, and in the 1944 exports of the category "other metalworking machines." It is difficult to know exactly what to make of these figures. However, some conclusions can still be drawn. For one thing, despite Germany's undoubted

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48. Danish Statistical Department, *Statistisk Tabelværk 5th Series* (Copenhagen, 1940-48), figures under heading 44.5 "Other Machines," and combined totals for heading 44.1 "Motors."
49. Finland was in desperate need of machine tools during this period as it worked to provide housing for refugees from Karelia, taken by the Russians after the Winter War.

increase in wartime production over the course of the war, Germany's proportion of Denmark's machine tool exports does not show any corresponding increase. In fact, it even appears to decrease. Similarly, the totals of German purchases, not just the German share, do not show any corresponding leap, either (figure 12). Clearly, this decrease can be attributed to Germany's inability to provide the raw materials necessary to complete these orders.



A: Motors, B: Drills C: Milling Machines
 D: Lathes E: Other Metalworking Machinery F: Woodworking Machinery
 Figure 12⁵⁰

Another example that demonstrates how the *Wehrwirtschaftsstab* was not seeking to exploit the Danish engineering industry, appears in the stunning figures regarding German purchases of Danish engineering's crown jewel, the diesel motor (table 6, figure 13, below). Only in 1941 did Germany buy more than half of Denmark's diesel motor exports. This is not because Germany had no need for Danish diesel motors. For the most part, these motors were for nautical use, and the WiRüAmt did contract to purchase submarine diesels in Denmark. Nor is it because a large Danish manufacturer of diesel motors was able to

50. Source: Danish Statistical Department. *Statistisk Tabelværk. 5th Series* (Copenhagen, 1940-48), figures under heading 44.5 "Other Machines," and combined totals for heading 44.1 "Motors."

"cold-shoulder" the Germans: Denmark's leading manufacturer of nautical diesel motors was

*Table 6:
German Share of Danish Diesel Motor Exports.*

<u>Year</u>	<u>First rank (share %)</u>	<u>German rank (share %)</u>
1940	Britain (32.60)	7th (4.62)
1941		1st (56.12)
1942	Spain (27.24)	2d (22.55)
1943	Italy (30.61)	3d (21.54)
1944	Spain (34.11)	2d (31.51)

German Share of Danish Diesel Motor Exports

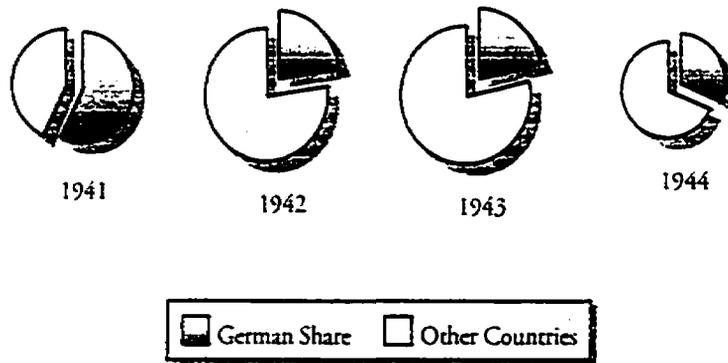


Figure 13⁵¹

Circle Size Indicates Relative Volume of Those Exports

B&W, always hungry for work. Again, one must conclude that the chief obstacle to German purchasing in Denmark, was not lack of want, but the inadequacy of German raw material supply. Moreover, the absolute volume of German diesel motor purchases indicates German moderation. How else can one account for the fact that Forstmann's 1944 purchases of diesel engines in Denmark were only 47% of 1941's purchases? Here, too, there is no sign of the Germans ruthlessly utilizing a Danish industry. Although 1943 was the peak year of wartime diesel motor production, this high of 8,355,000 *kroner* of motors compares to the 1938 total

51. Source: Danish Statistical Department. *Statistisk Tabelværk. 5th Series* (Copenhagen, 1940-48), heading 44.1.3 "Diesel Motors."

of 17,473,000 *kroner*.

The under-utilized machine tools and diesel motors industries stand as solid examples of Germany's limited interest in making the most of Danish assets made available by the occupation. Both were commodities that the Germans needed for their war effort, yet they failed to buy as many of them from the Danes as they could. The Hansa program also seems to show German self-restraint. Indeed, not only did the Germans regard the industrial situation as satisfactory for their own purposes, Forstmann and other Germans conducting business with the Danes believed that their presence was also beneficial to Denmark. This might in fact reflect how the Germans saw the EID as a whole: not as a chance for Germany to expand its supply of the necessary goods, but as a sort of charitable and didactic make-work project that the *Reich* bestowed upon tiny Denmark. This attitude was no secret. In February 1941, the Danes concluded that the Germans viewed their purchasing in Denmark as being more beneficial to the Danes — because of the relief in unemployment — than it was to Germany. The Germans, the report concluded, appeared to be not very concerned with the actual output.⁵² The German Chamber of Commerce in Denmark argued in its 1942-43 annual report that “the war has helped Danish industrial manufacturing more than it has weakened it.”⁵³ At the end of March 1943, Forstmann assured Berlin that “the war has helped Danish industrial production more than it has weakened it.” He added that, “the new work that the war has created had has only been to Danish advantage.”⁵⁴ On another occasion, Major Baumann,⁵⁵ one of Forstmann's officers, countered a Danish complaint

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52. Unattributed memo, 25 Feb 41, box 19, 64.Dan.80.a/5.c. “Private and confidential. Udenrigsministeriet; det Rådgivende Handelspolitiske udvalg,” 1940. UM, 1993 aff.
 53. Annual report of the German Chamber of Commerce in Denmark, 1942-43, R 11 /2089. “Prüfung der Haushalts- u. Wirtschaftsführung der deutschen Handelskammer in Dänemark. Kopenhagen.” Koblenz.
 54. Anlage 16 to 31 Mar 43 report, RW 27 /6. “Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 1a: 1. Vierteljahr 1943 (Reinschrift).” Freiburg.
 55. Baumann was transferred from Forstmann's command after von Hanneken reported his ‘disrespectful’ comments about Forstmann to Danes and Germans alike, an episode which, in combination with the statements here regarding Danish industry's ingratitude for German contracts, might reveal him to be particularly prone to letting his indiscretions cause difficulties. It might also be an indication of Forstmann's own competence. Hanneken to Thomas, 19 Nov 42, 5533. “v. HANNEKEN, Herman.”
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about the growing gap between new orders and Danish industry's ability to fill those orders by stating that the Danes truly had no cause to complain, for German orders were a "great help [*store nytte*] for their industry." Moreover, he claimed, only about half of Denmark's available capacity was being used for German orders. Indeed, Danish industry "has learned a lot and instead of sitting idle, it had been improved since 1939." He noted that, "its machinery, thanks to Germany's extending 'urgency certificates' (see below, p. 173) when needed, ought to be notably better than it was before the war, and because of it, Danish industry should be more competitive and competent in exports than it otherwise would be, when the war is over."⁵⁶ This was perhaps a bit over-drawn on Baumann's part, yet shortly after the war, one of the first Danish histories of the occupation made a similar claim:

In those branches of industry that extensively worked for the Germans, there were lasting structural changes. Certainly, the orders for the most part went to already-established firms and made use of already extant capacity, but the contracts did lead to many alterations in their technical facilities, and in several cases to considerable expansion or the establishment of totally new firms.

For the most part, it was this material and these new firms, that were first and foremost hit by sabotage in the last years of the occupation...⁵⁷

The problem with Baumann's claim and this later, Danish claim, is that it appears to be based more on anecdotal than empirical evidence. For example, Jan Pedersen's recent article on Burmeister & Wain's labor situation during the occupation, offers some figures on machinery imports.⁵⁸ Citing data provided by the Danish Bureau of Statistics, he is able to quantify a clear drop in Denmark's overall import of machinery during the early occupation years. In 1943-44, the value of machine imports began to approach pre-war levels, but the need to replenish the lost imports of 1939-42 was acute. The leap in 1946 imports reflects the effort to address that need. In September 1944, Forstmann listed machinery provided by

1936-45, personark.

56. Meeting notes, 6 Oct 42, box number 5, A.7.a. "Principielle spørgsmål vedrørende A-Listen." OU.
57. Vilhelm Buhl et al. *Danmarks Økonomiske Forhold 1939-45*, v. V of Aage Friis, ed., *Danmark under Verdenskrig og Besættelse. Historiske Enkeltfremstillinger*(Odense, 1948), p. 160.
58. See above, p. 163.
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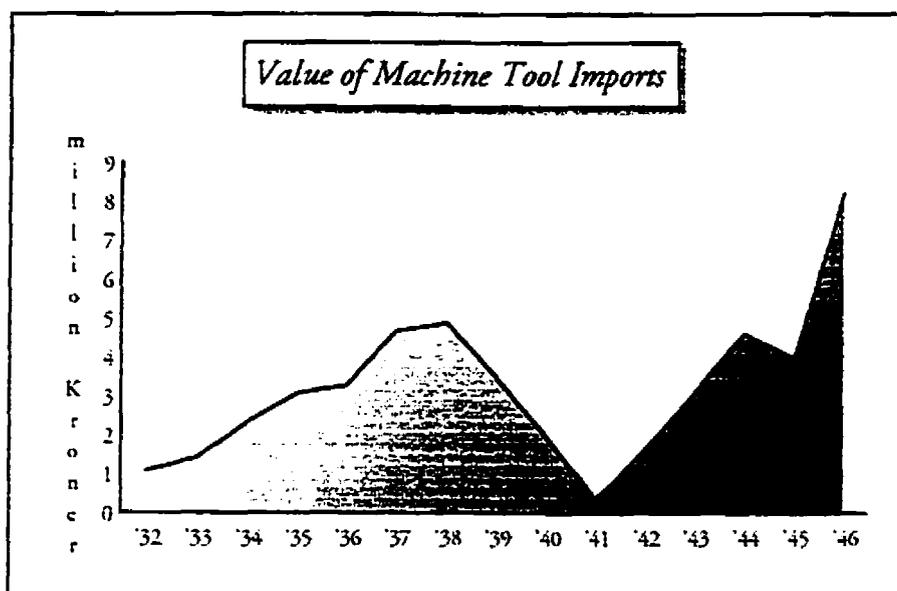


Figure 14: Danish Machine Tool Imports 1932-46⁵⁹

Germany that, in an effort to deny an advancing enemy the use of economic assets, should be destroyed in the event of a German withdrawal. Though not a definitive list of all machinery provided the Danes by Germany, it does give some indication of what he thought to be Germany's most significant contributions to the Danish industrial sector. Forstmann's two-page long list is unimpressive: a total of 155 machines at eight companies were slated for potential destruction (of this total, 115 were at three firms).⁶⁰ Notwithstanding this small inventory of machinery provided by the Germans, it is of some interest that after the occupation, the Danish metalworking industry was still reluctant to draw too much attention to the state of its machine tool situation. It confirmed that, "[i]n the machine industry, there have been great improvements in firms' equipment," and that in the immediate postwar years, the state of the industry's machinery could not really be cited as a major cause of lagging Danish

59. Source: Figures provided by Jan Pedersen, used in his, "Produktion og arbejdsmarked under besættelsen," pp.159-188.

60. Forstmann memo on destruction of capacity in case of withdrawal, 26 Sep 44, box number K 599. "Diverse korrespondance 15.8.44-20.8.45. bl.a. anonym skrivelse om Danmarks stilling til den totale mobilisering, materialeforsyning til reparation af handelsskibe, fortegnelse over gas-, vand, og elektricitetsværker med plan for at sætte disse ud af drift." TA.

productivity. Moreover, it could even be thought as being "somewhat dangerous to draw too dark a picture" of the condition of its machinery.⁶¹

On the whole, despite the drop in machine imports in 1940-42, it appears that Denmark was, if not adequately, then at least tolerably supplied with machinery, for the country's need for imported machinery never became the cause of a serious problem between the Danes and Germans. If the Danes had really found themselves in an intolerable situation, it seems probable that the arrangements made between the two nations for machinery imports would not have functioned as well as they did. In this instance, the Danes were given favorable access to the Germany machinery industry that shared the closest integration with German practices. Here, where it was to Danish advantage, the Danes were brought into the German system. At the outset of the occupation, when there was such a precipitous drop in Danish machinery imports, there was no system in place for supplying the Danes with all the machinery they needed. Companies made do, hoping their machinery would hold out for the duration of the occupation, and they dealt with the Germans in a traditional manner. In 1940 and the first half of 1941, Denmark, unlike Norway, the Netherlands, and Belgium, thus was not required to provide proof of need for its orders. In June 1940, Erik Klem, the Danish attaché for industrial matters in Berlin was assured by the RWiM that Denmark would not need "urgency certificates" [*Dringlichkeitsbescheinigungen*] for purchases of metal wares.⁶² This freedom from German control was no great gain, however, as Danish machinery imports were below the needed levels.

The crunch came as Danish machinery wore out at the same time that Germany began to experience difficulties in exporting machinery, and by 1942, the Danes joined the standard German system for machinery purchases, albeit with a significant level of Danish

61. 8 Sep 47 Meeting notes of Erhvervsøkonomiske Institut. "Det erhvervsøkonomiske Institut. Udvalg. Breve & kopier." Jan 1943-Dec 1947. IR, gulde.

62. Klem to Wassard, 21 Jun 40, box number H 83-386. 83.Tys.22. "Tyskland. Generelle spørgsmål vedrørende dispensation fra udførselsforbud. tyske krav om 'Dringlichkeitsbescheinigung' I-II." UM 1909-45.

control over the traffic. This came about as follows. Towards the end of 1941 it seemed as though Danish firms not directly taking German orders were now having no success in getting "urgency certificates" to clear shipments of machinery from Germany, and in many cases of machinery that had been bought and paid for long before.⁶³ As the German suppliers became increasingly hesitant to ship machinery without "urgency certificates," it was apparent that the *Wehrwirtschaftsstab* had begun taking care of this matter for Danish companies of interest to themselves. Now it appeared that the Danes were going to have to take care of this, and they began to take steps to secure Danish control over producing these certificates.⁶⁴ In October, the Industrial Council informed Wassard that something had to be done soon about the matter.⁶⁵ At a November meeting under Peschardt's supervision, an official from the RWiM informed the Danes that German companies which had used up their quotas of metals for exported products (and the number of such companies was increasing) must henceforth produce urgency certificates to be permitted to export. After the meeting, the representatives of the Danish Wholesaler's Society, the Industrial Council, and the Directorate for Supply and Provisioning agreed that this responsibility should be given to the private sector, and they left it to the Industrial Council to establish a "Machine Import Committee" to prioritize industry's machine needs and submit them to the *Prüfungsstelle für Maschinenbau* in Berlin for issuing urgency certificates.⁶⁶ Bureaucratic problems caused considerable difficulties in the first half-year of this Machine Committee's work, as German authorities were not fully sure where they should send the applications for certificates.⁶⁷ Supposedly,

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63. Lindgren (Directorate for Supply) to Foreign Ministry, 29 Sep 41, box number H 83-387, 83.Tys.22, "Tyskland. Generelle spørgsmål vedrørende dispensation fra udførselsforbud, tyske krav om 'Dringlighedsbescheinigung' III-IV," UM 1909-45.
 64. 25 Jul 41 note on urgency certificates, box number H 99-307, 99.F.5/15/10, "Notitser til overgivelse til det tyske regeringsudvalg," UM 1909-45.
 65. Hartz to Wassard, 20 Oct 41, "Korrespondance med tyske myndigheder. Korrespondance med Industrirådet. Korrespondance med UML," 1941-45, IR, sorte.
 66. 18 Nov 42 meeting notes, box number H 83-387, 83.Tys.22, "Tyskland. Generelle spørgsmål vedrørende dispensation fra udførselsforbud, tyske krav om 'Dringlighedsbescheinigung' III-IV," UM, 1909-45.
 67. 9 May 42, Machine Import Committee to Foreign Ministry, box number H 99-300f, 99.F.5/12
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urgency certificates were not to be awarded on the basis of *German* need for their supply: the Committee determined *Denmark's* most urgent needs, and it remained cogniscent of the limitations that the war effort put on Denmark's prospects of getting whatever it needed. It seems likely, however, given the machine industry's postwar assessment of its condition, that this commitment to keep German priorities in check remained more theoretical than actual.

As the figures from Pedersen's article (figure 14) show, there was a definite drop in Denmark's total imports of machinery. One might not expect otherwise, given that German war priorities lay somewhere other than providing the Danes with all the machinery they might need. But still, the 1943-44 levels of machinery imports approached prewar levels. This German generosity was based on German economic officials' understanding of the general Danish economic situation. The fragility of the Danish economy was never forgotten. Walter, Forstmann, and Ebner argued repeatedly that it was in Germany's better interest to redress the Danish economic predicament. Walter had warned against "hollowing out" the Danish economy.⁶⁸ The German decision to keep the two economies separate meant that the machinery supply situation was a very rare case where the Danes were allowed direct access to Germany's economic organization. Otherwise, the fiction of "occupied neutrality" was preserved. "Occupied neutrality" thus tended to provide the legal grounds for German economic self-restraint. Hence, in May 1941, Danish sovereignty was the reason the German Foreign Ministry used in reminding the OKH that there was no need for it to establish a separate railway office in Denmark.⁶⁹ It has already been noted how von Hanneken cited Danish sovereignty as a basis for rejecting the installation of a German "water and energy commissar" in Denmark. Again, the *Reich* Commissar for Labor's representative in Copenhagen found himself restricted to recruiting volunteers rather than combing out "available" labor for work in Germany. In October 1940, Forstmann recommended that, when it came

niføjelse. "Industrirådet (vedr. Tyskland. Korrespondance, forhandlinger, m.v.) (1 læg)." UM. 1909-45.

68. Walter to Scherpenberg, 18 Feb 42, 68311: "Dänemark. Wirtschaft. 1. Allgemeine wirtschaftliche Lage, bd 2." Potsdam.

69. Schnurre to OKH, 8 May 41, 67772: "Regierungsausschuß. Bd 3." Potsdam.

to the question of supplying the Danish economy, Denmark should be treated as a friendly neutral country.⁷⁰ On another occasion, he reminded the *Kriegsmarine* that “because Denmark is a sovereign country, it is completely up to Danish companies whether or not they wish to take on any contract.”⁷¹ Even German companies were not allowed to act in a heavy-handed manner towards the Danes. The motorworks of the Howaldt Works, one of Germany’s largest marine machinery companies, had sent a memorandum (after the fact, no less) ordering Burmeister & Wain to attend a meeting on economy measures, and Forstmann refused to pass it along, pointing out the following to Howaldt: “Essentially, Denmark is not an occupied territory, but should instead be referred to as a neutral state. Danish firms therefore are not to be included in the sense of your 9 February [1942] circular.”⁷²

Such a stance was made possible by Forstmann’s broad satisfaction with the EID. This is not because everything was running at full tilt: his reports often mentioned free capacity in Denmark. Generally, he tended to tell Berlin that all was in order in Denmark. In reporting on two minor crises that winter in the relationship between Copenhagen and Berlin, Forstmann remained positive. When a Danish army officer had been accused of spying in Berlin, Forstmann reported that the Danish officials had been very helpful in the matter, and that “in Denmark, there is a good foundation for cooperation with Germany.”⁷³ Although the following summer he reported some unfriendly attitudes on the part of some Danish companies doing business with Germany, in the fall he had concluded that the mood among such businesses had improved.⁷⁴ After public demonstrations in Copenhagen follow-

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70. 15 Oct 40 Situation Report, RW 27 /19, “Lagebericht des Wehrwirtschaftsstabes Dänemark. Bd. 1,” Freiburg.
71. Forstmann to OKM, 12 Mar 41, Wi/IE.5: “Norwegen und Dänemark,” Freiburg.
72. Forstmann to Howaldt Works, 5 Mar 42, box number K 545, “Korrespondance med Burmeister & Wain,” TA.
73. 15 Feb 41 situation report, RW 27 /19, “Lagebericht des Wehrwirtschaftsstabes Dänemark. Bd. 1,” Freiburg.
74. 15 Jul 41 situation report, RW 27 /21, “Lageberichte des Wehrwirtschaftsstabes Dänemark. Bd. 3,” Freiburg, and 15 Sept 41 situation report, RW 27 /22, “Lageberichte des Wehrwirtschaftsstabes Dänemark. Bd. 4,” Freiburg.
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ing Denmark's signing the Anti-Comintern Pact in November 1941, Forstmann reported simply that the completion and deliveries of contracts had remained "frictionless and punctual."⁷⁵ This satisfaction is very evident in most of his 1941-1942 situation reports.

True, he also often reported that there was in fact room for improving the state of Danish deliveries: however, the problem was more often on the German side, not the Danish. Payments for work being done by Danish contractors and the shipments of raw materials and semi-finished goods were not at all being made in a timely fashion. Forstmann warned that this problem had to be addressed if there were to be any chance of reaching the most effective level of Danish production. In April 1942, following a particularly hard winter that had slowed down ship-borne transportation, the delivery situation had deteriorated so seriously that he warned that one might as well consider Denmark as not being used at all for military contracting.⁷⁶ Moreover, German companies with orders placed in Denmark were sometimes too exacting in their expectations. Forstmann reminded his colleagues in Berlin that conditions in Denmark were different than in Germany, and they would be wise to expect only a moderate level of precision in Danish production.⁷⁷

Clearly, Forstmann's reflected limited expectations from the work done by Danish manufacturers. Though the *Wehrwirtschaftsstab* believed Danish work to be of adequate quality, the work was still not deemed to be as good as German companies could produce. The OKW had a tendency to demand an excessively high level of precision and quality in its orders, and it appears that this predisposition carried over to the OKW's and German companies' purchasing in Denmark. Not expecting this kind of work from the Danes, however, it is possible that the *Wehrwirtschaftsstab Dänemark* concluded that the Danes

75. 15 Dec 41 situation report. RW 27 /22. "Lageberichte des Wehrwirtschaftsstabes Dänemark. Bd. 4." Freiburg.

76. 15 Apr 42 situation report. RW 27 /22. "Lageberichte des Wehrwirtschaftsstabes Dänemark. Bd. 4." Freiburg.

77. 15 Mar 42 situation report. RW 27 /22. "Lageberichte des Wehrwirtschaftsstabes Dänemark. Bd. 4." Freiburg.

could never be expected to reach Germany's own high standards. This might also account for a lack of a more comprehensive effort to exploit the Danes: whatever work they might be able to perform was deemed insufficient quality for the new masters of Europe.

Forstmann's reports home to Berlin similarly show little dissatisfaction with the general tenor of Danish-German relations during the 1941-43 period. If, as the traditional interpretation of the occupation would have it, the October - November 1942 Telegram Crisis marked the beginning of the end for Danish-German cooperation, the *Wehrwirtschaftsstab* showed no sign of worry about the subject. During and after the Crisis, Forstmann noted only that there was still free capacity in Denmark that could be used.⁷⁸ He passed along von Hanneken's order prohibiting contact with private Danish citizens (an order that lasted about a week), and this was reported in the unit's war diary without any comment. Similarly reflecting very little concern, the diary entry noting Renthe-Fink's withdrawal concluded merely (and vaguely) that it should be interpreted to mean "that a change has taken place in the political connection."⁷⁹ Yet his year-end review of his greatest problems in the last quarter of 1942 was of an entirely routine nature.⁸⁰ In March 1943, Forstmann reported that the "somewhat unfortunate developments in the war had not adversely affected the [Danish] willingness to do business for Germany."⁸¹ In June, he would report an 11% increase in completed orders, though even greater results were hampered by poor German deliveries of necessary supplies.⁸² At the end of June 1943, with incidents of sabotage and

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78. October and December 1942 situation reports, attached to war diaries. RW 27 /3. "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark. mit Anlagen. Bd 2a. (Reinschrift)." Freiburg.
 79. War diary entries of 1, 8 and 13 Oct 42. RW 27 /3. "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark. mit Anlagen. Bd 2a. (Reinschrift)." Freiburg.
 80. "Übersicht über die in den monaten Oktober, November, Dezember 1942 aufgetretenen wichtigen Probleme beim Wehrwirtschaftsstab Dänemark." 1 Jan 43. RW 27 /6. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft). mit Anlagen. Bd 1a: 1. Vierteljahr 1943 (Reinschrift)." Freiburg.
 81. "...die etwas weniger glückliche Entwicklung der Kriegslage im Winter [hat] die Arbeitswilligkeit für Deutschland nicht gelähmt." 31 Mar 43 Appendix. RW 27 /6. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft). mit Anlagen. Bd 1a: 1. Vierteljahr 1943 (Reinschrift)." Freiburg.
 82. "Darstellung der Rüstungswirtschaftlichen Entwicklung." 30 Jun 43. RW 27 /8. "Kriegstagebuch des
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other disturbances in the country increasing, Forstmann attached little importance to them, as sabotage was directed mostly against targets with no significance to Germany, much less those that were executing German contracts. Moreover, he believed that the saboteurs were mostly communists and nationalistic youths, a fact which seems to imply that as such he thought that they posed no critical danger.⁸³ Thus, in his report on the general situation on 30 June 1943, he maintained that cooperation with Danish officials was going smoothly.⁸⁴ True, in the week before the withdrawal of the Danish cabinet on 29 August, Forstmann did warn the Speer Ministry that there might be a dip in upcoming production figures because of the wave of citywide strikes — which he blamed on the Communists — in the provinces. Again, on 28 August, he laconically noted that some companies henceforth might be increasingly hesitant to take on German contracts. However, less than two weeks after the Danish cabinet's withdrawal, Forstmann was able to report that his production was back to normal.⁸⁵ Just before the end of the declared state of emergency, he informed Berlin that the *Rüstungsstab Dänemark* was using this opportunity to "strengthen its position" over Danish companies, which presumably meant that they were pressuring Danish firms only a little more, given that the very next comment in this message was that his office continued to follow Hitler's April 1940 order that contracts be drawn up "in the friendliest possible manner."⁸⁶ His report on the greatest "*wehrwirtschaftliche*" problems for the third quarter of 1943

Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 2b. 2. Vj. 1943 (Durchschrift)." Freiburg.

83. 30 Jun 43 situation report, RW 27 /8. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 2b. 2. Vj. 1943 (Durchschrift)," Freiburg.
84. 30 Jun 43 entry, RW 27 /8. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 2b. 2. Vj. 1943 (Durchschrift)," Freiburg.
85. War diary entries of 23 and 28 Aug 43 and 11 Sept 43. RW 27 /9. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.
86. The *Wehrwirtschaftsstab Dänemark* was renamed the *Rüstungsstab Dänemark* in 1943. See note 31 on p.236. "Darstellung der Rüstungswirtschaftlichen Entwicklung," 30 Sept 43, RW 27 /9. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.
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covered subjects that were completely routine in nature.⁸⁷

For the most part, Forstmann's opinion on the state of affairs in Denmark remained positive. Though some Danish companies were less receptive to taking on contracts for Germany, the situation was such that Danish companies actually were completing their work faster than Berlin could keep up with, given the problems he experienced with supply and payment. German policy failed to identify the maximization of Danish production as a high enough priority to solve these problems properly. Though his work had been put under the watchful eyes of the Odel Committee, it appears that he did not find that fact to be too onerous. His superiors in Berlin in the Speer Ministry and the OKW did not receive any complaints from him about it. In fact, he continued to assure Berlin that the Danish officials were generally helpful. He was fully aware that this helpfulness was not done out of any love for the Nazis, but arose out of practical considerations for the Danish economy.

The Germans too had their own practical considerations for the Danish economy, though they did not center on the full exploitation thereof. Instead, they saw the Danish economy as something that needed to be kept on a sort of life-support to continue preserving Danish public order, which in turn helped to provide for the security of the *Wehrmacht* and the *Reich*. In the absence of any German desire to plunder the Danish economy, the Danes were able to exercise a surprising degree of authority over German economic activity. This authority, as exercised by the Odel committee, was deemed to be in German interests as well as Danish interests, and as such, was able to develop a complex yet, for the Germans, tolerable set of rules and regulations to control German economic activity. That system is the next subject to be examined.

87. "Darstellung der wehrwirtschaftliche Probleme." 12 Nov 43, RW 27 /10, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft). mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.

IV.
Denmark pursues its own interests, 1941-43.

“this... would not be in the best interests of Danish society, and in many cases would even be directly harmful. Moreover, it's doubtful whether it's even in German interests — in any case in the long-run, regardless of whatever kind of direct results individual German offices might want to show.”¹

— Odel on a German suggestion
to ease price-control procedures

Without the *Wehrwirtschaftsstab Dänemark* or its superiors in Berlin striving for the full exploitation of the Danish economy for the war effort, it was possible for the Danish Foreign Ministry to create an auditing and control system that kept German economic activity in Denmark limited. The control system was no paper tiger: the Odel Committee cancelled German contracts and punished companies that violated the Committee's regulations. This control, of course, could not go so far as to close down German purchasing altogether. To do so, as we have seen, was not in Danish interests, either. Instead, the Odel Committee was able to ensure that the business done between the Germans and Danish

1. Review of payment approval procedures, 25 Aug 42, box 5, A.7.a. “Principielle spørgsmål vedrørende A-Listen.” 1941-45. OU.

industry remained beneficial to both partners without being at the expense of Danish society or bankrupting the country.

What emerged was a system that was rigorous, thorough, and even-handed. Given Denmark's precarious situation, the Danes needed concrete and pressing points from which to construct their attempt to control the Germans' purchasing. These two principal concerns were inflation and supply. Inflation, given the different sizes of the two economies, could quickly wipe out the Danish economy, and both countries were sensitive to the issue because of their individual interwar run-ins with inflation. Supply was a more pragmatic concern, rooted in Denmark's paucity of most raw materials in the industrial sector. The need to track this material proved the starting-point for half of the entire control system.

As sensible as these principles were, it was still necessary for the Danes to hammer out the particulars of this control system among themselves. The chief advocates for tight control were the financial organs of the state, the *Nationalbank* and the Finance Ministry, with the strong support of the Foreign Ministry. The Trade Ministry and industry's trade group, the Industrial Council, proved to be somewhat more hesitant, but the Foreign Ministry's insistence upon a unified Danish front to present to the Germans led to an effective solution of differences, though in fact what was decided upon was the Foreign Ministry's own vision more than a compromise deal. Accordingly, the Germans were presented with no animosities or frictions which they could have exploited to their own advantage. As a result, the Germans agreed to allowing the Danes to keep an eye on German spending, and controlling German spending fell on two chief offices of the Danish Foreign Ministry. While the "technical centrale" would be complemented by the Foreign Ministry's Commissioner for Special Trade Questions, as we have seen, industrial purchases fell to Odel, as the Foreign Ministry's Commissioner for Industrial Questions.

The very first step in the process of developing a control over German industrial purchasing was a result of a most rudimentary fact. Danish companies would not work for

Reich Marks or for script. As long as Danish currency was going to be used, the Germans could not simply place whatever orders they wished: the Danish state would have to be part of the process, in some form. Given the continued functioning of the Danish state, respect for the *kroner* provided an access point for German concessions in the Danish interest. (In other occupied countries, the currency would hardly receive such deference. Large payments for occupation costs and indemnities undermined the local currency, and exchange rates were adjusted to the occupied country's disadvantage. In comparison, in 1942, the Danish *kroner* was adjusted to German disadvantage to counter the inflationary impact of German spending and the growing German clearing debt.) And because Hitler had ordered that purchasing in Denmark be conducted "in the friendliest possible manner" using normal business practices, the Danes found themselves in a strong position vis-à-vis Germany. Fear of inflation and the need for raw materials thus provided the building-blocks for Danish control over the situation.

Over the course of 1940 and into 1941, the Danes took the measure of Germany's motivations vis-à-vis industrial purchases in Denmark, and concluded that the Danish position was indeed fairly strong. The Danes came to accept the Germans' claims that they were interested in stability rather than production, and the Foreign Ministry explicitly concluded that the *Wehrwirtschaftsstab* really was not looking to plunder the Danish economy, but rather was trying to prevent an economic crisis. In February 1941, a Ministry memorandum reported that, "at talks on [the EID], the German side has consistently noted the importance these contracts would have for Danish employment," and concluded that "one can even say that the original approaches of the *Wehrwirtschaftsstab* were motivated more by Germany's wish to keep the Danish economy going than with any desire to get the relevant industrial products made here in Denmark." (As we have seen, this assessment was entirely correct, given Ebner's December 1940 report on Danish industrial activity. See above, p. 80). This fact, the report concluded, put the Danes in a good position to assess

their own needs and devise a negotiating strategy control the EID. Naturally, one could not expect the Germans to fully meet the Danish goal of spreading employment evenly across the country, and a concentration of orders was indeed becoming apparent. Because, up to this time, the distribution of EID orders lay in Forstmann's hands, there had indeed been very uneven effects on employment. While some firms were overloaded — most notably, orders were piling up in the machinery and shipbuilding sectors— other industries were struggling to find any work. The report also suggested that “there ought to be a more precise control, to ensure that individual firms do not get unreasonably large advance payments.”² This memo was used to brief Scavenius before he presented the plan to the Cabinet on 25 February, but this proposal to erect a price control regimen received only a perfunctory mention in the Cabinet meeting notes:

...The Foreign Minister reported on Danish Industry's work for German billing and suggested the creation of a central office to attend to combined employment [*i.e.*, work created by the Germans]

In the ensuing discussion, the Foreign Minister was strongly contradicted, but there was agreement that it would be useful to have some more influence over German orders for Danish industry. The matter will also be reviewed by the employment committee...³

Though no further evidence about the actual nature of the dispute between Scavenius and the other members of the Cabinet has been found, it is possible that the claim that the Germans were “motivated more by Germany's wish to keep the Danish economy going than with any desire to get the relevant industrial products” might have struck some observers as improbable.

However, Danish concerns about the impact of purchasing in the country, in

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2. Unattributed memo, 25 Feb 41, box 19, 64.Dan.80.a/5.c. “Private and confidential. Udenrigsministeriet: det Rådgivende Handelspolitiske udvalg,” 1940, UM, 1993 afl.
 3. The original typescript (cited above) appears unattributed among the confidential documents released only in 1993. However, the *Beretning fra Udvalget for Ekstraordinære Industriarbejder m.v. for Tysk Regning for tiden indtil 1 april 1942* (Copenhagen, 1942), pp. 7, 42, includes this document and calls it a paper prepared for the Foreign Minister for his use in briefing the Cabinet. The *Beretning*, was found in box H 99-17d, 99.F.3/44, “Ø.P. Oversigter,” 1940-42, UM, 1909-1945. It is discussed below, p. 211. The Cabinet meeting notes appear in *DPK*, IV, a, p. 438.
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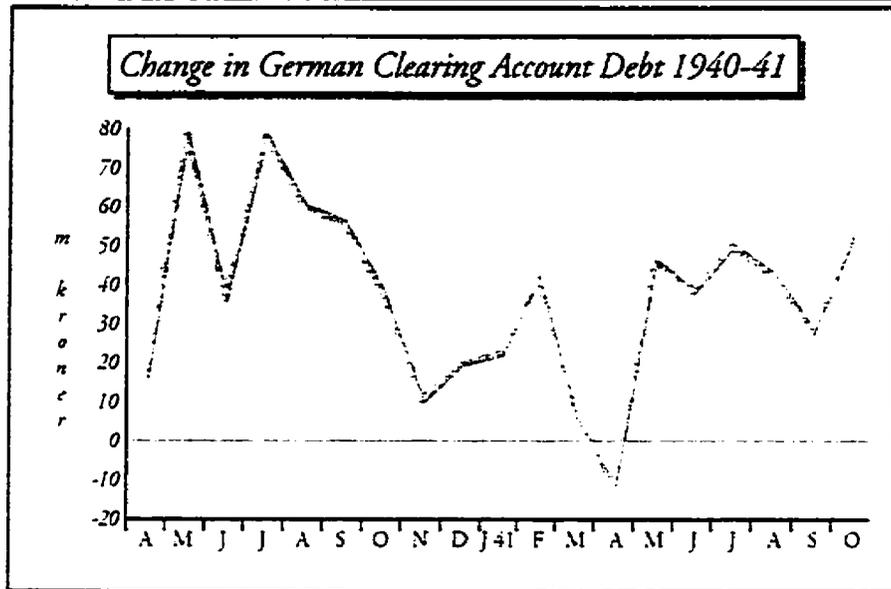
combination with German willingness to allow the Danes to steer *Wehrwirtschaftsstab* purchasing, eventually produced the regulations and procedures worked out for Odel's office and the Odel Committee over the course of spring 1941. Odel built his regulations upon the foundation established in an ad hoc, incremental fashion over the course of 1940. These developments were forced by practical considerations, chiefly financial ones. Already on invasion day, the *Nationalbank* informed the government that it would be preferable to continue to manage trade with Germany by extending credit; on 4 July the Finance Ministry approved the extension of the necessary credit for the next few months, a measure that would be renewed as necessary until after the occupation's end.⁴ (The total of unremitted German debt from this extension of credit resulted in a notable change in the Danish-German balance sheet: at the end of March 1940, the balance of the Danish-German clearing account showed a German *credit* of 43 million *kroner*, while at the end of the occupation, that balance would show a German *debt* of 2,844.3 million *kroner*.)⁵ In mid-May, the Industrial Council instructed its members to desist from trading with the Germans without specific government approval.⁶ At the Government Committee meetings that month, Walter and Wassard discussed Germany's interest in purchasing Danish manufactures. Walter agreed that all German purchases that had not already been cleared with the Government Committee should be cleared by Danish officials. At the 6 June meeting between Wassard, Wærum, the Industrial Council leadership and Forstmann, Wassard and Wærum opened the discussion by arguing "that the deliveries were a financial question for Denmark, and therefore we must be able to supervise these orders and have some influence over their scope."⁷ Two months later, in August, Germany and Denmark reached a detailed agreement on German purchasing procedures and the clearing

4. *BF*, p. 991.

5. *BF*, p. 964.

6. 14 May 40 notice, *BF*, p. 11.

7. Ø.P. report number 23. [undated: a copy dated 6 Jun 40 was found at the Industrial Council Archive, Århus], box H 99-17d. 99.F.3/44. "Ø.P. Oversigter." 1940-42. UM. 1909-1945.

Figure 15⁸

Note the increase in German debt beginning November 1940

account, after which a slow-down in the growth of clearing debt became visible (though this was also a reflection of the end of Germany's spending on "start-up" expenses).⁹ After declining in summer and fall 1940, at the turn of the year, Germany's credit on the clearing account took a dramatic upward turn. It will be recalled that, at this time, as German industrial purchases were approaching the predetermined 21 million *Reich Mark* figure, and Germany was showing interest in a significant increase in shipbuilding, the Finance Ministry made its approval of the further extension of credit contingent upon the creation of a price control regimen, which would ultimately come to life as the Odel Committee.

Thus the groundwork had been done for the Odel Committee, as it turned its attention to the two principal questions of finance and supply. Because very little could be done without German shipments of supplies, the raw material question could be made a second priority, but the financial danger was the most pressing problem. Fear of inflation was not simply a bogey dreamt up to frighten the Germans, but a legitimate fear. Denmark

8. Source: *Beretning fra Udvalget for Ekstraordinære Industrierbejder m.v. for Tysk Regning for tiden indtil 1 april 1942*, p. 51.

9. *BF*, pp. 97-8.

had suffered inflation in the First World War and in the 1930s after abandoning the gold standard. And as noted, the Germans could easily “swamp” the much smaller Danish economy. Inflation thus was the watchword for all Danish financial authorities. In initial internal Danish discussions on the creation of the Odel Committee, *Nationalbank* director Svend Nielsen argued for the necessity of controlling the expansion of any Danish firm’s capacity for German orders, not on the grounds of distorting the Danish economy, but because such expansion would exert an upward pressure on wages, and possibly lead to inflation.¹⁰ As the “Attempt at an Estimate” pointed out in the fall, the country’s clearing debt with Germany increasingly threatened to wipe out the Danish currency. Already in June, 1940, the Styhr committee reported that its initial estimates for Denmark’s clearing credit had been gravely erroneous. Previous estimates of imports from Germany (which would have alleviated the Danish crediting burden) had been too high, and the committee now estimated the Danish clearing credit to be heading towards 500 million *kroner* by September, and the year-end total was feared to be heading towards 650 million *kroner*: the original estimate for September had been 120 million *kroner*.¹¹ (In the event, the actual year-end total would be 389 million *kroner*.¹²)

This is not to say that Odel ignored his second chief concern, supply. As noted in the discussion of German planning for, and the early days of, the occupation of Denmark, the Germans were quite well aware that supply would be a central question. At the May 1940 Government Committee session, Walter pledged that “for ships, railroad cars, or for machinery being built for Germany, we will deliver iron above the regular contingent,”¹³ which implied the need for some record-keeping of materials needed. In response to this need, the

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10. 3 Apr 41 memo on 31 Mar 41 meeting, nr. 82, “Odel-møder, værnemagtsarbejder, ekstraordinære industrileverancer m.m. i tiden fra 3/1-1940-22/12/1944.” 1941-45, HM.
 11. Briefing paper for Styhr committee, 17 Jun 40, box H 99-278, 99.F.5/12Dk.1A-2, “Møder i UMs. rådgivende handelspolitiske udvalg 17/6/40-7/1-41,” 1940, UM, 1909-1945.
 12. *Beretning fra Udvalget for Ekstraordinære Industriarbejder m.v. for Tysk Regning for tiden indtil 1 april 1942*, p. 51, found in box H 99-17d, 99.F.3/44, “Ø.P. Oversigter,” 1940-42, UM, 1909-1945.
 13. 20 May 40 notes on Government Committee meeting, box H 99-308, 99.F.5/15/14, “Dansk-tyske regeringsudvalg. Resultater med bilag og følgeskr. jan-juli 1940.” UM, 1909-1945.
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next week, the Industrial Council began examining the problem of creating a central office to track the country's metal supply.¹⁴ From the outset, the EID was predicated upon the Denmark's separation from its normal supply situation. As noted, 21 million *Reich Marks* of industrial orders for Germany were approved in June 1940, as long as the necessary materials for those orders were made available in addition to Denmark's normal quotas for them: their cost was to be subtracted from the 21 million *Reich Marks*, which left the Danish state financing only their actual processing. After this purchasing plan was announced, the Industrial Council and the *Wehrwirtschaftsstab* worked out a system to manage the supply of these German purchases. Contractors would inform the Industrial Council when they were about to complete a contract with Forstmann's office, whereupon the Council's Central Office for Iron and Metals would keep a record of metals to be used while the Industrial Council checked with the Foreign Ministry to ensure that the prospective contract fell within the pre-arranged limits from 6 June.¹⁵ This system was agreed to on all sides by the end of June, when the Industrial Council notified its membership of the regulations.¹⁶ When August's new supply law converted the Foreign Exchange Office into the Directorate for Supply and Provisioning under the Trade Ministry, it added the weight of government sanction to the efforts of the Metals Office, as they henceforth worked together to monitor and control the use of all commodities in the Danish economy. By 1944, the Directorate had over 400 employees tracking goods in the EID as well as the growing list of rationed goods.¹⁷ All companies contracting with the Germans were required to go directly to the Industrial Council, which would then manage the flow of paperwork involved. The only notable exception to this procedure was the Danish army's engineering corps, which was asked to

14. Meeting notes, 21 May 40. "Industrirådsnoter." May 1, 1935 - Feb 26, 1941. IR (not part of sorte or gulde collections).

15. Ø.P. report number 44, 5 Jul 40, box H 99-17d, 99.F.3/44. "Ø.P. Oversigter." 1940-42. UM. 1909-1945.

16. *BF*, p. 14.

17. The Directorate for Supply and Provisioning would continue to regulate Danish imports until the 1960s.

produce grenade parts for the Germans: rather than turning to the Industrial Council, the corps reported directly to the Foreign Ministry.¹⁸ This control procedure remained unchanged over most of the fall, as talks over the proposed Customs- and Currency- Union were in full swing in late summer 1940, and these exerted a dampening effect on the discussion of other economic questions.¹⁹ However, behind the scenes, the procedures on managing raw material supply continued to be worked out, and by November 1940, a new regulation was published which specified that any contract for German billing, requiring more than fifty kilograms of metal or rubber, must have its materials requirements cleared by the Directorate for Supply and Provisioning.²⁰ This November 1940 regulation would remain in effect for the duration, and would be a cornerstone of Danish policy vis-à-vis German purchasing.

Even at this stage, before the establishment of the Odel Committee, the Danish government was not afraid to cancel orders placed by the Germans, but it was clear that the lack of any central organ to control the whole system was causing difficulties. For example, in one case the Trade Ministry and the Industrial Council issued contradictory decisions on a contract for one thousand gloves: the Trade Ministry based its decision on the general leather shortage, while the Industrial Council declared everything had been cleared with the *Wehrwirtschaftsstab*. The Foreign Ministry cancelled the contract, only to hear from the *Wehrwirtschaftsstab*, which reported that in fact the gloves had already been made.²¹ Clearly, the degree of Danish coordination of German purchases was still unsatisfactory.

It was also alarming that the tempo of orders being placed had quickened. According

18. Svennigsen note of 16 Oct 40, box H 64-243, 64 Dan 80/11b. "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland." 1940-1 (1946). UM. 1909-1945.

19. Jensen, *Levevilkår*, p.70.

20. Notice of 4 Nov 40. *BF*, p. 20.

21. See, for example, a note recommending cancellation of a glove-making contract due to lack of leather. Ministry of Trade to Foreign Ministry, 4 Feb 41, a note approving the same order from the IR of the same date, the Foreign Ministry's cancellation of that contract on 11 Feb. and the eventual reversal on that contract, 14 Feb. box H 64-243, 64 Dan 80/11b. "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland." 1940-1 (1946). UM. 1909-1945.

to Worsaae, at the end of March 1941, Germany was placing orders at a rate of 10 million *kroner* per month. Whereas Germany had placed 42 million *kroner* of orders from 9 April to the end of 1940, it had already placed orders equivalent to three-quarters of that amount since the new year. At this pace, by year's end, the total of industrial orders could reach up to 150 million *kroner*. If Germany placed an estimated order of 90 million *kroner*, then Denmark could be looking at an accumulated financial burden for industrial orders of about 200 million *kroner*.²² The establishment of Odel's office would not come a moment too soon, from the Danish point of view. The importance of his function is revealed when one considers that the creation of the Commissioner's office signalled not merely the next stage in the development of Danish auditing of German economic activity, but also the moment when that control would mature.

As the initial discussions on the Committee's responsibilities unfolded, it became apparent that the Danes themselves were not completely in agreement on the form this price control would take. In talks, the bureaucratic positions tended to divide between the Ministry of Trade, Industry, and Shipping on one side, and the other ministries, led by the Foreign and Finance Ministries and the *Nationalbank* on the other. In establishing the Danish position, the Foreign Ministry stressed that the Danes had to overcome their divisions before presenting the Germans with any plan; there could be breach within Danish ranks for the Germans to exploit to their advantage.²³ However, at a subsequent meeting, representatives from the relevant Danish ministries failed to reach this agreement: the Trade Ministry wished to keep control of this office, whereas the others thought that an independent office would be best. In the absence of such a compromise, it was agreed to leave this decision to the relevant ministers.²⁴ Though no written report has been found on the talks

22. Worsaae's summary of the EID, 26 Mar 41, box H 64-243, 64 Dan 80/11b, "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland," 1940-1 (1946). UM, 1909-1945.

23. 2 Apr 41 meeting notes, box H 64-243, 64 Dan 80/11b, "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland," 1940-1 (1946). UM, 1909-1945.

24. 7 Apr 41 report, box H 64-243, 64 Dan 80/11b, "Principielle sp. vedr. ekstraord. industrileverancer fra Danmark til Tyskland," 1940-1 (1946). UM, 1909-1945.

between these ministers, a few days later, the Trade Minister's scheme for the price control system was dropped in favor of that of the other ministries.²⁵ The price control organ would be an independent commissioner serving the Foreign Ministry, supervised by an interdepartmental committee, which itself would be chaired by Wassard. This would be the Odel Committee. It is slightly confusing that Odel did not chair the committee bearing his name. Rather, he headed the office of Commissioner that was directed by that Committee.

The first operations of the Odel Committee and its Commissioner were to address questions of orders already in production. The decision to create the Committee was presented to the Germans on 6 May,²⁶ and the Committee held its first meeting on 19 May.²⁷ After discussing such routine matters as personnel and office space, the Committee went right on to reviewing specific contracts at B&W and elsewhere. Only later would the Committee move to develop specific guidelines on the setting of prices between German customer and Danish contractor. In mid-June, Odel drew up a memorandum summarizing his understanding of his mission. In controlling the EID, Denmark sought to keep the financing of the deliveries at a tolerable level, to get replacement materials, and materials used in processing, to hinder deliveries that carried unsuitable [*unberettigede*] additional costs or earnings for the contractor, to ensure that contracts and agreements did not contain "unreasonable payment conditions, annulment conditions, & cetera," and lastly, to pay "the most attention possible to creating jobs." Odel also took Forstmann's objections into consideration, by recognizing the *Wehrwirtschaftsstab's* priorities. The *Wehrwirtschaftsstab* divided all contracts into three categorical lists, designated A, B, and C, where each contract was entered on one list and given a number (*e.g.*, A-1234 or C-1234). A, B, and C designated either the customer

25. It is unclear whether this is a reflection of the relative political strength of the Trade Minister, a National Conservative, but it seems more likely that it reflects the simple fact that the Trade Ministry was alone in opposing the combination of the *Nationalbank*, Finance Ministry, and Foreign Ministry. The final decision also was in keeping with the tendency to keep the Danish Foreign Ministry at the center of ties with the Germans.

26. 6 May 41 meeting notes, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." 1941-45. OU.

27. 19 May 41 meeting notes, box 6, A.8. "Mødereferater og dagsordner I-II." 1941-45. OU.

making the purchase or the priority of the order. A-list contracts were contracts made directly with the *Wehrmacht* in Germany or German organizations supplying the *Wehrmacht*, B-list contracts were contracts drawn up for the *Wehrmacht* in Denmark, and C-list contracts were "war-essential" contracts to companies in Germany, but were in fact a lower priority than either A or B contracts. Initially, B-list contracts were not subjected to price control, but as it became apparent that German construction was not being adequately audited, B-list contracts were added to Odel's jurisdiction in December 1941. Price control for B-list items, which included construction of fortifications in western Jutland, would not be as effective as that for the A & C lists, as it was hampered by German reluctance to relinquish any control over their secret military preparations to the Danes.²⁸ Odel was also charged with tracking the prices Germany paid for construction work done by Danish companies in Germany.²⁹ B-list contracts overlapped with the purview of the Foreign Ministry "Commissioner for Special Commercial Questions," which had also been established in spring 1941 to act as a registrar of business transactions (*e.g.*, trucking, motor vehicle repairs, & *cetera*) with the *Wehrmacht* units stationed in Denmark.³⁰ Odel's review of his mission noted the limits of his powers, and acknowledged the importance that the Germans attached to A-list contracts:

In the future, an order can be put on the C-list after it has been handled with the Commissioner for Industrial Questions and after the financing is cleared. As far as A-list is concerned, the WS (*i.e.*, the *Wehrwirtschaftsstab*) insists that an order shall not be undergo any treatment that will cause delays. Rather, it should be given a perfunctory approval once the Directorate for Supply and Provisioning has given export permission after ascertaining that the necessary materials have been provided. WS insists on this due to [Germany's] war needs and also because the payment essentially represents only wages.

Odel admitted that giving quick approvals of A-list contracts ignored "the financial concerns on our side," but he was resigned to the conclusion that it was impossible to expect Denmark

28. *BF*, pp. 1047-52.

29. *Beretning fra Udvalget for Ekstraordinære Industriarbejder m.v. for Tysk Regning for tiden indtil 1 april 1942*, p. 11-12.

30. Sigurd Jensen, *Levevilkår*, pp. 98, 119. (As the B-list largely was a matter of the provisioning and supply of the *Wehrmacht* in Denmark rather than Germany's wider policy in Denmark, it has not been examined here).

would be able to exercise any kind of "prioritizing [of German] orders." Nevertheless, he suggested that "it might be possible to say that large orders, *e.g.*, those over 1 million *kroner*, will be subject to negotiation"³¹ After completing this report, Odel then turned to the development of a more comprehensive price control plan. After Odel provided Wassard with a summary on 25 July, the Committee met again twice to discuss the sticky point of allowable profits. On 1 August, full draft of price control principles was completed and brought up for discussion between the Odel Committee and the Industrial Council.³²

This proposal, drawn up by Odel, was detailed and well reasoned. Because of the political risk attending the virtually unlimited amount of work that Germany could contract in Denmark, and because the German priority was output, not reasonable price structures, it was necessary for the Danes — rather than the Germans — to address the question of controlling German purchasing. With the Danish state extending credit for German purchases, this put the Danish government in a vulnerable position. Should efforts at price control fail, the government would face a serious financial burden which in the best case could only be alleviated by taxation, which would be an undesirable step. While Odel gave a nod to industry's right to reasonable earnings, which he noted also provided the wider benefit of employment, it was also preferable to ensure that industry did not earn unusual profits at the state's expense. All this had to be done with a scheme that followed concrete guidelines while retaining flexibility to meet the needs of unusual cases. Whereas Wassard had suggested a flat allowable profit of 7.5%,³³ Odel proposed a scale of allowable profits based on order size and the percentage of the order's worth that was constituted by material costs:

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31. 19 Jun 41 memorandum on control of the EID, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." 1941-45, OU.
 32. 25 Jul 41 Odel draft outline to Wassard, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse," and 26 July, 31 July, and 1 Aug 41 meeting notes, box 6, A.8. "Modereferater og dagsordner I-II." 1941-45, OU.
 33. Odel to Wassard, 28 Jul 41, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." 1941-45, OU.
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Table 7: Allowable Profits under Odel's Proposal

Order total:	< 10,000 kr.	ca. 50,000 kr.	ca. 100,000 kr.	ca. 200,000 kr.	> 500,000 kr.
Material Cost					
0%	15%	13%	11%	10%	9%
30-60%	10%	9%	8%	7.5%	7%
100%	5%	5%	5%	5%	5%

Odel's proposal thus allowed the greatest profits for the smallest contract with the least material costs. While reflecting an awareness of Denmark's paucity of raw materials and the difficulties faced in imports, this formula also was an expression of the official policy behind the EID, namely the creation of jobs. Odel's proposed profit table encouraged vulnerable smaller firms to take on work while it also promoted the drawing-up of labor-intensive contracts. Though these percentages would in many cases be less than those that firms usually calculated as their profits, their actual profits in normal conditions were offset by excluding risk calculations, unforeseeable expenses and losses in their fixed costs. Odel proposed that, instead of including this sort of hidden insurance against future loss in companies' calculations, there should be occasional post-contract calculations to redress any actual losses incurred in executing contracts. Contractors would also present the Foreign Ministry Commissioner for Industrial Questions with detailed "pre-calculations" of their contracts with the Germans, including the profit margins mentioned above. In recognition of Forstmann's emphasis on quick turn-around of A-list contracts, however, Odel proposed "good-faith" approval of such contracts before the companies' full "pre-calculations" on these contracts were fully checked, and that the final size of an A-list order should be withheld pending the completion of this audit. Lastly, Odel suggested that his office be provided with some qualified engineers who would review the post-calculations and a pair of licensed auditors.³⁴ This plan was presented to the Odel Committee on 1 August, the same day that the Committee also gave its agreement to further regulations of construction work for the Germans (*i.e.*, B-list contracts & Commissioner for Special Trade Questions business). At

34. 1 Aug 41 memo, labelled "fortroligt" [confidential], box H 99-297. 99.F.5/12 Ty.7-1. "Det ekstraordinære industriprogram 13/1-13/11-41." 1941. UM. 1909-1945. Also appears in, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." 1941-45. OU.

the meeting, Wassard said he would make some further revisions and present it to the political leadership and the Industrial Council.³⁵

These proposals would largely form the basis of the price control regimen that would be used until the end of the occupation. There would only be some minor adjustments to this system. In April 1942, post-calculations were made mandatory for all orders. Any overpayments made to companies would be returned to the Danish state, which placed the proceeds into two funds, the "Industry fund," which would promote exports after the occupation and a "regulation fund."³⁶ (For his part, Forstmann approved of this "regulation fund," on the grounds that such a procedure was being followed in Germany as well³⁷). Every contract would thus come to be reviewed both before and after completion, and would be subject to a detailed approval process. The procedure merely to secure permission to begin work was complex, as shown in the figure on page 198, which does not even include the post-contract calculation.

However, Odel's proposals on reasonable earnings drew fire from the Ministry of Trade and Industry. On August 2, Gregers Backhaus, the Odel Committee delegate from the Directorate for Supply and Provisioning, which, it will be remembered, was under the Ministry of Trade, wrote Wassard (as Odel was out of town) to question the wisdom of the scheme. Backhaus told Wassard that he had objected many times to Odel about the inclusion of such a rigid formula in the proposal and suggested, instead, that the proposal be reworded to indicate the lack of unanimous support for the plan.³⁸ Instead of an inflexible calculation, of pre-set profits, Backhaus had thought it would be better to have a flat profit ceiling for all contracts from which individual contracts could deviate as need arose. Odel's

35. 1 Aug 41 meeting notes, box 6, A.8. "Modereferater og dagsordner I-II." 1941-45, OU.

36. Industrial Council circular to membership, appendix 9 to *Beretning fra Udvalget for Ekstraordinære Industriarbejder m.v. for Tysk Regning for tiden indtil 1 april 1942*, pp. 58-62.

37. Forstmann to Krüger and Ebner, 9 Nov 43, RW 27 /11. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 4a: 4. Vierteljahr 1943 (Entwurf)." Freiburg.

38. Backhaus to Wassard, 2 Aug 41, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." 1941-45, OU.

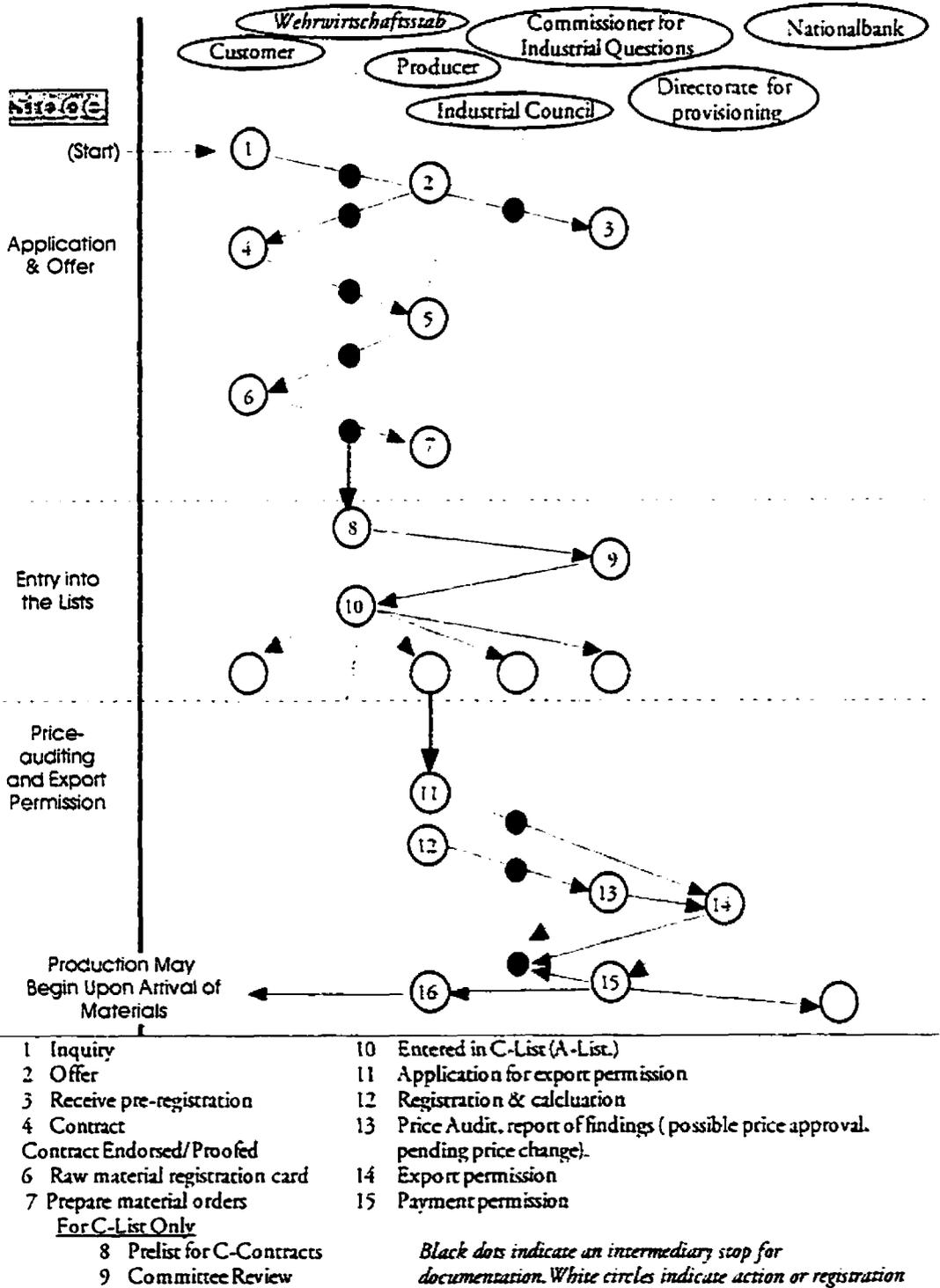


Figure 16: Approving an EID Contract³⁹

39. Source: Appears as appendix 18 to *Beretning fra Udvalget for Ekstraordnare Industriarbejder m.v. for Tysk Regning for tiden indtil 1 april 1942*, p. 84. Forstmann also used this diagram, drawn up by Odel's office.

proposal did not, Backhaus claimed, recognize the fact that companies did not even have standardized bookkeeping procedures, so that earnings calculations could vary widely from firm to firm.⁴⁰ On 4 August, Odel presented Wassard with a further revision of the scheme that paid lip service to the range of profit margins in industry, but retained the table of allowable profits.⁴¹ The Minister of Trade himself also made clear his objections to Odel's proposal. However, at a 5 August meeting of the Crisis Committee, Odel's efforts were broadly endorsed, and there were some murmurs about Trade Minister's Halfdan Hendriksen's objections holding up a final arrangement. The Minister himself countered that the entire plan was too schematic, but vowed that he would continue to look into drawing up an alternative proposal or some form of compromise (the next day he wrote Scavenius that he would do so "in a more practical manner," than Odel had, *i.e.*, in cooperation with industry, as he had suggested all along⁴²). Only Gunnar Larsen, Minister for Public Works, sided with Hendriksen.⁴³

Actually, a few days earlier, Larsen had already brought his objections to too strict price control to Hendriksen's attention. Larsen pointed out that the peculiar qualities of his own family business could not fit under the strictures of the proposed price control. FL Smidth, the engineering conglomerate where he was before becoming Minister of Public Works, was a strongly export-oriented business: 93-96% of its business was outside Denmark. Its research budget was especially large; it was not unusual for it to pour 800,000 *kroner* into a project that was completely dropped later. Producing small runs of unique capital machinery, the company had to rely on especially high margins to remain profitable:

in a his official unit history submitted to Berlin, RW 27 /24, "Geschichte des Wehrwirtschaftsstab Dänemark von 1.Oct 40 bis 31 Dez 41," Freiburg.

40. Backhaus analysis of Odel's proposal, 31 July 41, nr. 82. "Odel-moder, vjernemagesarbejder, ekstraordinære industrileverancer m.m. i tiden fra 3/1-1940-22/12/1944," 1941-45, HM.
 41. Odel to Wassard, 4 Aug 41, box 5, A.5, "Forhandlinger i forbindelse med udvalgets nedsættelse," 1941-45, OU.
 42. 6 Aug 41 Hendriksen to Scavenius, box 5, A.5, "Forhandlinger i forbindelse med udvalgets nedsættelse," 1941-45, OU.
 43. Crisis Committee Meeting Notes, 5 Aug 41, box H 99-297, 99.F.5/12 Ty.7-1, "Det ekstraordinære industriprogram 13/1-13/11-41," 1941, UM, 1909-1945.
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there was no way that it could be brought under the same sort of price control as companies that made, for example, "standard wares such as ... diesel engines and electrical materials or food-processing machinery."⁴⁴

Larsen's and Hendriksen's objections, in the end, did not come to amount to much. The Industrial Council soon met with the Foreign Ministry's representatives and agreed to Commissioner Odel's proposals almost completely. Representatives from the Industrial Council were invited to meet with the Odel Committee on 14 August. A slightly revised version of Odel's 1 August memorandum, cleared with the Crisis Committee, was presented at this meeting.⁴⁵ The Odel Committee also took this occasion to present the Industrial Council with the proposal that would make explicit the prohibition of contracts lasting longer than six months.⁴⁶ Presented with Odel's plan, Hartz and Netterstrøm from the Industrial Council agreed to review it and meet again to discuss it; their recommendations a week later were unexceptional, and the Council pledged that it would continue to provide Odel's office with expert advice.⁴⁷ Hendriksen's objections to rigidity in the profit structure must have been dispelled at his 12 August meeting with Industrial Council representatives, who agreed to the proposed plan, for the Trade Minister subsequently informed Scavenius that the Council had agreed to go along with it.⁴⁸ The case that Larsen had made for allowing higher margins seems not to have been accepted by the participants of this meeting, but Odel's office remained open to appeals for special cases on an *ad hoc* basis. A few smaller matters (*e.g.*, depreciation calculations, the use of "type-pricing" whereby certain products

44. "Personal." Larsen to Hendriksen. re: Odel. 28 July 41, box H 99-297. 99.F.5/12 Ty.7-1. "Det ekstraordinære industriprogram 13/1-13/11-41." 1941. UM. 1909-1945.

45. Memorandum for presentation to the Industrial Council (with 13 Aug 41 cover sheet by Wassard to Backhaus). 14 Aug 41, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." 1941-45. OU.

46. "Suggestion" for presentation to industry. 13 Aug 41, box 5, A.7.c. "Langfristede leverancer." 1941-45. OU.

47. 14 Aug 41 meeting notes, box 6, A.8. "Modereferater og dagsordner I-II," and Industrial Council reply to Odel Committee. 22 Aug 41, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." 1941-45. OU.

48. Hendriksen to Scavenius, 12 Aug 41, box H 64-242, 64.Dan.80/11a¹. "Tyskland: ekstraordin. industri-leverancer. Leverancerne." 1940-1950 (1962). UM. 1909-1945.

would be given a set categorized price, rather than a case-by-case setting of price) were discussed between the Industrial Council and the Odel Committee over the next week. Despite this cooperation between the government and industry, it appears that industry still felt itself to be vulnerable to the power over its business which it had just given the Committee. The most interesting of the Industrial Council's concerns at this meeting was that a company might find itself in difficulties in case of state-ordered annulment of a contract. However, this fear was allayed by the argument that the six-month limit on contracts limited the risk that companies were assuming in any contract.⁴⁹

The Trade Minister's exclusion from the final discussions on the form of EID price control seems to fit a general pattern on German industrial purchasing during the occupation, and reveals a side-effect of the policy of leaving all matters to the Foreign Ministry. Despite its competence, it appears that the Ministry of Trade was limited to being an observer in matters between industry and the Germans.⁵⁰ Because the Foreign Ministry held the key to any policy on German purchasing, the Industrial Council ended up dealing directly with the Foreign Ministry, which resolved difficulties as they arose. The Minister of Trade, Industry, and Shipping thus was left to appear as more of an advocate for industry than its regulator. The Trade Ministry was not rendered irrelevant, however, for industry still appealed to Hendriksen, as it was keen to ensure that its interests remained represented at —

49. 26 Aug 41 meeting notes, box 5, A.5. "Forhandlinger i forbindelse med udvalgets nedsættelse." and 26 Aug 41 meeting notes, box 6, A.8. "Mødereferater og dagsordner I-II." 1941-45. OU.

50. This conclusion is reinforced by the fact that Trade Ministry files are poorly represented in the Danish national archives. Despite having the largest Ministry during the occupation (given the large amount of inspection work that the Ministry performed), the Trade Ministry files of this period do not include much information about industry's work for the Germans. Given the limited German penetration of Danish industry related in chapter III, and the abundance of files that the Foreign Ministry archives hold on German industrial purchasing, it seems unlikely that there was an attempt to destroy relevant records. Backhaus's files from the Odel Committee are kept uncataloged in four boxes, and mostly are copies of files kept among the Odel Committee's (well-indexed) files. This is not to say that there are not any questionable disappearances of files relating to the subject of German industrial purchases in Denmark, for a number of files listing the *Wehrwirtschaftsstab's* purchases Danish companies in fact is missing from the archive shelves, despite their being listed in the *Rigsarkiv's* registers. Boxes K 528 through to K 537. "Fortegnelse over tyske ordre til danske firmaer." 1940-45. Rü. TA. Another promising file, entitled, "Principal Questions regarding industrial exports. The A- and C-list." is noted as missing: box H 84-1142. 84.Z.1.a. "Kontor for Særlige Handelssager. Principielle sprm. vedr. ekstraordinær industriek-sport. A- og C-listen. Mangler." UM. 1909-1945.

and by — the Ministry, which still performed its peacetime day-to-day regulatory functions. Thus, in March 1941, citing manufacturing's concern for general employment, Hartz, director at the Council, wrote to Trade Minister Hendriksen imploring him to ensure that industrial exports to Germany would be fully financed by the Danish government.⁵¹ On the other hand, it might be claimed that the Minister was more dependent upon the Industrial Council than the other way around: in February, he had to remind August Holm, the Council Chairman, to help keep him informed on what was going on with the EID.⁵² It appears that, despite his background in trade, Halfdan Hendriksen might have had more of a politician's instinct for the needs of industry than a technocrat's, since he seems to have had little idea of industry's actual condition. In July 1941, for example, he prodded the Industrial Council to imitate the Swedes and issue an appeal to "keep industry going," which the Council found to be superfluous, given that industry was already very busy at the moment with German orders.⁵³ When the Industrial Council had a problem, it went to Wassard or Odel more often than it went to Hendriksen, and its correspondence generally shows the Foreign Ministry to be more important to the Industrial Council than the Trade Ministry.

Still, it was one thing for the Foreign Ministry to get the Industrial Council on side, it was quite another to get individual companies to cooperate fully with Odel. It is perhaps unsurprising that industry did not welcome limits on its contact with German customers who were willing to pay any price. The electrical industry, for example, was unhappy with 8% earnings.⁵⁴ Odel's difficulties with companies and price control can be plainly seen in the case of the largest part of German purchasing, at the shipyards. Shipbuilders were not necessarily very happy with the price control system suggested by Odel. Not only was

51. Hartz to Halfdan Hendriksen (Trade Minister), 25 Mar 41. "H. Tyskland, 1941/1-b. Ministerier m.v." 1941, IR, sorte.

52. Halfdan Hendriksen to August Holm, 26 Feb 41. "H. Tyskland, 1-A. Ministerier m.v. & Firmaer." 1941, IR, sorte.

53. Holm to Hendriksen 23 Jul 41, box 6/10, "Beskæftigelsesforanstaltninger," 1941, IR, gulde.

54. Association of electrical manufacturers to Industrial Council, 31 Oct 41. "Den tyske værnemagt. Brancheforeninger. - Håndværksrådet, Rüstungsstab, & cetera." IR, sorte.

shipbuilding the largest industry in the country, its production was also the one kind of item that did not easily lend itself to either standardized audits or price controls (given the variety in ship types that might be built or repaired) or to six-month limits in contract lengths (given the size of projects). With the exceptions that shipbuilding entailed, it was a natural step to establish some kind of additional control alongside the Odel Committee. There was already some concern within the branch that German purchasing, as well as the general occupation circumstances, might have some lasting effect on their industry.⁵⁵ In November 1941, H.P. Christensen, chairman of the Helsingør Ship Yards, in his role as the chairman of the Iron Ship Builders Association, wrote the Industrial Council and mentioned news stories describing plans afoot in provincial cities and towns to build beddings and shipyards. The Association feared that, given the government's wish to alleviate unemployment, it might subsidize these new yards. Though never explicitly mentioning the Association's desire to avoid any additional competition, Christensen's letter requested that the Industrial Council express its opposition to such plans to the government, claiming that there was no real need for new shipyards in the country. Christensen assured the Industrial Council that the current shortages in trained labor and idle capacity were caused by the difficult supply situation, not a lack of capacity. Director Hartz wrote back concurring with the Association's position, and he also proceeded to inform the government of it.⁵⁶

The Iron Shipbuilders association acted as a pressure group in this instance, but on other occasions it acted according to the common Danish corporatist pattern, serving a public governmental function while remaining a private concern, as it assisted the government in regulating and controlling German shipbuilding and repair. In December 1941, Wassard, Christensen, and Odel hosted a meeting with Forstmann in which they registered

55. There had been a notable expansion in shipbuilding facilities during the First World War, and most of these went out of business after the war, causing some serious disruption in the Danish economy. Hans Christian Johansen, ed., *Dansk Industri efter 1870*, 5. Ole Hyldtoft, *Teknologiske Forandringer, 1896-1930* (Odense, [forthcoming]), p.225, p.234.

56. H.P. Christensen to Industrial Council, 18 Nov 41, box 6/10. "Beskæftigelsesforanstaltninger." 1941, IR, gulde.

their displeasure at the difficulties that German shipbuilding orders were causing the branch. German orders were so large that they were causing pressure on the market for skilled labor. The number of repair jobs that had been placed with smaller yards was also causing a drain of workers from larger yards. Moreover, Wassard noted, the effect was contrary to what Denmark wanted in German purchasing: the government only wanted to alleviate unemployment, not cause distortions in the shipbuilding industry. Forstmann responded by saying that perhaps firms were simply taking on bigger contracts than they ought to (and then tossed in an irrelevant criticism about the difficulty of being limited to six-month planning horizons). As a solution, Christensen suggested that a central office be created to track all German ship and boat-building orders at large and small shipyards. At a private Danish meeting afterwards, Christensen drew Wassard's attention to another advantage of his proposed plan. One small boatyard, Henry Rasmussen's Boatyards a/s in Svendborg, owed its existence to a large influx of German capital: if such yards were not watched very closely, he claimed, they would overbill and build up a large amount of capital that would give them an unfair advantage after the end of the occupation.⁵⁷

Christensen's suggestion for a separate control of shipbuilding and repair came to life in the form of a "Central Office for Boat and Shipbuilding Questions" under the Industrial Council. In January, Odel, together with representatives from the Industrial Council, the Foreign Ministry, the Directorate for Supply and Provisioning, approved the Industrial Council's plans for the Central Office.⁵⁸ At the beginning of March, the Central Office released its regulations and guidelines for shipbuilding contracts for Germany. Calling itself a link between companies and the officials, the Central Office sought to advise ship- and boatyards and to assure the government that the shipbuilding industry would faithfully and legally follow all regulations and laws. It also was able to secure an anomalous position for its

57. Worsaae's 12 Dec 41 meeting notes, box H 64-244, 64.Dan.80/15b. "Tyskland: ekstraordin. industri-leverancer. Skibsnbygninger. I-II." 1941-47, UM, 1909-1945.

58. 6 Jan 42 meeting notes, "Centralkontoret." 1942-45, IR, sorte.

industry in that shipyards alone were granted standing permission to execute German repair orders.⁵⁹ This exception was partly a result of the unique and extemporaneous nature of ship repair: a German ship might show up at a Danish yard needing emergency repairs that could be completed in a day. To saddle ship repair contracts with the overhead costs and time requirements of price auditing and of getting necessary approval for repair materials was impractical, if it was possible at all. Under the new system, shipyards would submit monthly material usage reports for later replenishment; "new builds," *i.e.*, ships constructed from start to finish at one spot, would continue to require the securing of materials in advance.⁶⁰ The Central Office would also function as an advisor to the Commissioner for Industrial Questions, helping to provide expertise on such matters as the veracity of labor claims, the availability of capacity for other German work, and the distribution of contracts among Danish yards.⁶¹

Though the Central Office was a private organization set up and financed by the ship- and boatyards, this does not mean that shipyards gained a free rein in contracting with the Germans. On the contrary, they still bridled at Odel's controls. In July 1942, the Shipbuilders Association wrote Odel and complained that the prices that he was allowing for repair and other shipwork were simply too low. The Association claimed that its members were not able to keep up with their increased costs, and were unable to pay high enough wages to attract skilled workers. They even claimed that, in Jutland, yards were losing skilled craftsmen to unskilled jobs working on German construction projects. It appeared to the shipyards that the auditing of such construction work was completely ineffective, and was leaving them in difficulties.⁶²

59. An analogous arrangement was set up for repair of motor vehicles in 1944.

60. "Cirkulære vedrørende Skibsreparationer og -Nybygninger for tysk Regning," and Industrial Council to Worsaae, 2 Mar 42, box H 64-243, 64.Dan.80/14b, "Tyskland: ekstraord. industrileverancer. Skibsreparationer (andre værfter end B&W)," 1941-48, UM, 1909-1945.

61. "Industrirådets Centralkontor I Skibs- og Baaedbygningssager. Arbejdsomraade og Ekspeditionsang," (Jan or Feb 42), nr. 82, "Odel-møder, værnemagtsarbejder, ekstraordinære industrileverancer m.m. i tiden fra 3/1-1940-22/12/1944," 1941-45, HML.

62. Shipbuilders Association (Christensen) to Odel, 16 Jul 42, box number 11, D.1.a. "Skibs-sagerne.

Even Burmeister & Wain, in Copenhagen, was not a very helpful partner in the price control regimen. From an early date, the firm needed to be reminded to work via the normal channels for registering German contracts.⁶³ Burmeister & Wain already had been having difficulties for years, and had been rescued by a government guarantee in the 1930s. In September, 1941, the company's application for an exemption from the standard payment rules was denied.⁶⁴ The normal procedure was that one-third would be paid upon placement of the order to help the company meet its production costs (e.g., purchasing of materials, wages), a further one-third would be paid upon delivery and the last third, four weeks thereafter: B&W had asked for two-thirds up front. Later that month, it was also denied approval of payment for brokers' or salesmen's commissions (which, generally, under the Odel Committee's policy, were to be avoided), and its protest the following day was met with a stern reminder that *no* commissions were to be paid in the future.⁶⁵ Its behavior in September prompted a study of B&W within the Commissioner's Office, and the study catalogued a number of problems with Denmark's largest industrial firm. The company had repeatedly protested the government policy (not just to the Danish parties, but to the Germans as well) of six-month limits on contracts, and had been devising ways to work around the rule. It also appeared to be deliberately taking on more orders than the Germans were able to supply right away in order to receive down payments. Thus B&W would have the cash without needing to make purchases for production, which amounted to "an interest free loan" from the Danish government. The company also had objected to some of the Odel Committee's proposals on payments for shipbuilding because they would be too helpful to its own competitors. Moreover, B&W had been consistently asking for EID earnings beyond

Reparationer. Generelt." OU.

63. Wassard to Netterstrøm 3 July 40, box H 64-243, 64.Dan.80/12. "Bestillinger fra Tyskland af jernbane-material i Danmark og reparationer for værnemagten." 1940-1945, UM, 1909-1945.
 64. 12 Aug 41 meeting notes, box 6, A.8. "Mødereferater og dagsordner I-II." 1941-45. OU.
 65. The payment of commissions to salesmen or brokers was discussed at length in box 7, A.11.a. "Provisions-spørgsmålet generelt." 1941-45, OU.10 and 17 Sep 41 meeting notes, box 6, A.8. "Mødereferater og dagsordner I-II." 1941-45. OU.
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the allowable rates set by the Odel Committee, and had been trying to claim excessive depreciation on equipment.⁶⁶ In April the next year, the firm was mentioned as being among those that had accepted payments from Germany outside the legal channels approved by the government.⁶⁷ B&W, unsurprisingly, would be asked to make "a considerable payment" to the "industry-fund."⁶⁸

This level of tight control is not to say that the Danish state was trying to keep Germany from buying industrial production in Denmark. In fact, Scavenius and Gunnar Larsen both did a bit of advertising for Danish industry in Germany. On his many trips to Germany, Larsen would present what became his stock speech about Denmark being an industrial country, even bringing along a government-financed film making the point. Larsen was very enthusiastic, but would finish his speech by encouraging German self-restraint, claiming that "the actual utilization of Denmark's productive power and natural potential can only be realized via peaceful international cooperation."⁶⁹ In talks with Ambassador Ritter during the Toll & Monetary Union negotiations in July 1940, Scavenius reminded Ritter that "it was a common misperception that Denmark was an agricultural country," but Scavenius cut this reference from his report to the Cabinet on the conversation (as he did to his comments wherein he tried to draw out Ritter on German plans for industry).⁷⁰

At home, the Danish government and Industrial Council would sometimes quietly encourage firms to take on work for the Germans. In June 1942, H.P. Christensen, who had succeeded Holm as chairman of the Industrial Council, wrote three small boat repair companies and asked them to reverse their decision to refuse to do work for the *Kriegsmarine*

66. "Burmeister & Wain's Forhold til de ekstraordinære Industrileverancer." 9 Oct 41. box 9. B.3.c. "Burmeister & Wain." OU.

67. 8 April 42 Odel report. box 6. A.7.d. "Betalinger udenom Nationalbanken." 1941-45. OU.

68. Odel to B&W. 7 Oct 44. box 9. B.2.c. "De gennem priskontrollen opnåede besparelser." OU.

69. Larsen's speech of 24 Feb 42. 68049: "Industrie. Dänemark. 1. Industrie im allgemeinen." Potsdam.

70. Mohr's notes on conversation with Ritter, 99.F.3/36. "Minister O.C. Mohrs Notater." U.M. 1909-1945.

on the grounds that there was too much paperwork involved, and offered to endeavor to simplify the procedures for small firms such as theirs.⁷¹ But this seems to be more an exception than the rule. When Danish firms were reluctant or unwilling to take on German contracts, it appears that the Industrial Council and Foreign Ministry first would gently try to steer German attention away from the matter. For example, in spring 1941, the *Wehrwirtschaftsstab* conducted a survey of further available capacity for contracts via the Industrial Council, but its results showed that “in fact there are quite few firms that are currently both interested in and capable of taking on more German orders.” With this inauspicious result — at least from the point of view of trying to drum up more German contracts in Denmark — the Council suggested to the Foreign Ministry that Forstmann ought to be told that companies were simply too busy with German orders already.⁷² Though the WS’s first survey in the early months of the occupation received a number of response from industry (mentioned above, p. 112), later surveys seem to have been less promising for the WS, and they received lukewarm responses from industry, the Industrial Council, and the Foreign Ministry.

Deflecting Forstmann’s efforts could be a touch-and-go matter, however, for, being short-tempered, he often vented his frustrations upon the Danish officials with whom he dealt. Moreover, one could not know whether he was contented with an outcome until the matter faded away. A good example is the case of Fisker & Neilsen, manufacturers of the unusual combination of motorcycles and vacuum cleaners. Fisker & Neilsen responded to the Industrial Council’s survey on German approaches on arranging cartels (above, p. 78) by noting that it saw no benefit in such agreements, but that did not mean that the company was opposed to working with the Germans: in fact, it had a daughter company in Germany which had already been integrated with German industry.⁷³ Three years later, the firm found

71. Christensen to Fa. Andr. Jensen & Sønners, *et al.* 11 Jun 42 “Centralkontoret.” 1942-45. IR, sorte.

72. Netterstrøm to Odel, 24 May 41, “H. Tyskland. 1941/3-. Cirkulærer. Wehrwirtschaftsstabs Spørgeskema af 25.4.1941.” 1941. IR, sorte.

73. Fisker to Industrial Council 23 Sep 40. box 2/63. “Dansk-tyske Kartelaftaler.” 1941. IR, gulde.

itself the object of Forstmann's ire. On 17 February of that year, Forstmann stormed into Worsaae's office to complain about Fisker & Neilsen's refusal to cooperate with the *Wehrwirtschaftsstab*. The immediate Danish response was to remind Forstmann to contain his temper, and Worsaae reminded Forstmann that the EID was a voluntary program designed to alleviate unemployment and suggested that, should it become known that Germany was forcing Danish companies to do business, there would certainly be negative repercussions upon Danish industry's willingness to take on contracts. However, Worsaae promised to investigate the matter for Forstmann. After discussing the matter with P.A. Fisker, chairman of Fisker & Neilsen, and the Industrial Council, Worsaae recommended the following reply to Forstmann's tirade:

Fisker & Neilsen has reviewed the inquiries it has received [from potential German customers] but has not found any areas of interest for such a particularly specialized firm. The firm has no auditing department [*kalkulationsafdeling*] and is practically uninterested in working as a subcontractor. Its staff has been reduced by about 50%, and its machinery can only be run by first-class skilled workers, which, as a result of low unemployment in the machinery and metalworking industry, now could only be found by taking them from other firms.

Because the machinery and metalworking industries are being so heavily occupied with German orders, placing any larger orders with Fisker & Neilsen could easily have a detrimental effect on other firms that are working for German billing.

Under these circumstances, the Foreign Ministry cannot see any grounds to look any further into Dr. Forstmann's complaint...⁷⁴

That same day, Fisker wrote the Industrial Council recounting his company's relationship with Forstmann's staff. Fisker cited six occasions where his company made contract offers to German customers such as Mercedes-Benz, Ford (of Cologne), and others. Of over one million *kroner* worth of contract offers, the Germans only acted on only 23,325 *kroner* worth. Fisker had concluded that the expenses and difficulties of doing work with German customers outweighed the potential benefits of such contracts, and had given up on trying to

74. Worsaae to Wassard. 17 Feb 43. box H 99-17c. 99.F.3/44. "Det rådgivende handelspolitiske udvalg. P.A. Apr 42- July/August 43." 1942-43. UMI. 1909-1945.

drum up business with such unresponsive customers. Moreover, doing work with the Germans could be a frustrating, unpleasant affair, as they would change production details after the fact, which led to difficulties at Fisker's expense. In speaking with Forstmann's adjutant about Fisker's claims, Worsaae came to the conclusion that the matter was going to be put to rest, and that Forstmann would assure all interested parties in Germany that Fisker & Neilsen was not an "anti-German" firm.⁷⁵

It would appear that this conclusion was ill-timed, however, for the day after Forstmann's approach to Worsaae, Goebbels made a rousing speech which, among other things, exhorted all Europe to take up its part in Germany's aid in the fight against communism. This, it seemed to Worsaae, had "made a considerable impression on Mr. Forstmann," who returned to the Foreign Ministry on 20 February. Forstmann could see no reason that, "in such an important time as we now live in," Fisker & Neilsen could "lie back and play with luxury projects," and admonished Worsaae to put some pressure on the company to take on work for Germany. Worsaae replied that, although the Danish officials had no problem with putting some pressure on Mr. Fisker, he suggested that it would be better, even from the German point of view, to avoid such a step. Worsaae vowed to look into whether the company was still planning on concluding a subcontract for mechanical parts for Ford Motor Company, which had been taking on a number of German contracts.⁷⁶ It appears that this was enough for Forstmann, for the matter rested at this for some time, although in May he did mention the company as a candidate for possible further electricity rationing on the basis of its not working for Germany.⁷⁷ Again, in August 1944, Fisker & Neilsen was subjected to a fruitless German security police search for illegal papers and weapons, but the

75. Copy of 17 Feb 43 letter from Fisker to Industrial Council. Worsaae to Wassard, et al. 19 Feb 43, box H 99-17c. 99.F.3/44. "Det rådgivende handelspolitiske udvalg, P.A. Apr 42- July/August 43." 1942-43. UM, 1909-1945.

76. Worsaae to Wassard, et al. 20 Feb 43, box 5. A.7.1. "Principielle spørgsmål vedrørende A-Listen." 1941-45. OU.

77. 26 May 43 Forstmann to Ebner. RW 27 /8. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 2b. 2. Vj. 1943 (Durchschrift)," Freiburg.

incident only reflects a general German suspicion of the firm's loyalty.⁷⁸

The Fisker & Neilsen flap might also have been wound down because of another policy announcement in Germany. In Hitler's annual speech commemorating the NSDAP's anniversary, the Führer proclaimed the mobilization of Europe in its struggle against the Bolshevik menace, but exempted Denmark from the list of countries to be more fully exploited. Even when the press corps asked for a clarification on the countries to be mobilized, Denmark went unmentioned. When the Danish press seized on this pronouncement to declare that the country was still neutral, it appears to have drawn no comment from the Plenipotentiary's office or Forstmann.⁷⁹ It would seem that such bluster about Fisker & Neilsen did not reflect any standing German unhappiness with the general Danish situation, but was provoked by some specific and fleeting circumstances.

Just as Forstmann was broadly content with Danish industrial fulfillment of German contracts, the Danes too were satisfied with the results of their price control. In June 1942, Odel presented a report on his efforts to senior officials and government members, from the King on down.⁸⁰ Though this report held back from making any specific recommendations,

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78. Until the disbanding of the Danish police in September 1944, German police in Denmark were accompanied by Danish police officers: investigations were Danish police investigations, though it does not take much imagination to presume that there might have been occasions when German police officials forced Danish police officers to carry out actions that they would not have on their own. The Danish Ministry of Justice, which has both prosecutorial and judiciary functions, set up an "office for special cases" to coordinate operations with the German police. For a discussion of the German police and Danish police under the occupation, see Bjørn Rosengreen, *Dr Best og Tysk Besættelsespolitik i Danmark, 1943-45* (Odense, 1982). On the search of Fisker & Neilsen, the Foreign Ministry recommended that further investigation of the incident would yield no real benefit to anyone. See 11 Aug 44, Foreign Ministry to Industrial Council, box 1/52, "Husundersøgelse hos a/s Fisker & Nielsen foretaget af det tyske sikkerhedspoliti." 1944. IR, gulde.
79. Mohr (ambassador in Berlin since May 1941) to Foreign Ministry, 25 Feb 43, box H 84-1, 84.A.1b. "Officiel tysk udtalelse om at Danmark betragtes som neutral stat." 1943. UM, 1909-1945.
80. The report was printed in numbered examples, and distributed to a small circle of parties involved with managing the Danish economy. The list reflects two fundamental characteristics of the situation in Copenhagen. First, there was a tremendous overlap in that many of the same individuals were members of several different bodies on the distribution list. Wassard, for example, sat on the Odel Committee and the Government Committee, not to mention at the second highest level of the Danish Foreign Ministry (under the Director). Munch was in the Foreign Policy Committee and the Committee of Nine. On the recipients' list were: King Christian, Cabinet Members, The Committee of Nine, Danish delegation to the Government Committee (Wassard, Peschardt, Dalhoff, Sveinbjørnsson, Brorsen, O. Jepsen, J.A. Lorentzen, A.P. Jacobsen, E. Dige, Dons, Gregersen Larsen, and Trade attaché Kruse), the Styhr Committee, the Odel Committee (Worsaae, Lindgren, Backhaus, Seidenfaden), Odel's Office, the Foreign policy Committee (consisting of: Folketing members Hans Rasmussen, HP Hansen, Fr.
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a number of its observations raise some questions: for example, the report pointed out that while part of the Commissioner's job was to keep track of German industrial activity in the country, a total figure on the extent of German construction work was not available. The implication was that there was still room for more control on this matter. The report did not point out any similar gaps in price control for industrial purchasing.⁸¹ Though generally well-received, Odel's report drew fire from the Industrial Council, which objected to his including a list of contractors who had done more than a million *kroner* under the EID (this list appears as table 1, above, p. 157)⁸²

Odel's 1942 summary would be the last report the Commissioner's Office would circulate to this longer recipients list. Less ambitious reports would be produced in 1943-45. At an April 1943 Committee meeting, Odel mentioned that he intended to prepare a report similar to the 1942 one, but it was never completed. One of the draft parts of the intended report, however, evaluated the program a bit more critically than the 1942 report: this 1 March 1943 review assessed the effectiveness of price control. This study might be seen to mark a high-water mark for Danish-German economic cooperation analogous to the roughly simultaneous high-water mark for the Danish political cooperation with the occupying German forces: on 23 March the Danish political establishment would receive a resounding affirmation of its cooperation policy in a free election.⁸³ The report claimed that price control was especially satisfactory and went on to note that, "for industrial deliveries, the controls [in force] since mid-1942 have been so effective, that any further tightening would cause a large

Andersen, AM Hansen, Munch, OC Krag, O.Himmelstrup A.Svensson, Ole Bjørn Kraft and Landetings Members Jørgen Møller, Charles Petersen, KK Steincke, H. Hauch, H. Jøfsen-Christensen), the *Nationalbank*, The Foreign Ministry, the Embassy in Berlin, six university professors, the Industrial Council, the Wholesaler's Society, The Provincial Chamber of Commerce (these last two handled a small number of contracts in the same manner as the Industrial Council), the Danish association of farmers, the Agricultural Council, the Danish Council of Labor's Business Council, DFDS, the *Rigsadvokat* (the State Attorney under the Ministry of Justice), and the "Technical Centrale." Recipients' list, box 7, A.10.b, "Udsendelse af l.beretning," 1941-45, OU.

81. *Beretning fra Udvalget for Ekstraordinare Industriarbejder m.v. for Tysk Regning for tiden indtil 1 april 1942*, p. 13, 25.

82. Industrial Council to Odel, 27 Aug 42, box 7, A.10.b, "Udsendelse af l.beretning," 1941-45, OU.

83. The Parliamentary elections on 23 March 1943 were completely free and returned a notably strong

number of firms to decide not to take on German orders. As experience has shown that the Germans would not tolerate such a development, the establishment of a legal mandate to take on contracts — with all the various disadvantages that would bring — would be unavoidable.” This would be doubly troublesome, as the recent increases in sabotage (though small, and still at a much lower level than would be seen in 1944–45), in combination with industry’s apprehensions that their contracts would be cancelled by Odel’s office, were reducing industry’s enthusiasm for working for the Germans. Any further government limitations on profits might lead some firms to appeal to the Germans to intervene in the price control system. Naturally, any increase in German influence was unwelcome. The Commissioner’s office believed that the current conditions for business were acceptable, and that a company should find earnings of 6–8% to be quite reasonable, if it had a good volume of business. The report implied that such profits must have been acceptable, given the attention that such earnings were attracting in the public at large, especially in those cases where new firms had sprung up to profit from doing business with the Germans.⁸⁴

endorsement of the coalition government. There was a very large increase in the number of votes cast, while the Radical Liberal-Social Democratic leading partners in the National Government even gained a seat (presumably having gained votes previously given the Communists).

Election results 23 March 1943 & 3 April 1939 (Previous election)

Party	1943			1939		
	votes	%	seats	votes	%	seats
* Social Democrats	894,632	44.5	66	729,619	42.9	64
* Radical Liberals	175,179	8.7	13	161,834	9.5	14
* Conservative People’s	421,523	21.0	31	301,635	17.8	26
* Liberals	376,850	18.7	28	309,355	18.2	30
Justice League	31,323	1.6	2	33,783	2.0	3
Farm Party	24,572	1.2	2	50,829	3.0	4
DNSAP (Nazis)	43,309	2.1	3	31,032	1.8	3
Danish Unity Party	43,367	2.2	3	8,553	0.5	0
Communists	—	—	—	40,893	2.4	3
National Rally	—	—	—	17,350	1.0	0
† Slesvig Party	—	—	—	15,016	0.9	1
Blank/invalid	(24,000)	(1.1)		(4,000)	(0.2)	
Totals	2,010,755			1,699,899		

* Members of the National Government

† German nationalist party, disbanded and directed by the Danish Nazis to vote DNSAP

Source: Jørgen Barfod and Edele Kruchow, eds. *Danmark under 2. verdenskrig*, I. (Copenhagen, 1966), p. 168; Kirchoff. *Augustaprøvet*, I, p. 197.

84. 2 Apr 42 Odel Committee Meeting Notes Excerpt. and “Effektiviteten af Priskontrollen med Arbejder for tysk Regning,” 1 Mar 43, both from box 7, A.10.c. “Beretninger fra udvalget: Materiale til 2. beret-

However, the emergence of new companies did not come to be a substantial concern for Odel or the Foreign Ministry. For the most part, new companies were smaller servicing firms (e.g., auto-repair, trucking, construction) that required little capital or imported machinery. There had not been a tremendous increase in newly established manufacturers under the occupation, and although a few smaller manufacturers were able to establish themselves or to expand their capacity, in an atmosphere where machinery imports were difficult to find, such firms were limited in number. The Germans did help a few smaller companies get on their feet. Such a case can be found with Henry Rasmussen's Yacht- and Boaryards a/s in Svendborg (also mentioned above, p. 204). Established in March 1941 with help from the *Wehrwirtschaftsstab*, Rasmussen's company worked very closely with a larger German firm in Lemverder; Forstmann argued that it essentially ought to be viewed as a Danish subsidiary of the German yard. With about 150 employees, Rasmussen's plant built a number of smaller boats of various types.⁸⁵ However, the company seemed to attract close attention from Danish officials, and it was not unusual for its contracts to be rejected or cut back. Rasmussen's company seems to be more of an exception than the rule of German economic investment in Denmark. Generally, German investment was permitted only in limited circumstances, and met with disapproval from Odel's office.⁸⁶ After Rasmussen's Yacht and Boat, the only other company whose business significantly expanded because of working with the Germans was the "Derby machine shop" (which will be discussed below, p.219). This lack of the significant expansion of Danish industry under the German occupation attests both to Germany's limited interest in Danish industry, as was discussed in ch III, and the success of the Danes' control of German economic activity. The Danish goal of avoiding "distorting" the Danish industrial economy by German investment was made explicit to the Germans. In 1942, Odel warned Forstmann against making investments in

ning." 1941-45, OU.

85. 15 Apr 43 Lagebericht. RW 27 /8. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 2b. 2. Vj. 1943 (Durchschrift)." Freiburg.

86. *BF*. pp. 1002-4.

Danish industrial capacity: Denmark would not finance the expansion of facilities or the installation of German machinery and tools. Such an effort, he noted, was contrary to the fundamental idea behind the EID, namely creating employment for Denmark's existing firms. Odel reminded the commander of the *Wehrwirtschaftsstab Dänemark* that, "the construction of new facilities and the relocation of workers from older companies to newer ones — which is often accompanied with wage increases — is unwished by our side, and therefore cannot be financed."⁸⁷

Of course, there had been some Germans who dreamt of construction projects in Denmark, as had been thought up for other countries under German occupation. Some planned to build *Autobahnen* up the Jutland peninsula, and from the Rødby Ferry to Copenhagen and to on to Helsingør, all as part of their general highway plan.⁸⁸ There was a scheme to build a bridge across the Øresund to Sweden.⁸⁹ After the occupation, Wassard informed the commission examining German economic activity during the occupation that the works that the Danes constructed only because of German wishes were limited to Rødby-Fehmern roadway and ferry harbor facilities, the beltway around Copenhagen, a runway at Kastrup airport, the laying of some railway tracks in Jutland (in particular from Hansholm to Nørre Nebel, a sparsely populated area to the North of Esbjerg, the anticipated invasion site), and the Danish portion of the Hansa program.⁹⁰ During the occupation, Germany showed little interest in the expansion of Danish industrial activity. The Germans

87. Odel to Wehrwirtschaftsstab. 10 Sep 42, box 5, A.7.b. "Nye Virksomheder (også korrespondance af 1947)." 1941-45. OU.

88. Wiehl to Weizsäcker, 3 Jul 40. "Dänemark," Bonn. On the German wishes for an *Autobahn* up Jutland, also see *DPK*, X, a, p. 304. An entire volume of *DPK* was dedicated to Gunnar Larsen's role as Minister of Public Works: one of the topics that was handled at length therein was the Rødby-Fehmern "Bird's Flight Route." Hitler's love for cars and *Autobahnen* is well-known. He envisioned a network of *Autobahns* to unify the Reich "from Klagenfurt to Trondheim, from Hamburg to the Crimea," and he boasted that Germany should be able to build 1,000km per year, and said that he could place a billion RM at disposal the task. See e.g., *Hitlers Tischgespräche im Führerhauptquartier*, edited by Henry Picker (Stuttgart, [2d edn.] 1963), conversation #181, 18 Jul 42, p.459-60.

89. A bridge across the Øresund is only being built now in 1996, and Jutland still does not have an *Autobahn* running its whole length, though in 1994 a long leg was completed.

90. Wassard Memo, 6 Nov 45, box H 84-139, 84.F.79. "Oversigt over danske arbejder sat i gang under krigen efter tysk kræv." 1945-46. UM, 1909-1945.

dragged their feet in supplying the requisite machinery for the Danes to build a rolled steel mill.⁹¹ Similar plans for glue and artificial silk factories and a zinc rolling mill drew German concern, while Danish plans for a fertilizer plant received more support.⁹² On discussing this interest in the Danish artificial fertilizer factory, Scavenius noted that it was in Denmark's interest to build those factories that the Germans were most interested in:

Experience has shown, even before the war, that the creation of new industries in Denmark are closely followed by Germany. If Denmark holds itself back in those cases where German interests coincide with Danish interests, it will only make it more difficult to serve our own interests in other cases.⁹³

It is true that some German interests traditionally kept a close eye on the development of possible competitors in Denmark; German steel mills, for example, had approached the German Foreign Ministry in 1939 in an attempt to halt the development of the Danish rolling steel mill.⁹⁴ Danish companies, including B&W and Glud & Marstrands (a metal-working company) had entered cartel arrangements with German counterparts, as the Germans sought to contain the threat of foreign competition.⁹⁵ However, as we have seen, these indications of German pre-war interest in Danish industry do not mean that the responsible German officials had an accurate view of the Danish economy.

For their part, the Danes were just as happy to keep German involvement to a minimum, and it was apparent, already during the occupation, that their efforts in controlling German purchasing were effective. Odel's office kept track of the amount of money that

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91. The Danes had been planning to build their steel mill since at least the end of 1938, but only in summer 1941 did the Germans give the go-ahead on the Danish purchase of the necessary machinery from Germany. Ludwig to Walter, 20 Jun 41, R 7 /3534, "Walzwerk für Dänemark: Bau durch die Fa. Kampsax Kopenhagen," Koblenz.
 92. Meeting notes with Walter, 22 Oct 40, Dansk svovlsyre & superphosphat fabrik to Gunnar Larsen, 2 Nov 40, Gunnar Larsen report to Beskæftigelsesudvalget on need for artificial fertilizer plant, 20 Mar 41, Gunnar Larsen to Scavenius, 15 Nov 42, and box H 83-89, 83 Dan.9/1, "Danmark: Oprettelse af danske industrivirksomheder. Koksværk, kalkspeterfabrik, kvælstoffabrik." 1940-47, UM, 1909-1945.
 93. Scavenius to Gunnar Larsen, 20 Oct 42, box H 83-89, 83 Dan.9/1, "Danmark: Oprettelse af danske industrivirksomheder. Koksværk, kalkspeterfabrik, kvælstoffabrik." 1940-47, UM, 1909-1945.
 94. e.g., Paul Maulick, Stahlwerks-Verband AG, to Scharpenberg, 30 May 1939, 68316: "Wirtschaft. Dänemark. 9. Gründung und Erweiterung wirtschaftlicher Unternehmungen." Potsdam.
 95. Glud & Marstrands to Industrial Council, 23 Sep 40, B&W to Industrial Council, 4 Oct 40, box 2/63, "Dansk-tyske Kartelftaler." 1941, IR, gulde.
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its audits had saved the Danish state. At the end of the second quarter of 1942, the office could report a savings of nearly two million *kroner*. By the end of 1942, another half-million *kroner* had been saved. By January 1945, post-contract audits had managed to save some 10.8 million *kroner*.⁹⁶ The trend for audits was that Odel's office uncovered fewer and fewer irregularities over time (table 8). This could mean possibly mean that companies became

*Table 8: Savings Achieved by Audits*⁹⁷

Fiscal Year	Approximate Savings
1941-42	3.9 million <i>kroner</i>
1942-43	3.4 million <i>kroner</i>
1943-44	1.9 million <i>kroner</i>

more effective in hiding transgressions, but given the degree of control that the Danish government exercised over the EID as a whole, it seems more likely that better compliance was attained. In the Foreign Ministry, an analysis of German purchasing's share of Danish industrial production showed that German orders had not particularly monopolized Danish output as a whole, though there was a noteworthy presence in some branches, in particular the shipbuilding industry (table 9). However, by putting German purchasing in the context of general Danish industrial output, Germany's strong presence in the Danish industrial economy did not look nearly so formidable. Informal estimates in February 1944 put German purchasing in industry at about 13%.⁹⁸ After the occupation, eager to show their anti-German credentials, the Shipbuilder's Association estimated that only 33% of its overall production went to German billing, while in other countries the corresponding figures were 80-100%.⁹⁹ These figures compare especially well to those in other occupied countries. In

96. Except from Odel Committee meetings of 7 Aug 42, 18 Feb 43, box 9. B.2.c. "De gennempriskontrollede opnåede besparelser." OU.

97. *BF*, p. 1045.

98. Peschardt note on German percentage of EID. 10 Feb 44, box 9. A.21. "General Statistik vedrørende omfanget af Arbejder for tysk Regning." OU.

99. This seems to be a rather low estimate, but perhaps some clue to the reason for this can be found in the way the memorandum presented the information: "With the policy of cooperation, one avoided the German policy that was pursued in other occupied countries, where the Germans took over the shipyards directly, leading to German orders taking up 80-100% of the work, while [in Denmark] German orders constituted only 33% of our work (25% of the shipyards' pre-war capacity), and thereby served both Danish and allied interests as best as possible." Concern about allied interests played, as far

*Table 9: German Industrial Purchasing
as Share of Danish Industrial Output¹⁰⁰*

	<u>1940</u>	<u>1941</u>	<u>1942</u>	<u>1Q1943</u>
Total Danish Industrial Output million <i>kroner</i>	3,523	3,786	3,786	1,010
EID including shipyard works million <i>kroner</i>	26.4	200.3	229.2	78.3
As % of industrial output	0.7%	5.3%	6.0%	7.8%
EID Shipbuilding & Repair	4.5%	53.5%	49.7%	62.0%
EID Metalworking, combined with woodworking, clothing, leatherworking	1.8%	10.0%	11.3%	15.2%

occupied France, for example, the estimates of the German take of industrial output run in the 30-40% range.¹⁰¹

Another factor contributing to the drop-off in irregularities uncovered by post-contract audits was Germany's worsening fortunes in the war. As it became increasingly apparent that Germany was not going to win the war, it became common for Danish companies to conclude that it would be best that they avoid the appearance of having profited from working for the Germans over the course of the war. Some companies began to put their profits into bank accounts, rather than spending or investing them, in the belief that they might be expected to make further contributions to the "industry fund" or the "regulation fund" (mentioned above, p. 197).¹⁰²

Danish efforts at controlling German purchasing in Denmark uncovered a good number of "irregularities" that might not have appeared otherwise. Construction companies were especially troublesome, but industries and the ship-building and repair business also

as the records indicate, no role in determining shipbuilding policy in Denmark. (Helsingør shipyards to Hvass (Danish Foreign Ministry), 30 Mar 47, box H 64-244, 64.Dan.80/15b. "Tyskland: ekstraordin. industrileverancer. Skibsbygninger. I-II," 1941-47, UM, 1909-1945.)

100. Gunnar Seidenfaden memorandum on EID, 13 Jul 43, box 9, A.21, "General Statistik vedrørende omfanget af Arbejder for tysk Regning," OU.

101. Alan S. Milward, *French Economy*, p. 278.

102. Arne Lund memo on repayment of higher profits, 2 Jan 45, "Den tyske Værnemagt. Ministerierne," 1941-45, IR, sorte.

caused their share of trouble for Odel and company. This should come as no surprise, of course, given the significant part that shipbuilding and repair played in German purchasing. For the most part, apart from B&W, the major shipyards were fairly compliant to Odel's offices' regulations, while smaller firms could be the source of more trouble. One of the most blatantly troublesome of these was an upstart company in Århus, the Derby machine shop, which specialized in ship repair for the *Kriegsmarine*, and which offers a good illustration of the manner in which the Odel Committee dealt with difficult companies. The case also shows the character of companies that could cause difficulties, as well as the fact that companies that were difficult for the Danish government were also vexatious for the Germans.¹⁰³ On 1 January 1940, Derby owned a single machine and had three employees: in June 1942, it had over 429 employees. The company produced its first headache for the Odel committee when one of Forstmann's officers approached the Danish Foreign Ministry to complain that the company's president had been jailed for no apparent reason. In the ensuing Foreign Ministry investigation, it appeared that the man, Willy Johansen, had been caught trading fuel on the black market.¹⁰⁴ After this particular matter was cleared up, the Odel committee recommended withdrawing Derby's standing permission for repair work on *Kriegsmarine* ships, on the grounds that the company did not demonstrate the trustworthiness that was expected of firms working on German orders.¹⁰⁵ The next day, one of Derby's applications for a contract was disapproved on the grounds that it was beyond the firms' capacity.¹⁰⁶ These developments drew the *Wehrwirtschaftsstab's* attention, and the next week Forstmann

103. In 1943, one Liberal Folketing member, Axel Christian Hartel, after failing to get Gunnar Larsen to exercise his influence, quit his seat in the Parliament to coordinate his own "investigation" of what he saw to be an anonymous "conspiracy" to keep Danish companies from earning reasonable profits. As the matter unfolded, Hartel continued to be a nuisance to Danish officials, and at one point even approached the Industrial Council to try to get the Council's support in an attempt to get the Danish government to finance the expansion of a particular factory. Hartel was sponsored by this company and one other, both of which proved to be uncooperative to the Odel committee in 1944. Ten notes relating Hartel's activity over the course of 1943, box 8, A.18.b, "Hartels Aktion," OU, and 9 Mar 44 Odel committee meeting notes, box 5, A.7.a, "Principielle spørgsmål vedrørende A-Listen," 1941-45, OU.

104. Tscherning note, 28 May 42, box 11, D.1.b, "Skibsreparationerne. Derby-sagen," OU.

105. Worsaae to Minister for Trade, 10 Jun 42, box 11, D.1.b, "Skibsreparationerne. Derby-sagen," OU.

106. Odel to Wehrwirtschaftsstab, 11 Jun 42, box 11, D.1.b, "Skibsreparationerne. Derby-sagen," OU.

along with his second in command, Major Baumann, met with Worsaae and Odel to complain about the treatment meted out to Derby. Forstmann ominously warned that a *Kriegsmarine* inspector had reported to Berlin that the *Wehrwirtschaftsstab* was too accommodating to the Danes. Worsaae replied that Forstmann ought to remind Berlin that his office had placed several hundred million *kroner* worth of orders in Denmark, and that he should report to Berlin that his office could not place an order with a firm that the Danish government alleged was not professionally qualified, was at the time the subject of criminal court proceedings, and was owned by a convicted criminal. Moreover, Worsaae added that he “thought that the German side ought to be more than satisfied with its results in Denmark, and that it must be admitted that the program has gone long past the agreements drawn up ‘to combat unemployment in Denmark.’”¹⁰⁷ Two days later, Wassard wrote Forstmann, explicitly asking that no more orders be placed with Derby.¹⁰⁸ This did not sit well with the Germans, but it appears that Derby got the message: for, in July, it approached the Industrial Council’s Central Office for Boat and Shipbuilding, professing ignorance as to why it should be banned from accepting orders over 50,000 *kroner*.¹⁰⁹ A fortnight later, Forstmann made another appeal that Derby be allowed to continue work, and this prompted Wassard to begin digging up suitable evidence of Derby’s unsavory behavior, but this effort was made virtually superfluous when a German *Kriegsmarine* audit of the yard revealed huge problems in the company’s business practices, including approximately one million *kroner* of unreported earnings, no modern bookkeeping, and Johansen’s wife’s purchase of a farm with company funds. The German audit nevertheless concluded that it was best to keep the company in business. Because of its remarkable expansion (on the basis almost exclusively of *Kriegsmarine* orders), the company had not adopted basic business book-keeping principles,

107. Worsaae’s meeting notes for meeting previous day. 18 Jun 42, box 11, D.1.b. “Skibsreparationerne. Derby-sagen.” OU.

108. Wassard to Forstmann. 19 Jun 42, box 11, D.1.b. “Skibsreparationerne. Derby-sagen.” OU.

109. Copy of Derby letter to Industrial Council’s Central Office for Boat and Shipbuilding, 24 Jul 42, box 11, D.1.b. “Skibsreparationerne. Derby-sagen.” OU.

and found itself in a liquidity crisis: if Germany hoped to get its money's worth in subsequent orders, it would have to explore how to get more Danish government intervention in the firm's affairs.¹¹⁰ The Danish Foreign Ministry would thus easily be able to place limitations on Derby's future business and its staffing levels, and generally keep a close eye on its activity. In the Derby case, Danish public interest in controlling German purchasing neatly coincided with the German interest of getting reasonable service.

In the case of Danish Nazis and fellow travellers, German interests in keeping Danish governmental competence intact led to similar limitations on companies doing business with Germany. This is not to say that Nazi sympathizers were kept from doing business with Germany, for they were not. The DBN (above, p.77), an association of smaller North Slesvig manufacturers, for example, delivered over 41 million *kroner* in products for Germany from 1942-45.¹¹¹ Also, DNSAP members did a solid business with the Germans, but at the same time the Germans did not let them have more influence in Copenhagen and Denmark than their small numbers justified. The *Reich* Chancellery's limited faith in the DNSAP as well as Forstmann's lukewarm support for the DBN have been noted. Of the largest contractors listed above (p. 157), only the Aabenraa automobile company, along the border with Germany (the town Aabenraa is the German Appenrade) stands out as even a remotely ideologically motivated company. In 1941, DNSAP-sponsored "Business Council for Danish-German trade" initially received a cautious endorsement from officials in Berlin, as long as its activity should not interfere with regular Danish-German trade, and in the beginning of 1942, the German Foreign Ministry notified German officials in Copenhagen to avoid making contact with DATOR, a consortium of businessmen affiliated with the DNSAP.¹¹²

110. Wassard to Odel. 10 Aug 42. *Kriegsmarinewerft* Kiel's audit of *Kriegsmarine* business with Derby. Jun-Jul 1942. box 11. D.I.b. "Skibsreparationerne. Derby-sagen." OU.

111. *BF*. p. 604.

112. Various correspondence. 68313: "6. Wirtschaftliche Beziehungen zu Deutschland." and. 67734: "Handel. Dänemark. 11. Handelsbeziehungen zu Deutschland. Bd 1." Potsdam.

With the Germans paying scant attention to its ideological companions in Denmark, organizations such as the DNB, DATOR or the DNSAP's Business Council ended up only being one of many companies doing business with the Germans rather than any substantial concern for the Danes. The Odel Committee's control apparatus would be able to contain this potential threat, just as it balanced Denmark's needs for controlling the wider German economic activity in the country. Because German priorities for Denmark did not lay in the exploitation of the country, but rather in the maintenance of stability, it was possible to construct the Odel Committee control system. Not only did the system function in the period up to the collapse of the Danish government's policy of cooperating with the Germans, it even survived that crisis in Danish-German relations. The control system continued to function not only because it met Danish needs, but also because it helped to meet the German ones as well. Odel and Wassard devised a strict and even-handed system that recalled characteristics of German operating principles such as price-auditing, combating inflation and ferreting out fraud. It is also possible that the Industrial Council's and the Directorate for Supply and Provisioning's work to keep track of German shipments was seen to be a benefit for the Germans, who were short of manpower throughout the war. Forstmann's reports to Berlin, which copiously used quantitative information that was far beyond his office's capacity to collect and compile, indicates that the *Wehrwirtschaftsstab*'s was heavily dependent on the Danish bureaucracy. This work, in combination with the broader goal of stability in Denmark, remained the common thread between Berlin and Copenhagen, and allowed them to build a cooperative and collaborative relationship in 1941-43. This relationship was sufficiently useful to the Germans that they hoped to restore it immediately after suppressing the disruptions of July and August 1943. However, the Danish political establishment could no longer afford to be seen to be doing Nazi Germany's bidding in public, even if though it was quite prepared to carry on business as usual in private. Moreover, the German occupation authorities were unconcerned about the political makeup of the new

Danish leadership after August 1943, and were willing to settle for the anonymous leadership that the Danish politicians set up to "mind the store." Thus, though the level of violence the Germans now applied in an effort to cow the Danish population escalated, its view of Denmark's place in the New Order did not change markedly. Despite some changes of style after August 1943, there was no real attempt to squeeze the Danish economy any harder than before. The goal remained the maintenance of calm and order, which could only be achieved through economic stability. That pursuit of that priority in the later phase of the war is the question to which we now turn.

V.

German consistency after August 1943

"[To] repeal the body of Danish labor law would mark a complete rejection of the foreign policy line that we have followed up to this moment, and would decisively bring the question of Danish sovereignty to an end..."

— Werner Best, August 1944¹

Odel's Commissioner's Office constituted a Danish bulwark against the dangers of a rapacious economic exploitation of the country. It succeeded because it was created at what proved to be an opportune moment. Initial German fears of economic collapse were dispelled at the same time as Danish bureaucratic cooperation was proving to be quite satisfactory to the Germans. Not only was it satisfactory: the Germans had even come to the conclusion that they were actually dependent upon it. Essentially, things got done in Denmark, not because the Nazis made them happen, but because the Danes did. In 1941-43, this economic and political relationship between the two countries matured such that the *Wehrwirtschaftsstab* pursued its interests in Danish production — particularly in shipbuilding and machine-tools, while the Danes could pursue their objectives of keeping that purchasing within

1. Forstmann to Waegner, 15 Aug 44, RW 27 /16. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 7. 3. Vierteljahr 1944. (Entwurf)." Freiburg.

tolerable bounds. Because this system was satisfactory enough to both sides, it was retained even after the dramatic events of August 1943. It is undeniable that now there was more tension between Copenhagen and Berlin, but the essentials of the Danish-German relationship were the same as ever. The Germans wished to manage the occupation in the manner that they had before the "August uprising," and they did. Although the Danes were no longer publicly led by a democratic government, and the Danish government no longer publicly condemned any popular resistance to the Germans, the actual policy that was upheld towards the Germans was a cooperative one. The Germans, for their part, remained as indifferent as ever to the question of whether there should be a functioning democracy in Denmark: they were, above all, interested in economic and social stability, not the imposition of Nazism or the most effective economic exploitation of the country. Those were matters that could wait until the mastery of Europe was secured.

Thus, in many ways, the great "turning-point" of 29 August 1943 manifested itself mainly and merely in the retreat of the Danish cabinet from public "adjustment" to private cooperation with the German authorities. Although the hard-core traditionalist view of the occupation maintains that there was no cooperation between Germany and Denmark after the "withdrawal" of the Danish Cabinet, it is becoming ever more widely recognized that the Danish political establishment continued to cooperate behind the scenes with the Germans. This cooperation was not the country's best kept secret, for the illusion that the political leadership had retired would occasionally lose its credibility, such as when, during the June-July 1944 "city strike" in Copenhagen, the old political leadership tried to restore the calm of cooperation with the Germans.² From the beginning of this "new" arrangement,

2. The Copenhagen city strike of June-July 1944 stands as a curious episode in the occupations of Europe in that as a consequence of the strike, the Germans decided to stop their executions of saboteurs and resistance men, which had begun only after 29 August 1943. For a review of the city strike, and in particular the Danish political establishment's objections to it, see Kirchhoff, *Kamp eller Tilpasning*, ch. 12. Forstmann's laconic report of the general strike reveals both the simplistic way that he saw the "city strike" and his belief that the strike was nothing to worry too much about. On 1 July 44, he sent a telegram to Speer, which read as follows: "Since 30 June mid-day, a general strike here in Copenhagen: Cause: Irresponsible Communist Agitation." [*Ursache: Unverantwortliche kommunistische Hetze*]. Forstmann to Speer, 1 Jul 44. RW 27/116. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliessli-

consistency prevailed. In October 1943, when rumors flew of a German action against the Danish Jews, the Danish leadership chose not defiance, but a half-measure of cooperation: they offered to put the Danish Jews in Danish concentration camps, just as they had put Danish Communists in camps in the summer of 1941.³

Such consistency has been adequately demonstrated by Danish historiography, and will not be reviewed here. However, if the Danish political leadership did not wish to rock the boat, they were not alone, for many of the most important German occupation authorities were similarly inclined. Germany's objective in Denmark remained the same as it had always been: to keep the country quiet by ensuring economic stability, while having reasonable access to Danish economic production. True, on the surface, German policy might seem to have changed completely. At the end of 1943, Hitler ordered the adoption of harsher tactics in response to what it saw as an ever more defiant Danish population, yet these steps were also retaliatory in nature. On 30 December, Hitler ordered Best, Hanneken, and Gunther Pancke, commander of the German police in Denmark (who was sent to Copenhagen in November 1943), to mount a "counter-terror" campaign against the Danish resistance. Danish sabotage would be met with acts of "*Schalburgtage*" (so named as the attacks were perpetrated by the DNSAP's paramilitary corps, the *Schalburgkorps*, named after DNSAP "hero" C.F. von Schalburg, who had fallen on the Russian Front⁴). Targeting Danish entertainment facilities (*i.e.*, movie theaters, bookstores, taverns, and Tivoli Gardens⁵), newspapers, and economic facilities not working for Germany, and occasionally causing the deaths of innocent bystanders, these attacks failed in their goal of weakening popular support for anti-German sabotage. Another measure was the "Clearing Murder," a one-for-one killing of prominent citizens in response to resistance murders of Nazi sympathiz-

ch der Abteilung Wehrwirtschaft), mit Anlagen. Bd 7. 3. Vierteljahr 1944. (Entwurf)." Freiburg.

3. Best to Ribbentropp, 2 Oct 43. Büro des Staatssekretärs, "Dänemark." v. 4. fiche 168. Bonn.

4. On the *Schalburgkorps*, see *BF*, pp. 719-28.

5. The attack on Tivoli was executed three days after a successful Communist attack on DIS's plant, on 22 June 1944.

ers and informers [*stikkere*]. The specifically retaliatory character of these killings was made explicit, as the Germans ordered the Danish press to report them alongside stories about resistance "liquidations."⁶ The *Wehrmacht* in Denmark also claimed a right — under the Hague conventions of Land Warfare — to "self-defense" in executing anyone who attacked the *Wehrmacht* or its interests, a right which was exercised against saboteurs, their comrades, and those who aided them.⁷ The Germans also began occasional confiscations of Danish property, although usually with compensation. These confiscations became increasingly frequent in the last months of the occupation, as Germany tried to come to grips with its growing refugee crisis and when it became increasingly difficult to speak of any rational German occupation policy.⁸

However, one should not construe this violence as proof of a complete change in German policy, or a "rationalization" of German policy around the needs of the *Wehrmacht*. These steps were very specifically aimed at a particular problem, namely the security of the *Wehrmacht* in Denmark, a concern which had always been the primary objective there. This goal was always predicated upon social calm and order, which themselves were dependent upon economic stability. The *Dagmarhus* remained, as always, outside this main concern.⁹

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6. The Danish press was remarkably free under German occupation. Though the 13 Conditions had ordered that the Danish press be subject to censorship of stories that might serve Allied purposes, for the most part, a remarkable level of press freedom was upheld in the country. Visitors from Sweden noted that the Danish press seemed to be even freer than the Swedish press. Such was the claim, at least, of Per Jebsen, a Norwegian sailor who was shipwrecked off the coast of Jutland in 1941, and who spent most of 1942 in Denmark before escaping to Sweden. See Jebsen's account of his occupation experience given to Jorgen Hæstrup, now housed at the Rigsarkiv in Copenhagen under the heading *Haandskriftsamling IV T.38.A*. On "Clearing Murders," see *Besættelsens Hvem Hvad Hvor*, pp. 97, 225.
 7. On the unsure ground of "Occupied Neutrality," the *Wehrmacht* was ever ready to cite the Hague conventions. Hence, a state of emergency was declared in accordance with articles 42-56 of the Hague conventions of Land Warfare. *BF*, p. 838. However, there is no precedent for a power to declare a state of emergency [*undtagelsestilstand*] on foreign territory; nor was there, incidentally, any provision in Danish law for a declaration of a state of emergency. Kirchhoff, *Augustoprøret*, I, p. 128.
 8. The General who replaced von Hanneken on 27 January 1945, Georg Lindemann, was decidedly not cut from the same cloth as the other German officials in Denmark. Formerly posted to the Russian Front, Lindemann used very harsh tactics to counter Danish resistance, including burning down a farm and resuming executions, which had been halted after the popular uprising of June-July 1944. *Besættelsens Hvem Hvad Hvor*, pp. 316-7.
 9. Even the index to Jensen's *Levevilkår*, which reviews the Government Committee in such detail, mentions the Plenipotentiary only three times.
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These fundamentals of German policy towards Denmark remained unchanged, and were pursued in the same manner as before. If Germany now felt that it had a free economic rein in Denmark, there was still no sign of any attempt at the ruthless exploitation of the Danish economy. As related in chapter III, there is a lack of any quantifiable evidence of any German attempt to exploit the Danish economy before this time, as well as after. There was a similar lack of any indication that the Germans were interested in altering the way that they did business with the Danes. In questions of administration and policy-formulation, the August Crisis of 1943 effected no change in Germany's or Denmark's economic-policy officials. Economic affairs remained under Dr. Walter's direction: his work and Forstmann's industrial purchasing continued along the same lines that had been established by Danish-German bureaucratic cooperation during 1941-43, as outlined in chapters three and four. Nor did Berlin shunt aside Danish laws in favor of German decrees, and the Danish bureaucracy and justice systems remained intact.¹⁰

After 29 August 1943, there was no "rationalization" of the occupation of Denmark which resulted in the marginalization of the Plenipotentiary because he had always been merely one of several German actors in Denmark. If Werner Best had sought to prove to Berlin that his "soft hand" approach in Denmark could be fruitful, this attempt had never succeeded far enough to put him in charge of Germany's chief concerns in Denmark. Time

10. A false impression that the German Foreign Ministry and Plenipotentiary lost influence after August 1943 might be inferred from the decrease in the volume of documentation coming out of the *Dagmarhus* after this date. However, this is deceptive: this drop in volume is equally visible for all of the German agencies in Denmark, not just the Plenipotentiary. Hence, some external force beyond the simple eclipsing of the Foreign Ministry or the Plenipotentiary was at work. Possible factors include the intentional destruction of records of the *Wehrmacht & Wehrwirtschaftsstab* (for there are virtually no remaining internal papers from the Plenipotentiary's office from the entire occupation) in Copenhagen: the Germans systematically destroyed the great bulk of recent documents beginning in late 1944. The vast bulk of the surviving files of the *Wehrwirtschaftsstab Dänemark* largely consist of routine correspondence (e.g., bills, invoices, notices tracing the progress of orders), whose destruction was a low priority. Nor can one dismiss the effect of aerial bombardment on Berlin: records from the first half of the war were often kept outside the capital (the extensive war diaries of the *Wehrwirtschaftsstab* 1940-41, for example, that appear are WiRüAmt archive copies, not working copies: the war diaries from the last half of the occupation are lost except for the appendixes). Moreover, in summer 1944, as Germany entered another stage of "total war" mobilization, the Foreign Ministry decided to cut down its "unnecessary" correspondence. Steengracht to various, 9 Aug 44, 105244. "Personnel & Organizational Information- Trade Policy," 1934-45, German Foreign Ministry, Political Archives, Bonn.

and again, Berlin chose not to alter the relationship with Denmark. Berlin rejected his attempts to change the Danish-German relationship upon his arrival in Copenhagen in November 1942. Though the Plenipotentiary's title might have changed from "Plenipotentiary to Denmark" to "Plenipotentiary in Denmark," which was meant to imply a reduction in Danish sovereignty, in reality, this meant practically nothing; his ability to affect the most important matters remained as limited as ever, and Best was always outside of the economic and military decision-making circles.¹¹

Determining the exact functions of the Plenipotentiary is a particularly difficult problem: there are practically no papers left from the Plenipotentiary's office, as they were completely destroyed before the capitulation. Still, it is possible to draw some broader conclusions about his activity and authority on the basis of his interaction with German and Danish officials. When it comes to economic matters, Renthe-Fink seems to have played no role in policy-making. He was not a member of the Government Committee, and did not partake in its talks. His correspondence with Berlin on economic matters was either reportorial or in the role of a messenger. Once Ebner, the Plenipotentiary's Commissioner for Economic Questions, arrived, he took over this reporting and administering function in Renthe-Fink's name. This administering was in the narrow sense of the word, where Ebner and Renthe-Fink acted to execute the orders of someone else. Nowhere in the German files is there any sign of someone outside the Plenipotentiary's office reacting to one of his economic orders or plans. A search of the source material shows only one occasion where Best was cited as an authority for determining economic policy and, on that occasion, Best had simply argued for maintaining the status quo (see below, p. 178). As the titular chief German authority in Denmark, he was responsible for regular contact with the Danes, which in practice meant the Danish Foreign Ministry, and in particular the Foreign Minister, Scave-

11. Ulrich Herbert, Best's biographer, gives only a brief mention of economic matters during the occupation, saying, for example, merely that he "enjoyed the support of German economic officials." Ulrich Herbert, *Best. Biographische Studien über Radikalismus, Weltanschauung, und Vernunft. 1903-1989* (Bonn, 1996), p. 336-37.

nus, and later, the Director at the Foreign Ministry, Svehngisen. For the most part, it seems that the Plenipotentiary dedicated his efforts to symbolic matters of form and public appearances — those matters that might be thought of as “political” rather than “policy-making.” Renthe-Fink’s successor, Werner Best, was kept from exercising any decisive role in setting economic policy in Denmark. For example, soon after his arrival in Copenhagen, his suggestion that he take over the direction of the Government Committee was rejected, on the grounds that he already had enough responsibilities.¹² In fact, responsibility was distributed, and much of it was out of the Plenipotentiary’s control: military security rested in the local commander’s hands, economic stability in Walter’s and Forstmann’s. The Plenipotentiary could lend his prestige to the effort of officials such as Forstmann, but he was at best a coordinator and, at worst, a mere figurehead for economic- and military policy-making.

This purely symbolic power was in fact symptomatic of the German Foreign Ministry’s fundamental position in forming occupation policy in Denmark. It is widely noted by all histories of the Danish occupation that Denmark benefited from the German Foreign Ministry’s efforts to preserve one of its few remaining areas of competence. As the list grew of countries either occupied by Germany or at war with it, the simple fact was that the Ministry was left with ever fewer areas where it exercised any authority, much less sole jurisdiction. Keeping Denmark an “occupied neutral” thus remained one of the Ministry’s chief aims, for the Ministry was becoming increasingly irrelevant to German policy towards the outside world. “Protective occupation,” however, did not offer the Foreign Ministry much tangible benefit. From the very outset, the Ministry’s power was more theoretical than actual, and Ribbentrop’s specific instructions on essential questions were fewer than might be expected. Moreover, the Ministry’s influence was limited to a political level, which was only one of the German policy components in Denmark. Economic and military policy were decided elsewhere. Even though the OKW had ostensibly surrendered primacy in Denmark to the

12. Wichl to Best via Weizsäcker and Ribbentrop. 12 Nov 42, 68712: “Handakten Clodius. Wirtschaftsbeziehungen zu Dänemark. Korrespondenz.” Potsdam.

Plenipotentiary, as outlined in the invasion plans, in actual fact, the *Wehrmacht* remained as impervious as ever to the wishes of the Foreign Ministry, while economics were handled by Walter, who, though he sat on the interdepartmental HPA under the Foreign Ministry, was an official of the *Reich* Ministry for Food and Nutrition, not the Foreign Ministry. The other chief German official on the Government Committee was Ludwig, an official of the RWiM.

Accordingly, the Plenipotentiary's office in Copenhagen acted as a reporter, a facilitator, and a messenger for the various interests in Berlin, in much the same manner that it had when it was merely the embassy. Similarly, the Plenipotentiary in Denmark lacked the power to determine German policy towards Denmark, as in many ways it remained essentially an embassy. The Plenipotentiary was left only with more subtle tools to influence policy. Its recommendations and the tone of its reporting could shape affairs in Denmark. As mentioned above, Renthe-Fink's attempt to turn the screws on Denmark with economic pressure was rebuffed by Walter in January 1941. But this was hardly the only occasion when the Plenipotentiary was practically ignored. The most famous example of his limited power to control policy towards Denmark was the August Crisis in 1943. On that occasion, his reports to Berlin did not trigger the German reaction, "Operation Safari." Rather, a chance report to "the Führer" on the chaotic conditions in Jutland prompted yet another Hitlerian outburst, one whose sparks this time fell upon dry kindling.¹³ Best considered the events of that August to be his greatest defeat, a renunciation of his "soft hand policy," but in fact, there was no sharp turn in German policy: perhaps Best over-assessed his influence over affairs in Denmark. He had a poor relationship with Ribbentrop, and was dependent upon his contact with Himmler for his position in Denmark, and yet Himmler had, as far as the record of German activity in Denmark shows, only very limited influence in the country.¹⁴

13. According to one version of events, a Lieutenant Colonel, returning from an inspection of fortification construction in Denmark had mentioned the riots and strikes in Denmark to "the Leader" only in passing. While downplaying the anecdotal aspects of this event, Danish historian Hans Kirchhoff emphasized the background changes that affected the German stance at this time: Hanneken in particular was very eager to clamp down on Denmark, being concerned for the rearward security of his troops in Denmark. Kirchhoff, *Augustoprophet*, 2, pp. 392-3.

14. Although Himmler and Best corresponded regularly, and Himmler on more than one occasion expressed

As for whether the German Foreign Ministry was in charge of Denmark, consider that Ribbentrop himself had no influence over the unfolding of the August Crisis. Such impotence for the Foreign Ministry was consistent with the pattern we have seen since the fall of 1939. The Foreign Ministry had to use the *Kriegsmarine* to get approval of the Maltese Trade Agreement, it was left in the dark about the decision to invade, and the Telegram Crisis, hitherto the greatest problem between Copenhagen and Berlin, was triggered by Hitler's own personal whim. For all the claims that the German Foreign Ministry controlled policy towards Denmark, when push came to shove, the Foreign Minister invariably found himself on the outside looking in.

The declaration of emergency was neither the Foreign Minister's, nor the Plenipotentiary's (nor Himmler's) decision. It was Hitler's decision, and it was dominated by concerns about German military security. Hitler's reaction to the summer 1943 riots was to present an ultimatum to Copenhagen demanding that it crack down on the civil disturbances. When this was rejected, the *Wehrmacht* declared a state of emergency, which lasted to the beginning of October. Best was not replaced. It has been argued that Best actually salvaged his position by recommending the "Jewish action," the round-up of the Danish Jews, on 1 October 1943.¹⁵ He then ostensibly leaked word of the plan to the Danish leadership in an attempt to preserve Danish cooperation. However, there are some holes in this story, not least of which were Best's unwillingness to have the state of emergency lifted until the "Jewish action" was carried out, his determination to see it carried out, and his very clear record of ruthless antisemitism.¹⁶ The declaration of a state of emergency was merely a temporary expedient, not a change in German policy. No alternative regime was planned for Denmark, for the DNSAP had long since been discredited, and Berlin remained generally content with the

his approval of Best's work, there is little sign of the SS extending its influence in Denmark in any substantial way. Herbert, *Best* pp. 336-37, 338.

15. Hans Kirchhoff, "Denmark: a light in the darkness of the Holocaust? a reply to Gunnar S. Paulsson," *Journal of Contemporary History*, 30 (July 1995).

16. Herbert, *Best* pp. 360-73.

arrangement in Copenhagen. Once calm was restored by a show of force, Berlin hoped to revert to the old arrangement, with Best as much the outsider as ever.

In considering Best's alleged "displacement" by the military, one can catch a glimpse of Best's own attempt to sanitize his record in Denmark at play. Serving only a short sentence after the war for his role in Denmark, Best spent his remaining years (he died in 1989) defending other Nazis and putting forth his version of events while he was Plenipotentiary.¹⁷ Because the post-1943 period was marked by an increase in German violence, Best claimed that he had little to do with this development. He chose to portray the August Crisis as the occasion when the generals fully took over and pushed him to the periphery. However, as we have seen, the Plenipotentiary was never at the center of German policy, but was always instead only one actor among several. The only change affecting those making decisions about Denmark after August and September 1943 was that the public cooperation between the Scavenius government and the German occupiers moved from public view to a quieter behind-the-scenes cooperation of the *departmentschefstyr*.

The form of Danish-German economic cooperation, thus, remained intact. On 2 September, the Odel Committee met, and reviewed its position, given the changes of 29 August. The Odel Committee held that the Germans should continue to work via the Danish Foreign Ministry and Odel's office, as they always had. If the Germans were to require Danish companies to take on contracts, the Germans would have to bring the matter to the Foreign Ministry.¹⁸ Also within the Hansa program, there was no immediate reversal of Denmark's privileged position among the participant nations: ships were still to be delivered alternatively to Germany and to Denmark, and there appears to have been no

17. Best finally succeeded in getting his account of his activity published in 1988 as *Dänemark in Hitlers Hand* (Husum, 1988). A Danish edition appeared in 1989. In addition to his efforts at self-redemption in the public eye, Best also worked to defend other Germans from prosecution for their activity as National Socialists. See Herbert, *Best*, ch. VI, VII.

18. Odel committee meeting of 2 Sept 43, box 9, A.20. "Udvalgets principielle Stilling efter 29. Aug 1943," 9/2/43, OU.

change in the manner that the program was run.¹⁹ On 15 September 1943, only two weeks after the declaration of an emergency, Wassard hosted a meeting between shipbuilders and Danish shippers, during which discussion centered not on any noted change in German behavior or the nature of the program, but rather on logistical problems: German delays in supply had been holding back keel-layings, and these difficulties were making it necessary to suggest to the Germans that Danish yards might invoke their right of nullification on some contracts.²⁰ This cannot be interpreted as a sign that the Danes were convinced that they now held a weaker hand against the Germans: rather, it sounds just like business as usual. After the war, Wassard solicited the help of the Allies in getting back Hansa ships that were completed and delivered to the Danes, but which had been seized by the Germans in the last days of the war.²¹ As late as March, 1945, the Germans still planned to split the output of their new pared-down “emergency program” of eight Hansa ships for which they would continue to provide supplies.²² Between Danish problems with the Germans’ ability to provide adequate supply, and a German failure to provide enough material to finish ships occupying the beddings that would be needed for the Hansa program, and the explicit willingness to share the fruits of the program evenly with the Danes, it appears that the Hansa program remained, “business as usual.” In fact, “business as usual” was exactly the message that the Industrial Council gave to its members on 24 September.²³

Denmark’s calculations behind the decision to carry on as before were largely the

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19. After the war, Danish shippers bought — at about $\frac{2}{3}$ of the building cost — several nearly-finished ships from the program. Other semi-finished ships were completed and sold at a premium for hard currency to third countries such as Sweden. Various pieces, including May and June 1945 press clippings from *Børsen*, the Danish national business & finance newspaper., box H 64-244. 64.Dan.80/15b, “Tyskland: ekstraordin. industrileverancer. Skibsnbygninger. I-II,” 1941-47, UM, 1909-1945.
 20. Ø.P. Report # 730, 16 Sep 43, box number H 99-17e, 99.F.3/44. “Ø.P. Oversigter -til feb 45. Nov dec 44 mgl. 13 hæft.” 1943-45, UM, 1909-45.
 21. Foreign Ministry to SHAEF, 26 May 45, box H 64-244. 64.Dan.80/15b/a. “Tyskland: ekstraordin. industrileverancer. Hansaskibene. Bilag,” 1941-47, UM, 1909-1945.
 22. 8 Mar 45 Foreign Ministry memorandum, “Hansa-programmen. Samling af de vigtigste Dokumenter. m.v.” 1942-46. files held by Henrik Nissen, him by Gunnar Seidenfaden for delivery to Rigsarkiv.
 23. 24 Sep 43 Circular from Industrial Council to its membership, box 5. A.7.a. “Principielle spørgsmål vedrørende A-Listen,” 1941-45. OU.
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same practical reasons that had led to the recognition of the necessity of cooperation in the first place. If Denmark were to continue to count on the crucial imports of coal, iron, steel, and other raw materials, then — as the leadership of the Danish metalworking industry explicitly concluded — there was little choice but to keep the Germans content with Danish industrial production.²⁴ On the German side, calculations also reverberated with references to the past logic informing policy towards Denmark. In the German Foreign Ministry, there was agreement that the economic production in Denmark had been satisfactory, and that steps should be taken to keep the authority of the Government Committee intact, and to keep von Hanneken from taking over the whole show.²⁵ Recognizing that Denmark was one of the few places in Europe where agricultural production was going well, Herbert Backe, *Reich* Minister of Food and Nutrition, agreed with Ribbentrop's claim that the Government Committee should remain in charge of Danish trade talks.²⁶ Backe's perspective was not unimportant, for it will be remembered that Walter was an official of Backe's Ministry.

This decision to revert to the old policy was not explicit in Operation Safari; it was reached for lack of any practical alternative. Officials in Berlin and Copenhagen had no concrete plan of action for its policy after 29 August, and the reversion to the old system did not go completely smoothly: Germany had to grope in the dark and try to build its new policy on an ad hoc basis. One of the first things Forstmann did was try to use Germany's newly gained leverage over the Danes in an attempt to get rid of Odel, whom he saw to be too obstructive. Though it could possibly have become a test for the future of the Danish-German relationship, in the end it went nowhere. On 6 September, Forstmann, Ebner, Hanneken, and Best, met to review the general situation under the declared state of emergen-

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24. Business committee meeting of 2 Sep 43. "Forhandlingsprotokoller for Forretningsudvalget. Arbejdsudvalget." 1940-45. *Sammenslutning af Arbejdsgiver indenfor Jern- og Metalindustrien*. Århus.
 25. Schnurre memorandum on conversation with Ebner, 15 Sep 43. "Dänemark." 5/43-10/43, vol. 4. Büro des Stassecretärs (St.S), Bonn.
 26. Schnurre notice on Backe's (*Reich* Minister of Food and Nutrition) position on resumption of Government Committee talks, 24 Sep 43. "Dänemark." 5/43-10/43, vol. 4. Büro des Stassecretärs (St.S), Bonn.
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cy.²⁷ Soon thereafter, Best presented the Danes with a request that Odel — whom he declared to be too slow and bureaucratic and to be doing too little to encourage Danish firms to contribute to Germany's needs — be replaced by an official who “better reflected the will and the capacity of German interests.”²⁸ On 16 September, concluding that the German complaint was directed against him as a person, Odel offered his resignation, and did so again on the 30th, though this time with the request that he should be able to put his case to the Germans.²⁹ This confrontation would prove unnecessary, for in Berlin a few days later the affair was laid to rest. While in the German capital for Government Committee discussions, Wassard discussed price controls and Forstmann's complaints regarding Odel. At this meeting, Walter noted that the whole affair seemed to boil down to Odel himself, but “after looking into the matter he concluded that he had to side with the Danes.” According to Wassard's report on the subject, Walter “had also spoken with Dr. Best and Dr. Forstmann on the matter, and believed that Forstmann was now prepared to take the Danish position into account.” Wassard thus concluded that, “from now on, we [*i.e.*, the Danes] will probably be able to count on support from the *Rüstungsstab Dänemark's* command [*rüstungstabens hovedsade*] in Berlin.”³⁰ (The *Wehrwirtschaftsstab* was renamed to the *Rüstungsstab Dänemark* in March 1943, and was referred to by the acronym, RüStabDän hereafter. See note.³¹)

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27. 6 Sept 43 report to Waegner, RW 27 19, “Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft). mit Anlagen. Bd 3a. 3. Vierteljahr 1943.” Freiburg.
 28. Note from Werner Best, 8 Sept 43, box number 4, A.3, “Den kommitteredes budget og personale.” 1941-45, OU.
 29. Odel to Odelcommittee chair, 16 Sep 43. Odel to Wassard, 30 Sep 43, nr. 82, “Odel-moder. vzmernagtsarbejder, ekstraordinære industrileverancer m.m. i tiden fra 3/1-1940-22/12/1944.” HLM.
 30. Wassard's report on meeting at OKW of 6 Nov 43, box number H 64-228, 64.Dan.80.u/3, “Forthandlinger i Berlin 2-5 Nov 1943, Forthandlinger i Berlin 19-25 June 1944.” UM, 1909-1945.
 31. The *Wehrwirtschaftsstab Dänemark* went through various reorganizations through its lifespan. These usually dealt with purely internal hierarchies and division of responsibilities between various branches of the office. Though it had been thought that the *Wehrwirtschaftsstab* was re-designated the *Rüstungsstab Dänemark* as a result of its being brought under the Speer Ministry in March 1943, this is not entirely accurate. The erosion of Thomas's authority over production of armaments had begun at least a year before that. Already in May 1942, Forstmann's war diary noted that all the “*rüstungswirtschaftliche*” units of the OKW had been put at the Speer Ministry's disposal (15 May 42 entry, RW 27 12, “Kriegstagebuch des Wehrwirtschaftsstabes Dänemark, mit Anlagen. Bd 1b. (Reinschrift).” Freiburg). General Thomas's WiRüAmt was divided in June 1942, and its “*rüstungswirtschaftliche*” functions were transferred to the Speer Ministry (*Reichministerium für Bewaffnung und Munitionen*) while its “*wehr-*
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This was not the first occasion that Odel drew Forstmann's ire. From an early date, the Odel-Committee received German complaints of its work causing delays for German contractors.³² This is of course, not unnatural, given the nature of his work. In September 1942, Forstmann treated Worsaae to a long diatribe against the Commissioner, complaining that he was administering in too picayune a fashion and that he was "power hungry." Forstmann warned Worsaae that he himself had been under considerable pressure for being too soft on Denmark; if there were not any more flexibility on the Danish side, he might wind up being replaced.³³ Perhaps Forstmann was taking advantage of the tense atmosphere of the "Telegram Crisis," but there is no evidence of this being part of the general German "*Neruekrieg*." Forstmann's assault on Odel was smoothed over by the Danish steps to speed up the approval of contracts and an affirmation that Odel's function was merely administrative.³⁴ Again, Forstmann's short-temper disguised a deeper satisfaction and the episode seemed to settle down to nothing before long.

Another area where it became necessary for the Germans to determine what to do after the collapse of the Danish cooperation policy was in the matter of the Danish military's productive facilities. With the Danish military and navy now disbanded, these installations stood ready for closure, too. However, Forstmann's office took these over instead of letting them go unused. Given the modest scale of the Danish military, these facilities were not

wirtschaftliche" functions (i.e. those functions related to purchasing for the supply of the troops) remained with the OKW. Forstmann's duties, already divided into these two categories, remained split, and he would work for both the Speer Ministry and the OKW. For command and disciplinary purposes, his office remained in the military hierarchy. Beginning in March 1943, the *Rüstungsstab Dänemark* was officially put under Speer's ministry, though for personnel and command matters still remained under the OKW. Memorandum of the Chief of the OKW, 1 Jun 42, RW 19/2739." Freiburg. Beginning in February 1943, Forstmann's Rüstungs- situation reports were no longer sent to the OKW, but only to the Speer Ministry. 1 Feb 43 Situation Report, RW 27/6." Freiburg.

32. e.g. 11 Nov 41 Ebner to Danish Foreign Ministry, box number 5, A.7.a. "Principielle spørgsmål vedrørende A-Listen." OU. Journal A.7.a contains a large number of German complaints on Odel's work.
 33. 2 Oct 42 Forstmann to Worsaae, and 3 Oct 42 Worsaae memo re: 28 Sept conversation with Forstmann, box number 5, A.7.a. "Principielle spørgsmål vedrørende A-Listen." 1941-45, OU.
 34. As long as the supplies and finance were in order, Odel's office was now pledged to approve orders in side ten days. Wassard to Forstmann, 15 Oct 42, box number 5, A.7.a. "Principielle spørgsmål vedrørende A-Listen." 1941-45, OU.
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extensive. These consisted of the national ship yard [*Orlogsværft*], the Army's powder works (with 88 employees), the Army's arsenal (with 500 employees), the Army's ammunition arsenal (also with 500 employees), the Army's research laboratories with seven employees, and the Air Force's repair stations with 215 employees.³⁵ Though he hoped to keep them running, Forstmann did not want Germany to take on their management. Certainly, that was the impression he conveyed at a meeting with Wassard:

In a preparatory meeting with Wassard, Forstmann, and Ebner, Forstmann argued that if the Danes said they were going to give up the direction of the named firms, then they would be breaking the current principle whereby Denmark had opposed the establishment of German firms in Denmark. He thought that the creation of a new system for these firms, under which the direction should be continued by the German military and be financed by the *Wehrmacht*, could have dangerous consequences. He therefore seriously suggested that it the return of these establishments to Danish state direction, even if they should have to be placed under another ministry than Defense, be reconsidered. These firms could even be sustained by creating Danish associations, if they did not want to hand their direction over to already existing firms. For example, he thought it would be a good idea to hand over the direction of the *Orlogsværft* to B&W.

Wassard countered that the Danish side had examined the prospects of keeping the facilities open under Danish direction, but because the experts necessary to run them had been put out of work by the disbanding of the Danish military on 29 August, there was simply no way to do so. If Germany wanted to keep them running, then it would have to find a way to do so itself: the only wish on the Danish side was that Danish employees continue to enjoy the benefits of Danish labor law, a condition to which Forstmann agreed.³⁶ Thereafter, the facilities were put under trusteeship with German directors, who were pledged to return all facilities in original condition after the end of the war. The arsenal, for instance, was headed by a *Wehrmacht* general who had been sent up from Berlin, and put under Forstmann's

35. Forty of these had already left their posts, as military officers. These figures are drawn from an appendix to a report on a meeting held at the Danish Foreign Ministry with Forstmann on the utilization of the Danish military's productive assets, 13 Oct 43, box number H 84-344, 84.V.155, "Værnemagtens overtagelse af Orlogsværftet." 1943-45, UM 1909-45.

36. Meeting report, 13 Oct 43, box number H 84-344, 84.V.155, "Værnemagtens overtagelse af Orlogsværftet." 1943-45, UM, 1909-45.

command.⁵⁷ In November, the Danish army's productive facilities would be put under a centralized Copenhagen command under Forstmann, and led by one of his own officers, a Major.⁵⁸ An exception to the direct management by the Rüststab(Dän) was the *Orlogsværft*, which was handed over to a German shipyard in trust. The Howaldt Works of Hamburg took over the *Orlogsværft*, and pledged to return it in the original condition and with the same inventory after the end of the war. The yards would be used only for the repair of merchant ships; vessels scuttled by the Danish navy rather than be surrendered to the Germans on 29 August would not be repaired only after being raised and towed to Germany. For its part, the *Kriegsmarine* had little interest in the yard because of its limited capacity. The agreement on the *Orlogsværft* took some time to work out. Although originally decided in November (the payroll was assumed by the *Kriegsmarine* already on 3 November), the Speer Ministry's approval was delayed until January because of difficulties with the Howaldt Works.⁵⁹

Affairs at the Danish military production facilities appear to have been rather secondary to Forstmann, who seems to have seen the events of 29 August as an aberration within a longer continuum of Danish-German relations. In one of his first reports back to Berlin, Forstmann assured Berlin that the disturbances of July and August were Communist-

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37. The *Wehrmacht* had seized the facility on 29 August, and handed it over to Forstmann to guard on 4 September. The actual agreements for the direction of the arsenal were drawn up on 24 September, and put into effect on 28 September. War diary entries of 4, 24, and 28 Sept 43, RW 27/19, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943," Freiburg.
38. War Diary entry, 22 Nov 43, RW 27/11, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 4a: 4. Vierteljahr 1943 (Entwurf)," Freiburg.
39. The Howaldt managers arrived in Copenhagen with the mistaken belief that they were operating in accordance with Danish wishes. When they learned that in fact the Danes would rather have had the facilities closed down altogether and that they would not be permitted to build new ships at all, they got cold feet, which had the effect of slowing down the takeover of the *Orlogsværft*. 12 Nov 43 notes of meeting held 9 Nov 43 between Hashagen, Dolainski, Lorenzen, representatives from the Howaldt works, Wassard, Nielsen (of the *Orlogsværft*) & Odell, as well as other various memoranda, box number, box H 84-344, 84.V.155, "Værnemagtens overtagelse af Orlogsværftet," 1943-45, UM, 1909-1945. Eckhardt to OKM, Berlin, 14 Sep 43, RM 7/1187: "1.Skl. LC1: I. Kriegführung durch Deutschland. 12. Dänemark -Norwegen-Unternehmen. B. Dänemark Bände 3 und 4. Juni 1942-Sept 1943. August 1943 - November 1943." 1942-43." Freiburg. *Kriegsmarine* bookkeeping to Forstmann's office, 29 Oct 4, box number K 597, "Materiale fra Våbenarsenalet. bl.a. regnskabsforhold efter tyskernes overtagelse af fabrikantervirksomheden. afslutning af regnskabsmellemtrender." 1943-1953. TA.
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inspired, and that the Commanding Officer in Denmark was acting to quell the disturbances in accordance with the Hague conventions.⁴⁰ Two weeks later, he reported home that the formation of a new Danish government was still expected.⁴¹ Amazingly, even at this time, when the Germans clearly could have done whatever they wanted, when the *Wehrmacht* patrolled the country's streets, the *RüStabDän* continued to argue that it was forced to recognize Danish sovereignty. Three days after the German declaration of a state of emergency, "operation Safari," (which, incidentally, the *RüStabDän* participated in by arresting senior military officers and putting Prince Axel under protective custody⁴²), Forstmann reported home that plans afoot in Germany to accelerate production in Denmark could not be put into effect, as Germany had no authority to issue orders directly to Danish factories.⁴³

There was, in fact, little sign that Forstmann had any intention of changing his office's relationship with the Danes. Another sign of Forstmann's view that matters could stay as they were was his reaction to the von Hanneken's 4 September proclamation that Danish companies must henceforth accept any industrial orders from German parties. Yet even von Hanneken's "turning of the screws" acknowledged the benefits of Danish authority over German purchasing, and he ordered that the Danish bureaucracy would continue to control German purchasing. The General's decree on mandatory acceptance of German contracts (though this was softened by condition that such work should be accepted "as far as

40. Forstmann to Waegener, 31 Aug 43, RW 27 /9, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.

41. Forstmann to Waegener, 17 Sep 43, RW 27 /9, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.

42. Entry of 30 Aug 43, RW 27 /9, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg. That the *RüStabDän* took Prince Axel into protective custody was probably because one of Forstmann's officers, Major Hauenschild, was a Baron. Personnel List, 1 Jan 42, RW 27 /2, "Kriegstagebuch des Wehrwirtschaftsstabes Dänemark, mit Anlagen. Bd 1b. (Reinschrift)." Freiburg. Major Hauenschild was specifically listed as having been along when putting Prince Axel under protective custody, activity report on *RüStabDän* action under Operation Safari, 30 Aug 43, RW 27 /9, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.

43. Memorandum on "Ausweichplanung," 2 Sept 43, RW 27 /9, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.

there is any possibility to do such work;" who should make such a determination was left open) also ordered that Danish regulations on price control and the securing of necessary materials would remain in force.⁴⁴ For his part, Forstmann showed little interest in this ostensible increase in his authority. In his report on the changes since 29 August, he acknowledged the increased leverage that he now enjoyed over Danish firms, but saw little need for it. At this moment, when Hitler was supposedly cracking the whip in Denmark, and abandoning his old policy in Denmark, his chief economic actor in Copenhagen (for Walter had other responsibilities than just Denmark and shuttled across Europe) explicitly noted that he continued to follow Hitler's 18 April 40 "friendliest possible manner" order. Moreover, in this moment of the supposedly great break in German policy towards Denmark, Forstmann claimed that most Danish firms were friendly in return to this policy, although he noted that there were still some firms that stubbornly avoided working with the RüststabDän, and "the emergency situation has given us the opportunity to break this resistance." How much pressure was put on these firms is unclear, but his next comments implied that such pressure could not be too strong, as the RüststabDän, like all German offices in Denmark, continued to be dependent upon Danish cooperation:

It must be noted, however, that in this anti-German country, despite the order of the Commanding Officer, there is still considerable dependence on the good-will of the Danes when it comes to keep deliveries going. To preserve this goodwill, any members of the RüststabDän that negotiate with Danish firms, absolutely must be familiar with Danish customs (*ansassfähig*) and the Danish language.

The Captain continued to point out that there were actually few problems with the Danes, but in fact his greatest problem was back home in Germany. What held him back more than anything was the poor state of raw materials supplies being sent to Denmark for his work. There was no point in forcing contracts on companies that could only be asked to work on non-existent materials. Problems in the supply system were so bad that it could take up to a year before raw materials were actually delivered. Generally, he found that when the

44. *BF*, p. 845.

supplies were physically on hand, larger firms with free capacity began work immediately.⁴⁵

By and large, Forstmann saw little need to treat Denmark any differently under the new situation. Already on 6 September, Forstmann's report to Berlin showed a surprising disinterest in the general circumstances. In a lengthy report of that date, Forstmann noted only a few significant difficulties. First, German officials in Denmark should be seen to have a common position (this suggestion was probably a reflection of the constant conflict between Best and Hanneken, who, to put it mildly, had never seen eye-to-eye). Secondly, something needed to be done about the ambiguous position of the Danish police (this would remain unresolved until the police forces were disbanded in September 1944). The Danish government itself went completely unmentioned in his rather lengthy report.⁴⁶ In October, in response to a request from Best to assess the possibility of expanding Danish industrial production for Germany, Forstmann replied that he saw no real problem with Danish companies' producing for Germany. He told the Plenipotentiary that he thought it was a pointless exercise to try to expand Danish capacity or production if there is no supply of necessary materials. Recent visits to contractors had revealed that although Danish contractors had been rather "reluctant" [*tilbageholdende*: using the Danish word] even before the state of emergency, there had been some improvement, which could be traced to the favorable [*günstige*] resolution of the crisis. It seemed to him that Danish employers remained willing to share information and make their facilities available for German contracts. He concluded that "the continuing and frictionless cooperation with the firms we visited is assured," but, as always, the lag in deliveries to Germany was due solely to the matter of slow deliveries of supplies to the Danish companies doing business with the RüststabDän. For all German representatives coming to Denmark for contract discussions, the message should be to "bring the materials

45. 30 Sept 43 Report. "Darstellung der Rüstwirtschaftlichen Entwicklung," RW 27 /9. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.

46. 6 Sept 43 report to Waegner. RW 27 /9. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.

right along in your suitcase."⁴⁷

Thus it would seem that Forstmann remained willing to live with the arrangement, and to stand by his May, 1942 comment to Wassard that "you know that I have never objected to the auditing of contracts that run through the *Wehrwirtschaftsstab* Denmark, as I believe that it serves both sides' interests." Forstmann continued, "I have only had to return repeatedly to the question of its pace... Suggestions that would delay the approval of contracts cannot be accepted in wartime." On this occasion, he even pledged that he would try to prevent any "ugly attacks" on the system.⁴⁸ Forstmann's claim that he never objected to price control on purchases is, of course, contrary to his initial reaction. Yet, in spirit, it appears that he did approve of the system, once it was in place. In fact, it seems possible that Forstmann's greatest problem was Odel himself, for he complained to Worsaae that he suspected Odel of working "anonymously," *i.e.* of "hiding behind the committee."⁴⁹ There is in fact little evidence of Odel's acting in such a manner. His performance of his duties was always consistent with his mandated responsibilities, and he showed an exemplary degree of diligence and discipline. When, in October 1943, Forstmann had prompted best to call for Odel's removal (above, p. 235), the Commissioner presented a detailed defense of his conduct to both Wassard and the Germans. However, despite his attempts to dislodge Odel, Forstmann continued to report to Berlin that the system itself was producing quite satisfactory results. In December 1943, he boasted that contracts with Danish producers had yielded an impressive 67% completion rate, which could even be raised to 73%, if the Hansa program were excluded (this was because of the actual time and substantial material needs involved in shipbuilding naturally produced slower completion than other contracts).

Forstmann also reported that the *departementschefstyr*, *i.e.*, the direction of the Danish state by

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47. Forstmann to Best, 16 Oct 43, RW 27 / 11, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 4a: 4. Vierteljahr 1943 (Entwurf)." Freiburg.
 48. 5 May 42, Forstmann to Wassard, box number 5, A.7.a, "Principielle spørgsmål vedrørende A-Listen." 1941-45, OU.
 49. Worsaae to Wassard, 6 Oct 42, box number 5, A.7.a, "Principielle spørgsmål vedrørende A-Listen." 1941-45, OU.
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the head of departments rather than the politicians, was running quite satisfactorily.⁵⁰ The following April, Werner Best would cite these figures — and contrast them to France's, at less than 50% — to argue for the generally satisfactory nature of the situation in Denmark.⁵¹ In July 1944, Forstmann assured Berlin that production was going quite well: deliveries in the first half of 1944 were almost 40% higher than in the first half of 1943, and this could be credited not to any change towards the Danes, but to the RüststabDän's own improved procedures in tracking the flow of supplies for the EID.⁵²

Just because the Germans were content with Danish output, however, did not mean that they thought that the relationship between the occupation authorities and the Danes was a happy one. In fact, skepticism marked German assessments of that sincerity from the very outset, if not before (as the orders for the occupation troops noted the untrustworthy character of all Danes). Renthe-Fink's early reports were colored by that view. When the invasion force commander, General von Kaupisch was moved on to another operational command, his successor in Denmark, General Lüdke, was advised that the Danes remained pro-English, and did not believe in the final victory of the Germans, as they had "simply no understanding that, for the German *Volk* and its philosophy, this is a life-or-death battle for the very right to exist."⁵³ In late winter 1941, Wassard, in Berlin, had been warned that the Danes would have to watch their step. Werner von Grundherr, responsible for northern

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50. "Darstellung der wirtschafliche Entwicklung," 31 Dec 43. RW 27 /12. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. mit Anlagen. Bd 4a. Reinschrift." Freiburg.
 51. 1 Apr 44 Politischer Kurzbericht über die Lage in Dänemark. R 43 II/1430. "Denmark." 1940-1945. Koblenz.
 52. Situation report, 31 Jul 44. RW 27 /16. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 7. 3. Vierteljahr 1944. (Entwurf)." Freiburg. The RüststabDän was capable of surprising disorganization and inefficiency. Only in July 1943 did it even adopt a uniform contract application form between the different branches of the *Wehrmacht*. "einheitlicher Formblätter." 1 Jul 43, RW 27 /9. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 3a. 3. Vierteljahr 1943." Freiburg.
 53. 269th Inf. Div "Stimmungsbericht" to Lüdke, 7 Sept 40. RW 38/45: "Sammelakte: Stimmungsbericht. Lage in Dänemark; Truppengliederung, -Verlegungen und -Zuführungen; Aufgaben u Einsatz der deutschen Besatzungstruppen in Denmark, 19.6.40; Unterstützung der Rüstungsindustrie. Hétzsendung in dänischer Sprache. 1940-1943." 1940-3." Freiburg.
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Europe in the Foreign Ministry, cautioned him that “‘neutrality’ was no longer a good word. Now one should speak of ‘European.’” Grundherr identified just what he did not like about neutrality when he warned that, “If you are neutral, that means you want to stay out of ‘developments and be isolated.’” Aware that many Danes were hoping for a British victory, Grundherr assured Wassard that it would not happen: Denmark did not have to agree with everything about National Socialist Germany, but he suggested that it ought to be prepared for the possibility that Germany might win.⁵⁴ In March 1943, in what should perhaps be seen as one of the high points of Danish-German cooperation, when the Danish government received a resounding endorsement in a free parliamentary election, Forstmann warned that the Danish attitude was any thing but warm: “The Danish government can be characterized as being generally receptive... [yet] the atmosphere [*Stimmung*] in the country is hardly pro-German: still, in the last analysis, Denmark’s deliveries for the German war effort should be considered as the most important thing. These deliveries must be characterized as completely satisfactory.”⁵⁵ As the curtain was drawing to a close for Nazi Germany, Best would report to Berlin “that the small Danish nation would rather live with the British than die with the Germans.”⁵⁶

Yet even in these assessments, political considerations remained secondary to economic interests. Ebner’s periodic reports on the economic situation in Denmark reveal further evidence of German contentment with economic developments in the “occupied neutral.” Ebner’s January 1942 report catalogued what Denmark had provided for Germany. Noting specifically that the Danish food shipments over the last year (all Germany had been supplied with butter, meat, and eggs for a month by dint of impressive Danish output and German rationing), Ebner also noted that Danish industry was seen to work both promptly and well.

54. Wassard memorandum on conversation with Grundherr, 17 Mar 41, box number 21, uden nummer (V.. 6). “V.. 6. Sdyt. Wassard. & cetera. Samtaler.” 1940-41. UM, 1993 aff.

55. Forstmann’s War-Economic Situation report, 31 Mar 43, RW 27 /6, “Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 1a: 1. Vierteljahr 1943 (Reinschrift).” Freiburg.

56. Best’s Political Situation Report I Jan 45, R 43 II/1430, “Denmark.” 1940-1945, Koblenz.

In March 1944, Ebner saw the biggest problem in Denmark not to be Danish in origin, but in fact in Germany's inability to provide adequate supplies. "Danish industry has broadly turned towards Germany [... *ebenfalls weitgehend für Deutschland herangezogen...*], an effort that has relieved and supported the German war economy," but he warned Berlin that falling shipments of raw materials was lowering Danish industrial shipments to Germany, and that something must be done to relieve the problem, "[inasmuch] as Danish industry works for the Danish economy, this serves Germany's immediate interest." Ebner recommended that Germany do whatever it could to help keep the economy stable and productive.⁵⁷ This theme appeared again in Best's April 1944 report to Berlin, when he assured Berlin that the economic situation remained good, and was hampered only by Germany's sluggish supply of the Danish economy. Receiving this report, Hitler ordered that steps be taken to ensure that the economy be well-supplied.⁵⁸

Time and again, Ebner, Forstmann, and Walter would take steps that can only be interpreted to mean that those in charge of economics in Denmark saw the situation as being the same as before the "break" in 1943. Policy decisions reflected continued recognition of "occupied neutrality," and the need to continue following a lenient economic policy. In April 1944, Forstmann reported that his activity continued as it had before, and cited Danish sovereignty as a condition that he had to work around: for example, the constraints of respecting Danish sovereignty made it impossible for him to monitor the Danish use of imported ball-bearings.⁵⁹ In April and May 1944, Best and Forstmann resisted the *Luftwaffe's* wish to build a "front repair station" outside Copenhagen. Among the arguments they used

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57. Ebner's Memoranda of 31 Jan 42 and 22 Mar 44, in Petrick, et al. eds., *Europa unterm Hakenkreuz*, op. cit.
58. Best's Brief Political Report, 1 Apr 44, with cover note by Bormann, R 43 II/1430, "Denmark," 1940-1945, Neue Reichskanzlei, German Federal Archives, Koblenz. Schaurre to Ribbentrop, 21 Apr 44, Lammers to RWiM, Speer Ministry, and Reich Ministry for Food and Nutrition, 9 Apr 44, fiche 176, "Dänemark," 11/43-7/44, vol. 5, Büro des Staatssekretärs (St.S), Bonn.
59. Three diary entries on Danish ball-bearing use, 12 Apr - 9 May 44, RW 27 114, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen, Bd 6a. 2. Vierteljahr 1944. (Entwurf)," Freiburg.
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were considerations of Danish control over the facilities, and the desire to continue using Danish private interests to conduct business.⁶⁰ In March, 1944, Walter would reprimand the *Wehrmacht* and *Reichsbank* for treating Denmark worse than Hungary and Romania. The case involved the volume of cash that the *Wehrmacht* was using in the country, and his reproaches produced results the next week.⁶¹

In August 1944, Best argued that it was too late to try to turn the screws in Denmark. On this occasion, the shipbuilding command of the *Kriegsmarine* had demanded to Forstmann that "something must be done" to address "passive resistance" at B&W.⁶² Best replied with a written notice to the effect that the time to do any such thing had long past:

After the occupation of Denmark on 9 April 1940 German policy had consciously declined to make changes in the structure of the Danish economy and of Danish firms. Danish economic and labor laws have therefore remained in full force. Over the course of 4¹/₂ years a system to utilize the Danish economy for German needs has developed that recognized the given economic and legal structures. By virtue of this, calm and steady production has been achieved for 4¹/₂ years, despite any difficulties that might have arisen from political developments... Even if other methods of direction and production at individual firms could yield higher output, it has to be admitted — if you consider all the deliveries for German interests (*e.g.*, agricultural production, commercial production, work for the *Wehrmacht*, and labor in the *Reich*) — that the current system has undoubtedly worked to reach the optimum results under the given circumstances.

Altering the Danish economy from its own economic and labor system towards the German economic model would probably have been possible 4¹/₂ years ago, given the impression made by the invasion and the successful attack on Western Europe (though it still would be doubtful whether the Danish farmers would have worked to increase their production as much in response to German demands as they have for private economic reasons). Given that the Danish economy has worked for Germany while retaining its own economic structure, and given that the political and psychological

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60. RüStabDä to "Reichminister der Luftfahrt und Oberbefehlshaber der Luftwaffe, Technisches Amr." 29 Apr 44, RW 27 /14, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 6a. 2. Vierteljahr 1944. (Entwurf)," Freiburg.
 61. Meeting Notes on meeting between Peschard, Wassard, Ebner, and Walter, 3 Mar 44, and Svend Neilsen to Wassard, 14 Mar 44, box H 64-227, 64.Dan.80.u, "Danmark-Tyskland: dansk finansiering i forhold til Tyskland. Generelle spørgsmål. I-II," 1940-45, UM, 1909-1945.
 62. B&W was one of the "Redest" workplaces in Denmark, and was affected by labor disturbances rather regularly. It also began to fall victim to phoned-in bomb scares during 1944, and during the summer the workers staged "garden strikes," where they left work early, ostensibly to tend to their gardens.
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conditions in Denmark have changed considerably, changing our methods now would unleash general resistance. So too could individual measures [*Einzelmassnahmen*] which are ill-suited to the structure of the Danish economy or individual firms, have side effects on productivity in other economic fields. Confiscating firms, installing Commissars, or similar measures would, in the current situation, doubtlessly unleash acts of obstruction from the general labor force, which could initiate sympathy strikes at other firms or even a general strike. The steps that this might make necessary — arrests, transferring staff to the *Reich*, & cetera — would further hamstring firms, to the extent that such measures would in no way yield higher outputs. Most especially, the political and emotional [*stimmungsmässige*] ripple effects of such a course of action would harm the total Danish population's willingness to produce, such that the above-mentioned optimum of the general economy would be sharply reduced, despite whatever gains might be achieved in the individual case where measures were to be taken...

Introducing German work regulations could, given that the normal Danish lawmakers are absent and that the central administration [*i.e.*, the *departementschefstyr*] lacks such wide-reaching authority, only be done by German orders. Such an intervention, which would repeal the body of Danish labor law, would mark a total rejection of the foreign policy line followed up to this moment, and would decisively bring to an end the question of Danish sovereignty. The forceful movement of thousands of Danish workers into the *Reich* would reveal to the entire world that the Danish state's existence has been completely wiped out...

In reporting Best's position to the Speer Ministry, Forstmann added that "these conditions, presented by the Plenipotentiary, who is responsible for policy and economic direction in Denmark, and to whose position the *RüststabDän* must conform, are often not understood by visitors to Denmark who do not know the country and make critical and derogatory comments in their reports on the situation in Denmark, and too happily accuse German offices here of showing too little initiative."⁶³

It seems likely that Forstmann was using Best's authority here to help bolster his position vis-à-vis those in the Speer Ministry who were clamoring for further German exploitation in Denmark, for as noted above, the Plenipotentiary's economic policy-formulating powers were limited. This conclusion also fits with Forstmann's general satisfaction with the level of Danish output: his claim that his hands were tied seems incongruous

63. Forstmann to Waegner, 15 Aug 44, RW 27 /16. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 7. 3. Vierteljahr 1944. (Entwurf)." Freiburg.

with his actual assessments of the work being done in Denmark.

That satisfaction is reflected in another smaller incident that August, when von Hanneken received an anonymous letter, purporting to be from a Danish contractor, which complained about the difficulties Danish companies had in doing business with Germany. In April, a similar complaint had also been lodged in Berlin, when Hugo Stinnes, one of Germany's greatest industrialists, returned to Berlin from a fact-finding tour of Scandinavia, and noted the cumbersome procedures for Danish industrial companies doing business with Germany.⁶⁴ The anonymous letter to von Hanneken complained about inability to get proper support from the Germans and the difficulties of being subject to Danish price control. In conclusion, the author blamed these difficulties on Forstmann's lack of an aggressive policy to utilize the Danish economy. Asked to comment on these accusations, Forstmann directly reiterated Best's comments (quoted above, p.178) on the "political and psychological" conditions and the wisdom of effecting German-style economic and labor practices in Germany (though he did so without attributing them). He also noted that the RüststabDän continued to follow Hitler's order of 18 April 1940 that business be conducted "on the friendliest possible basis." It is most remarkable that two months after D-Day, and one month after the Copenhagen city strike, and even after the assassination attempt on Hitler, at a time when supposedly everyone could see that Germany's days were numbered, and that Germany would now have to resort to a tooth-and-nail defense, Forstmann blithely reported that he continue to see the Danes as an occupied neutral, just as he did nine days after the invasion of Denmark, when the situation was utterly different. He added that it should also be noted that "all Danish decisions regarding military contracting are made in conjunction with the RWiM and the economic division of the Plenipotentiary in Denmark

64. Protocol #3 of the *Europakreis* (a discussion group of pan-European planning chaired by a director at the Speer ministry). 24 Apr 44. 3/1941: "Planungen und Maßnahmen zum Aufbau der europäischen Großraumwirtschaft unter deutscher Führung; insb. Untersuchungen über die im deutschen Machtbereich, bei befreundeten und neutralen Ländern Europas vorhandenen Rohstoffquellen und Produktionsmöglichkeiten. Hierin: Tätigkeit des Europakreises insb. auf dem Gebiete der wirtschaft- und handelspolitischen Lage diverser in die Großraumwirtschaft miteinbezogener Länder 1944." Potsdam.

(i.e., Ebner's office)." Forstmann dismissed the memo as possibly being a provocation from a German party that had granted a contract to a Danish firm, and noted that the price control being executed in Denmark was entirely analogous to that in place in Germany. He concluded that the Danish completion rate of over 70% was quite satisfactory, and "that, given the circumstances, an optimum level of Danish industrial production is already being put at the Reich's disposal."⁶⁵ There was no sign of any German intention to squeeze the Danes any more now than before.

The pressure was obviously mounting for the further exploitation of Danish capacity for German needs. In March 1944, Ludwig, Walter's assistant on the Government Committee, had been approached to discuss the subject. Ludwig agreed to look into seeing how production might be raised, though he doubted much could be achieved: he reminded the Speer Ministry that one ought to keep the whole matter in perspective — Denmark's industrial exports to Germany amounted only to 3% of total German imports. Perhaps some of the automobile factories could produce aircraft parts, but the most important matter was the supply of iron and metals: Denmark's 1943 imports of 4,500 tons compared to 35,000 tons before the war.⁶⁶ German officials who knew nothing of Denmark's basic situation seemed unaware that in Denmark, they could have gotten much more out of the country, if only they had provided the materials to work on. Those who knew the situation, on the other hand, were compelled to admit that one cannot get manufactures made out of thin air.

These German bureaucratic arguments in defense of the status quo stood against a backdrop of increasing violence in Denmark. The violence was not only German in origin. As noted above, Hitler had ordered an aggressive policy to counter the sudden growth in Danish resistance activity. After August 1943, there was a dramatic increase of incidence of

65. Forstmann memo, 31 Aug 44, box number K 599. "Diverse korrespondance 15.8.44-20.8.45. bl.a. anonym skrivelse om Danmarks stilling til den totale mobilisering, materialeforsyning til reparation af handelsskibe, fortegnelse over gas-, vand, og elektricitetsværker med plan for at sætte disse ud af drift." 1944-45, TA.

66. Vermerk betr.: Einfuhrplanung Dänemark, 6 Mar 44, R 3/1652. "Wirtschaftslage in Dänemark; Handelsbeziehungen zu Deutschland und Schweden (Geheimakten des Planungsamtes, Arbeitsgebiet Ein- und Ausführplanung)." März 1944, Koblenz.

sabotage, which had been extremely rare in the first two-and-a-half years of the occupation. In January 1943, however the number of attacks picked up slightly after a "warning" from the RAF in the form of a small attack on B&W on the 27th. This warning was intended to demonstrate to the Danes that if they did not attack those producing for Germany, the RAF would do so themselves, and the message was repeated in the illegal Danish press and in BBC broadcasts. This attack was only a limited success, however, as only a fraction of the 27 bombs dropped even hit the B&W plant. It is perhaps unsurprising that such an ineffective demonstration failed to inspire an instant revolt against the Germans. In his 1 March 1943 situation report, for instance, Forstmann was reduced to mentioning a case of sabotage where a worker had drilled a four-millimeter hole in an aircraft part.⁶⁷ After a very poor showing from 1940-1942, British Special Operations Executive agents in Denmark were able to begin the stockpiling of explosives in Denmark starting in spring 1943, and some SOE agents had executed dramatic sabotage attacks that had catalytic effects on the riots and German crackdown in August.⁶⁸ Nevertheless, sabotage was still in its infancy, and its economic value was far less than its propaganda value. On the whole, the frequency of attacks on industrial and transportation targets remained low up to October 1943. To gain an idea of the relative volume of sabotage attacks before August 1943, consider the following figures: of 2,674 sabotage attacks against industrial targets during the whole occupation, 95% were in the 1943-45 period, while 90% of 1,810 attacks on railway targets occurred in 1944-45.⁶⁹

As these figures indicate, Danish resistance, one of the most talked about aspects of the occupation after the war (as in other countries), really developed only in the last year and a half of the five-year-long occupation. Even then, the actual impact of that sabotage was less spectacular than might be expected (and which later became the subject of popular myth-

67. Situation Report of 1 Mar 43. RW 27 /6. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 1a: 1. Vierteljahr 1943 (Reinschrift)." Freiburg.

68. For a review of the activity of the SOE in Denmark, see Jørgen Hæstrup, *Secret Alliance: A Study of the Danish Resistance Movement 1940-45* (3 vols) (Odense, 1976-77).

69. *Besættelsens Hvem Hvud Hvor*, p. 224.

making). In July 1944, as part of an effort to prod Berlin to alleviate Danish supply difficulties, the Danish Foreign Ministry presented Berlin with a report on the country's economic contributions to Germany, and it not unnaturally (given that the purpose of the report was to convince Germany that the situation in Denmark was under control) claimed that sabotage had had no measurable economic impact.⁷⁰ Yet this attitude was not limited to the Danes. As the German official most directly engaged in industrial production for German contracting, Forstmann, too, kept a close eye on the impact sabotage had on his work, and it seems that he concurred with the assessments made by the Danish government. For the most part, he seems to have viewed sabotage as more of a nuisance than a serious problem. In May 1943, Forstmann concluded that sabotage "undoubtedly also [seemed] to be directed towards unsettling the Danish population and drawing German countermeasures that would affect the entire Danish population."⁷¹ In part, he could adopt such a calm stance because of the poor targeting of sabotage attacks; for example, in March 1944, Forstmann could report that sabotage, whose incidence had already been going down for two months, had managed to miss targeting any firms working for the RüststabDän. In August 1944, also, saboteurs had failed to attack any targets of concern to Forstmann.⁷² For another thing, many targets chosen were fairly resistant to sabotage. Metalworking tools, for example, easily survived fire, explosions, and collapsed buildings, and could be and were relocated to areas under secure German guard, such as "Holmen," (site of the *Orlogsværft*) in Copenhagen (Danish protests against these relocations — which were partly based on the weak argument that members of two different unions might come into contact with each other — were politely but firmly

70. R 7 /3407, "Die wirtschaftlichen Verhältnisse in Dänemark während des Krieges: Memorandum des dänischen Außenministeriums," 14 Jun 44. Koblenz. Generally, it has been noted that the economic effects of sabotage can be rather limited. See Alan S. Milward, "The Economic and Strategic Effectiveness of Resistance," in Stephen Hawes, ed., *Resistance in Europe* (London, 1975).
71. 31 May 43 situation report. RW 27 /8, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 2b. 2. Vj. 1943 (Durchschrift)," 31 Aug 44 situation report. RW 27 /16, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 7. 3. Vierteljahr 1944. (Entwurf)." Freiburg.
72. 31 Mar 43 situation report. RW 27 /23, "Lageberichte des Rüstungsstabes Dänemark sowie der Abteilung Wehrwirtschaft (zuletzt Feldwirtschaftsoffizier beim Wehrmachtbefehlshaber Dänemark)..," Dec 43-Sept 44." Freiburg.

dismissed by Best⁷³). Moreover, by relocating these facilities, the RüststabDän was occasionally able to arrange them in a more productive and efficient fashion. More effective sabotage actions were deliberate attacks on fragile items such as blueprints, electrical parts, and electrical transformers. In fact, attacks on electrical transformers were so effective that, should it be necessary to deny capacity to the enemy after a German retreat, Forstmann recommended that efforts concentrate on damaging the Danish electrical supply.⁷⁴ Despite all the drama associated with sabotage, it appears that, from the RüststabDän's perspective, it was a lesser problem than the flow of raw materials from Germany. As noted in the discussion of figure 9, German new orders of industrial products dropped off in 1944, and this was only coincidental to the fact that, at that time, sabotage finally took on a considerable scope. The cause of the decrease in German orders, however, was due chiefly to Germany's inability to provide necessary supplies.

The only other significant factor that could have worked to limit Forstmann's orders in 1944 was the hesitation of Danish firms to take on such work. Yet only after mid-1944 did this come to be a problem. True, some firms had refused to do work with Germany from the very outset (as we saw in the cases of Nordic Cable and Wire (see above, p. 156) and of Fisker & Neilsen (p.208)) and the German penetration of the Danish industrial sector was limited. Naturally, some firms' disinterest in German orders was more unwelcome than others, as we saw in the Fisker & Neilsen example. Fear of sabotage did come to be a factor in companies' reluctance to take on work for Germany, though steps were taken to ensure that firms were insured against sabotage. However, this anxiety does not appear to have been a very large problem, for when Forstmann was approached in November 1944 by a contractor — Ford Motor Company A/S, a daughter company of the American manufacturer,

73. Svennigsen to Best, 24 Aug 44, box H 84-343, 84.V.15. "Protest mod overflytning af industrivirksomheder m. krigsproduktion til Holmen." 1944. UM. 1909-1945.

74. Forstmann memorandum on destruction of capacity in case of a German withdrawal, 26 Sep 44, box number K 599. "Diverse korrespondance 15.8.44-20.8.45. bl.a. anonym skrivelse om Danmarks stilling til den totale mobilisering, materialeforsyning til reparation af handelsskibe, fortegnelse over gas-, vand- og elektricitetsværker med plan for at sætte disse ud af drift." 1944-45.TA.

which was building motor boats for the *Wehrmacht* — with a request to cancel its contract out of fear of losses due to sabotage, he responded flatly that “a contract is a contract, and must be fulfilled.” He added, “Thus far, no other firm had been released from a contract because of sabotage.”⁷⁵

Even in the last months of the occupation and after the German surrender to the allied forces, there were signs of consistency in the German policy towards Denmark. There was, despite Germany’s rapidly deteriorating military fortunes, no serious effort to squeeze the last bits of production out of Denmark. In part this was because experience had shown that the Danes would produce whatever was asked of them, providing that Germany could supply the necessary materials. Forstmann’s last remaining review of “military economic production,” dated 31 December 1944, boasted of the high production achieved in Denmark, noting that 76% of contracts had been completed in Denmark.⁷⁶ Even in January 1945, for example, the suggestion that the Government Committee be disbanded and the coordination of the Danish economy be made a purely military matter was dismissed as potentially threatening to Danish deliveries.⁷⁷

Despite the RüstStabDän’s more favorable position in its dealings with Odel’s office, it appears that Forstmann continued to display general good faith as it worked with the Danish

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75. Meeting Notes of meeting with Ford representatives, 11 Nov 44, RW 27 /17, “Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 8. 4. Vierteljahr 1944. (Entwurf).” Freiburg. Ford and General Motors factories in Denmark both produced various metalworking products for German billing, but most notably they produced gas generators as a fuel alternative on cars and trucks. This is incidentally, not the only time that an American commercial interest was involved in production for Germany in Denmark. In 1943, a bit of a flap arose when the Northern Safety Razor Co. asked the Danish Foreign Ministry to secure enough RM to cover a later payment of royalties in U.S. dollars for Gillette to complete a 15,000,000 RM contract for razor blades for the *Wehrmacht*. Ebner to Berlin, 23 Jun 43, 113554, “Dänemark:Währung, Valuta. & Devisenpolitik,” 5/42-12/43, Bonn. The Germans also kept a list of American and Allied companies in Denmark, but no record was found of them taking any steps to shut them down. For the most part, these companies were kept in trust or escrow until after the war. Removable Allied assets, such as ships, however, were confiscated by the Germans.
76. “Darstellung der Rüstungswirtschaftliche Entwicklung,” 31 Dec 44, RW 27 /17, “Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 8. 4. Vierteljahr 1944. (Entwurf).” Freiburg.
77. Memo by Korff, 20 Jan 45, R 2 /30.668, “Dänemark. Hierin: Zusammenstellung der deutschen Clearingverschuldung 1944,” 1944-5, Koblenz.
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Foreign Ministry and the Odel Committee, and that he even tolerated the rejections that could occasionally come his way. For example, in January 1944, the *Orlogsværft* had been brought under the general EID price control system.⁷⁸ Two months later, the Odel Committee rejected a German application to make 500,000 *kroner* worth of improvements at the Danish army's arsenal.⁷⁹ The Danes could scrutinize even the smallest details: in August, 1944, they launched a full audit of the *Orlogsværft* that uncovered some slight irregularities in holiday pay for some office staff there.⁸⁰ The *Rüstungsstab Dänemark* could have considerable difficulty in getting even small changes in Danish regulations. For example, after fourteen months of negotiations, in August 1944, Wassard finally pledged to reverse an order of local zoning authorities in Sønderborg to the benefit of one of Forstmann's contractors (and this reversal came with provisions reflecting environmental concerns),⁸¹ but this case was still unresolved as late as January 1945.⁸² Even German plans to make an aircraft engine repair facility were constantly tied up in red tape from the Odel Committee, and the project was eventually scaled down and scrapped.⁸³

By late 1944, when German patience was clearly wearing very thin, Germany's own difficulties in mounting any new economic endeavors and the generally satisfactory nature of

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78. Odel Committee Meeting notes, 20 Jan 44, box 11, D.1.a. "Skibs-søerne. Reparationer. Generelt." OU.
 79. Various correspondence between Forstmann and Wassard, March 1944, RW 27 /13. "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 5: I. Vierteljahr 1944." Freiburg.
 80. Seidenfaden memorandum, 10 Aug 44, box H 84-344, 84.V.155, "Værnemagtens overtagelse af Orlogsværftet." 1943-45, UM, 1909-1945.
 81. Forstmann to G. Koch (a German company in Kiel), 15 Aug 44, RW 27 /16, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 7. 3. Vierteljahr 1944. (Entwurf)." Freiburg.
 82. Trade Ministry to Prime Minister's Office, 30 Jan 45, box 1/126, "Anlæg af en Maskinfabrik og et Skibsværft ved Sønderborg," 1945, IR, gulde.
 83. A/S Nordværk was to be a Danish-directed company that repaired German aircraft engines in Copenhagen. German efforts to get it up and running along the lines that they had intended were often slowed down by Danish legal obstacles. Nordværk's Director was eventually killed by the resistance, and in September, BMW, the German company that was managing the whole project, pulled the plug on the operation. Various correspondence, box 10, B.3.d, "A/S Nordværk." OU, and RW 27 /17, "Kriegstagebuch des Rüstungsstabes Dänemark (einschliesslich der Abteilung Wehrwirtschaft), mit Anlagen. Bd 8. 4. Vierteljahr 1944. (Entwurf)." Freiburg.
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production in Denmark combined to make the expansion of industrial purchasing in the "occupied neutral" improbable. The collapse of Germany's transportation network, signs of which were already visible in the last half of 1944, in the beginning of 1945 ruled out increasing the volume of supplies and goods heading both northward and southward. Accounts of the Danes' meetings with Forstmann from late 1944 onward reflect growing frustration in, and resignation on the part of, the RüststabDän. One late evening in December, Forstmann, appearing haggard and possibly drunk, appealed to a Danish Foreign Ministry official to make some small adjustments on a certain contract in order to preserve the system: he warned that causing difficulties with another certain customer might cause more problems not just for Odel, but for himself.⁸⁴ It was not unusual, now, for the Germans to try to squeeze a little bit more out of Danish working procedures. For example, beginning in December, Forstmann and a representative from the Speer Ministry's shipbuilding command started to appeal to the Danes to make some improvements in the shipyards' procedures, such as overtime provisions and their air-raid drills.⁸⁵ However, the Office's activity in 1945 would not amount to much. The last wartime meeting, 2 May 1945, between the RüststabDän and the Danish Foreign Ministry witnessed Forstmann's pleas to allow him to continue to place orders. Though leaving open the prospect of authorizing some ship repairs, to each of his requests, the Danish report laconically noted that "the Danish side stood by its reservations on every single point."⁸⁶

In fact, a final symbol of German consistency in the occupation of Denmark appeared even at its end. When the German forces in Holland, Northwest Germany, and Denmark surrendered to the British Army on 4 May 1945, euphoria was widespread. The occupation was officially over for Denmark on 5 May, but the German forces there refused

84. Seidenfaden memorandum, 2 Dec 44, box 10, B.3.e, "E. Emmeche's Metalvarefabrik, A/S." OU.

85. Assn of Iron Ship Yards to Wassard, 11 Dec 44, Meeting Notes, 25 Jan 45, box H 64-243, 64.Dan.80/14b, "Tyskland: ekstraord. industrileverancer. Skibsreparationer (andre værfter end B&W)," 1941-48, UM, 1909-1945.

86. Meeting notes between Wassard and Odel, Krüger, Ludwig, and Forstmann, 2 May 45, box 5, A.7.a, "Principielle spørgsmål vedrørende A-Listen," 1941-45, OU.

to surrender to the Danish military, the resistance, or any agency of the Danish government. Just as the invasion of Denmark was not meant to be against the Danes, so too would the capitulation of the German forces and their evacuation from Denmark have practically nothing to do with Denmark itself. Even after the war, the Nazis would not consider Denmark as enemy territory. Only with the arrival of representatives of the British Army on 7 May did the German evacuation begin under British and American direction.⁸⁷

The German attitude towards the Danish economy had remained remarkably consistent, given the circumstances. Even as war became increasingly desperate, there was no attempt to squeeze much more out of the Danish economy. As a result, a notably rational policy was maintained, and in comparison to other occupied countries, the Danes produced very satisfactorily and avoided the more drastic German reactions seen in other countries of Western Europe. Because the German crackdown on 29 August 1943, Operation Safari, was executed not out of any wish to change the Danish-German relationship, but only to quell civil disturbances across the country, the Germans had no alternative in mind for Denmark. Just as at the outset of the occupation, the Danes showed a willingness to cooperate that helped protect the country from extensive German incursions into their affairs. Even though the political leadership of the country now withdrew and tacitly approved opposition to the Germans, the Danish bureaucracy continued to operate in a fashion that signalled to the Germans that they should expect that business in Denmark would be conducted in the same fashion as before. Once again, the Germans were presented with an opportunity to change the essentials of their relationship with the Danes, but they opted to salvage as much as possible of the status quo ante. As Forstmann noted to Berlin in September 1943, the Germans were fully aware that the Danes were not genuinely friendly towards Berlin, but their good-will was a necessary component of the successful conduct of business in Denmark. This recognition probably was one of the reasons that the Germans chose not to exploit the

87. See Thomas Pedersen, "Kapitulationen og afvildingen af den tyske besættelse af Danmark." *Den fysiske Historiker*, 71 (April 1995), pp.41-57.

economic capacity of the country any further. Another factor mitigating against the further utilization of Danish industrial capacity can be inferred from the low levels of economic activity that the Germans had already demonstrated in 1941-43, as discussed in chapter III. Given Germany's better fortunes at war from 1940 to 1943, the Danes were more willing to cooperate with the new "Masters of Europe." Yet, even with this receptiveness, the Germans still showed little interest in fully harnessing the Danish industrial economy to their war effort. Later, as the future of Germany's mastery of Europe looked increasingly doubtful, it was more difficult to secure Danish cooperation, and this became even more so after August 1943. As Best noted, (above, p. 178) to squeeze the Danes harder would have required a complete shift in the manner of doing business in Denmark. In such circumstances, Danish cooperation would have been almost completely absent, and the tangible benefits of such a decision were far from certain. Put another way: Danish goodwill was necessary to do business in Denmark, before August 1943 as well as after. That price was much lower before than after August 1943, but it still needed to be paid. That the Germans would have chosen to do more business when it was harder to do so seems improbable, given their low expectations for Danish industrial output. German industrial policy in Denmark after August 1943 was not aimed at getting everything possible out of the Danes, but at maintaining the economic and social stability of the country. This apparent restraint was not out of love for the Danes, but from an expedient decision to postpone the eventual incorporation of Denmark into the New Order until the war was won.

Conclusion

It is notoriously difficult to make sense of some Nazi policies, given the fact that many of them were simply irrational. The entire matter of the Nazis and race, and the extermination of the European Jews, for instance, fall completely outside the realm of rational state behavior. Thus, in some ways, the Danish occupation seems to be an exception, for in that kingdom German economic policy seems particularly reasonable. In Denmark, the Germans did not commandeer the economy and squeeze every last drop out of it in an attempt to maximize that country's economic contribution for the war effort. Instead, the Danes were given control over German spending to ensure that neither their currency nor their industrial capacity came to harm. The chief German economic actor in Denmark, the *Rüststab*, followed Hitler's order that contacts with Danish firms should be drawn up in the "friendliest possible manner" — an attitude completely absent in the other occupied countries. In short, the Germans kept their distance from the Danes, and the Danes were left to run affairs as best they could. The reasons for Denmark's good fortune are not immediately obvious. One might think that a racial affinity with the ostensibly "Aryan" Nordics gave the Danes an edge, but the Norwegian example shows that an equally "Aryan" nation did not qualify for such lenient treatment on the basis of race alone. A closer look at German

policy in Denmark, and in particular its economic component, shows that it was based on the nonsensical notion of “occupied neutrality,” a principle followed from the beginning of the occupation to its end. Ironically, then, a nonsensical premise led to rational policy decisions for the entire occupation. “Occupied neutrality” was not a concept that the Germans thought up for the Danes alone. All the other smaller occupied neutrals of western Europe were offered identical terms. Indeed, it seems plausible that the combination of factors that led to the Danish exception might have been duplicated in the other smaller occupied countries.

In the event, however, they were not, and “occupied neutrality” worked only in Denmark — for a combination of reasons. First, there was Germany’s general unfamiliarity with Denmark. Oddly, this ignorance was most pronounced among those who planned the invasion and occupation, the OKW and the WiRüAmt. Had those planning the occupation better known the conditions in Denmark, they might have expected more from an occupied Denmark. Such limited German expectations for Denmark were characteristic of the German-Danish relationship, which, despite being between neighboring countries, was not especially close in 1940. German attention was directed east and west, and only rarely north, while Denmark, being a seafaring nation, looked to Scandinavia and Britain and, often through British middlemen, towards the wider world. Even today, the German state of Schleswig-Holstein, seen as a rural agricultural region, is peripheral to Germany’s views of itself, and the transportation links running up to the Jutland peninsula are not nearly as well developed as the others in western Germany. Not knowing Denmark as well as they might, the Germans in 1940 expected little from an occupied Denmark, and had only vague ideas of the repercussions of the invasion. One of the things they feared most was economic chaos after cutting Denmark off from overseas. The roots of this fear and the repercussions of that expectation have been dealt with in chapter I of the current work. This psychological distance between Germany and Denmark was perhaps not present in the cases of the Nether-

lands or Belgium, where their heavy industry lay in close proximity to the Ruhr, and German transportation links were strong. It is possible that even with "occupied neutrality," these two countries would still have fallen victim to German pressures for further integration. On the other hand, Norway, being distant, might have stood a better chance.

However, Norway did not enjoy the benefits of "occupied neutrality," a fact that leads to the second significant reason why the German policy in Denmark differed so greatly from the other smaller occupied countries. As related in chapter II, this reason was not to be found in Berlin, but in Copenhagen, in Amalienborg and Christiansborg palaces, where King Christian X, the Danish government and the Foreign Ministry were located. Both the King and his government decided that to resist the Germans in any meaningful way would be futile and counter-productive. For decades, the consensus in Danish politics was that the country could do little to resist the Germans if the country's independence was threatened by Denmark's "large neighbor to the south." Thus, it was agreed by all that Denmark's wisest policy was not to provoke Germany in any way. This is why Denmark had helped Germany in the First World War, why the border question had been settled in a moderate fashion in 1920, why Denmark had disarmed in the 1930s, why Denmark had avoided challenging Hitler in the League of Nations, why Denmark had signed a Non-Aggression Pact with the Nazis in 1939, why the Danish military put up only a perfunctory defense on 9 April 1940, and why the Danish government chose to cooperate with the Germans later the same day. To the Danes it seemed obvious that the only way that they could hope to moderate the behavior of the armed robber they found in their kitchen at midnight was to negotiate and cooperate calmly and clearly.⁸⁸ Of course, how effective such a strategy would be in the long run and if Germany won the Second World War is open to doubt. Of course, other nations refused to bow the knee to the invading Nazis, and Danish-style "cooperation" was rejected outright. Needless to say, such a reaction to the arrival of the Germans was not a basis for any fruitful cooperation with them.

88. My thanks to Otto Schleperin, Chief Archivist at the Danish Foreign Ministry, for this metaphor.

Yet, paradoxically, the more the Danes were prepared to cooperate, the more they were able to limit German economic activity in their country. An examination of the activity of the *Wehrwirtschaftsstab Dänemark*, as has been made in chapter III, shows that German economic activity was strikingly limited, and that this office tapped only a small fraction of Danish industrial capacity. This self-restraint was due to the fact that the Germans did not invade Denmark because they wanted anything more from the country than controlling access to the Baltic and contact with Norway. Once that goal was reached, and was made secure by the clear expression of Danish willingness to cooperate, the Germans rested content with the situation as it was. Specific industries drew the attention of the *Wehrwirtschaftsstab*, such as shipbuilding, engineering, and machine tools, but still the WS used only half of the available Danish capacity in shipbuilding, and it showed even greater restraint in the engineering industry. Perhaps it was not possible to find enough Danish companies that wanted to do business with Germany. However, Forstmann's reports show that such reluctance was not a particularly strong problem for him. If the *Wehrwirtschaftsstab* had wanted to, it probably could have bought all Denmark's exports of any industrial product, and the Danes would still have been able to trade with third countries to gain those imports Germany could not provide. Danish exports to other countries besides Germany could easily have been limited to Danish agricultural products, which were in high demand within the area controlled by Germany: Sweden, Finland, Switzerland, Spain, Rumania and Hungary all gladly would have bought Danish butter and bacon. Yet these countries bought more than food from the Danes, and the Danes were allowed by their military occupiers to produce more items for export to third countries in key industries such as machine tools and diesel motors than they did for the Germans.

It appears, thus, that the German agenda in Denmark was not one of economic exploitation, but was one whose goals lay in ensuring that the political, military, and economic price of occupying the country was kept to a minimum. This never varied. Despite

occasional signs from Berlin that it might exploit Denmark further, the German goal appears to have been directed at maintaining the economic life of the country rather than harnessing it to its war effort. In Denmark, the Germans appear to have kept to their initial professions that they were interested only in relieving the economic strains caused by the invasion. Industrial orders were limited because the Germans had only a limited interest in the things Denmark could make for them. The Danish case almost prompts one to conclude that the Germans thought that they could take on the world without the help of the occupied countries, but the examples of other countries like the Netherlands and Norway, which were more extensively utilized for the German war effort, seem to indicate otherwise.⁸⁹ On the other hand, it seems possible that, had the other small occupied western countries chosen "occupied neutrality," Germany would have held back from economic exploitation just as it did in Denmark.

Willing to forego harnessing all Danish economic assets for its war effort, Berlin thus showed little interest in the full exploitation of economic and manufacturing resources under its control. This fact does not jibe with models of a Germany that was allegedly interested in creating a massively integrated, 'organic' economy to maximize all resources for total warfare in the machine age, as such models of German economic priorities leave little room for such willingness to "do without."⁹⁰ Rather than showing any evidence of a Germany having such a voracious war economy, what one sees in the Danish case is a Germany that traded off the priority of high war production for the more important goal of strategic security in Denmark. This was understood in both capitals. Instead of an effort at the full mobilization of resources under Nazi control, both Berlin and Copenhagen saw the utilization of Danish industry as a case where Germany sought to alleviate some of its own production difficulties

89. Though the Germans ran a trade deficit with the Norwegians from a very early date, there was still a significant effort to exploit Norwegian economic resources for German purposes. The Netherlands were tied very closely to the German war economy. The countries to Germany's east, on the other hand, were ruthlessly exploited from the outset.

90. For example of this kind of view of Germany committed to total warfare, see Michael Geyer, "German strategy in the age of Machine Warfare," in Peter Paret, ed., *Makers of Modern Strategy: From Machiavelli to the Nuclear Age* (Princeton, 1986), pp. 527-97.

and preserve order in Denmark by availing itself of free Danish industrial capacity. Germany did not seek to expand Danish capacity or to alter the country's economy for the needs of the *Reich*. Rather than grabbing all Danish production, under the EID in Denmark, raw materials and semi-finished goods were shipped from Germany, processed, and sent back. Though the program was originally conceived as a counter to Danish unemployment, the procedure became the policy: once the broader goals had been defined, the maintenance of the system became the objective for both sides, but most especially for the Danish one. These procedures, and how they fit Danish and German goals, were considered in chapter IV. On both sides, the original concern was merely to keep the Danish economy running, but the program took its form because of the paucity of native Danish industrial resources and the refining nature of the Danish industrial economy, while fear of inflation on both sides proved the concern that united their objectives. Because both sides were content with the system they created, it proved quite durable, and the Germans for their part were completely willing to revert to the same manner of doing business with the Danes after the collapse of the Danish government's policy of public cooperation with the Germans. This preference has not been widely recognized; the German belief that the post- August 1943 situation was a reaffirmation rather than a complete policy change has been presented in chapter V.

This German conclusion was in no small part a result of a Danish policy that succeeded in avoiding a more ruthless exploitation by making their bureaucracy an indispensable asset to the Germans. As a national survival strategy, however, it would probably only be successful as long as the Germans had their hands full elsewhere. There were signs that all would not remain calm in Copenhagen. Already in 1940, German officials schemed for a more intensive (and intrusive) policy towards Denmark. As seen in chapter I, Ebner, Walter, and the two *Reichsgruppen Industrie* and *Handel* cast covetous glances northward with plans that would not have been nearly as benign to Denmark as the occupation in fact turned out to be. If the New Order had been left standing, no doubt some of these and other schemes

would have been carried out in Denmark, and the effect would have been to end the Danish exception completely.

One might wonder whether Denmark's less difficult occupation had repercussions that carried over to the post-war era. It might, for example, be possible to argue that the limited German economic penetration of the country had an important impact on postwar Denmark's detached attitude towards European integration, even after joining the European Community. The two chief "Euroskeptics" today are Denmark and Great Britain, two countries whose national institutions survived the war in better shape than the other nations of Western Europe. Great Britain, unoccupied, and Denmark, which maintained its own government and bureaucracy, both could be seen to have protected themselves as nations by the efforts of their own national institutions. In other countries, the legitimacy of the nation-state was seriously cast into doubt by the ravages of this particularly nationalistic war. Whether it be the case of the Germans, whose particularly virulent form of nationalism brought unmitigated disaster, or the occupied countries, who suffered defeat and occupation, there was widespread doubt in the validity of the nation-state. In Denmark, however, as in Great Britain, nationalism and faith in the viability of the nation's institutions emerged from the chaos in much better shape than in the other countries of Western Europe. Whether this enduring faith in the value of the Danish nation has been a decisive factor in Denmark's less than enthusiastic participation in European integration is not readily clear, but it seems entirely reasonable to say the Danes failed to have nationalism shaken out of them by their experience in the Second World War.

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Files of the Danish government are normally subject to an eighty-year exclusion rule: *i.e.*, files must be eighty years old before being opened for public inspection. Files from the occupation period (1940-45) are exempt from this rule. The only other exception to this rule are files that have previously been opened to another researcher: these files are left open to subsequent researchers. The files of the Committee for Revision of German Payments [*Revisionsudvalget for tyske betalinger*] fall under this heading, as they were made open to Ditlev Tamm for his dissertation, *Retsspøret under Besættelsen* (1985) (below).

Danish National Archives, Commercial Archive, Århus [Erhvervsarkivet] Industrirådet — The Danish Industrial Council

There is no index to the Industrial Council's files kept in Århus. Files of the Council are divided into three principal groups. There are meeting protocols or journals, yellow boxes, and black boxes. The yellow boxes were annually kept file groups with the nearest thing to a systematic index; it is, however, incomplete. The black boxes are not systematized, and many have the same labels on them. Others have labels that are not at all relevant to the content. I was brought down to the basements at the archives, where I was allowed to select whatever boxes appeared to be of interest. Of the Industrial Council's files, I examined meeting protocols, 39 files under the yellow box headings, and 24 black boxes.

Sammenslutning af Arbejdsgiver indenfor Jern- og Metalindustrien [Employer's Association of the Iron and Metal Industry]

— Reports and meetings protocols of the association's business and working committees.

Danish National Archives (Rigsarkiv), Copenhagen

Personarkiver [Private papers]

5243, box number 5, "BUHL, Vilhelm."

5344, "DUCKWITZ, Georg, Ferdinand (1904-73)."

5533, "v. HANNEKEN, Herman."

5579, box numbers 1 and 5, "HASLE, Henning (1900-) højsteretssagfører, politiker."

5607, box number 1 and 5, "HENDRIKSEN, Halfdan (1881-1961) Minister of Trade, Director."

7075, "SVENNIGSEN, Nils. Departementschef."

02-Udenrigsministeriet [Danish Foreign Ministry]

Fortrolige sagsager 1899-1945 (1993 levering) [Confidential Matters]

Files from outside the standard Danish Foreign Ministry archival categories as well as files from the following standard file groups: (14 files, total)

3. Udenrigsministeriet

64. Handelspolitik. Handelsaftaler

73. Økonomisk og finansielle forhold

83. Krigens (1939-45) virkninger på handel og næring. Økonomisk krigsberedskab

84. Danmark under den tyske besættelse

Gruppeordnede Sager 1909-1945

These files were all classified under the Danish Foreign Ministry's normal categorical system. (99 files, total)

3. Udenrigsministeriet

64. Handelspolitik. Handelsaftaler

73. Økonomisk og finansielle forhold

74. Industri og håndværk

83. Krigens (1939-45) virkninger på handel og næring. Økonomisk krigsberedskab

84. Danmark under den tyske besættelse

99. Udenrigsministeriets arkiv

Privat Virksomheder [Private Organizations]

German Chamber of Commerce in Denmark

Socialdemokratiet [The Danish Social Democratic Party]

Håndskriftsamling XVI- Tyske Arkiver 1848-1945 [German files]

German Navy. I. Skt

Archive of the German Navy 1919-1939

Oberbefehlshaber der Marine. Großadmiral Raeder. Samlingen Personlich

Rüstungsstab Dänemark

It should be noted that a number of the RüstStabDän's files are simply missing. According to the clerks at the Rigsarkiv, their assigned space on the shelves is simply standing empty.

15- Handelsministeriet [Ministry for Trade, Industry and Shipping]

ujournaliserede sager

1508- Revisionsudvalget for tyske betalinger [Auditing Committee for German Payments]

2402- Udvalget for Ekstraordinære Industriarbejder m.v. for Tysk Regning (Odel-udvalget) [Odel Committee]

Files held by Henrik Nissen, Copenhagen University, given to him by Gunnar Seidenfaden for delivery to Rigsarkiv

"Hansa-programmen. Samling af de vigtigste Dokumenter. m.v."

Germany

Beginning in April, 1994, the Bundesarchiv began to transfer a great many files from its facility in Koblenz to its facility in Potsdam. Some, but not all, of the files I viewed in Koblenz were included in that move. I have kept the references to Koblenz here.

German Federal Archives, Koblenz

- NL 23 — *Nachlaß Werner Best [Papers of Werner Best]*
 - NL 1192 — *Nachlaß Cécil v. Renthe-Fink [Papers of Cecil von Renthe-Fink]*
 - R 2 — *Reichsfinanzministerium [Reich Ministry of Finance]*
 - R 3 — *Reichsministerium für Rüstung u. Kriegsproduktion [Speer Ministry]*
 - R 7 — *Reichswirtschaftsministerium [Reich Ministry of Economics]*
 - R 8 VII — *Reichsstelle für Mineralöl*
 - R 8 VIII — *Reichsstelle Chemie*
 - R 11 — *Deutsche Handelskammern (Reichswirtschaftskammer) [German Chambers of Commerce]*
 - R 13 I — *Reichsgruppe Eisenschaffende Industrie*
 - R 13 V — *Wirtschaftsgruppe Elektroindustrie*
 - R 13 VI — *Reichsgruppe Feinmechanik und Optik*
 - R 43 — *Reichskanzlei [Reich Chancellery]*
 - R 43 II — *Neue Reichskanzlei*
 - R 57 neu — *Nordische Gesellschaft*
 - R 83 — *Reichsbevollmächtigten in Dänemark [Reich Plenipotentiary in Denmark]*
Københavns Byret 23. Afdeling [Copenhagen City Court]
- Kleine Erwerbungen 771. "Papier über die Tätigkeit des deutschen Gesandten Dr. Cécil von Renthe-Fink in Dänemark, 1936-42." 19 Jun 46.

Political Archives of the German Foreign Ministry, Bonn

The files at Bonn have been re-indexed using the German Foreign Ministry's own six-digit indexing scheme. Not only has the Political Archive ceased using the numbers appearing in George O. Kent's *Guide to Files of the German Foreign Ministry* they have in many cases divided up actual files differently from the groups used in Kent. The files of the *Staatssekretär* have been put on microfiche, and are outside the new six-digit register. The current indexing system at Bonn is used below.

- Büro des Staatssekretärs [State Secretary]*
- Gesandtschaft Kopenhagen [Copenhagen Embassy] (Uses own indexing style)*
- Handelopolitisches Ausschuß [Trade Policy Committee]*
- HaPolAbr — Handakten Clodius*
- HaPolAbr. Abr — W Krieggerät*
- HaPolAbr — Finanzwesen*
- HaPolAbr — Handakten Malczan*
- HaPolAbr — Handakten von Behr*
- HaPolAbr — Handakten Wiehl*
- HaPolAbr — Handakten Willnow*

German Federal Archives, Military Division, Freiburg

Files at Freiburg are not uniformly indexed. Most have been given Bundesarchiv numbers (i.e. those beginning with R), but some still have index numbers given them by the USA and Britain as captured documents.

- RM 7 — *Kriegsmarine [German Navy]*
- RW 191 *OKW/Wehrwirtschafts- u. Rüstungsamt [War Economy and Armaments Office]*

OKW/ Wehrwirtschafts u. Rüstungsamt (Washington Index)

*RW 27 — Wehrwirtschaftsstab Dänemark (Rüstungsstab Dänemark) [War Economy staff—
Denmark]*

RW 38 — Befehlshaber Dänemark [Commanding Officer in Denmark]

Marinebefehlshabers Dänemark [Naval Commander, Denmark]

Reichbevollmächtigte in Dänemark [Plenipotentiary in Denmark]

German Federal Archives, Potsdam

German Foreign Ministry

German Foreign Ministry — HaPolAbt

German Foreign Ministry — Politisches Abteilung

R 3 — Reichministerium für Rüstung und Kriegsproduktion [Speer Ministry]

England:

Imperial War Museum, London

USSBS Photocopies

93 3301/45, Rüstungsstab Dänemark. "Monthly Führermeldungen (USSBS photocopies)," 10/1941-3/45.

Speer Collection

226 302/46. "Material dealing primarily with trading agreements between the Baltic States," 1940-44.

AL 778. "The German Supervisory Administrations in France, Belgium, the Netherlands, Norway, Denmark and in the Protectorate of Bohemia and Moravia. Comparative Survey by Ministerial Director dr. Werner Best, War Administrative Chief. In German with English translation," 1941.

Public Record Office, Kew Gardens

Foreign Office Correspondence

File Group FO 371/24781

File Group FO 371/24782

File Group FO 371/24821

United States/Canada:

United States National Archives & Record Administration Microfilms of Captured German Documents

T-120 (German Foreign Ministry)

T-120/1030

T-120/1037

T-120/1159

T-120/1345

T-120/1373

T-120/1375

T-120/1376

T-120/1380

T-120/1596

T-77 (Speer Ministry)

T-77/697

T-77/698

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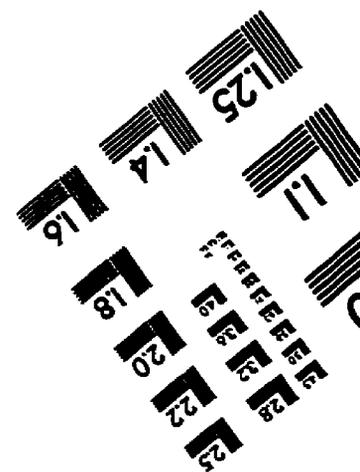
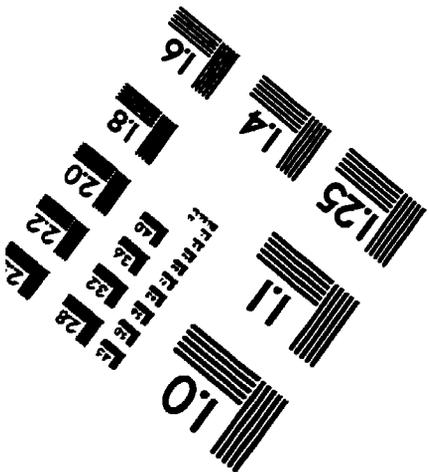
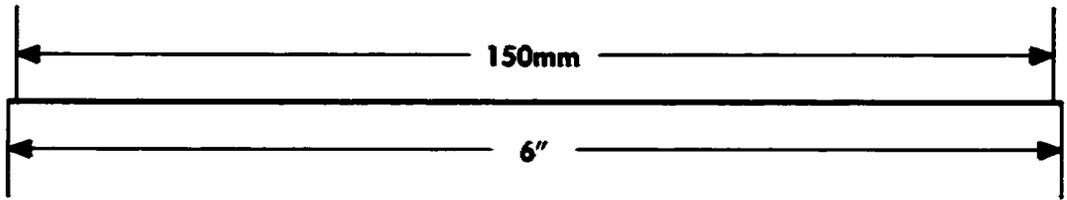
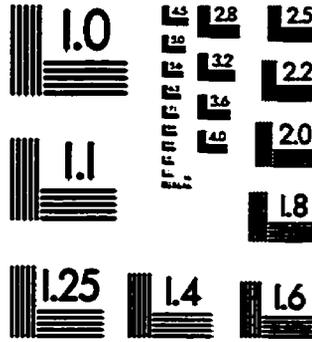
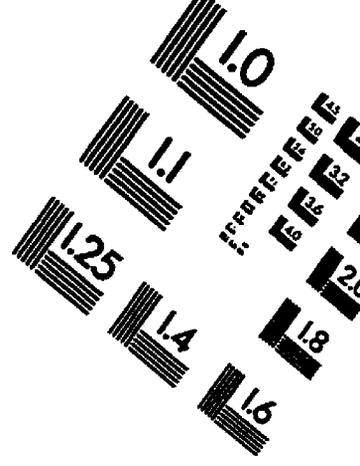
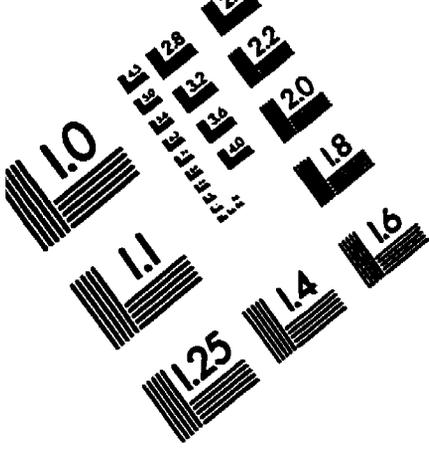
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