Prices on food 1940–1945:
Nazi price policy in occupied Denmark

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Zusammenfassung

Schon zu Beginn der Okkupation Dänemarks durch die Deutschen entwarf das Reichsministerium für Ernährung und Landwirtschaft (REM) einen Plan zur Organisierung der Landwirtschaft in Dänemark, dessen erklärtes Ziel die Maximierung der landwirtschaftlichen Produktion und der Lieferung von Lebensmitteln nach Deutschland war. Grundlage der deutschen Wirtschaftspolitik war die freiwillige Mitarbeit der dänischen Institutionen, der Bauern und deren Organisationen. Die Politik versuchte, diese zu fördern und zu erhalten. Zum Vorteil beider Parteien errichteten der deutsche Staatssekretär Backe und der Oberhändler Dr. Walter ein sehr effektives System, in dem die Bauern und die dänische Gesellschaft im allgemeinen aus ihrem eigenen Interesse heraus die Produktion und die Exporte nach Deutschland erhöhten.

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Introduction

The Danish food production was of significant importance to the German occupying power during World War II. It ensured a substantial contribution of food to the German population and the German armed forces. Nevertheless, there are no indications that the Danish food production played any role for the decision to occupy Denmark on the 9th of April 1940.¹ This has led to the conclusion that the leading German authorities knew little about Danish economy and production before the occupation.²

One aim of this article is to show that the leading civil German authorities had an extensive knowledge on Danish economy and production already before the occupation. There was no German master plan,³ but the Staatssekretär in Reichsministerium für Ernährung und Landwirtschaft (REM), Herbert Backe, the German top negotiator Dr. Alex Walter and their subordinate Dr. Franz Ebner at the German Embassy in Copenhagen knew well how to maximize Danish food production under the given circumstances.⁴ This led to an arrangement in which the Danish food production and food consumption were managed mainly by differentiated prices on agricultural products and and less by strict control over the farmers and the consumers. By letting the fixed prices on milk and butter increase more than the prices on other products, the occupying power tried
to stimulate the farmers to maintain milk production and cut down the production of eggs, beef and pork. This policy already started before the occupation of Denmark when Dr. Walter in the beginning of April 1939 accepted a price increase on Danish butter exported to Germany.

It is fair to describe the situation of the Danish economy in general and Danish agriculture in particular as problematic when Denmark was occupied. Denmark’s economy was very dependent on foreign trade with Great Britain as the most important market for Danish goods, while Germany was the second most important export market. Some 75 percent of all Danish exports were agricultural products and 97 percent of the bacon and 75 percent of the butter exports were sold at the British market in 1938 and 1939. At the same time, almost all the feed and most fertilizers were imported from overseas destinations, which were controlled by the British navy. This meant that when Denmark was occupied it had to stop all exports to Great Britain and send all goods to Germany or German controlled areas instead. At the same time it was impossible to import feed and phosphorus fertilizers, because the German occupying power did not supply Denmark with these goods, so the farmers had to cut down the herds of animals and reduce the production of animal products.

The time between the outbreak of the war and the German occupation was difficult for the Danish farmers. Even though the Danish Ministry of Foreign Affairs succeeded in making an arrangement, the so-called Maltese-Trade-Agreement that allowed Denmark to maintain normal trade with both belligerent sides of the war, the exports of agricultural products suffered. The British government introduced war-economy from the beginning of September 1939 with price controls, rations on food and devaluation of the currency, which meant a drop in both export quantities and export prices. Thus, after six months with hard negotiations between Danish and British authorities an agreement for the total Danish exports in 1940 was reached in March 1940. According to this agreement export quantities of butter and bacon would fall some 40 percent compared to 1939. At the same time, in February and March 1940, the German negotiators indicated willingness to pay higher prices for Danish agricultural products if Denmark could provide higher export quantities but because of the Danish neutrality it was impossible to transfer export quantities from the British to the German market.

In that perspective one can argue that the German occupation was convenient for the Danish farmers. Suddenly it was possible to sell all goods at higher prices. The negotiators from the agricultural organizations tried to increase prices on food to the maximum during the first years of the German occupation, because they felt entitled to gain as much as possible to rectify the imbalance. To ensure maximum production the German negotiators had a similar interest in managing the agricultural production by differentiated prices on food at a much higher level than before the occupation.

**Presentation of the negotiating positions**

The head figure on the German side in negotiations with Danish authorities was the head of the commercial department in the REM, Ministerialdirektor
Dr. Alex Walter. When Denmark was occupied he had been the chairman of the German Government Committee since 1936. Danish negotiators in the Danish Government Committee and in the so-called Export Committees knew him very well. On the Danish side senior officials from the Ministry of Foreign Affairs, with undersecretary Matthias Wassard as chairman, were negotiating in the Government Committee, which had to make agreements on the extent of the trade with Germany, before and during the German occupation. Dr. Walter’s primarily job was to negotiate imports from Denmark while the deputy chairman in the German Government Committee, Waldemar Ludwig from the Reichswirtschaftsministerium, was dealing with exports to Denmark.  

In the 1930s and during the occupation the Government Committee mainly discussed Danish export quantities and prices at a superior level. Detailed agreements were concluded between the different Reichsstellen and the Danish Export Committees. Especially the price negotiations were held between these committees in the time period between September 1939 and June 1941. The Danish Export Committees not only had a monopoly on exporting agricultural products but also the exclusive rights to negotiate price agreements with the Reichsstelle. The Reichsstellen concerning agricultural products was subordinated the REM and the negotiators always had to report back to Dr. Walter since he and his superiors made all major decisions.  

The situation was completely different concerning the Danish Export Committees. Officially, they were subordinated the Danish ministry of agriculture, but in reality they were managed and controlled by the agricultural organizations placed under the Agricultural Council of Denmark (Landbrugsraadet). Thereby, Danish farmers had the exclusive rights to negotiate prices on agricultural goods exported to Germany in the first year of the German occupation. No need to say it had a significant impact on the development of food prices in the time period between April 1940 and June 1941. The German negotiators wanted to promote specific types of productions, primarily of milk and butter, by letting prices increase heavily. The Danish farmers had a similar interest in getting higher prices to increase their income.  

On the 14th of June 1940 Dr. Ebner sent a telegram to the Auswärtiges Amt notifying that secretary general in the Agricultural Council, Arne Høgsbro Holm, wanted to get in contact with Dr. Walter to negotiate prices on agricultural products. Dr. Ebner explained that Høgsbro Holm had little confidence in the negotiators Wassard and Jacobsen in the Danish Government Committee, and wanted a direct contact to Dr. Walter without interference from the Ministry of Foreign Affairs. Dr. Ebner recommended that Dr. Walter contacted Høgsbro Holm via the Ministry of Agriculture, as Høgsbro Holm was member of all Export Committees. On the 24th of June 1940 Dr. Walter answered Dr. Ebner that he agreed that prices on food had to increase considerably and that he was aware of the different views of the Danish Government Committee and the Export Committees. He finished his letter by stating that future price negotiations were to be held between the Reichsstelle and the Export Committees. So a direct contact was established between Dr. Walter and the Agricultural Council.
The Danish government more or less supported increased prices on agricultural products, mostly because it was concerned that the low prices in April 1940 would result in a strong fall in production and lead to a shortage of food supplies. At a meeting on the 6th of March 1941 the Minister of Agriculture, Kr. Bording from the Social Democratic Party, explained to the presidency of the Agricultural Council that initially the government wanted higher prices on food to secure maximal agricultural production, but now had to stop further price advances. Another reason is that the important agrarian party in the coalition government, Venstre, which had close connections to the Agricultural Council, was fighting against attempts at taking away the exclusive rights from the Export Committees.

The increased food prices had a strong impact on the distribution of wealth, especially in the first two years of the occupation period. This historical dogma, which Hans Kirchhoff has described as a class struggle between farmers and workers, shall not be dealt with here. It is, however, important to keep in mind that increasing food prices meant worsening conditions for other classes of society than farmers when the rise in wages was less.

**German price policy at the beginning of the occupation period**

Already before the occupation of Denmark Dr. Walter indicated that he thought prices on Danish agricultural products were too low and that he feared a drop in production. This could cause a stop in exports to Germany. But since Great Britain was the most important market for Danish goods, the Germans would not pay more than the British and there was nothing he could do. The German negotiators used the same argument several times the following months. At a meeting in Berlin on the 28th of March 1940 the German negotiators declared that it probably would be possible to pay the same butter prices as the British, plus a bonus equivalent to the costs of carriage to England, which were much higher than the costs of carriage to Germany. This was the first time German negotiators expressed willingness to pay more for Danish goods than the British authorities. Already on the 3rd of April 1940 the chairman of the Butter-export Committee reported to the presidency of the Agricultural Council that the Germans had offered to pay some 18 percent more for Danish butter than the British offered to pay according to the trade agreement from March 1940, if the better prices were given to dairies exporting to Germany.

Still there was much uncertainty during the first days after the German occupation, mainly because Dr. Walter was in Sofia and it was not possible to get in touch with him until the 15th of April 1940. Huge stocks of butter and bacon targeted for the British marked were warehouse-stored in Danish harbours and at meetings on the 10th and the 12th of April in the Ministry of Foreign Affairs representatives from the Export Committees were anxious to find solutions, so the goods could be sold to Germany instead. Wassard was convinced that the Germans were interested both in all future agricultural products and in buying all food stocks, but the question was how much they were willing to pay. When Dr. Ebner arrived in Copenhagen on the 12th of April, Danish negotiators he had to face the Danish wishes to sell the stocks of food to Germany. On the 15th of April Dr.
Walter notified the Danish Ministry of Foreign Affairs by phone and by telegraph that Germany intended to buy all stocks. Still there was no definite indication of the prices the Germans were willing to pay, but it seems like secretary general Høgsbro Holm had a clear feeling that it was possible to get higher prices, because on the 12th of April he recommended that the Ministry of Foreign Affairs should ensure only the sale of existing stocks while the Export Committees should still negotiate the prices. Wassard agreed on this. From the 15th to the 21st of April 1940 there were different meetings between Danish and German negotiators, on which agreements on sale of the food stocks were confirmed and the prices were set at the pre-occupational level.

Already in the first days of the occupation agricultural experts attached to the Agricultural Council had worked out plans for the future production. They were based on the fact that it was not possible to import supplies of feed. The main conclusion was, as it was in a similar plan worked out by the Danish agricultural attaché A. P. Jacobsen at the Embassy in Berlin, that the livestock should be kept almost unchanged while the population of pigs had to be reduced with at least 33 percent. Secretary general Høgsbro Holm informed the presidency of the Agricultural Council on the 17th of April 1940 that the Danish delegation at meetings with German negotiators had found it expedient to introduce this information to the German negotiators because it is to be anticipated that the Germans will be interested in future supplies from Denmark, and if Denmark does not have a plan for preparations of the future production, there is a risk that the German negotiators will try to influence the preparations of the future production.

Everything points in the direction that the German agricultural experts employed by the REM, in the Reichsstelle or in the Reichsnährstand, already knew the situation of the Danish agriculture well. A central thought in the Nazi agricultural policy was to create a self-sufficient food production in the German Großraum, and several times before the occupation German negotiators had recommended a change in Danish production, so the dependence on supplies of feed would be diminished. But the quotation shows that the Danish negotiators were interested in giving all information and estimations on future production to the Germans in an attempt at preventing them from forcing through the preparations.

Danish negotiators succeeded in this and the German occupational power did not force the proposed production structures through. Instead they used price mechanisms. The first sign of this was given at a meeting on the 3rd of May 1940 between Danish agricultural experts, leading members of the presidency of the Agricultural Council and German experts from the Reichsnährstand. The German representatives told the Danes that there was no prospect in getting supplies of feed from Germany or German controlled areas, so Denmark had to reduce the population of pigs, poultry and beef cattle. Instead the Germans wanted to maximize the production of milk-products. One German expert, Dr. Hasselbach, stated: "[…] by the use of price-regulations it is possible to regulate the production on different
At a meeting on the 23rd of May 1940 secretary general Høgsbro Holm reported to the members of the Agricultural Council that the representatives from the Reichsnährstand had declared at meetings in the beginning of May 1940:

Can we help you estimate relative price increases, so the goods that you – and thereby they mean we – have special interest in, have a special price increase, and where there has to be a rapid cut, the price increase will not be strong? These relative prices, which should help Danish agriculture though – I will just mention it in the same breath, because it is something, we will have “the pleasure” of. 

This shows that the Danish negotiators from the Agricultural Council at this early state of the occupation sensed the overall objectives of the German price policy. The contents of the policy are confirmed by a summary of a meeting in the Reichsnährstand on the 15th of May 1940. The subject of the meeting was in short Dänemark, and Ministerialdirektor Herbert Backe chaired it with Dr. Walter, Dr. Ebner and Dr. Hasselbach as participants among others. The Germans planned how to change the Danish agricultural production, in order to so reduce the population of pigs and poultry dramatically and to keep the livestock almost unchanged during the summer. But they did not want to force changes through by means of control and rationings, because they very much doubted that it would cause the desired results. Only if the Danish population had a direct interest in rationing it would voluntarily accept it, and only if this was the case, the German authorities saw rations as a possibility. Instead, they carried out a set of differentiated prices, which made the Danish farmers change the agricultural production out of economic interest. Prices on poultry had to increase heavily while prices on eggs needed to fall. Prices on pork were already high and should remain unchanged while prices on milk-products had to increase considerably. In this way the German authorities managed to carry out the desired changes in the Danish agricultural production.

Looking at this meeting one can conclude several things. Firstly, Ministerialdirektor Backe and his subordinates had a substantial knowledge about Danish agriculture from the beginning of the occupation and very soon a plan for how to carry out the desired changes in production. Secondly, from the beginning of the occupation period the leading civil servants in the important REM realized the significance of maintaining the Produktions- und Lieferfreudigkeit der dänischen Landwirtschaft and they had a plan to ensure this.

At a meeting in the presidency of the Agricultural Council on the 30th of May 1940 secretary general Høgsbro Holm recommended that the negotiators in the Export Committees should start to discuss price increases with the different Reichsstellen to “sense” their views on the subject. At the meeting of the presidency of the Agricultural Council on the 28th of June 1940 the chairman of the Export Committees reported back from the negotiations with the different Reichsstellen. The chairman of the Butter-export Committee reported that the negotiations went well, and that it was markets.
possible to get better prices for the products. The chairman of the Cattle-and beef-export Committee reported that the German negotiators accepted a small price increase, and that negotiations were kept in a “businesslike, strictly business approach-manner”\textsuperscript{40}, while the chairman of the Bacon-export Committee reported that it was impossible to get price increases on pork. The last one to report was the chairman of the Egg-export Committee, and he reported from negotiations in Berlin on the 27\textsuperscript{th} of June 1940 that he had been turned down by the Germans when he had asked for a price increase on eggs.\textsuperscript{41}

This view is confirmed by a summary of a meeting on the 19\textsuperscript{th} of June 1940, where Dr. Walter and Regierungsrat Meyer-Burckhardt from the REM instructed the negotiators of the Reichsstellen about their authority in the coming negotiations with the Export Committees. The instructions, that followed the above noted line of direction at the meeting in Reichsnährstand on the 15\textsuperscript{th} of May 1940, were more detailed in regards to prices on different agricultural products, and made it clear for all that they were directions worked out by Staatssekretär Backe.\textsuperscript{42} So it is obvious that German agricultural authorities and experts firstly expressed their desire for cooperating with the Danish agricultural organizations in planning the future production. The pre-worked plan made it easy for the Danish farmers to cooperate as they shared most of the German interests. Secondly, the German authorities had no interest in managing production and consumption by restrictions and control. Instead, they used differentiated prices in the overall management to maintain and strengthen the \textit{Lieferfreudigkeit} of the Danish farmers.

To show that it were not just words it is important to look at the actual development in food prices during the German occupation. In the following prices on the three most important agricultural products are listed showing a similar development as stated by Staatssekretär Backe, Dr. Walter and their subordinates. Prices on food increased rapidly in the first two years under German occupation. Especially butter prices increased fast, while it took more time before prices on pork and beef peaked. From March 1940 to April 1941 producer prices on butter increased some 81 percent, and stayed at this level for the remaining years of the German occupation. Prices on pork increased 39 percent until April 1941 and 60 percent until May 1943. For the rest of the occupational period prices on pork were constant. Prices on meat increased 70 percent the first year and 91 percent until February 1943, whereupon it was constant until the end of the occupation.\textsuperscript{43}

What determined the producer prices were to a large degree the export prices. The above mentioned increases in producer prices do not show the full extend of the German price policy in the first years of the occupation, as export prices of butter and pork increased much more than producer and consumer prices. Export prices on butter increased some 100 percent during the first year under occupation, while Danish consumer prices “only” increased by some 30 percent.\textsuperscript{44} From the end of 1940 and during the rest of the occupational period export prices on butter were some 31 percent higher than consumer prices, which meant that the Danish government subsidized Danish consumers by keeping relatively low consumer prices on
butter. This shows that the German occupying power did not wish to introduce some kind of price rationing in Denmark, and it fits in with several statements made by Dr. Walter during the occupation. It was important for the German authorities to ensure that the Danish population had enough food at prices it could afford as an important method to pursue the main objective of keeping law and order in Denmark. This was the overall policy during the whole period of occupation, and it is a fact that the domestic consumption of food in Denmark was fairly constant all these years, while the exports of food varied in line with the production.

This does not mean that the German authorities did not want to reduce the Danish consumption of food. At meetings between the Government Committees in the beginning of November 1940 the Germans increased the level of the demands on food supplies for the coming year to such a standard that the Danish consumption had to be reduced. But they left it to the Danish authorities to decide how the reduction should be implemented, as they were convinced that the increased consumer prices on food would cause a strong reduction in the Danish consumption.

The development in prices on pork is almost similar to the one on butter, but it took much longer before price increases were completely carried out. Export prices on pork increased some 33 percent until November 1941 and some 59 percent until March 1943, whereupon they were constant during the rest of the occupation. At the same time Danish consumer prices on pork increased some 43 percent until November 1941 and 45 percent until March 1942, whereupon they were constant. After the summer of 1943 export prices were about 25 percent higher than the prices Danish consumers had to pay. They were also higher than producer prices, but it is difficult to compare, because the above mentioned producer prices do not show the full extend of the producer prices after October 1942, since Dr. Walter forced through that the producers should have 0,16 kroner per kg more, if the deadweight of the pigs were over 80 kg. Originally the Germans wanted a bigger bonus for even heavier pigs, but they agreed on this model. The traditional explanation of the German demand is that Germans prefer to eat fat schnitzels and not lean chops like the British, but the explanation is wrong. The German authorities based their demands on recommendations made by German nutritional experts, who believed that heavy pigs absorb the feed better than smaller ones and that heavy pigs could be fed boiled potatoes successfully.

Preferences of the German consumers were not involved in the decision.

It was very important for the Danish government to ensure relatively low prices on butter, milk and pork for the Danish population so that all groups of society could afford to buy these products. The bonus given to the producers, as the producer prices were higher than the consumer prices, were partly paid by high export prices and partly by subsidies. Again it is important to note that the German authorities accepted a policy in which Danish consumers gained from relatively low prices on food compared to export prices.

The price development on beef was quite different compared to prices on butter and pork. Until March 1943 there was a relatively free quotation on
producer prices while consumer prices were restricted, which caused heavier increases on producer than consumer prices. In the fall of 1940 the German negotiators wanted to reduce livestock and introduced short-termed advances on export prices, so the prices in September 1940 temporarily increased by ten percent, in October 1940 with an additional five percent, whereupon the temporary increases were annulled. It was important that the temporary price increases were released to the public, so the farmers could make the best possible use of it. Though the temporary price increases became permanent they show again that the German authorities used prices to manage production and to regulate the dimension of Danish livestock.

In the fall of 1941 prices on beef increased heavily, primarily caused by increased export prices, because the German negotiators wanted to reduce the livestock after a very poor harvest in 1941. Price increases in 1942 were caused by failing supplies of pork, and especially prices on poor quality beef increased heavily. This caused the desire of the Danish government to reduce domestic prices on beef, and from the beginning of 1943 fixed prices were carried through. This meant that producer and consumer prices from January 1943 and throughout the rest of the occupation period were at a constant level 20 percent higher than export prices. The lower export prices on beef compared to domestic prices caused periodically the disappearance of beef meant for exports, which several times annoyed the German negotiators, who, however, still did not establish means to change the price system. Again it is clear that the Danish consumers had precedence compared to the exports of food.

German price policy during the second half of the occupation period

As mentioned in the beginning it was only in the first year of the occupation period that the Export Committees had exclusive rights to negotiate prices. After June 1941 the Danish government took away these rights, but they informed the presidency of the Agricultural Council already in March 1941. Obviously, the top executives of the Agricultural Council were very dissatisfied with this decision, as they felt that prices of food were still low. At meetings in the beginning of March 1941 with the Minister of Agriculture, Kr. Bording, the presidency argued that prices had to increase more, if the production should not fall. The basis of this argument was that import prices had increased more than export prices since the German occupation, so expenditures were rising more than revenues. Since the presidency doubted that it would be possible to stop further increases on import prices and on wages, it wanted to keep the right to negotiate prices on food.

The minister made it clear that the government had to stop further price increases on food, as other groups of society suffered from it. Parts of the presidency of the Agricultural Council, including the president Henrik Hauch, and the representatives from the organization of smallholders (Husmandsforeningen) agreed that the government had to control future price negotiations, if the Minister of Agriculture was in charge, which the presidency of the Agricultural Council accepted as the model for the future. By this the Agricultural Council tried to make the best of it as they in eight
years had had a very close and confident cooperation with the Social Democratic minister. They also agreed that it would be advantageous for Denmark and for the farmers, if both import and export prices were kept constant. As mentioned there was little confidence that German export prices would fall or even be constant in the future, but the members of the presidency had reason to believe that the Germans would let prices on Danish exports increase equivalent to the import prices, no matter what the Danish government did.

During fall and winter of 1940 senior civil servants from the Ministry of Foreign Affairs, the Ministry of Trade, the Ministry of Agriculture, the Statistical Department and the National Bank discussed the German price policy in Denmark. There was a general feeling among the civil servants, especially in the Ministry of Foreign Affairs, that the Germans wanted to set prices in Denmark as in Germany, and the object for the civil servants was to present suggestions that would favour Denmark the most. They feared that the Germans wanted to adjust Danish food prices to the German level, which would be of benefit to the farmers but also cause inflation and harm other classes in Denmark. Wassard, chairman of the Danish Government Committee, therefore asked the agricultural attaché A. P. Jacobsen at the embassy in Berlin to calculate the price difference between domestic prices in Germany and Danish export prices on food, including cost of carry. On the 15th of February 1941 Jacobsen sent the required calculations to Copenhagen showing that German prices on butter were some 25 percent higher than the Danish export prices, whereas they were 51 percent higher on eggs and 29 percent on beef. At the same time export prices on pork were almost the same as the domestic prices in Germany.

Apparently Jacobsen made a miscalculation on butter, because on the 10th of September 1940 he dispatched new calculations to Copenhagen, where he noted that the difference between export prices and domestic German prices on butter disappeared in the spring of 1941. He noted also that there were no differences between prices on pork or eggs, while there was still a minor difference on beef. The fundamental conclusions in Jacobsen’s calculations from September 1941 are very credible, as he had an extensive knowledge on trade between Denmark and Germany. He had been stationed in Berlin since 1921 and had important connections to senior civil servants in the German ministries, especially in the REM. All together great importance should be ascribed to his evaluations. Therefore, the conclusion is the following: From spring 1941 export prices on butter and pork were at almost the same level as domestic German prices. The price gap on beef was reduced during the summer of 1941 to less than ten percent, and apparently it disappeared in the fall of 1941. This is confirmed by a summary of a meeting in the important German inter-departmental committee Handelspolitischer Ausschuss on the 7th of April 1941. It was discussed whether the Danish currency should be revalued compared with Reichsmark, and Dr. Walter argued against a revaluation fearing a reduction in the agricultural production. To prevent this the Danish farmers had to be held indemnified by higher prices on food, and as the export prices already were at the same level as the domestic German prices, this was not possible.
So it seems the German authorities implemented a price policy in Denmark based on the domestic German prices in the first year and a half of the occupation. Although there are no indications that the objective with the price policy was to create prices in Denmark at the same level as in Germany, it turned out to be the result of the policy. In this way Danish agricultural production was an integrated part of the Nazi-regime's agricultural policy, with a general price level being the same as the German domestic prices. After this time prices on food increased very little, and if export prices went up, it was either short term increases to ensure rapid supplies or to stimulate the production of special goods, for instance the heavy pigs.

In this article it has not been investigated if prices on goods imported from Germany were at the same level as domestic German prices, but it is reasonable to expect that this was the case from the fall of 1942, as import prices did not increase much after the turn of the year 1941/42.62 This shows that the German authorities wished to adjust prices in Denmark to the German level, but they had no interest in causing inflation.63 They shared the interest of the Danish Government and the Danish trade organizations, including the Agricultural Council, in fighting inflation.

As mentioned above both export- and import prices were almost constant the last three years of the occupation. It was not possible for the Export Committees to enter into agreements with the Germans that would result in higher prices on food, technically because the Danish government did not permit it, but in reality because the Germans did not want it. They wanted to keep prices at the current level, as a mean to pursue their main goal: To keep law and order in Denmark.

**Summary**

From the beginning of the German occupation of Denmark the German Ministry of Nutrition and Agriculture drew up a plan for managing the agricultural production in Denmark. The objective of the plan was to maximize the agricultural production and ensure a maximum of food supplies to Germany. Staatssekretär Backe and chief negotiator Dr. Walter made the plan, and it was communicated to all German negotiators in Denmark and to the German Embassy in Copenhagen, so they knew the German economic policy in Denmark well and were aware of their authorization in the negotiations with the Danish authorities.

The central element of the plan was to maintain and strengthen the farmers Produktions- und Lieferfreudigkeit. By the use of differentiated prices on various agricultural products at a much higher level compared to the pre-occupational level, the German authorities secured full cooperation of the Danish farmers and the farmers organizations, which was of significant importance for the implementation of the plan. The German authorities behind the plan saw it as the most rational policy in Denmark, and doubted that restrictions, control and rationings would lead to the desired objectives. Seen in retrospective one has to agree with them measured by the quantity of food supplies exported to Germany and by the few resources the Nazi-regime had to spend on management in Denmark.
Also the Danish farmers gained from the German policy. It ensured most farmers a good profit every year during the German occupation, and it secured that the productive capacity was almost intact when the war was over. Finally it meant that the production structures in Danish agriculture, both on the farms and in the processing industry, remained unchanged after the war compared to structures before the war.

The Danish government had basically the same advantages of the German policy as the Danish farmers. At the same time the arrangement ensured the Danish population the highest food consumption per inhabitant in Europe during the war. At the same time the Danish government succeeded in keeping the German authorities away from the Danish population and institutions, and letting the Danish authorities carry out most of the administration in Denmark. But the policy also had a strong impact on the distribution of wealth in Denmark. The farmers were benefiting and especially the unemployed and pensioners lost. Some groups of society in Denmark had a hard time especially during the first years of the war in which the cost of food increased heavily and the rate of unemployment was very high.

The basis of the German economic policy was the voluntary collaboration by the Danish authorities, the farmers and the farmer’s organizations, and the focus of the policy was exactly to ensure this. To the advantage of both Germany and Denmark Staatssekretär Backe and the chief negotiator Dr. Walter established a very efficient system in which the farmers and the Danish society in general in their own interests maximized the production and the exports to Germany.

It is important to note that the German occupying power used the same economic policy all five years in Denmark. This means that the policy was the same before and after the Danish government withdrew on the 29th of August 1943. In the winter of 1944/45 when starvation was epidemic in Germany, the German authorities did not try to impose harsh rations and increase food supplies. They still doubted that it would lead to the desired results.64

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2 See for instance Giltner 1998, like in footnote 1, 171.


4 Dr. Walter was chairman of the German delegation in the Danish-
German Government Committee, which had managed trade between the two countries since the beginning of the 1930s. He and Dr. Ebner, who came to Copenhagen on the 12th of April 1940 as economic commissioner at the Embassy, were senior officials in the important REM.

5 Confer: Danmarks Statistik: *Statistisk Aarbog 1940*. 82. The exports to England and Germany were in sum some 75 percent of the value of the total exports.

6 Ibid., 82–98.


9 The archives of Landbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 7/1940. (Reports from the Presidency to the Members of the Council).


11 Every year before and during the occupation the Government Committees concluded annual trade agreements, which fixed the quantities of goods traded between the two countries.


13 The negotiators in the Reichsstellen were all senior civil servants in the REM and all correspondence with Danish authorities was written on the ministry’s writing paper.

14 Dr. Walter’s superior was Staatssekretär Herbert Backe – from May 1942 acting Minister of Nutrition and Agriculture – who had to confirm all overall economic agreements concerning Denmark.

15 The formal name was De Landbrugsministerielle Eksportudvalg meaning The Ministry of Agriculture’s Export Committees.

16 Just (confer footnote 12) analyses how the export committees were established in 1932–33, and how they developed during the 1930s. His
conclusion is (on page 138) that all parties in the parliament supported the Minister of Agriculture’s bill, which gave “the export committees monopoly on all exports of agricultural products, where their assignment hitherto was to control and to regulate.” ("[...] eksportudvalgene fik monopol på al udførsel af landbrugsprodukter, hvor deres opgave hidtil havde været kontrollerende og regulerende.")

17 It is important to notice that it was a general opinion among the farmers during the first years of the occupation that they had every right to make a good profit, because they had suffered in the 1930s where the Danish government did not help them satisfactorily.


19 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 5/1941. (Reports from the Presidency to the Members of the Council).


22 The last time was on the 27th of March 1940 when Dr. Walter in a letter to the Auswärtiges Amt explained that he did not want to pay higher prices for Danish goods, because the Danes could use it to reduce prices on the British marked. But he was open for price increases if there were political reasons for this. Bundesarchiv: BAarch: R901/67747. “Preispolitik gegenber Dänemark.”

23 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 10/1940. (Reports from the Presidency to the Members of the Council).

24 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 12/1940. (Reports from the Presidency to the Members of the Council). The offer was mentioned as “Dr. Walter’s offer”. See also Bundesarchiv: BAarch: R901/67738. for detailed German calculations on the 29th of March and the 1st of April 1940.


26 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 13/1940. (Reports from the Presidency to the Members of the Council).

27 Ibid.

28 Rigsarkivet: UM 1909-1945, H64-190. Letter from the Ministry of
Foreign Affairs to the Ministry of Agriculture concerning Dr. Walter's acceptance of the Danish export-wishes. The German Embassy send a matter-of-fact telex on the 12th of April 1940 to Berlin explaining that Wassard had offered 3,800 tons of butter, 187,000 slaughtered pigs and two millions eggs. Confer Bundesarchiv: BAarch: R901/67741. Telex dated 12th of April 1940 from the German Embassy in Copenhagen to Auswärtiges Amt in Berlin.

29 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 13/1940. (Reports from the Presidency to the Members of the Council).

30 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 14/1940. (Reports from the Presidency to the Members of the Council) and Jensen 1971, like in footnote 10, 30.

31 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 14/1940. (Reports from the Presidency to the Members of the Council) and Rigsarkivet: UM 1909-1945, H64-190. Report dated 13th of April 1940 written by A. P. Jacobsen and sent to the Ministry of Agriculture. At the same time the population of poultry should be reduced heavily. The reason was that since no one could foresee, how long the occupation would last, the farmers had to reduce the population of pigs which could be regenerated shortly, while it takes years to regenerate herds of cattle.


34 “ved hjælp af Prisreguleringer i ikke ringe grad kunde regulere Produktion paa forskellige Markeder” Rigsarkivet: UM 1909-1945, Dmk-Tyskland Handelstraktatforhold XXXIX, nr. H64-190. Summary of a meeting in the Agricultural Council of Denmark on the 3rd of May 1940 between Danish and German agricultural experts.

35 “Kan vi ikke hjælpe jer ved at ansætte relative Prisforhøjelser, saaledes at for de Varer, som I – og dermed mener de vi – er særlig interesseret i, sker der en særlig Prisstigning, og der hvor der skal skøres stærkt ned, bliver Prisstigningen ikke ret stor? Disse relative Priser, der skulde hjælpe dansk Landbrug med at komme igennem, vil
jeg blot lige nævne i samme Aandedræt, for det er noget, vi kan fæ 'Fornøjelse' af:". Udførligt referat af Landbrugsraadets Møde den 23.5.1940 (detailed report of the meeting in the Agricultural Council on the 23rd of May 1940). The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. Raadsmøder 1938–40. (Reports from the Presidency to the Members of the Council). The reporter made quick notes in the summaries, so the quotation is also very odd in Danish but it means that Dr. Hasselbach suggested that the Danish and the German negotiators in community estimated rapid price increases on butter while prices on pork and eggs almost were kept unchanged. He argued that this was in the interest of both sides.


37 The rationale behind this was that it would be impossible to manage some 200.000 Danish farmers by the use of restrictions and controls. This would only cause a black market for food.

38 Ibid.

39 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 19/1940. (Reports from the Presidency to the Members of the Council).

40 "paa købmændsmæssig, strengt forretningsmæssig Maade": The archives of Landsbrugsraadet: Raadsmøde 28. juni 1940.

41 The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 23/1940. (Reports from the Presidency to the Members of the Council). and Summary of the Council meeting (Raadsmøde) on the 28th of June 1940.

42 Bundsarchiv: BAarch: R901/67771. Summary of a meeting in REM on the 19th of June 1940: "Preispolitik bei der Einfuhr landwirtschaftlicher Erzeugnisse aus Dänemark".

43 Danmarks Statistik: Statistiske Meddelelser 4. Række, 127 Bind, 3 Hæfte. Landbrugsstatistik 1945 herunder Havebrug, Skovbrug m.v. København 1947, 150, 163, 167. It is important to be aware of that there were fixed producers-, consumers- and export prices. This means that the three types of prices were interrelated, so producer prices so to speak were a weighted average of export- and consumer prices. Then the government gave subsidies to keep up producer prices or keep down Danish consumer prices.

44 Ibid. From January 1941 export prices on butter were 5,10 kroner per kg while the domestic consumer prices were 3,89 kroner per kg, so export prices were 31 percent higher than consumer prices. In the first quarter of 1941 the Germans offered to pay five kroner per kg for an export quantity of 8.000 million kg and 5,25 kroner per kg for export quantities above 8.000 million kg as an incentive to export more butter and to maintain the Lieferfreudigkeit. It is important to note that the German occupying force to a large degree paid for the imports from
Denmark – where food imports accounted for a substantial part – by a growing deficit on the clearing account in the Danish central bank.

45 In a report to van Scherpenberg in Auswärtiges Amt on the 18th of February 1941 Dr. Walter was very pessimistic regarding Denmark. He was concerned that further price increases on food would cause social disturbances in Denmark. Bundesarchiv: BAarch: R901/67311. Report written by Dr. Walter: “Wirtschaftslage Dänemarks”.

46 At meetings between the Danish-German Government Committees in the beginning of July 1942 Dr. Walter was very clear in his statements. He declared that the domestic market for food had precedence compared to exports, and that it had been the policy from the beginning of the occupation. Rigsarkivet: UM 1909-1945: H64-194. Letter from the Ministry of Foreign Affairs to the Ministry of Agriculture dated 7th of July 1942. The issue will be clarified in my dissertation projected for publication in 2005.

47 Bundesarchiv: BAarch: R901/67771. Report dated 9th of November 1940 written by Dr. Walter and sent to Legationsrat von Scherpenberg in Auswärtiges Amt: ”Bericht über die deutsch-dänischen Verhandlungen auf landwirtschaftlichen Gebieten”.


49 Ibid., 150. The dead weight of pigs in Denmark was normally between 60 and 80 kg.

50 In a report from Dr. Ebner on the 24th of February 1942 to the Auswärtiges Amt about negotiations in the Government Committee he explained that the Germans wanted to give 0.24 kroner per kg more for pigs with deadweight between 85 and 100 kg and 0.32 kroner per kg for pigs with deadweight between 101 and 130 kg. Bundesarchiv: BAarch: R901/67772. Report from Ebner to Auswärtiges Amt dated 24th of February 1942.

51 On the 22nd of April 1942 Dr. Walter sent a telex to Backe notifying that the Danish negotiators had accepted the price arrangement with heavy pigs and that it was important to get some 300 potato-boiling plants before the 15th of August 1942. On the 24th of April 1942 Backe answered back that it was possible to get the plants and that he did everything possible to get it before the wished date. Bundesarchiv: R901/67782. Telex from Dr. Walter to Staatssekretär Backe dated 22nd of April 1942 and telex dated 24th of April 1942 from Backe to Walter.

Even though Dr. Walter in a letter to the Auswärtiges Amt on the 17th of July 1940 noted that the domestic prices on food in the long term had to be at the same level as the export prices. Bundesarchiv: R901/68173. Letter dated 17th of July 1940 from Dr. Walter to Auswärtiges Amt: “Kürzung der Verteilerspanne für Frischmilch und Sahne in Dänemark”.

The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. no. 30/1940. (Reports from the Presidency to the Members of the Council). Already at a meeting on the 19th of June 1940 Dr. Walter informed the negotiators in the Reichsstellen that it could be necessary to increase export prices on beef in the fall of 1940, as a mean to reduce livestock’s. Bundesarchiv: R901/67771. Summary of a meeting in REM on the 19th of June 1940: “Preispolitik bei der Einfuhr landwirtschaftlicher Erzeugnisse aus Dänemark”.

Especially the president of Landbrugsraadet, Henrik Hauch, and the Minister of Agriculture were very closely related. Hauch joined the coalition government on the 10th of April 1940 as a supervisor for the Minister of Agriculture (Hauch was member of the Parliament during the German occupation elected by the liberal agrarian party Venstre), and apparently they had a very good understanding of one another.

The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. (Reports from the Presidency to the Members of the Council). no. 6/1941.

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The archives of Landsbrugsraadet: Meddelelse fra Præsidiet til Raadets Medlemmer. (Reports from the Presidency to the Members of the Council). no. 6/1941.


Ibid. In his letter from the 2nd of September 1941 Wassard asked Jacobsen to send a list over which currencies – Reichsmark or Kroner – different agricultural products were traded in. It is amazing that the Danish head negotiator did not know this before.

Bundesarchiv: R91/949. Summary of a meeting in Handelspolitischer Ausschuss on the 7th of April 1941. Dr. Walter points out the same conclusion in a letter from the 18th of February 1941 to Legationsrat van Scherpenberg in the Auswärtiges Amt. Bundesarchiv: R901/68311. Report written by Dr. Walter: “Wirtschaftslage Dänemarks”.

Danmarks Statistik: Statistisk Aarbog 1945. 144f.

This issue will be clarified in my dissertation, which is projected for publication in 2005 at *Lindhardt & Ringhoff Publishers*. 