

# **Escaping “Safehaven”. The Case of Christiani & Nielsen’s Blacklisting in 1944**

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# Escaping “Safehaven”. The Case of Christiani & Nielsen’s Blacklisting in 1944

The article will examine the case of how the multinational Danish entrepreneurial company Christiani & Nielsen tried to find a strategy to cope with the loss of contacts with their overseas markets after the outbreak of war in 1939. This strategy led to Christiani & Nielsen being blacklisted by the US State Department in March 1944. Formally speaking, blacklisting meant that a company could no longer be in business in territories controlled by the USA., and on an informal level the sanction meant that a company’s status would suffer severe damage. The blacklisting or formally the “Proclaimed List of Certain Blocked Nationals”, has been neglected by the historians despite it excluded nearly 8.000 companies from doing business on the American continent and creating a deep crisis between USA and Latin America. The blacklist has been described as very broad and without specific criteria for campaign all businesses suspected of being pro-Axis. Many of the firms were not always justly accused of trading with Germany. Afterwards the US administration has been criticized in the historical writings for jeopardizing the “Good Neighbor Policy” of nonintervention and genuine respect for Latin America because of a fear of a very often imagined Nazi menace.<sup>1</sup> But attention to a Danish multinational company’s global strategy and Allied economic warfare tells a different story. Uncovering this largely neglected episode of blacklist suggest that a company with right absorption strategy could hide its support and connections with the Axis powers. The fact that the Americans focused on a Danish company was unusual, however; blacklisting was normally used against German companies or companies who served the interests of the axis powers on the American continent. Part of the reason that a company from a small, neutral state, occupied by Germany, was brought into focus by the Americans can be found in Christiani & Nielsen’s unusual position in the international marketplace and the company’s failure to stick with its absorption strategy.

This article focuses on how the choose a certain strategy to counteract political risk could be seen as efficient crisis management; but it can also leave the company with a problem of legitimacy that threatens its position on the market. With a political approach, the causes of business failure are related to questions of legitimacy. How can a company decide which threats

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<sup>1</sup> See Max Paul Friedman, *Nazis & Good Neighbors – The United States Campaign Against the Germans of Latin America in World War II* (Cambridge, 2003), 88-101;

matter most, and where these threats need to be addressed? In this article I utilize core material from managerial board meetings to show how day-to-day decisions in a multinational company dealt with political opportunities and uncertainties.

The term “political risk” is used to refer to a variety of threats, with a variety of impacts.<sup>2</sup> In general, it covers uncertainty that stems, in whole or in part, from the exercise of power by governmental and non-governmental actors. Political risks can affect a company’s value in many ways, especially in times of upheaval, when expropriation, contract frustration and currency crises are common. War itself can of course have an impact on the assets of a company, while tax hikes and hyperinflation can affect commercial operations. The challenge for any given company at any given time is to decide which threats matter most, and where (and how) these threats need to be addressed. A political event, such as the announcement of a “new order” by an existing dictatorial regime, may affect the company in many ways, but its specific consequences are a function of both environmental conditions and firm-specific factors. It should here be emphasized that political instability does not necessarily lead to negative consequences for a company. Indeed, sometimes the perception of risk is itself a risk. “It is quite possible,” notes Stefan Robock, “that inexperienced international enterprises have missed business opportunities because they have perceived more political risk than actually existed.”<sup>3</sup> Political risk, then, is a function of both the events themselves and the decision-makers’ perceptions of those events, including their perception of risks and opportunities implicit in them. These perceptions, in turn, are influenced by past experience, cognitive structures and the nature of the organization.

### ***Christiani & Nielsen: The pioneers on the international market***

The Danish construction industry made a major breakthrough on the international market in the interwar period despite the economic crises. Construction became Denmark’s most international industry in the 1930s, building railroads in Iran and the Baltic countries and bridges and harbours in Poland, Serbia, France and Germany. The pioneer on the international market was Christiani &

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<sup>2</sup> Stefan H. Robock, “Political Risk: Identification and Assessment”, *Columbia Journal of World Business* (July-August 1971, no. 6): 6ff; Janice Monti-Belkaoui and Ahmed Riahi- Belkaoui, *The Nature Estimation, and Management of Political Risk* (Quorum 1998), 75; Stephen J. Kobrin, “Political Risk: A Review and Reconsideration”, *Journal of International Business Studies*. (No. 11, 1979): 74; Peter Smith Ring; Andrew H. Van De Ven, Structuring Cooperative Relationships between Organisations, *Strategic Management Journal*. (Vol. 13, No. 7, 1992): 488; Peter Rodriguez, Klaus Uhlenbruck & Looaine Eden, “Government Corruption and the Entry Strategies of Multinationals”, *Academy of Management Review* (Vol. 30, No. 2, 2005): 389f.

<sup>3</sup> Stefan H. Robock: “Political Risk: Identification and Assessment”, *Columbia Journal of World Business*, No. 6, July-August, 1971, 15

Nielsen, founded in 1904. One of the company's founders and manager Dr. Rudolf Christiani introduced iron reinforced concrete in Denmark and began using the new material for harbour construction. The technical capabilities of the company made Christiani & Nielsen pioneers on the international market in the use of reinforced concrete. The company establish branch operations in Russia, France, Norway, Great Britain, and Germany, and later on also in Thailand and South America.

The main market for Christiani & Nielsen in Europe was France and Germany. This is important to bear in mind in order to understand the decisions taken by the company during the war years. Following its initial success, Christiani & Nielsen expanded in 1908 with their first branch office outside Denmark. The city of Hamburg in northern Germany was chosen because of its important and always growing harbour. Indeed, the continuous expansion of deepwater harbours in Hamburg, Bremen, Kiel and Stettin offered plenty of business opportunities for the company. The successes continued throughout the interwar period until the war again broke out in September 1939.<sup>4</sup> By this time Christiani & Nielsen had established good relations with the German authorities and was among the companies selected for the construction of the Third Reich's prominent Autobahns.<sup>5</sup> The company's high status in Germany is reflected by the fact that a considerable portion of the construction of the Autobahns was handed over to Christiani & Nielsen and the fact that the company was one of the few multinationals who were allowed to transfer its profits out of Germany.

Danish contractors with activities outside Denmark kept a low profile in the spring and summer of 1940 until the German conquest of Western Europe was brought to an end. Almost all civilian-building projects without a military value were cancelled by the Germans, who were now in control of the distribution of strategically important building materials. While Christiani & Nielsen committed themselves to undertakings in British controlled territories, and later on the American continent, the company's management also decided to go ahead with construction projects for the Germans in occupied Europe.<sup>6</sup>

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<sup>4</sup> *Christiani & Nielsen – 1904 \* 8. februar \* 1944*, 1944, 25-27.

<sup>5</sup> The planning of the Autobahn project is described in: Franz W. Seidler, *Fritz Todt – Baumeister des Dritten Reiches*, 2000, 97-135.

<sup>6</sup> Statement of action taken for the period November 1st to 30th 1940. Ministry of Economic Warfare; Brief report for War Cabinet upon action taken against business firms, 26. december 1940. PRO, FO 837/12; M.E.W. "G" LIST No. 1, PRO London, Ministry of Economic Warfare, September 1940. FO 837/39; M.E.W. "G" LIST No. 2, PRO London, Ministry of Economic Warfare, November 1940. FO 837/39. In November 1940 had Christiani & Nielsen's departments in Great Britain, USA, Brazil, Argentina, Mexico, Venezuela and Thailand signed the undertaking with the British government.

## ***Building Hitler's Europe***

In an attempt to reduce the risks caused by the new political and military conditions in Europe caused by the military and political events after the fall of France, the management of Christiani & Nielsen began systematically to scan the market for new projects. An attempt to become one of the companies selected for building the Autobahns in German-occupied Norway failed, but other projects related to the New Order helped Christiani & Nielsen to remain on the market. In November 1941 Christiani traveled to Norway to meet with the newly established Department of Traffic and Technology (*Abteilung für Verkehr und Technik*) in the Reich Commissariat (*Reichskommissariat*) in Oslo.

On his return to Denmark, Dr. Christiani wrote a summary for his closest members of staff, bringing them up to date on the meeting with the German authorities in Oslo. Here it was stressed that the German side was very interested in initiating a co-operative venture with the company, once the department had been reorganised. Over and above providing the necessary capital, which was supplied by the bank, it was a case of procuring the required material and machines – the prerequisites for “getting our share of the new jobs.”<sup>7</sup> The situation demanded that one took considerable risks and the company’s management was immediately requested to investigate how much material was readily at hand and what could be obtained from the branches in Germany, Holland, or France.<sup>8</sup> The company’s ambition that the branches in Europe should be financially independent was followed up by a new procedure of communication between the branches.

On 30 November 1940 there was a senior management meeting, the subject of which was the set of principles, which were to constitute the direction of the company’s strategy in the coming years. By way of introduction Christiani announced that the bank had granted the requested credit. The bank had also reacted positively to the enquiry concerning the appointment of a board member.<sup>9</sup> Other members of the senior management present at the meeting, besides Christiani himself, were Captain Nielsen, Director Nørgaard, and Assistant General Manager O. C. Larsen. The company management discussed how one should “in principle respond to undertaking civilian and military projects for Germany”.<sup>10</sup>

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<sup>7</sup> Memo pertaining to the Neyer case, Rudolf Christiani (sign.), the 29. of April 1948. Case nr. 9309, Oslo Police Chamber’s investigation of Norsk Christiani & Nielsen Ltd. RAO.

<sup>8</sup> Rudolf Christiani’s summary to the company management, the 29. of November 1940. Archive nr. 10.557. DIF.

<sup>9</sup> Letter from the Kristiani Hypotek- and Realkreditbank Ltd. to Christiani & Nielsen, the 30. of November 1940. Case nr. 9309, Oslo Police Chamber’s investigation of Norsk Christiani & Nielsen Ltd. RAO.

<sup>10</sup> Christiani & Nielsen, summary of management board meeting, the 30. of November 1940. Archive nr. 10.557. DIF.

The management chose to maintain the previous policy in relation to military projects for the occupying power in Denmark. Under no circumstances would one accept collaborationist work. On the other hand one would accept civilian German projects in Denmark, such as for example the construction of the German school. A unanimous management board was undivided when it came to Norway, Germany, Holland, and France. Here there was “a general agreement that civilian and military projects could be carried out.” In this way the company’s strategy up until 1943 was formulated and the management had chosen to take on politically risky, but profitable projects for the Germans in occupied Europe. The sombre atmosphere, which had characterised the company since the 9th of April 1940, had now vanished and in a post-war report Assistant General Manager O. C. Larsen stressed: “one seemed to consider it all somewhat fantastic”.<sup>11</sup> Great possibilities were in sight, but the company did not enter into closer discussion about the potential risks in the construction of military plants for the Germans outside Denmark. At the meeting the decision not to build for the occupying forces in Denmark was not motivated by national concerns and it is best described as an expression of image management in Denmark. Ultimately Christiani & Nielsen would only have benefited economically in a small way by joining the collaborationist forces in Denmark in the autumn of 1940, when the larger projects had already been distributed. At this time there were no plans for the construction of further military plants.

Since 1941 the company’s strategy had been to avail itself of the opportunity to pose as a German company by introducing its German branch into the French market. In this way the company closed its eyes to the unpleasant dilemmas one could face in the context of co-operating with Nazi Germany. The company’s network and especially the co-operation with Professor Arnold Agatz resulted in Christiani & Nielsen’s central role in the construction of submarine bunkers and lock systems for the German marine in Bordeaux, La Rochelle and Saint Nazaire.<sup>12</sup> As far as the French market, nobody in the management attempted to draw a line in the sand and cease the co-operation with the Germans. The objective was to make a profit constructing for the Organisation Todt regardless of whether or not the company had to work on plants applying enforced labour. Not even the allied forces’ massive bombardment of German submarine bases could persuade the

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<sup>11</sup> Interrogation of vice president O.C. Larsen by the Commission of Inquiry founded by the Danish Engineers’ Association, the 17. of March 1947. Case nr. 27. concerning Dr. Ing. Rud. Christiani. Archive nr.10.557. DIF.

<sup>12</sup> Christiani & Nielsen, summary of management board meeting, the 7. of May 1943, 2. of July and the 13’ of July 1943. Archive nr. 10.557.RA.

company to pull out.<sup>13</sup> Christiani & Nielsen continued constructing for the Germans in the French harbours right up until the summer of 1944 shortly before the allied liberation. In this respect it is very important to distinguish between a strategy and a political event. Roughly, a strategy or program failure pertains to the managerial dimension of formulating strategy and organizational behaviour. It occurs when a strategy fails to have the desired impact and even produces major unintended and unwanted effects. The important question to raise here is why a global oriented company with a pre-war policy of expansion could get bogged down in a strategic failure during the war. Answering this question uncovers an internal struggle between a globally oriented coalition and a dominating coalition more oriented towards continental Europe with Germany as centre of power. The nature of the organization and its normative structure is therefore closely linked to the failure of the company's strategy in an era marked by turbulent political developments.

### ***External stigmatization and internal legitimization***

The work in Aardal had begun shortly before the signing of the contract in May 1941. The construction site itself was from the very first an anthill with approximately 5.000 workers and a number of German specialists, deeply involved in the construction of plants and roads, blasting their way through rock to create a passage for the power line from Lake Tyin, and pouring the armoured concrete for the harbour. In spite of the considerable work force and the progress in the construction, the Germans were not satisfied with the pace in the autumn of 1941. Another element of uncertainty was added, since the company had received Reich Commissioner (*Reichskommissar*) Terboven's new guidelines (*Richtlinien*) for entrepreneurial work carried out in Norway. The new guidelines, which came into force on 1 January 1942, meant that all construction works were to cease being paid for via bills. Now there was to be a set contractual price with a lower profit margin. The company had a memorandum written up, which established that the gross profits would be reduced to about one third of the expected, if the new regulations were also to apply to the Nordag construction projects.<sup>14</sup>

The uncertainty in relation to the Nordag project was also a result of an increased political critique of Christiani & Nielsen's actions in Norway. On 12 December 1941 the

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<sup>13</sup> Director of Naval Intelligence: France: St. Nazaire and La Pallice: U-Boat bases; operational orders and bomb damage including location of wreck of HMS Campbeltown, 1942-1945. ADM 199/2469; Report on details of U-Boat Shelters, 25. juni 1943, Navel Intelligence Department. U-Boat Bases in Occupied France 1942 Apr. 1943 Apr. Air 15/199; Bombing of St. Nazaire, N.I.D. U.C. Report, den 3. april 1943; Bombing Attacks on La Pallice and St. Nazaire, den 7. juni 1943. ADM 199/2470.

<sup>14</sup> Christiani & Nielsen, summary of management board meeting, the 18. of December 1941. Archive nr. 10.557.RA.

Norwegian branch had celebrated its 25th business anniversary and the good atmosphere had been disrupted by an attack on Henschien, the chairman of the board. The general opinion at the Norwegian Association of Entrepreneurs had changed and was now against Christiani & Nielsen resuming their business in the country. An official complaint had been sent to the Association from a large number of companies, who claimed that the Danes had arrived in Norway during the last world war and now they had arrived again during the new world war. In the Norwegian entrepreneurial world Christiani & Nielsen had been branded as a company that profited from war. The attacks on the company's legitimacy annoyed Christiani infinitely, but his frustration was also directed towards Henschien, who as chairman of the board had remained impassive, when the accusations were made. Christiani thought that Henschien could have dismissed the critique by pointing out that the company had arrived in Norway to repair the damages from the great fire in Bergen in 1916. The company never succeeded in convincing the critical voices that no common norms of best business practice had been violated. Christiani & Nielsen had transgressed beyond the normative structures of the Norwegian Association of Entrepreneurs and after the war one finds the same accusations of amoral behaviour, voiced by the prosecuting authority, when the company was accused of crimes against the nation. In 1946, when crime squad superintendent Lars Abée-Lund, leader of the Oslo Police Chamber's section for crimes against the nation, presented the case against the company, it sounded like an echo from the winter of 1941:

“The company was founded during WWI and exploited the trading conditions of the time. It led a completely passive existence in the inter-war years and then took on the construction of the plants on Årdalstangen, which were crucial to the German war activity. The company has had no impact, and will probably have no impact ever, as an exponent of Norwegian enterprise interests.”<sup>15</sup>

In 1941 Henschien's task was to reinforce the company's legitimacy and now he had proved not to be worth his salt. The situation was untenable: the Germans complained to the company about the progression of the construction, and the Norwegian firms accused them of unpatriotic behaviour. Christiani's anger was formidable and he felt that part of the reason for the German

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<sup>15</sup> Crime squad superintendent Lars Abée-Lund to the Damages Directorate, the Executive Department, the 3. of April 1946. Case nr. 9309, the Oslo Police Chamber's investigation of Norsk Christiani & Nielsen Ltd. RAO.

critique of the company stemmed from the fact that the Norwegian employees made a point of having as little as possible to do with the Germans. The Norwegians did not know how to deal with the Germans in the business arena. In this difficult situation the management board of directors agreed that the branch could not be managed from Copenhagen. The state of things made it imperative that a manager of the Norwegian branch could immediately take on this position and Christiani expressed his confidence that "engineer Steufer is up to the job, understands how to negotiate with the Germans, and it would be difficult to find a Norwegian who would be capable of this".<sup>16</sup>

In March 1943 the management was again confronted with clear statements from the Norwegians, who claimed that Christiani & Nielsen had not observed the fundamental national rules. When the Oslo branch had wanted to tender for a power plant in the southern part of Norway, the entire Norwegian Association of Entrepreneurs stipulated that no foreign company could participate in the competitive tendering. In Ørstedhus the general opinion was that the Norwegian attitude could be ascribed to the influence created by an article in the Swedish daily newspaper *Nya dagligt Allehanda*. The article had identified Christiani & Nielsen as a company that worked closely with the German authorities in Norway.<sup>17</sup> For this reason the management board decided that in the near future "it would be necessary for us to conduct ourselves as if we were a Norwegian company" in order to buffer the impact of the critique. In reality this was but a tactical adjustment of strategy: for a period of time one would abstain from building for the Germans.

The Norwegian members of the board were increasingly considering themselves as passengers on a galley moving away from the general consensus of the Norwegian people and the directives of the exiled government in London. In January the conflict prompted Henschien to write an appendix to the annual report, including the statement: "the Norwegian company has little room for manoeuvre when it comes to its own concerns. The company in Copenhagen dictates not only the guidelines for the company's activities, but in my opinion also way too many details".<sup>18</sup>

During the winter of 1942 the problems with Nordag caused further discussions among the board members at Christiani & Nielsen. They agreed to consider the issue an ordinary

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<sup>16</sup> Christiani & Nielsen, summary of management board meeting, the 15. of December 1941. Archive nr. 10.557.RA.

<sup>17</sup> Christiani & Nielsen, summary of management board meeting, the 5. of March 1943. Archive nr. 10.557.RA.

<sup>18</sup> Engineer Henschien's enclosure in Norwegian Christiani & Nielsen's annual report, January 1942; Report by engineer Henschien to the Section for Crimes against the Nation, the 14. of February 1947. Case nr. 9309, the Oslo Police Chamber's investigation of Norsk Christiani & Nielsen Ltd. RAO.

business problem between two companies, a problem that was not made easier by Terboven's demands for changes in the contract format. The agreement also encompassed the original decision on the principles of tendering for German construction assignments

On 5 February 1942 the board of directors discussed the question of the other current military construction projects carried out for Germany in relation to "our international organization". The discussion of principles took place at a time when the development of the war escalated with Japan's attacks on Pearl Harbour and Germany's subsequent declaration of war against the USA. The war had now become global, but at the same time it was made clear that the company's previous strategy was unchanged. The estimation was that working with the Germans would not harm the company's international branches "and on this occasion it was stated that the risk involved was now somewhat lesser after the USA had entered the war and that the risk for us was to some extent lesser than it would be for a Swedish firm for example".<sup>19</sup> In spite of the American entry into the war on the allied side, Christiani & Nielsen's management considered building for the Germans less risky in a political sense. However paradoxical it may seem, the management of one of the country's most internationalised companies had not acknowledged the importance of the economical and military potential of the USA. The immediate assumption would have been that a company with overseas branches would have adjusted its strategy after the super power USA had gone to war against the Axis Powers.

The key to the understanding of the management's assessment of February 1942 is found in the company's comparison with the possibilities Swedish companies had in the same situation. In the management's optic the decisive difference was that their head office and several branches were located in German occupied territory. For this reason it was more legitimate for them to trade with the Germans as opposed to companies from the neutral Sweden. The fact that one could come to the understanding that the risk should be lesser for the company after America entered the war seems in hindsight to be a resounding error of judgment. However, in the winter of 1942 the management assumed that the escalation of the war would blur the issues of who worked for whom and this would in turn make it increasingly difficult for the allied to observe the company's activities. The Germans would need even more military capacity, and in that context one surmised that a company in a Europe dominated by Germany could legitimately produce for the Germans. In the world picture, created in Ørstedhus, the American entry into the war did not necessarily create a turning point that could lead to

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<sup>19</sup> Christiani & Nielsen, summary of management board meeting, the 5. of February 1942. Archive nr. 10.557.RA.

Germany's demise. In December 1941 the German dominated area was larger than ever and almost all resources in Europe were controlled by Germany. As a result of the company's lasting close relations with Germany, a German defeat would inevitably lead to financial losses. For this reason the management's assessments of the future were to a larger extent dictated by its successes in the German market rather than a result of a realistic analysis of the political reality.

### ***The Scandinavian Plan***

Throughout 1943 Christiani and his company were constantly under fire in the illegal press, and the Swedish Press had also published some critical articles on the company's Norwegian projects. The critical press created a growing sense of frustration and 24 March 1943 the management discussed how to tackle the situation. Christiani felt that the Danish resistance movement's attacks occasionally had "hurt me and damaged my reputation". However, in the same breath he had to admit that there was nothing the company could do, since it was up against an unknown enemy in the shape of "the anonymous illegal press". In Sweden the perspective was somewhat different. Here the large scale Nordag projects had been mentioned in a number of papers and as a result one considered issuing a denial via the company's Swedish branch. One could, however, not just reject the Swedish press articles as rampant rumours and misunderstandings – the usual characterization of the illegal press. The heart of the matter was that the company quite simply was not interested in publicity with regard to its German projects in Norway or other places. The company saw it as a business deal with the German contractor, and it was nobody's concern, as long as one did nothing illegal. Unless one needed a prompt retraction to deny the facts in order to ride out the storm of the moment, the management agreed that "it would probably be difficult to spin it in a way that produced a positive effect."<sup>20</sup>

Realising that it would be extremely difficult to explain away the company's comprehensive German projects at home and abroad, the political operator Christiani likewise instigated a project with a view to changing the perception of the company and its ethical profile. Even if Christiani had lost his place in the Danish parliament in the March 1943 election, he still had the impulse to act on the political arena. Towards the end of November 1943 Christiani prepared a plan to the effect that the Germans, on the condition that Germany and the Allies could agree, should clear out of Denmark and Norway and let Sweden occupy those countries instead.

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<sup>20</sup> Letter from Nørgaard to the Hon. Colonel A. McDonnell, 15 November 1946. Archival no.10.557. DIF.

The crux of the so-called “Scandinavian Plan” was that an occupation force from a country known for its solidarity, was to be preferred to waiting for the same destiny as befell Holland and Norway, where the situation had gone from bad to worse. According to Christiani, the war between the resistance movement and the occupation force with its “sabotage, acts of violence, killing, arrests, executions, and gangster robberies” was responsible for Denmark’s progression to a stage, where there was no longer any possibility of co-operating with Germany. The precondition for the plan’s success was of course in the first instance that the Germans could accept the suggestion. As a result Christiani first approached Werner Best with whom he had good relations. Occasioned by Arnold Agatz’s<sup>21</sup> guest lecture at the Polytechnical University, Christiani gave a large dinner party on 2 December 1942, where Dr. Best had been the guest of honor.<sup>22</sup> The State Plenipotentiary Dr. Best declared that he would present the plan in Berlin, if Christiani could find qualified and influential people in Sweden, who had a positive attitude to the suggestion. In December 1943 “the Scandinavian Plan” seemed to be quite out of touch with reality. The Allies would never accept the plan and from a German point of view there was little to gain from surrendering two countries. For this reason it is difficult to ascertain the intentions behind Plenipotentiary Dr. Best’s support of Christiani’s initiative, but perhaps Dr. Best saw the plan as an opportunity to send a mitigating political signal to the Swedish government via a deputy. After the war the Danish police attempted to question the psychologically challenged Dr. Best about the motive behind the support of Christiani’s plan. However, the situation all seemed somewhat “foggy” to the former Plenipotentiary, who “would make no statements and say something disadvantageous,” since his case was to be tried in court.<sup>23</sup> The consideration with regard to Dr. Best’s own case was to a large extent beneficial to Christiani’s case.

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<sup>21</sup> Dr. Arnold Agatz from Charlottenburgs Technische Schule was one of the company’s technical advisors on harbor construction. Agatz was responsible for the construction of several of the German submarine bunkers in occupied France and he played the role as link between Organisation Todt and Christiani & Nielsen in 1941 when the company became involved in the large construction project for German Navy.

<sup>22</sup> Besides Werner Best, Rudolf Christiani also invited the diplomatic representative Barandon, *SS-Brigadenführer* Kanstein, and *Ministerialrat* Ebner from the German legation. Denmark was represented by among others the Prime Minister and Minister of Foreign Affairs Erik Scavenius, Minister of Traffic Gunnar Larsen, Director Nils Svenningsen, and Head of Department Franz Hvass from the Ministry of Foreign Affairs in an arrangement honouring the structural engineer of Hitler’s submarine bases.

<sup>23</sup> Questioning (by police officer Henning Christensen) of Dr. Werner Best at the Copenhagen Central Police Station 19 March 1947. Archival no. 10.557. DIF. During the court case Best was described as “*Konstitutioneller Psychopath*” by the prison doctor. Cf. Ulrich Herbert: *Best – Biographische Studien über Radikalismus, Weltanschauung und Vernunft 1903-1989*, 1996, p. 408ff.

Christiani then called on Bramsnæs, the Director of the National Bank, who was also chairman of the association "Norden", and presented Dr. Best's statements. As a point of departure Bramsnæs was interested and sympathetic to the plan, but after the war he maintained that he immediately rejected Christiani's idea.<sup>24</sup> Then Christiani left for Stockholm, where he talked to a number of "prominent Swedes", mainly managers from the business sector. The main part of the consulted had no influence to speak of on Swedish foreign and defence policies, but that did not prevent the creator from stating that the plan was received with "understanding and interest," even if Günther, the Swedish Minister of Foreign Affairs, had declared that the suggestion could not be realised.<sup>25</sup> Furthermore Christiani paid a visit to the diplomatic representative of the exiled Norwegian government in Sweden, Minister Bull, and Berg, minister in the exiled Norwegian government, who was in Stockholm at the time. The Norwegians rejected the plan and let the Danish operator understand that it was not desirable for reasons of national concern, bearing in mind that Werner Best supported the suggestion.<sup>26</sup>

After his return from Sweden, Christiani continued to discuss the case with among others Nils Svenningsen, Scavenius, Prince Axel, and Lord-in-waiting von Dardel, the Swedish envoy in Copenhagen. Apparently the only person who made it clear to Christiani that he was moving into dangerous territory, was Vilhelm Buhl, who distanced himself from the plan in no uncertain terms.<sup>27</sup> Towards the end of January 1944 the situation exploded in Christiani's hands, when the Swedish press described the plan as a "German oriented" arrangement and Christiani was

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<sup>24</sup> Report by Bramsnæs, Director of the National Bank of Denmark to High Court Judge O.I. Kaarsberg, 28 May 1947. Bramsnæs had reported that he had met with Christiani twice, but could not accept Christiani's representation of the conversations. Furthermore Bramsnæs stated that "it was his impression that the plan was Dr. Christiani's own and not a German concoction, and that Dr. Christiani, as far as the Director was able to assess, had not via this plan committed any act that could be considered antinational. Archival no. 10.557. DIF.

<sup>25</sup> Summary of a conversation with Bramsnæs, the Director of the Danish National Bank 29 November 1943 and conversations in the years 1943-55 on the subject of the Nordic co-operation. Archival no. 10.557. DIF.

The Swedish politicians and business leaders consulted in the context of the plan were, among others: Minister of Foreign Affairs Günther, Professor Dr. Bertil Ohlin, Member of Parliament's first chamber, Governor of a Province Sandler, Member of Parliament's first chamber, the Editor-in-chief (Svenska Dagbladet) Ivar Andersson, Member of Parliament's second chamber, Political Spokesman in the National Association August Lindberg, Director Söderbäck in the Employers' Association, and Director Albin Johansson.

<sup>26</sup> Letter from Rudolf Christiani to Minister Bull, Royal Norwegian envoy, 17 December 1943 and 10 January 1944; Letter from Minister Bull to Rudolf Christiani 18 January 1944. 10.557. DIF.

<sup>27</sup> Summary of a conversation with Dr. Best, 7 January 1944; summary of a visit to Prime Minister Scavenius, 7 January 1944; summary of a visit to Minister, Lord-in-waiting von Dardel, 8 January 1944; summary of a conversation with the Swedish Minister, Lord-in-waiting von Dardel, 11 January 1944; summary of a visit to Prince Axel, 13 January 1944; Summary of a conversation with Bramsnæs, Director of the Danish National Bank, 20 January 1944; summary of a visit to Prime Minister Scavenius, 21 January 1944; summary of a visit to Director Svenningsen; summary of a conversation with former Prime Minister Buhl, 21 January 1944. Archival no. 10.557. DIF.

labelled as an “agent” for Werner Best in his attempts to influence the Swedish Minister of Foreign Affairs. Via BBC in London the story spread to the domestic illegal magazines, where *Frit Danmark* as well as *Vejen Frem* launched severe attacks on Christiani.<sup>28</sup> On 6 February the description of the situation in one of the Norwegian home front’s illegal magazines prompted the engineer Henschien, chairman of the board of the company’s Oslo branch, to withdraw.<sup>29</sup> The story was seized not only by the Norwegian and the Danish illegal press. Christiani & Nielsen’s activities were also mentioned on the front page of *The New York Times* where Christiani was described as “a notorious champion of collaboration between the Danes and the Germans”.<sup>30</sup> He was described as a tool for Werner Best in his attempts to persuade the Danes to more pro-German as he had realized that the Danish Nazi party would not as palatable as a group of industrialists like Christiani.<sup>31</sup> Not only did the story hurt the company’s reputation, it also contributed to drawing the attention of the allied authorities to the company.

### ***Blacklisted***

As part of the allied economic warfare, the Americans attempted to eliminate the economic interests serving the cause of the Axis Powers on the American continent. Their efforts were particularly focused on German companies and companies fronting German interests, and finally local companies supporting the cause of the Axial Powers. The most important tool in this battle was “the Proclaimed List of Certain Blocked Nationals,” first prepared in July 1941 by a special unit in the State Department under the leadership of Dean Acheson. The list was based on information from the diplomatic missions and data from the British government. When a company was listed, all its deposits in allied banks were frozen, and it was deprived of its right to make transactions. In the beginning it was a punishable offence for all companies and people under American jurisdiction to do business with blacklisted companies. By and large all Latin American countries did business with the USA, and in this way the blacklisting eventually influenced all continental companies,

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<sup>28</sup> Christiani’s political activities had already after the dinner in honor of Werner Best become the subject of discussion in the illegal magazines. Cf. *Frit Danmark* no. 4, February 1943, *Information* no. 321, 31 October 1944 and *De frie Danske*, no. 4, February 1943. One of the illegal magazines was *Vejen Frem*, which in February 1944 discussed “the Scandinavian Plan” under the heading “Dr. Christiani tackles the Global Problems”.

<sup>29</sup> Report from engineer Henschien to the Landssviksavgdelingen, forwarded 14 February 1947. Case no. 9309, the Oslo Police Chamber’s investigation of Norsk A/S Christiani & Nielsen. RAO.

<sup>30</sup> “Swedes Rebuff Dane on Neutrality Plan”, *New York Times*, February 5, 1944.

<sup>31</sup> “Germans Alter Tactics”, *New York Times*, February 21, 1944,

which did not want to exclude the opportunity of doing business with the Americans. The American policy was not well received in Latin American countries, which considered it yet another example of Washington's interference in local conditions. However, when Brazil entered the war on the Allied side, the Americans were able to reinforce the effort with help from the local authorities.<sup>32</sup> There were no specific criteria for blacklisting an individual company. In the first instance the list encompassed large companies such as I.G. Farben, Siemens, and Bayer & Scherring, but in time the list expanded to comprise "any person or organization which appeared to be identified with Axis interests. This has been necessary in order to identify such persons and thus restrict their influence in the local communities," Acheson explained.<sup>33</sup> The Americans were not only concerned about damaging the economic interests of the Axis Powers in the region, while the war was on. In a further perspective their strategy was to exclude German interests from the continent.

In the summer of 1943 the British and the Americans had to realise that the scope of their blacklisting policy had become too broad. When Brazil gave up its neutrality in January 1942, the Americans gradually realised that in return they had to loosen the iron grip on the country's economy.<sup>34</sup> On a continent with a substantial segment of ethnic German immigration "enemy" influence could be detected in many companies and the number of companies controlled from enemy territory made the control program difficult to assess for the Allies. Instead one chose to focus on important issues, where the companies supplied substantial sums to the war effort of the Axis Powers.

During the war Christiani & Nielsen had benefitted from the exclusion of their German competitors from the Brazilian market. Financially, the Brazilian engagement in the war had also meant that the Danish company had received large orders. One of the preconditions of President Vargas' decision to enter the war and let the Americans build bases in Brazil was that the USA financed the construction of a Brazilian steel industry. As a part of the American policy of "getting on with its neighbours", a loan of 45.000.000 dollars was granted to the construction of a large steelworks in Monlevade. In this group of construction companies Christiani & Nielsen figured as the main entrepreneurial company, supported by the war time trading conditions and American war dollars, but in March 1944, the branch manager Harald Broe was blacklisted by the Americans.

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<sup>32</sup> Telegram from the Ministry of Economic Warfare to Washington, 2 June 1943. The Brazil File No. 201, PRO. FO 371/33652.

<sup>33</sup> Max Paul Friedman: *Nazis & Good Neighbors – The United States Campaign against the Germans of Latin America in World War II*, (Cambridge University Press), 2003, p. 93.

<sup>34</sup> The British Embassy, Washington despatch no. WT.813 to the Ministry of Economic Warfare, 21 May 1943; New Proclaimed List Program for Brazil (From Washington to the Ministry of Economic Warfare), 23 May 1943; Blacklist Section, the Ministry of Economic Warfare to the British Embassy, Washington, 22 May 1943, PRO. FO 371/33652.

The direct cause of the company's blacklisting in accordance with the new more rigorous demands was the mention of "the Scandinavian Plan" in *Journal do Commercio*, one of Rio's largest newspapers. The Americans demanded that Harald Broe stepped down from his managerial position in Christiani & Nielsen in Brazil, but when that did not happen, the American diplomacy chose to enter the company's manager in "the Proclaimed List". For a longer period of time Harald Broe had been a thorn in the flesh of the Allies, since he had expressed pro-German views throughout the war. Already in 1942 Broe had been warned that the Americans were considering a blacklisting on the basis of the company's pro-German attitude and Counsellor of Legation Mr. Cunningham of the American diplomacy had in no uncertain terms informed Christiani & Nielsen that strong German sympathies were "just as harmful to American interests, as so much else, and that in this war one could only be 'for' or 'against'."<sup>35</sup>

The American warning to the Brazilian branch entailed a schism between Harald Broe and the company's New York office. In July 1940 Director Koefoed and Henning Christiani had arrived in New York in order to represent the group's interests on the American continent. The company C&N Corporation was founded, and immediately an "Undertaking" with the British was signed. The main content was that no action was to be taken contrary to "the Trading with the Enemy Act". To Christiani & Nielsen this meant that under no circumstances could one transfer means to territory occupied by the enemy. Correspondence with the company management in Denmark was also disallowed.

When leaving Denmark, Koefoed had been granted a *carte blanche* authority to act on behalf of the company. Out of consideration for Broe, the company's oldest employee, the company management had not included Brazil in the authorization. The New York office vehemently admonished Broe not to abide by the instructions from the Copenhagen office. This had no effect and entailed that Koefoed had to exercise the utmost caution to prevent the Allies from sanctioning the other Latin American branches. Broe's behaviour and the reports on the company's comprehensive works for the Germans in Europe meant that Koefoed and Henning Christiani had to go on a tour of the British and American companies, including several Jewish businesses, in order to improve the company's tarnished reputation. To Director Koefoed the breach with Copenhagen was a significant step, since he had been a loyal employee since 1917. For many years Koefoed had functioned as manager of the interests in the Western sphere and as the company expert on contracts. The fact that Henning Christiani chose to distance himself from the head office was to a

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<sup>35</sup> Questioning of civil engineer Knud Larsen from Christiani & Nielsen's Rio de Janeiro branch, 10 September 1946. Case No. 25 concerning Civil Engineer Harald Broe. Archival no. 10.557. DIF.

greater extent a result of his realisation that it was important to be on good terms with the Americans, if the expansion into Latin America was to continue after the war.<sup>36</sup> Henning Christiani even went so far as to attempt to publish a statement in *The New York Times*, to establish that the activities of the group in the Western sphere had nothing to do with Christiani & Nielsen's business in Europe. All the Latin American branch managers, excepting Broe, agreed to distance themselves to the dispositions of the Copenhagen office, and instead invest their loyalty in Koefoed, who gathered the "mutineers" of the group. Without making a political approach to the Free Danes, Koefoed attempted via Henrik Kauffmann in Washington to contact the State Department in order to forward the company's cause, but when Broe continued his pro-German rhetoric, the blacklisting was unavoidable.

Economic blacklisting was a catastrophe to Christiani & Nielsen. The New York office calculated the cumulative income from all the American branches of the years 1941-45 to be 6,2 million DKK, the main part of the surplus originating in Brazil.<sup>37</sup> The blacklisting meant, that the department was denied the right to purchase construction materials and that all projects in process had to be suspended during 1944. Christiani & Nielsen had lost their most lucrative business and the branch was on the verge of total economic collapse, when in the spring the company succeeded in getting the Allies' approval of the continuation of the business projects under Koefoed's New York based management.

In the spring of 1944 the threat of blacklisting also affected the European branches. Professor Berthel Ohlin, chairman of the Swedish branch of Christiani & Nielsen, received a warning from the British envoy in Stockholm. The British would no longer accept that money was transferred from the company's Swedish branch to the main office in Copenhagen. As a point of departure Ohlin had refused to satisfy the British demand. However, after negotiations with the British diplomacy he had agreed to reduce the transfers significantly. As a result of the question of the transfers, the British had begun to take an interest in Christiani & Nielsen's activities and began seeking information outside the circle of the company's employees.

Representing the Council of National Liberation in Sweden, Ebbe Munck was approached by SOE's trusted man in Stockholm, Ronald Turnbull, who was responsible for the

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<sup>36</sup> Report from Director Koefoed, C&N Corporation, 29 May 1947 in the Danish Engineering Association's Commission of Enquiry. Case no. 27 concerning Dr. Ing. Rud. Christiani. Archival no.10.557. DIF.

<sup>37</sup> Financial statement of the C&N Corporation prepared by Director Koefoed in June 1945. Archival no. 10.557. DIF.

transfer of Danish intelligence to London.<sup>38</sup> Via his close co-operation partner, Ebbe Munch was informed that the British knew about the projects in Tyin and in Kiel and that it was considered “improper that the company of its own free will engaged in such projects in other occupied countries without being forced to do so – especially in Norway. Nordag was considered a company with a close affiliation with the German state and the construction of the aluminium factory in Tyin was seen as a contribution to the German war industry.”<sup>39</sup> The British wanted to punish Christiani & Nielsen for its dispositions by blacklisting the company, thereby preventing it from reclaiming its position on the world market after the war.

However, the British did not only wish to punish the company. During the summer of 1944, the American legation in Stockholm took charge of the case and the American commercial attaché questioned Ebbe Munck repeatedly. On this basis the Americans announced that they intended to blacklist the Swedish branch of Christiani & Nielsen, since it was their impression that the Allies’ requests with regard to money transfers to the parent company were not respected, and that Rudolph Christiani during a recent visit to Sweden had interfered with the dispositions of the Swedish branch of Christiani & Nielsen. In September 1944 Ebbe Munck thought that it would be in the interest of the Danes to inform trustworthy company representatives of the impending threat to the business, and he told engineer Gravesen of Swedish Christiani & Nielsen what the Americans intended to do. Director Haldor Nørgaard was summoned to Stockholm immediately, where he conducted negotiations with Ebbe Munck and Erling Foss from the Council of National Liberation on the subject of what could be done to prevent the blacklisting. Nørgaard had ordered Ohlin to follow the case closely. However, since Ohlin had just been appointed Minister of Commerce, he was prevented from doing so, and instead Nørgaard himself had to attempt to avoid the sanction.

In the strictest confidence and informing neither Christiani nor Captain Nielsen, Nørgaard arranged a meeting with two representatives of the Council of National Liberation. The meeting was arranged by engineer Niels M. Plum, who was officially on leave from the company writing his dissertation, but Nørgaard knew that he was involved in illegal work for the resistance

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<sup>38</sup> The close co-operation between the diplomat Ronald Turnbull and Ebbe Munch was one of the main cornerstones in the joint Danish-British intelligence work. Until 9 April 1940 Turnbull had served as a diplomat in the British diplomatic corps in Copenhagen. In the autumn of 1940 he moved to Stockholm as SOE’s representative responsible for contacts with Denmark. Cf. Hans Christian Bjerg: *Ligaen – Den danske militære efterretningstjeneste 1940-1945. En studie i efterretningsfunktionen som del af det europæiske modstandsbegreb under 2. verdenskrig*, 1985, p. 91ff. and 143ff.

<sup>39</sup> Report by Editor Ebbe Munck, 25 April 1947 in the Danish Engineering Association’s Commission of Enquiry. Case no. 27 concerning Dr. Ing. Rud. Christiani. Archival no.10.557. DIF.

group “the Ring”.<sup>40</sup> The meeting took place in Nørgaard’s home 29 October 1944. During the meeting Nørgaard was introduced to three anonymous members of the Council of National Liberation<sup>41</sup>. At first the three members of the resistance movement displayed an uncompromising attitude to the company and were reluctant to do anything that would help Christiani on a personal level, since his status should not differ from that of other *Wehrmacht* sympathisers. On the contrary they felt that “his work should be obstructed with all means.”<sup>42</sup> After a drawn out and difficult negotiation Nørgaard and Plum succeeded in convincing them that “one should not destroy a large Danish enterprise like Christiani & Nielsen and embarrass Danish engineers and others working abroad.”<sup>43</sup> The objective of changing the National Liberation Council’s attitude to Christiani as a person was not achieved, but the three members agreed to write to Foss and Munch in Stockholm in order to prevent a blacklisting. In the letter from the National Council of Liberation one recommended that the blacklisting be postponed for six months on the express condition that Dr. Christiani with the shortest possible notice was to step down from his managerial position in the company. Ebbe Munck passed on the message to the American legation and the case was set aside for the rest of the war.<sup>44</sup>

### ***The way back***

Immediately after the war, the British and American legation, issued clear statements, demanding that the largest *Wehrmacht* entrepreneurs should not be exempted from sanctions. The demands were an indirect consequence of the sanctions and threats, which the allied sector had already made against the company during the war.<sup>45</sup> The allied critique focused precisely on the fact that Christiani & Nielsen in several instances had conducted themselves as a company, which proactively and effectively had worked for the German project in Europe. The Allies’ indispensable demand was that Christiani must give up his ownership in the company by selling his shares and

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<sup>40</sup> In March 1945 Niels M. Plum went underground, when he became the leader of the Jutland regions of “the Ring”, following the arrest of the former leader Peter Ammundsen. Cf. Steen M. Andersen: *Modstandsorganisationen Ringen 1941-1945 – Oplysning – Kamp – Politik – En undersøgelse af Ringens opståen, sammensætning, udbredelse, arbejde og formål*, 1984, p. 69.

<sup>41</sup> Later identified themselves as Professor Erik Husfeldt, Frode Jakobsen, and Axel Iversen

<sup>42</sup> Report from engineer Niels M. Plum, Copenhagen, April 1947. Presented in the Danish Engineering Association’s Commission of Enquiry. Case no. 27 concerning Dr. Ing. Rud. Christiani. Archival no.10.557. DIF.

<sup>43</sup> Report by Director Haldor Nørgaard, 28 March 1947 in the Danish Engineering Association’s Commission of Enquiry. Case no. 27 concerning Dr. Ing. Rud. Christiani. Archival no.10.557. DIF.

<sup>44</sup> Report by Editor Ebbe Munck, 25 April 1947 in the Danish Engineering Association’s Commission of Enquiry. Case no. 27 concerning Dr. Ing. Rud. Christiani. Archival no.10.557. DIF; cf. letter of the second of December 1944 and memorandum “from gin to whisky”, 15 December 1944. Ebbe Munck’s archive. Archival no. 8121. RA.

<sup>45</sup> Telegram from the diplomatic corps in Copenhagen to the Ministry of Economic warfare 28 May 1945. Control of enemy property in Denmark: punishment of collaborators, PRO. FO 371/47307.

allowing the company to be transformed to an actual public limited company. In this respect the allied accusations against the company differed from those made by the Danes, which primarily focused on the company's conduct on the Danish market. In this context the allied reaction constituted the greatest threat against Christiani & Nielsen's return to the international marketplace after 1945. Realising that its strategy had failed politically, the company began a defensive campaign to prevent a permanent long term stigmatization and loss of business scopes on a market dominated by the Western powers

Towards the end of May 1945 the Danish Ministry of Foreign Affairs approached the British diplomatic corps with a request concerning the continued blacklisting of Danish companies. Since it was only Christiani & Nielsen that had attracted the attention of the Allies, it would seem that the question of how long time the company would continue to be on the list would be a polite Danish enquiry. Counsellor of the British legation Geddes expressed the view that the attitude towards the company was streamlined with American positions, since one agreed that companies, which had exploited the war situation in order to work for interests opposed to the Allies, should continue to be blacklisted.<sup>46</sup> Christiani & Nielsen was to remain on the list until the company's situation was finally clear. A Danish wish for British approval of the company's acceptance of new projects, motivated by consideration for the employment situation, was met with a blunt rejection. In the diplomatic corps' telegram to the Ministry of Economic Warfare the message was that:

“It is clearly undesirable that such firms should benefit under imports facilitated by the Allied authorities at the expense of those who remained loyal to us and were penalized accordingly. Our attitude in this respect will be very closely watched here and any signs of undue leniency will have a damaging effect politically”.<sup>47</sup>

British officials would keep a close watch on the Danish authorities' handling of the cases involving the companies, which had co-operated closely with the Germans. In June the Ministry of Economic Warfare and US State Department suspended the blacklisting of Christiani & Nielsen, when they had received assurance that the Danish authorities would take the company to court. The suspension of the blacklisting pertained not only to Denmark, but to all companies from the liberated

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<sup>46</sup> Telegram to The Minister, Subject: Proclaimed List for Denmark, June 6, 1945. National Archives, Washington (NA), RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

<sup>47</sup> Telegram from the diplomatic corps in Copenhagen to the Ministry of Economic warfare 28 May 1945. Control of enemy property in Denmark: punishment of collaborators, PRO. FO 371/47307.

countries.<sup>48</sup> However, the initiatives of the Danish authorities were to be monitored constantly, and the British and Americans did not miss any opportunity to express their view on the question of the “Quisling companies, which had been blacklisted.”<sup>49</sup> The US legation in Copenhagen informed the Danish minister of foreign affairs that despite formal lifting of the blacklist it was still the American policy to prevent “any commercial or financial transactions with persons or firms whose names appear on the United States Proclaimed List”.<sup>50</sup> The Proclaimed List was still informally retained.

The Allies’ indispensable demand was that Christiani must give up his ownership in the company by selling his shares and allowing the company to be transformed to an actual public limited company. The reason for this move was, according to the banks, the animosity prevailing against Dr. Christiani as a result of his actions during the war. By transforming Christiani & Nielsen from a family owned limited company, which seemed more like a partnership, to a limited company quoted on the stock market, the stakeholders hoped to avoid a collaborationist case against the company, since one could refer to the fact that Christiani & Nielsen had been transformed to a “new” company. Via Minister of Foreign Affairs Christmas Møller, Christiani received a written statement to the effect that an agreement had been made with the British authorities, which demanded that he leave the company. Dr. Christiani was allowed to continue as adviser, and his son Alex Christiani would be part of the new company’s management.<sup>51</sup> The precondition for the implementation of this suggestion was that Alex Christiani should return home, but when he heard about the plans, the son refused to comply with the stakeholders’ wish for his return to Copenhagen. In London there was little patience with the Christiani family’s obstructions, and instead one demanded that Rudolf Christiani should pay a visit to his son in Paris in order to settle the

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<sup>48</sup> Circular Airgram. To All American Diplomatic Missions and to Certain Consular Offices, Subject: Removal of Certain European Countries From General Ruling No. 1, June 22, 1. NA, RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

<sup>49</sup> Telegram from the Ministry of Economic Warfare to the diplomatic corps in Copenhagen, 5 June 1945. Control of enemy property in Denmark: punishment of collaborators, PRO. FO 371/47307.

Companies on the blacklist were still excluded from entering into contracts with allied countries and their means were still frozen. The Foreign Office was increasingly dissatisfied with the Ministry of Economic Warfare’s hard line, which made it difficult to normalise the conditions. This was especially true with regard to the companies from neutral countries or occupied countries, which did not belong to the hard core of blacklisted companies. Cf. Trading with Firms on Statutory and Proclaimed Lists 1945. Memorandum from the Foreign Office, 5 March 1946, PRO. FO 942/441.

<sup>50</sup> Letter from American Legation to His Excellency Christmas Møller, Royal Minister of Foreign Affairs, Copenhagen, June 30, 1945. NA, RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

<sup>51</sup> Letter from former Minister of Foreign Affairs Christmas Møller to Rudolf Christiani (the company Christiani & Nielsen), 23 April 1946. Christmas Møller’s Archive. RA.

formalities. In the autumn of 1945 it was still extremely difficult to get an exit visa to France, so the Foreign Office sent telegrams to their diplomats in Stockholm and Copenhagen, ordering them to assist with the visa.<sup>52</sup>

This prompted Randall, the British envoy in Copenhagen, to protest vehemently to the Foreign Office. The protest clearly demonstrated that there were British elements who could just not accept that certain Danish companies had co-operated financially with the Germans. Randall wanted an immediate explanation of why he should intervene on behalf of "one of the most notorious Danish friends of the enemy".<sup>53</sup> The diplomats then listed a number of the company's efforts during the war and pointed out that support in the visa issue at that point in time was a matter of principle which went beyond personal issues pertaining to Christiani.

The British diplomacy displayed an increasing satisfaction with the Danish authorities' handling of the collaborationist cases. The diplomatic corps had already rejected a petition from the new Minister of Foreign Affairs Gustav Rasmussen to receive Christiani and let him explain his case with a view to normalising the conditions. Randall felt that the Danish authorities were too preoccupied with normalising the state of affairs, and felt that in this situation it was a British prerogative to stand firm "at a time when the Danes are showing signs of weakness towards the Germans and their collaborators." In a similar, longer analysis dispatched by the diplomatic corps to the Foreign Office it was pointed out that there were clear signs of "weakness of the official Danish attitude towards collaborators who have any wealth or political influence."<sup>54</sup> The Danish authorities were not only lenient towards Rudolf Christiani, but a number of other company managers needed hardly fear any serious sanctions. The privileged treatment even comprised "notorious collaborators," who had made money constructing installations, which had caused the deaths of Allied servicemen. Admittedly, London was willing to share the moral condemnation of Christiani, but bearing in mind that a British bank had substantial amounts owing at Christiani & Nielsen, and because the main issue was to have "Christiani Senior" removed from the company, it was in the interest of the British to obtain a visa. By talking about a "weakness towards the enemy," Randall could contribute to increasing the risk that the Hambro Bank would

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<sup>52</sup> Telegram from the Foreign Office to the British Legation, Copenhagen and Stockholm, 20 November 1945. Danish registered loans: case of Rudolf Christiani of Messrs. Christiani and Nielsen, PRO. FO 371/47328.

<sup>53</sup> Telegram from the British Legation, Copenhagen to the Foreign Office, 20 November 1945. Danish registered loans: case of Rudolf Christiani of Messrs. Christiani and Nielsen, PRO. FO 371/47328.

<sup>54</sup> Telegram from the British Legation, Copenhagen to the Economic Warfare Department, the Foreign Office, 23 November 1945. Case of T.K. Thomsen, Danish Contractor, PRO. FO 371/47298.

incur a great loss, if the future of Christiani & Nielsen was not secured.<sup>55</sup> In the British politics of the day, London's considerations for its own stakeholders' wishes for the company's future business potential took priority over the predominantly moral wishes to punish a company, which had served German interests in the past.

Garret G. Ackerson Jr., Councillor of the Legation from the American diplomatic corps turned into one of the most vitriolic critics of the company. Ackerson found it difficult to come to terms with the perspective that a blacklisted company without further ado could be allowed to return to the world market without sanctions. The Americans had requested detailed information about how much money the company had made working for the Germans, but the company's information was considered inadequate and misleading. A memorandum from the diplomatic corps clearly states that Ebbe Munck had supplemented with further data, but it did not seem to strengthen Christiani's case. On the contrary. The company's arguments that the parent company alone had been pressurised to work for the Germans was rejected by the diplomatic corps:

"Mr. Christiani, of course, defends his attitude and gives many explanations for the necessity of his German works. These explanations refer partly to German pressure, partly to the attitude of the then Danish government, partly, and to a very high extent, to his firm's economic difficulties, but they do not contain anything which could not be said by anyone who has had German works during the occupation".<sup>56</sup>

In this situation Ackerson turned out to be a hardliner and he was particularly critical of the fact that a company like Christiani & Nielsen could be allowed to refer to the government's formulation of a general wish to keep the wheels of the production running. By adopting this view, the Danish government and administration had made it possible for even the most rapacious, profit hunting collaborators to be unaccountable for their actions. This attitude was more or less the equivalent of the concern felt by the Americans towards the Danish officials in the Ministry of Foreign Affairs, who had had the greatest degree of exposure, when it came to collaborating with the Germans. The American legation began its own investigations based on information gathered by OSS's Economic

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<sup>55</sup> Telegram from the Foreign Office to the British Legation, Copenhagen, 22 November 1945. Danish registered loans: case of Rudolf Christiani of Messrs. Christiani and Nielsen, PRO. FO 371/47328.

<sup>56</sup> Memorandum (confidential) US Legation, Copenhagen, 29 March 1946. NA, RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

Warfare Division.<sup>57</sup> Lack of faith in the Danish will to punish the economic collaborators and the information analyzed by OSS made Ackerson to suggest that Danish business should be investigated as part of the large “Safehaven Program” which aim was to detect and confiscate German war profits and recover assets looted by the Nazis.<sup>58</sup> Operation Safehaven was organized on December 6 1944. Its first aim was to force the neutral countries to stop trading with the Nazis. The Secondary goals of Safehaven after the war was:

- To restrict German economic penetration outside the borders of the Reich.
- To prevent Germany from sequestering assets in neutral countries.
- To ensure that German assets would be available for postwar reparations and to rebuild Europe.
- To prevent the escape of those members of the Nazi ruling elite who had already been marked down for war crimes trials.

Although Safehaven was a large and ambitious program, it was terribly understaffed. Safehaven was plagued from the very beginning with the long running feud between the Treasury and State departments and to a lesser extent by British hesitation to employ harsh measures. Finally, the success of Operation Safehaven was proportional to the willingness of the neutral countries to comply with the Allies demands to stop trading with the Nazis.

In the report on German infiltration in Denmark is Christiani & Nielsen mentioned as “the blackest among the collaborators” and Rudolf Christiani is described as a “the most outstanding and most dangerous person” and therefore the prime target for the Safehaven. Not only did this company play a key role in the German war production during the war but it’s also described as the most important Danish business interests in America.<sup>59</sup> The US administration could deal with the assets located in America but the legation in Copenhagen could only implement the Safehaven programe by obtaining a satisfactory administration by the Danes.<sup>60</sup> There were to principal methods the US government could assist and it should be done by making all information on German assets available to the Danish authorities and assisting the Danes in their administration

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<sup>57</sup> Memorandum for the Files. From: G.G. Ackerson, Jr., September 4, 1945. NA, RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

<sup>58</sup> See Martin Lorenz-Meyer, *Safehaven: The Allied Pursuit of Nazi Assets Abroad* (Missouri, 2007), 15-45.

<sup>59</sup> Report on German Infiltration in Denmark – SAFEHAVEN – from American Legation, Stockholm, August 14, 1945. NA, RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

<sup>60</sup> Danish Black List (Confidential). NA, RG 226, Records of the Office of Strategic Services, Entry 125A.

of their controls.<sup>61</sup> A special envoy, Bernard Feig, from the Safehaven operation visited Copenhagen in November 1945 and negotiated with Wærum and other officials. Feig made it clear that especially the Christiani case made it clear “that there might not be total control over the activities of collaborators”. It was emphasized on one hand that it was a purely internal matter for the Danish government to handle but on the other hand “the American Government expected the liberated countries to take effective measures to insure that no people were covering for the retention of German assets”.<sup>62</sup> In December could the legation conclude that the Danes in general agreed in principle that German interests should not escape but no effect had been given to the principle, because of general inertia in government circles and growing reaction from post-liberation enthusiasm and an increasing tendency to compromise. The effectiveness of Danish actions against economic collaborators was characterized as “rather spotty”.<sup>63</sup>

### *Payoff*

On 20 July 1946 the Danish public prosecutor Carl Madsen had concluded the initial investigation in the case against Christiani. The public prosecutor’s indictment set the stage for the post-war legal battle’s most severe charge against a businessman, since Rudolf Christiani was charged with treason according to the section on treason in the Collaborationist Act I, and in the second instance according to the Collaborationist Act II for “business collaboration in improper ways with the German occupation forces”. Carl Madsen’s case was based on Christiani & Nielsen’s initiative in the illegal recruitment of Danish workers to the German armament industry, which eventually led to the contract with German company Nordag working in Norway. This aspect of the indictment was also based on the situation pertaining to the company’s illegal transfers via the Danish-German clearing. On this basis the public prosecutor “claimed a jail sentence, claimed disqualification from general confidence, and furthermore confiscation of the defendant’s fortune.” At the same time

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<sup>61</sup> Memorandum for the Files. Subject: Safehaven work in American Legation, Copenhagen, October 9, 1945. NA, RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

<sup>62</sup> Memorandum for the Minister. From G.G. Ackerson, Jr., November 15, 1945; Telegram from American Legation to State Department, 21 November 1945. NA, RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

<sup>63</sup> Telegram from US Legation, Copenhagen to The Honorable, The Secretary of State, Washington. Subject: Safehaven Program in Denmark, December 14, 1945. NA, RG 84, Foreign Service Posts of the Department of State, Copenhagen Legation, Confidential File. 1945: Vol. IV, 851 Safehaven.

Christiani & Nielsen was facing a police investigation in Norway there the prosecuting authority aimed to charge the Norwegian board members, since they had had the "moral responsibility for making the right dispositions in accordance with correct Norwegian business practice". In Norway, however, it proved impossible to construct a case of economic treason against the Danish company, and when the Norwegian officials dropped the case against Christiani & Nielsen, the Danish prosecutors took the opportunity to set up a mere enquiry into what was, after all, the most serious instance of economic collaboration that had come before the court. On the 7 February 1947 the Danish Minister of Justice decided that the case was closed and that "nothing more would be done in the case".

Prior to the new year 1945-46 Christiani returned from Paris and was summoned to a meeting with the Handelsbanken, where he was repeatedly told that his procrastinations were unacceptable, and that Alex Christiani should immediately assume the leading position in the company as an interim manager prior to the conversion to a private limited company. Even if the stipulation was well-known, Christiani trusted that the old bank connection would abandon its demands, when the first wave of liberation euphoria had subsided. After the meeting Christiani told O.C. Larsen that the Handelsbanken had "pressurised him to the point of strangulation" at a point in time, when the company was more solvent than ever.<sup>64</sup>

Data from the accounts of the various branches began to arrive at Ørstedhus. It turned out to be encouraging reading for Christiani, who here received confirmation that his strategy had produced financial results. During the five war years the company had produced a world wide turnover of 300 million DKK, and had made a profit of app. 55 million DKK, half of which stemmed from the Latin American branches, controlled by the New York office. Of course the large projects of the Brazilian branch prior to the blacklisting were significant in this respect, but the company had also had some profitable years in Argentina and Venezuela. The other half of the turnover came from the European branches, but here the company was not inclined to provide further information, neither at the time nor in later accounts.

In October 1946 Christiani & Nielsen noted that the turnover of 1946 was already in excess of the cumulative turnover of 1938. This went for Norway as well, where the company, in spite of being subjected to public administration, by the first of October 1946 had a turnover of 752.745 DKK as opposed to a turnover of 80.394 DKK in 1938. In spite of comprehensive projects

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<sup>64</sup> Deputy Manager O.C. Larsen's report, 18 May 1947. heard in the Danish Engineering Association's Commission of Enquiry. Case no. 27 concerning Dr. Ing. Rud. Christiani. Archival no.10.557. DIF.

carried out for the German occupation forces in France, the company was occupied with reconstruction projects for the French state. When the Americans cancelled the blacklisting, the Brazil branch was again the most lucrative. The cumulative inflow of orders for the entire Christiani & Nielsen group was during the first nine months of 1946 app. 65 million DKK and with a staff of 7000 it was the country's largest company. On the domestic as well as the international entrepreneurial markets Christiani & Nielsen had been capable of strengthening its position compared with the time prior to the occupation. During the reconstruction phase the market demanded efficient solutions to construction projects and the company's wartime actions did not seem to constitute a risk in relation to the customers' choice.

**Christiani & Nielsen's Turnover in DKK as of 1 October 1946.**

Branch	Turnover
Main Office, Denmark	1,935,015
Norway	849,000
Sweden	7,988,000
Finland	611,000
Germany (Hamborg)	-
Holland	1,873,000
France	3,250,000
England	7,347,000
Brazil	13,532,000
Argentina	10,406,000
Uruguay	6,210,000
Bolivia	1,115,000
Columbia	10,000
Peru	3,555,000
Venezuela	9,346,000
Mexico	-
South Africa	1,735,000
Thailand	556,000

While the attorney general decided not to charge Christiani, Nørgaard and Koefoed finally realised that the new management did not intend to revoke the dismissals. Christiani felt that his position was sufficiently strong to settle with the last segment of opposition in the company. In 1947 Rudolf Christiani made no secret of the fact that father and son had pacified the opposition:

”I have not recently had the opportunity to acquaint myself with the Allies’ present position. On the contrary, I have through people closely affiliated with the American embassy been informed that the development during the recent year has changed the allied position considerably with regard to C & N. It cannot be denied that the ”dismissal of five Danish freedom fighters” from the company changed the Allies’ attitude to the company for the worse, as a result of the press representation of the case in February. Only recently has this matter been appropriately explained, and I have understood that responsible people in Allied circles in time will feel satisfied in this respect also, realising that ”the facts speak for themselves”.<sup>65</sup>

Besides Nørgaard and O.C. Larsen, Koefoed was also dismissed. On 16 October 1948 the Danish Limited Company Christiani & Nielsen was founded with a share capital of one million DKK. The company noted that at this time of the year the turnover was 115,000 DKK, and there was a substantial progress on the markets in Latin America as well as in South Africa. At the beginning of the year the work force comprised 9900 men – 2100 men distributed in the Eastern and 7800 men in the Western hemisphere.<sup>66</sup> During the company’s congress for the managers from the head office and the departments in The Hague in the summer of 1948. On this occasion Christiani gave a historical view of the development during later years and he concluded that the company had survived the war and was safe and sound. With twenty branches from Mexico to Thailand, and a steady increase in turnover, a satisfied Christiani declared that: ”The goal has been reached; Denmark now has international horizons.”<sup>67</sup>

## *Conclusion*

Working in Norway and in France, Christiani & Nielsen proved to be willing to take risks and be both politically and financially enterprising. In January 1943, the company’s management considered the political situation and discussed which tasks to take on in the future. They concluded

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<sup>65</sup> Report 11 August 1947 by Rudolf Christiani to the Danish Engineering Association’s Commission of Enquiry. Case no. 27 concerning Dr. Ing. Rud. Christiani. Archival no. 10.557. DIF.

<sup>66</sup> ”The company’s position at the turn of the year 1948-49”. Tr. in *CN-Post*, no. 4, February 1949, p. 10f.

<sup>67</sup> Rudolf Christiani in *CN-Post*, February 1954, no. 24, p. 7.

that they would carry on as before as business was good. Finally the company reassured itself that, as long as its activities took place far from Denmark, they would not jeopardise the company's legitimacy. The absorption strategy applied by company was a success as they could continue both to do business with the Germans and the Allies. Despite the huge amounts of resources located to the blacklisting program the Allies were not aware of the company's large scale collaboration with the Germans. The company's strategy could probably have safe and unnoticed through the war if it had not bought notice on itself with Rudolf Christiani's "Scandinavian Plan". Due to Christiani's lack of understanding of the political situation the company was from February 1944 blacklisted and later on a target for the Safehaven Program. After the war the company's management successfully defended its actions during the war and instead of absorbing to the Allies demands they decided to address this risk by making themselves indispensable to the Danish government. Denmark lacked large multinational companies in the post war period and Christiani & Nielsen was successful building up a position on that would make the government dependent on the company. There was therefore no support for the Allied plied for juridical actions against the company. In that perspective the company's strategy was a success, and this case clearly shows that the blacklisting program and later on Safehaven Program was not able to cope with companies from neutral countries that collaborated intensive with the Nazis.

Christiani & Nielsen's greatest losses were the German market which in 1945 was at rock bottom - *Stunde null*. However, only a short while later, the Hamburg branch was cleaning away debris and doing reconstruction work. The decline of the German market was offset by progress, particularly with regard to the overseas markets; Brazil and South Africa representing a large proportion of the turnover. In 1946, Christiani & Nielsen sold for slightly more than 57 million DKK and the turnover climbed steadily during the post-war years. The substantial turnover during the war years meant that the company had never before been so solvent. For some companies, the war had created extremely advantageous situations and business had prospered. This case have ultimately shown how the political process also changes the way we perceive and define failures along with the various recovery mechanisms that gave Christiani & Nielsen a second chance to continue its pre-war strategy of expansion on the international market.