

**FOREIGN RELATIONS OF THE UNITED STATES, 1955–1957, WESTERN EUROPE AND CANADA,
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180. Despatch From the Embassy in Denmark to the Department of State¹

No. 934

Copenhagen, May 28, 1957.

SUBJECT

United States Relations with Denmark

Before my departure from this post, after almost four years here, I am submitting below a few comments on our relations with Denmark, with the thought that they may be of some use in the Department and perhaps of some assistance to my successor.

I. Background

Certain Characteristics of the Danish People

In various ways the Danes are much like Americans. They are generally as informal as our Westerners in the United States, and members of the Royal family are often seen in public places, even unaccompanied sometimes, while many high Government officials—including the polished Director General of the Foreign Office—go to and from their offices on bicycles. Although the Danes frequently put on white ties or special uniforms for audiences with the King, 50th birthdays and other special functions, and while they seldom go on a first-name basis among themselves (but sometimes seem to like doing so with Americans), they take keen delight in ridiculing the formality of the Swedes. In fact, a considerable proportion of Danish jokes center around alleged Swedish stuffiness, such as the Swedish form of skaaling. Foreigners sometimes find it difficult to appreciate the jokes about the Swedish skaal because the Danes' own skaaling is formal enough and is one of the principal exceptions to their general rule of informality.

Also the Danes are generally democratic, and there is a high degree of both political and social democracy in the country. The socialist movement is strong, although it is a moderate form of socialism, and social welfare is highly developed. At the top of the social scale there are comparatively few wealthy people in the country, while at the bottom, there is little poverty; it is a country in which almost all people live in at least a comparative degree of comfort but with limited luxury. Household servants are becoming almost as difficult to find in Denmark as in the United States.

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Another point of resemblance to the United States are the Danish sense of humor and spirit of cheerfulness and gaiety. Despite the rather sunless climate and long dark winters, and despite the fact that the suicide rate in Denmark is one of the highest in the world, the proverbial "gloomy Dane" is seldom seen in this country.

A still more important similarity is the Danish love of freedom, which has deep-rooted foundations in the national history.

Since the Napoleonic period, Denmark's foreign policy has been one of peace and avoidance of wars. This has been especially true since the defeat inflicted by Bismarck in the middle of the 19th century, when Denmark, disillusioned with its ability to wage war, decided to disarm almost entirely and to concentrate its energies on internal programs, including social welfare. From then until they joined NATO in 1949, the Danish armed forces were more nominal than real (although there were a few small naval units available for scuttling during the latter part of World War II). Also, individually the Danes are today an essentially peace-loving and friendly people.

It would be a mistake, however, to infer from these characteristics that the Danish people are lacking in strength of character or personal courage. American military observers of Danish winter maneuvers have been impressed with the toughness shown by the individual soldiers in the face of severe winter conditions. It is not uncommon for Danish office workers, as well as laborers, men and women alike, to ride bicycles many miles daily to and from their work, frequently in stormy weather. Despite their fondness for good food, beer and schnapps, and an average daily consumption of about 3,300 calories, one of the highest in the world, the Danes are far from soft.

Also it would be a mistake to infer from their informality and seeming simplicity or from their very good manners a greater sympathy or agreement with a point of view than might be the case. These qualities can be unduly disarming, because the Danes tend in reality to be a shrewd people, and they are never to be taken for granted.

[3½ lines of source text not declassified] In negotiations with Government officials, it has been a common experience that the Danes are relatively open-minded and amenable to reason until reaching a decision but that it is difficult to persuade them to reconsider. Foreign residents are struck by the long delays of landlords in coming to terms in leasing living quarters even though the quarters are left vacant for long periods with considerable loss to the owners. However, this quality of stubbornness has various favorable manifestations, and one is that once a Dane makes an agreement or gives a promise he is usually scrupulous to abide by it.

Another national characteristic which is conspicuous to foreign visitors is that the Danes constantly convey the impression of viewing their nation as a small country. One can safely predict that almost any [\[Page 507\]](#) public address to a foreign group will contain the statement "We are a little country". It is, however, difficult to say whether this is an indication of an inferiority complex or excess of modesty, or rather a disavowal of any pretense of power and an explanation of conservatism and caution in international matters. However, unlike many small countries that tend to have a large-country complex, Denmark has few illusions of grandeur today, despite the fact that Danish representatives at international conferences are as a rule far from restrained and in fact tend to be among the most active participants.

Also the Danes tend to be materialists. Notwithstanding their pride in their many old churches, mostly Lutheran, and their numerous religious holidays (including a five-day stretch at Easter) they are by no means a religious people to judge from church attendance. However, they have much deep sentiment, including a profound love of their families and a genuine and far-reaching love of their country which can in its extreme form attain an exaggerated patriotic pride.

In their productive capacity, the Danes are at the same time progressive and conservative. One is impressed with the advanced methods employed in their agriculture, where the productivity, despite not too favorable native soil conditions, is one of the highest in the world. Also in parts of industry, there are to be found outstanding examples of progressiveness, ingenuity and inventiveness. On the other hand, the Danes as a whole are not disposed to take business chances to the extent that Americans do, and there is an inclination among the people to consume rather

than save and invest. Few Danes put savings aside for the rainy day, partly because of their extensive social-welfare system, which usually takes care of them in cases of adversity. As a result, Danish industrial productivity, which is increasing at a rate of only about 1% annually is not rising as fast as in most of the other progressive countries of the world. However, there is a growing realization that greater energies have to be directed to this field if Denmark is to compete in foreign markets. Moreover, the outlook for increased savings and investments, partly to increase productivity and industrial exports and partly to improve the balance of payments by decreasing consumption, seems somewhat encouraging.

Limitations of Danish Political Leadership

Like France and various other countries of Europe, Danish political leadership has long been adversely affected by the fact that there are a number of political parties (four major ones and two minor ones) and that no single party has a majority of votes or of seats in the legislative body. Thus, the Government has to function as a coalition or as a minority government, relying on the support of at least one other party. As a consequence, the party principles of a government must usually be subjected to force of compromise. While this tends to [\[Page 508\]](#) avoid extremes of legislation and make for a certain continuity and stability of government policy, it dampens initiative and discourages progress. It both limits the possibilities of implementing policy and furnishes a convenient way for a government to shrug its shoulders to demands for more vigorous action. Under such conditions, strong leadership cannot usually assert itself; if it tries, it is all too likely to be thwarted. Also, there are but few Danish politicians today with outstanding personalities or "box office" appeal.

[1 paragraph (7½ lines of source text) not declassified]

Danish Relations with Certain Other Countries

(a) Great Britain

Danish relations with Great Britain have long been close and generally cordial. This has been at least partly due to the importance of Great Britain as a trading partner, which in recent years has been taking about 40% of all the Danish exports and furnishing roughly 30% of the imports. These special trade relations have largely accounted for the close financial affinities, and while in these days of the EPU it can no longer be accurately said that Denmark is a member of the "sterling bloc", the financial ties are close and devaluations of the Danish krone in recent years have accompanied those of the pound.

The UNISCAN meetings every few months of Great Britain and the Scandinavian countries to discuss economic and financial matters of common interest and particularly to attempt to agree upon common positions before important international meetings serve to coordinate and unify economic and financial policies among these countries.

Yet Denmark is frequently suspicious of British trade policy, and Foreign Office officials have commented to Embassy officers from time to time on the alleged selfish aims or positions of Great Britain in international conferences and in trade policy in general; for example, in keeping agriculture out of the projected Free-Trade Area, creating export subsidies on eggs, and adopting or encouraging measures to assist British competition with Western Germany.

On the other hand, in the political field Denmark has deep respect for British leadership in world politics and as a rule considers it more stable, mature and reliable than American leadership.

Culturally the ties have been close. A large proportion of Danes speak English fluently; in fact, one can give telephone numbers, order taxicabs or write checks in English. This is due rather to the country's relations with Great Britain than those with the United States, although it is also undoubtedly attributable to recognition of the increasing importance of English as a world language.

When Great Britain put on an ambitious trade exposition in Copenhagen in 1955 with various sideshows (including a spectacular Tattoo and the presence of the Duke of Edinburgh), the Danes demonstrated [\[Page 509\]](#) much genuine affection for the British, and for a few days the affair relegated all other interest in Copenhagen life to a back seat. The same interest and sentiment have been shown during the highly successful recent visit of Queen Elizabeth and Prince Philip. Undoubtedly the relationship between the royal families of the two countries, as well as the similarity of the form of the two constitutional monarchies, plays an important part in this feeling of sentiment and affinity.

Of course, such evidences of cordial relations between the two countries are also the result of plans carefully designed by Great Britain itself to promote maximum good relations between the two countries. It is obvious that the British have been making strenuous efforts in the last several years to increase their influence in Denmark. However, it is uncertain whether these efforts are related to the increase of American influence since World War II.

(b) *Western Germany*

Although the Danes were not generally subjected to the rigors of the Nazi occupations of other countries during World War II, as Germany wished to make Denmark a model occupied country and to maximize Denmark's agricultural contribution to the German war effort, the Danes continue to be bitter about the occupation. There even remains a reluctance to speak German to foreigners. However, this anti-German feeling appears to be slowly diminishing. Denmark continues to be apprehensive of Germany and has mixed reactions to the rearming of that country but it is becoming reconciled to NATO cooperation with Germany, including the maintenance of German naval units in the Baltic.

Western Germany is Denmark's second most important trading partner. The trade is large in both directions, although Denmark traditionally has a considerable negative balance. In the last several years the Danes have had much feeling about the high German tariff restrictions on Danish agricultural products; in fact, this has been the principal reason advanced by Denmark why it has not increased its liberalization of imports from the OEEC countries (now about 83%).

(c) *The Curtain Countries*

The Danish Government and the great majority of the people are definitely and strenuously opposed to Communism and Soviet ideology, and real antipathy toward the Soviet Government has developed as a result of the events in Hungary last fall. Nevertheless, Denmark still believes, at least to some extent, in the myth of great potential trade with the Eastern countries, and there is always pressure on the Government from the agricultural export interests and ship-building companies to take steps to facilitate East-West trade. Also there prevails in Denmark a general feeling that sooner or later the Soviet Union will see the light and become a better member of the family of nations. Denmark maintains diplomatic relations with Communist [\[Page 510\]](#) China as well as most of the Curtain countries in Europe but not with Eastern Germany; it has not recognized Soviet incorporation of the Baltic States.

(d) *The Nordic Countries*

Denmark is an active member and supporter of the Nordic Union (Denmark, Sweden, Norway, Iceland and Finland) and of the periodic meetings of the Prime Ministers of the five countries.² It cooperates closely with Norway and Sweden at international conferences, as well as in the routine adoption of positions in international matters. Telephone consultation among the three governments is understood to be almost continuous, and it reportedly replaces much of the work that would normally be done by the respective Embassies.

Other examples of Nordic cooperation include the elimination of passport requirements among the Scandinavian countries for travel by their nationals, the creation of a common Scandinavian labor market, and much progress in the project of a Nordic Customs Union (although this will necessarily be adversely affected if one or more of the party countries, which include Finland, should join the new European Common Market). The remarkable success of the Scandinavian Airlines (SAS), over half of which is owned by the Governments of Sweden, Denmark, and Norway, is another striking evidence of Scandinavian cooperative efforts. There are to be mentioned also the extensive uniformity of legislation in the Scandinavian countries; the close cooperation between the Social Democratic Parties in these countries; and the close cooperation among agricultural groups, cooperatives, etc.

Danish relations with Norway are extremely close and cordial; the peoples of the two countries are much alike and there is a strong bond of kinship and friendliness between them. As to Sweden, the relationship is somewhat different; in general, the Danes like the Swedes, but the fondness has limitations due perhaps in part to the loss of considerable areas of Danish territory to Sweden three centuries ago and again in the early 19th century, and in part to Sweden's neutrality during World War II. Also, the temperaments of the two people are somewhat different, the Danes being gayer and less formal and restrained, as already noted, and probably in Danish eyes, the Swedes appear more pretentious and less sincere.

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II. Relations in General With the U.S.

In general, Danish relations with the United States are excellent. As will be noted later, there are on each side certain irritants, but on the whole there is a high spirit of good feeling and of cooperation between the two countries.

There is no better testimony of this spirit than the annual observance of the American Independence Day. A unique festival is held on July 4 in a park in the Rebild hills in Jutland, which was presented as a national park to Denmark by a group of Danish-Americans in 1912. The programs are customarily attended not only by high Danish officials, frequently the King and Queen, and the American Ambassador, but also by large numbers of Danish-Americans who make the event an occasion for visits to their mother country. Recent guest speakers at the event have included Chief Justice Warren and Mr. Paul G. Hoffman.

As stated earlier, there are many similarities in national traits of the American and Danish people, and this is particularly true of their ideals and principles in international matters. It is therefore easier for Americans and Danes to understand each other and to do business together than is the case with American relations with various other countries.

United States prestige and influence in Denmark have increased materially in general and in the last few years as American leadership in world affairs has developed. Despite the various irritants in the relations between the two countries, there continues much of the goodwill that

accompanied the generous economic aid given to Denmark in 1948–1953, and there is extensive evidence that the country is truly grateful for this assistance.

However, the Danes believe that the force and success of our leadership are prejudiced by a certain lack of maturity in world affairs; by a tendency to be over-hasty and sometimes unrealistic in our decisions; and occasionally a lack of consistency as to what we expect of others as compared with our own country. Our prestige in Denmark did not rise during the Suez Canal developments. Danish sentiment was rather on the side of Great Britain, France and Israel, although the Government consistently supported the United States position in the United Nations regarding these developments.

III. Political Relations

NATO and Danish Defense

The most important subject in American relations with Denmark in the last few years has been cooperation in the common defense of Europe.

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When Denmark came into NATO in 1949, it was touch and go whether it would follow Norway in entering the Western alliance or whether it would join Sweden in staying out. The decision was a particularly difficult one for several reasons. In the first place, there was a neutralist spirit that had developed in the country for nearly a century. Denmark's military exploits since the middle of the 17th century, when under Christian IV the country lost southern Sweden, had not been generally successful. At the end of the Napoleonic period Denmark was obliged to cede Norway to Sweden, and the country shrank further when Bismarck took Schleswig-Holstein. It was then that Denmark felt disillusioned with its ability to engage in foreign wars and decided to disarm and concentrate its energies on domestic problems. When the Germans occupied the country in 1940 it had only a token army and navy. Thus, with the joining of NATO it was necessary for the armed forces to start almost from scratch and in a climate that had been neutralist for 90 years.

Added to this was the country's vulnerability in the case of a war with the Soviet Union. Owing to its proximity to Eastern Germany (only a few minutes away by plane), to Poland and to the Soviet Union itself, many Danes felt that Danish territory would almost inevitably be occupied in a matter of days, if not hours, and its cities quickly destroyed by air raids. Therefore, the question was asked whether it would not be better to stick to a neutralist policy, preserve the country from war devastation and leave the fighting to the Great Powers. Finally, Denmark had not, as already noted, suffered greatly under the Nazi occupation as had Norway and the Low Countries, for example, and as a result there was not the same horror of a possible Soviet occupation as in the countries that had experienced Nazi injustices and cruelties at their worst. To many this was another good reason for not trying to ward off foreign armies in the future.

Given these adverse forces, it might seem strange that Denmark decided to come into NATO at all. Among the decisive influences were the Communist take-over of Czechoslovakia, the example of Norway in joining NATO, the U.S. Economic Aid Program which had started a year earlier, and perhaps the fact that neutrality had failed to save Denmark from occupation in World War II. A further element may have been the fact that many leading Danes felt somewhat embarrassed by their country's desultory role in World War II, as compared, for example, with Norway.

Since the decision was made, pro-NATO sentiment in Denmark has been developing, and the most recent Gallup Poll indicates that in February 1957, 56% of the population were in favor of Danish membership in NATO and only 19% opposed, as compared with 47% in favor and 24% opposed in December 1955, and 47% for and 26% against in March 1949. A particular boost was given by the Soviet [\[Page 513\]](#) intervention in Hungary. Among other factors has been the USIS Program in Denmark, which has been instrumental in bringing home to hundreds of thousands of Danes in effective ways the nature, purposes and strength of NATO as well as the need for it.

However, the quantum of the defense effort of Denmark is not satisfactory in comparison with the effort being made by other NATO countries. Annual defense expenditures amount to only a little over 3% of the gross national product as compared with more than twice that as the NATO average (about 11% for the United States and, until now, about 9% for Great Britain). With the exception of Iceland, which has virtually no defense of its own, the Danish percentage is the lowest of the 15 NATO countries. It was regrettable that, on the request of the Prime Minister, admittedly with reluctance, the already-deficient defense budget was cut (i.e., authorized to be cut) by 60 million kroner in April 1957, or over 6% on the grounds of foreign exchange difficulties.³ The defense budget has been in the neighborhood of one billion kroner (about \$145 million) for the last several years until a special 50 million kroner cut in the summer of 1956 for purposes of supporting the National People's Pension legislation enacted then; this cut, plus an additional 10 million kroner, was in effect retained in the current budget as a result of the action of the Prime Minister in April 1957. However, actual defense expenditures the last few years have been below the budget amounts and they have shown an upward trend. The estimate (subject to slight change) for the fiscal year ended March 31, 1957 was 962 million kroner, compared with 894 million for the fiscal year 1956, 926 million for 1955, 891 million for 1954, 699 million for 1953, 371 million for 1951, and only 161 million in 1946.

While Denmark is going through an unquestionably difficult period with respect to its balance of payments and thus foreign-exchange reserves, it has the economic capacity to devote far more of its productive income to defense. The recent 60 million kroner cut, as already indicated, was political rather than economic; there were more prudent ways of correcting the foreign-exchange problem. The real reasons for the Government's and the Folketing's unwillingness to make greater economic contributions to the common defense are (a) the indisposition of the country as a whole (like the populations of most countries) to make greater sacrifices unless moved to do so by strong leadership; (b) the lack of strong leadership as already noted; and (c) the unique position of the neutralist Radical Liberal Party, whose support the Social Democratic Party has needed and has been willing to pay for by [\[Page 514\]](#) compromises in defense expenditures. Whether this situation will become worse as a result of the new Government remains to be seen.⁴

The Embassy has been making every appropriate effort to influence the maximizing of the development of the Danish defense and cooperation with NATO through the day-by-day work of the USIS here and the various speeches that I have made in different parts of the country (as for example, in Frederikshavn last month; Embassy's despatch no. 841 of April 26, 1957).⁵ Energetic attempts are being made to stimulate among the Danish public a better knowledge of NATO, especially its needs and objectives in order to develop a better popular support in Denmark. At the same time, the Embassy has been using every opportunity to impress upon members of the Danish Government the need for maximum support of NATO. *[3½ lines of source text not declassified]* There is to be mentioned also the work of the Military Assistance Advisory Group (MAAG), which has continuously been using its influence in armed forces circles, including the Ministry of Defense, not simply to assure the best use of military aid equipment supplied to Denmark and to increase the efficiency of the armed forces but also to foster sentiment for larger defense expenditures. Although the recent 60 million kroner cut in the defense budget was

discouraging, the Government would quite likely have given in still more to the demands of the neutralist Radical Liberal Party if these different coordinated efforts had not been made.

MDA Program

Much of the Embassy's activities are concerned with the assistance to NATO rendered by the Military Aid Program (including the MAAG) both by developing greater popular support in Denmark and by also helping in the build-up of the Danish armed forces.⁶ This program, begun in 1950, has already resulted in deliveries of equipment to Denmark of about \$353 million (as of December 31, 1956), which has included aircraft, escort vessels, motor torpedo boats, tanks, artillery and various other kinds of equipment. The amount programmed but not yet delivered totals about 58 million dollars (as of December 31), not including an offer recently accepted in principle of missile equipment for one "Nike" battalion and one "Honest John" battalion, and also not including three projected squadrons of aircraft for delivery in the near future.

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The work of MAAG (an integral part of the Embassy) requires a continuous coordination with other elements of the Embassy and represents a large proportion of the total activities of the mission.

There can be no doubt that the development of the Danish defense, whatever may be its shortcomings, is attributable in great measure to the equipment received through the Aid Program and the day-to-day guidance and encouragement offered by members of the MAAG.

Greenland

Closely connected with the importance of NATO itself in U.S.-Danish relations are the United States air bases and supplementary installations on Greenland (which under the 1953 Constitution is now an integral part of Denmark). The maintenance of an attitude favorable for the continued use of the bases and for continued cooperation with respect to their use is one of the principal objectives of our diplomacy in Denmark. Also various details connected with the bases require almost continuous negotiation with the Danish government.

There are three United States bases on Greenland—namely, the base at Thule, on the northwest coast, which is the most important; Søndrestrømfjord, further south on the west coast, where there are facilities for refueling and an emergency hotel for SAS planes; and Narsarsuak in the extreme south, which is being deactivated by the United States Forces, although retained on a reduced scale as an emergency field by the Danish authorities. The bases are completely isolated from the indigenous population, and, in conformity with the wishes of the Danish authorities, the American personnel at the bases have no contact whatever with the local inhabitants. All supplies, as well as labor, are imported.

The United States bases and other rights on Greenland are made available by virtue of an agreement signed April 27, 1951.⁷ This document makes clear that the facilities are extended within the framework of NATO, and the agreement remains in effect for the duration of the North Atlantic Pact.

No rent is payable for the use of Greenland territory for these highly-valuable rights, and in appraising Denmark's contribution to NATO, there must be added to the relatively-small defense expenditures the great importance of the Greenland bases and other facilities. [*1½ lines of source text not declassified*]

Apart from the Communists, there is no perceptible element in Denmark agitating against the bases in Greenland or in general criticizing them or the American forces there. However, as the Embassy has pointed out on different occasions (e.g., Despatch no. 700 of [\[Page 516\]](#) March 8, 1957),^a there is a certain sensitivity among the Danes with respect to the sovereignty of this almost last-remaining Danish territory beyond metropolitan Denmark, and this occasionally shows itself, as when the United States operations on Greenland from time to time go beyond expressly-granted rights, even though these deviations are only slight and are accidental. *[4 lines of source text not declassified]*

Day-by-day negotiations with the Danish Government regarding Greenland have included in recent months such subjects as radio frequencies, flight permits both for United States planes in the base area and for Danish planes visiting the bases, surveys of different kinds beyond the base areas, the sale of surplus property in Greenland, the landing and hotel facilities at the Søndrestrømfjord base, the use of Danish contractors, labor and material at the bases, the maintenance of the Danish weather stations on Greenland, the radar network, and the withdrawal of the American forces from the Narsarssuak base. In all of these matters, which have sometimes presented minor difficulties, the Danish Government has shown a consistently cooperative spirit.

IV. Economic Relations

Cooperation with the United States in International Economic Activities

Denmark usually gives full support to the major principles in United States foreign economic policy. As a country which has a very low customs tariff and which has been increasing its liberalization of quantitative restrictions, Denmark generally favors, as does the United States, measures designed to break down trade barriers, although opposition to this policy is occasionally voiced by some industrial elements and labor groups, which tend to favor increased protection and oppose further trade liberalization. In the GATT organization and OEEC Denmark has consistently been a leading supporter of proposals for multilateral tariff reduction, and at the GATT Conference in Geneva in early 1956, Denmark was disappointed that greater progress was not made in reducing trade barriers. As already noted, the country's export interests view with concern and resentment the fact that Western Germany has not reduced more extensively its tariffs on agricultural products.

At GATT meetings, Denmark frequently criticizes the United States restrictions on imports of dairy products and opposes the waivers granted to the United States for agricultural import restrictions.

In East-West trade controls, the country has in the last several years faithfully administered the controls agreed upon, and the Embassy has found a high degree of cooperation from the Danish authorities [\[Page 517\]](#) in deviation cases. *[2½ lines of source text not declassified]* Pressures of agricultural export groups and of shipyards have unquestionably played an important part in determining the Danish positions.

Also Denmark's views with respect to the U.N.'s Economic Commission of Europe (ECE) are somewhat different from those of the United States. While we see little promise in this organization and oppose an extension of its trade functions, Denmark sees in it useful possibilities as an economic bridge between the East and West which could both serve to reduce world tensions and to promote East-West trade of an innocent nature.

Treatment of U.S. Trade

The present treatment of imports from the dollar area, with 55% liberalization (on the basis of 1953 imports), as compared with 83% (on the basis of 1948 imports) from the OEEC countries, cannot be considered as satisfactory, particularly since in recent months dollar earnings in the balance of payments have been applied to EPU deficits.

During the past three years the Embassy has more or less continuously been endeavoring to improve the treatment of dollar imports. After there was adopted in February 1955 a 38% liberalization of dollar imports, which was raised to 55% in November of that year, it appeared in September and October 1956 (following conversations with the Foreign Office and an exchange of notes)^a that the 55% figure was about to be increased. However, the pressures on the balance of payments as a result of the Suez Canal situation and the more recent recurrence of a serious foreign-exchange problem have caused this action to be postponed. It does not seem that any useful purpose would be served by bringing up the matter again until the foreign-exchange situation improves. The Danish authorities are continuing to grant licenses more or less freely for many imports from the dollar area not covered by the 55% liberalization, and relatively few complaints, apart from those of American exporters of citrus and canned fruits, are coming to the Embassy's notice.

Meanwhile, Danish imports from the United States are increasing substantially and at a more rapid pace than the exports to the United States. The imports amounted to 905 million kroner in 1956, compared with 635 million in 1955, 396 million in 1954, and 309 million in 1953; while exports (including those to the United States Armed Forces in Germany) were 562 million kroner in 1956, as compared with 531 million in 1955, 490 million in 1954 and 409 million in 1953.

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Danish Criticism of Certain United States Measures

(a) Section 22 Dairy Restrictions

By virtue of Section 22 of the Agricultural Adjustment Act,¹⁰ the United States placed restrictions on various dairy products, including blue cheese and butter, in the summer of 1951, and these have been retained. For several years these restrictions, which have served to limit the amount of Danish blue cheese to more or less the amounts which had been previously imported into the United States and which have virtually prohibited imports of Danish butter, created a widespread bitter feeling in Denmark. It is true that the restrictions damaged certain blue cheese producers, who had been preparing to increase materially their exports to the United States and had been making new investments for this purpose, but total cheese exports to the United States have actually been rising. Including the exports to the United States Armed Forces in Germany, they amounted to 19.8 million kroner in 1956, compared with 13.8 million in 1951, the year that the restrictions were imposed, and 10.4 million the year before (1950).

In the case of butter, the criticism is completely unwarranted, because Denmark has exported almost no butter to the United States except for several years immediately after World War I. What has tempted Danish butter exporters in recent years have been the artificial subsidized prices in the United States market. The Danish butter producers would like to share in these subsidies; i.e., they would like to have the American taxpayers subsidize butter production in Denmark. Actually, Denmark has profited by the subsidized butter production in the United States, because the artificially higher butter prices there have tended to increase world-market prices.

In any event, the Danish criticism of the blue cheese and butter restrictions has subsided somewhat in the last two or three years. I cannot help believing that an important factor in this has been the efforts of the Embassy, notably those of the Agricultural Attaché and the USIS, in presenting to the Danish public and agricultural interests—by speeches, informal conversations and newspaper articles—the true facts regarding the measures. However, the subject still crops up occasionally.

(b) *Disposal of Agricultural Surplus Abroad*

During the past two years there have from time to time been flurries of severe criticism in the press and elsewhere of the United States agricultural disposal programs, especially with respect to butter, and the Embassy received two notes of protest from the Foreign Office [\[Page 519\]](#) in 1956.¹¹ The programs have been considered out-and-out dumping—to which the United States had in the past been so opposed when practised by other countries—and injurious to prices. The criticism had maintained that, despite the United States assurances that normal channels of trade would not be interfered with, the furnishing of the amounts of butter in question to habitual Danish customers or to traditional Danish markets could not avoid having detrimental effects. (In its limited amounts, the sale of surplus butter in Europe did not lower prices at the time, but it may have prevented prices of Danish butter exports from going higher.) In recent months the criticism has been much less than last year—partly because the United States has not engaged in disposal of butter surpluses in Europe, and partly because the attention of Danish farmers has turned to British dumping of eggs abroad and the deterioration of prices for Danish agricultural products in Great Britain. Nevertheless, the United States surplus program continues to be viewed with suspicion and distrust, and is considered a kind of sword of Damocles over much of Danish agriculture.

(c) *The 50% Shipping Clause*

The continued requirement that 50% of trade financed by United States aid or facilities must be carried on United States ships is another measure that frequently comes under fire in the press and elsewhere in Denmark. Danish shipping is not subsidized (except to a certain extent through liberal depreciation rules for tax purposes), and Denmark is strongly opposed to shipping subsidies in general. It is particularly opposed to the 50% clause on the grounds of discrimination. The Danish attitude is unquestionably influenced also by the positions of Norway and Great Britain, whose opposition rests largely on fears that the 50% principle will spread to other countries.

The 50% clause is the reason why Denmark has declined on two occasions in the last two years to accept mutually-profitable offers under our Public Law 480.

(d) *The Danish Shipping Claims*

For some years after World War II Washington agencies were unable to agree upon a settlement of the unpaid balance of the Danish claims aggregating a few million dollars for compensation for the taking over of a number of Danish vessels during the war. Here again, there has been a definite sore spot in relations between the two countries;¹² the more so as Ambassador Kauffmann in Washington, who arranged with Washington officials for the use of the ships during the war and apparently feels a certain responsibility for an equitable settlement, has considered the matter to be of a personal nature. Because of [\[Page 520\]](#) the delay, the Danish Government has withheld submitting to the Folketing for ratification the Treaty of Friendship, Commerce and Navigation with the United States, signed in 1951 and ratified by the United States Senate in 1953.¹³

The final agreement within the United States Government, calling for approximately 5.3 million dollars, the expressed willingness of the Danish Government, however reluctantly, to accept this amount in settlement, and the introduction of the bill in the Congress¹⁴ on April 4 last, augured well for a disposition at long last. However, the situation has again become clouded by Ambassador Kauffmann's reminder to State Department officials on May 9 that the Danish willingness to accept the formula had been conditioned by Congressional enactment of the bill by June 30.¹⁵ The present prospects of passage by that time are understood to be not very encouraging.

V. Recommendations

Continued Military Assistance

As long as the Soviet threat to the free nations persists, United States diplomacy in Denmark should be concentrated primarily on doing everything possible to preserve and to increase Danish cooperation with the common defense. The United States must continue to furnish the country considerable amounts of military assistance. Whether Denmark, which is devoting so little of its income to defense, deserves further assistance is irrelevant; the issue is whether it is in our own self-interest to do so, and the Embassy believes that there is little doubt that this is the case. In the first place, cessation of aid could contribute materially to an effective movement for withdrawal from NATO and for a return to a neutralist policy in world affairs. Those anti-NATO forces already existing in the country could be counted upon to exploit the discontinuance of aid to the maximum degree and to advertise that Denmark has been abandoned by the United States. This movement would not develop over night, but it could easily evolve and get out of hand over a period of time.

A departure of Denmark from NATO would be most unfortunate for various reasons. It would likely cause serious difficulties with respect to the use of Greenland because, as already noted, the base and other defense facilities there are tied to Danish membership in NATO. It would mean also that Denmark's valuable role of corking up the [\[Page 521\]](#) Baltic in a possible war with the Soviet Union would have to be removed from the NATO defense plans. Moreover, it could start off a chain reaction for withdrawals or reduced contributions by other NATO partners. Finally, however weak the Danish defense forces are, they have at least some defense value even apart from blocking the Baltic; this is particularly true of the developing air force. But, irrespective of the effect that the discontinuance of aid might have upon Danish membership in NATO or Danish support for NATO, including the use of Greenland, it would undoubtedly have a dampening effect upon the further development of Danish defense forces. The MDA Program represents both a prop and a prodding of this development, and its withdrawal could not avoid being a weakening influence.

Increased Efforts To Develop Pro-NATO and Pro-Defense Attitude

Like all peoples, the Danes are moved in at least some measure by emotional influences, but they are probably more amenable to reason than the majority of countries. Therefore, the opportunities of carefully directed media of influence are great, and they should be fully, but in a discriminating manner, exploited.

USIS in Denmark should be strengthened. Its staff should be expanded to allow its senior officers more time away from their desks and in the field. While USIS now enjoys excellent cooperation from the Copenhagen press and leading provincial papers on NATO and defense publicity, it must strengthen its influence in the smaller rural areas. This is particularly important now, with the recent election showing surprising strength for the Agrarian Party.

Secondly, USIS should be provided with adequate representation funds. At present it has practically no such funds (\$300.00 per annum for four officers).

It is the one agency within the Government which works more closely than any other with a wide cross-section of the local population. Personal contact and official representation are a necessary part of its program. This is particularly true in the Scandinavian countries where representation plays a particularly large role in the country's contact and social activities.

Continuation of the Long-Range Program To Intensify U.S.-Danish Relations

While there is a tendency for us all to be absorbed during this crucial period in world history in matters which, however decisive, are transitory rather than permanent, and while it is hoped that the present defense requirements of the free world will in the years to come diminish, the need to maintain a solid base for American-Danish friendship, for American influence and prestige in Denmark, and for [\[Page 522\]](#) Danish support of various American policies is a continuing need. There must be a long-range program to meet this need, and it should not be disturbed by the ups and downs of the cold war.

This program is a responsibility that rests upon all activities of the Embassy. Among these is the exchange-of-persons activities. The Fulbright grants, the SMITH-Mundt scholarships,¹⁶ the scholarships of the Danish-American Foundation here in Denmark and of the American-Scandinavian Foundation in the United States, the various grants and facilities made available by American colleges and universities and other organizations, the visits of businessmen, professional people and artists in both directions—all these inevitably result in better understanding, greater mutual respect and admiration and closer friendship.

Responsibilities for these exchange activities rest primarily with USIS. This phase of the mission's activities is one that is mutually understood and sympathized with in Denmark and finds a great acceptability among the Danes, who admire the United States efforts to achieve mutual understanding through these activities. SMITH-Mundt grants, particularly in the secondary teacher and student category, should be increased. Returns on these types of grants will pay off in the long-term objective.

Similarly, there should be no relaxation of our general cultural relations program in Denmark. There is a tendency in this country, as in other parts of Europe, to view the United States as a country teeming with business activity but having somewhat primitive cultural tastes and accomplishments. A better appreciation of American cultural life would serve to increase our prestige here and thus make for greater sympathy with and support of our leadership.

Removal of Economic Irritations

There have been mentioned above certain economic irritations that have prejudiced the good relations between the United States and Denmark. Three of these relate to United States measures affecting many countries, and it is appreciated that broad programs of this kind cannot be shaped to serve the interests of a single small foreign country. Assuming, however, that analogous situations exist in our relations with other countries affected by these measures, it would seem that the experience in our relations with Denmark could perhaps be added to those of the other countries to establish a strong case for greater consideration of the impact of these measures upon our international relations and the efficacy of American leadership.

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In this whole matter the fact stands out that the United States has assumed, voluntarily or otherwise, the leadership of the world. In its economic leadership it has been vigorously pushing ahead for the removal of trade restrictions and of unfair and injurious measures in world trade and commerce. In a country like Denmark, with very low import tariffs, with almost no trade or shipping subsidies and with no dumping practices, and where quantitative restrictions are being reduced, it seems incongruous that the world leader engages in some of the very practices from which it is attempting to have other countries desist. While it is perhaps unrealistic to expect a leader country to have all the virtues of Caesar's wife, countries like Denmark nevertheless look to it for greater adherence to principle and self-discipline than they expect from other nations. Quite apart from the morals involved, the effectiveness of American economic leadership is diminished by its vulnerability to attacks upon certain American practices.

The Embassy has endeavored on different occasions to impress upon the Danish public that the complaints in Europe of such measures as the Section 22 restrictions on dairy products, the 50% shipping clause, the agricultural surplus disposal program and the escape-clause¹⁷ cases not only exaggerate the significance of these measures per se but also fail to consider how insignificant they are in comparison with the important measures which the United States has adopted in recent years to break down trade barriers. These efforts should continue.

However, the economic irritants, regardless of their importance, may be expected to go on prejudicing the good relations between the United States and Denmark as long as the irritants remain and to continue limiting the effectiveness of United States leadership. They will continue to undermine the good will that has been generated by years of effort—not least by the \$280 million of economic aid program here.

As to the shipping claims, which involve Denmark alone and do not involve such far-reaching matters as the protection of American agriculture and the American Merchant Marine, every effort should be made to expedite passage of the Congressional bill before adjournment of the Congress. As the Embassy has commented previously, it is deplorable that settlement of this matter has been delayed from year to year for so long a time and that this delay has created enough bitterness to prevent Danish ratification of the 1951 Treaty of Friendship, Commerce and Navigation. I fully appreciate, however, that officers of the Department have worked hard for years in efforts to find a solution [\[Page 524\]](#) vis-à-vis the Washington agencies, and I am particularly mindful of the excellent statement on the subject which Under Secretary Herter made to the House Committee on Foreign Affairs on May 21.¹⁸

Maintenance of a Strong Embassy Staff

The Department of State and other Washington agencies involved should continue to maintain a strong staff at this post. Denmark has a reputation of being a pleasant and even a glamorous post (it is pleasant although hardly glamorous), but there is a tendency to minimize its importance. I have attempted to describe above the unique value in relation to its size and population that Denmark has in the Western defense structure because of its strategic location at the mouth of the Baltic and because of Greenland. For this reason alone, our stakes of diplomacy here are high. A single blunder or a reduction of influence through personnel cuts—e.g., in the USIS—could be seriously detrimental to our national interests. I recommend therefore that, in determining personnel requirements at this post in staffing and in providing allowances for promoting contacts, these stakes be kept always in mind.

Maximizing Contacts in the Provinces

During my nearly four years in Denmark, I have tried to meet as many people as possible outside of Copenhagen, including persons in various walks of life, and other members of the mission have done this also. Over three-fourths of the population of the country lives outside of the capital area, and many of these people feel that foreign diplomatic representatives do not see enough of the rest of the country. I have found that the Danes in the provinces are very receptive of official visits from foreign diplomats in Copenhagen (although few representatives of other countries have made extensive trips of this kind), and there is no doubt that such trips, with well drafted and effectively publicized addresses, go far to extend United States influence and good will in Denmark. Evidence that they are appreciated by the Danes was offered in remarks made by the Prime Minister at a dinner which he gave in my honor last night. After saying that I would be remembered here as the "traveling Ambassador" and that "very few of your former and present colleagues among the heads of missions have seen so much of Denmark as you have", the Prime Minister stated that "with great pleasure we have ascertained the interest you have shown Denmark and the Danish community by your many visits to our provincial towns". Apart from the good will factor, these visits [\[Page 525\]](#) have taught me and members of my staff accompanying me a great deal about Denmark, the Danes and Danish thinking that could not be learned in Copenhagen alone.

Cooperation with the British in Denmark

[4 lines of source text not declassified] This was one of the subjects discussed at the 1954 meeting of American Ambassadors in these countries,¹⁹ where there appeared to be a consensus of opinion that the British activities in this direction presented no problems of consequence for American foreign policy but that greater efforts should be made to coordinate American and British policies in Scandinavia.

It would, in my opinion, be most imprudent for the United States to enter into a contest with Great Britain for supremacy of influence in this country. Despite its small size, there is plenty of room in Denmark for activities of leadership by both the United States and Great Britain. Rather than viewing the efforts of our two countries for added influence as competitive, it is far more productive to consider them as mutually profitable and therefore as calling for a maximum of coordination and cooperation.

At the above-mentioned 1954 meeting, there was a feeling that active attempts should be made to reach agreement between the United States and Great Britain on policies to which the Scandinavian countries are urged to adhere and that consultation between our two countries on such matters was essential. During my period in Copenhagen, the Embassy has been more or less continuously in consultation with the British Embassy on subjects of common interest pertaining to Denmark. [4 lines of source text not declassified]

I feel strongly that the force of our diplomacy in Denmark can be well served if we work as closely as possible with the British and if we consider them as partners whose major objectives are almost identical with ours. By pulling together with them we strengthen the force of our own effort.

Robert Coe

1. Source: Department of State, Central Files, 611.59/5-2857. Confidential. Drafted by James W. Gantenbein.
2. Documentation on meetings of the Nordic Council is in Department of State, Central File 757A.00.
3. Documentation on the Danish defense cuts is *ibid.*, 759.5.
4. As a result of the general election held on May 14, 1957, the Social Democrats lost four seats. Hansen formed a new government on May 27; documentation is *ibid.*, 759.13.
5. Despatch 841 describes the Ambassador's visit to Frederikshavn and Randers. (*Ibid.*, 123-Coe, Robert D.)
6. Documentation on this subject is *ibid.*, 759.5-MSP.
7. For text of the Agreement, see 2 UST 1485 or TIAS 2292.
8. Not printed.
9. Documentation on the negotiations on this question in September–October 1956 is in Department of State, Central File 459.116.
10. 49 Stat. 773.
11. Documentation on U.S. discussions with Denmark on this subject are in Department of State, Central File 411.5941.
12. Documentation on this question is *ibid.*, EUR Files: Lot 59 D 233, Denmark 1949–1955, and, *ibid.*, Secretary's Memoranda of Conversation: Lot 64 D 199.
13. See [Document 172](#).
14. S. 2448 did not pass in 1957. In 1958, a bill authorizing payment to Denmark did pass; for text of Public Law 85-450, see 72 Stat. 182.
15. A memorandum of Ambassador Kauffmann's conversation with Acting Secretary Herter, May 9, is in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199.
16. Reference is to the educational exchange program instituted under the U.S. Information and Educational Exchange Act of 1948; 62 Stat. 6.
17. Section 6 of the Trade Agreements Extension Act of 1951, known as the "escape clause," provided that whenever an imported product threatened to cause serious injury to domestic manufacturers, all tariff concessions on that product would be withdrawn. (65 Stat. 74)
18. For text of Herter's remarks, see Department of State *Bulletin*, June 24, 1957, pp. 1020–1025.

19. Minutes of the meeting of U.S. Chiefs of Mission to Scandinavia in Copenhagen, April 26–27, 1954, are in Department of State, EUR Files: Lot 59 D 233, Ambassadors Meeting Copenhagen—April 1954.

Kilde: <https://history.state.gov/historicaldocuments/frus1955-57v27/d180>

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