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**Economische politiek: de Nederlandsche Overzee Trustmaatschappij (1914-1919) en de Eerste Wereldoorlog**

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[Link to publication](#)

*Citation for published version (APA):*

Kruizinga, S. F. (2011). Economische politiek: de Nederlandsche Overzee Trustmaatschappij (1914-1919) en de Eerste Wereldoorlog.

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## Summary in English

This book concerns itself with the Netherlands Oversea Trust Company, which played a highly significant role in Dutch political and economic life during the remainder of this war, serving as both an unofficial diplomatic channel between the Netherlands and the belligerents and as a powerful supervisory body controlling large swathes of the Dutch economy. Central to this book are issues regarding the formation of policy within this organisation. Who controlled it, and to what end? Moreover, was the NOT a completely independent organisation, or was its freedom of action restricted by other parties, such as the Dutch Government? Finally, this book delves into the manifold relationships between the NOT and the other “Crisis Committees”, the both public and private institutions that were tasked to deal with economic difficulties arising out of the war.

The NOT’s foundation is intrinsically linked with Dutch dependence on its overseas trade, as I showed in the first chapter. In the decades before the First World War, the Dutch agricultural sector, for instance, came to be heavily export-orientated. Britain emerged as the most important market for Dutch vegetables, meat and dairy products, its German counterpart having become increasingly inaccessible due to the enactment of a series of laws protecting native German agriculture. Meanwhile, the Netherlands’s advanced agricultural sector became dependent on the import of fodders and fertilizers. But Holland was not just an agricultural powerhouse; its economy was quite varied, especially for a country so small in size. The river Rhine, which linked the German industrial basin with the North Sea, allowed the Netherlands to become a major European trading hub, and Rotterdam the gateway to Central Europe. The 1868 Rhine Shipping Treaty between the Netherlands and Germany cemented the symbiotic relationship between Rotterdam and Ruhr, by eliminating all tariffs on the river Rhine and making all transit trade to and from the North Sea via the Netherlands permanently “free” from government interference. The ease with which goods were transported through the Netherlands is reflected in the inaccuracy of Dutch trade statistics: there was hardly any reliable data distinguishing transit trade from imports for Dutch use proper. The Netherlands East Indies were an important source of trade as well. From 1904 onwards, prices of Indies goods on the world market rose, production expanded and investment returns were very high. Amsterdam became a staple market for Indies goods such as sugar and tobacco, and a host of new trading houses and industries was set up to pack, distribute and / or process the colonial goods, often for re-export to another country. Dutch industry, meanwhile, had developed rather slowly throughout the nineteenth century, but by the early twentieth the pace had notably quickened. It, too, depended heavily on the import of raw materials the Netherlands itself lacked, and was mostly geared towards the home market. Notable exceptions were industries processing agricultural and colonial raw materials, which sold their goods abroad, mostly in Britain and Germany.

Politically, the Netherlands pursued a course of strict neutrality, its leaders deciding that this was the only politically realistic option open to them to safeguard both their European homeland and their vast Asian colonial possessions from the jealous eyes of the surrounding Great Powers. Hoping to strengthen their neutrality and maintain their vital trade links even in times of war, the Dutch became very active participants in the drafting of a new International Prize Code relating to wartime trade. The resulting Declaration of London protected most forms of neutral trade, unless belligerents could prove that the trade

goods in question were only meant for combat or were shipped to agents of an enemy's government or armed forces. It was signed in 1909, but needed to be ratified by all the signatories' parliaments before coming into effect. However, the British House of Lords blockaded ratification in 1911. The British Government assured the Dutch, however, that the bill would be reintroduced. The Balkan crisis of July 1914 and the subsequent outbreak of the First World War, however, delayed ratification indefinitely, which would have widespread ramifications for the course of the First World War, and the role of the Netherlands in it.

Soon after the outbreak of war, Britain and her Allied partners Russia and France decided to stop Germany from replenishing its supplies through the port of Rotterdam, where neutral ships dropped off contraband goods – usable for making war – destined for transshipment. Doing so would be in direct contravention of the rules of the Declaration of London, however, which still bore the signature of the British Government's most senior members. The Cabinet therefore used legal trickery in an attempt to kill two birds with one stone. On 20 August 1914, it released a statement that it would abide by the Declaration of London, "subject to certain modifications". In effect, the British mixed and matched portions of the Declaration of London with British national prize law, which allowed them to freely extend the list of contraband goods susceptible to capture by a belligerent on board neutral ships. Unless the Dutch government would prohibit all transit trade of contraband goods, the British government threatened, it would use its self-appointed powers to stop all contraband traffic to the Netherlands.

As this would constitute a breach of the Rhine Shipping Treaty (and a *casus belli* for Germany), the Dutch government of minister-president P.W.A. Cort van der Linden had no choice but to refuse. Therefore, from the end of August 1914 onwards, the British made good on their promise and prevented Dutch ships carrying contraband to reach home shores. However, influential government ministers of Trade (M.W.F. Treub) and Foreign Affairs (J. Loudon) never seriously considered contesting British "modifications" to the Declaration of London. Both felt that Germany gained "unneutral" advantages by using Dutch traders as a means to defeat the Allied blockade of its coastline, and felt that a conflict between the Allies and the Netherlands would not be in the Dutch national interest. Loudon courted the British Legation in The Hague to offer the Dutch "secret" arrangement on contraband. Treub went one step further, and formed a committee of five influential businessmen, headed by his banker friend C.J.K. van Aalst, which was to keep the British government informed of all Dutch business dealings, in the hope that they could discern which of those were for bona fide Dutch, and which for German benefit. The British Commercial Attaché to The Hague, Sir Francis Oppenheimer, picked up on this idea and suggested to his superiors in London that the Committee could perhaps give the Allies what they wanted (a means of discerning which imports were for "home consumption," and which were merely on their way to Germany) without the Dutch government being openly involved and thus without the risk of German belligerency. The British government, who, during the war, would coordinate Allied blockade policy vis-à-vis Holland, agreed, and so did Loudon, as long as his government's involvement remained a strict secret. The agreement between Oppenheimer and the two ministers was put into operation by Treub's Committee, who in turn founded the Netherlands Oversea Trust Company (NOT), limited on 24 November 1914. Officially, the NOT was financed and run by a small group of Dutch bankers

and shipping companies, furthering the illusion that the company was born purely of private initiative.

The NOT was to serve as a clearing house for overseas contraband imports. Those seeking to import overseas goods had to sign a contract with the NOT promising not to export the goods to Germany, and pay a sizable deposit. In case of a breach of contract, the deposit (roughly equal to the worth of the goods in question) would be confiscated by the NOT. Satisfied with these controls, the Allies allowed goods imported via the NOT a free pass through the North Sea blockade. The NOT businessmen did want an Allied favour in return for their cooperation: the exemption of several luxury Indies goods from the Allied contraband lists, allowing them to be sold via Holland to Germany at great profit. These exemptions suited the majority of the founding companies of the NOT, heavily engaged in the Indies trade, quite well. They belonged, as I have shown in chapter 3, to the "Amsterdam" section of the Dutch business world, which championed overseas and Indies trade and therefore good Anglo-Dutch relations. The "Rotterdam" section, mostly interested in the transshipment and the export of goods to Germany, was in a minority.

In March 1915, however, the economic war between the Allies and the Central Powers intensified. Reacting to Germany's declaration of unrestricted U-boat-warfare, London declared that it would henceforth endeavour to stop all German trade, not just contraband imports. This invalidated the accords between the British government and the NOT, but both its president Van Aalst and its anglophile chief negotiator Joost van Vollenhoven implored London to come to a new understanding. In the end, it was agreed that the NOT would extend its tasks to check all incoming and outgoing traffic for goods of German origin or destination, although the two did manage to win a couple of concessions: coffee, tobacco and cinchona from the Indies would still get a free pass through the blockade, goods of German origin which were urgently needed in the Indies could still be moved there, and Dutch goods which contained a maximum of 25% German labour or materials would count as "Dutch," not "German" exports.

The new agreement nearly overburdened the NOT. Despite an extremely rapid growth of its personnel it could not possibly hope to police all Dutch trade, especially since the continuing blockade had greatly increased prices for goods under NOT supervision in Germany. The Executive Committee was therefore forced to improvise. When it found out, for example, that margarine factories had been importing four to five times their pre-war average of raw materials, hoping to secretly export the margarine surplus they produced to Germany, it threatened that they would no longer be able to use the NOT to import raw materials such as oils, fats and copra, unless they promised to stick to the pre-war average and submit to rigorous controls. Thus "rationed," the chance of them producing a large surplus which carried a great risk of being sold to Germany was significantly reduced. The British government was extremely satisfied with these measures to curb fraud, and in a third and final Anglo-NOT agreement (dated 19 July 1915), provisions regarding the "rationing" of all Dutch imports were included. London demanded, however, that all rations were to be mutually agreed between itself and the NOT. Finally, the July Agreement included the provision that all goods produced from overseas imports would be subject to the same NOT controls and limitations as the overseas imports themselves.

The NOT's negotiations had seriously confined the freedom of action of Dutch traders. The Trust Company has therefore been charged with signing the July agreement out of narrow self-interest. Other detractors have pointed to the Executive Committee's pro-Allied

leanings, or to its fear of standing up to the British. However, as I have shown in chapter 4, the NOT Directors all agreed to the measures because they felt that stricter controls were necessary for the NOT to survive, which even the “Rotterdam” members concluded was in their interest: the alternative would be the end of Dutch overseas trade. Moreover, the NOT Board Members, especially those in the Executive Committee who were highly visible to the public and their peers in the Dutch trading community, felt that having the NOT collapse rather than sign a new agreement would be fatal to their own reputation.

The NOT’s compliance with the Allies’ economic warfare formally did not impact the Dutch Governments neutrality. In practice, however, the Dutch government helped the NOT carry out its new tasks. The minister of Waterways and Traffic allowed NOT personnel to inspect cargo trains on their way to Germany, and Treub, who in November 1914 had moved from the Trade to the Finance Ministry, allowed the Dutch Customs Office to share information on German exports with the Trust Company. Both measures were indispensable to combat fraud, and without them, the NOT would most probably not have been able to carry out the tasks with which it had burdened itself.

In other areas the Dutch Government and the NOT cooperated so closely the lines between the two began to blur. A chief example of this can be found in the institutional organisation of Dutch-German trade, which took shape during 1915 and is the subject of chapter 5. Intervention was necessary because the British blockade had dramatically altered the trade balance between the two countries. As the Allies prevented ships from entering and leaving the Central Powers’ ports directly and the NOT severely restricted transit trade, Germany and Austria sought to replace overseas supplies, most notably foodstuffs, produce and abandoned all pre-war trade barriers. Dutch farmers abandoned traditional markets in Britain, as prices were lower and the costs of transport (due to the inherent dangers of sea travel in wartime) much higher, and sold nearly all their surplus produce to Germany and Austria. As a result, home stocks were beginning to run low, whilst prices rose tremendously. Meanwhile, fears abounded that Berlin would use its near-monopoly of vital industrial raw materials, such as steel, coal and dye, to extort the Dutch into selling them goods they were unable to export, such as those imported by the NOT. Minister Loudon therefore proposed that the Dutch form a united front against Germany. A special Committee for Foreign Trade was formed, in which representatives from industry, agriculture, the NOT and several government departments together decided which goods were suitable for trade with Germany, and what German goods were to be demanded in return. The Committee for Foreign Trade represented a close cooperation between government and business in which all parties had an equal vote. However, the leading figures within the CFT were all businessmen: NOT-members A.G. Kröller and W. Westerman, and agricultural mogul J.Th. Linthorst Homan.

The CFT trade system soon ran into serious difficulties. With NOT-members Kröller and Westerman in the lead, the NOT and CFT seemed joined at the hip. However, Kröller and Westerman did not share the NOT Executive Committee’s “Amsterdam” leanings, having vastly different business interests. Kröller led a great business empire focused mostly, but not exclusively, on the Central Empires, financed through Westerman’s Rotterdam-based bank. Kröller and Westerman had been both personal enemies and professional competitors of Van Aalst and his business friends for years, and had only joined the NOT at the express urging of Treub, who wanted to make sure that both “Amsterdam” and “Rotterdam” were represented the in Trust Company’s board. Moreover, the German public distrusted the

NOT, as worrying stories of the Executive Committee's pro-Allied stance and Francis Oppenheimer's role in its creation appeared in the press. Kröller and Westerman therefore distanced themselves as far as possible from the Executive Committee, resulting in weakening ties between the NOT and the CTF.

Worse, the new Trade Minister F.E. Posthuma introduced reforms in the system designed by his predecessor to make sure farmers did not export everything to the high-paying Germans but also kept the home market adequately supplied, in order to prevent food shortages and price rises. Although Treub had left much of the practicalities in the hands of farmers themselves, he had obliged them to confer with government officials. Posthuma removed that need. He created Farmers' Associations and gave them executive control over almost all aspects of production and export, hoping that they had more adequate data than the government, which had to rely on the faulty pre-war statistics. Moreover, it was hoped that farmers were better equipped to keep their own in check, and thus prevent fraud and stockpiling. Finally, he hoped to ease the burdens on the small, overworked staff of his ministry and cut government spending. The creation of the Associations was thus animated by the same free-market, laissez-faire principles as had partly inspired the creation of the NOT. It was deemed best to let those outside the government do most of the work, as they would be better at it than the small, overworked staff at the Trade Ministry and would save the government from having to perform un-neutral actions. The new system eliminated all direct government involvement, which helped cut costs. However, in every other regard the Associations represented a change for the worse, as the Associations were not in any way CFT coordination system, lessening its effectiveness (see figures 5.1 and 5.2).

The backlash of a further intensification of the economic war between Allied and Central Powers, which coincided with the weakening of the NOT-government coordination system, is discussed in chapter 6. From the Summer of 1915 onwards, the British Government argued that Dutch agricultural exports to Germany were a breach of the Agreement, since imports from overseas (fertilizers, fodder) were being used to "produce" goods that were exported to Germany. The Committee agreed that some reduction of these agricultural exports was necessary, although for wholly different reasons. They feared that the huge exports would cause Dutch prices to rise as well and cause local shortages, and that abandoning the British market now might mean losing it forever. Posthuma saw things quite differently, however. He feared that after the war, the British Empire would form a closed economic bloc, and Britain would prefer Australian and Canadian foodstuffs over Dutch produce. Germany, he felt, was the natural outlet for Dutch agriculture. The NOT tried to force the issue by refusing to import agricultural supplies, whereupon Posthuma, without consulting the Foreign Office, decided that the government would buy and transport the supplies themselves, sidestepping the NOT altogether. However, the Dutch government remained a party to the Rhine Shipping Treaty and could therefore offer no guarantees that the cargoes they imported would not end up in Germany. Indeed, the Allies soon found out that large shipments of maize had ended up in German-occupied Belgium, and threatened blockade if the government did not return complete control over all imports to the NOT and help it significantly reduce Dutch exports of meat, fish, vegetables, fruit and dairy products to Germany. Loudon, who opposed Posthuma's policies, could however do nothing to support the NOT: government interference with the sale of agricultural produce on the free market at the express request of one belligerent would be a

severe breach of neutrality. To make matters even more complicated, Posthuma was egged on in his fight against both the NOT and the Allies by Kröller, who feared that the NOT's refusal to import any more agricultural supplies would hurt his own extensive business dealings in Chilean nitrates and Argentinean maize, and therefore supported his move to bypass the Trust Company.

Meanwhile, the NOT attempted to negotiate an agricultural settlement whereby the British would buy up about half of the Dutch surplus at prices just as high as the Germans had been willing to pay. To sell the proposal to the sceptical British Treasury, who were very hesitant to add to the Empire's wartime financial burdens, Van Aalst organized a huge loan by Dutch bankers. The farmers, fearing an end to fodder and feeding stuffs imports, agreed, and formed, on 29 June 1916, the Agricultural Export Bureau, charged with carrying out the provisions of the Agricultural Agreement negotiated by the NOT. Kröller, cleverly sensing that the establishment of the AEB and the agricultural agreement meant that the NOT could resume importing supplies, thereafter made peace between Posthuma and the Executive Committee.

However, the AEB proved unable to hold up its end of the Anglo-Dutch agricultural bargain. This was mainly due to the fact that the AEB had no official authority over the agricultural Associations, and thus could not force them to cut sales to the Germans and offer produce to the British instead. In order to remedy this situation, yet another committee was created and given broad powers over agricultural production, allocation and distribution. This Assistance Committee was dominated by Kröller, who had Posthuma's ear. Most likely, the Assistance Committee was the result of a deal between Posthuma, who grudgingly accepted defeat and therefore the need the AEB but insisted on Kröller being in charge, and Loudon, who offered the AEB the same kind of tacit government support as had been afforded to the NOT, but insisted on a deal with Germany to complement the agreements with the Allies.

Loudon also insisted that the AEB made a separate agricultural deal with the Central Powers, as they could use their U-boats to torpedo agricultural transports to Britain, thus invalidating the Agricultural Agreement. Luckily, German authorities began to note that the effects two years of massive agricultural purchases abroad were beginning to take its toll on the German trade balance, which had turned heavily into the neutrals' favour which led to the Reichsmark rapidly decreasing in value, prompting fears of financial collapse. German bankers therefore began negotiations with Dutch bankers for massive loans, which would, it was hoped, stave off disaster. This brought the German bankers in contact with Van Aalst, hoping that he could once again organise a massive foreign loan. German financial fears and Van Aalst's self-interest in providing the Germans with the loans they so desperately desired provided the basis an agricultural deal with Berlin: an agreement was reached whereby the Germans were promised the remaining half of the Dutch agricultural surplus, in exchange for Dutch credits and lower prices. The deal also secured the Dutch continued supplies of German raw materials such as steel, iron and coal to Holland.

Chapter 7 zooms in on the evolving relationship between the NOT and both the British and the Dutch government. Anglo-NOT relations had been as good as one could expect them to be throughout 1915, and in 1916 the Executive Committee and the British Government worked jointly to curb agricultural exports to Germany. However, during 1916, relations between the NOT and London soured considerably. This was due to the fact that the interests of both parties to the Agreement no longer seemed as compatible as they were the

previous year. The British government, hounded by the press, the army and the navy to exert maximum economic pressure on the Germans, had little choice but to clamp down on neutrals and insisted on curbing or even removing many of the concessions afforded to the NOT in 1915. This came as a shock to the Executive Committee, who had come to view these concessions as proof that their voice was heard in London, whilst they moreover proved very important to certain Dutch industries. Britain also attempted on several occasions to use its blockade to further its own economic interest, which sometimes clashed with Dutch, or even specific “Amsterdam”, interests. Finally, the personal bonds between the British Legation and the NOT Executive Committee, most specifically between Van Vollenhoven and Oppenheimer, began to weaken, as both were in some way restricted: Van Vollenhoven by his new appointment at the Dutch National Bank, Jewish German-born Oppenheimer by an ever more hostile work environment. The Agreement, however, did not break. Both parties were not willing to risk everything by totally alienating the other party, which for the Dutch would lead to economic disaster or entice them a stronger anti-Ally stance which would have repercussions in the political, economic but possibly also the humanitarian and the military spheres.

The relationship between Dutch government and NOT was at least as schizophrenic. Whilst having a falling out over agricultural exports, the government also – simultaneously – strongly supported it in some other cases. The apex of this support came when Loudon launched an unofficial press campaign supporting the NOT, putting the apparatus of the Dutch network of Legations abroad at the service of the NOT. Chapter 7 also gives several examples of the increasing complexity of the Dutch decision-making apparatus. Economic pressure from both sides required complicated negotiations and the deals that were struck were often overseen by two or more Crisis Committees, the NOT and the Dutch Government. This made for a very complicated decision-making process and created a very high margin for errors and misunderstandings.

This would have devastating consequences during the final phase of economic warfare, as I show in chapters 8 and 9. In February 1917, the German Government decided on a campaign of unrestricted submarine warfare against Allied trade, hoping to force Britain, which depended on its trans-oceanic shipping lanes for food and other supplies, into surrender. In essence, the German Government essentially forbade all ships (Allied and neutral) from trading with Allied countries on pain of death by torpedo. Fearing that German submarines would discourage European neutrals from trading with Britain, the Admiralty forbade neutral ships from leaving British or Dominion ports unless guarantees were given that the Anglo-neutral trade would continue. Extra pressure was exacted by withholding bunkering coal from neutral ships in the extra-European trades: since the British controlled all coaling stations en route to the Dutch Colonies and the Americas, this was an extremely powerful bargaining chip. To make matters worse, the European weather had taken a turn for the worse. As a result crops failed all over Europe, thereby creating an ever greater need for imports from the one continent where a food supply was still available: America. Unfortunately, however, the United States, which had declared war on Germany in April 1917, decided to enact an embargo against neutrals in Europe until they halted all exports to Germany.

Allied and US actions, which essentially made Dutch shipping and trade subject to their demands, impacted not only the NOT but also the Dutch Government. This was due to the Shipping Requisitioning Law promulgated in January 1917 by Posthuma, which allowed



the government to take over all ships in order to curb rising freight rates and maximise the import of much-needed foodstuffs. Posthuma immediately put Kröller in charge of the execution of the new law, who, in his dual role as chairman of the Assistance Committee and “shipping dictator”, became one of the most powerful men in the country.

Thus, when preliminary negotiations began in London to discuss an exchange of Dutch shipping space for bunker coal and the release of the ships held up in British and American ports, NOT representatives were for the first time joined by a delegate from the Dutch government. Moreover, to discuss proposals on Allied hiring of Dutch tonnage and a resumption of Anglo-Dutch trade, a new Navigation Committee was formed, consisting of representatives of both the NOT and of all the major Dutch shipping lines. As an added bonus, the establishment of the Navigation Committee offered the Executive Committee a chance to counter Kröller’s growing control over Dutch shipping. However, discussions soon reached a stand-still: ship owners, the NOT, Loudon and Posthuma could not reach a consensus over the amount of tonnage that would be traded for bunker coal. Moreover, the NOT wanted the Dutch to make the first move, convinced that the British Government had the Americans under their thumb, whereas Loudon and Posthuma wanted to await definite Anglo-American assurances of the availability of both coal and imports.

In order to reassert their autonomy vis-à-vis the Dutch government, to show their anger with the British for breaking the agreement – which they erroneously believed was the result of British pressure on Washington – and to kick-start the negotiations, the NOT Executive Committee members went on strike, refusing to enter into any sort of contact with the Allies until it had solid guarantees that what it perceived as the main provision of the Agreement – that Dutch trade would continue unmolested as long as the NOT held up its end of the bargain – would be honoured by the British Government. Although the British government was prepared to make some concessions and intercede with the Americans on the NOT’s behalf, Oppenheimer and Van Vollenhoven conspired together to make sure they did not. Both were afraid that Van Aalst, who was the moving spirit behind the strike, had overplayed his hand and would not back down for any concession the Allies were prepared to make.

The NOT strike did not lead to any tangible results, but did galvanise the Dutch government into action. It also reminded the British that they still needed the NOT, if only for political reasons: it was the strongest counterforce to Kröller and Posthuma. Loudon, too, understood the need for action. And even although the Americans and Posthuma were hesitant at first, it was decided that a Dutch negotiating team could join the Americans and the Allies in London to discuss terms. Following tense negotiations in December 1917, it was decided that the Dutch return home to consult with their Government, the NOT and the relevant Committees. They brought with them an extensive, but flexible, set of proposals. The embargo would be completely lifted and Dutch ships would be fuelled, if all Dutch exports to Germany were stopped and a significant number of tonnage would be employed in Allied service. If, however, the Dutch insisted on certain exports to Germany, a corresponding number of imports from America would remain embargoed. In the Netherlands, Loudon convened a special Ad-Hoc Committee to consider the proposal and its effects on economic and political relations with Germany. Since Germany was still able to provide certain raw materials (most importantly coal and steel) in bulk which neither Allies nor Americans could replace, it was decided that the trade of foodstuffs, which the Germans demanded in return, should continue. However, the Committee members, which included

representatives from the relevant Government departments, the NOT, the Assistance Committee and several others, could not agree on the terms presentable to the Allies. Worse, Minister Loudon leaked the complete set of proposals to the Germans in order to make sure that they were on board as well, fearing that German U-boats might torpedo American transports if a deal was made unacceptable to Berlin. The leaked document gave the Germans the impression that the Dutch were about to shut down all trade with the Central Powers, and they threatened severe countermeasures if the Dutch signed any deal with the Allies. Infighting and fear of Germany caused the Ad Hoc Committee to become deadlocked. On 20 March 1918, finally deciding to force the Dutchmen's hands, they simply requisitioned all Dutch ships which had been laid up in their ports since the beginning of the shipping and coal stalemate.

The continuing shipping stalemate and the weather caused Dutch agricultural exports to Germany and Austria-Hungary to drop dramatically. In an effort to up the pressure on the Dutch, the German government centralized all imports and exports in early 1917, in order to eliminate free market competition and block any trade that did not benefit the German war economy. The German centralized purchasing agency managed to successfully play off the different Dutch agricultural Associations against each other, threatening to buy up produce from another if one refused to lower their prices. This situation further worsened the negative side effects inherent in the Associations system. The Germans were careful not to offer less than the Dutch domestic price level, which meant that the members of the Associations still had every incentive to export. Thus, they categorically understated the amounts they thought necessary for home production, hid stocks from inventory in order to export them, and kept pushing the Minister for more export licences.

Treub therefore convinced Posthuma that the export system needed revamping. He suggested that every Dutch export be bartered for imports deemed valuable, and suggested that a new, central organization be made responsible for its operation, which could trade on equal footing with its German counterpart. They sent a joint proposal to all the Crisis Committees to a new company, privately-owned and funded, which would deal with all agricultural exports and financial dealings connected therewith, as well as the execution of the existing agricultural agreements with the Allies and the Central Powers. The new organization (the Netherlands Export Company) would be operated by businessmen, but also have closer ties to the government. Van Aalst however uncovered an attempt by Posthuma and Kröller were attempting to "hijack" the NEC and exclude the NOT from having a role in it, by nominating the members of the Assistance Committee as the new company's directors.

Van Aalst reacted by publicizing the new company's Articles of Association which had been secretly altered by Kröller and Posthuma. This caused a storm of controversy which also reached Parliament, creating doubts amongst its members whether a new private institution, prone to conflicts such as the Kröller-Van Aalst jealousy, was the way to go. Some even argued that the time had come for the government to take complete control, pointing to the Associations but also increasingly to the NOT – who some argued was no more than a vehicle for Van Aalst's private business affairs – as examples of how businessmen served their own needs rather than those of the public. The Government, however, countered that it would continue to seek the advice of the business world, repeating the same arguments it used since the beginning of the war: engaging businessmen was cheaper and more efficient than creating a new Government apparatus. In the end Parliament was swayed by the

promise that both Treub and Posthuma would supervise the new company and approved of the new law, after which the NEC-plan was put in operation on October 15th, 1917.

However, Kröller and Posthuma immediately moved to reassert control and minimise close friends and allies Treub and Van Aalst's role. Kröller was put in charge of a "sub-ministry for Crisis Affairs", solidifying his hold over not only shipping but also trade. In effect, Posthuma, who distrusted Treub greatly and feared his and the NOT's influence on Dutch economy in general and the NEC in particular, had created an organisation to rival the new Export Company. Kröller thereafter took charge of negotiations with the Germans, which had started in Autumn 1917, and concluded a new trade agreement with them, whereby named quantities of Dutch foodstuffs and sizable new credits were traded against German coal and steel. The NOT and Treub protested the new agreement and the former actively tried to enlist British help to sabotage it by asking for British coal, but to no avail. In the end, they had little choice to accept German terms: without coal, Dutch industry would grind to a halt and many Dutchmen would not be able to heat their homes during winter.

In the wake of Kröller's negotiations, Posthuma and Treub had a public falling-out, which exposed the deep divisions not only within the Cabinet but also the Crisis Committees to the Dutch public. Parliament demanded unity, but Cort van der Linden refused, citing political theory: he felt unable to force the various members of his extra-parliamentary cabinet to adhere to one single policy. Parliament, however, refused to send the Cabinet home, as they were unwilling to take political responsibility. It therefore lashed out at the Crisis Committees, with Kröller becoming their main target. He was therefore quite unceremoniously sacked on 1 April 1918, whilst the agricultural Associations – whom Parliament partly blamed for the food shortage - were turned into government-operated institutions .

The NOT initially welcomed these changes, but Kröller's successor at the sub-ministry for Crisis Affairs, M.M. Schim van der Loeff, was even less inclined to work with the NOT: it looked like Posthuma now seemed hell bent on removing the NOT from power, and had enlisted Schim van der Loeff to obstruct their policies wherever he could. Worse, the Germans began to press home their economic advantage, now that an agreement between the Dutch and the Allied powers seemed far off, to demand that the NOT seriously curb, or even curtail its operations, as a quid pro quo for further trade arrangements. The NOT's days seemed numbered, even Loudon suggested that it might be time to replace the NOT by a more "neutral" government institution which would have the backing of both the Allies, the Americans and the Germans. Infighting between government and NOT, disagreements between Allies and Americans, and a German government emboldened by the apparent success of its 1918 Spring Offensive, created a complete deadlock.

So, in summer 1918, the Netherlands seemed on the verge of economic and institutional collapse. However, in September the fortunes of war had turned decidedly in the Allies' favour, which meant that it became politically and economically expedient for the Dutch to come to an agreement with them. Moreover, during that same month a new Government took office. The incumbent Trade and Foreign Ministers immediately began institutional reforms. Most prominently, Foreign Minister H.A. van Karnebeek installed a so-called Advisory Council, comprising of the heads of the remaining committees, which would be subordinated to his direct control and would aid him in finally concluding a General Agreement with the Allies and the United States. The NOT was, at the behest of the British, made responsible for carrying out major provisions of this economic treaty, which re-

established Dutch overseas shipping and trade. However, the NOT had lost nearly all of its independence, as both the Dutch government and the victorious powers limited its decision-making powers. As the NOT, as well as the other Crisis Committees, had become increasingly unpopular and were seen after the war as stalwarts to the resumption of free economic development, the Executive Committee could not wait to shut down the Trust Company. That moment finally came when the Allies and the Americans concluded the Treaty of Versailles, formally ending hostilities between them and Germany and the economic war with it.

On the basis of the chapters which I have summarised above, I have drawn the following conclusions regarding the NOT's decision-making process and its relationships with both the Dutch and the main belligerent government, as well as the other Crisis Committees. Firstly, the NOT was dominated by Executive Committee members Van Aalst and Van Vollenhoven. The other NOT board members went along with their decisions, even if they disagreed with some of them. Even "Rotterdam" NOT-members recognised the inherent advantages the Trust Company brought both their companies (be it banks, who profited from the NOT's contract system, or shipping companies who, without the NOT, could not set sail at all). Secondly, the relationship between the Dutch Government and the NOT was much more complicated than previously assumed. Leading ministers Treub and Loudon helped found the NOT and kept it in operation throughout the war. At the same time, elements within the government (most notably Posthuma) actively opposed the NOT. This is testament to the confusion and lack of coordination that permeated the Cort van der Linden government and, through it, the entire apparatus of Crisis Committees. Thirdly, the NOT's dealings with both the British and the German governments were not primarily ruled by sympathies, but were much more pragmatic. Obviously, the Germans were none too fond of the NOT and suspected them of a pro-British bias, but also realised they needed the NOT: without them it would not be able to take advantage of Dutch agricultural exports, nor could it risk alienating its members: the banks who financed German credits, and the shipping companies needed to ship German goods to and from the Indies after the war. Only when these advantages seemed to have disappeared after 1917 did the Germans launch an attack on the NOT. The British and the NOT's goals were initially quite compatible, and although a rift grew from 1916 onwards, both sides were ultimately unwilling to risk breaking the Agreement completely, and run the risk of a rupture of Anglo-Dutch relations. In 1917 and 1918, the British kept the NOT afloat primarily because it was politically, not economically, expedient to do so. Finally, the NOT played an important role in providing continuity between the golden years before 1913 and the postwar economic success story. The NOT artificially divided imports according to prewar consumption rates, thereby preventing single companies from monopolising a certain trade, ill-equipped and opportunistic startups from driving established players from the market, and ensured maximum employment. It also helped to make sure that economic policy became an important political issue, and served as both a model and a warning to future attempts at cooperation between the government and the business world.