Neutrality in the balance. The origin of the Nederlandsche Overzee Trustmaatschappij (N.O.T)

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Non-affiliation in armed conflicts is as old as war itself. Traditionally, neutrality has been thought of as constituting a system through which non-belligerent states could remain at peace with warring states, and thereby avoid attack, while continuing peacetime trading relations.[1] However, such a traditional neutrality did not suffice during the horrors of the first modern and industrial war fought to the limits of the endurance of the participants (*guerre à outrance*). During the First World War, entire nations threw the totality of their capacity of natural and human resources into the fray in a battle which was widely believed to shape the future of the world for decades, even centuries, to come. Both competing power blocs in this Great War, the Entente and the Central Powers, displayed a blatant disregard for international rules and regulations concerning neutral trade.[2] The Germans waged a submarine war against her principal enemy, Britain, threatening any vessel supplying her with destruction. Their 'subsurface blockade' retaliated against Entente measures to block their ports and stop them from importing essential supplies from overseas, such as foodstuffs and raw materials. In such a war, where competition extended from the battlefield to the 'home front' of industry and commerce, neutrals could not be left unmolested if their 'peacetime trade relations' were felt to benefit the enemy.

The neutral Netherlands were placed squarely, and uncomfortably, in the no-mans-land of Anglo-German economical warfare. To survive this highly destructive global conflict intact, the Netherlands needed to convince both sides that their neutrality benefited them to a greater degree than their belligerence would. Thus developed a system historians nowadays refer to as 'symmetrical neutrality': instead of steadfastly maintaining a policy of strict non-interference, the Netherlands gave in to demands from both sides

[1] E. Chadwick, *Traditional neutrality revised. Law, theory and case studies* (The Hague 2002) 56-57 and 88.
[2] H. Haug, *Neutralität und Volksgemeinschaft* (Zürich/St. Gallen) 25.

in equal measure, walking a tight rope between neutrality and the accusation of favouring either side's enemy.[3]

Within the framework of this 'symmetrical' neutrality, the *Netherlands Overseas Trust Company* (Nederlandsche Overzee Trustmaatschappij or N.O.T.) played a pivotal, if historically underappreciated, role. This article will deal with its inception and detail its role in keeping the Netherlands unaffiliated, although no longer strictly neutral.

The creation of the N.O.T. is closely connected with the development of the Entente blockade, whose history is vital to the understanding of Dutch neutrality. Although Entente strategists were aware of the fact that the German Empire imported as much as twenty per cent of her raw materials from overseas, no blockading campaign[4] of any kind had been discussed by its main instigator, the British in the years leading up to the Great War. Their scenarios for a major European war, from 1904/1905 on, featured France and Germany as the main protagonists. In this case Britain planned either for armed neutrality or for an alliance with France in a limited war with limited objectives: the Navy would hunt down and destroy the nascent German *Hochseeflotte*, and a small detachment of British *Territorials* would take their place on the right flank of the French army, which, after repelling the German invasion of France, would, aided by the Russians, happily march on Berlin to dictate terms. Although the Army, the Navy and the Government frequently did not see eye to eye on the subject of strategic preparation in case of a conflict with Germany[5], they did agree that in such an event their enemy would not be blockaded. Even though some saw strategic advantages, it was also noted that the Low Countries would remain neutral and would have to be blockaded (and thus treated as virtual belligerents) as well in order to effectively starve the Germans. Moreover, the Americans too would most likely be neutral, and were

[3] D. Frey, *Dimensionen neutraler Politik. Ein Beitrag zur Theorie der internationalen Beziehungen* (Geneve 1969) 15.

[4] Fearing international reprieve, the term blockade was hardly ever used in official wartime British communiqués.

[5] For reasons to extensive to list in this article, the Army and the Navy planned for mutually exclusive war scenarios during the period lasting from 1905 (which saw the start of Anglo-French staff talks on communal action in case of a German attack) to 1911, and kept both each other and the Government in the dark on their plans. Only in 1911, during a particularly dramatic confrontation, was the Navy's war planning made subordinate to the Army's designs. See D. French, *British Economic and Strategic Planning 1905-1915* (London 1982) 13 and beyond.

historically rather picky when it came to any infringement as to what they perceived as their neutral rights. Those in control of the government and the armed forces agreed that the disadvantages such side effects may have outstripped any advantages that might be gained from such action. There was also a general concern that, during an Anglo-German war, the Hochseeflotte might be in a position to jeopardize the British influx of raw materials. A press campaign detailing the havoc German submarines would reek on defenceless commercial carriers bringing much-needed grain into Britain, did much to mobilize both the general populace and the government in favour of the notion that a blockade was something that could only hurt the Empire in wartime. Finally, the last time the British had used a blockade as an offensive weapon (during the First Boer War), international fall-out had been so heavy they had decided to stop their blockading measures after a mere month.[6]

In 1907, Britain had the unique opportunity to elevate her desire to see her commerce protected elevated to the status of international law. In that year, the Great Powers convened at the second of the great peace conferences at The Hague.[7] The wanton destruction of neutral commerce by the Russian navy during the recent Russo-Japanese war had assured that the safety of commercial fleets during wartime was to have a prominent place during the deliberations. International law on the matter (expounded in the 1856 Declaration of Paris) stated that 'free' (neutral) ships during wartime carried 'free' goods, i.e. that the neutral flag would cover any goods on board and makes them impervious to capture, in stark contrast to goods carried on enemy ships. The exception to this rule was the shipment of so-called *contraband*: goods which could be captured, even on neutral ships, if they were shown to be bound for the enemy and would in his service be used for military purposes. The Russians had argued, however, that due to the changing nature of modern warfare, it was almost impossible to determine which goods could possibly have a military purpose, and had thus decided to declare any type of goods she did not want to reach their Japanese enemies as contraband, liable to capture or destruction. To prevent such a wanton use of the concept of contraband, the Powers decided to define contraband as precisely as possible. Following a proposal

[6] C.P. Vincent, *The Politics of Hunger. The Allied Blockade of Germany 1915-1919* (Ohio 1985) 28.
[7] In 1899, the Great Powers had been invited, by the Dutch Queen and the Russian Czar, to a major conference, where, amongst other topics, the arms race between the Powers was discussed. Since it proved to be an excellent forum to promote international understanding, a follow-up conference was convened in 1906. A third conference was planned for 1915.

by the French diplomat Louis Renault, three categories of contraband were created. The first of these, the *absolute contraband*, would contain goods which would aid a belligerent directly in waging war, and would always be liable to capture by that belligerent's enemy. The second category, *conditional contraband*, was liable to capture if a belligerent could prove that the goods in question had a military, rather than a civilian use. The last consisted of 'free' goods, which would never be liable to capture.[8]

A further issue relating to trade between neutral countries needed solving. During the Russo-Japanese War as well as during the British blockade of the First Boer War, the *doctrine of continuous voyage* (based on an ancient legal precedent) was invoked to show that contraband, even though travelling on a neutral ship and between neutral ports, ultimately had an enemy destination, and were therefore liable to capture. Evidence that such cargoes were indeed to be transported from their neutral de-embarking point to an enemy destination was, naturally, hard to come by. However, when the delegates moved to abrogate the doctrine, the American delegation objected, guided by their perception that the doctrine had played a major role in the Union's victory during the Civil War. Finally, on 26 February 1907, a compromise was reached in which the doctrine would be maintained for absolute, but not for conditional contraband, and the new international naval agreement as to belligerent rights at sea was signed, dubbed the Declaration of London after the British capital where the follow-up conference to the Hague proceedings was held.[9]

The contracted parties committed themselves thereafter to adapt their legislation to match the new international naval code of conduct. In the British case, however, this was much easier said then done. Political strife ensued, focussing mostly on Article 34 of the Declaration, which stated that goods considered conditional contraband were liable to be captured if they were:

> […] consigned to enemy authorities, or to a contractor established in the enemy country who, as a matter of common knowledge, supplies articles of this kind to the enemy. A similar presumption arises if the

[8] E.W. Osborne, *Britain's Economic Blockade of Germany 1914-1919* (Londen 2004) 32-33.
[9] John W. Coogan, *The End of Neutrality. The United States, Britain and Maritime Rights, 1899-1915* (Ithaca and Londen 1981) 112-115. See also S.E. Baldwin, 'The "Continuous Voyage" Doctrine During the Civil War, and Now', *The American Journal of International Law* 9-4 (October 1915) 797-798.

> goods are consigned to a fortified place belonging to the enemy, or other place serving as a base for the armed forces of the enemy.[10]

This provision caused a storm in British domestic politics. If, in wartime, food was shipped to a British harbour city, which was, quite naturally, defended, could an enemy belligerent not reasonably state, several MP's claimed, that this food, although meant for the civilian population of such a city, was in fact meant for 'a fortified place', and thus liable to capture? Furthermore, would a city housing a garrison of soldiers similarly be denied food? The oppositional Conservatives decided to exploit these points for electoral gain, portraying the Liberal government as one which willingly risked British food supply in time of war. Nevertheless, the House of Commons voted along party lines, after which the proposed legislation was moved to the House of Lords. The Lords, however, following the Conservative argument, opposed the bill. Other contracting parties to the London Declaration therefore decided to forego changing their prize laws.[11] However, naval authorities in most major contracting nations, such as Britain, France, Germany, Austria-Hungary, Italy and the United States, nevertheless decided to update their own naval prize manuals[12] to incorporate the rules and regulations of the Declaration.

Just before the outbreak of the Great War, the chances of Britain blockading Germany appeared slim. Although politically she was not bound by the Declaration, the Liberals did support it (being closely associated with the eventual compromise made in The Hague and London), and actively tried to push it through Parliament again (even as late as June 1914). Most military planners held a blockade of their enemy to be either useless or politically highly dangerous. The Admiralty focussed its efforts on the Hochseeflotte and its war plans (as of 1913) called for a great naval confrontation and the destruction of all enemy shipping. As to contraband, the Declaration of London was to guide their actions. However, all this was to change in the first weeks of the war.

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[10] James B. Scott ed., *The Declaration of London, February 26, 1909* (New York 1919) 114.

[11] Prize laws govern the taking of 'prize' (confiscated ships or goods thereon) on the High Seas. See J. Ashley Roach, 'The Law of Naval Warfare at the Turn of Two Centuries', *The American Journal of International Law* 94-1 (January 2000) 64-77, esp. 71-2.

[12] Orders given to naval commanding officers on the issue of taking prize.

Stretching the Declaration of London, August 1914

Upon Germany's violation of neutral Belgium on 3 August 1914, the British government allied herself with the enemies of the Central Powers. Preparations were made to despatch an Expeditionary Force to France in order to halt the German advance and the Navy was ordered to deploy according to her war plans.[13]

As we have seen previously, it remained somewhat of an open question which belligerent rights at sea the British would assume during wartime. However, both the Admiralty and the Government stuck by the Declaration of London, and the Order in Council of 4 August, issued to clarify Britain's position on the matter, adhered to the Declaration as well (without ever naming it), and instructed the fleet to concentrate on enemy, not neutral shipping.[14]

Since the German Hochseeflotte dared not challenge the Entente's control of the North Sea directly, German and Austro-Hungarian merchant shipping became an easy target for the Entente fleets. When war broke out, more than half of the combined Central Powers merchant marine hid in neutral or friendly ports. By the end of summer the remaining ships were also forced to hide, or were captured or sunk by Entente ships. Within the space of a few weeks, the combined Central Powers merchant marines, accounting for roughly fourteen per cent of the world's total shipping tonnage, had disappeared from the High Seas.[15]

These measures were perceived as severely affecting Germany's ability to fight. Papers ran wild with stories of German soldiers surrendering out of a lack of food. However, at the same time it was noted that shipments to neutral countries, amongst which the Netherlands were explicitly mentioned, had significantly increased. Many of these imports found their way into Germany, thereby alleviating the allegedly near-fatal food situation. Since these imports were carried on neutral ships to neutral ports, there was nothing the British fleet, operating under the strictures of the Declaration, could do about them.

Flushed with the sense that German food shortages might prove a decisive factor in an early victory over the Central Powers, the Cabinet

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[13] P.M. Kennedy, *The Rise and Fall of British Naval Mastery* (Londen 1976) 242-245.
[14] A.C. Bell, *A history of the Blockade of Germany and of the countries associated with her in the great war, Austria-Hungary, Bulgaria, and Turkey, 1914-1918* (Londen 1937) 722.
[15] Paul G. Kennedy, *A Naval History of World War I* (Annapolis 1994) 65.

sought to halt these imports. Several prominent cabinet members, First Lord of the Admiralty Winston Churchill, the Chancellor of the Exchequer David Lloyd George and Sir Edward Grey, the Foreign Secretary, amongst them, began to argue for the application of the doctrine of continuous voyage to food shipments consigned to neutrals, especially to Rotterdam. This would entail setting aside the Declaration of London, which was considerably easier said than done. For one, Britain was a signatory Power to the treaty, even if she had not ratified it. Secondly, the British had declared loudly to be fighting Germany for the rights of small nations, which made infringing on Holland's rights somewhat difficult. Thirdly, the United States had inquired, on 6 August, whether the belligerents would publicly acknowledge the continued validity of the Declaration. Germany replied first, stating that she would indeed do so if her opponents did the same. If Britain declared that she would not, this might seriously harm her relationship with the US.[16]

Despite these valid objections, Grey set his Foreign Office to work on a draft Order in Council, which would expand the belligerent rights Britain would assume for herself at sea. Although this draft went a long way towards meeting the provision of the Declaration of London, the phrase stating that the British government would 'abide by and carry out' said Declaration (as did the August 4 Order in Council) was crossed out and substituted with the statement that Britain would 'act in accordance with' the London naval code. The draft also made an important alteration as to contraband, stating that, in future, the military application of conditional contraband 'may be inferred from any sufficient evidence and shall be presumed to exist if the goods are consigned to or for an agent of the Enemy State or to or for a merchant or other person under the control of the authorities of the Enemy State'.[17]

These provisions would enable the Royal Navy to intercept and bring in suspicious cargo even if the papers did not consistently prove it was destined for the enemy. Without their implementation, it would be virtually impossible to stop neutral ships destined for a neutral port, from where its cargo could travel on to enemy territory.

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[16] Marc Frey, *Der Erste Weltkrieg und die Niederlande. Ein neutrales Land im politischen und wirtschaftlichen Kalkül der Kriegsgegner* (Berlijn 1998) 112 and A. Marsden, 'The Blockade', in F.H. Hinsley ed., *British Foreign Policy under Sir Edward Grey* (Cambridge 1977) 491.
[17] Draft Order in Council, 14 August 1914, PRO ADM 116/1233/11328.

In addition to the above-mentioned reports on the German food situation, domestic considerations played their part in the Foreign Office's new-found willingness to modify the Declaration of London, as shown by a memorandum written by Cecil Hurst of the Foreign Office Legal Department. In his opinion, a statement of Britain's proposed adherence to the declaration was impossible, partly because the current naval prize manual had not been updated, but also because 'the Opposition adopted a very hostile attitude to the Declaration of London during the debates on the Naval Prize Bill three years ago'. The Foreign Office was not very keen to revive the bitter row over the Naval Prize Bill which had humiliated the Government before the war at a time when unity was the order of the day.[18]

However, the question remained as to how the British government could change the terms of the Declaration and get away with it. McKenna, the Home Secretary and Churchill's predecessor as First Lord of the Admiralty, offered a way out. He presented his Cabinet colleagues with Admiralty reports, (falsely) stating that the German government had taken control of all of Germany's food supplies. According to the Declaration of London, any goods destined for a 'government department of the enemy State' could be considered conditional contraband. This in itself would not make any difference, since under the Declaration neutral ships travelling to neutral ports could not be stopped. However, although the British navy operated under these constrictions, it did not have to. Since the Naval Prize Bill had not been reintroduced to Parliament when hostilities commenced, the old Prize Law, defined for blockading the Boers in 1900, was technically still valid. This Prize Law contained provisions for the capture of contraband, anywhere on its journey and irrespective of the status of the ship upon which it was found, if it could be proven that it was intended for an enemy agency. By using the Declaration to show that contraband shipped to Germany was bound for an enemy agency, and using British prize law to authorize capture of foodstuffs with hostile destination, McKenna managed to wrap a legal argument around the capture of German-bound foodstuffs.[19] The Cabinet agreed, amended the draft using McKenna's legal argumentation, and issued the Order in Council on 20 August.

No doubt, these British measures were sure to have a definitive impact on neutral trade, not least of which that of the Dutch. Even before

[18] Memorandum by Hurst, 10 August 1914, PRO ADM 116/1233/15498.
[19] Minutes, 19 August 1914, FO372/588.

the Order in Council had been approved by the Cabinet, Churchill had already stressed the danger that Rotterdam, one of the principal neutral ports, would 'effectively [become] a base for the enemy's supplies'.[20] On 27 August, the Cabinet ordered the Royal Navy explicitly to check thoroughly Dutch ships, for fear that their cargoes might be used to supply the Central Empires.[21]

Government, Commerce, and the Dutch 'Balancing Act'

The Dutch government, forewarned by the fact that the navy had already begun stopping neutral ships carrying grain into Holland before the Order in Council was actually proclaimed[22], took, as of 18 August, drastic action. Fearing a complete cessation of grain imports, she informed London that all grain imports would be requisitioned and that, in the future, merchants could consign their grain directly to the Dutch government, which would guarantee it would not be re-exported.[23]

However, this Dutch action was a direct violation of the so-called Rhine Shipping Act, which decreed the Rhine a 'free' river, meaning that no party could hinder the flow of traffic. Fearfull of German reprisals, the Dutch envoy to Berlin, baron J.W.G. Gevers, drove to the Dutch border, and begged the government to reconsider their position. He feared that a Dutch treaty violation would entice the Germans to reverse their decision to invade only one of the Low Countries.[24]

Gevers' fears were justified. Dutch neutrality and its benefits to Germany had played a vital part in German war plans from 1906 onwards. In that year, Helmuth von Moltke had scrapped the planned invasion of Holland in plans for war with France, stating that Dutch neutrality 'allows us to have imports and supplies. She must be the windpipe (*Luftröhre*) that

[20] Minute by Churchill, 17 August 1914, ADM 116/1233/15498.
[21] Minutes, 27 August 1914, CAB 1/10/9.
[22] Osborne, *Economic Blockade,* 65-7.
[23] Frey, *Erster Weltkrieg*, 113.
[24] Charlotte A. van Manen, *De Nederlandsche Overzee Trustmaatschappij, Middelpunt van het verkeer van onzijdig Nederland met het buitenland tijdens den Wereldoorlog 1914-1918*, 6 Volumes (Den Haag 1935) Volume 1, Part I&II: 1914/1915, 27-8 (This volume will from now on be referred to as Van Manen, *NOT*, i.).

enables us to breathe'.[25] These sentiments were echoed by F. von Müller, German envoy in The Hague, who stated on 3 August that Germany would respect Dutch neutrality, if said neutrality would be a *wohlwollende Neutralität*.[26] Needless to say, Holland's restrictions on the export of grain were not entirely compatible with this 'benevolent neutrality'. Moreover, since German prices for certain commodities, such as sugar, cheese and butter, had risen sharply since the outbreak of war, the Dutch government, fearing an exhaustion of the home supply of these goods, felt compelled to impose restriction on the export of these goods also. She explained to the Germans that these were emergency measures – an explanation the Germans, for the moment, chose to accept. However, it was quite clear that Germany would tolerate no further encroachments on the Rhine treaty.[27]

The day after the proclamation of the second Order in Council, the Dutch decided to take further action to secure imports through the North Sea. She appointed A.G. Kröller, director of the largest Dutch grain-trading company, W.M. Müller en Co., to buy grain on the London market on her behalf.[28] However, at the same time, the Dutch Government let it be known, referring to the Rhine Shipping Act that it would be possible to transfer imported goods, excluding those whose export she forbade, anywhere off the river after they had entered Holland via the Rhine, except in cases of national emergency.

This measure, taken not to anger the Germans, instead provoked the British. With no way of knowing whether goods imported to the Dutch were meant for 'home consumption' or for transhipment to Germany, they informed the Dutch Government on 26 August, via their *chef de mission* in The Hague, Alan Johnstone, that they would treat all Dutch imports of contraband items as highly suspect and therefore liable to capture, unless merchants importing said goods carried proof of 'home consumption'.[29]

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[25] Helmuth von Moltke, undated and untitled Memorandum, cited in H.P. van Tuyll van Serooskerken, *The Netherlands and World War I. Espionage, Diplomacy and Survival* (Leiden 2001) 24.

[26] Von Müller to Dutch Government, cited in C. Smit, *Bescheiden betreffende de buitenlandse politiek van Nederland 1848-1919, Derde periode 1899-1919, Deel IV 1914-1917* (Den Haag 1962) 11.

[27] J.L. van Zanden, *The economic history of the Netherlands 1914-1995. A small open economy in the 'long' twentieth century* (Londen 1998) 95.

[28] P. Moeyes, *Buiten schot. Nederland tijdens de Eerste Wereldoorlog 1914-1918* (Amsterdam 2001) 188.

[29] C. Smit, *Nederland in de Eerste Wereldoorlog (1899-1919), tweede deel: 1914-1917* (Groningen 1972) 66-68.

Johnstone's ominous message was echoed in an admiralty Order of the same date, urging British ships to stop all vessels laden with foodstuffs of which Germany was the suspected final destination.[30] Four days later, the total amount of ships detained by the British since the start of hostilities reached 52. Most of these ships were eventually released, but the procedure to prove home consumption was time-consuming, and the delays in the delivery of vital supplies were a serious drag on Dutch industry.[31]

To make sure that food imports were kept going, the Dutch minister in London, M. de Marees van Swinderen, informed the British Government of the impending shortage of grain in the Netherlands, and asked her, on 21 August, whether she would allow ships loaded with Kröller's grain to pass by her fleet unmolested, provided the Dutch Government acted as consignee to the foodstuffs and guaranteed that the goods would not be re-exported to Germany, but would be consumed in the Netherlands or another neutral country.[32] The next day Grey told him that the British government would agree to his proposal, and was, in response, told by De Marees van Swinderen that the Dutch government would be

> …quite ready to give any kind of guarantees as regards cargoes intended bona fide for use in Holland; and, if we would let these things go through, he could tell me as his own personal opinion that, not only would the Dutch Government not object to our putting difficulties in the way of commerce and supplies destined for Germany, but they would even be glad if we would stop such cargoes and so prevent Holland form having occasion for trouble with Germany.[33]

However, for the moment, the British Government had no such guarantees, except regarding grain. To investigate the amount of Dutch supplies that reached Germany, she sent Francis Oppenheimer to Holland as Commercial Attaché to the British legation. On 23 August, Oppenheimer contacted J.C.A. Everwijn, a high official within the Dutch ministry of Agriculture, Trade and Industry, inquiring into the statistical material available at the ministry to aid him in his mission. Everwijn, however, raised

[30] Osborne, *Economic Blockade*, 63.
[31] Frey, *Erster Weltkrieg*, 114.
[32] De Marees van Swinderen to British Government, 21 August 1914, PRO FO881/10573X/43477.
[33] Grey to Johnstone, 22 August 1914, FO881/10573X/43477/2.

wider issues of Dutch trade and the impact of recent British measures, and Oppenheimer walked away from their conversation with the distinct impression that the Dutch government would go 'a long way' in giving the British the guarantees of home consumption they wanted, in order to safeguard Dutch trade.[34]

The fact that two high-ranking Dutch government officials confided to the British that, contrary to the official policy of neutrality, the Dutch government might be willing to adhere to their demands as to trade with Germany is indicative of the dire straits the Netherlands were in at the end of August. Of course there was no actual starvation, but the future did not bode well unless something was done. The British showed no signs of willingness to abandon their newly-rediscovered taste for economic warfare, even after it became clear that the German troops the BEF (British Expeditionary Forces) engaged in Belgium and France were well fed. The public demanded loudly that the screws be tightened as reports that Germany received massive amounts of foodstuffs through the Netherlands flooded the British press.[35] Moreover, the British had learned that certain German companies had set up 'dummy corporations' in neutral countries, which, while masquerading as indigenous, existed solely to transfer contraband goods to Germany. Furthermore, merchants from neutral countries themselves had resorted to smuggling to evade export laws, and Germany took advantage of that by sending agents across its borders to secure these highly sought-after products. Finally, both Britain's major allies in the war, France and Russia, advocated more stringent measures *vis à vis* the neutrals.[36]

As August turned into September, slowly but surely Dutch overseas trade ground to a halt. Grain shipments were forthcoming but had not yet arrived: the first shipment of Kröller's grain would not reach Rotterdam before the end of the month.[37] To discuss the War and its potentially devastating consequences for the Netherlands, a group of Dutch merchants

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[34] *Oppenheimer MSS*, Bodleian Library, Box 10 [hereafter OP10]. The meeting between Everwijn and Oppenheimer and the general flow of the conversation, as understood by the latter and transmitted to Johnstone, can be found in a document labelled *43965, Aug. 28th*.

[35] E.g. *The Times*, 26 August 1914 and *The Morning Post*, 28 August 1914.

[36] Marsden, 'Blockade', 493 and Marion C. Siney, *The Allied Blockade of Germany 1914-1916* (Ann Arbor 1957) 36.

[37] RESC - Tenth Report, September 26, 1914, ADM 137/2988. The Restriction of Enemy Supplies Committee, instituted shortly after the outbreak of war, regularly reported on the economic situation in Holland.

gathered in The Hague in the beginning of September, hoping to advise both the government and fellow merchants in these troubled times. They had been assembled by Cornelis van Aalst, director of the influential *Dutch Trading Company* and confidant of the Dutch government, which he had greatly assisted in the monetary crises following the outbreak of war. Anton Kröller as well as Laurens op ten Noort, chairman of the board of directors of one of the largest Dutch shipping companies, Royal Dutch Packet Lines, and Joost van Vollenhoven, an parliamentarian widely regarded as an expert on matters of shipping and trade were present as well. The most pressing problem, concluded the foursome, was the lack of information merchant shipping had on the rules of conduct to be followed when trading with either of the belligerent blocs. Thus, they created a committee to serve as a central information-gathering body for shipping rules and regulations, which could enter into contact with both governments. The twofold goal of this commission was to comply with foreign shipping regulations without breaking Dutch law or impairing Dutch neutrality, and to root out merchants who did not do so. To further this end, Leiden University law professor Cornelis van Vollenhoven (no relation of Joost's) was asked to sit in and advise on legal matters. Now five members strong, the Committee for Dutch Trade (*Commissie voor de Nederlandsche Handel*, C.N.H.) was officially established on 17 September 1914.[38] Everwijn informed Oppenheimer of the founding of the committee on the 19th, and explained its aims to him.[39]

That same day, Grey sent a communiqué to the Dutch minister in London, in which he officially enquired whether the Dutch government would agree to guarantee home consumption of contraband imports. De Marees van Swinderen answered on the 27th, after consulting with the Dutch government. The official response was that Holland could not accept a 'British version' of the Declaration of London, fearful that in doing so she would condone further 'modifications'. Moreover, Dutch neutrality (in both legal and practical senses) forbade Holland to prevent re-exportation of goods, especially when such re-exportation was in accordance with the Declaration of Paris and the Rhine Shipping Convention. However, the Dutch government was prepared to 'acheter lui-même toutes les

[38] Van Manen, *NOT*, i, 43-7, and Moeyes, *Buiten schot,* 187-8.

[39] Johnstone to Grey, 21 September 1914. FO368/1039/52188. Oppenheimer reported the founding of the C.N.H. to his superior on the 19th, who, in turn, informed the Foreign Minister on the 21st.

marchandises expédies vers la Hollande dont il juge l'importation aux Pays-Bas une nécessité'. For all other goods, private assurances would have to do.[40] This was as far as the Dutch could go, Everwijn's and De Marees van Swinderen's private remarks notwithstanding. If she had indeed promised Britain to aid her in depriving Germany, retaliations were sure to follow. Moreover, if the Dutch acquiesced now, this would be tantamount to inviting the British to rewrite international law so as to ignore neutral rights.

While the Dutch minister prepared his reply to Grey, Francis Oppenheimer, at Everwijn's council, asked the C.N.H. whether they would meet with him. Amongst a host of other trade-related matters, the conversation covered the dire straits in which Dutch merchants found themselves. The Committee members stated that they did not think the Dutch government would consent to a 'home consumption' guarantee for contraband goods unless she was forced. Lacking both a mandate and the means to do so, the C.N.H. refused to accept this responsibility itself. However, Oppenheimer reports that two possible solutions for the Dutch quagmire arose: either Dutch shipping companies could refuse to carry contraband goods into Holland unless they were proven to be for 'home consumption', or the British government could expand her contraband list with every type of goods she wished to prevent from reaching Germany, and prohibit their export to Holland unless the Dutch government herself could guarantee its destination. Everwijn, Oppenheimer stated, hinted that the latter might be the better solution.[41] Johnstone, when forwarding Oppenheimers report on the C.N.H. meeting to Grey, also recommended extending the contraband lists.[42]

The British had taken a first step in this direction on 21 September, when they expanded their contraband lists with several raw materials. But perhaps the further appliance of pressure was not necessary. On 3 October, Oppenheimer received word from his contact Everwijn that the Dutch government might reconsider its stance on guaranteeing home consumption. Together, the two created a scheme by which shipping companies could receive a guarantee from the merchants as to the destination of their cargoes; the shipping companies were to give their guarantees to the Netherlands Government, which would in turn repeat the

[40] De Marees van Swinderen to Grey, 29 September 1914, FO881/10574X/53596.
[41] Oppenheimer to Johnstone, 28 September 1914, FO368/1039/54370. Everwijn himself was not present at the meeting.
[42] Johnstone to Grey, 30 September 1914. FO368/1039/54370.

guarantee to the British Government. This scheme would be similar in operation to the agreement the Netherlands government had made earlier with the Holland-America Line (HAL), in which the latter would only ship government-consigned grain.[43]

Subsequently, Oppenheimer left for London to attend a meeting, chaired by Grey, in which Sir Eyre Crowe, the under-secretary for Foreign Affairs, Sir Cecil Hurst, legal adviser to the Foreign Office, and the President of the Board of Trade, Sir Walter Runciman, were also present. I have not been able to find the minutes of this meeting, save for an intriguing handwritten note, attached to Johnstone's letter to Grey reporting Oppenheimer's meeting with the C.N.H., saying that Oppenheimer was to be recalled to London to be briefed by Hurst. I theorize that his presence was required in connection with the drafting of a third Order in Council, and shall attempt to explain my line of reasoning in the following section.

Holland, the United States and British policy, September-October 1914

One of the main reasons for issuing a third Order in Council to supplant the August 20 Order was the attitude of the United States. Britain had sent her a note, on 22 August, explaining how she, as requested by the US, had adopted the Declaration of London, save for a few 'modifications'.[44] Realizing that British measures were sure to interrupt US trade with all the 'Northern Neutrals' (Holland and Scandinavia), and aware of the immense importance of US imports to the Entente war effort, Britain nervously awaited the Americans' response.

The task of drafting a reply fell to Robert Lansing, Counselor of the US State Department and an expert in international law. Unable to confer with either President Woodrow Wilson (who was, amongst other things, occupied with the death of his wife) or his Secretary of State William Bryan (who was out of the office campaigning for the 1914 Congressional elections), he set to work, finishing only on 26 September. The draft reply recounted the State Department's attempts to have all belligerents accept the Declaration of London, accused the British of establishing a 'paper

[43] 'Interview on the 3rd October, 1914, between Sir Francis Oppenheimer and M. Everwijn, of the Ministry of Commerce, The Hague', FO881/10523X.
[44] Crowe to Page, 22 August 1914, cited in Coogan, *End of Neutrality*, 153.

blockade' (a blockade which did not conform to either the London or the Paris Declaration, since the British did not close off German ports directly as per the former, nor had they positioned their fleet within the *rayon d'action* prescribed in the latter Declaration (which stated that a blockade must not extend beyond the ports and coasts belonging to or occupied by the enemy). Moreover, the State Department accused Britain of disregarding neutral rights altogether in the matter of conditional contraband, and protested against the vagueness of the requirement to gather evidence of the ultimate destination of traded goods. The note closed with an ominous warning that the Americans had not forgotten the indignation of the British-US war of 1812, which the US fought and lost over their neutral rights (endangered by the British blockade of mainland Europe) in the Napoleonic War.[45]

Wilson, however, spurned by his trusty aide 'Colonel' Edward M. House, disagreed with the note's severity, and told Lansing to delay sending it to London. House was sent to Sir Cecil Arthur Spring-Rice, British Ambassador in Washington, to gouge his reaction. Relieved that the note had not been sent, Spring-Rice recommended negotiations on the matter, and advised House to scrap the Lansing note. House and Wilson acquiesced, the latter instructing US Ambassador Walter Hines Page, on the 28th, to confer with Grey in London:

> You will immediately see Sir Edward Grey and state to him informally and confidentially that this Government is greatly disturbed by the intention of the British Government to change the provisions of the Declaration of London by the Order in Council of the twentieth August and to adopt the Declaration thus changed as a code of naval warfare for the present war. […] You will impress upon Sir Edward Grey the President's conviction of the extreme gravity of the situation and his earnest wish to avoid even causes of irritation and controversy between this Government and the Government of his Majesty.[46]

[45] Daniel M. Smith, 'Robert Lansing and the Formulation of American Neutrality Policies, 1914-1915', *The Mississippi Valley Historical Review* 43-1 (June 1956) 63-4 and Kendrick A. Clements, 'Woodrow Wilson and World War I', *Presidential Studies Quarterly* 34-1 (March 2004) 67.

[46] Wilson to Page, cited in Arthur S. Link, *Wilson. The Struggle for Neutrality, 1914-1915* (Princeton 1960) 112.

That same day, Lansing conferred with Spring-Rice, suggesting that the British could avoid much trouble with the Americans by getting neutral governments (specifically mentioning the Dutch) to prevent re-exportation of foodstuffs and other conditional contraband items by placing those on the absolute contraband list, and thus forcing them to enter into direct negotiations with the British. In order not to starve, they would give in. Thus, both the American exports to the neutrals and the British intent to deny the Germans key imports could be safeguarded at the same time. Spring-Rice agreed, and went on to advise his government to place articles used almost exclusively for the manufacture of arms, such as copper and petroleum, on the absolute contraband list. London took Spring-Rice's advice to heart, and drafted a new Order in Council to this effect.[47]

Whatever its eventual form, it seemed clear that the list of contraband items would be dramatically extended. Public opinion in Britain still clamoured for a complete cessation of every form of trade with Germany - whether the Northern Neutrals were party to this or not - and so did Britain's principal allies. Johnstone had, basing himself on what was said during the C.N.H. meeting with Oppenheimer recommended extending the list in order to force the Dutch government's hand, and the Oppenheimer/Everwijn scheme seemed to imply that she would be willing to duplicate the agreement with the Holland America Line for other items on the contraband list.

Or was she? On 8 October, Foreign Minister John Loudon signalled to De Marees van Swinderen that the scheme had not been discussed with the Dutch Foreign Office. Moreover, Loudon mentioned a private conversation with Everwijn, in which the latter had claimed that Oppenheimer had distorted what had been said at the October 3 meeting in his report to his superiors. Finally, Loudon told the London minister that he had informed his Cabinet colleague M.W.F. Treub, Everwijn's superior, that 'secret and unauthorized negotiations' would have a 'detrimental effect on Dutch diplomatic efforts'.[48] Presumably, Loudon's statement was to be transmitted to Grey sometime after the 8th. Whether it arrived on the 9th I cannot say for certain, but Loudon's rebuttal of the Oppenheimer/Everwijn scheme had no effect on the draft Order in Council the British submitted for the American's approval on that day. This draft not only extended the contraband lists, but also added an article indicating the British intention to

[47] Siney, *Allied Blockade*, 25-26.
[48] Loudon to De Marees van Swinderen, 8 October 1914. BBP 4 Document 187, 174.

stop shipments 'to order' of the shipper. This meant that it would detain any goods of which the shipper had reserved the right to himself to dispose of after they had arrived at their port of destination. As regards to the Netherlands, this meant that a shipper could no longer unload his goods anywhere on the Rhine: he needed to stipulate precisely the ultimate destination of his merchandise. Finally, the British government stated that she would repeal Article 35 of the Declaration of London (which stipulated that the destination as written in the ship's bill of lading would be conclusive proof as to its destination) whenever she was convinced that a shipper was being deceitful as to said ultimate destination.[49]

The draft Order underway to Washington, Grey instructed Johnstone and Oppenheimer to acknowledge the 'independent nature' of the Everwijn scheme, whilst stating casually that, government-backed or not, Britain quite liked it. Their reply prompted a response from Loudon, repeating previous statements that the Dutch Government could not comply due to her neutrality.[50] However, five days later, on 21 October, the Dutch informed Oppenheimer that copper and petroleum, both conditional contraband, could be consigned to the Netherlands Government[51]; Everwijn-scheme or not, the Dutch had, once again, expanded the number of 'home-consumption' guaranteed goods.

Meanwhile, within the US State Department, Robert Lansing had not yet given up on his attempts to get the British to accept the Declaration of London. In doing so, however, it became increasingly clear that he did not have the best interests of fellow neutrals at heart. Upon receiving the draft Order in Council on 9 October, Lansing drafted a new reply, sent to the American ambassador Page on 16 October. Here, he repeated his October 2 proposal that Britain would accept the Declaration and use it to extend the absolute contraband list. To sweeten the deal, he suggested that an Order in Council accepting the Declaration be followed immediately by another, in which the British government would declare that if she felt convinced that a neutral country, or a port therein, was being used as 'a base of enemy supplies' (the allusion to Rotterdam is almost palatable), she would issue a proclamation that said port or territory had 'acquired enemy

[49] Siney, *Allied Blockade*, 25-7.
[50] Johnstone to Loudon, 16 October 1914; Loudon to Johnstone, n.d., cited in Van Manen, Van Manen, *NOT*, i, 68-9.
[51] Van Manen, *NOT*, i, 70.

character' and would be treated subject to the rules of trade with enemy territory proper.[52]

Upon receiving the note, Grey replied to Page that he thought nothing of the proposal. It seemed to him that first accepting the Declaration and then proclaiming an Order in Council to get around it served no purpose whatsoever. The following day, 19 October, Page sent word to president Wilson directly (perhaps hoping to prevent Lansing from making another attempt) that Grey would 'under no circumstances' accept the Declaration as it stood. His words had almost immediate effect: two days later, Spring-Rice could report London of Lansing's assurance that the US would no longer press the issue, a statement affirmed by Page on 23 October. The Foreign Secretary immediately circulated this information within the cabinet as evidence that no serious American objection need be feared, thus clearing the way for issuance of the new Order in Council.[53]

Thus, throughout October, the Dutch faced increasing British pressure. Ships were still being detained, the contraband lists grew ever longer. As we have seen, the Dutch had forbidden the re-exportation of a growing number of goods, but they could not continue to do so indefinitely: German ire over the loss of her Luftröhre might have very unfortunate consequences. Yet this was precisely what the British demanded. Luckily, a solution was eventually found, which could, for the moment, satisfy both camps. Two mutually exclusive accounts exist of how this solution was arrived at, both of which will be detailed in the next section.

The N.O.T. in perspective, November 1914

In 1935, Charlotte van Manen published a six-volume set detailing the history of the N.O.T. Devoting only a few lines to the subject of its founding, she states that it was 'borne out of necessity', that the idea had 'lingered in the air from the beginning of the war' and had 'formed in multiple minds at once', although it was Kröller, the grain merchant, who expressed what those 'multiple minds' were thinking.[54] Although this is of course perfectly possible, if slightly ethereal, it has a very limited explanatory power in the context of the events described in this article.

[52] Lansing to Page, October 16, cited in Link, *Wilson*, 121.
[53] Marsden, 'Blockade', 501.
[54] Van Manen, *NOT*, i, 71.

A second account of the N.O.T.'s founding, offered in Oppenheimer's autobiography, *Stranger Within*, focuses on a meeting of the Commission for Dutch Trade on 23 October, Oppenheimer had, so he tells us, once again been asked to sit in. In *Stranger Within*, Oppenheimer describes the meeting as having a somewhat tempestuous opening: the members of the Committee once more complained to him about the large number of ships the British were detaining. If *Stranger Within* is to be believed, the Committee's chairman, Van Aalst, described by Oppenheimer as a 'dominant yet withal emotional personality' then continued, red hot with rage, to state the honourable intentions of the Dutch government and Dutch merchants, and contrasted this sharply to the treatment they had received from the British. Oppenheimer responded by stating, rather emphatically, that he was 'here to help'. He went on to make a suggestion to end the Commission's troubles:

> Your government has appointed your Committee to assist your countrymen because you represent what is best in the industrial life of this country. As such you enjoy the confidence of your Government. I see no reason why His Majesty's Government should not share in this confidence. As moreover you are convinced, as your Chairman has stressed, of the integrity of the Dutch commercial community as a whole, there appears to be a simple solution to the prevailing difficulties: Is your Committee willing to accept on behalf of the Dutch consignees the delivery of those goods which are the subject of the prevailing difficulties, and thus guarantee their home consumption? [55]

Van Aalst did not seem to care much for the idea, states Oppenheimer, but Joost van Vollenhoven did, and eventually succeeded in bringing the rest of the Committee around.

I have two main problems with Oppenheimer's reading of this meeting. Firstly, if Oppenheimer was truthful about the meeting in his autobiography, it would not be the first, but the second time he asked the Committee whether they would guarantee home consumption. During an earlier meeting with the C.N.H., on 25 September, he had also inquired into the matter, and had learned that the Committee would not be willing to accept such a responsibility. In his report on the meeting, he described the mood of the Committee as 'unanimous' in that regard. Did Van

[55] Francis Oppenheimer, *Stranger Within* (Londen 1960) 241-5.

Vollenhoven change his mind? During the October 23 meeting, the third Order in Council had not yet been issued: had things gotten that desperate between 25 September and this supposedly faithful meeting?

The second problem concerns overall British policy versus the neutrals as it stood in September and October 1914. As I have made clear, it was Britain's policy to get the Northern Neutral governments to take action themselves to stop exports to Germany, enticing them to do so by extending the contraband lists, detaining ships and halting imports of certain vital supplies unless guarantees were obtained. As we have seen, these actions were, in the case of the Netherlands, not without a certain degree of success: the lists of products banned from re-exportation by the Dutch government had grown considerably since the Order in Council of 20 August, although she still refused to guarantee home consumption for all goods the Entente considered conditional contraband.

And British pressure was to be turned up a notch. Now that the US State Department had acquiesced in British adaptation of the Declaration of London, the Foreign Office was ready to complete a final draft of the new Order in Council. It differed very little from the one sent to Lansing on 9 October. The final version, published 29 October, included even more items on the contraband list, and added a clause that a neutral ship guilty of carrying contraband to an enemy port under false papers was made liable to capture up to the end of its voyage. The provision regarding goods consigned 'to order' remained the same, but the presumption was stated to be refutable; the burden of proof was put upon the claimants in a prize court.[56] A mere two days later, the Dutch government issued a statement informing merchants that a ship's bill of lading would have to include the final destination of the shipment. Before the October 29 Order in Council, she had been unwilling to do so, stating that doing so would entail a serious violation of the Rhine Shipping Act. The Order, however, gave her little choice.[57]

On 1 November the under-Secretary of State, Sir Eyre Crowe, submitted a lengthy memorandum on British policy regarding the shipment of contraband to neutrals. This memorandum called for the negotiation of 'contraband' agreements with all neutral European powers. By getting the Northern Neutrals to prevent the passage of strategic materials through their ports into Germany, the British could ensure that American trade with

[56] Siney, *Allied Blockade*, 28.
[57] Van Manen, *NOT*, i, 70-1.

the European neutrals would be comparable to pre-war levels without threatening the integrity of their maritime controls.[58] This memorandum and the Order in Council, drafted in part to include Lansing's and Spring Rice's suggestions on solving the British problems by pressuring the Northern Neutrals to comply with British demands, are the clearest indication of the direction of British policy regarding economic warfare in this phase of the First World War. Why would Oppenheimer deviate from official policy, especially after his report on the September 25th meeting, where he seemed to support pressuring the Dutch government?

The Executive Board of the N.O.T., 1922-1924, by Antoon van Welie. Rijksmuseum, Amsterdam.

In keeping with official British policy, Johnstone submitted, on 2 November, a note to Loudon stating that, pending 'some definite agreement' cereals, rice, flour and meat *en route* to Holland would be detained, unless a guarantee as to their ultimate destination could be given.[59]

[58] Memorandum by Sir Eyre Crow, 1 November 1914. FO 368/1192/66930.
[59] Johnstone to Loudon, Van Manen, *NOT*, vii, 97.

Eight days later, on 10 November, the C.N.H. held a meeting in The Hague, possibly to discuss the implications of the October 29 Order in Council. Apart from the regular C.N.H.-members, representatives from the seven largest Dutch shipping companies were present, probably in connection with Britain declaring the whole of the North Sea a war zone on 2 November, which obviously increased the danger to neutral trade. During this meeting, a possible solution to the Dutch quagmire was put forward.[60] This solution entailed getting Dutch merchants and shipping companies to form a trust. This trust, which was dubbed the *Nederlandsche Overzee Trustmaatschappij* (Netherlands Oversea Trustcompany) could give the British exactly the guarantees they wanted: merchants and shipping companies alike would only be able to become a member of this trust if they solemnly promised that their goods were meant for use in Holland. As a private company, the trust need not be bound by the same strictures as the Dutch government; and it could guarantee home consumption without violating international treaties. Agreement amongst all those present was reached the same day, and work began on drafting two types of contracts for potential members of this trust, one for shipping companies and one for merchants.[61]

Four days after the N.O.T. had been founded, Van Vollenhoven brought Oppenheimer up to speed.[62] He no doubt informed Johnstone, busy drafting an explanatory memorandum to the Dutch Government, who had, on 13 November, responded even more vehemently than usual to his November 2 note. Responding to Johnstone's reference to pending negotiations, Foreign Minister John Loudon had, noting Britain was in obvious violation of the 'Droit des Gens', declared an 'ouverture éventuelle de négociations' concerning a Government guarantee for the ultimate destination of contraband goods to be contrary to her neutrality.[63]

Perhaps the British legation was convinced by the harsh tone of Loudon's reply, of the futility in trying to make the Dutch government guarantee home consumption of all contraband goods. Perhaps Oppenheimer and Johnstone had been convinced by Van Vollenhoven of the usefulness of the N.O.T. project to their cause. In any case, the British response acknowledged the Trust in a serious way. It started conventionally

[60] Both Van Manen and Oppenheimer mention this date, although, of course, Oppenheimer claims that the real decision had been taken on October 23rd.
[61] Moeyes, *Buiten schot*, 189.
[62] Document labelled *71745, November 16th*, [OP] 10.
[63] Loudon to Johnstone, 13 November 1914. Van Manen, *NOT,* i, 97-8.

enough, with the British Government proposing, as it had done earlier, that the Dutch Government be prepared to guarantee home consumption for imports into the Netherlands branded as such by the Order in Council of 29 October. However, it continued by stating that the British Government was 'prepared to accept, in a form still to be agreed, the guarantee of the The Hague Trading Committee as to their home consumption, provided that such guarantee forms part of the bill of lading accompanying these goods; provided also that under the arrangement to be made with the committee the shipping lines and owners of tramp steamers, still to be specified, bind themselves to carry [no contraband, conditional or otherwise] under the guarantee of the committee as to their home consumption.'[64]

In his reply to Johnstone's memorandum, Loudon seemed to agree with him that consigning goods to the N.O.T. would be a considerable step towards securing home consumption without there being a need for the Dutch government to break any legal obligations. When both the British and the Dutch governments, independently of each other of course, had acknowledged the N.O.T. as a forum for settling the outstanding dispute concerning contraband, detailed negotiations could begin to iron out the precise way in which the N.O.T. would guarantee that conditional contraband would not be re-exported. Certainly, the British government still required certain goods to be consigned to her Dutch counterpart, but since the Dutch already allowed for these (mostly foodstuffs and fuels) to be consigned to her, there were no resulting difficulties. Negotiations were wrapped up on 29 December, and the N.O.T. signed its first contract on 11 January the following year.[65]

This agreement, however, was not to last. Events in 1915, such as the unrestricted submarine warfare and Britain's retaliatory measures, stating that she would do away with all 'judicial niceties' and deprive Germany of all imports, irrespective of their origin[66], would have a profound impact on the N.O.T.. It would, nevertheless, play a pivotal role in both Anglo-Dutch relations and the Entente economical war effort until the end of the war.

Interestingly, German reaction to the founding of the N.O.T., and the accompanying potentially devastating effects on her war economy, came

[64] Johnstone to Loudon, 17 November 1914. PRO FO881/10575X/73372.
[65] Bell, *History of the Blockade*, 70.
[66] Speech by Asquith for the House of Commons, 1 March 1915, cited in Frey, *Erster Weltkrieg*, 124.

relatively late in the game. Sure, the ever-increasing British pressure did not go unnoticed amongst government circles. At the end of 1914, Reich Chancellor Theobald von Bethmann Hollweg stated, reacting to renewed British pressuring to incite the Dutch to close the N.O.T. deal, that the Luftröhre was snapped shut, since Dutch harbours were ipso facto closed due to the British measures.[67]

It took until the second half of 1915(!) before the Germans gradually came to understand the danger. The tardiness of their response has raised many eyebrows but can be explained. For one, the N.O.T. was acutely aware of the danger of German reprisals, and founded, in May 1915, a specific subcommittee designed for German contraband, thereby perpetuating the fiction that the N.O.T. worked for both sides. Secondly, reports on the N.O.T. by German agents in the Netherlands were few and far between. Felix von Müller, chief German envoy to the Netherlands, only very rarely send newspaper reports home, from which she could have learned quite a lot about the workings of the N.O.T. Thirdly, and perhaps more importantly, the introduction of the N.O.T. did not (at least not initially) result in a drop of Dutch exports to Germany. Certain goods, for example tea and coffee, were considered free under the N.O.T. agreement, and could thus be re-exported to the Central Powers. Moreover, indigenous Dutch products, especially those agricultural in nature, continued to find a ready market in Germany. Only from 1916 onwards, when the Entente introduced a system under which the neutrals were only allowed to import their pre-war quantity and thus cut any excess (contraband or other) ready for re-exportation, export from Holland gradually ground to a halt.[68]

From November 1914 until February 1917, when the American entrance into the war tightened the blockade and spelled the end of 'symmetrical neutrality', the NOT, made responsible for keeping the peace with the Entente, usurped more and more of the Dutch government's powers in the diplomatic and economic field. She operated semi-autonomously, and her position was often likened to that of a 'state within the state'. The story of its origin gives us some tantalising details on the impact and direction of the forces the Trust enacted upon the two competing power blocs and the Dutch government (and vice-versa) and

[67] Bethmann Hollweg to under state secretary of Foreign Affairs Arthur Zimmermann, 29 December 1914, cited in Frey, *Erster Weltkrieg*,, 145.

[68] For more exact statistics, see Herman J. de Jong, 'Between the devil and the deep blue sea. The Dutch economy during World War I' in: Stephen Broadberry and Mark Harrison eds, *The Economics of World War I* (Cambridge 2005) 137-169.

how all of this impacted on the concept and workings of Dutch neutrality and the Dutch economy. Answers to the many questions as to the how and why of the Trust's functioning and its impact on the concept of Dutch neutrality (one wonders if this term can still be realistically used to describe the Dutch role, especially when it comes to its role in the Entente economic warfare) are, however, far and few. Detailed research on the copiously available archival material it has left behind is key to answering some of those questions, and thereby gaining a more complete picture of both the history of Dutch neutrality during the First World War, the history of the Entente blockade in general and the history of the relationship between neutrals and belligerents during that war.