Steen Andersen

Living Conditions and the Business Environment in Denmark, 1940–1945

By 8 March 1941, Denmark had been occupied by German forces for almost a year. This state of affairs was a central theme in one of the most important speeches given by the democratically elected Danish Prime Minister Thorvald Stauning, held before the Danish Students' Association. Stauning, the Danish Prime Minister with the longest run in office in the 20th Century, had been Prime Minister since 1929, and by 1941 he was respected across the whole political spectrum, regardless of party affiliations. He was the undisputed leader of the Danish Social Democratic Party. Entitled "The Political Challenges of Our Time", his speech was about what chance the country had to survive as an independent nation in the case of an expected German victory¹. Its point of departure, therefore, was Germany's position of power on the European continent at that time. Though the war was not yet over, it was not expected that Germany's position would change significantly. Stauning argued that the Danes could do nothing but hope to have their political independence restored after a German victory. In the short term, however, the countries subject to German hegemony would have to adapt to the new political conditions in Europe.

In Denmark, this would mean close collaboration with German plans for the new Europe. In his view economic collaboration between Denmark and Germany could be based on plans and contracts, which would ensure the import of German raw materials and manufactured goods by Denmark in exchange for goods produced by the Danish farming community². Such cooperation necessitated modern production arrangements, not only in Germany, but also in the countries within

¹ The speech "Tidens politiske Opgaver" by Prime Minister Stauning 8 March 1941. Prime Minister Th. Stauning's private archive nr. 27, box 20. Arbejderbevægelsens Bibliotek og Arkiv (Henceforth ABA).

² For a discussion of the so called policy of cooperation in government, in the parliament and between Danish and German authorities, see *Henrik Dethlefsen*, The Diplomatic Solution, in: *Wolfgang Benz, Johannes Houwink ten Cate and Gerhard Otto* (ed.) *Anpassung, Kollaboration, Widerstand. Kollektive Reaktionen auf die Okkupation. Reihe Nationalsozialistische Besatzungspolitik in Europa 1939–1945*, 1 (Berlin 1996) 25–41; *Henrik Dethlefsen*, Denmark and the German Occupation: Co-operation, Negotiation or Collaboration, in: *Scandinavian Journal of History* 15 (1990) 193–206.

the greater German economic area, as well as a harmonization of prices and exchange rates. Stauning felt that this more regulated economic framework would to some extent even entail advantages compared to a liberal organization of markets. After all, Germany's state-regulated economy had demonstrated its superiority over "the liberalist society, which largely is based on egoism"³.

The political message was that there was no reason to fear the new situation. Implicitly Stauning equated the Nazi economy with the Danish Social Democratic Party's ideal of a kind of planned economy in Denmark, which as yet had not been implemented. The speech was also remarkable because of the Prime Minister's further assertion that the development of farming should be promoted at the cost of industry. This was a fundamental departure from the Danish Social Democratic Party's traditional policy, with its focus on industrialization.

As Prime Minister of a small state like Denmark in a Europe dominated by a strong Germany, ensuring that in one way or the other the country could survive as an independent nation was one of Stauning's most important tasks. In the climate of 1941 there was no alternative to this realistic course of action. Adapting to the new Europe, however, should, according to Stauning, come about gradually and be based on Danish goodwill, since the Prime Minister stressed that his considerations did not reflect any specific instructions from Germany. Denmark would have to demonstrate a positive attitude towards co-operation with Germany in order to avoid the Nazification of Danish society and to maintain as much Danish sovereignty as possible. Even if the Prime Minister could not precisely foresee how the new situation in Europe would affect Denmark in the future, he was convinced that Berlin would introduce "a European division of labour which, as long as it is sensible and considerate, does not give rise to objections"⁴. Economic co-operation with Germany would not endanger national unity. By permitting the Danish economy to adapt itself to the greater German economic area – thereby allowing a major part of Danish foreign policy to be dictated by Berlin – Denmark's future as a nation could be secured.

Furthermore, Stauning's speech emphasised a third point: that economic co-operation with Germany did not necessarily mean political adaptation. The task would be to find a specific Danish model of adaptation to the new situation. An activist policy in the economic sector would give Denmark some political options: the Danish state could demonstrate its willingness to adapt to German economic requirements without making significant concessions in questions of domestic politics, thus avoiding Nazification.

Denmark was a special case during the Second World War. While other German-occupied countries experienced exploitation and oppression, German policy

³ The speech "Tidens politiske Opgaver" ... Prime Minister Th. Stauning's private archive nr. 27, box 20. ABA.

⁴ The speech "Tidens politiske Opgaver" ... Prime Minister Th. Stauning's private archive nr. 27, box 20. ABA; Steen Andersen, *Danmark i det tyske Storrøm – Dansk økonomisk tilpasning til den tyske nyordning* (Copenhagen 2003) 186–206.

in Denmark was relatively lenient. It will be argued that Danish food exports and the way in which production and consumption were organised played a crucial role in Germany's special policy towards Denmark. Institutional conditions were a decisive factor⁵. Danish authorities and agricultural organisations established a very efficient system with strict controls of food production and consumption which was to the mutual benefit of Denmark and Germany.

When Denmark was attacked, the Germans were willing to guarantee Danish integrity and sovereignty, provided that the Danish government accepted the occupation without military resistance⁶. Thus Denmark formally remained an independent neutral state throughout the five years of occupation. All official contacts were between the two ministries of foreign affairs. In Berlin, Denmark was considered a foreign country.

The Labour Market and the Wage Battle

After the occupation on 22 April 1940, the executive committee of *De samvirkende Fabforbund* (DsF), Danish Confederation of Trade Unions, convened. The chairman Laurits Hansen emphasized that the situation called for a calm attitude among the Danish workers and the maintenance of production. In fact, the strongest support for the co-operation policy was found in the DsF and the *Dansk Arbejdsgiverforening* (DA), the Confederation of Danish Employers. During political and diplomatic crises the DsF put pressure on the Danish Social Democratic Party, in order to avoid a break with the occupation forces which would threaten its organisation. In September 1940 Laurits Hansen expressed his concern in the following way: "If the Trade Union Movement is crushed, the party will also be disbanded, and the Danish labour movement will be history."⁷

The working class experienced a deterioration in its living standards after the abolishment of wage indexation to inflation that had been introduced in 1939. Thus the DsF had to pay the price for its collaboration when its members wages were frozen and rural cheap labour was bound to the land. However, the Danish Liberal and the Danish Conservative Party had threatened to leave the national coalition in parliament, should the Trade Union Movement not accept this. Because this could have paved the way for Frits Clausen's Danish National Socialist

⁵ For a discussion of the institutional framework for Danish-German economic cooperation in the interwar period, see *Patrick Salmon*, *Scandinavian and the great powers 1890–1940* (Cambridge 1997) 264–273; *Joachim Lund*, *Mellem diplomatisk tradition og politisk ensretning. Det nazistiske regime, Auswärtiges Amt og Danmark 1933–40 – en oversigt*, in: *Henrik Dethlefsen og Henrik Lundbak* (ed.) *Fra mellemkrigstid til efterkrigstid* (Copenhagen 1998) 93–117.

⁶ *Henrik S. Nissen*, 1940 – Studier i forhandlingspolitikken og samarbejdspolitikken (Copenhagen 1972) 40–88.

⁷ *Hans Kirchhoff*, *Vor Eksistenskamp er identisk med nationens kamp – Om Socialdemokratiets overlevelsessstrategi under besættelsen. Forsøg på syntese* (Årbog for Arbejderbevægelsens Historie, Copenhagen 1994) 32.

Workers' Party, the DsF and the Danish Social Democratic party considered it imperative that the coalition was maintained. During the first years of the occupation the workers therefore paid a rather high price. This came on top of high unemployment which in the winter of 1940/41 reached 36 per cent. Such high unemployment had not been seen since the darkest days of the Great Depression⁸.

Throughout the German occupation collective bargaining was regulated by the Working Conditions Act passed in September 1940, the result of a joint effort of the DsF and the DA at the instigation of the Minister of Labour and Social Affairs. In order to reach agreement the DsF had renounced the right to strike, thereby preventing the Germans from interfering with the trade unions. The DsF's acceptance of a wage freeze, however, should have been followed by a general price freeze⁹.

But in reality the retail price index rose quite strongly between July 1939 and July 1941. Despite rationing some food products the failure of price control led to increasing food prices, and shortages forced households to purchase more expensive goods than they would otherwise have done. The increase in food prices was basically caused by a substantial German demand for Danish farm products at prices which should stimulate the *Lieferfreude* of the Danish farmers. The German authorities negotiated price levels with the farmers' export committee directly and the Danish government had very little influence over these negotiations.

Table 1: Real Wages of Workers in Denmark (Index)

	Cost of living	Nominal wage	Real wage
1939	100	100	100
1940	137	112	81
1941	155	123	79
1942	157	127	81
1943	155	133	86
1944	159	141	89
1945	156	156	100
1946	157	173	110

Source: Statistics Denmark, Statistical Reports, 1939–1948.

The price increases meant that workers' real wages decreased by approximately 20% up until July 1941. This was a hard blow to workers, as well as to middle class civil servants. In March 1941 the Labour and Conciliation Board delivered a ruling which awarded wage earners a wage increase, which more or less compensated for half the price increase since January 1940. In the spring of 1942, 1943, 1944, and 1945 new modest pay rises were permitted. In August 1944 the workers

⁸ *Sigurd Jensen*, *Levevilkår under besættelsen – Træk af den økonomiske og den sociale udvikling under den tyske besættelse 1940–45* (Copenhagen 1971) 90.

⁹ *Erling Olsen*, *Danmarks økonomiske historie siden 1750* (Copenhagen 1962) 200. *Steen Andersen*, *Social udvikling 1940–45*, in: *Hans Kirchhoff, John T. Lauridsen and Aage Trommer* (ed.) *Gads leksikon om dansk besættelsestid 1940–1945* (Copenhagen 2002) 423–425.

at the lowest end of the scale received a special wage increase. Civil servants in lower positions received pay rises parallel to workers, while civil servants in higher positions were not compensated for the price rises and their real income consequently declined more. However, between July 1941 and October 1941 the retail price index only rose by a single percent and in the course of 1942 the increase in prices of necessities was, by and large, brought to an end, as a result of more effective control measures.

Table 2: *Danish Consumer Prices of Foodstuff (Index)*

	Bread	Oats	Potatoes	Vegetables	Beef	Pork	Butter
1938	100	100	100	100	100	100	100
1939	99	103	104	101	101	107	100
1940	114	124	204	157	111	119	121
1941	140	128	208	188	173	146	145
1942	137	127	218	213	172	135	145
1943	132	128	176	185	174	136	145
1944	137	128	232	233	174	136	145
1945	136	128	224	204	168	135	145
1946	136	128	254	218	167	136	146

Source: Statistics Denmark, Statistical Reports, 1938–1946.

Labour Sent to Germany

Shortly after the occupation the German diplomatic representation approached the Ministry of Foreign Affairs and expressed the German intention to recruit Danish labour. The recruitment of 5,000 Danish workers was to be linked to a German commitment to deliver three million tonnes of coke. The government decided to accept labour recruitment on a voluntary basis. The practical part of the work was allocated to the Ministry of Social Affairs and the Public Emigration Office. On 24 May 1940 the DsF briefed the organizations of the Trade Union Movement in a circular letter, mentioning the German wishes and the importance of securing a supply of coal. The Trade Union Movement did not oppose the arrangement. However, there were fears that workers might be exposed to Nazification during their stay in Germany and subsequently leave the Trade Union Movement. As a result, the DsF at first adopted a passive approach towards the recruitment, which at this time was progressing in an orderly fashion. However, during the summer problems became apparent when the number of workers recruited began to decline and the first dissatisfied workers began to return from Germany. The victory over France also contributed to the DsF's fears that a German intervention against the Trade Union Movement was imminent¹⁰. At the same time the

¹⁰ *Therkel Stræde*, „Deutschlandarbeiter“. Dänen in der deutschen Kriegswirtschaft, 1940–1945, in: *Ulrich Herbert*, Europa und der „Reichseinsatz“ – Ausländische Zivilarbeiter, Kriegsgefangene und KZ-Häftlinge in Deutschland 1938–1945 (Essen 1991) 140–171.

government adopted a more active approach towards German wishes and supported a change in the DsF's passive attitude to the recruitment of Danish labour. This was an attempt to secure German goodwill, thereby reducing the risk of intervention against the labour movement. Furthermore, the increase in unemployment from 16 per cent in July 1940 to 35 per cent in December 1940 caused fears that the working class might be radicalized and that the appeal of communism and Nazism might grow. By sending more Danish workers to Germany the workers' conditions would improve and the pressure on the unemployment insurance fund decrease. In this way one could avoid a radicalization and at the same time maintain control of the labour market. Therefore, the DsF started becoming actively involved in the recruitment of labour to Danish entrepreneurs working in Germany. Through direct negotiations with the Hugo Stinnes Group the DsF, among other things, contributed to the recruitment of 1,000 workers in exchange for extra deliveries of coal and coke to Denmark¹¹.

In autumn 1940 there was internal disagreement in the DsF's executive committee on the question of whether or not Danish workers in Germany should be exempted from payment of membership fees to their Danish unemployment insurance fund, when they were also paying fees to German unemployment insurance. The majority of the DsF executive committee and most of the trade unions supported the idea, but the *Dansk Arbejdsmandsforening* (DAF), the Danish Workmen's Union, and the Masons' Union, the two unions which had the greatest number of members in Germany, were against it. The DAF argued that it was fair for Danish workers in Germany to pay when they were employed. The split in the DsF concerning unemployment insurance did not stem from a disagreement about recruitment as such, but reflected the fact that the DAF's unemployment insurance fund was hard pressed financially because of the high unemployment of its members. Prompted by the DAF's reluctance, Johannes Kjærboel, Minister of Social Affairs, decided after consultation with Stauning to enforce free membership in all unemployment insurance funds by law of 1 February 1941. In all questions regarding recruitment there was indeed close interaction between the DsF, the Ministry of Labour and Social Affairs, and the Bureau of Labour Inspection. This also resulted in a policy with respect to long-term unemployed workers which refused any financial aid to them unless they were prepared to accept work in Germany. It was only after the August 1943 rebellion¹² that the DsF returned to its passive approach of the first four months of occupation. This move counter-

¹¹ *Sigurd Jensen*, *Levevilkår under besættelsen – Træk af den økonomiske og den sociale udvikling under den tyske besættelse 1940–45* (Copenhagen 1971) 149.

¹² Throughout August 1943, Denmark was marked by strikes and demonstrations organized by the illegal Communist Party. Revolts in the streets forced the German occupiers to deploy countermeasures. German demands for capital punishment for acts of sabotage led on the 29th August 1943 to the parliamentary government's resignation. The German Army disarmed the Danish military by force. In the period up to the liberation in May 1945 Departmental Managers carried out negotiating contacts with the occupying forces, continuing the line that the politicians had taken.

acted the perception that the DsF was an exponent of the collaboration policy at a time when the resistance movement had the support of an ever greater part of the population and was strongly criticizing the export of labour to Germany¹³.

In line with other moves to adapt, the Trade Union Movement attempted to establish contacts with the Germans in order to gain some influence and preserve their autonomy. Within the DsF leadership there was a fear that the labour movement's organizations might become Nazified, as they had in the Netherlands and Norway. As a result, Laurits Hansen got Stauning's approval to approach press attaché Gustav Meissner of the German diplomatic representation in order to secure the Trade Union Movement a place in the new Europe¹⁴. Among other things the contact with Gustav Meissner resulted in three research trips to Germany of representatives from the Trade Union Movement and employers. An indirect result of these trips was their participation in meetings where representatives of the German Labour Front were also present. The meetings had been approved by Stauning. They took place on private premises and undoubtedly contributed to the development of a good relationship between the Danish Trade Union Movement and the German Labour Front as part of the effort to avoid sanctions against the Danish unions. The Germans never really implemented plans for the Nazi-fication of the Danish labour movement. The occupying power accepted the Danish trade unions' continued existence because their primary interest was safeguarding a calm labour market, thereby maintaining production¹⁵.

Job Creation Programmes and the Construction of Bunkers

The Division of Labour Act of 30 May 1940, which rationed labour in some branches and professions, attempted to address the issue of unemployment. Compensation for lower wages was paid out to the sectors in question from a fund which was in part financed by wage earners' contributions and in part by a state grant. In September 1940 the Division of Labour Act affected about 79,000 workers, but their number decreased after this point, as more employment opportunities were created.

In June 1940 the government established an employment committee headed by Prime Minister Stauning. A number of laws were enacted, making substantial public means available. Institutions were established which, among other things, implemented land improvement and land reclamation projects. Fifteen million Danish kroner (DKK) were made available for construction in rural areas with

¹³ *Therkel Stræde*, *Arbejderbevægelsen og tysklandsarbejderne*, in: *Årbog for Arbejderbevægelsens Histori* (Copenhagen 1994) 159ff.; *Tove Lund*, *Fagbevægelsens forhold til samarbejdspolitikken 1940–42*, in: *Årbog for Arbejderbevægelsens Historie* (Copenhagen 1972) 92.

¹⁴ *Steen Andersen*, *Fagbevægelsen*, in: *Hans Kirchhoff, John T. Lauridsen and Aage Trommer* (ed.), *Gads leksikon om dansk besættelsestid 1940–1945* (Copenhagen 2002) 128–132.

¹⁵ *Hans Kirchhoff*, *Samarbejde eller modstand under besættelsen – En politisk historie* (Odense 2001) 86.

which new houses for agricultural workers, farm silos and other farm buildings were erected. During a two year period 30 million DKK were allocated to repairs of city buildings. An additional 45 million DKK were provided for the construction of public facilities in order to activate the long-term unemployed. Parallel to the state's projects the Copenhagen municipality implemented a number of emergency aid projects for the construction of parks and pathways and the maintenance of existing facilities¹⁶.

The limited German supplies of coal stimulated the production of Danish fuel in peat bogs and brown coal mines where a significant part of the Danish work force found employment. In the spring of 1941 these projects' effects all began to be felt after the hard winter when many outdoor activities had been suspended. In July 1941 no less than 74 per cent of available manpower was fully employed.

The public Danish projects largely contributed to the decline in the unemployment rate. However, this can also to be attributed to the fact that some of the Danish work force found employment in Germany (in all about 100,000 men). A smaller part worked in German plants in Norway. Moreover, the *Wehrmacht* informed the Danish government as early as April 1940 about plans to construct permanent military installations in Denmark. These consisted at first of air fields for the *Luftwaffe* and the Hanstholm fortress long-range artillery, which would allow the Germans to control the passage through the Skagerak¹⁷. The Germans made it clear that they wanted the work done and that German companies were prepared to take it up. But the Danish government insisted that the work should be done by Danish firms and Danish workers, even if this contradicted the already compromised Danish neutrality. Many Danish companies, however, declined the opportunity to work for the Germans in Denmark, partly out of consideration for their international activities, and partly for patriotic reasons. In the end, though, the large firm Wright, Thomsen & Kier started to construct the air fields. It was not difficult to procure workers for the *Wehrmacht* construction sites, since there was considerable unemployment and the wages paid were above the normal rate.

The *Wehrmacht* had its own account in Danmarks Nationalbank – the so-called *Wehrmacht* account – which was used to finance the German army's expenditure in Denmark. Because the Danish authorities had succeeded in getting army purchases of food recognised as export, and thus charged to the clearing account, payments out of the *Wehrmacht* account were mainly made to Danish companies which did construction work for the Germans. During the five years of occupation five billion DKK were drawn from the *Wehrmacht* account; particularly from the autumn of 1943 onwards large amounts were made available to finance the German invasion defence. The government attempted to restrict the profits of the

¹⁶ Steen Andersen, Danmark i det tyske Storrøm – Dansk økonomisk tilpasning til den tyske nyordning (Copenhagen 2003) 142.

¹⁷ Jens Andersen, Tysk invasionsforsvar i Danmark 1940–45 (Copenhagen 2007) 65.

Figure 1: The Wehrmacht Account in Danmarks Nationalbank (in Million DKK)

Source: Steen Andersen, *De gjorde Danmark større... Danske entreprenører i krise og krig 1919–1947* (Copenhagen 2005) 371.

Danish companies working for the *Wehrmacht*, but this was difficult, and the firms did what they could to counteract price controls¹⁸.

As long as the withdrawals from the *Wehrmacht* account did not cause a rapid increase in inflation, the projects were useful to the government's ambition to reduce unemployment. Even if the fortresses did not benefit the Danish society, the construction work raised national income and contributed significantly to the further reduction of unemployment, especially from 1943 until the end of the war. These building activities had additional advantages: they did not directly consume goods important to Danish consumers, such as textiles and food products, and they relied on inputs also produced in Denmark, such as cement. In the political sphere it was never officially declared an aim that *Wehrmacht* projects should be used to reduce unemployment. Politicians, however, did accept it as a side benefit, and at the same time attempted to regulate the wages of the workers employed. The coalition governments, and later the departmental heads, shared the goal that the *Wehrmacht's* demands for supplies and construction should not give the occupation forces any cause for coercive measures. This was clearly expressed in the wake of the Telegram Crisis. On 2 November 1942, during his meeting with the Prime Minister and with Foreign Secretary Erid Scavenius, von Ribbentrop demanded that Nazi ministers were admitted to the government. This demand was

¹⁸ Steen Andersen, *De gjorde Danmark større... Danske entreprenører i krise og krig 1919–1947* (Copenhagen 2005) 208.

Figure 2: Workers Employed in the Construction of German Bunkers and Airfields in Denmark 1940–45

Source: Steen Andersen, *De gjorde Danmark større... Danske entreprenører i krise og krig 1919–1947* (Copenhagen 2005) 372.

rejected as “ridiculous and impossible”; Scavenius pointed out that the maintenance of a parliamentary coalition government secured stable conditions for the German occupation forces¹⁹. And indeed the coalition governments ensured that the *Wehrmacht* bastions were built and that goods were delivered to Germany.

The employment question also impacted on the question of co-operation with Germany in other ways, since a low unemployment rate would contribute to safeguarding the necessary stability in the labour market. Thus the construction of a direct traffic line between Hamburg and Copenhagen, the so-called beeline, was a project of the new Europe, where it was attempted to combine Danish adaptation to German hegemony with measures to decrease unemployment. After the New Year Crisis of January 1941 Foreign Secretary Erik Scavenius stressed that with an improvement in the employment situation Berlin would treat the coalition government with more respect. Therefore, the Danes should seek inspiration from Germany’s regulated economy in order to gain pragmatic policies more attention and to improve the employment situation.

¹⁹ Bo Lidegaard, *Overleveren 1914–1945. Dansk udenrigspolitisk historie 4* (Copenhagen 2003) 443–453.

The Agricultural Establishment

There are no indications that Danish agricultural production influenced the German decision to occupy Denmark. Nevertheless, officials in the German Ministry of Food and Agriculture were well informed about Danish agriculture. This was of great significance to economic policy during the occupation because the German Ministry wanted to maximize agricultural production. In the beginning of May 1940 experts from the Ministry came to an agreement with the Agriculture Council of Denmark about the ways in which production should be restructured, and shortly afterwards *Staatssekretär* Herbert Backe and Alexander Walter, the German chief negotiator in Denmark, prepared a plan for the new structure's implementation²⁰. The German decision-making authorities did not believe that agricultural production and food consumption in Denmark could solely be based on control and rationing. For this reason they chose to implement a price policy which simultaneously maximized production and limited Danish consumption. In the first years of the occupation the price of agricultural goods was set at German domestic price levels. The farmers' organisations, which at that time had the right to negotiate directly about export prices without interference from the Danish government, co-operated closely. They had a clear interest in obtaining higher sales prices than before, even though it caused the domestic prices of farm products in Denmark to increase rapidly and substantially. In this way the occupying power secured the farmers' *Produktions- und Lieferfreudigkeit*. On the other hand, the executive committee of the Agricultural Council of Denmark believed that the economic crisis in the years before the occupation, and especially after the outbreak of war, had placed the farming community at a disadvantageous position compared to other sectors of society. The council also subscribed to the view that the government had not done enough to help it. The result was that the executive committee strongly endorsed demands for higher prices for agricultural products. The first internal critique of this policy was only voiced towards the end of 1942. The export price of butter thus rose by 100 per cent during the first year of occupation, while the rise in the producer price was about 60, and the rise in consumer price around 30 per cent. After 1 January 1941 butter prices were fixed for the remaining period of occupation, because the occupying power did not see any reason for further price increases as there were no supply problems. Therefore, the Danish government received German support to safeguard Danish consumers against future price rises in butter and other dairy products.

Agricultural production had long played an important role in Danish-German co-operation. The Danish-German trade agreement committee had held quarterly meetings regulating the trade between the two countries since 1934. In Denmark the committee was chaired by an official from the Ministry of Foreign Affairs named Mathias Wassard, and the German committee was chaired by Walter, de-

²⁰ *Mogens R. Nissen*, *Til fælles bedste – det danske landbrug under besættelsen* (Copenhagen 2005) 26–62.

Figure 3: Price of Butter, January 1940 to April 1941 (DKK per Kilo)

Source: *Mogens R. Nissen, Til fælles bedste – det danske landbrug under besættelsen* (Copenhagen 2005).

puted from the German Ministry of Food and Agriculture. Walter was positioned directly below Backe, who was by then Minister of Agriculture. In 1941, Backe visited Denmark and expressed great satisfaction with the co-operation taking place. Backe had developed friendly relations with Henrik Hauch, the president of the Agricultural Council of Denmark, as early as the 1930s. Backe's visit to Denmark took place in June 1941, a few days before the attack on the Soviet Union. In Göring's Four Year Plan-Organisation Backe was responsible for Germany's food supply throughout the entire war; he planned the German "*Hungerpolitik*" in the occupied Soviet territories. By enforcing food deliveries to Germany, Backe calculated that as many as 30 million Soviet citizens would potentially die of starvation. But the Germans did not have such plans for Denmark.

During the occupation period, the Danish-German government committees continued negotiating trade agreements. Although the occupying power could have dictated its terms, it did not do so. Instead, it concluded agreements which the Danish authorities were also interested in supporting. In Berlin, as well as in Copenhagen, the authorities shared a common interest in maximizing Danish agricultural production. The Danish government was extremely concerned about the food supply to the population. In the end arrangements were adopted regarding grain and milk, which ensured that Danish cities received their food supply. The Germans, on the other hand, received the surplus production which had previously been exported to Great Britain. The main principle behind the agreements on food was that the amount set aside for export to Germany was based on a calculation of future production. This also opened up the possibility that Denmark could export food to other destinations besides Germany, should the domestic consumption be limited. That, in turn, would make imports of important goods from countries like Sweden and Switzerland possible. In fact, the Danish govern-

Figure 4: Exports of Danish Pork to Germany and Danish Consumption 1939–1945 (in 1000 tons)

Source: *Mogens R. Nissen, Til fælles bedste.*

ment implemented rationing of butter, pork and beef, since it indeed served Danish interests to export to third countries and because the *Wehrmacht's* consumption also came under control in this way.

Furthermore, there was a great concern that should the occupying power demand the introduction of rationing in Denmark, rations would be set at the German level. Therefore, the Danes wanted to implement rations themselves, which in fact were substantially higher than the German ones. In this way the food consumption of economically disadvantaged groups in Denmark also was supported²¹.

From 1940 to 1942, annual pork production declined by more than 200,000 tons or about 60 per cent, whereas the amount exported fell by 250,000 tons or 75 per cent. But the Danish consumption of pork declined by only a little more than 10 percent, which was largely replaced by beef. Thus Danish consumers were not particularly hard hit by the decline in production. After 1942 the supply of animal products increased again and led to a significant rise in exports, particularly of pork. Danish butter production fell from about 180,000 to 110,000 tons between 1935/39 and 1942, a 40 per cent decrease during the first two years of the occupation. This decline was caused by a shortage in dairy cows and protein rich fodder. After 1942 the production of butter increased again, thanks to good harvests and a higher priority being placed on cattle production. Compared to the pre-occupation period Danish butter production was about 70 per cent during the last three

²¹ *Mogens R. Nissen, Til fælles bedste – det danske landbrug under besættelsen* (Copenhagen 2005) 117–155.

Figure 5: Allocation of the Danish Butter Production (in 1000 tons)

Source: *Mogens R. Nissen, Til fælles bedste.*

years of the war. But Danish consumption increased significantly, from an average of 33,000 tons in the period 1935-1939 to 70,000 tons in 1941. After 1941 consumption remained stable throughout the period of occupation.

The average consumption of calories fell by 5 to 10 per cent during the German occupation. In 1942 the lowest intake was registered at about 3,050 kcal. However, the consumption of calories in Denmark was higher than in any other occupied country, as well as in Germany itself. In the Netherlands and Norway the average was between 1,400 and 2,000 during the period 1941-1944, in Germany between 1,750 and 2,000. A Dutch research report has shown that mortality rates actually declined in Denmark, whilst they rose in the Netherlands and other countries occupied by Germany. The reason for this was that more Danes found employment, which in turn resulted in an increase in wealth and better food intake. In contrast to other Europeans the Danes also continued to consume considerable amounts of animal products, while food consumed in Germany and the Netherlands was increasingly of vegetable origin²².

Exports were mainly sent to Germany. However, during some periods considerable amounts of food products were also sent to various other countries, in order to give Denmark a chance to import goods which were not available in Germany. Such imports were important to keep up production in Denmark generally, but also were advantageous for the occupying power, because a share of that production was then exported to Germany. German authorities were fully aware of this.

²² *Mogens R. Nissen, Til fælles bedste – det danske landbrug under besættelsen* (Copenhagen 2005) 188-192; *Ralf Futselaar, Lard, Lice and Longevity – A Comparative Study of the Standard of Living in Occupied Denmark and the Netherlands 1940-45* (Amsterdam 2005, Unpublished PhD.-thesis) 97-132.

Figure 6: Consumption of Calories in Denmark

Source: *Mogens R. Nissen*, Til fælles bedste.

The increase in Danish meat exports to Germany after 1942 had a significant impact on German food rations, especially during the last phase of the war when civilian consumption of meat declined considerably. In the last two years of the occupation Danish export of pork and beef constituted about 10 per cent of German civilian consumption. Danish consumption of beef, on the other hand, was not particularly affected by the occupation, although production fluctuated considerably.

Throughout the years of occupation the German diplomatic service in Copenhagen continually sent reports to Berlin emphasizing the significance of food exports to Germany. In 1940 and 1941 there were also warnings against installing a pro-Nazi government in Denmark, since this might create social unrest and endanger the German import of food. Later Backe, as well as the *Auswärtige Amt*, argued that Denmark should receive more raw materials, in order to keep up its deliveries of food.

Industry: Supply Problems and Deliveries According to German Orders

After the outbreak of war, it became increasingly difficult to supply the Danish industry with the necessary raw materials from the world market. Denmark itself, however, possesses no raw materials worth to speak of. The chemical and iron industry were particularly hard hit by the shortage of raw materials. The entire Danish tanning industry was threatened with closure, should no substitutes for traditional tanning materials be found. Thus the Danish Technological Institute began to co-operate with IG Farben AG, which then provided the Institute's

Figure 7: Allocation of the Production of Beef and Veal 1939–1945 (in 1000 tons)

Source: *Mogens R. Nissen, Til fælles bedste.*

tanning research station with several synthetic tanning chemicals²³. On this basis the Institute was able to carry out a number of experiments, which resulted in production guidelines for the Danish leather industry. It was advised to apply 75 per cent synthetic tanning chemicals of German or Danish origin and 25 per cent vegetable tanning substances made from Danish inputs. Other industries, however, could not apply German *Ersatz* products or restructure their production. In fact, the Danish Sulphuric Acid and Superphosphate Factory (Superfos) had to close production down when the phosphate deliveries came to an end²⁴. Generally, Danish industry experienced a considerable decline because of shortages of coal, iron and mineral oil. Coal imports from Germany could not meet the total demand for fuel. Hence Denmark started the domestic production of brown coal and peat in an attempt to improve the supply of energy. But the quality of these fuels was worse than that of foreign coal, and a decline in industrial production could not be prevented. At the beginning of the occupation period there also was a reluctance to engage in a comprehensive production of substitutes, because of the uncertainty regarding the length of war. It was only after it had become clear that Denmark was facing a long-term occupation that the Ministry of Trade and Industry implemented a number of initiatives intended to further Danish production of substitutes.

The shortage of raw materials induced quite a few companies to seek orders from the German occupation forces, in order to keep production going. And al-

²³ Steen Andersen, *Søren Federspiel, Nytænkning gennem 100 år – Teknologisk Instituts historie 1906–2006* (Copenhagen 2006) 96–109.

²⁴ Per H. Hansen, *Modgang eller fremgang? Industriens forhold under besættelsen*, in: *Besættelsen i perspektiv* (Odense 1995) 73–104.

Figure 8: Industrial Productivity, Production and Employment 1932–1947

Source: Per H. Hansen: *Business as Usual? The Danish Economy and Business during the German Occupation*, in: Harold James, Jakob Tanner (ed.), *Enterprise in the Period of Fascism in Europe* (Aldershot 2002) 127.

ready in the summer of 1940 representatives from the occupying power showed an interest in placing orders while supplying the necessary raw materials. From 1 July 1940 to 22 March 1941 the Ministry of Foreign Affairs and the Directory of Goods Supply approved orders of a total of 72 million DKK. Only a fraction of these were of a civilian nature. Orders relating to armament production accounted for 71 million DKK. These figures, however, did not include the construction and repair of ships as well as supplies for the *Wehrmacht* in Denmark²⁵. At one point in time the demand for weapons was so great that they had to be supplied by the Danish army's weapons arsenal. In March 1941 the prospect of a further increase in these so-called extraordinary industrial deliveries prompted the Federation of Danish Industries to calculate that production for Germany during the course of

²⁵ Christian Jensen, Tomas Kristiansen og Karl Erik Nielsen, *Krigens købmænd – Det hemmelige opgør med Riffelsyndikatet*, A.P. Møller, Novo og den øvrige storindustri efter Anden Verdenskrig (Copenhagen 2000) 96–107; Joachim Lund, *Business Elite Networks in Denmark*, in: *Working for the New Order – European Business under German Domination 1939–1945*, ed. by *id.* (Copenhagen 2006) 119.

the year should amount to between 130 and 148 million DKK²⁶. The growth of extraordinary industrial supplies made it advisable to introduce price and profit controls. Thus the Committee for Extraordinary Industrial Works, the so-called Odel Committee, was founded at German expense.

In total, Danish industry accepted orders worth approximately one billion DKK. How these orders were distributed among different branches and different Danish production facilities has not yet been researched in detail. However, data from the Federation of Danish Industries from autumn 1943 provides a snapshot. This report only included companies directly working for extraordinary industrial deliveries and was based on these companies' own statements. It becomes evident that production for extraordinary industrial deliveries was concentrated in only a limited number of branches. The resulting effects on employment were mainly to be felt in the iron industry and shipyards. For example, in 1943 the Germans employed 28 per cent of Danish shipyards' capacity. Unlike many other industries, Danish cement factories were not hampered by a lack of raw materials and did not experience a decline in production. In 1940 and from the autumn 1942 onwards the Germans purchased large amounts of cement for their airports and fortress construction. Throughout the occupation the Danish cement factories supplied 62 per cent of their production to the Germans²⁷.

The figures of above do not include repairs of *Wehrmacht* vehicles, which was also a major activity. It was estimated that about 2,000 workers were occupied exclusively with such repairs²⁸. Finally, companies which were indirectly employed by the Germans are also not included.

One of these companies was Danfoss, which in 1940 executed only two minor direct orders from the *Wehrmacht*. In the following years of the occupation period it completely refrained from doing business directly with Germany. In 1940 Danfoss had 50 employees and an annual turnover of half a million DKK. In 1944, however, Danfoss' turnover was 2.5 million DKK and the company now had 225 employees²⁹. It exported to neutral and other occupied countries such as Norway, the Protectorate, the Netherlands, Belgium, France and Yugoslavia as well as Hungary and Spain. Furthermore, a direct connection to Germany did indeed exist in the form of a license agreement. Danfoss's biggest customer during the oc-

²⁶ Correspondence between G.E. Hartz, Director of the Federation of Danish Industries and M.A. Wassard, Department Manager in the Ministry of Foreign Affairs. Both letters are dated 4 March 1941. The Danish-German Counselling Committee in Industrial Matters. Jnr. 64.Dan 80x. UM.

Memorandum concerning the extraordinary Industrial Export Fee to Germany. The Secretariat of the Federation of Danish Industries, March 25 1941. Principal Questions Concerning Extraordinary Industrial Deliveries from Denmark to Germany. Jnr. 64.Dan 80/1 A. UM.

²⁷ Philip Giltner, "In the Friendliest Manner" – German-Danish Economic Cooperation During the Nazi Occupation of 1940–1945 (New York 1998) 102.

²⁸ Arne Lund et al.: Jern- og Metalindustrien under Omstilling fra Krigs- til Fredsøkonomi (Copenhagen 1945) 10.

²⁹ Ditlev Tamm, Danfoss under besættelsen (Sønderborg 2002) 28–34.

Table 4: *Danish Industries Working for Germany in the Last Week of September 1943*

	Total number of working hours	Working hours for German orders	Number of workers in the companies concerned	Number of companies working for German orders	Number of companies in the entire sector
Iron industry	1 678 000	620 000	36 700	245	1 032
Iron foundries, machine factories and metal ware	865 000	275 000	19 200	180	822
Shipyards and associated	623 000	284 000	13 600	33	40
Electrical appliances	146 000	36 000	3 100	22	118
Car industry	44 000	25 000	900	10	52
Clothing (except shoes)	232 000	153 000	5 400	45	760
Shoe industry	207 000	31 000	5 000	23	153
Wood industry	67 000	65 000	1 400	8	666
Other industries	39 000	8 000	1 000	14	3 585
Sum	2 223 000	877 000	49 000	355	6 199

Source: The Federation of Danish Industries' report on extraordinary industrial deliveries, 1 October 1943. Danish Archives of the Ministry of Foreign Affairs.

cupation period was the Copenhagen machine factory Atlas which purchased large amounts of valves. In 1939 Danfoss sold goods to Atlas worth 27,420 DKK, but in 1943 it sold it valves worth 547,641 DKK. Over the course of the occupation period Atlas purchased goods from Danfoss totalling 1.6 million DKK. Atlas Ltd. in turn, however, made dedicated efforts to attract orders from the German armaments industry. Danfoss also supplied valves to Vølund Ltd., a machine factory which supplied electrical installations and engine parts for submarines and torpedo boats to *Krupp Germaniawerft* and *Demag*, as well as to German tank producers such as *Krupp Grusonwerk*³⁰.

The many projects for Germany and the *Wehrmacht* in Denmark created so-called “vacant money”, which meant that there was a market for almost everything. This contributed to a rising trend at the stock exchange, because many of those who had made money working for the Germans used their profits to buy shares in industrial companies³¹. Despite deliveries to Germany being concentrated in a few branches, the Danish industry did not suffer lasting changes to its structure, since the state as well as the Federation of Danish Industries put up a

³⁰ The minutes of the audit board concerning A/S Vølund (Darré), 6 June 1947. Revisionsudvalget for tyske Betalinger. Arkivnr. 1508. RA.

³¹ *Per H. Hansen*, *Modgang eller fremgang? Industriens forhold under besættelsen*, in: *Knud J.V. Jespersen and Thomas Pedersen* (ed.), *Besættelsen i perspektiv* (Odense 1995) 87.

united front to fend off structural changes created by the war³². The Germans left the Danish industry untouched; seizures, or “aryanization”, did not occur. The occupying power did not intervene, excepting its policy of *Auftragsverlagerung*, which meant the placement of orders in co-operation with the Federation of Danish Industries and Danish authorities.

The Danish Construction Industry’s International Projects

Danish industry had since the Great Depression largely produced for the domestic market. Some sectors, however, had succeeded in maintaining a considerable international presence throughout the 1930s³³. An example was the cement industry, represented by *F.L. Smidth & Co.* F.L. Smidth was established in 1882 and in the 1890s the company founded branches in Great Britain, France, Russia and Germany. After 1910 F.L. Smidth achieved a quasi-monopoly on the Danish cement market. Sales of cement and machines for the production of cement led to expansion, which eventually resulted in F.L. Smidth becoming the largest firm in Denmark³⁴.

In June 1941 the Germans attacked the Soviet Union and in so doing created new opportunities for the Danish business community. Following informal talks between representatives from the German diplomatic corps in Copenhagen and officials from the Danish Ministry of Foreign Affairs an agreement was reached which permitted Danish investments and the restitution of former Danish property in the Soviet territories occupied by the Germans. The Danish Ministry of Foreign Affairs established the Committee for the Eastern Areas (*Østrumudvalget*) consisting of Danish businesspeople with an interest in the former Soviet Union. This group of businessmen also was characterised by a pronounced anti-communist attitude. The committee was chaired by Thorkild Juncker, then Director of the Aarhus Oil Factory (today Aarhus United Ltd.). He was known for his sympathy for the Nazi regime. An important result of the Danish business community’s desire to have a share of the Soviet booty was F.L. Smidth’s success in getting permission from Fritz Todt and Alfred Rosenberg, the Minister for the Occupied Eastern Territories, to recover the control of the cement factory in Port Kunda in Estonia. From 1922 to 1940 the factory was run by F.L. Smidth, but the plant was lost during the Soviet occupation. Co-operating with two cement factories in Latvia, together they constituted the most important suppliers of cement in

³² *Per H. Hansen*, Business as Usual? The Danish Economy and Business during the German Occupation, in: *Harold James, Jakob Tanner*, Enterprise in the Period of Fascism in Europe (Aldershot 2002) 125–139.

³³ *Marc Linder*, Projecting Capitalism – A History of the Internationalization of the Construction Industry (Westport 1994) 85; *Geoffrey Jones*, Multinationals and Global Capitalism – from the Nineteenth to the Twenty-first Century (Oxford 2005) 119.

³⁴ *Joachim Lund*, Hitlers spisekammer – Danmark og den europæiske nyordning 1940–43 (Copenhagen 2005) 178.

the region. However, the factory suffered from labour shortages and could not keep up with the demand for cement. Whereas at the end of the 1930s annual production had been about 85,000 tonnes, in 1942 it was only 19,014 tonnes, and 49,300 tonnes in 1943. The solution to the production problem was found in October 1943 when the factory began making use of 200 Jewish slave labourers. After that it continued to supply cement to the Organization Todt until the Red Army marched in³⁵.

The company Højgaard & Schultz had undertaken building projects in Poland since 1924. At the outbreak of war the firm was still busy constructing the harbour in Gdynia as well as co-running a company named Contractor with Wright, Thomsen & Kier. Højgaard & Schultz also owned the asphalt factory KEMI which supplied asphalt to Contractor's road construction projects for the Polish state. After the German occupation and the establishment of the *Generalgouvernement* Højgaard & Schultz continued to run Contractor, not least in order to avoid its expropriation. Archival sources pertaining to the company's deliberations are very sparse, but it is clear that Contractor established a working group consisting of the main road construction companies in the country, in order to attract German orders. Moreover, the company was involved in dike construction for the so-called *Weichselwall* and a similar project at Czeszochowa. Although the German occupation was not without risks for the company, as there was always the danger of political interference, co-operation with the occupying forces turned out to be very profitable. Thus adaptation to the prevailing situation went so far that Contractor also accepted Jewish forced labour³⁶.

After the German occupation of Yugoslavia in 1941 Kampsax and Højgaard & Schultz chose to continue their business in spite of the political turmoil. The prospect of otherwise suffering a financial loss from a bridge project in progress resulted in an agreement between the two Danish companies to continue the construction of the bridge over the Sava River for the *Organisation Todt*. Beyond the fear of imminent economic loss the motive for this had to do with the longer term disadvantage of pulling out of a market in which the companies had already invested large sums. Furthermore, there was an opportunity to make money working for the German occupation forces. In fact, the companies succeeded in completing the construction of the bridge at a profit. In the autumn of 1942, however, the partisan war had reached such an extent that Kampsax and Højgaard & Schultz finally pulled out. But the war in Serbia did not deter Kampsax from continuing business on the other side of the border, where the subsidiary Altmag was established in Hungary.

³⁵ *Joachim Lund*, *Hitlers spisekammer – Danmark og den europæiske nyordning 1940–43* (Copenhagen 2005) 207–227.

³⁶ For the use of Jewish forced labour in the Generalgouvernement, see *Wolf Gruner*, *Jewish Forced Labor Under the Nazis – Economic Needs and Racial Aims, 1938–1944* (Cambridge 2006) 230–244.

By following their own short and long term interests the Danish companies mentioned so far ignored the fact that they contributed to the exploitation of the territories occupied by Germany. They did not just protect their investments, but they also expanded their share of these markets. In general, one must conclude that some Danish companies did *not* stay on the right side of the line which separated legitimate action from improper support of Nazi Germany's war. This tendency was clearest in cases where companies accepted the German allocation of slave labour to their construction sites.

After having lost its income from overseas markets, the multinational engineering and construction company Christiani & Nielsen was in general prepared to engage in construction projects for the Germans in occupied Europe – excepting Denmark itself³⁷. At first there was an attempt to get a share in the large German constructions in Norway. In the spring of 1941 the company began building a big plant in Norway for the IG Farben owned Nordag Ltd³⁸. The new possibilities in Norway led to a remodelling of the company's Norwegian department which received new capital and new management. The new board of directors, including prominent Norwegian members, was appointed in order to enhance the company's legitimacy in Norwegian eyes. Throughout 1942, however, additional German demands and disagreements with Nordag subjected Christiani & Nielsen to ever greater political risks³⁹. In June 1942 the Germans demanded that more Danish workers should be employed and forced labour introduced⁴⁰. Confronted with these demands, the company's managing director Haldor Nørgaard insisted that the company's willingness to cooperate with the German occupation forces in Norway had reached its limits. Thus Christiani & Nielsen finally took measures to discontinue the Nordag project⁴¹.

But this decision did not affect Christiani & Nielsen's co-operation with the Germans in occupied France. From 1941 onwards the company's strategy there

³⁷ Christiani & Nielsen, summary of management board meeting, 30 November 1940. Archive nr. 10557. DIF.

Letter from Rudolf Christiani to Kristiania Hypotek- og Realkreditbank, the 27. of November 1940. Case nr. 9309, Oslo Police Chamber's investigation of Norsk Christiani & Nielsen Ltd. The National Archives (Riksarkivet) Oslo (henceforth RAO).

³⁸ Peter Hayes, *Industry and Ideology – IG Farben in the Nazi Era* (Cambridge 2001) 290; Robert Bohn, *Reichskommissariat Norwegen – Nationalsozialistische Neuordnung und Kriegswirtschaft* (Munich 2000) 383–388.

³⁹ Note from the Department *Bauwirtschaft*, 9 March 1942. Talk with A/S Nordag on 7 March 1942; weekly report from 23 March to 18 April 1942, technical department; Letter from Feuchtinger (G.B. Bau) to Dept. *Arbeit und Sozialwesen*, 4 June 1942. HAT, pk. 13; Report of engineer Sänicke on his journey to Oslo, Tyin and Sauda from 17 April to 7 June 1942, pk. 18 Nordag's Archive. RAO.

⁴⁰ Letter from OT-Einsatzgruppe Wiking, 27 April 1942. Arbeitseinsatz A/S Nordag; Telegram from Feuchtinger (G.B. Bau), the 2 May 1942. O.T. G.B. Bau, pk. 15, lb. nr. 2412; Letter from Organisation Todt/Wiking to Speer; Nordag Ltd., 6 June 1942. O.T. G.B. Bau, pk. 53 (Nordag). RAO.

⁴¹ Steen Andersen, *De gjorde Danmark store... Danske entreprenører i krise og krig* (Copenhagen 2005) 265–270.

had been to pose as a German company by introducing its German branch into the French market. Moreover, since the end of the 1930s it had been the main office's policy not to interfere with projects in which the German branch was involved. In this way the company closed its eyes to the unpleasant consequences which might arise from co-operating with Nazi Germany. The company's network and the co-operation with Professor Arnold Agatz resulted in Christiani & Nielsen's central role in the construction of submarine bunkers and lock systems for the German navy in Bordeaux, La Rochelle and Saint Nazaire. The objective was to make a profit by working for *Organisation Todt* whether or not forced labour was employed on the sites. Not even the massive Allied bombardments of German submarine bases could persuade the company to pull out. Christiani & Nielsen continued working for the Germans in French ports right until summer of 1944.

As far as the projects in Norway and France were concerned Christiani & Nielsen clearly accepted political risks. In January 1943 the management assessed the political situation with respect to future projects and concluded not to change its attitude, since this would mean losing good business. Moreover, the opinion prevailed that as long as the company's activities for the Nazis were undertaken far away from Denmark, they would not endanger its respectability.

Already in autumn of 1940, in the wake of the occupation, new business opportunities had also opened up for Danish construction firms on the German market. Local authorities in Hamburg suggested that the Association of Danish Contractors cooperate in the so-called *Hamburg Plan*, which aimed to make Hamburg the New York of Northern Europe⁴². On 5 December 1940 negotiations concerning this plan led to an agreement which was also accepted by the Danish government. It offered 22 Danish companies a share in the project. The interest in projects in Germany was considerable and the number of licences available had to be increased. Danish construction firms working in Germany were concentrated in the North – 31 were in Hamburg, 34 in Kiel, 16 in Lübeck, 6 in Rostock and 4 in Berlin. The companies were engaged in the construction of bunkers, air raid shelters and other military projects, for example the construction of the Ribnitz-Damgarten airport. Here the Danish firm C. Krøyer made use of about 800 Russian prisoners of war⁴³. Several other companies also engaged Russian prisoners of war and forced civilian labour from Eastern Europe. A review of the accounts of some hundred Danish companies shows that very few of them were really making money on the German market. Any profits were concentrated in the years 1941 and 1942. A characteristic feature of these unprofitable enterprises was that due to

⁴² *Therkel Stræde*, Danske entreprenører i Nazityskland under den 2. verdenskrig, in: *Arbejderhistorie* 1 (2001) 3–9.

⁴³ Bericht! Betrifft: Festnahme von Zivilrussen (Ukraine). Der Bürgermeister als Ortspolizeibehörde Schutzpolizeidienstabteilung. Tagebericht. No. 1415142, 10 August 1942. Stadtarchiv Ribnitz-Damgarten, II 191. On 10 August 1942, three 'Zivilrussen' had fled the camp on the airfield, and the Lord Mayor requested that the security around the camp should be improved in order to prevent the forced labourers from running through the city streets in the future.

the war conditions the projects often took longer to carry out than predicted at the time the offer was made. Danish companies frequently suffered from labour shortages, because Danish workers preferred to work for German companies where they received higher pay⁴⁴. It was because of this that Danish companies accepted forced civilian labour and prisoners of war in some cases⁴⁵.

The Danish government supported the participation of Danish companies in the Hamburg programme. In so doing it wanted to demonstrate its willingness to cooperate in order to avoid being confronted by radical German demands for changes in domestic politics. The Danish authorities hoped that the Hamburg agreement would keep the companies that went to Germany under its control. However, this turned out to be difficult. The prospect of making money fast also appealed to some unauthorised smaller companies. They attempted to a great extent to circumvent the rules by hiring out their Danish labour through contracts that were not approved by the Danish authorities. In several instances these entrepreneurs did not observe any moral standards in their co-operation with the Germans. Thus they were not at all better than their German colleagues. In this way Danish companies became part of the Nazi oppression machine.

Conclusion

To Prime Minister Stauning and other government members economic adaptation to Germany was the strategy that would ensure the survival of the Danish nation state. Preferring to make economic rather than political concessions the Danish government went ahead with a policy of co-operation. The hope was that Germany would in return allow the country to retain its language, king, flag and constitution.

In practical terms the moderate German occupation policy in Denmark meant that Denmark also escaped the economic exploitation that, for instance, Norway and the Netherlands were subjected to. Denmark became an integral part of the greater economic area that Germany wanted to create. An important element of this in German eyes was to secure the necessary food supplies to Germany, in order to avoid a food crisis similar to the one experienced during World War I. Denmark's export of food solved this problem in part, since Danish food met 10 to 15 per cent of German food consumption during the war. The export of farm products was also a main counter-argument of German diplomats whenever radical changes in the occupation policy in Denmark were demanded. Although Denmark exported great quantities of food to Germany, there was no other coun-

⁴⁴ State-authorised public accountant Otto Bjerrum's report on the case Entrepreneur C. Krøyer, Aarhus. Supplement B2. Presented in Aarhus Criminal Court, on 7 October 1948. Case no. 15066. Archive no. 1508. RA.

⁴⁵ *Steen Andersen, De gjorde Danmark større... Danske entreprenører i krise og krig 1919-1947* (Copenhagen 2005) 273-292.

try in Europe with a similar domestic supply of animal products. The majority of Danes could also afford to buy such food. The main reason for the preservation of political stability was the fact that unemployment was reduced. Sending workers to Germany and later employing them in the construction of bunkers for the German *Wehrmacht* in Denmark contributed to this. The farmers' income increased considerably during the occupation period and there was a fundamental change in domestic politics, due to the farming community's increased economic status. In May 1940 the Danish Liberal Party, traditionally known as the farmers' party, launched an attack on what they called "the tyranny of the unions", threatening to leave the national coalition government. A rollback of the 1933 social reforms followed. Thus the price of the national truce was paid by the working class during the first years of the occupation. However, the balance of power changed again, as a result of the collapse of the co-operation policy in August 1943 and the national strike movement of June 1944.

Danish industry did relatively well during the occupation period, despite decreasing supplies of raw materials. By and large everything could be sold and moreover at good prices, even though export of manufactures played a much smaller role than that of farm produce. Industrial deliveries to Germany accounted for 13 per cent of total Danish industrial production and, according to German calculations of 1944, 3 per cent of all German imports during the war⁴⁶. Even if the Danish business community's actual significance to the German war economy was limited, the will to adapt to the situation was widespread among Danish businessmen. The strategy of adaptation was more or less a success for them. The companies could continue to make money even if their projects-in-progress had at first been interrupted by the German occupation.

One can say that Danish politicians, as well as leaders of organisations and businesses, followed a strategy focusing on survival and welfare, a defence of democratic values and Danish culture. The majority of Danish people supported this approach. Around 3200 died as a result of war incidents (excluding 1200 killed in German service). The material costs of the war constituted 22 per cent of the national income – a low figure compared to the rest of Europe. The caloric content of food consumption decreased by 10 per cent only in certain periods and there was no malnutrition⁴⁷. In 1945 there was a housing shortage, but no Danish cities were in ruins, nor did serious resettlement problems arise. Admittedly, production decreased, but in 1946 it was back to pre-war levels. From this point of view the Danish strategy was a success, but it came at a price, because adaptation meant political, moral and economic support for Hitler's war.

⁴⁶ *Joachim Lund*, *Danmark og den europæiske nyordning – Det nazitiske regime og Danmarks plads i den tyske Grossraumwirtschaft 1940–42* (Copenhagen 1999) 197.

⁴⁷ *Ralf Futselaar*, *Lard, Lice and longevity – A comparative study of the standard of living in occupied Denmark and the Netherlands 1940–45* (Amsterdam 2005) 59–96; *Henning Poulsen*, *Besættelsesårene 1940–1945* (Aarhus 2002) 175.

Summary

With the occupation of 9 April 1940, Denmark became a poorer country. The German march had prevented the country from trading with overseas countries, which led to a sharp drop in production, high unemployment and high prices. In the winter of 1940–41, 36% of the workforce was without jobs, and this meant that around 127,000 Danish workers went to Germany to work in the defense and construction industry. The large German fortification buildings in Denmark also offered about 100,000 people employment. The German occupation meant that agriculture began to orientate around German need, with production shifting in order to supply Germany's large domestic market. The resultant high prices of Danish agricultural products and high earnings helped increase discrepancies between rural and urban areas. The agricultural sector had the opportunity to earn money during the occupation, while employees and workers experienced deteriorating living conditions.