

Version 1.0 | Last updated 19 January 2016

Norway

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Norway managed to stay neutral during the First World War, but the war still crept into Norwegian life and impacted it in numerous ways. With a large merchant fleet – the fourth largest in the world – and heavily dependent upon imports, Norway’s relations with the belligerent parties became problematic soon after the outbreak of war. Less than a year into the war, Norway had to negotiate trade agreements with Great Britain that strongly favoured Britain and the Entente. That process culminated in April 1917 when Norway, through the “Tonnage Agreement”, gave Britain full control over the Norwegian Merchant Fleet. Norway thereby became the neutral ally.

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Introduction: The First World War in Norwegian Historiography

While it is difficult to overestimate the impact the Second World War has had on Norwegian [historiography](#), the First World War is quite another story. The First World War has not been given much attention and for many years was hardly touched upon as a research topic. It was, of course, a part of the general historical narrative, but for more than forty years the only significant work on the First World War was the book *Norge og Verdenskrigen* (Norway and the World War), by [Wilhelm Keilhau \(1888-1954\)](#).^[1] The book was published in 1927 as a part of the Carnegie series on the economic history of the First World War, and an abridged version was published three years later in a Scandinavian edition on the First World War.^[2] Keilhau's book in Norwegian is still the only in-depth study of the Norwegian economy during the war, while the (partly) abridged and translated articles published in a single book is still the best general work on the impact of the First World War on the Scandinavian societies.^[3]

In 1963 [Johan Schreiner \(1903-1967\)](#) published his book *Norsk skipsfart under krig og høykonjunktur 1914-1920* (Norwegian Shipping during War and Economic Boom),^[4] which focuses on the economic implications of Norwegian shipping. Schreiner wanted to explore how war and the economic boom challenged both Norwegian shipping interests and the Norwegian [economy](#), which was heavily dependent upon shipping. While Schreiner focused upon the economic implications of the World War, [Olav Riste \(1933-2015\)](#) focused on the political implications in his doctoral thesis, *The Neutral Ally: Norway's Relations with Belligerent Powers in the First World War* (1965).^[5] Riste sets out to explain how Norway, as a [neutral](#) country, tried to promote her national interests in response to the belligerent powers and how this affected Norway's policy. The end state of this policy is encapsulated in the title of his book, *The Neutral Ally*.^[6]

The relevant volume of the six volume series on the history of Norway's foreign relations (published between 1995 and 1997) is Roald Berg's book *Norge på egen hånd, 1905-1920* (Norway on its Own, 1905-1920).^[7] The leader of the project behind this multi-authored six-volume anthology, Olav Riste wrote a survey volume in English in which he focused on the overall perspective of "Norway in the world" rather than "Norway and the world".^[8] Riste's focus on long-term trends made it a readable book. This is also true of Patrick Salmon's book *Scandinavia and the Great Powers 1890-1940*, a work that offers a comparative perspective on Norwegian foreign policy.^[9]

More recently there has been a new found interest in the wartime experience of soldiers of Norwegian origin fighting in the First World War. The book *De ukjente krigerne: nordmenn i første verdenskrig* (The Unknown Warriors: Norwegians in the First World War), published in 2014,^[10] shows how the stories of these soldiers were told in Norwegian [newspapers](#) both during and after the war. This story was, until recently, almost forgotten in Norway. The wartime stories and memories of the sailors serving in the Norwegian [merchant navy](#) still remain to be told.^[11]

Norway before 1914

When war broke out, Norway had been an independent country for only nine years. With fewer than 2.5 million inhabitants in 1914, more than half of Norway's population depended on farming or fishing for their livelihoods.^[12] Industrialization was still ongoing; politically the Liberal Party had been in government since the election in 1913. Universal male suffrage had been established in 1898, and universal female suffrage in 1913. Of the Scandinavian countries, only [Finland](#) was ahead of Norway in this respect, having been the first European country to give women voting rights as early as 1906.

The peaceful dissolution of the union with [Sweden](#) in 1905 had an obvious consequence: Norway had to establish a foreign service, as the foreign policy of the united kingdoms of Norway and Sweden had been run from Stockholm. Norway did not have to start completely from scratch – many Norwegian diplomats and bureaucrats stepped down from the “old” service and joined the “new”. But it was still necessary to establish a *Norwegian* foreign policy and to decide what role the Foreign Service and the diplomats were to play. The Foreign Minister [Jørgen Løvland \(1848-1922\)](#) outlined the two main directions to be pursued in the country's foreign policy in a major talk to the Norwegian parliament (*Stortinget*) on 26 October 1905: Neutrality in combination with an active trade policy.

Foreign Minister Løvland outlined a foreign policy rooted in a perception of Norway's geographical remoteness from the areas of conflict on the European continent, and “a wish to be left alone in order to get on with building a new nation”.^[13] The policy focused on active international trade relations. Neutrality became the cornerstone of this policy, with an emphasis on no “political alliances that might drag the country into other peoples' wars.”^[14] However, it is also important to stress that at heart the Norwegians believed that [Britain](#) would protect the country and its economic assets in the case of a European war between the great powers. Thus, in 1914, Norwegian foreign policy was understood to be essentially trade policy, and the Norwegians were well aware that they were within the British sphere of influence.

The Norwegian foreign (or trade) policy was based upon a belief in [international law](#). As an early promoter of arbitration, Norway had been at the forefront of promoting international cooperation and arbitration as a means to settle conflicts peacefully. The First World War represented a huge blow to this belief. Still, Norway believed that the rights and duties of neutral countries, as they were drawn up in [The Hague Peace Conference in 1907](#) and in the London Declaration of 1909, would be respected. It took only a couple of months of war to prove them wrong.

The Outbreak of War

The summer of 1914 was very hot. In Kristiania (formerly Christiania, today Oslo) there had been a great exhibition celebrating the centenary of the Norwegian constitution. Everything seemed normal. The [crisis in late July 1914](#) took the Scandinavian countries by surprise. In February, during a parliamentary debate, the Norwegian Prime Minister, [Gunnar Knudsen \(1848-1928\)](#), had described

the European situation as “cloudless”. On that fateful day in July, the Prime Minister was out sailing when news of the Austrian ultimatum broke. As a result, the Norwegian Prime Minister cut his holiday short.

When Germany declared war on Russia on 1 August, Norway, along with Sweden and Denmark, issued a declaration of neutrality. On 4 August the Norwegian government issued an additional, separate statement, again emphasizing its neutrality. Two days earlier, the Norwegian navy had been mobilized and soldiers were sent to man the coastal fortresses; the neutrality guard was thus established. Norway was ready to defend its neutrality, despite being both politically and militarily unprepared for war. The armed forces had not fired a shot since 1814, and the political authorities had no experience of international crises.^[15]

The first priority of the government was to keep Norway out of the war; the second was to provide supplies in order to feed the population and maintain economic stability. The catastrophic effect of the British blockade during the Napoleonic Wars was still a part of the collective memory.^[16] As many historians have pointed out, the balance between keeping the country out of war and providing the country with necessary supplies was a fine balancing act between two interwoven objectives. Thus, the policies of neutrality and the nation’s economic policies are inseparable and must be examined together.

Neutrality and the Economic Challenges of War

Securing the Economy: The First Steps

The awareness that war was coming created a short-lived panic. There was a huge increase in the demand for certain foodstuffs; prices rose dramatically on flour during the last days of July. By 1 August, several of the large importers in Christiania were sold out. In response, the Bank of Norway raised the rate on discount from 5 to 6 percent. On 3 August the panic hit the banking sector. Due to the limits imposed two days earlier, the Bank of Norway was able to meet the demands for currency and could continue to pay out gold. That same day the interest rate was raised again, this time to 6.5 percent.^[17]

The panic lasted about a week. By mid-August things had calmed down. In September, according to Wilhelm Keilhau, “they were already looking upon their own behaviour in August, and particularly on the follies of others, with a certain indulgent compassion”.^[18]

Already in August 1914 the first Norwegian declarations concerning export prohibitions and price regulations had been published. Further declarations were to follow. These declarations made it possible for the state to control much of the economy. The government issued an export ban making it impossible to sell Norwegian ships to other countries. The government was able to regulate the merchant navy and keep it sailing.

Due to the economic precautions taken during the autumn of 1914, the government shifted towards new policies, intervening in the market in a way previously unknown. The primary goal was to secure the necessary chain of supplies. According to Professor [Thomas Christian Wyller \(1922-2012\)](#), the policies of commerce and neutrality soon became one.^[19] Most countries adopted similar policies, but in Norway, the merchant fleet's crucial role was unique. Heavily dependent on the income generated by the merchant fleet and needing to import supplies, the war at sea had a large impact on Norwegian daily life. When Britain issued the first Order in Council on 29 October, the grip on the neutrals tightened. The North Sea Declaration on 2 November completed this step. Through militarizing the North Sea, the neutrals were forced to follow British instructions and thus come under British control. Those who did not follow British instructions ran the risk of sailing into [minefields](#).

The British policy of commerce towards Norway was established as early as 15 October 1914. On that day the Norwegian Foreign Ministry received a letter from the British stating that the Norwegians had to stop the re-export of goods that, according to the British definition, were contraband. The intent was to make the blockade of Germany more effective. The Norwegian government was put in a difficult position: on the one hand, the Norwegian government had already established its own export prohibitions. These were based solely on domestic needs; to include a set of new prohibitions based on British demands put Norway's neutrality at stake. On the other hand, the Norwegians could not afford to ignore the British demands, as Norway was heavily dependent on Britain to keep the economy stable.

At first, the British measures towards neutral shipping and trade were tolerable, although they conflicted with international law. When the Norwegian ocean liners were given safe sailing routes north of Scotland, allowing them to bypass British harbors, the British granted an exemption from the Orders in Council. However, the basic problem still remained: British interference and attempts to regulate neutral shipping provoked German reactions.

When the Scandinavian governments met in Gothenburg in the middle of December 1914, the problems caused by the belligerents were at the top of the agenda. Shortly after this meeting, the Norwegian foreign minister, [Nils Claus Ihlen \(1855-1925\)](#), met with the German minister to Norway, [Alfred von Oberndorff \(1870-1963\)](#). In this meeting, Ihlen dismissed the idea that Britain was a threat to Norwegian neutrality, but he expressed concerns about the consequences of British pressure on Norway. Given its dependency on Britain, Ihlen indicated that Norway could be forced to stop exporting certain Norwegian products to Germany.

The Interventionist State

When war broke out, the Norwegian government, like most European governments, believed that it would be short. As the war dragged on, the lack of planning for a longer war became problematic.

From an economic point of view, the history of Norway during the First World War can be divided in two periods: before and after autumn 1916. Through the fall of 1916 business had remained relatively

“normal”, given that most of Europe was at war. Foreign Minister Nils Claus Ihlen had been able to deal with Norway’s difficulties, but his somewhat ad hoc policy was based on his belief that the war would be short. A successful businessman fluent in French and German, he, according to Keilhau, “firmly believed that peace was near, and that his main object, therefore, must be to avoid acute conflicts; for it would, indeed, be quite foolish to push any difficult situation to the extreme if the War might come to an end at any moment”.^[20] This was a pragmatic approach, but as the war continued, the room to maneuver decreased, making his ad hoc approach untenable.

Economically, Norway’s position as a neutral country was favorable, but politically it was vulnerable. Unable to feed itself and heavily dependent upon overseas imports (which were completely under British control), Norway was in an exposed position. According to Patrick Salmon, “Ihlen was right when he told the Storting that Norway was the weakest of the three countries because it was not under threat of German invasion or likely to join the Central Powers, and was hence wholly exposed to British pressure”.^[21] While Germany was interested in keeping Norway neutral and thus continuing to receive supplies from it, Britain wanted Norway to become a part of the economic blockade of Germany and thus deny Germany the supplies it needed. The “weapons” used against what the British wartime naval attaché in Scandinavia called “our best friend, and from whom there were no political consequences to be feared,” gave Norway the “worst treatment of the three Scandinavian States at the hands of the British Government”.^[22] Norwegian neutrality was thus at risk from the outset.

Believing that it would be possible to continue to trade with the belligerents according to the Declaration of London of 1909, Norway and the other neutrals faced a number of challenges as early as 20 August 1914. On that day the [British government](#) issued an Order in Council stating that conditional contraband would be subject to capture if the goods were consigned to an agent of any enemy state, or to any person in territory belonging to or occupied by the enemy. It also made conditional contraband en route to enemy countries subject to capture, even when it was to be discharged in an intervening neutral port: “conditional contraband [...] is liable to capture to whatever port the vessel is bound and at whatever port the cargo is to be discharged”. In practice, therefore, all transport of goods to the Central Powers that had to pass the British Navy came to an end.

Norway had fewer problems with this than other neutral powers did; the Norwegian fleet was able to sail from Norwegian through Swedish territorial water into the Baltic Sea, where the German Navy was in command. But it soon became more difficult. A new Order in Council, issued on 29 October, increased British pressure on the neutrals; most of the [raw materials](#) Germany needed were transferred from the conditional to the absolute contraband list. A few days later, on 2 November, the British Admiralty declared the whole of the North Sea a military area. Coming into effect on 5 November,

all ships passing a line drawn from the northern point of the Hebrides through the Faroe Island to Iceland did so at their own peril. Ships wishing to trade to and from Norway, the Baltic, Denmark, and Holland, were advised to come, if inward bound, by the English

Channel and the Straits of Dover, where they would receive sailing directions which would 'pass them safely, as far as Great Britain was concerned,' up the coast of England to Farne Island.^[23]

The Norwegian government protested, but even though negotiations resulted in some adjustments – such as the course north of Scotland given to Norwegian liners – the end result was an ever-increasing British control over Norwegian shipping and foreign commerce.

Through the economic policy initiated by the Norwegian government in early August 1914, the government intervened in economic life in a new and more active way. The most pressing problem was to secure the necessary supplies of food and fuel. A provisional statute from 4 August imposed a prohibition on the export of necessities. Price control was imposed and a “food commission” was established which had the power to requisite supplies. Large-scale imports of grain were undertaken. However, the Norwegian government was reluctant to set up a central import agency controlled by the government, as Britain wanted in order both to reduce friction with the neutral states and to achieve more systematic control over German trade.^[24] As Olav Riste writes, “the government shied away from any direct involvement which might make it a party to anti-German and hence unneutral trade restrictions”.^[25] Instead, the government left the issue of handling the different arrangements with the British to shipping companies and import/export firms.^[26]

If the war had been short, this *ad hoc* response might have been a viable solution. Unfortunately for Norway, as Germany turned to submarine warfare after Britain tightened the blockade, the impact on the Norwegian economy made this solution inadequate. It soon became necessary to reach an understanding with the British government that would ensure Norway's ability to receive supplies.

Trade Agreements

The British blockade was based on denial – denial of resources that the other party needed. As Britain tightened its blockade, the Germans grew increasingly worried about their access to fish, copper, pyrites, and similar items from Norway.^[27] Since Germany, unlike the British, were unable to exert direct pressure, they were left with diplomatic protests – and their submarines.

In the long run it was too burdensome for Britain – and especially for the British representatives in Norway – to keep track of the firms that had signed guarantee agreements. Thus, a system of “branch agreements” developed, whereby the different branch associations of Norwegian producers or importers acted as middlemen between the British authorities and the individual Norwegian firms. These industry arrangements covered most of the Anglo-Norwegian trade and were later supplemented by direct government export bans.^[28]

In the spring and summer of 1915 Germany started to purchase large quantities of fish, essentially buying everything they could get hold of, thereby driving up the prices. For the Norwegians, the result was two-fold. First, fish became so expensive that fish products suddenly became a luxury.

Secondly, because of the German demand for fish, it became difficult for Norwegians to get hold of fish at all. The “fisherman no longer brought his catch to land. He sold to German boats while he was still at sea”.^[29] The British wanted this trade with the Germans to stop. Since they controlled the necessary supplies for the Norwegian fisheries – coal and oil – they were able to influence the Norwegians.

However, fish and fish products were of vital importance for the Norwegian economy, constituting approximately one-quarter of Norway’s export earnings.^[30] Sensing that its fish industry was threatened, Norway managed to persuade Britain to agree to buy Norwegian fish through secret agents and thus create a “buying blockade”. The purchases started in February 1916 and went on for about two months. However, this plan had its own difficulties, as the “presence of a buyer with seemingly unlimited financial resources had an explosive effect on prices”.^[31] It soon became clear that this could not continue. Having spent 11 million pounds on fish they neither needed nor wanted – the only purpose being to keep the fish from reaching Germany – the economic cost was too high for the British.^[32] In August 1916 the so-called “Fish Agreement” between Norway and Britain was signed. As had been true with the branch agreements, Norway received the supplies it needed, and – despite the prohibition on exporting fish, fish oil and other fish products – the right by treaty to export 15 percent of its fish to Germany. Britain was obliged to buy all fish that was not required for home consumption in Norway at fixed prices.

The conflict over Norway’s export of fish coincided with the conflict over the Norwegian export of pyrites to Germany. Norway both exported and imported copper; it exported cupreous pyrites and imported electrolytic copper.^[33] After Britain gained control of American copper exports around Christmas 1915, the pressure on Norway increased. In April 1916 Foreign Minister Ihlen received a lengthy note from [Mansfeldt Findlay \(1861-1932\)](#), the British envoy to Norway. The letter was written in an unusual diplomatic tone:

I wish to point out that, as far as my Government is aware, no other neutral State is exporting to the enemies of Great Britain material for the manufacture of munitions of war, and is at the same time expecting Great Britain to facilitate the importation of the same material. It is practically certain that the copper exported from Norway is used for the manufacture of the shells which day after day are causing the death and disablement of the soldiers of Great Britain and her Allies. It is even probable that copper dug in Norwegian mines is part of the material used in the construction of submarines by which so many Norwegian ships have been destroyed 'with due considerations for the rights of neutrals', and not a few Norwegian sailors killed or wounded. The inflated price of Norwegian copper is, in fact, the price of blood, – the blood of the friendly people to whom Norway would necessarily look for assistance in time of need, and on whom she depends, not only for the continuance of her present prosperity and independence, but for her existence as one of the foremost sea-faring nations of the world.^[34]

Ihlen replied a few days later, claiming the right of neutral states to trade with both sides in wartime.^[35] Nevertheless, the summer meetings between Britain and Norway, which resulted in the “Copper Agreement” on 30 August 1916, cut off Norway’s export of copper pyrites to Germany. As

Patrick Salmon has written, its “terms became the subject of misapprehension which proved nearly catastrophic for Norway’s relations with both belligerents”.^[36]

It can be argued, as Olav Riste does, that the agreements on fish and pyrites represent a turning point in Norway’s relations with the belligerents. Through these agreements Britain gained control over two of Norway’s main domestic products in direct cooperation with the Norwegian government.^[37] But it can also be argued that this was just one of many small steps during the war. Norway moved in the same direction throughout the war, always towards Britain.

The Norwegian Merchant Navy

One of the first measures taken by the Norwegian government in August 1914 was to appoint a committee of experts to decide how to keep the Norwegian merchant navy sailing as the risks increased from floating mines and submarines. The war offered many opportunities to transport goods, but the old insurance policies did not cover war risks, and it proved impossible to buy proper insurance with reasonable premiums.

The Norwegian merchant navy was quite large; in relation to its population it was the largest in the world, with 1,031 tons per inhabitant (and the fourth largest in absolute sense with 2,559,00 gross tons).^[38] Moreover, the “Norwegian shipowners were known for their inclination to charter their ships for dangerous voyages when high profits were tempting”.^[39] With a large fleet and ship owners eager to take on the risk, the Norwegian government could not let the Ministry of Finance take over a substantial share of the risk, as had occurred in Denmark and Sweden. The solution presented by the expert committee was a mutual but compulsory insurance. A new institution – *Krigsforsikringen for norske Skib* (the Bureau of War Insurance) – was established to cover the ships; a limited company – *Varekrig* (“War of Commerce”) – was later formed to take over the insurance on commodities against war risks. The risk was split between *Varekrig* (20 percent) and the Norwegian state (40 percent), while private interests reinsured the rest.^[40]

Thus the Norwegian merchant navy was able to keep on sailing. Indeed, for the first eighteen months of the war the amount of cargo continued to increase. One of the “specialties” – to use Keilhau’s phrasing – was to carry coal from Great Britain to France.^[41] At the outbreak of the war much of the Norwegian merchant navy was engaged in tramp traffic. While this brought in a lot of money as the amount of cargo increased, the risk was also large. Norway lost 889 ships during the war (or 1,296,226 tons), almost half of them – 423 ships – in 1917 alone.^[42] Additionally, about 2,000 sailors never came home.

However, in May 1916 the British and French authorities announced that they had reached an agreement imposing maximum rates on the coal trade. Furthermore, the neutrals had to accept these terms if they wanted to bunker coal. After threatening to stop sailing, the Norwegian ship owners negotiated somewhat better conditions. Still, this was in many ways the turning point, the

period when the prosperous era for Norwegian shipping ended. The pressure began to increase; dependent upon the British and subject to German submarines, the Norwegian merchant navy faced a stormy sea.

In the autumn of 1916 German submarines made their way to the Arctic Sea. They caused an uproar in Norway as, at the end of September, they started to sink ships engaged in traffic with Russia through Archangelsk. The Norwegian newspapers ran headlines such as, “*De døde kalder*” (“The dead are calling”).^[43] Publishing details from the marine inquiries,^[44] the press pressured the Norwegian government to act. On 13 October the government issued a Royal Decree, stating that “Submarines, equipped for warfare and belonging to a belligerent Power, must not navigate or stay in Norwegian maritime territory. If they violate this prohibition, they risk being attacked by armed forces without warning”.^[45] The only exceptions were for bad weather or shipwreck to help save sailors, but even then the submarine was to stay in surface position flying its national flag and have a signal showing the cause of its presence.

It was no surprise that the reactions in Germany were harsh, and the Norwegians were scared of the German reaction. Internationally this was also perceived as a crisis. Germany used this perception as leverage to push for better conditions in trade negotiations that had been opened *before* the Submarine Decree was issued. Germany also wanted the decree to be withdrawn, as it was pushing for the use of submarines to be recognized as a legitimate means of economic warfare – that is, as a tactic equivalent to the British blockade.^[46]

For Norwegian shipping, the autumn of 1916 was a disaster. *Krigsforsikringen* took heavy losses as merchant ships were sunk, and in October the Bureau refused to insure voyages to the Arctic Sea. At the same time, there were rumors that the insurance premiums were going to increase and that the Anglo-French coal trade was in jeopardy.^[47] That worried the British government, which thought that Norway might give in to German demands. The crisis with Germany calmed down as negotiations proceeded in November and December 1916. Formally, however, it was not settled until the end of January 1917 when a trade agreement was signed and changes to wording of the Submarine Decree were made.

For Norway, the situation went from bad to worse as Britain imposed a ban on the export of coal to Norway at the beginning of January 1917. The British claimed that Norway had not fulfilled its obligations towards Britain based on the agreements on fish and pyrite exports to Germany. Four days after Norway failed to reply to the British memorandum of 18 December, the British government ordered an embargo on coal exports to Norway. For Norway this was a catastrophe; the winter of 1916/17 was quite cold. Thus, it was not only a question of economic survival but would also severely strain the civilian population if it continued.^[48]

The Anglo-Norwegian conflict did not end before mid-February 1917, when Norway informed the British government that they were willing to cease all pyrite exports to Germany. The German declaration of unrestricted submarine warfare made this choice easier, while the German arguments

for not doing seemed less valid. But the Norwegian Prime Minister still questioned the British motive behind the coal embargo.^[49] Nevertheless, the Norwegian Merchant Fleet had been brought into play.

Britain had long been afraid that all neutral shipping could be brought to a standstill. In February, Britain made gestures towards several neutral countries regarding a possible purchase of neutral ships by the British government. The British initiative was discussed and rejected, but the problem remained unsolved: Was it possible to reduce the merchant navy's huge losses?

The alternative to buying (and thereby arming) a merchant fleet was simply to charter and switch the unarmed Norwegian ships with armed allied ships on the most exposed routes where losses occurred. The Norwegian government suggested this. Towards the end of April 1917 the Norwegian parliament accepted the transfer of ships by chartering or requisitioning.^[50] The deal between Norway and Britain was signed by representatives from the Norwegian Ship Owners Association (*Rederforbundet*) shortly thereafter, and thus camouflaged the Norwegian Government's role:

As a return for and conditional on the concessions embodied in the agreement as regards the supply and transport of coal to Norway, the Rederforbund has declared itself willing to enter into this understanding, with a view to increase the Norwegian tonnage employed in allied trade, while at the same time safeguarding as far as humanly possible Norwegian seamen's lives and Norwegian shipping property by the substitution of British ships for Norwegian in the Anglo-Norwegian trade.^[51]

Norway had become the neutral ally. As it turned out, it was the (re-)introduction of convoys that reduced the losses from the peak in March 1917, when sixty-six ships – more than 100,000 tons – had been sunk or damaged.^[52] From the end of April 1917, all trade between Britain and the Scandinavian ports sailed in organized convoys escorted by the Royal Navy. By July the losses had been reduced by more than 50 percent.^[53]

Norway and the Belligerents: The Crisis of Confidence

Keeping Norway out of the war and simultaneously providing the supplies needed to feed the population and keep the economy running was a complicated task. Norway did not wish to be dragged into the war, but at the end of the day it was up to the belligerent parties. The crucial question was if any of the belligerents wanted to involve Norway in the war. In that sense, Norway and the other Scandinavian countries were more fortunate than most other European countries. As Patrick Salmon has stated, both “the Entente and the Central Powers were persuaded that they had more to gain from Scandinavian neutrality than from drawing the Scandinavian states into the war. Scandinavia proved marginal to the military and naval strategies of the belligerents to an extent unforeseen by pre-war planners”.^[54]

But although the conflict between Norway and Germany from the Norwegian submarine decree in

October 1916 had calmed down, Germany wondered how it would cope if Norway joined the Entente. In 1916 Germany had no answer to this question. In December 1916 the German Admiral Staff started to think through how Germany would respond.

During the first few months of 1917, the German Naval Staff completed "*Kriegsfall Norwegen*," a plan for war with Norway.^[55] The plan was based on a situation in which Norway had joined the Entente – in other words, a situation in which Britain gained access to the Norwegian coast. "*Kriegsfall Norwegen*" concerned Norwegian territory only indirectly - with the possible exception of the bombing by zeppelins of towns and factories in southern Norway. The operational orders included the laying of minefields and occasional advances of the High Seas Fleet. The German army was not to participate in this plan. Because of the German naval strategy during World War I, the naval staff did not regard the opening to the Atlantic in the same light as it did in 1940. All it saw in 1917 was the entrance to the North Sea. Because the south coast of Norway is geographically closer to Germany than Britain, British naval bases here could be used not only to control the North Sea, but also as a base for an invasion of Denmark. Danish territory could then be used as a base from which an attack on Schleswig-Holstein could be launched. The Norwegian coast was also important for controlling the exits from the Baltic. The combination of the German naval strategy and the British influence on Norwegian foreign policy created a situation in which the Norwegian position was never as threatened as when Norway requested or was offered British support – the picture of safety in the politicians' minds. That was the only scenario that could trigger "*Kriegsfall Norwegen*."

The Tonnage Agreement could have triggered harsh German reactions if it had become known, but even that would probably not have led to a situation for which "*Kriegsfall Norwegen*" would have been activated. As negotiations between Great Britain and Norway were taking place in the spring of 1917, rumors were flying in Berlin about a British interest in establishing bases in Norway. [Erich Ludendorff \(1865-1937\)](#) expressed concern, but the situation calmed down after about a month. In Christiania, the Norwegian Foreign Minister claimed that "there is no single word of truth in this rumors" ("*an den Gerüchten kein Wahres Wort sei*").^[56]

One could argue that the Tonnage Agreement established Norway as the "Neutral Ally". However, Norway had been drifting towards Britain from the beginning of the war, a process that continued as the war lasted for another year. Even though US President [Woodrow Wilson \(1856-1924\)](#) had viewed Norway as a special case – he drew a distinction between Norway and other neutral countries – the negotiation of a trade agreement between the [USA](#) and Norway became difficult. The Norwegian delegation, led by [Fridtjof Nansen \(1861-1930\)](#), arrived in Washington in July 1917, but an agreement was not signed before the end of April 1918.^[57] In the autumn of 1918, Norway gave in to Anglo-American pressure and completed the Northern Barrage, closing "the gap" by laying mines in Norwegian territorial waters.^[58]

The Socio-economic Implications of the War

As was true in neutral Denmark, the war created favorable conditions for Norwegian business. After the short panic in August and a period of uncertainty in the autumn of 1914, unemployment decreased in 1915 and was remained quite low for the rest of the war.^[59] But government intervention in the market, including the establishment of maximum prices for certain vital commodities and the prohibition against using grain or potatoes to produce alcohol (a temporary prohibition on the selling and retailing of liquor was introduced in 1914 and made into law in 1918), could not prevent shortages of certain foodstuffs and fuel. Black markets flourished and basic foodstuffs became both expensive and scarce.^[60] Nevertheless, rationing was not introduced until January 1918, and then only due to demands by the USA.

Government regulation could not stop the war from creating an economic boom that led to changes within Norwegian society as wealth became more unevenly distributed. Thus, while a few became very rich (the stock market boomed and shipping trade went through the roof) and farmers and fishermen earned good wages due to the blockade, the lower level civil servants and the labor class suffered as their wages struggled to keep pace with the increasing prices. From the outbreak of war in August 1914 until the summer of 1918, the cost of living rose by about 250 percent (and a new boom in 1919 and 1920 worsened the situation).^[61] Society was divided between those who were able to pay for goods, whatever the price, and those who could not.

As a consequence of this divide, the year 1917 saw the greatest demonstrations in Norwegian history. Over 300,000 people took to the streets in June to demonstrate against a lack of food and money to pay for necessities (*dyrtid*). In Christiania (Oslo), more than 40,000 demonstrators participated. The Labor Party – which had its breakthrough in the parliamentary elections in 1912 – was radicalized during the war. From 1918 on, the Labor Party considered revolution to be a possible answer to the challenges the country faced.

Conclusion: Making Sense of the War

What is the legacy of the First World War within Norwegian society? The answer to that question remains unclear, although [Knut Hamsun's \(1859-1952\)](#) 1917 book *Markens grøde* (Growth of the Soil), for which the author won the Nobel Prize in Literature for 1920, is often viewed as an anti-modernist reaction to the war. In comparison to its Scandinavian neighbors, it is striking how few long lasting effects the war had on Norwegian culture. Print media and public opinion were pro-British; Knut Hamsun was in fact one of the few voices that supported Germany.

Norway's history during the First World War is a history of change, both externally and internally. Within the history of foreign policy, it is the history of how Norwegian politics and neutrality adapted to the war; how Norway became an important contributor to the allied blockade of Germany, given that Norway's [aim](#) was to preserve its neutrality. As Olav Riste pointed out in his eminent study, *The Neutral Ally*, this occurred out of necessity – there was simply no other way to secure the economic welfare of the country. But as the German submarines continued their missions, it became much

easier for the Norwegian government to follow a policy that favored the Entente. From 1917 onwards the nation's sympathies seem "to have been firmly aligned with its policies".^[62]

Within the history of national policy, this is a history about how the war forced the Norwegian government to take measures to secure production and commerce. This history focuses on the fact that the government intervened and regulated the economy more than ever before in order to secure the import of food and other essential commodities. This intervention could not prevent Norwegian society from being split between those who were able to adapt to the situation because they had the means available, and those who suffered from the hardship created by the increased cost of living. Growing support for – and a radicalization of – the Labor Party followed. One consequence of this radicalization was that the electorate system was reformed in 1919 to meet the claims on representation from the working class. The old system of single constituencies had strongly favored the governing parties, while the new electoral system, based on the principles of direct election and proportional representation in multi-member electoral divisions, paved the way for the first Labor government in 1928.

The war drained the Norwegian government financially. Financing the neutrality guard was costly, as thousands of men were mobilized for more than four years. However, the real cost of government regulations (the purchase of supplies, etc.), was hidden in what Keilhau coined the "irrational bookkeeping" by the Ministry of Finance. Deprived of knowledge of the latent losses, the National Assembly believed "that the finances were in a most flourishing state".^[63] It was not until two years after the war that the real situation – that Norway had accumulated a massive debt during the war – became known. In the 1920s, shifting Norwegian governments were left with a troublesome economic situation. This became even more difficult because of the decision to re-establish the gold standard of 1914.

In addition to the economic consequences, the big legacy of the First World War was that it confirmed Norway's perception of its security. It was possible to stay neutral in a war between the great powers. Situated at the European periphery, with both Germany and Russia (the Soviet Union) reduced from their former glory, there was no threat to Norway's independence. This became the foundation for Norwegian defense policy in the interwar period, a perception that was to be proven wrong in 1940.

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Notes

1. ↑ Keilhau, Wilhelm: Norge og verdenskrigen [Norway and the World War], Oslo 1927.

2. † Keilhau, Wilhelm: Norway and the World War, in: Heckscher, Eli F. et al. (eds.): Sweden, Norway, Denmark and Iceland in the World War, New Haven 1930. The abridged version is about one-third of the length of the Norwegian original.
3. † For a brief overview, the introductory essay, "Scandinavia in the First World War", written by Rolf Hobson, Tom Kristiansen, [Nils Arne Sørensen](#) and Gunnar Åselius as an introduction to the anthology, *Scandinavia in the First World War*, is a good starting point for a history of both Norway and Scandinavia. Hobson, Rolf et al.: Introduction. Scandinavia in the First World War, in: Ahlund, Claes (ed.): Scandinavia in the First World War: Studies in the War Experience of the Northern Neutrals, Lund 2012, pp. 9-56.
4. † Schreiner, Johan: Norsk skipsfart under krig og høykonjunktur 1914-1920 [Norwegian Shipping during the War and Economic Boom], Oslo 1963.
5. † Riste, Olav: The Neutral Ally. Norway's Relations with Belligerent Powers in the First World War, Oslo 1965.
6. † Ibid.
7. † Berg; Roald: Norge på egen hånd, 1905-1920 [Norway On Its Own, 1905-1920], Oslo 1995.
8. † Riste, Olav: Norway's Foreign Relations – A History, Oslo 2001.
9. † Salmon, Patrick: Scandinavia and the Great Powers 1890-1940, Cambridge 1997.
10. † Brandal, Nikolai/Teige, Ola/Brazier, Eirik: De ukjente krigerne. Nordmenn i første verdenskrig [The Unknown Warriors. Norwegians in the First World War], Oslo 2014.
11. † Although there are a few memoirs, the topic has received astonishingly little attention and the essay, "Neutral Merchant Seamen at War" only scratches the surface (and has Denmark as its central case). See: Bendtsen, Bjarne Søndergaard: Neutral Merchant Seamen at War. The Experiences of Scandinavian Seamen During the First World War, in: Ahlund, Claes (ed.): Scandinavia in the First World War, pp. 327-354. See also Schreiner, Norsk skipsfart under krig og høykonjunktur 1963, pp. 268-299.
12. † See: Statistisk sentralbyrå: Økonomisk utsyn 1900-1950 [Economic Survey 1900-1950], Oslo 1955.
13. † Ibid. p. 76.
14. † Ibid.
15. † Hobson et al., Introduction 2012, p. 25.
16. † The famous poem by [Henrik Ibsen \(1828-1906\)](#), "Terje Vigen", first published in 1862, is about Terje's desperate attempt in 1809 to run the British blockade to smuggle food from Denmark to his starving family in Norway. The poem is still recited. Terje's attempt ended tragically as he was captured in his small rowboat by the British navy and imprisoned until the Napoleonic Wars were over, only to learn that his wife and daughter had died.
17. † Keilhau, Wilhelm: Norway and the World War, in Heckscher, Eli F. et al. (eds.): Sweden, Norway, Denmark and Iceland in the World War, New Haven 1930, p. 284.
18. † Ibid. p. 286.
19. † Wyller, Thomas Christian: Utvidelsen av statens myndighetsområde i Norge under første verdenskrig [The Extension of State Power in Norway during the First World War], in: Historisk Tidsskrift 4 (1959-60), pp. 321-337.
20. † Keilhau, Norway and the World War 1930, p. 297.
21. † Salmon, Scandinavia and the Great Powers 1997, p. 120.

22. † Consett, Rear-Admiral M. W. W. P.: *The Triumph of the Unarmed Forces (1914-1918)*, London 1923, p. 106.
23. † Keilhau, *Norway and the World War 1930*, p. 301.
24. † Salmon, *Scandinavia and the Great Powers 1997*, p. 131.
25. † Riste, *Norway's Foreign Relations 2001*, p. 92.
26. † *Ibid.*
27. † See Riste, *The Neutral Ally 1965*, pp. 96-119.
28. † Værholm, Monica/Øksendal, Lars Fredrik: *Leaving the Anchor: Monetary Policy in Neutral Norway During the First World War*, in: *The International History Review* 4 (2010), p. 667. See also: Keilhau, *Norway and the World War 1930*, p. 307-316.
29. † Keilhau, *Norway and the World War 1930*, p. 308.
30. † Riste, *Norway's Foreign Relations 2001*, p. 95. See also: Statistisk sentralbyrå. *Økonomisk utsyn*, pp. 105-119.
31. † Riste, *Norway's Foreign Relations 2001*, p. 96.
32. † Britain managed to get hold of between 70-80 percent of the fish caught in the spring of 1916. See: Berg, *Norge på egen hånd 1995*, p. 198.
33. † Keilhau, *Norway and the World War 1930*, p. 334.
34. † Findlay to Ihlen, 7/4-1916. Quoted after: Keilhau, *Norway and the World War 1930*, p. 335.
35. † *Ibid.* pp. 335-336. See also Riste, *The Neutral Ally*, pp. 108-119.
36. † Salmon, *Scandinavia and the Great Powers 1997*, p. 137.
37. † Riste, *The Neutral Ally 1965*, pp. 123-124.
38. † Keilhau, *Norway and the World War 1930*, p. 347.
39. † *Ibid.* p. 293.
40. † *Ibid.* p. 294.
41. † *Ibid.* p. 347.
42. † Statistisk sentralbyrå: *Statistiske oversikter 1948 / Statistical Survey 1948*, Oslo 1949, p. 248, Table 131. This statistical survey is published online: <http://www.ssb.no/a/histstat/hs1948.pdf> (retrieved 17 December 2015). The numbers vary in the literature, but it still holds that the losses were high, especially in 1917. See also Hobson et al., *Introduction 2012*, p. 11.
43. † *Tidens Tegn*, 10 October 1916.
44. † The chances for survival even in a life-boat in the Arctic Sea were not especially high. Some of the life-boats reached the shore after spending several days at sea. By this time, several crew-members had already either starved or frozen to death.
45. † Quoted after: Riste, *The Neutral Ally 1965*, p. 139.
46. † *Ibid.* p. 144.
47. † *Ibid.* pp. 150-151.
48. † Salmon, *Scandinavia and the Great Powers 1997*, pp. 137-139; Riste, *The Neutral Ally*, p. 162-166.

49. † In his unpublished memoirs, Gunnar Knudsen claims that the real reason for the conflict with Britain was that Britain wanted to put parts of the Norwegian Merchant Navy under the British flag. See: Norwegian National Archives, PA 626 Gunnar Knudsen, Boks 66, Opptegnelser.
50. † Riste, *The Neutral Ally 1965*, p. 176.
51. † Public Record Office, FO 371/6792, 43802, Norwegian Legation London – Sir Eyre A. Crowe, 3 December 1921. The agreement – or memorandum – is attached to this document. The Tonnage Agreement was never drawn up as a contract but was the result of a prolonged correspondence between the parties.
52. † Sjøfartskontoret. Sjøforklaringer over norske skibes krigsforlis. Bind II. 1ste halvaar 1917 [Marine Inquiries into the Losses of Norwegian Ships in War. Volume II. First half of 1917], Oslo 1917, pp. 191-329.
53. † Riste, *The Neutral Ally 1965*, p. 177.
54. † Salmon, *Scandinavia and the Great Powers 1997*, p. 118.
55. † Haug, Karl Erik: Tyske krigsplaner og Norge under den første verdenskrig [German War Plans and Norway during the First World War], in: *Historisk Tidsskrift* 4 (1995), pp. 423-440.
56. † Politisches Archiv des Auswärtigen Amtes, R 8385, Norwegen 7 Geheim: Die norwegische Neutralitätsfrage, Band 7, Rantzau – Auswärtiges Amt, 9. June 1917.
57. † Salmon, *Scandinavia and the Great Powers 1997*, p. 143.
58. † See: Riste, *The Neutral Ally 1965*, pp. 212-224.
59. † Mitchell, Brian R.: *International Historical Statistics. Europe 1750-2000*, London 2003, p. 165.
60. † Hobson et al., *Introduction 2012*, p. 33.
61. † Lie, Einar: *Norsk økonomisk politikk etter 1905 [Norwegian Economic Policy After 1905]*, Oslo 2012, p. 36.
62. † *Ibid.* p. 226.
63. † Keilhau, *Norway and the World War 1930*, p. 389.

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Citation

Haug, Karl Erik: Norway , in: 1914-1918-online. International Encyclopedia of the First World War, ed. by Ute Daniel, Peter Gatrell, Oliver Janz, Heather Jones, Jennifer Keene, Alan Kramer, and Bill Nasson, issued by Freie Universität Berlin, Berlin 2016-01-19. **DOI: 10.15463/ie1418.10809.**

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