

Denmark, 1940-1945:
Armed Resistance and Agency Slippage in Germany's Model Protectorate

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Abstract

How can powerful countries enlist the aid of local proxies to control security disturbances? This volume uses a principal-agent framework to evaluate how the U.S. and other powerful countries can secure compliant behavior from proxy governments. The German occupation of Denmark usefully illustrates the benefits and challenges inherent to such relationships—and, in particular, the fact that domestic opposition within the agent state can inhibit cooperation. As an occupying power, Germany could credibly threaten to punish Denmark if the Danish cabinet declined to abide by German instructions. Germany used this leverage to extract high compliance from its agents in Copenhagen early in the occupation. However, as the war progressed the Danish cabinet faced mounting political pressure from constituents who opposed their government's close relationship with Germany. Under extreme pressure from citizens, the Danish cabinet eventually refused to continue complying with German demands. Unable to motivate its former agent, Berlin was instead forced to sever the diplomatic relationship and to impose martial law.

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“The Führer needs in Denmark a puppet government which will do everything he requires of it... any resistance, even the slightest, must be suppressed by force.”
—German Diplomat Werner von Grundherr

“We will be forced to do many things for which people will afterward spit at us, if we are to bring Denmark unscathed through this period.”
—Danish P.M. Thorvald Stauning

Introduction

The German occupation of Denmark illustrates the benefits and challenges of delegating action to an agent. When the Wehrmacht invaded on April 9, 1940, Hitler could easily have replaced the Danish leadership with a puppet regime. Instead, he presented the sitting government with a choice: cabinet members could retain their titles and influence if they agreed to cooperate with Germany and to abide by German requests in the years ahead. Although at face value Hitler’s offer seemed generous, it did not stem from benevolence. His decision was calculated and self-interested, and his motives were threefold. First, Hitler believed that German and Danish preferences were naturally aligned. He viewed Denmark as historically Aryan and hoped the Danes would eagerly assume their rightful place as reliable partners for the Reich. Second, Hitler recognized that a proxy relationship would enable Germany to avoid the cost of directly administering a foreign country. If the incumbent Danish officials were sufficiently compliant, Germany could conserve its own resources and entrust Danish surrogates to manage the existing bureaucracy. Finally, the Führer believed that the image of a cooperative government in Copenhagen would send a useful signal to domestic and international audiences. Danish citizens would view their government’s cooperation as an indication that they too should contribute to the German war effort rather than engage in anti-Nazi activity, while other European countries would observe Denmark’s behavior as a model protectorate as evidence that cooperation with Berlin was both painless and profitable.²

² The German Foreign Ministry had an additional interest in pursuing indirect control. Because most European states either severed diplomatic ties with Germany or fell under German military control, Denmark was one of the few countries with whom the ministry could directly interact. Moreover, the policy of “negotiation” created a unique opportunity for the ministry to exercise authority. German Foreign Minister Joachim von Ribbentrop therefore hoped to delay the establishment of a military protectorate for as long as possible (Dethlefsen 1996).

For the first three years of the occupation, Hitler's plan for indirect control succeeded: Germany issued a series of demands spanning a wide range of policies and the Danish cabinet faithfully executed its orders. Despite this success, Hitler was wrong to assume that Danish preferences were perfectly aligned with his own. Proud of their history of democratic traditions, most Danes viewed Hitler and the German Nazi party with deep antipathy.³ On many of the tasks that Germany demanded—such as the imposition of press censorship, restrictions on public assembly, and anti-Semitic laws—the preferences of Danish officials and their constituents were both diametrically opposed to those of the Reich. As Prime Minister Thorvald Stauning lamented early in the occupation, Germany ordered the Danish cabinet to do “many things for which people would afterward spit at us.”⁴

Rather than attribute Danish cooperation to closely aligned preferences, I argue that Germany succeeded in extracting high effort in large part due to its capacity to coerce. Whenever the Danish government appeared hesitant or resistant, Berlin could force an issue by imposing penalties on Danish leaders and citizens. From 1940 through 1943, the German Foreign Ministry regularly punished or replaced Danish cabinet members that it suspected of non-compliance. In the most extreme circumstances, Germany threatened to cancel all pretense of negotiation and impose martial law. Faced with the credible threat of regime change at the hands of their occupiers, the Danes were cowed into submission on matters of great importance to Germany. Berlin's success at motivating its agent in Copenhagen illustrates an important facet of indirect control: when principals have large and credible incentive tools at their disposal—such as those that Germany enjoyed early in the war—they can extract useful and productive behavior from their agents.

The initial success, however, was fleeting. Germany eventually encountered challenges that led its relationship with Denmark to collapse. Why was a principal as powerful as Germany unable to permanently extract compliant behavior from a defenseless—albeit high-capacity—proxy? The long-term failure of German-Danish cooperation highlights an important constraint on indirect control: even successful proxy relationships can falter when the agent's costs of effort

³ Thomas 1976.

⁴ Yahil 1969, p. 33.

rise. As the occupation progressed, the Danish cabinet faced mounting political pressure from constituents who opposed the government's role as German lackey. The relationship reached a turning point in August 1943, when thousands of Danish citizens revolted against the government's cooperation with the Reich. Under extreme pressure from their citizens, the Danish cabinet turned a deaf ear to Germany's largest threats. Unable to efficiently motivate their former agent, Berlin determined that indirect control was no longer viable and instead attempted to administer Denmark directly.

This chapter explores the early successes in Germany's occupation of Denmark as well as the political changes within Denmark that caused the relationship to unravel. I begin by providing historical context for the Danish occupation. Second, I explain the behavior that our theory predicts given each country's preferences and strategic options. Third, I offer a timeline of disturbances and punishments during the occupation, paying special attention to pivotal turning points in the relationship. I conclude by discussing alternative interpretations for the observed behavior.

Historical Background

The occupation of Denmark lasted just over five years. It began when Germany launched a surprise invasion on the morning of April 9, 1940. As German troops marched across the Danish border and filled Danish skies, the German ambassador delivered a message to the Danish foreign minister. The memorandum depicted the invasion as a defensive measure designed to protect Denmark from imminent Allied attack. In exchange for Danish cooperation and an immediate cessation of armed resistance, Germany pledged to nominally respect Danish sovereignty, territorial integrity, and neutrality.

The invasion caught the Danish cabinet by surprise. Denmark escaped World War I largely unscathed by maintaining neutrality and even cooperating with Germany economically. Although the Danes received a swath of border territory from Germany as part of the Treaty of Versailles, Germany never signaled any intention to reoccupy the region. Indeed, in 1939 Denmark became the only Scandinavian country to sign a non-aggression pact with the Reich. Danish officials

therefore felt confident that even a hostile Nazi regime would exert influence through diplomatic pressure rather than forced occupation.

Because they had made few preparations for war, on the morning of the invasion Danish officials quickly recognized that they had little hope of thwarting German forces. The Danish military was too thinly distributed, insufficiently equipped, and poorly positioned to defend a country that itself provided few geographic barriers to stymie incoming forces. Nor could Denmark turn to external assistance for support. Given the circumstances, King Christian X decided to call off the scattered fighting in which his forces were engaged and to yield, under protest, to German demands.⁵ In the process, the king created a platform for negotiations between the two countries in the years ahead.

During the war, German requests for Denmark spanned a wide range of areas, from economic and judicial to military or political. Of all the tasks the Danes were called upon to carry out, the most important was the prevention of domestic unrest. Unlike other occupied states where German troops directly enforced internal security, Denmark was expected to keep its own house in order and to suppress anti-Nazi activity. Discharged from their responsibility for international defense, the Danish army joined with the police to suppress domestic saboteurs, rebels, and resistance groups.

Early in the war, these disturbances were rare. However, as the occupation progressed German prescriptions grew increasingly difficult for the Danes to swallow. In late 1942, prospects for German victory dimmed significantly after reversals of fortune on the Eastern Front and in Northern Africa. Danish citizens and political officials developed a newfound optimism about their ability to cast off the German occupiers and to placate Allied states by resisting German demands. Internal resistance to Germany increased and ushered in a period of escalating rebel activities and attacks against German personnel, collaborators, and equipment. The policy of formal negotiations reached its conclusion in the summer of 1943. After a violent wave of sabotage and strikes, Germany assumed power, disarmed the Danish military, and imposed martial law under Nazi rule.

⁵ Haestrup 1976.

With the dissolution of the government in Copenhagen, German officials attempted to monitor Danish civil servants while the Wehrmacht assumed direct authority over the Danish police in hopes of suppressing violence. These efforts were largely ineffective. The Danish underground ‘liquidated’ at least 385 German collaborators in the final two years of the war,⁶ and the largest resistance group, Bopa, conducted nearly four hundred attacks against military or industrial targets.⁷ In a final attempt to deter violence, Germany fully dissolved the Danish police and began to conduct reciprocal and indiscriminate attacks against Danish citizens. The occupation persisted under direct military rule until the closing stages of the war in Europe.

Theoretical Expectations

The indirect control model offers several predictions in the case of the Danish occupation. Table 3.1 provides a summary, along with a brief account of each country’s behavior. As the table demonstrates, one theoretical expectation relates to increases in the agent’s *cost of effort*. Although the Danish government initially faced low political costs for complying with German demands, these costs increased substantially over time. Civilian discontent and antagonism toward Germany rose over the course of the occupation; concessions to German policy that the public initially accepted without question were tolerated resentfully by 1942 and became unthinkable by mid-1943. Similarly, resistance groups expanded in capacity and membership. Maintaining security and suppressing acts of sabotage therefore became increasingly difficult tasks for the government as the occupation progressed.

When an agent’s cost of effort increases, a principal must use higher-magnitude incentives to successfully incentivize the proxy. As such, we should see German threats increase in severity and frequency over the course of the relationship. Furthermore, the model predicts that principals may choose to replace agents in the wake of particularly egregious disturbances. We should therefore observe German attempts to oust Danish officials after significant lapses in security or breaches of compliance—unless Germany believes no suitable replacement agent is available. Finally, the

⁶ Maier 2007.

⁷ Thomas 1976.

model predicts that if the agent's cost of effort grows too extreme, the principal will terminate the relationship with the proxy and will instead either attempt to ignore the disturbances or to control them directly. Thus, although we should observe German attempts to induce compliant behavior from Denmark in the formative years of the relationship, Germany should eventually abandon the proxy relationship and intervene directly once it concludes that the Danish cabinet—however composed—is no longer reliable.

The model also offers a prediction about the German *cost of punishment*. The price that Germany paid for imposing punishment on Denmark decreased over time. In the early stages of the war, Germany was deeply concerned about maintaining Denmark's appearance as a 'model protectorate.' As such, Berlin sought to intervene as little as possible in Danish affairs and was willing to overlook a significant degree of agency slippage. However, as additional European countries aligned against Germany the pretense of peaceful relations with Denmark became less valuable. Incursions into Danish policy no longer threatened Germany's international reputation, particularly when weighed against the alternative of appearing incapable of maintaining security within an occupied state. According to the theory, as the relative cost of punishment declines, the principal should grow increasingly willing to exercise punishment as a coercive tool. We should therefore observe more frequent and severe threats of punishment from Germany as the relationship progresses.

Disturbances

April 1940-December 1940: Onset of Occupation

Danish leaders initially consented to occupation for several reasons. First, their country was woefully unprepared to resist the invasion via military means. In his New Year's address of January 1, 1940, Prime Minister Thorvald Stauning lamented that his country's geography and small population constrained it from matching the major powers. Minister of Defense Alsing Andersen similarly warned that the government would only attempt to counter violations of neutrality "if

there are reasonable expectations of repelling them.”⁸ On the morning of the invasion, German soldiers deployed to Denmark outnumbered the Danish military by a ratio of roughly three to one. Forced to choose either a futile and costly resistance or a humiliating but tolerable occupation, Danish officials opted for the latter.

The Danes were also encouraged to accept occupation by the favorable terms of the German offer. Hitler was so eager to establish a model protectorate that in exchange for Danish cooperation he offered to renounce formally Germany’s claim to Northern Schleswig, a border region that Denmark had acquired under the Treaty of Versailles. Left unspoken was the reciprocal threat: if Denmark failed to accept occupation, Berlin could simply annex the territory. In the process 200,000 Danish citizens would immediately become German residents, subjecting them to the threat of German conscription and repression.⁹ Eager to secure the safety of their citizens, the Danish cabinet quickly acquiesced. Temporary sacrifices were acceptable if they staved off permanent sovereignty losses.

Third, Danish leaders assumed the war would be short. If the Allies quickly brokered a new peace with Germany, Berlin was liable to claim all areas of Europe that were under its dominion—particularly those in which Berlin had imposed a new regime. By accepting occupation in exchange for official diplomatic neutrality, Danish politicians could legally retain political control of their own country and, they hoped, ensure that Denmark would remain an independent state when the maps of Europe were redrawn.¹⁰

Finally, incumbent Danish officials knew that by retaining administrative power they could circumvent or negotiate around particularly brutal Nazi policies.¹¹ In their letter accepting German occupation, the Danish cabinet members insisted that their country would officially remain an independent and neutral state. Denmark was ‘occupied,’ as opposed to ‘conquered,’ and the gov-

⁸ Dethlefsen 1996, p. 29.

⁹ Thomas 1976.

¹⁰ Dethlefsen 1996.

¹¹ Collaboration also created opportunities for political entrepreneurs. Subservience to Germany provided politicians with a useful scapegoat for unpopular policies and also eliminated potential opponents. Few members of the parliamentary majority protested when, in the summer of 1941, Germany ordered the arrest of the few communist representatives who acted as the political opposition in the assembly (Hollander 2016, pp. 50-52).

ernment would act accordingly. The Danish parliament would continue to debate and adopt Danish laws, Danish police would remain on active duty, and Danish courts would continue to protect the judicial rights of Danish citizens. Moreover, although the cabinet promised to facilitate peaceful cooperation with Berlin, policy changes were ultimately subject to negotiation through the Danish foreign minister. Adoption of the death penalty, the forcible installment of Nazi officials into the Danish cabinet, and the conscription of Danish citizens to fight alongside Germans were unacceptable in the eyes of both politicians and the public. The policy of negotiations was meant to insulate Danish citizens from undue German influence rather than to expedite severe German policies.

In truth, the Danes' emphatic insistence on 'negotiation' amounted to little more than "political window-dressing," and the state of neutrality could be overturned at any moment.¹² At this point, however, the fiction of negotiation served German interests by creating an appearance of peaceful cooperation between the two countries. From Berlin's perspective, the Danes could retain the trappings of independence as long as they kneeled to German commands when called upon to do so. If Denmark ever forgot which 'negotiator' held the upper hand, Germany could simply extract obedience by force.

The first overt sign that Germany was prepared to strong-arm Danish compliance was revealed at the beginning of July, when Germany pressured the Danes to appoint independent diplomat Erik Scavenius as foreign minister in place of Peter Munch. Scavenius had held the office throughout World War I, during which time he established a reputation as a pragmatist who would sooner accommodate German demands than risk military engagement.¹³ Whereas Munch had passively obeyed German requests, Berlin hoped that Scavenius would opt for an activist approach in which he anticipated German desires and acted on them without prompting.¹⁴ Their hopes were realized when, upon taking office, Scavenius issued a statement declaring that it was "Denmark's task to

¹² Mazower 2009, p. 104.

¹³ Scavenius notably allowed the Germans to mine the Danish narrows in the prelude to World War I (Lambert 2010, p. 58). Once the conflict was underway he opposed defense buildups that he feared would be perceived as anti-German (Clemmesen 2010, p. 178).

¹⁴ Thomas 1976.

find its place in a necessary and mutually active collaboration with the Greater Germany.”¹⁵

For their part, Danish citizens reluctantly acknowledged that resistance was impractical and accepted the government’s collaborationist stance. However, the seeds of discontent were sown. Typical Danes, proud of their country’s history of democratic traditions, viewed Hitler and the German Nazi party with deep antipathy.¹⁶ The king’s quick decision to accept occupation was widely panned by the press, which drew unfavorable comparisons with Norway’s prolonged attempt at defense. The lingering public sentiment was that their government ought to have predicted the German invasion and done more to prepare.

Small elements of protest emerged immediately after the invasion. Because Denmark officially maintained neutrality, Germany allowed the Danish army and navy to persist, and Danish intelligence officers began to pass valuable information to Britain. Likewise, leaders of the Danish political party Dansk Samling met secretly three days after the invasion. They drafted plans to instill resentment throughout the Danish population in hopes that this would encourage citizens to take up arms in pursuit of liberation.¹⁷ Over the summer, small groups protested the occupation by hosting community singing events. The first such event occurred on July 4 and involved a modest audience of roughly 1,500 citizens, but participation slowly increased. By September, an estimated 750,000 Danes had attended a patriotic rally, providing an early hint of the level of domestic opposition to Nazism that would emerge in later years.¹⁸

For now, the Danish cabinet’s political calculus was dominated by the penalties that Germany could impose if it suspected overt opposition to its recommendations. To minimize the possibility of such signals, the cabinet directed citizens to eschew behavior that might provoke German displeasure. The administration also created a new office, the State Prosecutor for Special Affairs, which centralized police cooperation with the German military and Gestapo.¹⁹ The Wehrmacht

¹⁵ Quoted in Hong (2012, pp. 37-38). Scavenius later claimed the message was an attempt to establish goodwill with Berlin and to forestall additional demands, but it permanently altered the opinion of Danish citizens, who henceforth viewed Scavenius as the personification of German collaboration (Haestrup 1976).

¹⁶ Thomas 1976.

¹⁷ Thomas 1976.

¹⁸ Dethlefsen 1996.

¹⁹ Hong 2012.

proposed Thune Jacobsen—a man known for his pro-German attitude—as a suitable candidate for the position, and the Danes quickly agreed.²⁰ However, even installing the Reich’s chosen man as head of the Danish police was not enough to satisfy the occupiers. Germany also demanded that Copenhagen ratchet up the criminal penalties for a wide range of political behaviors such as expressing anti-German opinions or displaying the flags of countries currently at war with the Reich. The Danish cabinet readily complied.

The second wave of German complaints focused on the underground press, which quickly developed an efficient distribution network. In October 1940, German Ambassador Cécil von Renthe-Fink complained that nationalist “whisper-and-leaflet propaganda” was turning Danish public opinion against Germany.²¹ The German press attach, Gustav Meissner, pressured the Danish Foreign Ministry to either censor or remove journalists who expressed anti-German views. The Danes begrudgingly began to detain and prosecute individuals caught circulating unsanctioned materials, but sentencing remained relatively light.²²

The final policy concessions that Denmark enacted in mid-1940 were a series of “minor adjustments” that officially curtailed the freedoms of Jewish citizens.²³ Public lectures on Jewish topics were prohibited, Jews lost the right to assemble, and Jewish publications were suspended from print. However, few of these legal adjustments were actually enforced.²⁴ When the government outlawed attendance at synagogue, the king himself attended in protest. Although such moves appear to signal the Danish government’s resistance to German directives, strict cooperation on anti-Semitic issues was never a high priority for Germany. There is little evidence that the Germans were ever motivated to force the issue of Jewish deportation or incarceration. Berlin tolerated breaches of policy in this area to maintain the guise of willing cooperation.

²⁰ Hollander 2006.

²¹ Hong 2012, p. 47.

²² An exception occurred when Vilhelm la Cour was caught circulating deeply anti-German lectures. La Cour was initially sentenced to 80 days in prison, but the Danish Supreme Court raised the sentence to eight months at Berlin’s insistence, then kept him under surveillance after release to prevent him from further provoking the Nazis.

²³ Abrahamsen 1987, p. 9.

²⁴ Jews continued to attend religious services and to print religious fliers without significant fear of prosecution until the Germans disbanded the Danish government in September 1943.

On balance, the concessions that Denmark suffered during 1940 were relatively minor and the Danish cabinet's exertion of effort was quite high. Germany was willing to overlook minor violations in behavior from its Danish agents in order to preserve the outward appearance of a model protectorate. Likewise, the Danish cabinet viewed the policy changes they were forced to implement as acceptable tradeoffs if they were to retain nominal sovereignty or shield their population from direct German rule. As the war intensified, however, the Danish cost of effort gradually increased, triggering the first significant disagreements between Copenhagen and Berlin.

January 1941-November 1941: Initial Interventions

In late 1940 and early 1941, Germany increased pressure on the Danish cabinet to accept Nazi appointments or, at minimum, dismiss members of parliament who aired anti-German opinions. With the war now in full stride, the value of showcasing a model protectorate had faded significantly. Berlin could therefore impose punishments more cheaply and was increasingly willing to use coercion to ensure that Danish politicians followed protocol. Danish Minister of Trade Christmas Møller was asked to stand down from his cabinet position after issuing a series of anti-German remarks. Renthe-Fink then informed the Danes that he would suspend bilateral negotiations unless Møller withdrew from parliament altogether. Other influential politicians were also forced to leave their posts and to withdraw from public life, including Hans Hedtoft-Hansen, who served as prime minister after the war.²⁵ In July, Germany demanded that the Danes replace Minister of Justice Harald Petersen with Thune Jacobsen, the man the Nazis had previously installed as national police chief. Even Stauning was targeted for removal when the Germans asked their preferred replacement, Scavenius, to spread the idea that the prime minister was too elderly and fatigued to continue running the country. Stauning, however, proved too popular for dismissal. His coalition government rallied behind him when he exclaimed, "Damned if I'm tired! No one is going to believe that."²⁶

²⁵ Hastrup 1976.

²⁶ Hong 2012, p. 69.

Additional demands were imposed when Germany attacked the Soviet Union in June 1941. Berlin instructed the Danish police to arrest communist members of parliament, along with other prominent communists located in Denmark. The Danish constitution outlawed the arrest of sitting MPs, so the police requested and received approval from Stauning before proceeding.²⁷ Over the next two months, the Danish police conducted 336 arrests.²⁸ Although 220 of the detainees were soon released, the others were sent to the Horserød prison camp for the duration of the war.²⁹

Early 1941 also brought the first German military demands. In February, Berlin asked the Danish Navy to relinquish twelve torpedo boats to German control. The Danish Navy protested strenuously, but the politicians in government feared that failure to make the concession would jeopardize their relationship with Germany.³⁰ The cabinet's decision to approve the transfer was interpreted icily by the Allies, particularly the British, who considered it a step too far in collaboration with Germany. The move also prompted the first Danish diplomats to break with Copenhagen. Henrik Kauffmann, Danish ambassador to the United States, argued that the transfer of the torpedo boats proved that the Danish government was acting under extreme duress and that he was obliged to forge an independent foreign policy.³¹ On the first anniversary of the occupation, Kauffmann authorized the United States to create and utilize Danish military bases in Greenland in order to fight the Axis powers. Although the Danish government quickly charged him with treason, Kauffmann's decision signaled the first clear rejection of the collaborationist policy by a Danish diplomat.

Germany soon moved beyond requisitioning Danish military supplies. In June, the Wehrmacht sought to form a battalion of Danish soldiers who would support German forces on the Eastern Front. The Danish cabinet resisted, but Scavenius argued that the move was essential to retain German favor. In the end, they struck a compromise. The Germans could not conscript Danish

²⁷ Yahil (1969, p. 46) argues that the Danes arrested many of the communists to prevent their capture and deportation by the German military. However, others note that communist MPs were the legislative opponents of the governing Danish coalition. As such, the arrest of the communists—carried out with remarkable alacrity—may have served the political interests of the Danish cabinet (see, for example, Hollander 2013).

²⁸ Hollander 2006.

²⁹ Hong 2012.

³⁰ Haestrup 1976.

³¹ Hong 2012.

citizens, but supporters of Germany were given permission to join the newly-created 'Frikorps Danmark.' Between July and September 1941, sixteen hundred Danes opted to participate in the group and were outfitted with supplies from Danish military stockpiles.³² By the end of the war, roughly 13,000 Danish citizens voluntarily joined the German armed services.³³

The next significant strain on the relationship arrived in October, when an anti-communist pact signed by Germany and several other European states came up for renewal. At war with the Soviet Union, Finland signaled its willingness to join the treaty on the condition that Denmark also became a member. On November 20, Rønne-Fink commanded that the Danes sign the Anti-Comintern Pact. Scavenius met with the cabinet and spouted the now-traditional rationale that it was better to quickly agree to German demands than prolong the inevitable, suffer penalties in the interim, and risk the dissolution of Danish sovereignty. For the first time, the cabinet stood firmly in opposition. Allowing Germany to bully them into a dramatic change of foreign policy would jeopardize the government's domestic support and intensify Allied disfavor, which had grown ever since the torpedo boats were turned over to Germany nine months earlier. As deliberations continued, Ribbentrop dispatched a message directly from Berlin: if Denmark failed to sign the treaty, the Reich would henceforth consider Denmark a hostile country and German assurances of peaceful negotiation would no longer stand. To lend credibility to the threat, the Wehrmacht placed its German troops in Denmark on high alert, prompting Scavenius to remind his colleagues, "It is an illusion that we have power."³⁴ With Danish sovereignty at risk, Public Works Minister Gunnar Larsen suggested a compromise whereby Denmark would sign the treaty with an addendum of exemptions.

Scavenius traveled to Berlin to present the new terms. When informed of the Danish proposal, Ribbentrop was furious. He threatened to arrest Scavenius, who nevertheless held his ground. After several rounds of negotiation, they tendered a deal: Denmark could attach reservations, but

³² Hong 2012.

³³ These numbers inflated late in the war as German sympathizers joined the Wehrmacht to flee the country and evade liquidation by Danish resistance groups (Christensen, Poulsen, and Smith 1997).

³⁴ Hong 2012, p. 83.

the caveats would be kept secret from the public so as not to diminish the apparent significance of Danish membership.

Denmark's accession to the Anti-Comintern Pact triggered immediate responses on three fronts. The Allies interpreted the move as proof that the Danish government would continue to cooperate with the Axis powers. Where the transfer of the torpedo boats had raised Allied suspicions that the Danes could not be trusted, their signature of the pact confirmed such beliefs. Danish diplomats abroad also reacted unfavorably: nearly one-third of Danish foreign representatives, including Eduard Reventlow, the ambassador in London, followed in Kauffmann's footsteps and severed ties with Copenhagen. Finally, Danish civilians protested the government's latest submission to German demands. Students assembled in Copenhagen, urging the government to embrace 'Norwegian conditions' by ending its relationship with Germany. On November 25 and 26, the Danish police arrested 169 protestors.³⁵

The negative reaction on all fronts prompted Scavenius to host a series of private meetings with other members of the Danish cabinet to orient their policy going forward. The administration determined that additional sacrifices in three issue areas were off limits. First, Denmark would under no circumstances officially join the Axis powers, regardless of German demands. Second, they would not allow Germans to conscript Danish citizens for the war effort, nor would they allow Danish troops to fight alongside Germany.³⁶ Finally, the government would not tolerate the deportation of Danish Jews. The political costs of abiding by German demands had substantially increased, and the government responded by outlining new boundaries on its willingness to comply.

December 1941-December 1942: Political Resistance Increases

The police crackdown following the Anti-Comintern Pact protests demonstrated that opponents of the occupation would need to battle both the German occupiers as well as a coalition government desperate for political survival. The nascent Danish underground switched its priority from hosting

³⁵ Hong 2012.

³⁶ Personnel were still allowed to voluntarily resign from the Danish military to join Frikorps Danmark.

patriotic demonstrations to organizing sabotage activities under the radar of the authorities. At the same time, the British Special Operations Executive (SOE) began to contact resistance groups within Denmark. Churchill famously directed the SOE to “set Europe ablaze” by training rebels to conduct terrorist attacks against German troops, supporters, and suppliers.³⁷ Over time, British assistance would substantially boost the capacity of the resistance.

Nevertheless, although the public had grown disenchanted with occupation and collaboration, the average Dane in 1940 or 1941 did not yet approve of active sabotage. A handful of individuals held opposition demonstrations, slipped sand or sugar into the tanks of vehicles, or secretly circulated anti-German newspapers, but systematic violence was an exception rather than the norm. It would take outside events—the reversal of German fortunes in the East and the entry of the United States into the war—to give the public increased hope that an overthrow of their occupiers was possible.³⁸ Over the next eighteen months, the string of early German victories faded from memory and Wehrmacht losses in the wider war began to mount. Danish resistance organizations, including Bopa and Holger Danske, convened and conducted their first operations, and attacks against German targets in Denmark significantly increased in frequency. By the end of 1942, acts of resistance surged from a minor nuisance to a steady stream of violence that the Reich could no longer accept.

A downturn in economic conditions also prompted the shift in public sentiment. Despite its need for agricultural and industrial goods, Germany initially sought to minimize its influence on the Danish economy out of concern that major shocks would provoke public unrest.³⁹ During the early stages of the war, some Danish workers—particularly those involved in agriculture or manufacturing—benefited from soaring exports to Germany.⁴⁰ However, as the relationship endured, Berlin garnished a growing share of Danish supplies at below-market rates. Diminished access to goods began to affect Danish citizens seriously in the winter of 1941-1942, one of the coldest

³⁷ Jespersen 2002, p. 38.

³⁸ Thomas 1976.

³⁹ Giltner 2001. At the start of the occupation, German General Leonhard Kaupisch warned that Germany might wind up with “a few million useless and unhappy foreigners to feed” if they were not careful (Hong 2012, p. 40).

⁴⁰ Mazower 2009, p. 277.

European winters of the twentieth century.⁴¹ During the year that followed, the number of gasoline vehicles in use plunged by almost 90 percent; commodities such as coffee, soap, and tobacco became scarce luxuries; and the overall purchasing power of the working class declined by approximately 34 percent from 1939.⁴² Deteriorating economic conditions—and the belief that they were caused by German exploitation—sparked public frustration with the government’s collaborationist stance.

The growth of the illegal press also drove anti-German opinion. In 1940 the underground press was comprised of two newspapers that together printed only 1,200 total copies. By late 1942, at least 49 papers existed, and the number of copies in circulation had swelled to at least 300,000.⁴³ Despite penalties ranging from imprisonment to execution, illicit publishers continued to advocate for resistance and sabotage. The messages profoundly affected public opinion, and the results were not lost on Danish officials. In January 1942, citizens in Odense petitioned the government to show more resistance to German demands, even if doing so would trigger the imposition of serious penalties. A separate group of 425 Copenhagen area physicians delivered a letter to the Danish minister of the interior, arguing that “an additional concession to German demands... will be tantamount to giving up our national independence.”⁴⁴

The shift in public opinion was also evident when the Danish Frikorps members who volunteered to fight alongside the Wehrmacht returned to Denmark for leave in early September. They anticipated a jubilant propaganda parade but instead were harried by protests and shouts of derision.⁴⁵ Altercations between soldiers and civilians continued over the next several weeks; in Aalborg, eleven people were hospitalized and forty complaints of violence between soldiers and civilians were lodged in a single night.⁴⁶ The Germans’ planned propaganda campaign of uniting the country in support of the Frikorps fighters was a disaster, and there were no further collective

⁴¹ Lejenas 1989.

⁴² Hong 2012. Nevertheless, conditions in Denmark remained comfortable relative to those in other occupied or war-afflicted states (Mazower 2009).

⁴³ Thomas 1976.

⁴⁴ Hong 2012, p. 113.

⁴⁵ Hollander 2016, p. 55.

⁴⁶ Hong 2012.

visits from the Eastern Front volunteers for the remainder of the war. In combination, German losses in the wider war, the sinking Danish economy, the efforts of the illegal press, and mounting friction between pro-Nazi and pro-Danish factions substantially raised the government's political costs of abiding by German requests.

In May, Vilhelm Buhl replaced Thorvald Stauning as prime minister when the latter succumbed to a brain aneurysm. Under Buhl's watch, acts of sabotage grew more frequent. The first group to engage in premeditated violence was the Churchill Club, a group of schoolchildren in Aalborg who stole weapons and destroyed German rail cars. Although the schoolchildren inflicted relatively little damage, their actions inspired others who followed with more dramatic and costly attacks.

Bopa, a pro-communist group operating primarily in Copenhagen, carried out thirty-one small bombings against German factories, shops, and transportation depots during July and August.⁴⁷ The largest attack, aimed against a shipyard, destroyed two German torpedo boats. Outraged, the Germans informed Buhl that if he failed to countermand acts of sabotage the Wehrmacht would seize jurisdiction over judicial proceedings, try suspected parties in military courts, and apply the death penalty against perpetrators.⁴⁸ Such actions threatened to undermine permanently the fiction of Danish sovereignty: if Danish civilians were tried as war criminals in foreign courts, the government could no longer credibly claim to use negotiation as a defensive shield for its citizens. Significantly, the German threat of punishment succeeded: to ward off the German threat, Buhl exerted maximum effort to prevent attacks. He publicly condemned acts of sabotage, hired additional Danish guards to protect factories, and asked the police to take all necessary steps to thwart resistance.⁴⁹ After the war, former saboteurs complained that the efforts of the Danish police in this period rivaled those of the German security forces that seized control late in the war.⁵⁰

Despite his effort, Buhl was unable to appease Germany entirely. Relations between Copen-

⁴⁷ Thomas 1976.

⁴⁸ Hong 2012.

⁴⁹ Thomas 1976.

⁵⁰ Hong 2012.

hagen and Berlin came to a head on September 26, 1942, when King Christian X received a birthday telegram from Hitler. He replied in typical fashion with a brief response: “My very sincere thanks—Christian X.”⁵¹ The Führer, already annoyed by the spate of attacks that erupted over the summer, interpreted the note as insultingly abrupt and insufficiently deferential. He placed German troops in Denmark on high alert, dismissed the Danish ambassador in Berlin, recalled his own ambassador from Denmark, and severed diplomatic relations between the two countries. For the next six weeks, Danish leaders worried that Germany was poised for a complete takeover of Denmark.⁵²

In November, Ribbentrop resumed contact by calling Scavenius to Berlin for negotiations. Germany demanded that Buhl resign as prime minister and that Scavenius step forward in his place. Furthermore, the new cabinet would henceforth act entirely independent of parliament, thus ensuring that Germany’s chosen agent, Scavenius, would enjoy untrammelled power. After several days of debate, the Danish politicians accepted Scavenius as prime minister, much to the displeasure of the public.⁵³ Germany also modified its own personnel in Denmark. First, Hitler dismissed Rente-Fink and selected SS officer Werner Best as plenipotentiary, instructing him to “rule with an iron hand.”⁵⁴ In addition, Hitler appointed General Hermann von Hanneken to command German forces in Denmark.⁵⁵

As 1942 drew to a close, German policy was summarized by Werner von Grundherr of the Scandinavian Foreign Office, who explained, “The Führer needs in Denmark a puppet government which will do everything he requires of it... the head of this government must always be conscious that in the case of a possible withdrawal of German troops he would be hanged on the nearest lamp post... Any resistance, even the slightest, must be suppressed by force. Should it appear that the Danish police force does not suffice or does not act in accordance with our desires, possibly also

⁵¹ Thomas 1976.

⁵² Hastrup 1976.

⁵³ The cabinet did manage to prevent the installation of several Danish Nazis to ministerial positions (Hastrup 1976).

⁵⁴ Hollander 2016, p. 55.

⁵⁵ Thomas 1976.

SS troops will be made available.”⁵⁶ Those words would prove prophetic in the year to come.

January-August 1943: Collapse of the Relationship

The six months that followed the ‘Telegram Crisis’ were in many respects “the most tranquil and stable period of the occupation.”⁵⁷ Although Hitler’s appointment of Best and Hanneken signaled that Berlin was adopting a firmer stance, Best continued to follow in the pragmatic footsteps of his predecessor. He recognized that diverting German military resources to Denmark would force the Wehrmacht to make sacrifices elsewhere in Europe. On the other hand, continued sabotage and unrest in Denmark threatened to disrupt the supply of important trade goods and strategic supplies. Best therefore hoped the Danish government would, motivated by its recent chastisement, would exert high effort as a compliant and effective agent in controlling public disturbances. From late 1942 through April 1943, the bet paid off. The Scavenius administration, keenly aware that it had only narrowly escaped dismissal by Nazi officials, redoubled its efforts to suppress public unrest. Unfortunately for Germany, the calm did not last.

Over the course of 1943, the tide of the war turned increasingly against the Reich. The battle of Stalingrad ended with German defeat in late January. At the end of May, Axis forces surrendered in North Africa. The Allied invasion of Italy followed in June, and Mussolini was toppled soon thereafter. As Germany’s chances of victory diminished, Danish citizens became increasingly intolerant of their government’s concessions to the occupying power. Danes also worried that apparent collaboration with the Nazis would undermine their standing in Allied eyes. Broadcasts from the BBC adopted a threatening tone, warning that the “attitude taken by official Denmark may prove fatal for the future of Denmark in postwar Europe, if the Danish nation does not in time, in an unequivocal manner, make it clear to the free world that it is wholeheartedly on the side of the united nations.”⁵⁸

⁵⁶ Paulsson 1995, p. 444.

⁵⁷ Dethlefsen 1990, p. 204.

⁵⁸ Quoted in Hollander (2016, p. 56). The British underlined their threat with air strikes against Danish industrial targets. The bombings—particularly one targeted against the Burmeister and Wain shipyard—inspired a surge in Danish support for the resistance movement as Danish citizens realized that sabotage attacks were less likely to result in collateral damage than aerial bombardments (Thomas 1976).

A new wave of sabotage actions were perpetrated in March. Bopa swelled to between fifty and one hundred members operating in the Copenhagen area and increased the frequency and scale of its operations. Tables 3.2 and 3.3 depict the sudden rise in sabotage attacks over time. Whereas in 1943 Bopa members conducted only 59 sabotage operations, the following year they accomplished 354 successful attacks in the capital alone.⁵⁹ Best noted the increase in bombings in his reports to Berlin, but he continued to back the Danish government which, he said, was fighting the problem “energetically and successfully.”⁶⁰ Scavenius, however, worried that the resistance groups were getting the better of the Danish police. He fretted that “the future [of the Danish-German relationship] depends on whether serious sabotage cases occur.”⁶¹ General Hanneken’s more sobering account paints Denmark as a country on the verge of open rebellion where “Germans could hardly walk the streets in safety.”⁶²

Public antipathy to the policy of collaboration was not reserved to extremists. On March 23, 1943, Denmark became the only country to hold parliamentary elections under German occupation. Danish voters turned out in record numbers, with nearly 90 percent participation, but only two percent cast ballots for the Danish Nazi party. Clashes between casual citizens and German personnel or supporters also increased. On July 6, one hundred and thirty Danish civilians were arrested after a skirmish in which Frikorps soldiers attacked citizens wearing hats resembling the British Royal Air Force roundel.⁶³ Fights erupted in areas surrounding German garrisons, and antagonism between Danes and German soldiers spread. By August 1943, an illegal poll of the Danish people suggested that 70 percent favored resistance.⁶⁴ Danish workers also held workplace strikes to express their discontent with the government’s economic and political concessions. Whereas the Danish Employers Association catalogued only 421 firm-strike days in 1940, nearly 29,549 occurred in the first seven months of 1943.⁶⁵

⁵⁹ Thomas 1976.

⁶⁰ Hollander 2016, p. 51.

⁶¹ Hong 2012, p. 155.

⁶² Paulsson 1995, p. 446.

⁶³ Hong 2012.

⁶⁴ Thomas 1976.

⁶⁵ Hong 2012, p. 173.

The final wave of political opposition commenced on July 28, when saboteurs damaged a German minelayer in an Odense shipyard. When German troops occupied the yard the following day, workers refused to attend their stations.⁶⁶ They staged a sit-down strike that was picked up by other businesses throughout Odense over the next several days. By the end of the week, roughly 3,500 Odense workers were protesting in solidarity with the shipyard. Desperate for work to resume, the German troops withdrew. News of the successful strike spread throughout Denmark.

Attempting to dispel additional protests, Ambassador Best directed the Danish cabinet to approve the extradition of all Danish political prisoners who faced sentences exceeding eight years. He reasoned that if incarceration within Denmark was an insufficient threat, Germany could deter civil disobedience by raising the stakes. Unfortunately for Best, the Copenhagen government refused the request, arguing that a new judicial concession would merely inflame public unrest.⁶⁷ By this stage, the cabinet recognized that their constituents would tolerate no further cooperation with Germany and that the political cost of effort exceeded the punishment Germany could impose for recalcitrance. Desperate to save face with the Danish people, Scavenius attempted to resign as prime minister so that a more ‘representative’ government could form, but Best rejected the offer and insisted that Berlin’s chosen proxy remain in power.⁶⁸

On August 6, saboteurs in Esbjerg set fire to 100,000 wooden fish crates, triggering a conflagration that consumed a nearby train station. The fishermen, factory workers, and all public-sector employees—including firefighters and police—stopped work and closed their doors.⁶⁹ The German military attempted to impose a curfew, but citizens flooded the streets where they clashed with troops. In a ham-fisted move, the Germans offered to repeal their curfew if the townspeople returned to work, thereby furthering the perception that protests could succeed in eliciting German concessions.⁷⁰

A second round of strikes soon erupted in Odense, but this time additional German troops were

⁶⁶ Thomas 1976.

⁶⁷ Hong 2012.

⁶⁸ Hong 2012.

⁶⁹ Thomas 1976.

⁷⁰ Hong 2012.

dispatched to control the situation. Between August 16 and 17, a dozen citizens were hospitalized in the city after clashes with the German military. News of the strikes soon reached the Führer, including the story of a German officer who was overcome by a Danish mob. The incident outraged Hitler, whose image of a “model protectorate” now lay in tatters. He ordered that a fine of one million kroner be assessed upon the city and dispatched 100 SS officers to Odense.⁷¹ Nevertheless, the strikes continued until August 23.

Crises also emerged in Aalborg. The shipyard and cement workers went on strike, while German military depots and train locomotives were targeted for sabotage.⁷² On August 17, Erik Vangsted, a young bank teller and resistance fighter, was killed by a German patrol. Vangsted’s funeral seemed poised to act as a focal point for the venting of Danish grievances against Germany. General Hanneken, unwilling to tolerate further public demonstrations, ordered the family to conduct the funeral early on a Monday morning with attendance capped at fifty participants. Nonetheless, a crowd broke into the church and held an impromptu service in the afternoon. That evening Hanneken deployed tanks to the city. His soldiers wounded twenty-three Danish citizens, killing two.⁷³ Another four were killed and fifteen injured the following day when news arrived of a bombing in Copenhagen. A team of saboteurs successfully destroyed the Forum, the capital’s largest public hall and a newly-converted barracks for 2,000 German troops.⁷⁴ For Berlin, the bombing was the last straw.

Hitler had harbored doubts about Denmark’s value as an agent ever since the Danish government refused the order to extradite political prisoners. With the destruction of the Forum, the Führer lost what little confidence he had left. Without an agent he could trust to follow orders and ensure security, indirect control was impractical and Germany was forced to quell disturbances in Denmark directly. Three days later Ribbentrop dispatched Best to deliver a deliberately unacceptable ultimatum to the Danish government. He instructed the Danes to forbid assemblies of more

⁷¹ Thomas 1976.

⁷² Hong 2012.

⁷³ Hong 2012.

⁷⁴ Thomas 1976.

than five people, outlaw strikes, institute a nationwide curfew, ban the harassment of Germans or German associates, allow direct German press censorship, create a new system of harsher courts for the prosecution of rioters, and adopt the death penalty for sabotage or resistance activity.⁷⁵ On August 28, cabinet members resoundingly rejected the demands and tendered their resignations.

The Germans responded by declaring martial law. They began the task of disbanding parliament, disrupting civilian communication, deporting prisoners, and disarming the military.⁷⁶ The Wehrmacht placed the Danish army under arrest, seized remaining supplies, and occupied the country's military infrastructure.⁷⁷ The Danish Navy successfully scuttled most of its fleet—with a few ships escaping to Sweden—before the Germans could capture the vessels. Germany also took 250 prominent Danish politicians and cultural leaders as temporary hostages, some of whom were held for several months until Germany was satisfied that the country was under control.⁷⁸ The proxy relationship between Berlin and Copenhagen was officially over.

September 1943-May 1945: Direct Control

From August 28, 1943, until the end of the war an official Danish government no longer existed. However, shortly before he was placed under house arrest, King Christian X asked the heads of his government ministries to continue operating their departments. The task of maintaining the machinery of the state was left to civil service offices and individual bureaucrats, each of whom managed his own office under German direction. The administrators could no longer coordinate with each other to negotiate around German policies, but they nevertheless retained some capacity for individual resistance. Even under close German supervision, Danish bureaucrats successfully smuggled millions of krone out of Danish budgets and into the arms of a resistance movement that enjoyed widespread public support.⁷⁹

From the Danish perspective, the most important result of the break in relations was that it

⁷⁵ Haestrup 1976; Hong 2012.

⁷⁶ Thomas 1976.

⁷⁷ Maier 2007.

⁷⁸ Hong 2012.

⁷⁹ Thomas 1976.

improved their country's stature in the eyes of the Allies. The widespread strikes, the sinking of the Danish navy, the collapse of government negotiations, and the continuation of active resistance sent a clear message that the Danish people were no longer allied with Germany, regardless of what their actions over the previous three years implied. In response, the British increased SOE supply drops to support the resistance movement. Prior to August 1943, shipments from the Allies were a rare gift, but in the final two years of the war, British planes delivered more than 1,000 tons of weapons, explosives, and communications equipment to the Danish underground.⁸⁰

With the help of the shipments, the resistance movement expanded even further, creating a state of open warfare with Germany. Bopa carried out nearly 400 attacks across 1944 and 1945, while resistance elsewhere in the country conducted more than 8,000 acts of sabotage against the Danish railway network. Along with 119 deliberate derailments, at least thirty-one bridges, fifty-eight locomotives, and eighteen water towers were destroyed. Directly suppressing disturbances had become deeply burdensome and resource-intensive for the Reich. During the winter of 1944-45, Germany was forced to deploy sentries at intervals of fifty to seventy-five meters along the track, and battalions of Gestapo were dispatched to a country that was previously monitored by a small contingent of ordinary diplomats.⁸¹ When even these efforts failed, Germany initiated a policy of reciprocal punishments: for each German or Nazi collaborator killed by the resistance movement, the Gestapo retaliated by executing a prominent Dane. In response to the railway attacks, Best authorized the bombing of several crowded passenger trams.⁸²

The Nazis made one final attempt to maintain control. After another round of general strikes in late 1944—and rumors that the police would join the Allies in the event of invasion—the Germans disarmed, imprisoned, and deported roughly 2,000 Danish police to concentration camps.⁸³ Thousands of additional police fled underground and in many cases joined with the resistance. In their place, the Gestapo hired volunteers from the Eastern Front who were tasked with forcing the

⁸⁰ Thomas 1976.

⁸¹ Thomas 1976; Hollander 2006.

⁸² Paulsson 1995.

⁸³ Paulsson 1995.

population into submission with retributive attacks. The Hipokorpset, as the group was known, conducted indiscriminate attacks designed to discourage further resistance. They shot random Danes on the street, destroyed occupied buildings, and tortured resistance fighters.⁸⁴ Nevertheless, retribution killings of Nazi officials increased. Resistance fighters liquidated 177 suspected Nazis and German sympathizers in the final four months of the occupation.⁸⁵

Germany itself suffered as the war closed. The Gestapo no longer possessed the personnel necessary to maintain order. Even the leadership was in a state of disarray. In January 1945, General Hanneken was court-martialed for corruption. He was replaced by General Georg Lindemann, who oversaw the execution of sixty-five imprisoned resistance fighters between March and April.⁸⁶ Lindemann's tenure, however, was short lived, and Denmark was liberated by the British in early May, putting an end to the occupation just over five years after it began.

Alternative Explanations

Why did the Danish relationship with Germany ultimately collapse? I argue that as the political cost of complying with German demands increased, the Danish cabinet grew less responsive to German threats. Eventually, even the prospect of German-imposed regime change paled in comparison to the political penalties that Danish voters and Allied states threatened to impose after the war. The Danish government, concerned about its reputation, changed course and became much more resistant to German coercion. Finding itself without a reliable agent, Germany abandoned its strategy of indirect control and instead chose to administer Denmark itself.

Despite the allure of this explanation, alternative possibilities merit discussion. First, some may assert that the Danish-German relationship was never as cooperative as I contend in this chapter. After all, Germany frequently employed coercive threats and the magnitude of those threats increased over the course of the relationship. Why would a principal require such instruments if its agent was reasonably compliant? Our theory provides an important answer to this question.

⁸⁴ Maier 2007.

⁸⁵ Hong 2012.

⁸⁶ Hong 2012.

We show that the existence of threats and punishments does not imply that a proxy relationship is unsuccessful. Rather, in a well-functioning proxy relationship the principal should use whichever tools are at its disposal to induce the level of effort it desires from the agent. Coercion is a useful policy tool that we should expect principals to use even in productive and cooperative agency relationships. As evidence of such behavior, note that Germany consistently leveraged the largest possible threats that it could credibly impose. At the beginning of the war, Hitler dearly sought the appearance of peaceful cooperation. As such, German threats were relatively small and Hitler even offered Denmark territorial rewards to induce cooperation. However, the propaganda value of a model protectorate evaporated as European countries sided against Germany. When the German cost of imposing punishment declined, marginally larger threats became credible. Germany then put these threats to good use by requesting higher levels of effort from its agent.

Another possibility is that the German-Danish relationship was undermined by the continual ratcheting of German demands. In this view, Germany mismanaged the relationship by expanding the range of tasks that it assigned Denmark. Because the Danes' marginal cost of effort increased with each successive demand, the Danish government eventually lacked the *capacity* to fulfill German requests even though it was fully motivated to act on them. On face, this explanation is tempting. German expectations for Denmark no doubt expanded over the course of the relationship. However, the historical record also suggests a swing in Danish preferences *independent* of the expansion of German demands. Early in the occupation, the Danes agreed to various large sovereignty violations with minimal overt pressure from Germany. In 1941, Copenhagen agreed to transfer its torpedo boats and military equipment to the Wehrmacht before an explicit threat was issued. In 1942, the government accepted Scavenius as prime minister in hopes of repairing its relationship with Germany. However, when widespread strikes signaled overwhelming public opposition to cooperation, the Danish cabinet abandoned all effort to comply with German demands and voluntarily resigned. Although it was surely within the government's power to extradite political criminals to Germany, to order local police and military forces to suppress violence, or to appeal to citizens to return to work, the government refrained from even feigning such efforts. The

relationship ended not because German expectations escalated beyond the bounds of what Denmark could achieve or because Germany assigned Denmark new and increasingly costly tasks, but because the appearance of even mild cooperation became politically toxic to the Danish government.

Similarly, it is tempting to conclude that Germany erred by failing to consider how its demands might antagonize the civilian population. In this reading, German threats and demands inspired resentment among Danish citizens, thereby directly eroding public support for collaboration and increasing the Danish government's cost of effort. If true, then the rise in the Danish cost of effort was not driven solely by external factors but was instead an unintended consequence of attempting coercion. However, the evidence suggests that the Germans were acutely attuned to the possibility that the concessions they requested might alienate the Danish citizenry. They initially sought to insulate the Danish economy as much as possible and in several cases declined to force issues that the Danish government warned would undermine public support for collaboration. In addition, although Germany might have fostered friendlier relations or built sympathy among Danish citizens by dispersing aid or economic support, the Reich's financial resources were severely constrained. As such, it suffered a forced choice between using its remaining instrument, punishment, or failing to motivate its agent altogether. All told, the swing in Danish public opinion against Germany resulted more from changing external conditions than from a strategic failure on behalf of Germany itself.

Proxy relationships can also end when a principal is no longer sensitive to the costs of disturbances and so has little interest in subsidizing an agent's effort to suppress them. This explanation, however, runs deeply counter to the historical record in the German-Danish case. As German fortunes in the broader war declined, the Reich could scarcely afford to tolerate disruptions in supplies from Denmark, or attacks against personnel located there. Nor did they wish to divert significant resources from other important areas in order to occupy their northern neighbor.⁸⁷ If an appropri-

⁸⁷ Until late 1943, Germany consistently sought to minimize resources it was forced to allocate in Denmark. Whereas German administration of Norway required roughly 3,000 personnel, the monitoring of Denmark was accomplished by a force of fewer than 200 Germans (Hollander 2016, p. 49). The ratios of German officials to local administrators were similarly skewed, at 1:43,000 in Denmark and 1:3,700 in Norway (Mazower 2009, p. 238).

ate and pliable agent existed, Berlin would have strongly preferred to operate indirectly—indeed, they declined Scavenius’ offer of resignation in hopes that they could extend his agency at least temporarily. The fact that Germany exerted genuine effort to suppress violence immediately after assuming direct control of Denmark also suggests that it remained sensitive to disturbances. Collectively, these facts suggest that Germany severed its relationship with Denmark not because their desire for an agency relationship had diminished, but rather because they no longer viewed Denmark as a reliable partner.

Finally, the episode presents one curiosity that our theoretical framework does not directly address. The indirect control model assumes that the actors responsible for causing disturbances—in this case, the violent ‘sabotage’ groups within Denmark—are non-strategic. However, it is also possible that these actors intentionally modulate their efforts in order to influence the principal’s behavior. As the Introduction explains, a principal can only estimate a proxy’s effort by observing the number and intensity of the disturbances that occur. If the level of those disturbances can systematically change due to fluctuations in the belligerent group’s behavior rather than because of shifts in the proxy government’s level of effort, the principal may face greater difficulty appraising the agent’s performance and may therefore be less inclined to pursue indirect control. Indeed, several members of the Danish underground recall that they sought to vary the intensity and appearance of their operations in hopes of spoiling relations between the Danish and German governments. Perhaps the most striking claim was made by Holger Danske member Jens Lillelund, who reported that his fellow saboteurs, “wanted to achieve what we called ‘Norwegian conditions’, with positively no cooperation with the Germans. . . It occurred to us that if we blew [the Copenhagen Forum] up the Germans would be so angry that they would make demands which the government would simply have to reject. . . In fact, that is just what happened.”⁸⁸ Although there are good reasons to treat such anecdotes skeptically,⁸⁹ future research should investigate how

⁸⁸ Thomas 1976.

⁸⁹ These recollections may simply depict post-hoc strategizing or self-aggrandizement by individual saboteurs. There is little supporting evidence that resistance groups deliberately eschewed or delayed especially dramatic operations in order to influence the German-Danish relationship. Appearances suggest that saboteurs consistently sought to conduct the highest-magnitude attacks that they could feasibly accomplish. To the extent that resistance fighters

domestic insurgents strategically respond to the existence of proxy relationships and whether such behavior poses additional challenges for principals who attempt indirect control.

Conclusion

The German occupation of Denmark is an ideal case for the indirect control model. The example is especially useful because it avoids three factors that might otherwise complicate our analysis. First, unlike several other cases in this volume, Germany occupied Denmark throughout the entire period under examination. The example therefore allows us to set aside the issue of monitoring: although Nazi officials could never determine precisely what level of effort their Danish proxies exerted, the principal's monitoring capacity was roughly constant over the duration of the relationship. Second, Germany assumed control over an industrialized nation equipped with deeply democratic institutions, a well-functioning police force, and respect for the rule of law. The Reich was therefore never required to invest in capacity building; when Germany ordered Denmark to suppress domestic disturbances and political protests, it could reasonably assume that the Danish cabinet was equipped to execute such tasks. Finally, as an occupying power Germany could credibly, and at relatively low cost, impose punishment on Denmark. The case therefore allows us to bypass the complex question of whether the principal could more efficiently offer rewards or impose punishments on the agent government.

Within these bounds, the behavior we observe closely adheres to the predictions of our theory. When the cost of punishing Denmark was high, Germany offered rewards in the form of a territorial concession over Northern Schleswig. As the cost of imposing punishment declined, Germany shifted to threats to extract high effort from its agent. Likewise, when Danish recalcitrance increased, Germany raised the stakes of noncompliance. They first threatened to dissolve the Danish cabinet when Denmark refused to sign the Anti-Comintern Pact. The following year, they suspended relations during the Telegram Crisis, thereby sending a credible signal that their threats were genuine.

sometimes temporarily avoided dramatic operations, they did so primarily because they lacked resources or because such attacks were considered high risk for the persons involved.

Germany also attempted to replace uncooperative agents with its preferred candidates. They began by naming a state prosecutor and then promoted him to minister of justice. Similarly, the Germans demanded that their political opponents resign from cabinet-level positions and then required those officials to withdraw from parliament or even from public life entirely. Finally, they appointed Scavenius as foreign minister and then pressured the Danes to accept him as head of government. Once their preferred agent was in control, Berlin was unwilling to suffer his removal and declined to accept Scavenius' resignation in the summer of 1943.

Most importantly, the case depicts a proxy relationship that succeeded for years, but which nevertheless eventually collapsed when the agent's cost of effort grew excessively high. Early in the relationship, Danish citizens tolerated their government's cooperation with Germany. However, as the occupation endured the public grew less sympathetic. Eventually, the cabinet faced overwhelming domestic opposition to additional concessions. Although Germany promised to dissolve the government or imprison Danish cabinet members if disturbances continued, even these extreme threats fell on deaf ears: the political price that Denmark faced for complying with German demands exceeded any costs that the Reich could credibly impose. Without a reliable agent at its disposal, Germany recognized that the costs of indirect control exceeded the potential benefits. They therefore chose to terminate their relationship with Danish proxies and to instead shoulder the full burden of governing Denmark directly.

Table 3.1: Summary

Period	Key Parameter	Theoretical Expectations	Observed Action
Jan. 1941 - Nov. 1941	Costs of punishment decrease relative to initial occupation period (April - Dec. 1940).	The principal should be more willing to punish / intervene (H_9).	Germany begins to impose punishment and demands higher effort.
Dec. 1941 - Dec. 1942	Danish cost of effort increases.	Disturbances should increase moderately. The principal must use higher-powered incentives (H_7) to extract equivalent effort (H_6).	Denmark resists specific German demands; scattered sabotage attacks occur. Germany temporarily suspends relations, replaces the Danish PM, and instructs its officers to rule with an iron fist. Denmark responds to these incentives with renewed effort.
Jan. 1943 - Aug. 1943	Danish cost of effort increases further.	Disturbances should increase significantly. The principal should either attempt direct control or should disengage from the situation (H_1).	Denmark openly resists German demands; sabotage attacks escalate dramatically. Germany responds by disbanding the Danish parliament and imposing martial law.

Table 3.2: Danish Sabotage Attacks, 1940-43

Year	1940	1941	1942	1943
Number of Events	2	12	59	816

Hong 2012, p. 163

Table 3.3: Danish Sabotage Attacks in 1943

1943	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.
Number of Events	14	29	60	82	86	47	94	213

Hong 2012, p. 163

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