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Cash and Cannons

Norway, Denmark and the US Aid Programmes 1947-1952
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Introduction

During the period from 1947 to 1952 Norway and Denmark moved from being non-aligned states to becoming members of an integrated Western alliance. This article will discuss the role and importance of American aid programmes in this process. Two main questions will be discussed. Firstly, why did Denmark and Norway accept financial and military aid from the United States? How important were immediate economic needs, and to what extent did other foreign policy considerations come into play? Secondly, to what extent could it be argued that the prospect of obtaining aid from the United States contributed to pulling Norway and Denmark towards the West and integrating them into the Western security system?

The article will start by discussing Norwegian and Danish motives for accepting Marshall aid. The second part will examine the relative importance of Marshall aid and military assistance for Denmark’s and Norway’s decision to join the North Atlantic Treaty. The last part will look at how the American arms assistance programmes in the two countries were implemented and discuss how and to what extent this contributed to the integration of the two countries into the political and military structures of the Atlantic bloc.

Both Danish and Norwegian historians have analysed the foreign policies of their countries as the result of an interaction between security, economics and domestic factors. There are, however, certain differences in emphasis. When foreign policy decisions and strategies are explained, Norwegian historians have tended to emphasise considerations of general foreign policy orientation, and pay particular attention to the security dimensions of the actual policies. Although it might be an exaggeration to claim that the analytical emphasis of Norwegian Cold War historiography has been based solely on the primacy of security, there has certainly been a tendency to stress how security concerns played a prominent position in the minds of foreign policy decision-makers. This is partly a reflection of the topics and perspectives that have been explored, however, and there are signs that the emphasis on security is becoming less prominent in more recent research. Moreover, the most prominent Norwegian historian who has been doing research into the Marshall Plan, Helge Pharo, has always stressed the interaction between economy, security, ideology and culture. Danish historians, meanwhile, have put somewhat greater emphasis on economic considerations and the domestic political situation when explaining Danish policies in the same period. Doubtless, the differences of emphasis partly reflect real dissimilarities in the setting and background for foreign policy decisions in the two countries during the early postwar period. However, as will be seen from this article, a comparison between the two countries stressing the reciprocal relationship between domestic affairs, economy and security concerns, shows that the similarities are as striking as the differences.

1 - Bridgebuilding and the Decision to Accept Marshall Aid

Both Norway and Denmark adopted a non-aligned stand after the end of the Second World War. In both countries this policy was referred to as “bridgebuilding”. There was no going back to the policies of the prewar years, however, where non-alignment in peace aimed at neutrality in war. Such a policy had failed miserably in 1940, and neither Denmark nor Norway believed that it would be possible to remain outside a new European war. The foreign policy of Denmark and Norway in 1945-47 was hence based on collective security through the United Nations and, ultimately, on an alliance with the Western powers, should war break out. Despite their official non-aligned status, both countries kept intimate military ties to Britain. Both supplied brigade groups to the British occupation zone of Germany. For Norway, the relationship with Britain was so close that it could be termed a “semi-alliance”. Norway
bought large amounts of military equipment from Britain, and Norwegian personnel were educated at British military schools.

The 'bridgebuilding' concept seemed to indicate that the countries would act as active mediators between the great powers, but their actual foreign policies were marked by a low international profile and avoided taking a stand in the emerging conflicts between the former wartime allies. Internally, both countries concentrated on rebuilding the economy after the war. Norway had experienced severe wartime damage and the government embarked on an ambitious reconstruction programme for industry and infrastructure. Throughout the period, Norway had a majority Labour government, whereas Denmark had weaker governments, a minority Liberal government from 1945-47, a minority Social Democrat government from 1947-1950, and a Liberal-Conservative coalition from 1950-53.

Of the two countries, Norway was most sceptical to George C. Marshall's Harvard speech in 1947. After some hesitation, the government still chose to participate in the Paris negotiations. Helge Pharo was the first to present a study on Norway and the Marshall Plan based on primary sources in 1976, and he has later expanded his views in a number of articles. Pharo documented that both the initial Norwegian hesitation and the subsequent decision to participate was taken on the basis of a broad assessment of a number of factors, such as the development of international affairs, the foreign policy orientation of Norway, general trade patterns of the country and domestic sentiments. Thus, the decision was based on what Pharo terms 'general foreign policy considerations', rather than on any single factor. In so arguing, he differed from the first historical accounts, which had put primary emphasis on the immediate need for financial aid.

Pharo showed how the Norwegian government initially viewed the offer of American aid as a move that would deepen the division of Europe. Accepting Marshall aid could create problems for Norway's declared stand as a bridgebuilder between the emerging blocs, and Norway preferred to remain outside if it proved to be economically possible. Moreover, when the plan was presented, it was still unclear how other European states would react. The Norwegian government therefore avoided committing itself during the first weeks after the Harvard speech.

Economical factors played an important role in the deliberations of the Norwegian government, but Pharo was able give a more qualified analysis than the earliest accounts. In general, there could be no doubt that Norway needed an influx of foreign currency in order to fulfil the ambitious reconstruction programme. During the winter and spring of 1947, the Norwegians viewed the foreign exchange situation as rather difficult. At the time of Marshall's speech, however, the picture that was presented from the Ministry of Finance appeared to be somewhat less bleak. It seemed that Norway could, if necessary, proceed for another year and a half without an influx of foreign currency. This impression, however, was partly the result of wishful thinking. To a certain degree the figures had been consciously arranged to support the notion that Norway could choose not to accept aid. Moreover, the Norwegian statistical material itself was inadequate and failed to predict an urgent dollar shortage that was not far away when Marshall made his speech. Because of a certain self-delusion and misleading statistic figures, the Norwegian debate on whether to participate hence took place without the same feeling of immediate economic urgency as in Denmark, where it was already beyond doubt that the foreign exchange situation was deteriorating alarmingly.

Moreover, leading Norwegian Labour economists predicted an impending postwar depression in the world economy. Just as after the First World War, they claimed, scarcity would soon be followed by over-production. Consequently, the dollar shortage would soon cease to be a problem. In other words, wishful
thinking, inadequate statistics and ideologically coloured anticipation influenced the Norwegian perception of the situation.

There were, however, many general factors that spoke in favour of joining the Marshall Plan, and the development during the weeks of Norwegian deliberation made these factors increasingly significant. It soon became clear that both Denmark and Sweden intended to participate — and Norway placed much emphasis on Scandinavian cohesion. When Sweden, with its well-established tradition of neutrality, could accept the offer, it was more difficult to argue that Norway should not. Moreover, the enthusiasm of the British Labour government felt both compelling and reassuring for the Norwegian government. Among the great powers, Norway felt most close to Britain, both for historical and ideological reasons. Moreover, as time passed it gradually became clear that all European countries would accept the offer, except for the East European states and Finland. Thus, the participants in the Marshall Plan came to include all the countries that Norway felt close to politically, culturally and historically. Moreover, the participants included all of Norway’s principal trade partners.

Norwegian domestic sentiments had been among the factors that called for caution during the first weeks after the Americans made their offer. It was feared that an acceptance would alienate significant groups within the ruling Labour Party. As other social democrat governments in Europe signalled their support of the Marshall Plan, such concerns were somewhat less relevant, and it seemed that it would create more domestic stirrings if the plan were rejected.

As all the West European states would participate, a decision to abstain seemed to be more of a deviation from the present political course than to accept. To reject the offer would, as a leading adviser to the foreign minister expressed it, ‘be a demonstrative alignment with the eastern bloc’. By participating in the Marshall Plan, the government thus chose the alternative that seemed to have the least direct implications from a general foreign policy point of view.

The case of Denmark was somewhat different from the Norwegian one. Immediate economic needs seem to have played an important role in the Danish decision to accept Marshall aid. Denmark’s foreign currency reserves were running out, and the dollar deficit appeared to have become chronic. The economic situation hence seemed to leave Denmark with little choice. Still, Denmark did not initially expect to receive substantial amounts of direct financial aid from the United States. However, Danish authorities expected that the programme would have a very positive effect for Denmark’s European trade partners and thereby stimulate demand for Danish goods. Therefore, Denmark, just like Norway, had a general interest in the successful realisation of the plan. It should also be noted that foreign policy considerations influenced the Danish choice as they did the Norwegian one: it was feared that a rejection would be interpreted as pro-Soviet.

At a general level, the similarities between the Norwegian and the Danish motives for accepting Marshall aid are striking. Both countries had general economic and political interests that made it difficult to reject the American offer. The main difference was that the Danes perceived the currency situation as being almost desperate at the time when the offer was made, whereas the Norwegians felt that they still had some room for manoeuvre. Danish historians have hence emphasised the economic motives behind the Danish decision. Norwegian historians, noticeably Helge Pharo, have explored general foreign policy considerations in order to explain both the initial Norwegian hesitation and the decision to participate. Thus, whereas both Danish and Norwegian historians have pointed to a combination of factors behind the decision to join the Marshall Plan, Norwegian accounts have tended to put more emphasis on the issue of foreign policy orientation, including the implicit security implications of the decision.
Although the Norwegians were initially more reluctant to accept the American offer than were the Danes, both countries chose the same strategy at the Paris negotiations. In cooperation with Sweden, Norway and Denmark set out to restrict the scope of institutionalisation and cooperation between the participants. This strategy was meant to protect national sovereignty and minimise the implications for their non-aligned status. In order to avoid the impression that they had abandoned the policy of bridgebuilding, Denmark and Norway were both eager to underline that their decision to participate was a purely economic one.14

Ironically, then, there were political reasons behind the strong emphasis on the economic aspects of the decision. For the Norwegians, this strategy was initially based on the impression that the currency situation, although difficult, was not precarious. The Norwegians therefore felt that they could negotiate from a position of relative strength, and for political motives, the Norwegian estimates for dollar aid were set very low. All three Scandinavian countries argued that the aid should be distributed through the Economic Commission for Europe (ECE) under UN auspices, and they adopted the same stand as did the Russians before they withdrew from the negotiations, namely that the receivers should present their needs individually, and that aid should be distributed on this basis rather than collectively (the so-called shopping list approach).15

During the negotiations the Scandinavian stand proved infeasible. Faced by American pressure the West European countries had to accept a semi-permanent institutional system of cooperation and coordination for the distribution of aid. Denmark was the first of the three Scandinavian countries to signal her will to accept these terms, and Norway soon followed. Their decision can partly be explained by economic considerations. Denmark's difficult economic situation goes a long way to explain why the country chose to give in at an earlier stage than Norway and Sweden. However, Norway also had to reassess her economic position. In August 1947 it turned out that the cautiously optimistic Norwegian assessment of the foreign exchange balance during the last weeks had been unfounded, and that Norway in fact faced a severe dollar crisis. This realisation probably tempered the Norwegian wish to resist American demands, although there was still widespread scepticism among the Norwegians.16

In addition to the difficult economic situation, general political and diplomatic considerations made it undesirable for both countries to become the one to be blamed for an eventual breakdown of the negotiations.17

2 - Scandinavian or Atlantic Alliance?

During the Marshall Plan negotiations, a primary aim for the Norwegian government was to avoid making moves that would be inconsistent with the official non-aligned bridgebuilding doctrine. However, the non-aligned policies of bridgebuilding were based on the basic premise that there remained a certain understanding and cooperation between the victorious great powers after the war. All the time Norwegian policy makers had operated with a conscious fall back position: should the great powers drift into confrontation, Norway would have to turn west. Consequently, towards the end of 1947, Norwegian foreign policy makers were beginning to rethink the basis of Norwegian foreign policy in the light of growing international tensions.18 The Danes also felt uneasy in the face of international developments, but adopted a waiting attitude.

The actual consequences of the Norwegian reorientation from the late autumn of 1947 were unclear at first. The foreign policy elite of the Norwegian Labour Party would no doubt have preferred a solution where Norway—or, even better, Scandinavia—was offered an unconditional security guarantee from Britain and the United States. However, such an alternative turned out to be wishful thinking. During the spring and summer of 1948 two main alternatives came into the foreground for
both Denmark and Norway: either the establishment of a Scandinavian defence union, or membership in the emerging Atlantic Pact.

Nicolaj Petersen has analysed and compared Danish and Norwegian security policies in the transitory period 1948-1949. He concludes that both countries considered a Scandinavian defence union to be the preferred solution, with membership in the Atlantic Treaty as a fallback position if negotiations broke down. Continued isolated neutrality was seen as an unacceptable option for both governments, perhaps most so to the Norwegian one. There was, however, an important difference between the preferences of the two countries. Denmark would prefer a non-aligned (neutral) Scandinavian union, but would also accept a union with ties to the West, if Norway and Sweden agreed to such an arrangement. For Norway, however, it was an absolute condition that a Scandinavian union had an “opening to the West”. The exact scope of this “opening” (or connection) could be a matter of negotiation, but at a minimum it would have to include military staff consultations aiming to agree on arrangements for cooperation in war and an agreement of preferential treatment regarding arms deliveries. To the Norwegians, the lesson from 1940 was that it would be a mistake to rely on an implicit or unspoken Western guarantee of assistance in case of an attack. The intention of military cooperation had to be formalised beforehand and prepared by joint planning. The demand for a formal tie to the Western powers thus reflected a principal security consideration on the Norwegian side.

The failed Scandinavian negotiations and the subsequent Norwegian and Danish entry into the North Atlantic Treaty have been extensively debated by several historians, and a thorough discussion of this literature lies beyond the scope of this article. It seems clear, however, that the Scandinavian negotiations failed because Norway and Sweden could not agree on the character of the defence union. The Swedes insisted on strict neutrality, and whereas the Norwegians were willing to go long a way to find a compromise, they refused to give up the demand of a Western connection of some kind. Despite Danish attempts to mediate, sufficient common ground could not be found. When Norway consequently decided to join the North Atlantic Pact in early 1949, Denmark followed suit, if somewhat hesitantly.

Which role did the American aid programmes play in the Scandinavian alliance question? There were two American programmes that could influence the Scandinavian decision: firstly, the Marshall Plan and secondly, the American Arms Assistance Programme — that was in the making but not yet implemented when Norway and Denmark made their choice.

The first question that should be considered is whether the Danes and the Norwegians assumed, or were led to think, that joining the Atlantic Treaty would result in more Marshall aid. It is a fact that the Norwegians obtained a substantial rise in the their portion of Marshall aid during the spring of 1948, at the same time as they abandoned the bridgebuilding policy and started a reorientation towards the West. However, this was because the Norwegians themselves no longer saw any political reasons for keeping their requests as low as possible. Since the credibility of the bridgebuilding policy was no longer at stake, the Norwegian government started to lobby for a considerable rise in the dollar contributions. The Norwegian negotiators did succeed to a certain degree, partly because the Americans noticed the simultaneous Norwegian reorientation towards the West and wanted to encourage it. However, this does not necessarily mean that the Americans used the prospect of more Marshall aid to pull Norway towards the Atlantic Pact. Certainly, it is reasonable to assume that Norwegian requests to expand the proportion of dollar aid would have been met with less sympathy if they had been combined with a stubborn Norwegian insistence on keeping a demonstratively non-aligned foreign policy line. However, the Norwegian foreign policy reorientation was a premise of the Norwegian requests for more aid, not a result. Since the reorientation preceded the Norwegian
renegotiation of the dollar amounts, the American response could only serve to encourage a development that was already on its way.21

A second issue regarding the significance of American aid for the Scandinavian alliance decision, is whether the hope of obtaining arms assistance from the United States played a decisive role. From a military point of view, there could be no doubt that there was a desperate need for cheap arms deliveries. The Norwegian and Danish armed forces were very weak in the early years after the war, sorely lacking in arms and other equipment. At first this led the Swedes to demand that the actual implementation of a Scandinavian defence pact would have to wait a few years, until Norwegian and Danish armed forces had become stronger. (At this time the Swedes themselves possessed the second largest military force in Western Europe, surpassed only by the British.) In the concluding phase of the Scandinavian negotiations, the Swedes did accept bringing the defence union into function at once. It was clear, however, that the Danes and the Norwegians would face heavy investments in weaponry if the defence union was to be realised. If these weapons were to be purchased at full price on the open market, it would mean a heavy drain on the currency reserves of both countries – reserves much needed for civilian reconstruction. In order to limit defence expenditures, the Danes and Norwegians therefore hoped that it would be possible for a Scandinavian defence union to obtain cheap weapons deliveries from the United States under the Vandenberg Resolution. Norwegian inquiries in Washington seemed to indicate, however, that a Scandinavian defence union would not be given priority when it came to cheap arms deliveries. While the Danes and the Swedes assumed that the Americans would back down if faced with the establishment of a Scandinavian union as a fait accompli, the Norwegians were more inclined to take the initial American response at face value.22

Given their preference of having at least Norway and Denmark in the North Atlantic Treaty, it is difficult to see how the Americans could have responded more positively to the requests for preferential treatment for a Scandinavian defence union. Hence, the American response can hardly be construed as pressure. What might still be a matter of discussion, however, is the relative importance of the arms support issue for the Danish and Norwegian decision to join the North Atlantic Treaty. In order to discuss this question, two other categories of explanatory factors should be considered: security concerns and domestic factors.

Historians writing on Norway have generally argued that security considerations were more important than the prospect of obtaining arms assistance. Helge Pharo is clear on his view of the priorities of the Norwegian government: ‘[a]s far as the cabinet was concerned, arms deliveries were a secondary issue, an acceptable opening to the West was a sine qua non.’23 Norway has a long coast towards the Atlantic, and a security guarantee from the North Atlantic powers was considered vital. Admittedly, having Sweden as an ally would greatly enhance Norwegian security, but in the face of a massive Soviet attack, it would not be sufficient. Norway did not share the Swedish (and to some degree the Danish) assumption that the Western powers would come to Scandinavia’s assistance out of their own interest. The belief in such an implicit Western security guarantee had been the basis of Norwegian foreign policy before 1940, and had proven insufficient when Norway was attacked by Germany.

Security considerations can also serve to explain the greater Danish interest in Sweden as an ally. Given Denmark’s extremely exposed position as a small and easily conquered appendage of the Continent, it would be valuable to have a strong ally situated close by. Sweden was situated just across the straits and could – at least in theory – send military support within hours.24 In contrast, there were few American troops stationed on the Continent at the time, and it was not likely that they would be sent to
help Denmark, should war break out. (On the other hand, Western troops fighting against a Soviet attack in Northern Germany would indirectly protect Denmark whether the Danes were members of the Atlantic Pact or not). The prospect of Swedish troops being sent to assist Denmark in a war may seem like wishful thinking. However, one might speculate that the Danes still considered a Swedish security guarantee to be of a certain value as a source of deterrence. Perhaps – they might have hoped – the Soviets would refrain from attacking Denmark during a general advance on the Continent if such an attack would automatically bring them into a war with neutral Sweden. After all, Sweden had a relatively sizeable military force, and it might be in Soviet interest to keep Sweden neutral. If, on the other hand, Denmark was not allied to Sweden, there would be no reason why the Soviets should refrain from the relatively easy task of occupying the tiny country as part of a Continental campaign.

Compared to their Norwegian colleagues, Danish historians have generally attached somewhat more importance to domestic factors when explaining the alliance preferences of the Danish government in 1948-49. Indeed, in a recent article by Karl Molin and Thorsten B. Olesen, domestic factors are described as more, or at least equally important as security considerations in deciding the policies of the Danish government. Visions of Scandinavian unity and cooperation – "Scandinavianism" – had a strong position in Danish public opinion and in several political parties. In relation to Norway, the neutrality policy of Sweden in the first part of the war had to some extent soured relations, but to the Danes, the experiences from the war rather seemed to demonstrate the necessity of Scandinavian cohesion in the future. Moreover, the Danish Social Democrats might also have had domestic political motives for promoting a Scandinavian alliance. The Danish Social Democrats were not as strong as their Scandinavian sister-parties, and the Social Democratic government in power from 1947-50 did not command a majority in the Parliament.

Cooperation with the strong Labour governments of their Scandinavian neighbours must have seemed attractive. Together the Scandinavian Labour parties could create a small ‘third way’ bloc that would be a showroom for planned economy, social security and bridgebuilding policies. In the long run, this could boost the support for the Danish Social Democrats and perhaps give them a domestic position comparable to their Scandinavian counterparts. Domestic concerns can thus serve to explain the strong pro-Scandinavian sentiments of the Danish government.

Norwegian domestic sentiments, in contrast, gave less clear directions for the policymakers. The public opinion in Norway was divided and uncertain. The non-socialist opposition was mostly in favour of Norwegian membership in an Atlantic alliance and sceptical of the Scandinavian option. The Labour Party was split, however, and many party members were uncertain and hesitant. A small, but vocal opposition was clearly negative to Western alignment in any form. However, the ministers of defence and foreign affairs were strongly oriented towards the West, as were most of the leading figures in the party leadership, especially in the party organisation in Oslo. Still, it seems that most leading Labour Party politicians would have preferred a Scandinavian defence union, granted that it had sufficient ties to the West. Since Sweden insisted that a Scandinavian defence union would have to be based on strict neutrality, this option was excluded, however. The supporters of a Western solution therefore ended up supporting a membership in the Atlantic Treaty. The head of the Labour Party, Prime Minister Einar Gerhardsen, seemed to lean towards a Scandinavian union, although he avoided taking a firm position in public during the course of the negotiations. When he finally made up his mind, however, he threw his weight behind the Atlantic option. This finally tipped the scales in the party organisation, and only small groups of opponents to membership in the Atlantic Treaty remained. Joining the Atlantic Treaty seemed to constitute the least splitting
alternative domestically, both for the Norwegian Labour Party and for Norwegian opinion at large. That is not to say that it appeared totally impossible to obtain broad domestic acceptance for a Scandinavian solution. Given the volatile and hesitant sentiments in the public opinion as well as among politicians across the political spectrum, the government had a genuine possibility of employing its prestige to sway the opinion in one direction or the other.

In assessing the importance of the various factors behind the choice to join the Atlantic Treaty, historians writing on Norway have hence put security first. Domestic factors pointed in different directions. The hope of obtaining more Marshall aid as an Atlantic Treaty member was uncertain at the best. Cheap arms deliveries were indeed desirable, but it was first and foremost a security guarantee from the United States that counted.

It might be misleading, however, to consider the issue of arms deliveries in isolation from the security guarantee of the alliance. Most European decision makers probably took it almost for granted that an Atlantic alliance would include arms aid that would make it easier for the Europeans to defend themselves while waiting for American reinforcements. Even without the Vandenberg Resolution, there would probably have been the general expectation that American aid would be forthcoming. Such an assumption could be based partly on the memory of the Lend-Lease Programme of the Second World War, and partly on the positive experiences of the ongoing European Recovery Programme.

However, even if the security guarantee and the prospects of arms assistance were almost inseparable in the minds of the decision makers, it might still be argued that military aid did play a particular role in paving the way for domestic consensus in Norway. The apparent lack of cheap arms deliveries for a Scandinavian option was decisive to some Labour party members who would have preferred the Scandinavian solution, but who found it even more important to keep arms expenditures low. The belief in the American will and ability to supply arms to members of the future Atlantic Treaty, but not to a non-aligned defence union, probably made some Labour party members abandon the Scandinavian option. Thus, instead of discussing which of the factors that was most important in bringing Norway into the Atlantic Pact, one could focus on the reciprocal relationship between them. For Norway's part, it appears that all the factors reinforced one another in pointing towards an Atlantic solution: it gave more credible protection than a neutral Scandinavian union, it was the best basis for constructing domestic political consensus, it would give an economic gain through cheap arms deliveries, and, possibly, easier access to more Marshall aid. All these considerations together seems to have played a role for the final outcome.

Furthermore, when the role of the American aid programmes for the final outcome of the alliance question is considered, its general influence on Norwegian and Danish sentiments should also be kept in mind. It might be true that the expectation of more Marshall aid for members of the Atlantic Treaty in itself did not have a decisive impact on the Norwegian decision. However, the European Recovery Programme played an important role in creating a positive image of the United States in Norway, as in the rest of Western Europe. The belief that the United States could indeed offer a credible security guarantee combined with substantial arms assistance was to a large extent conditioned by this image of generosity and benevolence. In addition, of course, the Americans possessed the most powerful weapon in the world, the atomic bomb. The trust in American power and resources was a part of the general sentiments of both top-ranking decision-makers and the general opinion.
During the first year of the existence of the North Atlantic Pact, Norway and Denmark saw few concrete results of the new security arrangement. The outbreak of the Korean War changed this. The North Atlantic Treaty was transformed into an integrated defence organisation, it was expanded to include Turkey and Greece, and the process towards rearming Germany started. During this period of unprecedented military build-up in peacetime, both Norway and Denmark received large amounts of American arms and equipment. Before the outbreak of the Korean War only a few shipments of equipment had been received, but after the North Korean attack on its Southern neighbour, arms deliveries from the United States rose dramatically. By February 1953 Norway had received equipment with an estimated value of 159 million dollars.21 Thanks to the arms shipments pouring in from the Americans, the small European allies could to a large degree concentrate their own military spending on training personnel and building infrastructure. In addition, NATO’s infrastructure programme paid for some of the facilities, noticeably airports.

At the same time, the Americans used a carrot-and-stick strategy in order to encourage the receiving countries to spend more on defence purposes themselves. Higher domestic defence budgets would lead to more aid from the United States, whereas a failure to increase military spending could result in American cutbacks. The Norwegians increased military expenditure considerably. From 357 million Norwegian Kroner in 1950, the defence budget tripled in three years and passed one billion in 1953.28 Denmark, however, was less susceptible to American pressure. The Americans held out the promise of both dollar aid and arms assistance as incentives in order to make the Danes spend more on defence. The Danish government did expand their defence budgets, but by less than any other NATO state. Despite her refusal to meet American demands, Denmark still continued to receive arms aid from the United States, although by late 1953 Norway’s share of the shipments was considerably higher than the Danish one.29

Norwegian and Danish policies in connection with the arms assistance programmes should be analysed in terms of the balancing act that characterised the alliance policies of the two countries.

Having joined the North Atlantic Treaty, Norwegian authorities had to reconcile several conflicting aims. On the one hand, it was important that the membership in the North Atlantic Treaty actually constituted a credible deterrent in relation to the Soviet Union. On the other hand, it had to be made clear to the Soviets that Norway did not constitute an offensive threat. The Soviet Union should preferably be deterred and reassured at the same time. In relation to the alliance, Norway also had interests that pointed in different directions: Norway needed arms deliveries as well as credible plans for allied reinforcement in war, but Norwegian sovereignty and freedom of action should be protected from allied infringements. Norwegian authorities hence wanted to strengthen allied attention to Norway’s security needs, while simultaneously working to limit the practical consequences of such attention. Domestic concerns reinforced these tendencies: the government wished to avoid provoking the left wing of the Labour Party. Even in the non-socialist opposition there was widespread scepticism to the growing Norwegian integration into the alliance. Rolf Tamnes has pointed at the dynamics of Norwegian alliance policies.30 Measures strengthening the deterrence aspects of the policy frequently led to parallel efforts to reassure the Soviet Union. The process of integration into NATO structures were simultaneously countered by measures limiting the effects of allied presence. Norwegian policies thus oscillated between deterrence and
reassurance, *vis-à-vis* the Soviet Union and between integration into the alliance and screening from its undesired effects. The Norwegian wish to reassure the Soviet Union of her peaceful intentions and restrict allied presence in Norway was reflected in the so-called ‘base declaration’ of February 1949, stating that foreign troops would not be stationed on Norwegian soil unless there was a war or a threat of war.

Danish foreign policy can be analysed in terms of the same conflicting aims. In his voluminous work on Danish postwar security policies, Poul Villaume has to some degree adopted the analytical tools of his Norwegian colleagues. Nicolai Petersen has analysed Danish alliance policies in terms of the tension between the fear of entrapment (being dominated and losing freedom of manoeuvre) and abandonment (provoking the allies in a way that would put the security guarantee in peril). There were, however, some noticeable differences between Norway and Denmark. A much larger proportion of the Danish population remained sceptical to NATO; in opinion polls during the 1950s, only half of the Danish population supported Danish NATO-membership. Domestic concerns therefore called for more caution. Partly due to Denmark’s geographical position and historical experiences, the Danish attitude was marked by a certain fatalism and a feeling that domestic defence measures would be futile. As noticed above, Denmark was – and is – a small and easily conquered isthmus of the Continent. If NATO was successful in defending North Germany, Denmark would be spared. If not, the Soviets would be able to seize Denmark in a matter of hours. In any case, Danish defence efforts would make but a marginal difference. This made it possible for Denmark to play the role as a free rider in the joint Atlantic defence. The Norwegians, in contrast, had a stronger belief in the value of building a strong defence that could delay the advance of Soviet troops until allied reinforcements were in place. The Danes consequently spent considerably less than Norway on defence: for the fiscal year 1950-51 Norway’s defence expenditure was 50 per cent higher than Denmark’s if calculated as a percentage of GNP. Apart from Greenland, where the Americans were given extensive base rights, Denmark followed Norway’s policies of no allied bases in peacetime. Just like Norway, Denmark wanted to strike a balance between different aims, but the actual point of balance was even less accepting to American demands.

After signing the North Atlantic Treaty, both countries were eager to receive arms aid from the United States. Denmark launched insistent appeals for expedient arms aid. The Norwegians did not repeat the negotiation strategy that had been employed in relation to the Marshall Plan two years earlier. As opposed to the situation in 1947 there were no foreign policy concerns that would justify Norwegian restraint, and the Norwegian requests for military aid consequently reflected a wish to get as large a piece of the cake as possible.

Both countries, however, wanted to restrict the number of Americans in the Military Assistance Advisory Groups (MAAG) that were going to monitor the aid programmes. The Americans wanted the groups to consist of 60-65 persons: around 50 military men and 10-15 civilians. However, both countries managed to limit the number of officers, to 22 in Norway and 26 in Denmark. The civilian administrative personnel were camouflaged as “administrative support” to the U.S. Embassies. This was not the last word to be said in this matter, however. The Americans kept pushing for more personnel after the outbreak of the Korean War. The Norwegians gradually though reluctantly gave in, and as a result, the gap between the official number of persons working for MAAG and the real figure kept growing. In 1953 fewer than half of the Americans working in the Norwegian advisory group – now a total number of 73 – were officially acknowledged as MAAG personnel.

What were the motives behind the insistence on keeping the number of advisers as low as possible? For both countries, an important
motive seems to have been the fear of domestic criticism. In Norway both the left wing of the Labour Party and large segments of the non-socialist opposition guarded the base policy closely, and were highly critical of any signs that the number of American military personnel permanently stationed in Norway was rising. In discussions with the Americans, the Norwegians voiced a fear that the presence of American servicemen might seem provocative to the Norwegian population and create anti-American feelings. The Danes reminded the Americans that the memories of the Nazi occupation were still vivid, and that the population would react to any sign of foreign military dominance.

The emphasis on secrecy and the insistence by both the Danish and the Norwegian government that the MAAG personnel should not wear uniforms seem to confirm that such concerns were deeply felt in the governments. But there were also other considerations behind the resistance to increase the number of advisers. Neither the Danish nor the Norwegian government were attracted by the idea of being monitored by a large number of Americans. The emphasis on sovereignty and national freedom of action, particularly prevalent in Norway, was not easily squared with the American wish to instruct the Scandinavians on how to run their armed forces. Furthermore, one might speculate that the Danes feared that a large American military mission would be employed to put even more pressure on Denmark to make her increase her military expenses. The fear of provoking the Soviet Union might also have been a motive behind the Scandinavian resistance against a large number of American uniformed military advisors. In addition there might have been an economic motive behind the insistence on restricting the number of MAAG personnel, since the administrative costs of the mission were to be covered by the host country. The final outcome was a compromise between the need to satisfy American demands and the combination of factors that gave reason to be restrictive.

Because of the ongoing aid programmes, the United States had three different diplomatic missions in Denmark and Norway – the ECA mission, the MAAG and the US Embassy itself. In Norway, both the ECA mission and the MAAG were on close terms with the relevant Norwegian authorities, and leading representatives had weekly, at times almost daily, contact with cabinet members and the highest echelons of the civil service, and, in the case of the MAAG, the military chiefs of staff. To a certain extent the Norwegians managed to turn the local ECA representatives into spokesmen for Norwegian interests in relation to the ECA in Paris and Washington. However, the Norwegians had considerably greater problems converting the MAAG representatives to the Norwegian creed. The American military mission remained highly critical of Norwegian defence policies. The representatives found that the number of Norwegian standing forces was too small, that the conscription period was too short, and that there was a lack of adequately trained professional personnel. In addition, the Norwegian reluctance to accept an increase in the number of American advisors was a source of constant irritation.

From the spring of 1951 the Norwegian ability to absorb U.S. equipment created a serious conflict. The American military advisors felt that the Norwegians lacked the manpower and structures both to put the equipment into use and to maintain it properly. The MAAG suggested that the arms deliveries should be postponed in order for the Norwegians to follow up on the American demands. The Norwegians reacted strongly against this threat. In the end the Americans chose not to carry out the threat of postponements. The primary reason was the ongoing negotiation of base rights in Norway for the Strategic Air Command (SAC). The strategic importance of this agreement overruled the wish to employ sanctions against the Norwegians in the arms assistance question. However, the Norwegians themselves also reluctantly accepted that the Norwegian armed forces could improve their ability to utilise the equipment that was received. In the late autumn
of 1951, the government proposed extra appropriations for infrastructure and increased the number of military personnel in order to correct the deficiencies.39

The MAAG in Denmark was even more critical of the defence efforts of their hosts. Not only did Denmark have the lowest number of men in uniform as a part of the total population among the allies; one of the American advisors allegedly even doubted that the Danish forces would fight in the event of a war.40 Denmark was under constant pressure to spend more on defence. Both the prospect of dollar aid and the threat of cutbacks in arms assistance were employed. The Americans succeeded only to a limited degree, however. As Danish dollar holdings rose, Denmark in fact rejected the offer of more financial aid, chiefly because Danish authorities wanted to avoid American pressure to expand the military budgets.41 In 1954 Denmark had the lowest level of military preparedness of all NATO states. In the spring of 1955, the Americans actually considered terminating the military aid programme to Denmark altogether. This was not effectuated, however. It was feared that a termination of the aid programme could create problems for American base rights on Greenland, and perhaps even make Denmark leave the alliance.42 In 1954 Denmark had the lowest level of military preparedness of all NATO states. In the spring of 1955, the Americans actually considered terminating the military aid programme to Denmark altogether. This was not effectuated, however. It was feared that a termination of the aid programme could create problems for American base rights on Greenland, and perhaps even make Denmark leave the alliance.42 In 1954 Denmark had the lowest level of military preparedness of all NATO states. In the spring of 1955, the Americans actually considered terminating the military aid programme to Denmark altogether. This was not effectuated, however. 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Despite Norway's greater will to intensify the military build-up, the Americans felt that Norwegian efforts left much to be desired. The American criticism of the level of Norwegian military expenditure faded somewhat as a result of the Norwegian extraordinary appropriations during the summer of 1951. In June of that year, the Norwegian Parliament appropriated an extra 410 million Norwegian Kroner over two years to improve military preparedness, and the conscription period was extended to 12 months for all personnel.43 The Americans were largely satisfied with these steps, although they still found the conscription period too short. For the time being, however, the MAAG, the ECA mission and the US Embassy all agreed that Norwegian defence expenditure was reaching the limit of what was economically and politically feasible. In 1952, the promise of direct dollar aid to defence purposes in addition to equipment deliveries spurred the Norwegians to allocate even larger sums to defence purposes. The length of the conscription period was extended to 18 months in the Navy and the Air Force, and Army conscription was later extended to 16 months. The carrot-and-stick strategy of the United States had worked. From 1953 onwards, the Americans were generally satisfied with the Norwegian defence build-up, although they still found it wanting in some respects.44

In the early 1950s American and allied demands on Danish and Norwegian defence preparedness was a source of domestic political tension in both countries. There were critical voices to the defence build-up in all of the Danish parties. Tensions were building in the Social Democratic party, which supported the foreign policy of the Liberal-Conservative government but felt exceedingly uneasy in the face of the growing defence expenditures.45 In Norway, the most pro-Western sections of the Labour Party were in favour of rising defence expenditure and expanding the armed forces in order to fulfil the ambitious NATO aims. The majority of the cabinet members of the Torp government, which replaced the Gerhardsen government in November 1951, even wanted to discard the established policy of not allowing foreign bases in peacetime. The government wanted to accept three American fighter wings to be permanently stationed in Norway. However, it met strong opposition from a majority of representatives of all political parties in the Parliamentary Committee for Foreign Affairs, and the American offer had to be turned down.46 The Danes had received a similar offer
and were initially positive, but also turned it down, partly because of the Norwegian rejection. The extension of the conscription period also led to bitter struggles within the Norwegian Labour Party, and the government failed to mobilise support in the party for the extension that the Americans and NATO desired.

Conclusion

This article has discussed whether and in what way the American aid programmes contributed to pulling Norway and Denmark into the Western bloc and integrating them into a Western security system. In the first part of the article we saw that Norway initially was more hesitant than Denmark to accept the offer of Marshall aid. Both the initial Norwegian scepticism and the subsequent decision to participate were based on a number of general considerations, including the foreign policy orientation of Norway, general trade patterns and domestic sentiments. Urgent economical needs did not play the same role in Norway as in Denmark, since at the time of Marshall’s speech, the Norwegian currency situation, although difficult, was not seen as precarious. Only a short time after, however, it became clear that Norway faced a severe dollar crisis. The more immediate positive reaction in Denmark can largely be explained by the urgent currency crisis that the country was faced with.

The second part discussed the influence of the American aid programmes in the Danish and Norwegian decision to join the Atlantic Treaty. We have seen that the hopes of obtaining more Marshall aid probably did not affect the choice between a Scandinavian defence union and the Western alliance. The question of American arms assistance did play a role in the failed Scandinavian negotiations, but Norwegian historians have still concluded that the primary Norwegian motive for choosing the Western alliance was the security guarantee from the United States and Britain. It might be argued, however, that the prospect of arms aid for members of an Atlantic Pact did contribute to convincing some hesitant Norwegian Labour members who feared that military expenses would be higher in an independent Scandinavian defence union. The arms issue does not seem to have played a decisive role in the deliberations on the Danish side, since the Danes expected the Americans to offer arms on favourable terms even to a strictly neutral Scandinavian defence union – despite American statements to the contrary. Instead, Danish historians have emphasised domestic concerns in explaining the policies of the Danish government during the Scandinavian negotiations.

The third part examined the importance of the American Arms Assistance Programme in influencing Norwegian and Danish defence policies after the Atlantic Treaty had been signed. Both Norway and Denmark worked to get as much military equipment as possible from the United States once they had become members of the Atlantic Alliance. However, they were not overly enthusiastic about receiving large contingents of military advisers, and insisted on keeping the American presence as small and invisible as possible. Both countries reacted negatively to American criticism of the quality and organisation of their armed forces. Nevertheless Norway mostly followed NATO recommendations and increased her military budgets during the early 1950s. The Danes, however, refused to meet the demands of the alliance and soon lagged far behind her allies in defence spending. Still, the Americans did not terminate the Danish arms assistance programme.

This article has shown that there are certain differences in emphasis between Norwegian and Danish historians dealing with the early years of the Cold War. Both Norwegian and Danish historians depict the policies as the product of an interaction between several factors, domestic and foreign. However, Norwegian historians have tended to stress general foreign policy considerations and attach particular emphasis to the security dimensions of crucial foreign policy decisions. The Danes have tended to put
somewhat more stress on domestic policies and economic concerns. To a certain degree, these tendencies can be seen in the works that have been examined in this article, although the tendency is less pronounced in more recent works. Still, his article has shown that there is reason to emphasise the similarities between Denmark and Norway, especially in relation to the Marshall Plan and the American Arms Assistance Programme.

What, then, can be said about the relative influence of the Marshall Plan and the American Arms Assistance Programme on the foreign policy orientation of Denmark and Norway? To what extent can it be claimed that these aid programmes contributed to pulling Norway and Denmark towards the west? This article has shown that the prospect of receiving American aid did not play a decisive role in redirecting the foreign policies of the two countries in 1947-49. To a certain extent, it can actually be claimed that it was the other way around – Denmark and Norway accepted Marshall aid partly because they did not want to be associated with the other side of the emerging political divide in Europe. In other words: Norway and Denmark did not turn west because they were offered Marshall Aid; they accepted aid because they felt that they belonged to the West. We have also seen that the prospect of receiving arms assistance was a secondary issue in the process that made Norway and Denmark join the North Atlantic Treaty.

That does not mean, however, that the massive influx of American aid did not affect the process that led Norway and Denmark from being non-aligned states to becoming members of an integrated Western defence alliance. The prospect of military assistance may have played a decisive role for the decision to join the Atlantic Pact, but as we have seen, it may have played an indirect role in combination with other factors, at least for Norway. Moreover, the American willingness to support Europe that had been so clearly demonstrated by the Marshall Plan, lent credibility to the plans to create an effective Trans-Atlantic security treaty. Thus it could be argued that the aid programmes paved the way for Norwegian and Danish participation in the Atlantic Treaty. Furthermore, when they had become members, the implementation of the Military Assistance Programme encouraged the two countries to adapt themselves to the military integration and institutionalisation of the alliance that took place after the outbreak of the Korean War. The American aid programmes created and reinforced the image of the United States as an immensely wealthy and powerful nation willing to share some of that wealth with those who were to be her allies. In the first decade after the war, this image constituted an essential part of the intellectual and emotional setting for both top-ranking decision-makers and the general public.

Notes

1 For a recent work that underlines the interaction between foreign and domestic affairs, see Molin, K. and T.B. Olesen, “Security Policy and Domestic Politics in Scandinavia 1948-49”, in Olesen, T.B. (ed.) Interdependence Versus Integration: Denmark, Scandinavia and Western Europe 1945-1960 (Odense 1995).


"Ibid., p. 62.


Jensen 1989, p. 65.


Pharo 1994, p. 218

Pharo 1994, p. 215. However, in an article on the American Arms Assistance Programme, Paul Victor Wiker has questioned this assertion by asking whether the Atlantic option would have been attractive to the Norwegians if the Americans had not given such strong and direct signals that an American arms assistance programme would be forthcoming. Wiker does not state directly that the expectation of arms assistance was decisive for the Norwegian choice of alignment, but he claims that it had a strong impact. Wiker, P.V., "Amerikansk våpenhjelp til Norge 1949-1953", Norwegian Institute for Defence Studies, Occasional Papers, 1, 1997, p. 19.

Petersen 1979, p. 201; Molin and Olesen 1995, p. 71f.

Molin and Olesen 1995, pp. 70-79.


36 Ibid., p. 9f.


44 Ibid., p. 17f.

45 Villaume, 1995, pp. 311, 315f, 356.

