

The Trust Company and its efforts to reconstruct the bilateral Dutch-German trade, 1945-1949

Martijn Lak

(Erasmus University Rotterdam)

Abstract

After World War Two, it was obvious to Dutch politicians and businessmen that the economic relations with Germany had to be restored as soon as possible. The importance of Germany to the Netherlands is evident from the fact, that, on instigation of the Dutch government and the newly erected Chamber of Commerce for Germany, in February 1947 the ‘Trustmaatschappij voor de handel van Nederland met het Buitenland NV’ was founded. The explicit goal of this private institution was to advance Dutch foreign trade, especially with Germany. This paper focuses on the activities of the Trust Company and its efforts to help in the reconstruction of the bilateral Dutch-German economic relations. It’s centered on the question of how the Dutch government and business worked together in achieving the restoration of Dutch-German trade in the 1945-1949 period. By looking at this process, we can gain more understanding of the level of cooperation between business and government, which appeared to be quite intense in the Netherlands after the end of the German occupation in May 1945.

Introduction¹

This paper is part of my Ph.D.-thesis, which focuses on the bilateral economic and political relations between the Netherlands and Germany in the period 1945-1957. In this dissertation my focus is mainly on the economic relations between the two countries, which were and still are extensive, especially from the Dutch point of view. This paper studies a striking and essential part of the Dutch policy towards the former enemy in the first post-war years, i.e. the continuous effort of both the Dutch government and business to restore trade relations with Germany as soon as possible.²

This dissertation is based on interdependence theory, which is known from the social sciences. The theory concerns itself predominantly with the question if economic dependence leads to peaceful political relations, or on the contrary will lead to a situation in which a stronger state will try to force a smaller partner into a role of dependence or even try to annex it. In the last decades an extensive literature has developed about the questions which are the political consequences of economic interwovenness or interdependence. In this debate one can distinguish roughly two tendencies: liberal and neo-realist. The former state that intense economic contacts guarantee political security and peace. Although several forms of liberalism exist, they share one dominant idea: 'all of them propose the hypothesis that interdependence decreases international conflict, or at least decreases incentives for conflict. Given the fact that war is neither in the interest of the people nor in the national interests, interdependence is expected to decrease war among liberal states'.³ To be more precise: liberals not only state that there will be no war when economic ties between countries are strong, but also that these states will act politically reserved. Important liberal authors are Keohane, Nye, Pollins, Oneal, Russett, Rosecrance and Mansfield. The economist Krugman can be added to this list, when he states that international trade is not about competition, but about mutually beneficial exchange.⁴

¹ The author would like to thank Dr. Ben Wubs for his comments on earlier drafts of this paper.

² Work in progress. Please do not quote without my permission.

³ S.M. McMillan, 'Interdependence and Conflict', in: *Mershon International Studies Review* 41 (1997) pp. 33-58, there 36. See further: C.F. Bergsten, R.O. Keohane, J.S. Nye, 'International economics and international politics: A framework for analysis', in: *International Organisation* 29, No. 1, *World politics and international Economics* (1975) pp. 3-36; Keohane, Nye, 'Power and interdependence revisited', in: *International organizations* 41, nr. 4 (1987) pp. 725-753; Keohane, 'Problematic Lucidity: Stephen Krassner's "State power and the structure of international trade"', in: *World Politics* 50 (1997) pp. 150-170; E.D. Mansfield en B.M. Pollins, 'The Study of Interdependence and Conflict: Recent Advances, Open Questions, and Directions for further research', in: *The Journal of Conflict Resolution* 45 (2001) pp. 834-859.

⁴ P.R. Krugman, 'What Do Undergrads Need To Know About Trade?', in: *The American Economic Review*, Vol. 83, No. 2 (May 1993) pp. 23-26.

Neo-realists on the other hand, are of the opinion that interdependence can in fact lead to conflicts: 'Realists emphasize the conflictual aspects of international transactions whereas liberals [clearly] emphasize the beneficial aspects. From this starting point, realists come to the conclusion that interdependence either increases the likelihood of war or is not related to war initiation'.⁵ According to (neo-) realists interdependence will in the end lead to dependence, thus creating an unbalanced situation between two countries, instead of a symmetrical interdependence. This may lead to more (feelings of) insecurity, for example about the uncertainty of the flow of raw materials. This higher level of insecurity increases the chances of military conflict.⁶ Two well-known neo-realist authors are Waltz and Barbieri. The latter, for example, uses the concept of 'trade share', the share of the trade between two states in the total trade of one of these states. With this concept the relative importance of trade of a state is analysed.⁷ In my Ph.D.-thesis and in this paper I adhere to a variant of the liberal view of economic interdependence: mutual profitable economic relations⁸, which in my opinion leads to a situation in which (one of) the countries will do its utmost to restore trade relations as soon as possible.

The case of the economic relations between the Netherlands and Germany is a good example of this interpretation of interdependence theory. This paper focuses on the reconstruction of the bilateral Dutch-German economic relations, which was the dominant foreign policy goal of both the various post-war Dutch governments and Dutch business. It focuses on trade relations between the two countries, not on investment relations. It is centered on the question how the Dutch government and business worked together in achieving the restoration of Dutch-German trade in the 1945-1949. To Dutch politicians and businessmen, it was obvious that the economic relations with Germany had to be restored as soon as possible. To solve this problem, as a result of cooperation between the Dutch government and Dutch business, in late 1946 the 'Trustmaatschappij voor de handel van Nederland met het Buitenland NV' was founded, with the explicit goal to advance Dutch foreign trade, especially with Germany. This paper focuses on the activities of the Trust Company and its efforts to help in the reconstruction of the bilateral Dutch-German economic relations. This private company was to be the pioneer in the recovery of Dutch-German trade relations. The activities of

⁵ McMillan, 'Interdependence and conflict' 40.

⁶ See for example: K. Barbieri, 'Economic Interdependence: A Path to Peace or a Source of Interstate Conflict?', in: *Journal of Peace Research* 33, No. 1 (1996) pp. 29-49.

⁷ Ibid.

⁸ H.A.M. Klemann, *Waarom bestaat Nederland eigenlijk nog? Nederland-Duitsland: Economische integratie en politieke consequenties 1860-2000* (Rotterdam 2006) 9-10.

the Trust Company can tell us something about the level of cooperation between business and government, which appeared quite intense in the Netherlands after the end of the German occupation. The post-war period therefore offers an interesting opportunity to study business-government relations, as it was in this period that the Dutch government and business were both occupied with restoring and rebuilding the country. Fennema en Rhijnsburger recently stated that the Trust Company didn't have much influence.⁹ But this is judging with hindsight. If one looks at the persons who were active in the Trust Company, i.e. leading figures from Dutch finance, industry and trade, it's clear it was considered to be a very important institution. The fact that the outcome may or may not have been limited, is no indication of (a lack of) influence. The point of the matter here is that the Trust Company in fact was a way and an attempt to restore trade relations with Germany as soon as possible. In this paper I will argue that the activities of the Trust Company are illustrative for the fact that the Dutch government as well as business had only one dominant goal: the restoration of Dutch-German economic relations.

Installation of the Trust Company

Since the late nineteenth century, Germany had been the Netherlands most important trading partner. From 1930-1938 Germany had on average supplied 25% of Dutch imports – already low compared to the 1920s.¹⁰ These imports consisted mainly of machines, industrial products and raw materials like coal, kali, chemicals, iron and steel. The Netherlands were important to Germany as well: before the Second World War more than 30% of the Dutch exports found their way to the eastern neighbour,¹¹ consisting predominantly of agricultural products.¹² Above all, the Netherlands provided Germany with services and via Rotterdam and the river Rhine played a vital role in the transit to Germany's most important industrial areas. Vice versa the German hinterland –

⁹ M. Fennema and J. Rhijnsburger, *Dr. Hans Max Hirschfeld. Man van het grote geld* (Amsterdam 2007) 157.

¹⁰ Archive Ministry of Foreign Affairs (BuZa), The Hague, 912.230. File 563. Duitsland West. Nederlandse verlangens inzake geallieerde politiek in Duitsland; Nota Hirschfeld Deel I.

¹¹ G.W. Groeneveld, 'De economische en financiële betrekkingen tussen Nederland en Duitsland', in: *Maandschrift Economie. Tijdschrift voor algemeen economische, bedrijfseconomische en sociale vraagstukken* 12 (1947-48) pp. 449-469, there 450.

¹² H. Lademacher, 'Die wirtschaftlichen Beziehungen zwischen Deutschland und den Niederlanden in den dreißiger und vierziger Jahren des 20. Jahrhunderts', in: J.C. Heß and H. Schissler (eds.), *Nachbarn zwischen Nähe und Distanz. Deutschland und die Niederlande* (Frankfurt 1988) pp. 52-66, there 53. For that matter, the Dutch export of agricultural products to Germany as a consequence of the autarkic policy of the Third Reich decreased from 31,2 percent in 1934 via 24,2 in 1935 to only 19,4 percent in 1936. See H.A.M. Klemann, *Tussen Reich en Empire. De economische betrekkingen van Nederland met zijn belangrijkste handelspartners: Duitsland, Groot-Brittannië en België en de Nederlandse handelspolitiek, 1929-1936* (Amsterdam 1990) 193.

especially the Ruhr district – was of fundamental importance to the harbour of Rotterdam. Transit over Rotterdam – 80% of which was German – before the Second World War consisted mainly of supply of ores and grains. Upstream coal was transported in large quantities.¹³ To the various post-war Dutch cabinets and business, it was clear Dutch-German trade relations had to be restored as soon as possible. Without the recovery of Germany the recovery of the Netherlands after the Second World War would be seriously threatened.¹⁴

The importance of Germany to the Netherlands is evident from the fact, that, on instigation of the Dutch government and the newly erected Chamber of Commerce for Germany, in late 1946 the ‘Trustmaatschappij voor de handel van Nederland met het Buitenland NV’ was founded, with the explicit goal to advance Dutch foreign trade, especially with Germany.¹⁵ On 24 October 1946, the Dutch Minister of Economic Affairs, the catholic G.W.M. Huysmans (*Katholieke Volkspartij*, abbreviated KVP) who before his appointment had been director of the *Coöperatieve Centrale Boerenleenbank* (now Rabobank) and leader of the catholic employers, held a speech on occasion of the establishment of the Trust Company¹⁶, in which he addressed all the problems that stood in the way of a quick restoration of the Dutch-German trade relations, and explained why the Trust Company was to be installed.¹⁷ He stated, that it had gradually become commonplace that the Netherlands, ‘that had suffered so greatly at the hand of the Germans’, couldn’t exist economically without Germany. He made it clear once more, that the Dutch government was very aware of the fact that the economic future of the Netherlands ‘would indeed be very bleak’ if the Dutch – with which he presumably meant the government and business – would fail in regaining at least part of its position as the link between Germany and the Western world.

It had been expected, Huysmans continued, that the Netherlands, after the fall of the national-socialist regime and its autarkic tendencies, would automatically regain its old position, or even that the role of Dutch trade might increase in relevance. In reality, however, and to great disappointment to the Dutch government, it turned out to be

¹³ Klemann, *Tussen Reich en Empire* 265. See also: E.E. Eisen, ‘The Structure of Rhine Traffic’, in: *Economic Geography*, Vol. 10, No. 3 (July 1934) pp. 254-267.

¹⁴ See for example: M. Lak, ‘Stunde Null. Zonder Duitsland geen economisch herstel’, in: *De Academische Boekengids* 65 (November 2007) 13-15.

¹⁵ This paper is based predominantly on the following archive: National Archives, The Hague, Collectie Dr. H.M. Hirschfeld als Lid van de Raad van Gedelegeerden van de “Trust Company” (...), 1947-1949, number 2.05.48.03, inventory 1-5.

¹⁶ Trust is defined here as being a legal title to property held by one party for the benefit of the other.

¹⁷ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 4.; speech Huysmans at the establishment of the Trust Company, 24 October 1946.

precisely the opposite. The total paralysation of the German economy, the division of Germany in four occupation zones between and with which trade was all but impossible, and the Allied demand that everything was to be paid in dollars had disrupted ‘the former, intimate connection’ between the Dutch and German trade. For more than a year now, Huysmans noted, the Dutch government had been struggling with the problem how to reactivate the trade with Germany, so vital to the recovery of the Netherlands.

Huysmans made a further interesting statement. To the Dutch government it had become ever clearer, that there was no other country in the world that had so much interest in starting up trade with Germany. According to the Minister of Economic Affairs, outsiders would never be fully able to understand ‘what this means to our country’: ‘we cannot sit back and wait for our allies to realise this. Therefore, we have to find our own way, albeit only in cooperation with our allies. This means, that we have to contribute to the solution of their problems’.

Unfortunately, Huysmans stated, the Netherlands were not as rich as in 1920, when the country had given the German industry a loan of 140 million guilders, the so called *Tredefina-credit* (*Trenhandverwaltung für das deutsch-niederländische Finanzabkommen*), to allow German industry to finance its imports of raw materials.¹⁸ Nevertheless, everything possible had to be done to contribute to the reactivation of Germany’s foreign trade. According to Huysmans, ‘nobody can do this better than the Dutch entrepreneur’.

To overcome the difficulties in the Dutch-German trade relations, the Dutch government had, against its will, resorted to the installation of a sort of ‘state-trade’ (*staatshandel*) for Germany, which went via the so-called *Rijksbureaux*. These had been erected just before the beginning of the Second World War, and were tasked with the distribution of raw materials and final products and production. As a consequence they became very important economically during the occupation, especially because the German occupier wanted to do business with these agencies in stead of the ministries under which the *Rijksbureaux* formally resorted.¹⁹ As a powerful remnant of the war and unwilling to give up the power acquired in the war, they had to determine after the liberation, amongst other things, which share of their limited stocks of dollars to use to purchase goods in Germany.²⁰ At the head of the *Rijksbureaux* stood a high official of one

¹⁸ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 2. ‘Memorandum Tredefina-credit Dr. Keuter’, July 1947.

¹⁹ H.A.M. Klemann, *Nederland 1938-1948. Economie en samenleving in jaren van oolog en bezetting* (Amsterdam 2002) 45 and 506-507.

²⁰ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 4.; speech Huysmans at the establishment of the Trust Company, 24 October 1946.

of the leading companies in a certain branch, supported both by officials and representatives of the federation of trade unions. After the stocktaking of the possibilities to import, stocks and needs, the *Rijksbureaux* tried, by means of price controls, manufacture regulations and distribution commands, to reach a honest and efficient distribution and circulation of goods amongst the trade sector and the public of commodities like raw materials, means of production and other facilities amongst manufacturers and the processing industry.

However, Huysmans stated at the establishment of the Trust Company, government institutions were no commercial bodies and therefore ‘unsuited for a commercial task and certainly unable to fulfill a pioneering role’. According to Huysmans, it was only natural that the return of trade with Germany in commercial hands had come to mind, albeit in an organisation which had to adapt itself to ‘the hopefully temporally circumstances of the present time’. This needs some clarification. Huysmans himself came from Dutch business circles. He became Minister of Economic Affairs in the first Beel-cabinet, which was a reaction to its predecessor, that of Schermerhorn-Drees, the first post-war Dutch government, which had had a strong influence in Dutch economic life. Huysmans’ predecessor had been the socialist H. Vos, who had been a fierce proponent of a planned economy, nationalisation, and an increased role of the government in the Dutch economy. Huysmans and his KVP, however, fiercely opposed this policy. As soon as Vos had been replaced by Huysmans, the plans of the former were removed from the political agenda. The Catholics were strongly opposed socialism, nationalization, planned economy and an increased role of the government. On the contrary, Huysmans (and his successor J. van den Brink, also of the KVP) and the KVP wanted to put the Netherlands on a course towards industrialization, decrease government influence and give more authority to Dutch business.²¹ It should therefore come as no surprise, that the Trust Company – after all a private company - was erected under the Beel-cabinet.

It may appear as if the decision to establish the Trust Company was taken exclusively by the Dutch government. This wasn’t the case, however. The installation of the Trust Company was the result of talks between the Dutch government and Dutch business. The problems in the trade relations with Germany resulted in talks between the Dutch government and business about this issue, so vital for the recovery of the

²¹ H. de Liagre Böhl, J. Nekkers and L. Slot (eds.), *Nederland industrialiseert! Politiek en ideologische strijd rondom het naoorlogse industrialisatiebeleid 1945-1955* (Nijmegen 1981) 82.

Netherlands.²² Just at the time the Dutch government was thinking of establishing some sort of Trustcompany, E. Heldring (1871-1954) and K.P. van der Mandele²³ (180-1975), chairman of the *Nederlandsche Handel-Maatschappij* and banker and president of the Chamber of Commerce of Rotterdam - and as a consequence one of the most influential persons in the policy of the city and its harbour - respectively, took the initiative to seek contact with the Dutch government to establish a Trust company.²⁴ The question should be asked here, why the Dutch government didn't install a Trust Company itself, and why the initiative also came from business circles? This is all the more striking, as the role of the government in the economic life was larger than ever before. Apparently, the Dutch government didn't succeed in convincing Dutch business that the former would be able to restore Dutch-German trade relations by itself, needed assistance from Dutch business and therefore – given the importance of the matter at stake – that cooperation was necessary. The KVP however, didn't have objections towards this initiative of Heldring and Van der Mandele, as it wanted to give more influence to private initiatives.²⁵

That the Dutch government and business did join hands in trying to restore the Dutch-German trade relations as soon as possible should come as no surprise though. The Dutch government more than ever needed business, as the latter was indispensable for the recovery of the Netherlands. On the other hand however, business needed Dutch government as well, as the occupied West-Germany was impenetrable to Dutch managers; the only way to enter Germany at the time was via the Dutch army, i.e. becoming an army official. Dutch entrepreneurs and Dutch owners of property in Germany were seldom admitted to Germany to be able to safeguard their interests. Business correspondence was limited significantly as well.²⁶

The tasks of the Trust Company were to be manifold. In the statutes it read: 'to perform all acts which can be of service to further Dutch trade with foreign countries. Trade in this case means in- and exports, transit traffic, financial traffic and transport'.²⁷ Above all, the Trust Company was to be 'the pioneer in reactivating the Dutch trade

²² NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 3; report financial year 1947, dated January 1948.

²³ Van der Mandele also played an important recovery of the city and harbour of Rotterdam in the first twenty years after the Second World War. Source:

<http://www.inghist.nl/Onderzoek/Projecten/BWN/lemmata/bwn2/mandele>. Consulted 28 June 2008.

²⁴ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 4.; speech Huysmans at the establishment of the Trust Company, 24 October 1946.

²⁵ In its party programme it read: 'Economic activity as a rule should take place in private enterprises, with a reasonable place for middle- and small sized firms. The form of public enterprises should only be chosen, when private initiative is lacking or national interests demand the formation of public enterprises'. Source: <http://www.rug.nl/dnpp/themas/beginselProgrammas/kvp/begprog.pfd>. Consulted 12 July 2008.

²⁶ NL-HaNA, Hirschfeld, 2.05.48.03 inv. no. 1.

²⁷ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 5.

traffic with Germany'.²⁸ The organisation was to have a monopolistic character, on the condition that 'one had to insure the indispensable support of the government'. The Trust Company had to determine precisely which products were most desperately needed by the Dutch industry, at the same time giving prices of commodities, the suppliers and the time to supply these commodities. After that, the Trust Company had to register which articles, in what quantities and to which prices could be exported to Germany and how much the Allies wanted to buy. Negotiations had to be done directly with the Joint Import and Export Agency, which controlled the size and composition of the im- and export of the Bizone, the (economic) fusion as of 1 January 1947 of the American and British zone of occupation.²⁹ Definitive transactions between Dutch business and German customers were also to be taken care of. The Trust Company also had to open doors for business travels by intervention with the various Allied authorities. On the other hand, it had to refrain from interfering with financial and commercial transactions, i.e. these were to be left to the persons and companies concerned. In this way, the available experience and knowledge of Dutch business could be used and the existing relations would be hampered as little as possible. In short, the task of the new organisation should be seen 'to help and canalize trade'.³⁰

However, the Trust Company didn't have total freedom of action; the guidelines were to be set by the Dutch government, the Trust Company should cooperate intensively with the *Centrale Dienst In- en Uitvoer* and it could do no business on its own account. It was the hope of the Dutch government, as was explained by Huysmans, that the Trust Company would, with the support of the government and taken up by Dutch business, would be 'the battering ram which will breach the Chinese wall along our eastern border'.³¹

The Trust Company was to be headed by Heldring, arguably the most important Dutch banker of the time. Other important members of the Board of Delegates were Van der Mandele, J.J. Teppema, responsible for the trade relations with Germany at the Ministry of Foreign Affairs, W.H. Fockema Andreae, former head of the Netherlands Rhine Shipping Mission in Duisburg, H.M. Hirschfeld, the government commissioner of

²⁸ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no 1; Concept of the acting manager of the *Centrale Dienst In- en Uitvoer*, H. Meijer, to the different *Rijksbureaux* concerning the relation between the Trust Company and the *Rijksbureaux*, 24 March 1947.

²⁹ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 1.

³⁰ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 4.; speech Huysmans at the establishment of the Trust Company, 24 October 1946.

³⁰ Idem.

³¹ Idem.

German affairs³² and E.A. Liefcrinck of the Ministry of Finance.³³ The starting capital of the Trust Company was provided for largely by the major Dutch banks, who all contributed 25.000 guilders: the *Nederlandsche Handel-Maatschappij* (headed by Heldring), the *Rotterdamsche Bankvereniging*, the *Amsterdamse Bank*, *Pierson & Co.*, the *Twentsche Bank* and the *Boerenleenbank*, Huysmans' former bank. Other important investors came from trade, industry – the *Hoofdgroep Industrie* contributed 100.000 guilders, for example – and agriculture, which had huge interest in recovery of the im- and export from and to Germany.³⁴

Frequent contacts

From the start, there was frequent contact between the Trust Company and various Dutch government agencies. The Trust Company frequently wrote notes and year reports, in which the situation in occupied Germany was discussed, as well as what measures should be taken to restore the Dutch-German trade relations. The flow of information between the two must have helped a great deal in determining the Dutch policy towards Germany. It is moreover illustrative of the fact, that the Dutch government as well as Dutch business had only one dominating policy goal, the recovery of Dutch-German trade relations.

Both the Dutch government and business concentrated their efforts mainly on the British zone of occupation, as this was the zone which was the most important to the Netherlands economically. At the same time, it was also the most closed one. The policy of London, however harmful to Dutch interest, was understandable given the circumstances. Whitehall was confronted with a huge problem: it occupied the most densely populated, most industrialised zone in Germany. Because of the huge influx of refugees from Eastern Europe, the already heavy population pressure was augmented still further. The result was that the zone couldn't feed itself. In practice this meant, that the British Treasury had to invest ponds sterling to buy the necessary food, at the same time that Britain itself was as good as bankrupt after the cessation of the Lend Lease Aid.

Unfortunately enough, this zone bordered the Netherlands. Moreover, this was the zone where the Ruhr area was located, which was of such importance to Rotterdam. The British controlled 87 percent of the German coal production, 72 percent of the iron

³² During the German occupation of the Netherlands, Hirschfeld had played a crucial economic role as Secretary-General.

³³ W.H. Salzmann, *Herstel, wederopbouw en Europese samenwerking. D.P. Spierenburg en de buitenlandse economische betrekkingen van Nederland 1945-1952* (Leiden 1999) 152.

³⁴ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 1.

production and 72 percent of the production of steel, respectively.³⁵ In 1947, however, the German industrial production only sufficed to sustain a low level of self support, and imports were only allowed in exceptional cases. The whole policy had only one purpose: to limit the occupation costs to the poverty-stricken Britain. The issue of pounds sterling for the import of goods and services from the Netherlands, for example, was to be avoided as much as possible. The British policy led to a low productivity and made exports impossible, whereas the Netherlands desperately needed German goods and were eager to export to Germany.³⁶ In the Trust Company, this problem was noted as well: ‘entrepreneurs could not close contracts between themselves; all had to be done via intervention of government agencies’.³⁷

The Dutch government and its various agencies concerned with the restoration of the Dutch-German trade relations were on the whole of the same opinion with regard to Germany. Despite ‘the bitter memory of the war’³⁸ and all the horrors done to the Dutch at the hand of the Germans, trade relations had to be restored as soon as possible. The Trust Company did not stop pointing this out, not only to the Allied occupation authorities, but also to the Dutch government. To the Trust Company it was clear the trade relations between the Netherlands and Germany had to be restarted with ‘the utmost urgency’.³⁹

Influence of the Trust Company?

The question should be asked here, whether the Trust Company did have much influence on the restoration of the bilateral Dutch-German trade relations and the policy of the Dutch government. In a concept of the report of the financial year 1947, dated 25 March 1948, the tone was quite gloomy. Despite the support of the Dutch government and its executive institutions at the Ministries of Economic Affairs and Finance, as well from the Allied authorities, ‘there were numerous problems and there had only been very limited progress’.⁴⁰ The Trust Company was to function as the trustee of the Dutch government in its foreign trade.⁴¹ To the large Dutch enterprises, surely those like Shell,

³⁵ Ch. Kleßmann, *Die doppelte Staatsgründung. Deutsche Geschichte 1945-1955* (Bonn 1991) 70.

³⁶ M.D. Bogaarts, *Parlementaire geschiedenis van Nederland na 1945. Deel II: De periode van het kabinet-Beel. 3 juli 1946 – 7 augustus 1948, Band A* (Den Haag 1989) 588.

³⁷ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 5.

³⁸ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 3; report financial year 1947, dated January 1948.

³⁹ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 1.

⁴⁰ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 3; concept report financial year 1947, dated 25 March 1948.

⁴¹ NL-HaNA, Hirschfeld, 2.05.48.03, inv. no. 1; concept acting president of the *Centrale Dienst In- en Uitvoer*, H. Meijer, to the various *Rijksbureaux*, about the relation between the Trust Company and the *Rijksbureaux*, dated 24 March 1947.

Unilever, AKU (now AKZO), Philips and Hoogovens, the Trust Company won't have been of much importance; they had their own ways and channels in Germany to try to safeguard their interest and their huge investments in Germany and promote trade. The 'Big Four' – AKU, Shell, Unilever and Philips (abbreviated ABUP) had since 1934 held 'Contact Committees'. At its first meeting on 31 October 1946 one of the most urgent issues was the trade relations with Germany.⁴² With such an instrument at hand, it's not surprising there were no representatives of Shell, Unilever, AKU or Philips present in the Trust Company. The interests of these Dutch multinationals were so huge, it was out of the question that they would allow third parties to look after their interests; they would do so for themselves.

However, the 'Big Four' are an exception in the Dutch business system, which was (and probably is) dominated by small and middle sized firms. For them, it was much harder to look after ones interests and possessions in Germany. In the minutes of the Board of Delegates dated 6 June 1947 it read: 'When free exports can be resumed, large German concerns will probably prefer to use their old channels of information. With Dutch concerns unknown to them, cooperation is likely to be less easy'.⁴³ The Trust Company at least played a role in familiarising German clients with Dutch businesses.

To be able to reactivate Dutch-German trade, it should create direct contact between importers and exporters in the Trust Company, as well as independently approve transactions for imports and exports and to supply the necessary permits. However, the Trust Company was to stay within the instructions given by the *Rijksbureaux*, the executor of the distribution law of 1939. The dollar contingents destined for Germany, were placed at the disposal of the Trust Company quarterly by the *Centrale Dienst In- en Uitvoer*.⁴⁴

Whenever there were to be controversies between them, the Trust Company and the *Rijksbureaux* were to turn to the *Centrale Dienst In- en Uitvoer*. Soon however, a 'battle' for competence developed between the Trust Company and the *Rijksbureaux*. In a report of the *Commission of the Netherlands' Society for Industry and Trade for the study of the economic relations between the Netherlands and Germany*,⁴⁵ this commission had pointed out that it was necessary that the Trust Company should come into operation quickly, and start her

⁴² The information about the ABUP is taken from B. Wubs, *Unilever between Reich and Empire 1939-1945. International Business and National War Interests* (Rotterdam 2006) 216-217.

⁴³ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 2; minutes Board of Delegates, 6 June 1947.

⁴⁴ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 1; concept acting president of the *Centrale Dienst In- en Uitvoer*, H. Meijer, to the various *Rijksbureaux*, about the relation between the Trust Company and the *Rijksbureaux*, dated 24 March 1947.

activities as soon as possible, in close cooperation with the 'Bureau Deutschland' of the Ministry of Economic Affairs, another sign that there were close links between the Trust Company and the Dutch government. However, 'competence matters should be eliminated from the start'.⁴⁶ In a letter to the Rijksbureau for Trade and Industry [*Rijksbureau voor Handel en Nijverheid*] dated 28 April 1947, though, Huysmans foresaw few problems: 'Although the Trust Company is a private institution, the government is convinced, given the careful precautions taken with regard to its installations, that it can be given a high degree of faith'.⁴⁷ A little more than a week later, Huysmans wrote Heldring a letter in which he stated: 'The government is of the opinion that the Trust Company has no formal monopoly in the trade with Germany'.⁴⁸

How independent the Trust Company could act, however, was unclear. This caused friction between the Trust Company and the various *Rijksbureaux*. Especially the Rijksbureau for Chemical Products (*Rijksbureau voor Chemische Producten*) was fiercely opposed to the Trust Company. In a letter to Huysmans dated 19 March 1947, president of the Rijksbureau for Chemical Products C. van Driel van Wageningen, summed up his objections against the Trust Company. He and his colleagues were convinced that everything had to be done to reactivate the trade traffic between the Netherlands and Germany, especially because the chemical sector had large interests in this matter.⁴⁹ Van Driel van Wageningen feared however, that the *Rijksbureaux* would be eliminated when it came to judging the desirability of imports from Germany, and that this task would be given to the Trust Company: 'although close contact with the *Rijksbureaux* seems to be the intention, there has as yet been no guarantee that this deliberation will take place in a way which is satisfying to us'.⁵⁰ Moreover it was, according to Van Driel van Wageningen, out of the question that the Trust Company would be able to judge which goods were to be imported from Germany and to what price.

The Rijksbureau for Chemical Products was of the opinion, that there were no justified objections against the design of a settlement, in which the *Rijksbureaux* would be allowed to give advice beforehand on all import possibilities from Germany. Van Driel

⁴⁵ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 1.

⁴⁶ Ibid.

⁴⁷ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 2; letter Minister of Economic Affairs Huysmans, to the *Rijksbureau voor Handel en Nijverheid*, 28 april 1947.

⁴⁸ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 2; letter Minister of Economic Affairs Huysmans to E. Heldring, president of the Trust Company, 7 May 1947.

⁴⁹ National Archives, The Hague, Inventaris van het archief van het Rijkskolenbureau, number 2.06.056, inventory number 250; letter C. van Driel van Wageningen to Minister of Economic Affairs Huysmans, 19 March 1947.

⁵⁰ Ibid.

van Wageningen ended his letter with a final, yet venomous statement. As the Trust Company was a private institution, it would be inclined to look after the interests of its customers in the first place: ‘experience has shown often enough, that particular interest doesn’t always match national interest’.⁵¹

The resistance of the various *Rijksbureaus* against the Trust Company can be explained by pointing to the following. Before the Second World War, only a few hundred people worked at the Ministry of Economic Affairs. During the German occupation however, the *Rijksbureaux* had been given an important role in Dutch economic life, and as a result at the end of the war there were 15.000 officials at the Ministry of Economic Affairs. The *Rijksbureaux* were reluctant to give up this power. Dutch business however, didn’t want government officials to look after their interests without having anything to say in the matter; they wanted to take care of this themselves.

During 1948, this competence issue dragged on, without a clear winner. The year 1948 though, saw huge changes in the (economic) situation in the western zones of occupation in Germany. During 1947, it had become clear that the cooperation between the western Allies and the Soviet Union had ended. Soon, the United States and Great Britain decided to erect a West-German state, which had to be able to act for itself politically and above all economically. In 1948 the Americans, the British and French decided to liberalise prices in their zones, which huge success: all of a sudden shops were filled with products once again, and as labourers could once again buy food, they returned to their factories, whereas absenteeism had been rampant before.⁵² The monetary reform in the western zones had positive effects as well, the results of which were, in the words of Eichengreen, ‘nothing short of miraculous’,⁵³ although the growth figures are debatable. Klemann has pointed out that the post-war growth figures are probably a mixture of real growth and the legalisation of the production on the black market.⁵⁴

However it may be, the (start of the) revitalisation of western Germany had important repercussions for the Trust Company. In the minutes of the Board of Delegates of the Trust Company dated 24 December, in which Teppema and Hirschfeld reported over the role of the Trust Company, it read: ‘these changes inevitably had to

⁵¹ NA, Rijksbureau, 2.06.056, inv. no. 250; letter C. van Driel van Wageningen to Minister of Economic Affairs Huysmans, 19 March 1947.

⁵² M. Lak, ‘Na de overwinning. De Amerikanen, Britten en Russen in Duitsland na WO II’, in: *De Academische Boekengids* 69 (Juli 2008) 3-5, there 5.

⁵³ B. Eichengreen, *The European Economy since 1945. Coordinated Capitalism and Beyond* (Princeton 2007) 72.

⁵⁴ Klemann, *Nederland 1938-1948*.

have its repercussions, as the Trust Company had to help restore the economic relations between the Netherlands and Germany'. In short, the Trust Company had become superfluous.⁵⁵ This was also the consequence of the fact, that the JEIA on 19 November 1948 (JEAI-instruction No. 1) had simplified the procedure for German exports.⁵⁶ Germans wishing to export, were given a large measure of freedom in signing contracts, only limited by the trade in certain products, such as coal, wood, raw iron and foodstuffs. Only for these products an approval of the JEIA or the *Verwaltung für Wirtschaft* was necessary. To the Netherlands however, these were very important products. It would take until September 1949 before the Americans decided to liberalise almost all German imports. Only then a start was made with the real normalisation of Dutch-German trade relations. The effects of the liberalisation of German imports were spectacular: in September 1949 West-Germany ranked sixth in the Dutch exports; in October it was at place three and in November it ranked first again.⁵⁷

The necessity of mediation between the contracting parties and the JEIA, such as had been performed by the Trust Company, had disappeared by 1948. In a letter from the Ministry of Economic Affairs dated 1 November 1948, it read: 'Ever again, we come to the conclusion that a forced elimination of the Trust Company as forced [originally underlined, M.L.] intermediary for German deserves serious reconsideration. We are convinced the Trust Company should be abolished' ['het mes in de zaak te zetten'].⁵⁸ Hirschfeld and Teppema, curiously enough, were of the same opinion. According to the former, a continued use of the Trust Company in the imports from Germany would mean 'a hindrance to Dutch business'.⁵⁹ Teppema was only worried with regard to small businesses: 'the large exporting concerns can make do without the Trust, but to small concerns the cooperation of the Trust has been of great importance'.⁶⁰

As the main revenues of the Trust Company had been a provision on the imports from Germany to the Netherlands, this flow of money dried down as a consequence of the termination of her role as mediator. As of 1 December 1948 the decision was taken to end these activities, and the Trust Company no longer had a financial basis. As the

⁵⁵ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 5; minutes Board of Delegates Trust Company, 24 December 1948.

⁵⁶ Ibid.; concept annual report 1948.

⁵⁷ F. Wielenga, *West-Duitsland: partner uit noodzaak. Nederland en de Bondsrepubliek 1949-1955* (Utrecht 1997) 236.

⁵⁸ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 4; letter Department Sterling Area of the 'Bureau Duitsland' of the Ministry of Economic Affairs, 1 November 1948.

⁵⁹ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 5; minutes Board of Delegates Trust Company, 24 December 1948.

⁶⁰ Ibid.

control over contingents in the Netherlands, moreover, had only been granted to the Trust Company to be able perform her task in Germany, it was logical this control was given back to government institutions in The Hague. The Trust Company no longer had any function. At an extraordinary general meeting of the shareholders on 18 February 1949 it was decided to liquidate the Trust Company.⁶¹

Conclusions

To the various post-war Dutch cabinets and business, it was clear Dutch-German trade relations had to be restored as soon as possible. This was understandable; since the late nineteenth century Germany had been the Netherlands' most important trading partner, without which the latter's own recovery after the Second World War would be seriously threatened. To solve this problem, as a result of cooperation between the Dutch government and Dutch business, in late 1946 the Trust Company was founded, with the explicit goal to advance Dutch foreign trade, especially with Germany. It was to be the pioneer in the recovery of Dutch-German trade relations.

It encountered numerous problems though. First, the Allied policy and the lack of a central government in Germany made it difficult to get in contact with potential German buyers and sellers. Moreover, there were internal obstructions as well. The Trust Company had been founded as a private enterprise and it had no formal monopoly in the trade with Germany. On the contrary, there were many agencies that played a role in trying to recover the Dutch-German trade relations. In fact, there were so many, that 'even to insiders it was all but impossible to realise transactions'.⁶² This was one of the reasons why the Trust Company was founded. Foremost among other institutions that were concerned with the recovery of trade with Germany were the so-called *Rijksbureaux*, which had become very powerful during the Second World War and weren't eager to give up this power. They feared the Trust Company might become too powerful, which caused considerable friction, without a clear winner emerging.

Although the influence of the Trust Company may have been limited, it did have its benefits, especially on behalf of small and middle sized Dutch firms. The Trust Company at least played a role in familiarising German clients with Dutch businesses. In the annual report of 1948 was noted that the representatives of the Trust Company had done useful work on behalf of Dutch trade by the rapid acquisition of the necessary

⁶¹ NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 5; note comment on liquidation proposal.

permits. Finally, there was frequent contact between the Trust Company and the various Dutch government agencies. What's interesting above all, is the fact that the Dutch government as well as Dutch business had the same dominating policy goal – the recovery of Dutch-German trade. This is a clear confirmation of the interdependence theory as used in this paper: mutual profitable economic relations. The profit to be gained from the recovery of Dutch-German trade relations was much larger to the Dutch government and business than any form of annexation or reparations. Without a healthy Germany, Dutch recovery was impossible. That's why the recovery of Dutch-German trade was the dominating policy goal of the various post-war Dutch governments and business. The activities of the Trust Company are a clear illustration of this.

⁶² NL-HaNa, Hirschfeld, 2.05.48.03, inv. no. 1.