To What Extent did Intelligence Contribute to Sweden Maintaining its Non-belligerence throughout World War Two?

by Jens Aklundh, George Burnett and Sean Harrison

The evolution and activities of the Swedish intelligence community throughout the Second World War have been documented by historians, most notably, Wilhelm Carlsgren and C.G. Mackay, yet the importance of intelligence has remained ambiguous. The invasion of Poland was a rude awakening for the Swedish intelligence services, and the German invasion of Norway and Denmark in April 1940 caught Sweden wholly unprepared. Though Sweden was militarily and diplomatically limited by the tides of the war, she successfully managed to remain outside of the battlefields of Europe. As will be demonstrated, Sweden, far from being a pawn the strategic development of the war, was capable of safeguarding her non-belligerence. This was to a certain extent the result of accurate intelligence combined with shrewd foreign policy assessment. Though Sweden is often considered as a ‘neutral’ state of World War Two, her failure to adhere to the rules of international neutrality renders the term ‘non-belligerent’ far more applicable for this study.

Before we construct our argument it will be useful to provide an outline of the evolution of Swedish Intelligence. After World War One, the Swedish Intelligence community largely faded away and only in 1937 was Colonel Carl Adlercreutz given the mission to establish an official military Intelligence bureau. Swedish Intelligence remained rudimentary and entirely overt until the autumn of 1939, when the secret G-section was created, headed by Carl Petersén. These two departments grew exponentially from 1939 to 1942, when a large reorganization of the Swedish defense and intelligence community occurred. The G-section was renamed the C-bureau, and the cryptanalysis section of Adlercreuz’s office was created as a separate agency, the FRA. Furthermore, all other Swedish Intelligence activities, excluding the FRA, were now organized under the leadership of Daniel Landquist. Throughout the war, all of Sweden’s intelligence was under military control. Swedish intelligence remained small by international standards though it did grow significantly, and was by 1945 an experienced community.

Sweden’s ability to maintain its neutrality was dependent on events outside its control.

This statement from Wilhelm Carlsgren constitutes the basis of our investigation. Though we recognize the inherent strategic limitations of a small, neutral state trapped within a far reaching conflict, the conviction of Carlsgren’s argument is debatable. This paper proposes the argument that within the parameters of her influence, Sweden proved herself capable of manipulating the strategic situation to her own advantage. The first part of this paper will thus be de-
voted to demonstrating the success of Sweden’s policy of active management in securing her non-belligerence. Following this, we will assess the significance of intelligence to the success of ‘active management’. Without directly quantifying the impact intelligence had on Sweden’s strategic situation, we will argue that its role was indeed significant.

Sweden’s active management during the Winter War 1939–40 between the Soviet Union and Finland demonstrated at an early stage her willingness to engage and manipulate events to suit policy goals. Short of official intervention, Sweden sent supplies and volunteers to aid the Finnish in their fight against the Red Army. Finnish appeals for direct intervention in the Swedish press resonated amongst public opinion, yet Sweden was already offering the most it could without infringing its own policy of neutrality. Meanwhile intelligence reports had come in from Paris suggesting possible Allied intervention in Scandinavia. An Allied attack on the Soviet Union, in aid of Finland, risked enhancing the Soviet-German alliance. Sweden’s non-belligerence would be jeopardized and Scandinavia would inevitably become a strategic battle ground. Foreign Minister Christian Günther foresaw the implications for Sweden if the Allies were to mount an expedition. Therefore, the only option was to prevent conflict by encouraging a quick Finnish surrender. When presented with Allied plans, Günther adopted a threatening stance, clearly asserting Sweden’s view on the proposed invasion. He reminded the Allies of Finland’s dependence on Sweden, and that a withdrawal of materiel would “surely undermine Finland’s military position and force it to the negotiating table.” In order to out manoeuvre Allied attempts at capitalizing on the sentiments of pro Finnish public opinion in Sweden, he suggested that the government would be willing to inform the Riksdag of Finland’s refusal to seek peace therefore directly jeopardizing Sweden’s widely supported policy of neutrality. The Finns had accepted defeat and were persuaded under Swedish guidance to seek peace, which in turn thwarted Allied plans for invasion. Essentially; “[Sweden] was able to postpone a military move until the ostensible reason for it could be removed through peacemaking...Sweden was able to prevent the allies from making a disastrous mistake by precipitating a fighting alliance between Germany and the Soviet Union.”

The Midsummer Crisis of 1941 was to present Sweden with the “most serious challenge to its neutral tradition” of the war. Neutrality was a policy that had served the country well and was almost unanimously supported by the general public. For a small state to risk its internal unity in wartime was to relinquish one of its most important assets. The crisis was sparked by the German request for the transit of a division from southern Norway overland to Finland. The request had multiple implications for Sweden. Firstly, it undermined if not contravened Sweden’s official policy of neutrality. Secondly, with the onset of a new war against the Soviet Union, political sensitivity would be heightened presenting “[a] considerable risk of dissension aided from abroad.” Historian Carl Gustav Scott is however right to draw into focus the deliberation and decision to put the request through parliamentary process when a similar request had been granted without approval in June 1940. King Gustav V stated his “unreserved support for compliance (with Germany)” and that “he personally would not be willing to bear the consequences if the government refused the request.” This statement has been the subject of much historical debate but it was Hansson’s interpretation of
it that was important. Hansson portrayed the King’s statement as an abdication threat if the government did not comply. There was much disagreement amongst the coalition government and even within parties themselves regarding how best to deal with the German demand. Suggestions were made regarding the way in which the government should sell the decision to the public. K.G Westman proposed “that if Sweden voluntarily conceded to the German petition, the effects would be less demoralizing, than if it were forced to comply.”

It was important that the decision must be perceived by the public and the world as one made by a united coalition government. Finally a consensus was reached with only a handful of dissenters.

Gustav-Scott underlines Sweden’s subordinate geopolitical position as being the main driver of consensus, yet the impact of the King’s abdication threat cannot be disregarded due to the fact that internal unity was salient. During the Winter War, Hansson frankly stated Sweden’s position, underlining the limitations of its support for Finland. His statement was not well received by the public, believing him to be unsympathetic towards Finland. However, days later “King Gustav...reiterated much of what the prime minister said approving of his policy, openly sympathizing with Finland, but explaining that there was no other alternative other than war. He succeeded in re-establishing wide support for the administration’s foreign policy.”

Thus the German demand for transit was a crisis that had serious potential implications. “Hansson’s attitude during these troubled midsummer days must be regarded as an essential contribution to the successful outcome of Swedish wartime policy.” The government had manipulated the King’s abdication threat in order to maintain internal unity and thus negotiate the potentially divisive transit of German troops over Swedish soil.

Sweden’s internal actions had a demonstrable effect upon her relations with, and her perception by the Great Powers. This was largely achieved through wartime espionage laws, unrelenting counter-intelligence and intelligence liaison. The objective was to prevent hostile views or intentions against Sweden in order to persuade the belligerents that a neutral Sweden was in their interest. The Freedom of Press act was resurrected which allowed the government to confiscate, without trial, any publication that could be seen as prejudicial to Sweden’s interest.

The treatment and conditions in Norwegian prison camps, fervently described by outspoken anti-Nazi journalist Torgny Segerstedt, would inevitably incite hostile feeling amongst Swedish public opinion towards Germany. German protests to the Swedish Foreign Office resulted in a ‘mass seizure’. Seventeen newspapers, all having printed the same article concerning the conditions of Norwegian prison camps, were apprehended. As Zetterberg asserts; ‘this action, though not very elaborate had a deep symbolic value to the German authorities’. Through instances such this, Sweden was able to shape Hitler’s perception of them to a more favourable view of, “ein Volk im Pension,” diminishing their apparent strategic significance.

In combination with symbolic measures, Sweden’s counter intelligence and wartime espionage laws obstructed a great deal of foreign intelligence work. British press attaché and SOE member Peter Tennant noted; “as a result of the Swedish Police Surveillance of our organization and myself we were able to compile descriptions and a list of the registration numbers of no less than 15 Swedish secret police cars”.

139
dence for the extensiveness of the Swedish counter intelligence effort.

During the early stages of the war the focus was clearly on Allied intelligence activities, particularly the British. The Swedish security services had arrested nine-hundred and thirty-five Allied agents compared to two-hundred and eighty-four German agents. In addition, Sweden started to place restrictions on the movements of aliens. An illustration of their strategic importance and a response to the attempted sabotage by SIS agent A.F. Rickman the northern region of Sweden was made out of bounds to all aliens except Finns. Furthermore, intelligence activities conducted by foreign powers were made more difficult by the enacting of new espionage law, Chapter 8, Section 21a;

A Swede who with the purpose of assisting a foreign power collects or allows to be collected information about the armed forces of the realm or about other matters the communication of which to a foreign power can injure the defence of the realm or with the aforesaid purpose has any dealings with such collected information, is to be punished according to this chapter, with prison.

Intelligence liaison played an important role in helping to shape Germany’s perception of Sweden. Swedish security services cooperated with the German SS Security Service Reichsicherheitshauptamt (RSHA) on dismantling Allied and Soviet agent networks and clandestine radio communications. Indeed, it was used as medium to pay homage with the hope that further German requests would relent. Wilhelm Agrell fittingly describes the purpose in which intelligence liaison was employed as, ‘keeping the intrusive guest seated at the dinner table with another glass of wine’. Thus, far from being unable to alter its own position in the war, an active domestic agenda was pursued to alter and monitor the perceptions of the Great Powers towards Sweden.

This essay does not refute the claim that Sweden could have avoided war or even have militarily defeated a Great Power had war become necessary. It is, however, possible to argue that Sweden operated a brilliantly astute foreign and domestic policy that effectively managed the way she was perceived by the great powers and thus reduced the likelihood of war. The Swedish government took an active role in influencing the politics of the region. Neutrality, it had been realised, was no longer a right and as a result had to be negotiated. The continually changing political landscape in Scandinavia meant that Swedish foreign policy had to be flexible and adaptive. Within the parameters of her influence Sweden was able to present herself in a way that convinced all concerned belligerents “that the cost of using coercion against (her) more than offset the gains.” In what follows this essay will propose that intelligence played an important role in Swedish efforts to actively manage her strategic situation and thus influenced the execution and direction of Swedish Foreign policy.

Swedish foreign policy relied on accurate intelligence derived from a variety of sources. Open source intelligence from diplomats and attachés was timely, accurate and throughout the war compensated for the limited reach of Sweden’s secret intelligence organizations. Moreover, it was most likely to be used in foreign policy decisions because there was constant communication between the embassies and Stockholm. It therefore limited the bureaucracy and secrecy that hindered the effectiveness of Sweden’s intelligence organizations.

Sweden’s foreknowledge of the German
invasion of Norway in April 1940 came from detailed reports by three of its military attachés, Forshell, Juhlin-Dannfelt and Enell. The government resisted Supreme Commander General Thornell’s demands for full mobilization because these reports did not indicate that Sweden was in imminent danger. Only after German troops had landed in Norway did the government order a partial mobilization. Germany’s interests in Finland grew exponentially after the Winter War of 1939–40, as a result of its intention to invade the Soviet Union. In April 1941, the Swedish military attaché in Helsinki reported that the Finnish and German General Staff were “now collaborating on a technical level.” Furthermore, Sweden’s military attaché in Helsinki was well informed on the German’s order of battle. Two German divisions were to attack Murmansk and two would attack Kandalaksha in the north eastern region of the Soviet Union. This intelligence provided one of the first warning signs that German troops in Norway would be used in the invasion, placing Sweden in a precarious situation. Open source intelligence in this instance provided the Swedish government with advanced warning of German military designs and the possibility of German troop transit through Sweden. Although it is hard to pinpoint the exact influence of this information on Swedish policy, as Miguel de Cervantes says, “forewarned is forearmed.”

During economic negotiations with the Allies in 1942/3 demands were placed on Sweden to cease trading with Germany and to bring an end to the transit agreement. Long drawn out economic negotiations would not bode well for a country trying to persuade the expected victors of its changing stance in favour of them. Although economic negotiations were at times tedious, Sweden’s aim was to present its case and gain the understanding of the Americans who were less patient and sympathetic to her position than the British had been during the negotiations of 1940.

However, as Annette Baker-Fox correctly asserts:

They (Sweden) also recognised that with the Russians circling the Baltic there could be no further traffic with Germany anyway. This knowledge was far more influential than the American references to favourable or unfavourable treatment of Sweden when the war ended.

Depending on the strategic situation and the available intelligence coverage at the time, open source intelligence provided policy makers with reliable and accurate information which foreign policy decisions could be based upon. It maintained a sense of being well-informed which allowed Sweden to decide how and when to act.

For the Swedish government, no other source of intelligence was as effective at influencing foreign policy as the information derived from signals intelligence (SIGINT). The significance of SIGINT is neatly summed up by Thornell, who described it as “a strategic barometer.” Precise strategic understanding is a prerequisite for any neutral state looking to conduct an effective foreign policy during wartime.

The primary purpose of signals intelligence and more specifically cryptanalysis, was to provide Sweden with warning of any impending attacks on her territory. Successful decryption of the Soviet naval codes during the Winter War combined with knowledge shared with the Finnish intelligence services meant that the Swedes were informed of Soviet intentions and movements during the period. The real success however came following the German invasion of Norway in the spring of 1940. German tele-
communications were reliant on the ‘west-coast cable’, a wire that ran from Oslo to Gothenburg to Berlin. This wire was immediately tapped and the codes for the encrypting ‘Geheimschreiber’ (G-Schreiber) were quickly broken by Arne Beurling and his team. Information gleaned from this source and many other similar intercepts provided the basis for Swedish policy toward Germany during the years of Norwegian occupation. The Swedish decrypt team was able to paint a clear picture of German troop movements and intentions. “Indeed, the fact that traffic was being deciphered meant that troop movements and formations that may have been deemed aggressive could in fact be safely discounted.” Furthermore, Sweden was able to avoid potentially costly and bellicose mobilisations which may have brought Sweden’s non belligerent status into question. The Midsummer Crisis exemplifies the salience of SIGINT decrypts to foreign policy. The reason behind Swedish government’s “symbolic protests” against the German demand for troop transit was a decoded telegram detailing that “Sweden would not be presented with an ultimatum to join the German war effort...and that Germany had no aggressive plans against Sweden.” As a consequence, Hansson and Günther were able to manage the ‘crisis’ with a degree of composure.

The constant supply of high quality information meant that, should Germany plan an invasion of Sweden, the Swedish military believed that it could rely on two weeks notice at the very least. By the time that the Germans were aware that the Swedish were reading G-schreiber transcripts in 1943, the German army had suffered sufficient reverses to ensure that the probability of Sweden becoming involved militarily had subsided dramatically.

Intercepts between embassies informed the intelligence services of the German situation in other theatres around the world. From this they were able to alter their stance on matters of debate and negotiation in accordance with the strategic situation. For example, during the first two months of Operation Barbarossa, orders and directives for the German operation in Russia led the Swedish foreign office to realise that the campaign would not be the blitz victory generally expected. “This allowed for a more restrictive attitude toward the demands of the Germans than had been the case in the first few weeks of the campaign.” E.g. during the Swedish-German trade negotiations of December 1941 the Swedish delegation was able to extract a 4% interest rate instead of the proposed 3.5% due completely to the knowledge derived from German intercepts. Emboldened by the knowledge that this figure would be acceptable to the Germans and aware that the situation in Russia made the threat of retaliation unlikely the Swedes were able to benefit to the value of 20 million Kronor. This figure paid for the Intelligence organisation at Karlbo ten times over.

By reading the majority of German codes and certain diplomatic codes from the continent, Sweden was able to hone even further her understanding of her position on the strategic map of Europe. Peter Calvocorelli, discussing the significance of Bletchley Park – “to feel you know your enemy is a vastly comforting feeling. It grows imperceptibly over time if you regularly and intimately observe his thoughts and ways and habits and actions. Knowledge of this kind makes your own planning less tentative and more assured, less harrowing and more buoyant.”

As Carlgren affirms, SIGINT represented the Intelligence community’s best achievements throughout the war. However certain
attaché and individual activities on location were important to affirm the validity of the decrypts. Second Lieutenant Stig Synnergren worked alone as a civilian in Narvik, Norway to discover as much as possible about the German positions in Scandinavia. Acting as a local courier he was able to assess the German force disposition in detail. Similarly, he persuaded a cafe worker in Narvik to phone and inform the military fortification in Boden (N. Sweden) when German soldiers stopped drinking at the cafe. The call coincided with German troop movement toward Finland from Norway. During the months preceding Operation Barbarossa, human intelligence (HUMINT) complemented the information extracted from coded messages. Juhlin-Dannfelt, the Swedish military attaché in Berlin, had a valuable contact in Warsaw code-named “Herslow,” who often travelled between Sweden and Berlin. He was able to provide primary accounts of the German preparations in Poland which Juhlin-Dannfelt then reported to Stockholm. Lennart Frick argues that instances such as these generated a ‘clearer picture of the German positions.’ It must be said that the value of HUMINT by no means exceeded the importance of the cryptology department and it is questionable whether their intelligence would have had much impact as isolated pieces of information. Nevertheless along with Beurling’s deciphered telegrams, the sources combined to provide a more tangible source of intelligence, as one served to validate the other.

This paper has presented the argument that intelligence played an important part in the effective active management of Swedish non-belligerence. It does not however wish to suggest that intelligence was the cornerstone of Swedish foreign policy, neither was it a flawless art. Intelligence in all its forms had many limitations. Sweden’s neutral status meant that her diplomatic representatives were not as a matter of course made privy to important strategic information from the great powers. The Allied distrust of Sweden in the first years of the war was precipitated by the 1940 trade negotiations with Germany and the historic cultural ties between the two nations. This meant that the flow of information between attachés and diplomats relied heavily on personal friendships and political sympathies rather than established diplomatic allegiances. Following suggestions of German collusion, the Swedish military attachés were expelled from Moscow in December 1943.

Signals intelligence also faced difficulties. At no stage of the war did Sweden have a comprehensive understanding of all relevant codes and ciphers. The German high level diplomatic codes and Russian army codes remained unbroken for the duration of the war. The sensitivity of the information unearthed through cryptanalysis made for an awkward situation when the Finnish intelligence community informed the German government of the leak. This fact alone threatened the political balance between the two states. Most important is the fact that the dissemination of the information derived from SIGINT was sporadic and heavily influenced by organisational rivalries. The FRA and C-Bureau did not get along well and the C-Bureau’s desire to retain control led to them limiting the amount of intelligence that could be passed to policy makers.

This reflects the most significant shortcoming of the Swedish intelligence organ. This paper may thus far have presented the image of a highly coordinated and synchronised intelligence community, this could not be further from the truth. Swedish intelligence constituted a series of disparate and unconnected organisations. Coordina-
tion was limited and inter-agency rivalries reduced their effectiveness. The success of Swedish intelligence lay in the brilliance and motivation of small, isolated groups of individuals combined with the aptitude of competent policy makers.

By autumn 1943, the threat to Swedish non-belligerence had significantly decreased. Germany and the Soviet Union were thoroughly involved in Operation Barbarossa and the Allies had now set foot on mainland Europe. Essentially this allowed Sweden to employ a bolder stance against Germany, but it also meant that the Swedish Intelligence community’s contribution to foreign policy decreased. Swedish Intelligence was however allowed more room for maneuver as it adapted to a less constrained Swedish policy. As the Allies gained the upper hand of the war, there developed a liaison between the Swedish Intelligence community and the various Allied organizations. The OSS was permitted to use airfields in Bromma for various aerial activities in Scandinavia, and the SOE was allowed to place a flight navigation system in Malmö to facilitate the bombing of Germany.48 The C-bureau essentially became a maverick intelligence agency, operating almost wholly without government consensus, though always acting to secure what it believed to be in Sweden’s interests. An example of this was the organization of the ‘travels to the Baltic’, using refugees to strengthen the Swedish HUMINT network in preparation for the coming Soviet occupation.49 Operation Stella Polaris demonstrated that the C-bureau was willing to take matters into its own hands by providing for the re-allocation of the entire Finnish Intelligence community into Sweden in 1944.50 Thus intelligence adapted to the geostrategic changes of the war. By the autumn of 1943, the demands of policy altered the significance of intelligence and placed liaison with the allies at the heart of her policy goals. The framework for HUMINT and SIGINT remained in place but yielded less influential information, focusing instead on other areas of Swedish political interest.

This essay has evidenced the important role of intelligence during Sweden’s wartime foreign policy. Sweden was not a paradigm of intelligence machinery but an interesting case in which theory can help uncover its success in achieving its policy objective. Reginald Hibbert’s view on the bias attributed to secret intelligence in assessments appropriately depicts the way in which intelligence was used in foreign policy.51 Transcripts from the decoded ‘G-schreiber’ were used in confirmatory manner which allowed balanced assessments to be made. In addition, its application was in acknowledgement of the difference between tactical and strategic intelligence. ‘G-schreiber’ transcripts were used tactically by Foreign Office representatives to modify their position in accordance with German perceptions. Moreover, Sweden’s astute navigation of the surrounding strategic environment was predominantly based on open source intelligence derived from attachés. However, Sweden as a case study does bring into question Herman’s argument regarding the separation of the policy maker from the intelligence process. Foreign Minister Christian Günther’s proximity to the intelligence, in particular open source intelligence, allowed him to shape it in order to better serve policy. As Mark Lowenthal correctly asserts; “without reference to policy, intelligence is rendered meaningless.”52 Incidentally, this fortunate state of affairs was by accident rather than design. The agencies tasked specifically with gathering, assessing and disseminating intelligence were in fact poor at communicating with each other. This reduced the value
of their work. The disconnected nature of intelligence organisations in Sweden was a symptom of their autonomy. The state’s role was limited to that of funding which had the effect of distancing intelligence from policy.53

Wilhelm Carlgren asserts in his official history of the Swedish Intelligence during World War Two, that the impact of intelligence was threefold.54 Firstly, and largely as a consequence of Beurling’s deciphered messages, intelligence allowed policy makers to pursue a bolder stance in negotiations with Germany. Secondly, and perhaps most critically, it generated a unique sense of security. Finally counter-intelligence restricted the efficacy of foreign intelligence agencies in Sweden. Though signals intelligence provided the most valuable information, it was verified by other sources, most notably military attachés and covert agents. This essay agrees with Carlgren on these conclusions, but has challenged his assertion that Sweden was strategically unable to alter its position. Conversely, Swedish policy successfully pursued a course of ‘active management’ in order to secure her non-belligerence. Intelligence did play an important but limited role in influencing the Swedish government’s ability to maintain her non-belligerence, as it allowed Swedish policy-makers more room to manoeuvre.

The authors are students at the Department of War Studies, King’s College London under the supervision of Dr Joseph Maiolo.
Sources


Notes

5.  Ibid. p. 48
8.  Commonly known as the "Englebrecht Division"
   There was evidence to suggest foreign powers were playing Swedish politicians off against one another
10.  Ibid. p. 373
11.  Ibid. p. 380
14.  Ibid. p. 118
17.  Ibid. p. 22
18.  Ibid. p. 22
24.  Ibid. p. 9
25.  Ibid. p. 14
27.  Ibid. p. 639
30.  Frick, Lennart W. and Rosander, Lars: Bakom Hemligstämpeln: Hemlig verksamhet i Sverige i vår tid (Behind the Secret Stamp), Historiska Media, Lund 2004, p. 80
36.  Ibid. p. 377
37.  Ibid. p. 190
38.  Ibid. p. 190
40.  Ibid. p. 164. Refers specifically to one famous incident: The Swedes were naturally able to
compare the quality of the reporting of the meetings they had been involved in. E.g. Prince zu Wied, German foreign minister used to bungle and embellish the messages he sent to Berlin. Thus, in order to prevent misunderstanding, the Swedes opened up a second channel of correspondence with the more able Werner Dankwort.

41. Ibid. p. 213 from Calvocoressi, P: *Top Secret Ultra*
46. Ibid. p. 163
47. Ibid. p. 89: "Messages containing statements from Swedish officers with the rank of colonel or higher will not be allowed to be disseminated to any department outside the Defence Staff" – Chief of Defence Gen Staff Akerhielm
49. Ibid. p. 187
50. Operation Stella Polaris comprised the extraction of HUMINT and SIGINT capabilities to prevent them from being scrutinized by the Soviet Union.