

Reframing the Diplomat: Ernst van der Beugel and the Cold War Atlantic Community

Bloemendal, N.A.

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Author: Bloemendal, N.A.

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2. "Present at the Creation"

The war years were followed by an intensive period of reconstruction during which Ernst van der Beugel embarked on a successful career as a civil servant in The Hague, which enabled him to witness the creation of post-war Western cooperation from up close. His involvement in the Marshall Plan from the summer of 1947 onwards set him on the transatlantic track that would characterize the rest of his career. The Marshall Plan years were not just important for the development of Ernst van der Beugel's personal career and vision of the United States, but also played a crucial role in the development of transatlantic relations more generally. While the Marshall Plan has been extensively covered by historians, its role in the development of an unofficial Atlantic Community has not received the attention it deserves. ¹

As this chapter will demonstrate, this period is particularly interesting from the perspective of New Diplomatic History. By including the private dimension of transatlantic relations in our analysis it becomes clear how the European Recovery Program (ERP) came to serve as an important catalyst of post-war public-private cooperation, which facilitated the development of a tightly integrated informal transatlantic elite network of which Ernst van der Beugel became a significant member. The unofficial networks that developed during this period also helped to facilitate the continuation of Ernst van der Beugel's transatlantic activities after he formally left the Dutch government in 1959. Consequently, this chapter will provide a closer look not just at Ernst van der Beugel's role in the Marshall Plan, but will also pay attention to the way in which the European Recovery Program was structured to gain a better understanding of a crucial period in the formation of the post-war Atlantic elite, the development of Ernst van der Beugel's extensive and diverse transatlantic social network and the arena in which he received his main professional education, which prepared him for a life as a middle man between the public and the private spheres on the crossroads of Cold War international economic and security policy.

The Marshall Plan

During the extremely hot summer of 1947, Ernst van der Beugel – by now a promising young civil servant at the Dutch Ministry of Economic Affairs – was enjoying a vacation at his father's villa in France when he received a phone call from the Dutch minister of Economic Affairs, Gerardus Huysmans. Shortly before, on June 5, 1947 the American Secretary of State George

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¹ For a discussion of the historiography on the Marshall Plan see: Alessandra Bitumi, "Rethinking the Historiography of Transatlantic Relations in the Cold War: the United States, Europe and the process of European Integration" in *Reinstating Europe in American History in a Global Context* (Turin: Otto, 2015), 79-81. Thomas Gijswijt and Valerie Aubourg do mention the role of the Marshall Plan in fostering post-war transatlantic elite relations, but they do not work this out in much detail. See: Thomas Gijswijt, "Uniting the West", 35-36; Valerie Aubourg, "The Bilderberg Group: Promoting European Governance Inside an Atlantic Community of Values" in *Transnational Networks in Regional Integration: Governing Europe, 1945-83*, eds. Wolfram Kaiser, Brigitte Leucht and Michael Gehler (London: Palgrave Macmillan, 2010), 46.

Marshall had delivered a speech at Harvard University in which he announced that the United States was willing to offer an extensive aid program to war wrecked Europe on the condition that the European countries would work closely together. The European nations were not supposed to respond individually to the American offer, but were asked to draft a joint aid proposal. After talks with the Soviet Union broke down, the British Secretary of State Ernest Bevin and his French colleague Georges Bidault issued a joint communiqué on July 4, 1947 inviting twenty-two European nations, including the Netherlands, to participate in a conference in Paris to formulate a European reply to the American offer.

Minister Huysmans's phone call related directly to this invitation. He inquired whether Van der Beugel was familiar with Marshall's speech and subsequently appointed the young civil servant as secretary to Hans Max Hirschfeld, one of the most internationally experienced and authoritative Dutch civil servants of his time, who had been chosen as the leader of the Dutch delegation to the Paris conference. Van der Beugel would frequently recall this event saying that he had never met Hirschfeld before and was told to look for a "stout man with glasses" who would be waiting for him in the bar of the Royal Monçeau hotel in Paris.² While this makes for a good story, correspondence from spring 1947 suggests otherwise. In a letter to Piet Sanders in April 1947, Van der Beugel wrote the following:

I find Hirschfeld good. He has no character and no heart but he is damned realistic and absolutely not dogmatic. I happen to have spoken with him rather often lately and I appreciate him. Of course, not good in essence, but I prefer dealing with these kinds of very capable, realist chaps of a certain caliber than with the Posthuma's and the Verzyls.³

Ernst van der Beugel was not only familiar with Hirschfeld, but also with the precarious economic situation of the European countries and of the Netherlands in particular. He had started his career in June 1945 as the director of the Dutch bureau for the navigation of the Rhine at the Ministry of Transport — a job he had acquired through Flip Idenburg, Max Kohnstamm's brother in law, who served as director of the Central Bureau of Statistics. The issue of restoring the navigation on the Rhine River, which connects the Low Countries with the German hinterland, was a matter of vital economic interest to the Netherlands, but except for the location of the Rhine — which Van der Beugel said he could recall "with some intellectual strain" — Ernst did not know "anything" about these matters. Even so, a week later he was in charge of the Rhine bureau — a job that familiarized him with the Rotterdam chamber of commerce, the 'Rhine barons' and Dutch shipping interests. It also gave him the opportunity to travel to places like Belgium, England and Germany. Traveling to Brussels and

44

² See, for example: Philip C. Brooks, Truman Library Oral History Interview with E. H. van der Beugel (hereafter TLOHI – Brooks), The Hague, June 1, 1964, www.trumanlibrary.org/oralhist/beugel.htm; EvdB/Kersten Oral History Interview, file 61-66, EvdB, NAH, p 127; "Amerikanen waren ongehoord vrijgevig: Prof. Van der Beugel (79) herinnert zich 'gevecht' om Marshall dollars", *De Telegraaf*, 24 May, 1997 (translation mine).

³ Ernst van der Beugel to Piet Sanders, n.d. [mid April 1947], file 2, Piet Sanders Papers, NAH, (translation mine).

⁴ EvdB/Kersten Oral History, p. 110 (translation mine).

London was a real treat during this period due to the availability of numerous products of which war-torn Holland had been stripped bare during the war. Consequently, the delegation members spent a substantial period of time on quests through the streets of these cities to buy the shoes, bras and panty hoses that made up the shopping lists from family and friends back home.⁵

These were great times for ambitious young men like Ernst van der Beugel. The Dutch government departments in The Hague offered ample opportunities to young academics who wanted to contribute to rebuilding the country after the war.⁶ After Van der Beugel had worked for some months as the director of the Dutch bureau for the navigation of the Rhine, his old college friend Pieter Blaisse offered him a job as deputy director at the Planning department of the Ministry of Economic Affairs, which Ernst accepted. Before he could start at his new job on November 12, 1945 Van der Beugel had to undergo a 'psycho-technical examination'. The subsequent research report concluded that:

Mr. van der Beugel is a perfectly reliable worker; independent, conscientious, persistent and with a great ability to focus. He is balanced, equipped with good understanding and common sense and he is very critical. His strong criticism helps him to discover errors in the reasoning of others and in forming a correct judgment, but inhibits him in his work, partly because of a lack of self-confidence, which, by the way, does not show in his outer appearance. His easy interaction with others, his strong will and other capabilities make Mr. van der Beugel someone who has the talent to lead.⁷

The Planning department was part of the General Directorate of Trade and Industry, which distributed the available foreign currencies to Dutch businesses. This was done through direct contact with the companies involved. If a business was in need of dollars, this was where they went. To Van der Beugel this was "an extremely fascinating educational experience. It was sheer reconstruction work. Here, the Philipses and Unilevers came to bargain for money with memorandums arguing for their needs." Soon, Van der Beugel was appointed to two other jobs in addition to his position at Planning. Pieter Kuin, the Secretary-General of the Ministry of Economic Affairs requested him to become his executive assistant and shortly afterwards Van der Beugel was also appointed as secretary of the Council on Economic Affairs, the most important subcommittee of the Dutch Council of Ministers. The president of the National Bank (Holtrop) and the director of the Central Planning Bureau

⁶ Ralph Dingemans, "'De zon ging op en de wind was gunstig': Ernst Hans van der Beugel", in *In Dienst van Buitenlandse Zaken*, eds. Bert van der Zwan, Bob de Graaff and Duco Hellema (Amsterdam: Boom, 2008), 157.

⁵ Ibid., p. 111.

⁷ Psychologisch rapport betreffende den heer Drs. Ernst Hans van der Beugel, 9 November 1945, file 35, EvdB papers, NAH (translation mine).

⁸ EvdB/Kersten Oral History, p. 116 (translation mine).

⁹ The Council for Economic Affairs was a committee of the Council of Ministers in which next to the prime-minster, the ministers of Economic Affairs, Social Affairs, Foreign Affairs, Finance, Transport and Water, Agriculture and Overseas Territories were seated. See: Meindert Fennema and John Rhijnsburger, *Hans Max Hirschfeld: Man van het Grote Geld* (Amsterdam: Bakker, 2007), 159.

(Tinbergen), who officially were not considered to be members, were also invited to attend the Economic Council meetings. It is most likely that this is also where Van der Beugel first met Hirschfeld. All in all, these events parachuted the young civil servant right into the center of Dutch post-war recovery affairs. During the Economic Council meetings, everything that concerned Dutch financial, economic and social policy was discussed. Here, Ernst van der Beugel experienced the cardinal problem of 1947, namely the dollar shortage which made it impossible to finance the necessary imports, firsthand.¹⁰

Like many other European countries, the Netherlands reached a state of crisis during the spring of 1947 due to an increasing shortage on the balance of payments. American products, which were indispensable for the economic recovery of the country, required too much of the national monetary reserves. "Looking back at that period, one can hardly realize how dominating and all absorbing the dollar problem was for the great majority of European countries," recalled Van der Beugel. There was a palpable feeling of panic in Europe. "More and more as week succeeds week the whole of European life is being overshadowed by the great dollar shortage. The margin between recovery and collapse throughout Western Europe is dependent at this moment upon massive imports from the U.S." 11, The Economist reported in May 1947.

In this context, the Dutch government had to make a tough decision: either they drastically decreased the number of imports, which would have serious consequences for the population's consumption level and cause a severe backlash to the process of economic recovery, or they would roughly maintain their level of imports, which would lead to such a speedy exhaustion of monetary reserves that the Netherlands would be heading for bankruptcy. They did not know that help was on the way, but even so there was a vague sense of hope in the air inspired by the feeling that 'something' would happen in Washington. "It's very difficult to trace why this feeling existed" Van der Beugel told Philips C. Brooks during an oral history interview for the Truman Library in 1964:

I think it started in a more concrete way after the proclamation of the Truman Doctrine, so after March – the period between March and June – there was a feeling that the Americans were moving into Europe. I remember very well, because I was a secretary to the Cabinet, that the Dutch Cabinet had to decide whether it should go on with its dollar imports with the terrible risk of spending practically the last dollars and hoping that something would happen, or simply to stop the thing. And then the Cabinet decided to go on, which was a very risky decision but they went on with the dollar import, because everybody had the feeling that something would happen.¹²

46

¹⁰ EvdB/Kersten Oral History, p. 126.

¹¹ Ernst van der Beugel, *From Marshall Aid to Atlantic Partnership: European Integration as a Concern of American Foreign Policy* (Amsterdam: Elsevier, 1966), 56.

¹² TLOHI - Brooks.

Thus, through his work at the Council of Economic Affairs, Ernst van der Beugel was not only familiar with the issues at hand, but he had also become acquainted with the gentlemen in charge. Consequently, he was seen a logical addition to the Dutch delegation at the Paris Conference.¹³

The Paris Conference

Between July 12 and September 22, sixteen European nations gathered in Paris under British leadership to convey a European response to Marshall's aid proposal. When Van der Beugel arrived in the city he found Hirschfeld behind a glass of cognac in Hôtel Royal Monçeau. The two men got along right away and would spend many long days together in Paris. ¹⁴ "Hirschfeld enjoyed the good life", Van der Beugel recalled. "Because I knew the city well, I also served as *Maître de Plaisir*. I had to go out for dinner with him every night [...] and then I wanted to go back to the hotel because it was hot and we had to work damn hard. But he was strong as a horse, so we had elaborate dinners and afterwards we went to a night club." ¹⁵

On Saturday, July 12 at 11 A.M. the conference on European Economic Cooperation commenced in a most congenial atmosphere. During the first days the ministers of the sixteen nations gathered in a grand ornate dining hall on the Quai d'Orsay, which resembled, in the words of Van der Beugel, "an almost sad reminder to the 19th century splendor of France." 16 Between July 12 and July 15 the ministers set up the machinery and drafted the guidelines for the conference, after which they handed the work over to their respective delegations. These delegations were in turn all represented in a newly established steering committee, which they referred to as the Committee for European Economic Cooperation (CEEC). Next to the CEEC the ministers had set up a series of technical committees focusing on the major areas of Europe's economy that needed to be restored: Food and Agriculture, Iron and Steel, Fuel and Power and, finally, Transport. The daily management of the conference was transferred to an executive committee under the leadership of Sir Oliver Franks, a distinguished diplomat and professor of philosophy at Oxford University, who also served as the chair of the CEEC. Next to the United Kingdom, the Executive Committee consisted of representatives from France, Italy, Norway and the Benelux. Hoping to strengthen their position among the bigger powers, the Netherlands had joined forces with Belgium and Luxemburg and Hirschfeld represented the Benelux in the Executive Committee, thus enabling the Dutchman to become one of the central players of the Paris Conference. 17

¹³ Walter H. Salzmann, *Herstel, wederopbouw en Europese samenwerking: D.P. Spierenburg en de buitenlandse economische betrekkingen van Nederland 1945-1952* (Den Haag: SDU Uitgevers, 1999), 112.

¹⁴ Teus Lebbing and Niklaas Hoekstra, "Atlanticus pur sang: Interview met Ernst van der Beugel," *Atlantisch Perspectief* 4:5 (1997),20; NAH/Kersten Oral History, p, 127.

¹⁵ Fennema and Rhijnsburger, *Hirschfeld*, 166 (translation mine).

¹⁶ E.H. van der Beugel, "Zestien Landen werkten te Parijs aan toekomst van Europa" *Het Parool*, 9 October, 1947 (translation mine).

¹⁷ See, for example: Fennema and Rhijnsburger, *Hirschfeld*, 176: 'Hij was de architect geworden van het Europese Herstelprogramma." The Dutch delegation to the Paris conference consisted of the Dutch minister of foreign affairs C.W.G.H van Boetzelaer, H.M. Hirschfeld, D.P. Spierenburg (deputy director of Foreign Economic Relations), A.W.L.T

As Hirschfeld's secretary it was one of Van der Beugel's responsibilities to prepare telegrams for the Economic Council of the Dutch Cabinet in The Hague. He usually wrote the reports at noon while Hirschfeld took a nap at the hotel. After the telegram was ready, Van der Beugel shoved the draft underneath Hirschfeld's hotel room door after which he knocked three times. When Hirschfeld, in turn, responded by knocking on his side of the door Van der Beugel knew he had Hirschfeld's approval and the telegram was ready to be sent to The Hague. ¹⁸

The negotiations were long and complex. Whereas the conference had started in a most agreeable spirit of community and solidarity, interactions became tenser as time proceeded. While the conditions throughout Europe became more desperate every passing day, the spirit of European cooperation that the Americans had requested slowly vaporized and many of the conferees lapsed back into old habits bringing the different national interests back to the forefront. Next to the much desired dollar aid, the Netherlands had a great interest in the revival of the German economy and the restoration of trade with the German hinterland to which its economy was closely linked. The French, on the other hand, desired to dismantle the German industry and wanted their own economy to become the driving force behind Europe's recovery. In order to guarantee their national security the French wanted to make sure that Germany would never rise to its former strength again, thus causing a major clash between Hirschfeld and the French representative Hervé Alphand. It would certainly not be the last clash between the Dutch and the French that Van der Beugel would witness in the process of post-war reconstruction.

The Americans had initially kept their distance to enable the Europeans to forge their own recovery plan, but on July 31 William Clayton, the American Undersecretary of State whom the New York Times dubbed the "American ambassador to Europe," paid an official visit to the Paris conference. During the meeting Clayton stressed that the European recovery plan should not offer some kind of partial or temporal solution, but ought to be a comprehensive proposal that would help Europe all the way back on its feet again. He also emphasized the fundamental importance of a conference report that would be palatable to a skeptical American Congress, since they would have to approve the plan.

Without clear directions or direct leadership from the Americans at the conference, the participating countries all composed their own shopping lists. "Everybody cheated like hell in Paris," ²⁰ Van der Beugel recalled. The first estimates on August 20 exceeded all expectations and Clayton knew it was time to step in. The total shortage calculated by the Europeans for

(London: Free Press, 2007), 100.

van Starkenborgh Stachouwer (the Dutch ambassador in Paris) and F.A.G. Keesing (President of the Dutch Bank and financial advisor of the Dutch minister of Finance, Piet Lieftinck).

¹⁸ Pien van der Hoeven, *Hoed af voor Marshall: de Marshall-hulp aan Nederland 1947-1952* (Amsterdam: Bakker, 1997), 55; Dingemans, "De zon ging op", p 160; Salzmann, *Herstel, wederopbouw en Europese samenwerking*, 112. ¹⁹ Greg M. Behrman, *The Most Noble Adventure: The Marshall Plan and the Reconstruction of Post-War Europe*,

²⁰ TLOHI – Brooks; Pierre van der Eng, *De Marshall-Hulp: een perspectief voor Nederland, 1947-1953* (Houten: De Haan/Unieboek, 1987), 67.

the period 1948-1952 amounted to \$28 billion, an amount that the Americans regarded as utterly unacceptable.

On 30 August, Clayton met again with the Executive Committee. In the course of a three-hour meeting he explained in plain language that the conference was not meeting American expectations. To enhance the prospects of the European request Clayton finally provided some basic guidelines. Next to lowering the total amount of the aid request, the participating countries had to come up with a plan that emphasized production (especially of coal and food) which would make it possible for Western Europe to attain economic independence or self-sustainability within a four year timespan during which aid requirements should decrease each successive year. In addition, the Europeans had to work toward internal financial and monetary stabilization and were strongly encouraged to liberalize trade. Last, but definitely not least, Clayton made it clear that the Americans wanted the Europeans to create a permanent multilateral organization to promote European cooperation. ²¹

The Europeans had not made much progress with attempts at a permanent cooperative effort. On August 28, two days before the Executive Committee's meeting with Clayton, Hirschfeld had written in a report to The Hague that "So far no detailed discussion has yet taken place at the Paris conference about the question whether a more permanent organization for European economic cooperation should emerge from the Marshall-plan consultations."²² In addition, Marshall's Harvard speech allusions to European cooperation had been very vague. The Dutch delegation felt very strongly that the ideas about European cooperation in the United States "were very outspoken, but not concrete at all." 23 As it became clear that the original conference deadline of September 1 could not be met, it was decided to apply the American recommendations after which the Paris report would be the basis for further detailed consultations with the American administration. On the occasion of the Paris conference, Ernst van der Beugel wrote two articles for the Dutch daily newspaper Het Parool, in which he described the major developments and emphasized the importance of American pressure on European cooperation. "Maybe", he wrote at the end of his second article, "the American understanding of the problems accompanying European cooperation is too simple; maybe they are not sensitive enough to the great traditional and historically grown differences between the European countries. But", he continued, now in bold print, "in essence their standpoint is correct, namely that from an economic perspective this impoverished continent will only have something to offer if a maximum degree of cooperation can be achieved."24

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²¹ H.M. Hirschfeld, 31 August 1947, "Bespreking op de Amerikaanse ambassade met de Amerikaanse Undersecretary of State W. Clayton, 30 August, 1947", file 20, EvdB Papers, NAH; Behrman, The Most Noble Adventure, 108-109; Salzmann, Herstel, wederopbouw en Euorpese samenwerking, 117-118.

²² Telegram Hirschfeld, Paris, 28 August, 1947, "Bespreking van de heer Clayton met de heer Spaak", file 20, EvdB Papers, NAH (translation mine).

²³ TLOHI – Brooks.

²⁴ E.H. van der Beugel, "Zestien Landen werkten te Parijs aan toekomst van Europa", *Het Parool*, 21 October, 1947 (translation mine).

In later years, Van der Beugel would come to perceive the 1947 Paris conference as "the mother conference of the structure of the West." In his 1965 dissertation *From Marshall Aid to Atlantic Partnership*, he stressed how the collecting of data for a common purpose was an unprecedented peacetime exercise that was of great importance for the further development of Europe. "The affinity between these men, who worked in Paris day and night during the summer of 1947, formed an indispensable element for future cooperation." This certainly applied to Van der Beugel himself, who developed many friendships in Paris, some of which would last a lifetime. Among the friends who belonged to this latter group were the Belgian Count Jean-Charles Snoy et d'Oppuers, the Frenchman Robert Marjolin and the Englishman Eric Roll, Lord Roll of Ipsden. ²⁶ Van der Beugel had close contact with many members of the other delegations, which enabled him to collect valuable information for the Dutch. In the process he impressed not only Hirschfeld but also Hirschfeld's deputy, Dick Spierenburg. Both men were convinced that Van der Beugel's career prospects looked very bright.²⁷

After the Conference on European Economic Cooperation was formally concluded with the signing of the conference report on September 22, the next step was to get the plan through the United States Congress. In order to facilitate this process the Truman administration invited Sir Oliver Franks and a small delegation of European representatives from the CEEC (including Hirschfeld and Van der Beugel) to Washington where they were to provide assistance for the defense of the aid program in Congress. ²⁸ This first trip to the United States would leave a deep impression on Ernst van der Beugel, as recorded in an extensive series of letters to his family and friends back home.

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²⁵ EvdB/Kersten Oral History, p. 130 (translation mine).

²⁶ Van der Beugel, From Marshall Aid to Atlantic Partnership, 71-72. See also: Theodore A. Wilson, Truman Library Oral History Interview with Ernst van der Beugel, The Hague, June 17, 1970. (hereafter: TLOHI - Wilson), http://www.trumanlibrary.org/oralhist/beugeleh.htm. Wilson: "Several persons with whom I've talked have suggested that the experience encouraged the growth of internationalism, an internationalist attitude. This is certainly borne out by your statements. Van der Beugel: "There is no question about that, and certainly from what happened in Paris. I mean, after all these years – it was practically 25 years ago – I still have a very close friendship with many of my first colleagues from 1947 in Paris." Count Jean-Charles Snoy et d'Oppuers was a top civil servant and diplomat who would also play a key rol in the negotiations concerning European integration. He was also one of the signatories of the Rome Treaties. After a stint in the private sector, he also served as politician for the Belgian Christian Democratic party. Snoy would also serve a member of the Steering Committee of the Bilderberg Meetings. The English economist Sir Eric Roll served as a professor of Economics and Commerce before he was recruited as a civil servant during the Second World War, after which he came to play a key role in the Marshall Plan and in Britain's unsuccessful entry into the European Economic Community in the early 1960s, after which he left civil service for the private sector where he became a director of the Bank of England and chairman of the merchant bankers SG Warburg, where Ernst van der Beugel became a director in 1964. From 1964 onwards, Roll also became intimately involved with the Bilderberg Meetings. He did not only serve on the Steering Committee but would also serve as Chairman of the Meetings between 1986 and 1989.

²⁷ Salzmann, *Herstel, wederopbouw en Europese samenwerking*, 112: "Spierenburg en Hirschfeld zeiden dan ook tegen elkaar: 'die jongeman zal het nog ver brengen."

²⁸ Van der Beugel, From Marshall Aid to Atlantic Partnership, 86.

To Washington

From the moment Van der Beugel boarded the Queen Mary, he felt 'lost' in the outrageous magnitude and luxury on the Cunard Line ship.

It is the most refined luxury hotel in Europe times fourteen. It is impossible to describe...It is just too much, very nice, but part of times gone by. This cannot exist anymore...We had a simple lunch with *hors d'euvre*, lobster, chateaubriand, omelet, soufflé, fruit and coffee...All day long you can get cake, toast, tea, coffee, cocktail appetizers, liquor and cigarettes.²⁹

In order to facilitate informal contact, the British Foreign Office had arranged that the European delegation would cross the Atlantic together with a group of American members of Congress led by the Republican Representative Christian Herter. This so-called 'Herter Committee' consisted of 19 congressmen with diverse backgrounds, including a young representative from California named Richard Nixon.³⁰ They had toured the European continent "to see for themselves what was happening and to assess the merits and needs of aiding Europe,"31 Herter, himself a committed internationalist, was already convinced that the European countries were in need of a comprehensive aid program. He hoped that, once faced with the devastation on the continent, his congressional fellow travelers would come to share this view. The committee's members visited every country in Europe, except for Russia, Yugoslavia and Albania. 32 Van der Beugel mixed with the congressmen, "but you should not exaggerate this contact with these Congress people," he warned his readers back home. "They all say, 'I'm so glad to meet you Mr. van der Beugel' and pat you on your shoulder and five minutes later they have forgotten your face, your name, your country and your existence."33 The committee members were especially interested in Hirschfeld, who had made a good impression on them previously in Amsterdam.³⁴

Together with Sir Oliver Franks, Hirschfeld spent one afternoon with the Herter Committee to provide an account of the Paris conference.³⁵ Contacts between the European delegation and the American congressmen remained rather superficial in character and did not yield the hoped for results.³⁶ A complicating factor was that the Europeans had been invited to Washington not to speak with members of Congress, but to help the Truman administration defend their aid program in Congress. As a result, "a certain degree of caution

51

²⁹ Ernst van der Beugel to Miekje van der Beugel, "Eerste brief, overgeschreven door Miekje van der Beugel", file 'Correspondentie met Vader' (hereafter 'CmV'), AHB (translation mine).

³⁰ "List of Passengers. R.M.S. 'Queen Mary' October 4th, 1947", box 2, Herter Committee (PPS206), Congressional Collection, Nixon Presidential Library (NPL).

³¹ Greg M. Behrman, The Most Noble Adventure, 115.

³² Harry B. Price, *The Marshall Plan and its Meaning* (Ithaca: Cornell University Press, 1955), 51-55.

^{33 &}quot;Eerste brief, overgeschreven door Miekje van der Beugel voor de familie", CmV (translation mine).

³⁴ Ernst van der Beugel aan Miekje van der Beugel, "Tweede brief, overgeschreven door Miekje van der Beugel voor de familie", CmV. The only names mentioned were Republican congressman John C. Kunkel of Pennsylvania, and Allen Dulles, the diplomat, banker, lawyer and future leader of the CIA.

³⁵ Code-Bericht BZ, 11 October 1947, Hirschfeld to Ministerie van Buitenlandse Zaken, file 20, EvdB.

³⁶ TLOHI – Brooks, p 26.

in the interaction with the Congress people was commanded" and the Europeans were not able to get a good impression of the general mood among the congressmen. "They are most kind, very interested, and very impressed by the situation in Europe, but whether the man with whom one drinks a whisky will in fact give a passionate plea for aid to Europe in Congress or whether he will reveal himself as the most fierce isolationist, one cannot say," 37 Van der Beugel concluded.

The Queen Mary arrived in New York on Thursday, October 9. In order to experience his first encounter with the United States as fully as possible Van der Beugel got up at 7 AM. Around 9.30 AM the coast of Long Island appeared followed a bit later by the New Jersey coastline on the other side. Shortly after, immigration officers came aboard accompanied by two representatives of the British embassy in Washington who guided the passengers smoothly through customs. On arrival, Van der Beugel took a good look at the "unforgettable sight of New York."³⁸

It was a bit hazy and when you sail between Brooklyn and Staten Island, all of a sudden you see the statue of liberty and then on your right something beautiful slowly emerges like a large mountain from the mist and that is the skyline of downtown Manhattan. Unbelievably magnificent and beautiful, not just because of what you see, but also because of what it makes you think of...You've seen the sight a hundred times in movies and you become aware of that especially when you sail closely past it. But that rising from the mist is truly one of the sights of the world. I will never forget it, that first time.³⁹

At the Cunard Line arrival hall, Hirschfeld and Van der Beugel were welcomed by Connie Patijn, another young Dutch official with whom Van der Beugel developed a close friendship, which, while not free from rivalry, would last a lifetime. ⁴⁰ The British had reserved seats for the Paris delegation in the Congressional, the train from New York to Washington DC, but before they boarded Patijn took Van der Beugel and Hirschfeld for a ride through New York that ended on the roof of the Rockefeller building with its fabulous view of the city. "First impression: Fantastic! Much of it was exactly as I imagined it to be. Many things even more magnificent", Van der Beugel wrote in a letter to his father that evening. "I did not think in the categories 'beautiful' and 'ugly,' because I was too astounded." They had ice cream on the roof of the Rockefeller building after which "as in a dream" they drove through Fifth Avenue, back to Pennsylvania Station. ⁴¹

During his first day in the U.S. it struck Van der Beugel how "the energy of the people" was "not being sucked away by a problem that simply does not exist here...it is completely

³⁷ Ernst van der Beugel to Dick Spierenburg, 17 October, 1947. file 828, NAH, Ministerie van Economische Zaken: Directoraat-Generaal voor de Buitenlandse Economische Betrekkingen (translation mine).

³⁸ Letter EvdB, "Donderdagavond 11 uur", 9 October 1947, CmV (translation mine).

³⁹ Letter EvdB, 9 October 1947, CmV (translation mine).

⁴⁰ See: EvdB/Kersten Oral History, p. 236, 306.

⁴¹ Letter E.H. van der Beugel, 9 October 1947, CmV (translation mine).

obvious that everything is available in every quantity and with incredible service and luxury. That is something we marvel at, but they do not."⁴² When he finally got back to his hotel room around eleven o'clock that evening, Van der Beugel was ready to collapse. Even so, he wrote a letter to his family back home, which would be the first in a series of almost daily reports of his experiences in the United States. "I am extremely impressed by everything," he wrote at the end of his first letter. "Tomorrow morning we will meet at 9.30 with the delegations for our first discussion...Nobody knows what to expect."⁴³

The Washington Meetings

The next morning the entire group of CEEC Europeans met in the War Manpower building of the U.S. State Department. During the first day at their Washington headquarters they were briefed about the proceedings in the U.S. capital thus far. Consultation committees set up by the Truman administration had already started their discussions with the European technical experts earlier that week. Some questions required sending additional questionnaires to the sixteen countries of the Paris conference. During the meetings, which had taken place in a most agreeable atmosphere, the Americans were well informed and not uncritical: the general impression was that the requests of the Paris report were still too high.⁴⁴ The State Department, represented by Under Secretary of State Robert Lovett and his deputy Charles Bonesteel, coordinated the consultations with the European group.

During the weekend Van der Beugel was able to unwind a bit. At the Wardman Park Hotel Ernst tried to catch up with reading the reports of the consultations. He marveled at the beauty of the red and golden glow of the Indian summer from his balcony. On Sunday, Louis Soutendijk, the financial officer at the Dutch embassy, gave Van der Beugel a tour of Washington followed by a cocktail party in Baltimore. ⁴⁵ "Life in the U.S. is truly breathtaking", Van der Beugel wrote to his father. "I feel a bit like the sour aunt who really wants to say something unkind, but I'm unable to do so."

The next day at 5 p.m. the Europeans were welcomed by Will Clayton, Robert Lovett, Charles Bonesteel and Marshall's chief economic adviser Paul H. Nitze. The "friendly" and "pleasant" Clayton disappointed Van der Beugel, but he was deeply impressed by the strength and expertise of Robert Lovett, whom he described – just like Bonesteel and Nitze – as "a man of the very best caliber." 47

Lovett was sympathetic to the Paris report, but also made it very clear that it would be a complicated task to get the aid request through Congress. The Republicans had a majority in

⁴² Ibid. (translation mine).

⁴³ Letter E.H. van der Beugel, 9 October 1947, CmV (translation mine).

⁴⁴ "Eerste vergadering van de vertegenwoordigers van de Parijse conferentie voor de besprekingen in Washington, gehouden op 10 October 1947", file 20, EvdB.

⁴⁵"Louis Soutendijk, "Dutch Economist and Diplomat, 83," *New York Times*, 29 December, 1993.

⁴⁶ Letter E.H. van der Beugel, 10 October 1947, CmV (translation mine).

⁴⁷ Letter E.H. van der Beugel, "Maandagavond", 13 October, 1947, CmV (translation mine).

both the Senate and the House of Representatives and they were reluctant to cooperate.48 Next to that, there would be elections the following year and there was a considerable amount of lobbying going on. The Truman administration would need all the help it could get from the European delegation to back up their case. Lovett's message was simple: "You cannot charm this Congress and there is only one way to handle this and that is to give them facts and facts and facts. That is why you are here now. That is why your technical experts are getting milked; not because we are curious or critical. It is because in the end we will have to stand before congress to be questioned and we will need your help to stand strong." This was an "excellent and realistic approach," 49 according to Van der Beugel. As he said later: "We were, as a matter of fact, mobilized by the Executive to help in getting the thing through Congress, which was a fascinating experience." 50

Soon a certain routine started to develop. Each day, Van der Beugel had to get up at 7.30 to make it to his first meeting with the Dutch members of the Paris delegation at 8.30 A.M., directly followed by a meeting of the entire European group at 9.30. A.M. ⁵¹ Together with Eric Berthound, Robert Marjolin and Guido Colonna di Paliano, Van der Beugel had been appointed to a newly established coordination committee of the European delegation. ⁵² While the technical consultations continued, the rest of the delegation had to deal with general policy issues. Every day the American interdepartmental commission would provide the coordinating group with lists of questions, the answers being required by the chief delegates in their discussions with the U.S. Steering Committee in the afternoon.

The first consultations between Europeans and Americans were devoted to an exploration of policy problems that arose from the Paris report. The discussions for the first week were divided into four main themes: 1) the general production program, 2) financial policy, 3) commercial policy and 4) European organization. During the subsequent week they hoped to "explore the balance-of-payments problem and to turn toward the general course of future action with respect to the program as a whole." Next to the formal diplomatic telegrams, Van der Beugel also wrote some "highly confidential" informal reports to among others Dick Spierenburg, Eelco van Kleffens, Pieter Blaisse and Max Weisglas who had requested Van der Beugel to keep them informed. 54

By the end of the first week the European-American consultations had not made as much progress as hoped. They had dealt with the general production program and were half

⁴⁸ Behrman, *The Most Noble Adventure*, 50-53.

⁴⁹ Letter E.H. van der Beugel, "Maandagavond", 13 October, 1947, CmV (translation mine).

⁵⁰ TLOHI - Brooks, p 4.

⁵¹ Next to van der Beugel and Hirscheld there were also three Dutch technical experts in Washington: Boerma (agriculture), Kouwenaar (timber) and Groen (oil).

⁵² Letter E.H. van der Beugel, "Maandagavond", 13 October, 1947, CmV.

⁵³ "Tentative Program for Conferences with CEEC Delegates", October 14, 1947, file 20, EvdB.

⁵⁴ E.H. van der Beugel to Dick Spierenburg, 17 October 1947, file 828, Ministerie van Economische Zaken: Directoraat-Generaal voor de Buitenlandse Economische Betrekkingen, NAH (translation mine). Spierenburg served as the Director-General of Foreign Economic Relations at the Ministry of Economic Affairs; Eelco van Kleffens, who had served as Dutch Minister of Foreign Affairs during the Second World War, served as the Dutch Ambassador in Washington at the time; Max Weisglas was the chief of the press division at the Ministry of Economic Affairs.

way through financial policy. The Americans, Van der Beugel noted, "are friendly and almost embarrassed that they ask us so many questions. We are well prepared and they are enthusiastic about that, but it would all be much easier if they would expose themselves a bit more and if they would state more clearly what they expect and how they truly think about things. At the moment we cannot discern any of this." The Truman administration simply did not know yet what it wanted itself. Even so, Van der Beugel by now regarded "the chances of a realization of the entire Paris Report in its original form as virtually naught." ⁵⁶

On October 24. Lovett and George Kennan met with the chief delegates to answer some basic questions on how the U.S. assistance would function. As usual, Hirschfeld also smuggled Ernst van der Beugel into this meeting. The Americans explained there was no chance whatsoever that Congress would vote for the full four-year plan in one go. The highest attainable result was the approval of the general idea combined with a yearly appropriation, for which they had \$6.5 billion in mind, but nothing was guaranteed. "It is barely impossible to imagine how nervous the administration is about this Congress," Van der Beugel noted. The aid would certainly not be given in dollars and the best the Europeans could hope for would be a mixture of dollars and goods. It would also be very hard to get the idea through Congress that a part of those dollars could be used for spending in other Western Hemisphere countries. One had to take into account, however, that "Lovett is an extremely cautious man", Van der Beugel noted "who is scared to death for Congress and who does not want to make the Europeans too optimistic." Lovett had shared with the delegates that he had just had lunch with the chairman of the House Appropriations Committee who had given him the advice to "put on an asbestos suit" during the hearings on Capitol Hill while leaving him with the friendly warning that "everything I tell you in Congress, Bill, is not personally meant." ⁵⁷ On November 4, a last meeting with the European delegation took place at the State department. During the meeting, Lovett tried to take away some of the European concerns. Even so, an "informal indication of present thinking on certain of these points" was all Lovett could offer.58

In the end, the Europeans "left Washington with many open questions as to how the Administration's program would be presented to Congress, what the amount to be requested would be, which conditions were to be attached, and how Congress would react." Nevertheless, the exercise had already been "most fruitful and constructive" Van der Beugel would recall, because it had "brought a group of Europeans, who were going to play a major role in further European developments, into the closest contact with their American opposite numbers and with the huge problems facing the American administration in its relations to Congress." The Paris delegation went back to Europe "firmly convinced of the reality of the words of Under Secretary Lovett, in their last meeting with him, where he said that the real

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⁵⁵ Letter E.H. van der Beugel, "Zaterdagavond", 18 October 1947, CmV (translation mine).

⁵⁶ Letter E.H. van der Beugel, "Dinsdagavond", 21 October 1947, CmV (translation mine).

⁵⁷ Letter E.H. van der Beugel, "Zaterdagmorgen", 25 October, 1947, CmV (translation mine).

⁵⁸ Letter E.H. van der Beugel, "Woensdagmiddag", 29 October, 1947. CmV (translation mine).

contribution of Europe could only be to abandon national beliefs and traditions in a joint approach to the recovery program." ⁵⁹ Their fate was now in the hands of the United States Congress.

The Marshall Plan: a Joint Venture between the Public and the Private Sector

On April 3, 1948 President Harry Truman signed the Economic Cooperation Act. The Marshall Plan had made it through Congress. To Ernst van der Beugel, who came to play a central role in the implementation of the Marshall Plan in the Netherlands, a "new diplomatic adventure" unfolded.⁶⁰

In its original proposal to Congress, the Truman administration had anticipated an organizational structure in which the coordination of the aid program would be in the hands of the State Department.⁶¹ During his January 8, 1948 Senate testimony, secretary Marshall had mentioned the need for ERP organization and its Administrator to be flexible, but he believed it should nevertheless "be fitted into the existing machinery of Government." It would be "unfortunate" he declared, "to create an entirely new agency of foreign policy for this Government."

In contrast, critics — including Arthur Vandenberg and Christian Herter's Select Congressional Committee on Foreign Aid — preferred an approach that stressed the primacy of private management. Advocates of a corporate organization claimed that such an approach would "relieve the State Department of operational responsibilities for which it lacked experience and personnel", that it would ensure "a large measure of operational flexibility, attract competent managerial talent from the private sector, and make possible a bipartisan administration of the recovery program. All of these advantages in turn would guarantee a businesslike operation and appease those in Congress who were hostile to the State Department."

Such a corporate approach also received support from the private sector. Leaders from academic circles, the major trade unions and from organizations like the Council on Foreign Relations (CFR), the Business Advisory Council (BAC), the Committee for Economic Development (CED), and the National Planning Association (NPA) published briefs on behalf of

⁵⁹ Van der Beugel, From Marshall Aid to Atlantic Partnership, 97.

⁶⁰ Harry B. Price, "Interview with Dr. van der Beugel, 21 November 1952 in The Hague," Oral History Interview File, November 21-November 30, 1952, Papers of Harry B. Price, Harry Truman Presidential Library (hereafter TLOHI – Price).

⁶¹ Van der Eng, De Marshall-Hulp, 20-21.

⁶² Qtd in: Nicolaus Mills, Winning the Peace: The Marshall Plan & America's Coming of Age as a Superpower (Hoboken: John Wiley & Sons, 2008), 165.

⁶³ Michael J. Hogan, *The Marshall Plan: America, Britain, and the reconstruction of Western Europe, 1947-1952* (New York: Cambridge University Press, 1987), 105-106. The Herter Committee, whose report van der Beugel would later refer to as the "most generous formulation of policy which I have ever seen," (see TLOHI- Brooks) specifically called for "an independent government corporation with a single administrator, a policy council and a bipartisan board of directors" (see Hogan, 101).

⁶⁴ Hogan, Marshall Plan, 102.

the program, testified before congressional committees and/or served on the Harriman Committee or on the Committee for the Marshall Plan to aid European Recovery. Like Herter and Vandenberg, they favored "corporative collaboration between private economic groups, including organized business and labor, and between these groups and government authorities in framing public policies." The result was "something like a coordinated campaign mounted by an interlocking directorate of public and private figures." ⁶⁵

The post-WWII American foreign policy establishment consisted of a large network of influentials "connecting Wall Street, Washington, worthy foundations, and proper clubs." ⁶⁶ Since a "growing group of cultural and economic elites centered in the Northern and Eastern coastal regions of the United States" dominated the network, it was often referred to as the 'East Coast Establishment'. ⁶⁷ Private elite organizations such as the New York based council on Foreign Relations and the Rockefeller, Ford and Carnegie foundations served as its vanguard institutions. ⁶⁸ The latter 'big three' foundations "represented a strategic element of the East Coast foreign policy establishment and the core of the latter's mindset, institutions, and activities, manifested by active leadership in organizations like the Council on Foreign Relations and the Foreign Policy Association." ⁶⁹ Close ties between these private networks and the formal foreign policy establishment were enhanced by how individuals "frequently switched between public and private service."

"However shady its outlines," the 'East Coast Establishment' shared many assumptions. "The values they embodied were nurtured in prep schools, at college clubs, in the boardrooms of Wall Street, and at dinner parties in Washington." They were internationalists with a cultural affinity toward Europe and the Atlantic world and belonged to a generation of Americans that had lived through the Great Depression, World War II, and the beginning of the Cold War. The lessons they took away from these experiences led to a common belief in the importance of remaining engaged in international affairs, especially in Europe. They were convinced that America's security and economic well-being were irrevocably linked to events abroad. They understood public service as a lofty calling and

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⁶⁵ Ibid., 97-99.

⁶⁶ Isaacson and Thomas, *The Wise Men: Six Friends and the World They Made* (New York: Simon & Schuster Paperbacks, 1986), 29. The term 'foreign policy establishment' describes members of organizations, such as the groups mentioned here, who were actively interested in foreign affairs. The term is related to Adler/Bobrow's 'influentials' and Almond's 'foreign policy elite'. See: Kenneth P. Adler and Davis Bobrow, "Interests and Influence in Foreign Affairs," *Public Opinion Quarterly* 20:1 (1956): 89-101; Gabriel A. Almond, *The American People and Foreign Policy* (New York: Praeger, 1950).

⁶⁷ Busby and Monten, "Without Heirs: Assessing the Decline of Establishment Internationalism in U.S. Foreign Policy," *Perspectives on Politics* 6:3 (2008), 454.

⁶⁸ Isaacson and Thomas, Wise Men, 29.

⁶⁹ Inderjeet Parmar, Foundations of the American Century: The Ford, Carnegie, & Rockefeller Foundations in the Rise of American Power (New York: Columbia University Press, 2012), 2.

⁷⁰ Busy and Monten, "Without Heirs", 454.

⁷¹ Isaacson and Thomas, Wise Men, 29.

⁷² Busby and Monten, "Without Heirs", 454.

shared an aversion to partisan politics. Among them, "ideological fervor was frowned upon" whereas "pragmatism, realpolitik, moderation, and consensus were prized." ⁷³

It was in this spirit that on December 30, 1947 Senator Arthur Vandenberg solicited the advice of the private Brookings Institution on behalf of the Senate Foreign Relations Committee. "It would be helpful to have an objective study by an independent research agency of the highest standard," he wrote to the Institution's president Harold G. Moulton. Less than four weeks later the Brookings Institution delivered a 20-page report containing specific recommendations for the structure, focus, and operating procedures of the Marshall Plan.⁷⁴

Considering the "magnitude and special character of the task to be performed", involving "economic and business responsibilities the State Department was not equipped to assume"⁷⁵, the Brookings report stated that "a new and separate agency should be created in the executive branch of the Government to serve as the focal point of the administration of the program." This agency was to be headed by a single administrator to be appointed by the President with the advice and consent of the Senate. The report also encouraged the administrator to "set up special advisory bodies and to consult with representatives of industry, labor, agriculture, and with other private citizens."⁷⁶ In addition, it recommended exempting the agency from federal regulations, such as existing limitations on salaries, to make it easier to recruit talented individuals from the private sector. Similar recommendations had come from the Harriman Committee, the National Planning Association and the Committee for Economic Development. Eventually, they found their way into the Economic Cooperation Act of 1948, thus formalizing "the pattern of public-private collaboration that had already taken shape around the ERP."⁷⁷

The result was a new and independent agency called the "Economic Cooperation Administration" (ECA) to coordinate the European Recovery Program. The leadership of this organization would be entrusted to "an eminent American with an outstanding business background with Cabinet-level status." Senator Vandenberg argued that, since the post required "particularly persuasive economic credentials unrelated to diplomacy" it was "the overriding Congressional desire that the ERP Administrator come from the outside business world (...) and not via the State Department." On Vandenberg's instigation, President

⁷³ Isaacson and Thomas, *Wise Men*, 29. Parmar challenges this "apparent independence" of the East Coast Establishment, claiming that "the "Big 3" foundations (Ford, Rockefeller, and Carnegie) have been "intensely political and ideological and are steeped in market, corporate and state institutions – that they are part of the power elite of the United States." See: Parmar, *Foundations*, 2-5.

⁷⁴ Ron Nessan and Fred Dews, August 24, 2016, "Brooking's Role in the Marshall Plan", accessed on August 29, 2016, http://www.brookings.edu/about/history/marshallplan.

⁷⁵ Hogan, The Marshall Plan, 107.

⁷⁶ The Brookings Institution, "Report to the Committee on Foreign Relations of the United States Senate on the Administration of United States Aid for a European Recovery Program, January 22, 1948."

 $http://www.brookings.edu/^\sim/media/About/Content/marshallplan/19480122cmtereport.pdf$

⁷⁷ Hogan, The Marshall Plan, 107.

⁷⁸ Behrman, *The Most Noble Adventure*, 165.

⁷⁹ Quoted in: Hogan, The Marshall Plan, 108.

Truman appointed Paul G. Hoffman, president of the Studebaker Corporation (and a Republican), who had also served as one of the industry representatives on the Harriman Committee.

As soon as the Economic Cooperation Act was signed into law, the American organizations involved in the implementation of the Marshall Plan started to weave extensive webs of corporative collaboration by linking up with the private sector on many levels. They teamed up with leading commercial banks to arrange credit facilities and organized conferences with industry and farm groups to prepare programs for the shipment of goods to Europe. The Commerce and Agriculture departments, with their already well-established connections in the private sector, facilitated much of the early consultations. The ECA established its own Public Advisory Board, to which Paul Hoffman appointed representatives of business, labor, and agriculture.

Knowing that the ECA was a temporary venture, Hoffman recruited many of ECA's staff members from business circles, universities and law firms. ⁸⁰ "In screening, our idea was that the choices must reflect America," Hoffman explained, "including government, business, labor, agriculture, education, etc." ⁸¹ While a number of important positions were occupied by professional diplomats and career public servants, individuals with corporate backgrounds similar to Hoffman's were far more typical of the agency's leadership. ⁸²

While the ensuing "networks of corporative collaboration" started on the American side where the "ECA became a hub in an elaborate system of public-private power sharing", the Americans also tried "to build a transnational alliance behind the ERP," by equipping "participating countries with American production skills, fashion American patterns of labor-management teamwork, and, in these and other ways, maximiz[ing] the chances for economic integration and social peace on the Continent." This also applied to the Netherlands, which was soon woven into the growing transatlantic web of public-private linkages.

The Dutch Organization

Hirschfeld and Van der Beugel had started their own preparations for the implementation of the European Recovery Program in the Netherlands as soon as they got back from the United States. Hirschfeld believed there were so many sides to the ERP that its implementation did

⁸⁰ Van der Eng, *De Marshall-Hulp*, 22. Hoffman took a leave of absence to spend a two-year term (1948–50) as director of the Economic Cooperation Administration, administering the Marshall Plan aid program to Europe following World War II. From 1950 to 1953, he also served as the president of the Ford Foundation.

⁸¹ Behrman, The Most Noble Adventure, 182.

⁸² Hogan, *The Marshall Plan*, 139-140: It is also noteworthy that many of these business leaders had served as civil servants before and belonged to at least one prestigious private association like the Council on Foreign Relations, the Committee for Economic Development or the Business Advisory Council, which frequently advised public officials and served as important recruiting pools for government jobs.

⁸³ Hogan, The Marshall Plan, 136.

not fit within any one of the existing departments.⁸⁴ Like the Brookings Institution in the United States, he argued that the ERP was a unique venture, which needed to be approached in an innovative way. Consequently, he maintained that the proper coordination of the program demanded the leadership of a single government commissioner, assisted by an independent agency that could guarantee a unity of policy in The Hague, Paris and Washington. ⁸⁵

On January 14, 1948 the Council for Economic Affairs of the Dutch Cabinet appointed Hirschfeld as Government Commissioner for the European Recovery Program, which made him responsible for the entire administrative coordination of the Marshall Plan in the Netherlands. While Hirschfeld wanted the existing government departments to keep their specific competences, ⁸⁶ he also proposed to establish "a small, yet competent bureau" to coordinate the implementation of the European Recovery Program in the Netherlands. Hirschfeld appointed Ernst van der Beugel –"who in fact had already been carrying out the envisioned activities since the beginning of the Paris conference" – as its director. ⁸⁸

Due to the ERP's interministerial character and in order to guarantee its flexibility, Hirschfeld believed that the envisioned agency should function directly under the Council of Economic Affairs of the Dutch Cabinet, as he did himself.⁸⁹ While this was a rather unusual arrangement, the Council approved.⁹⁰ According to Ernst van der Beugel, this distinct set-up was also influenced by the American example. ⁹¹ It gave the Bureau of the Government Commissioner for the ERP the freedom and flexibility Hirschfeld desired, bypassing the often stiff and sluggish bureaucracy.

Meanwhile, on March 15 the Foreign Ministers of the European Marshall Plan countries reconvened in Paris to establish a working party for a treaty on European economic cooperation. Ernst van der Beugel was one of the Dutch representatives in the European team that prepared the way for the Organization for European Economic Cooperation (OEEC) on April 16, 1948. This was finally the European response to the American demand for a permanent European organization. Once the OEEC was established, the American Secretary of Commerce W. Averell Harriman left his cabinet post to represent the ECA in Europe as permanent U.S Special Representative at the OEEC. In late April he set up the Office of the

⁸⁴ Fennema and Rhijnsburger, *Hirschfeld*, 181.

⁸⁵ H.M. Hirschfeld to Dr. J.H.M. van den Brink, 17 February 1948, file 22946, Dossier 072: diverse stukken van dr. Hirschfeld, Archief Buitenlandse Zaken, Code-archief 45-54 (hereafter "MinBuza 45-54").

⁸⁶ Van der Eng, De Marshall-Hulp, 140; Fennema and Rhijnsburger, *Hirschfeld*, 182.

⁸⁷ "Nationale Organisatie in Verband met Europees Herstel Programma", file 3261, Archief van het Nederlands Gezantschap in de Verenigde Staten van Amerika (2.05.75), NAH (translation mine).

⁸⁸ "Hirschfeld aan de Leden van de R.E.A. Nederlandse Organisatie voor het E.R.P.", file 22946, dossier 072; diverse stukken van dr. Hirschfeld, regeringscommissaris in Algemene Dienst; privé correspondentie waaronder dankbetuigingen, 1947 nov- 1948 mrt., MinBuza 45-54 (translation mine).

⁸⁹ Fennema and Rhijnsburger, Hirschfeld, 181.

⁹⁰ See for example: Ine Megens, *American Aid to NATO Allies in the 1950's: the Dutch Case* (Groningen: Thesis publishers, 1994), 71.

⁹¹ TLOHI-Brooks. See also: TLOHI – Price.

⁹² E.H van der Beugel to Blaisse, 28 January 1948, "De Nederlandse Delegatie voor het European Recovery Program", file 21: Stukken bijeengebracht onder de rubriek 'Marshall-plan en O.E.E.C.' – 1948-I, EvdB, NAH.

Special Representative (OSR) in Hotel de Talleyrand in Paris. William C. Foster, the former president of Pressed and Welded Steel Products and former Undersecretary of Commerce, became his deputy. As his chief aide and counsel he appointed the prominent Harvard Law professor Milton Katz, who would succeed Harriman in 1950.

During May and June - when it became clear how the Americans would organize their side of the aid program - Van der Beugel set-up the executive office of the Government Commissioner for the ERP in some former residential apartments at the Smidswater in The Hague, not far from the American embassy. He recruited a group of young staff members from universities and the existing bureaucracy including Paul Antoine Zoetmulder, who became his deputy. Soon the Smidswater staff was in charge of the coordination of Dutch Marshall Plan policy, including the distribution of the aid assigned to the Netherlands, and served as the Dutch counterpart of the American assistance agencies. To fulfill these tasks, Van der Beugel and his bureau stayed in close touch with all the groups involved, including the Dutch mission at the OEEC in Paris, the Dutch embassy in Washington DC, the ECA in Washington and the ECA country mission in The Hague. Hirschfeld required that all Marshall Plan interaction between the Dutch and the Americans would take place through either him or this bureau. 93 Any violation of this rule would threaten the unity of policy, he warned, and would allow the Americans to play the different government departments against each other, thus turning the local ECA Mission Chief into the de facto coordinator of recovery affairs in the Netherlands. 94

To coordinate the work of the different government departments an Inter-Departmental Commission for the European Recovery Program was established with Hirschfeld as chair and Dick Spierenburg as his deputy. Since the Americans had decided to supply the aid primarily through the regular trade channels, the implementation of the Marshall Plan also required close cooperation with representatives from business and industry as well as the labor unions on the receiving end in the Netherlands.

Public Private Linkages in the Netherlands

From the start, Hirschfeld and Van der Beugel had maintained "very intensive contact with business circles and the labor unions about their participation in the Dutch organization."95 Hirschfeld, who possessed close ties to the business community planned to involve Dutch business and industry in a way in which they could be made equally responsible for meeting Dutch obligations towards the United States. 96

⁹³ Rob Reinalda, "The Development of a Postwar International Economy", in Four Centuries of Dutch-American Relations, eds. Hans Krabbendam, Giles Scott-Smith, Kees van Minnen (Amsterdam: Boom, 2009),750.

^{94 &}quot;De Regeringscommissaris aan Prof. Dr. J.R.M. van den Brink, Betreft: Contact met ECA-Missie in Den Haag, 26 augustus, 1948", file 23171, MinBuza 45-54, NAH; "Nationale Organisatie in Verband met Europees Herstel Programma", file 3261, Archief van het Nederlands Gezantschap in de Verenigde Staten van Amerika, NAH.

⁹⁵ E.H. van der Beugel to Th. Max van der Beugel, The Hague, 25-1-1948, CmV (translation mine).

⁹⁶ Van der Eng, *De Marshall-Hulp*, 157.

After the major Dutch unions and employers' organizations had expressed their mutual support for the European Recovery Program in the spring of 1948, Hirschfeld arranged a meeting with their representatives to establish a joint information center for the Marshall Plan. Such a center could both provide information for the business community and publicity for the government. The social partners showed interest in this plan and in early March they established the Informatiecentrum Bedrijfsleven Plan-Marshall (Business Information Center for the Marshall Plan). During the opening ceremony it was declared that the information center was founded on the understanding that the private sector was responsible for the production requirements, including boosting productivity. 97 In addition, "to establish good contact with highly qualified representatives of Trade, Science, Industry, Agriculture and Trade Unions,"98 Hirschfeld composed a Business Advisory Council for the European Recovery Program, which convened for the first time on May 28, 1948, 99 It started out with 16 members from the private sector including four union representatives, three bankers, two industrialists, two agriculture representatives, one trade representative and one representative each for agriculture, shipping, trade and academia. The only labor union not represented was the Eenheidsvakcentrale (EVC), which was linked to the Dutch Communist Party, a fierce critic of the Marshall Plan. 100 By meeting regularly and staying up to date on all developments concerning the ERP, Hirschfeld was not only able to obtain the current point of view of leading figures in business and industry, it also enabled him to make them feel like they had a stake in the success of the policies. 101

The establishment of an Advisory Council for the ERP was actually very much in tune with what the Americans, who composed their Public Advisory Board for the ERP around the same time, had in mind. In fact, soon after Hirschfeld had established his Advisory Council, the Americans started to encourage the aid receiving countries to do exactly that – thus exporting the corporate mindset via the Marshall Plan across the Atlantic. In the Netherlands, however, this approach was already practiced before the Americans began to push for it. ¹⁰²

The Business Information Center and the Advisory Council were certainly not the only channels for interaction with leaders from business and industry. Since the Marshall Plan Bureau was in charge of the distribution of the aid in the Netherlands, business leaders were eager to bring their needs to the attention of the Director of the Marshall Plan bureau. In fact,

⁹⁷ Ibid., 157.

⁹⁸ Bureau van de Regeringscommissaris voor het EHP to Loyd V. Steere, Counselor for Economic Affairs at the American Embassy, August 6, 1948, file 23171, MinBuza 45-54, NAH (translation mine).

⁹⁹ Ir. St. Van Schaik to H.M. Hirschfeld, 9 June, 1948, file 23057, Dossier 111: Raad van Advies, MinBuZa 45-54, NAH. ¹⁰⁰ Fennema and Rhijnsburger, *Hirschfeld*, 207.

¹⁰¹ "Aan de leden van de Raad van Advies voor het EHP", 14 juni 1948, file 23057: Raad van Advies; rapportage, 1948-1949 juni, MinBuza 45-54, NAH; "Function of National Advisory Council for ERP Problems", June 21, 1948, box 2, RG 469: Records of U.S. Foreign Assistance Agencies, 1948-1961/Mission to the Netherlands/Office of the Director Subject Files (Central Files) 1948-53, Administration Misc. – Agreements, NARA; Van der Eng, *De Marshall-Hulp*, 157. ¹⁰² See also: Memorandum from E.C. Wilkinson to the U.S. Ambassador, The Hague, June 21, 1948, box 2, Folder 850, RG 469, Records of U.S. Foreign Assistance Agencies, 1948-1961, Mission to the Netherlands. Office of the Director Subject Files (Central Files) 1948-53, USNA; Administration Misc. – Agreements, box 2, Folder 850, "Administrative (misc): Netherlands National Advisory Council for ERP, USNA.

according to Ernst van der Beugel they were "queuing in front of the Smidswater to talk about their interests." As Van der Beugel put it: "We can make things very complicated with regards to the Marshall Plan, but in the end the whole thing basically came down to who would get the dollars." Eventually, many of Van der Beugel's connections with business leaders, which started with professional interaction, developed into something more personal. "We were friends, we visited each other at home," Van der Beugel explained in an oral history interview. This also happened with many of his diplomatic counterparts, not least the Americans who moved to Western Europe during the summer of 1948 to work in the ERP apparatus.

Cooperation with the American Country Mission in The Hague

On June 29, 1948 the Netherlands and the United States signed a bilateral treaty which, among other things, included obligations to increase productivity, to stabilize the local currency and exchange rates, cooperate with other countries to reduce trade barriers, bring out quarterly reports concerning the scope and use of received aid, and to provide the Americans with all information related to the implementation of the aid program. 105 To ensure that each country operated in accordance with the Economic Cooperation Act and that the terms of the bilateral agreement were met, the Americans established Country Missions in addition to the embassies in the aid receiving countries. "Broadly speaking, the chiefs of the special ECA missions are responsible for representing the Administrator and the Special Representative in Europe in all relations with the participating governments", an American memorandum explained. "The country mission chief works closely with government officials and private agencies responsible for preparation and execution of the recovery program in the country to which he is assigned." 106 Van der Beugel's Marshall Plan Bureau was accountable to them. In practice, Van der Beugel noticed, this construction made the Country Missions "co-responsible for almost every aspect of the economic, monetary, and social policies of the receiving countries." ¹⁰⁷

The relationship between the Dutch Marshall Plan Bureau and the American ERP country mission was "totally different from our relations to traditional diplomatic representatives," Van der Beugel noted. "It was not merely a mediating, listening and reporting function. On the contrary, the Americans found themselves right in the middle of

¹⁰³ EvdB/Kersten Oral History, p. 229-230, 277 (translation mine).

¹⁰⁴ Ibid., p. 277 (translation mine).

¹⁰⁵ Persdienst Ministerie van Economische Zaken, *Het Marshall Plan: Handleiding tot het Europese Herstel Programma* (The Hague: Stichting Economische Publicaties, 1948), 119-147.

¹⁰⁶ "Organization and Function of ECA Country Missions." box 1. File Administration (misc) – 12011 – ORG and Function of Country Missions, RG 469. Records of U.S. Foreign Assistance Agencies, 1948-1961. Mission to the Netherlands. Office of the Director Subject Files (Central Files) 1948-53, USNA.

¹⁰⁷ Ernst van der Beugel, "An Act without Peer: The Marshall Plan in Dutch-American Relations", in *A Bilateral Bicentennial*, eds. Schulte Nordholt and Swieringa (Amsterdam: Meulenhof, 1982), 75.

policy making, in spheres which infringed on national sovereignty." ¹⁰⁸ This "newer diplomacy" ¹⁰⁹ as Van der Beugel called it, required a special kind of diplomat: "individuals who possessed not only first-rate diplomatic qualities but at the same time an extensive knowledge of economics; individuals who combined wisdom and tactfulness with sufficient toughness and the ability to negotiate. They were the outposts of the new role of the United States in the world." ¹¹⁰

While this situation offered many opportunities for friction, Van der Beugel was impressed by the "enviable American flexibility which facilitated the smooth flow of personnel from industry, universities, media, and trade unions to government posts and vice versa. Very few top functions were manned by what one could call the 'professional civil servant'."¹¹¹ Many were still young, like Van der Beugel and his staff, and had decided to dedicate a part of their lives to helping to rebuild Europe. The fact that the Marshall Plan stirred the public imagination in the United States probably did not hurt in the recruiting process. "Their advantage was that the whole administration was brand new. They practically made their own rules." ¹¹² Even so, Van der Beugel was very impressed by the great reluctance with which they exercised their authority. ¹¹³ "They could have behaved as proconsuls, but they did not (...). The fundamental principle of the Marshall Plan was something far beyond this. It was a joint attempt, a joint venture." ¹¹⁴ This experience not only further fostered Van der Beugel's admiration and respect for the United States, but also served as a catalyst for strong social bonds between the Dutch involved in this 'joint venture' and their American colleagues.

"Although it is my impression that the Netherlands government is adept in supporting its own interests, all Government officers with whom I have come in personal contact (and that is an extensive list) have been extremely friendly and cooperative," 115 ECA Mission Chief Alan Valentine wrote to Hoffman after his first month in the Netherlands. In fact, Theodor van der Beugel, who lived in New York much of the time, developed his own personal relationship with Alan Valentine. The two men wrote letters to each other and Valentine even helped Ernst's father with valuable introductions to influentials in Washington DC, including individuals from President Truman's Council of Economic Advisors, the Department of Commerce and the Brookings Institution. 116

¹⁰⁸ Ibid.

¹⁰⁹ TLOHI - Price.

¹¹⁰ Van der Beugel, "An Act without Peer", 75.

¹¹¹ Ibid., 75-76.

¹¹² TLOHI – Wilson.

¹¹³ See for example: EvdB/Kersten Oral History, p. 139.

¹¹⁴ Van der Beugel, "An Act without Peer", p 75.

¹¹⁵ Alan Valentine to Hoffman, The Hague, August 17, 1948, box 2, Folder 600: "Administrative (misc). Netherlands ERP Setup, RG 469, Records of U.S. Foreign Assistance Agencies, 1948-1961, Mission to the Netherlands, Office of the Director Subject Files (Central Files) 1948-53, Administration Misc. – Agreements, USNA.

¹¹⁶ See for example: Th. M. van der Beugel to Alan Valentine, March 30, 1949, CmV.

A comprehensive PR-campaign

The fact that Congress would annually re-evaluate economic progress meant that there was a great deal of pressure on the aid receiving countries to show encouraging results. Hirschfeld was well aware of this. From the very start he had tried to keep representatives of the media in the loop. He distributed press releases and on 3 January 1948 (when the ERP was still under consideration by Congress) he called a press conference with the Dutch ministers of foreign and economic affairs, Van Boetzelaer and Lieftinck, to update the Dutch media on the most recent developments and "impressed upon them that they should really pay enough attention to the Marshall-dollars." Before the meeting, Hirschfeld had told van Boetzelaer the Dutch press should "especially give an impression of the Dutch reactions with regard to the Marshall Plan (...) it will be necessary to publish certain things in the Dutch press so that they can see in America that the Dutch public is interested in the Marshall Plan, and preferably that they have a positive view of the program." 118

During this press conference Hirschfeld stated that the Netherlands would "have to take on commitments and make sacrifices" and that they should be ready for anything. The Dutch communist newspaper De Waarheid reported that Hirschfeld "also acknowledged that there were some questions; some areas in which the terms of the Marshall Plan would come to stand in stark contrast with Dutch national interests, but he asked the journalists to keep these in the dark and to write as little as possible about them." ¹¹⁹ The *De Waarheid* reporter called Hirschfeld's attempts to influence the Dutch media "Marshall demagogy" and warned readers that "officials have launched a campaign in all pro-American newspapers to make it appear as if a financial catastrophe is imminent if the American aid does not come." 120 Two days later De Waarheid followed this claim up by pointing out that the Catholic newspaper De Volkskrant was already "singing the Marshall-song with major headlines" and warned that it was "making Marshall-propaganda by threatening that our entire monetary system will collapse if the dollars stay away." ¹²¹ Indeed, with the exception of the communist newspaper, the press conference seemed to achieve its purpose. As one account has it, "With a certain sense of shared responsibility for the economic future of the Netherlands all newspapers and magazines devoted articles and supplements to the forthcoming Marshall aid."122 Once the Marshall Plan had made it through Congress, Hirschfeld believed another "informal pressconference" should be organized. This time "without the communist!"

An active publicity campaign was in fact one of the obligations of the bilateral treaty that was signed in June 1948 and was greatly encouraged by ERC Mission Chief Alan

¹¹⁷ "Toekomst van Nederland staat op het spel", *De Waarheid*, 6 January, 1948 (translation mine).

¹¹⁸ Van der Eng, *De Marshall-Hulp*, 113 (translation mine).

¹¹⁹ "Zonder Marshall geen toekomst", *De Waarheid*, 3 January, 1948 (translation mine).

¹²⁰ "Marshalldemagogie", *De Waarheid*, 5 January, 1948. See also: "Zonder Marshall geen toekomst," *De Waarheid*, 3 January, 1948 (translation mine).

¹²¹ "Marshalldemagogie", *De Waarheid*, 5 January, 1948 (translation mine).

¹²² Van der Eng, *De Marshall-Hulp*, 113 (translation mine).

Valentine. ¹²³ In addition to press conferences and briefings the neatly designed quarterly reports that Van der Beugel's bureau provided were used to this end. Next to members of the government, labor unions, journalists, entrepreneurs and high officials, they were distributed to a diverse range of organizations, the media, libraries and others who had expressed interest in the recovery program. ¹²⁴ Hirschfeld and Van der Beugel also cooperated closely with the Press Office of the Ministry of Economic Affairs, run by the young economist Max Weisglas. Weisglas and the Smidswater bureau also regularly consulted with the Information Office of the ECA mission in The Hague, which ran its own publicity program. ¹²⁵

During the first year, however, the American approach to publicity differed from the Dutch, at times causing friction between the two. "I remember there was a certain irritation on our side about the excessive amount of publicity we had to generate," ¹²⁶ Van der Beugel would later recall. In the fall of 1948 the Americans told the Dutch that their publicity activities had so far been of a rather static character. The ECA Mission in The Hague desired a comprehensive "Public Relations" campaign, a concept whose meaning and application were still foreign in the Netherlands. ¹²⁷ Even so, Hirschfeld asked Weisglas to set up such a campaign. Based on American PR-strategies acquired through the ECA Mission and through study trips to the United States, the Dutch were eventually able to create a more dynamic campaign. ¹²⁸ They also intensified existing activities like welcoming ceremonies when ships with Marshall goods arrived, exhibitions describing the recovery program, essay contests with award ceremonies, the publication of explanatory brochures and speeches and pressconferences by individuals like Hirschfeld and Van der Beugel.

One large event that attracted a great deal of attention was the conference of the "Stichting van de Arbeid" on 13 January 1949. The entire program was devoted to Marshall aid and packed with eminent speakers, including ECA Mission Chief Alan Valentine, who opened the event with a distinguished audience including seven Dutch ministers, representatives of the socio-economic partners, senior civil servants, journalists, U.S. diplomats from the embassy and the ERC mission and Prince Bernhard of the Netherlands. In this "demonstration of friendship", as the *Volkskrant* newspaper described it, "the 'Stichting', representing the Dutch nation, desired to express its gratitude towards the American people and their government for the aid they provide through the Marshall Plan towards the recovery of Europe." ¹²⁹ In addition to expressing gratitude, union leader Evert Kupers

¹²³ See, for example: M. Weisglas to H.M. Hirschfeld, "Onderhoud met de Heer Valentine, Hoofd van de ECA-Missie in Nederland", 4 August 1948, file 23171, MinBuza 45-54, NAH.

¹²⁴ Van der Eng, *De Marshall-Hulp*, 120.

¹²⁵ Van der Hoeven, *Hoed af voor Marshall*, 101.

¹²⁶ EvdB/Kersten Oral History, p. 144 (translation mine).

¹²⁷ Van der Eng, De Marshall-Hulp, 117.

¹²⁸ Tity de Vries, "Een brede verspreiding van de berichtgeving is wenselijk", in *Van Strohalm tot Strategie: Het Marshall Plan in Perspectief*, eds. Griffiths et all. (Assen: Van Gorcum & Comp, 1997), 41.

¹²⁹ "Demonstratie van Vriendschap", Volkskrant, 14 January, 1949 (translation mine).

explained during his opening address that "the goal of this congress is to make the Dutch people aware of what this ERP means for our country in the first place." ¹³⁰

The second speaker was Ernst van der Beugel, described by the *Volkskrant* as "the correct type of the correct civil servant", who gave an "astute" overview of the history and development of the Marshall Plan: "a speech like a government communique, but better, clearer." Addressing Dutch suspicion towards America's motives, Van der Beugel warned that "it is just as naïve to claim that Marshall's plan is born out of American export interests as it is to assume that the American people and their government were solely motivated by the idea of playing Santa Claus." The plan was a "product of generous insight and prudent policy" and had laid the foundations for a form of economic cooperation unknown in the history of Europe. However, he emphasized there was no room for complacency. For the realization of the European Recovery Program 1949 would be a critical year. 134

Over the course of the European Recovery Program, Hirschfeld and Van der Beugel tried to remove irritations and suspicion concerning American meddling in Europe by explaining the American position and by fostering a sense of trust in the American people. Eventually, the ECA's Special Representative in Paris, Averell Harriman, would praise the Dutch publicity campaign, saying that the Dutch public was "the best informed of all concerning the Marshall Plan." ¹³⁵ It was also in this context that Ernst van der Beugel became directly acquainted with the importance of public opinion in the diplomatic process. The lessons he learned here would serve him well in the future, as a private citizen pursuing his own public diplomacy campaigns.

In the summer of 1949 the American banker Clarence E. Hunter succeeded Alan Valentine as ECA Mission Chief to the Netherlands. Hunter, who had served as vice-president of the New York Trust Company since 1928, was a member of the elite New York Metropolitan Club, established in 1891 by J.P. Morgan, and as treasurer of the Council on Foreign Relations he was a core member of America's East Coast Establishment. Hunter was no stranger to the Netherlands either. As vice-president of the New York Trust Company he had been in charge of foreign trade, a position that allowed him to travel abundantly. Before his appointment as ECA Mission Chief he had visited the Netherlands "about twenty times," 137 developing close relations with Dutch financial circles. 138 After his appointment

¹³⁰ "Openingsrede van de heer E. Kupers" in *Het Economisch Herstel Programma: derde Congres van de Arbeid*, 1949, file 23056, MinBuza 1945-1954, NAH (translation mine).

¹³¹ Drs. Van der Beugel: "Slagen van Benelux voorbeeld", [newspaper unknown], 14 January 1949, Scrapbook I, AHB; "Demonstratie van Vriendschap", *Volkskrant* 14-1-1949 (translation mine).

¹³² "De Marshall-hulp en Benelux", *De Nieuwe Courant*, 14 January, 1949 (translation mine).

¹³³ "Rede Drs. E.H. van der Beugel", *Het Economisch Herstel Programma: derde Congres van de Arbeid*, 1949, file 23056, MinBuza 1945-1954, NAH (translation mine).

¹³⁴ "Dr. Valentine op Utrechts Marshall Plan Congres", Volkskrant, 14 January, 1949.

¹³⁵ Van der Hoeven, *Hoed af voor Marshall*, 106 (translation mine).

¹³⁶ Michael Wala, *The Council on Foreign Relations and American Foreign Policy in the Early Cold War* (New York/Oxford: Berghahn, 1994), 51 (footnote).

¹³⁷ Translation Interview with Mr. Hunter, *Volkskrant*, Reel 7 of 7, RG469, Agency for International Development – Mission to the Netherlands, RSC.

was made public, Adriaan Philipse, the trade council at the Dutch embassy in Washington D.C., wrote to Hirschfeld that "practically all Dutch bankers are writing us letters to inform us that he is one of their very best friends." Turning 65 also meant Hunter had reached the age limit for his position as vice-president of the New York Trust Company. This allowed him to stay in the Netherlands for the remainder of the European Recovery Program.

As with Valentine, Van der Beugel developed a very close relationship with Clarence Hunter. The men met very often, both professionally and socially. "I have always taken the position that I decline every invitation, except the ones from the Americans, but even with that restriction I cannot keep up", Van der Beugel wrote to his father in the fall of 1949. "It will be absolutely wonderful to meet up with Hunter later, with whom I had dinner on Thursday, lunch on Friday and cocktails and dinner on Saturday. When I tell him 'how very pleased I am' to see him, he will probably think I am fooling him." ¹⁴⁰ In addition to the many formal meetings and social gatherings that are so emblematic to the diplomatic circuit, Van der Beugel organized regular informal get-togethers between Clarence Hunter and Dutch business representatives that became known as the 'Hunter Club'. In contrast to the more formal Business Advisory Council established by Hirschfeld, there were no representatives from the trade unions present at these meetings. ¹⁴¹

The ERP: Developing Transatlantic Networks

While Ernst van der Beugel's primary responsibility was the coordination of the Marshall Plan in the Netherlands, he was constantly connected to the broader ERP constellation that reached from Washington to Paris and from Paris to every Western-European country involved in the recovery program. The European cooperation that the Americans had pressed for since the Plan's announcement in June 1947 forced Ernst van der Beugel and his European colleagues to work closely together. In the process – beginning with the 1947 Paris Conference – a web of transnational linkages developed both in Europe and across the Atlantic.

On a European level, this process was stimulated by the fact that Van der Beugel and his European colleagues became part of a unique form of "European machinery" in the OEEC in which they came to feel "responsible for a joint venture." ¹⁴² As the Frenchman Robert Marjolin, the first Secretary General of the OEEC and a lifelong friend of Ernst van der Beugel, later recalled: "Never in my experience, before and after the Marshall Plan, have I known an international team moved by such an intense desire to accomplish a joint endeavor, the success of which represented at that time a matter of life and death for Europe and for each member country, and to see that it succeeded in conditions such that each participant might

¹³⁸ A.H. Philipse to Hirschfeld, 27 April 1949, file 23173, MinBuza 1945-1954, NAH.

¹³⁹ A.H. Philipse to Hirschfeld, 3 May 1949, file 23173, MinBuza 1945-1954, NAH (translation mine).

¹⁴⁰ Ernst van der Beugel to Th. M. van der Beugel, 2 November, 1949, CmV (translation mine).

¹⁴¹ Van der Eng, *De Marshall-Hulp*, 161.

¹⁴² Van der Beugel, From Marshall Aid to Atlantic Partnership, 72.

derive equal benefit. We were convinced that the different European countries were indissolubly linked in their destinies." ¹⁴³

This close cooperation not only contributed to a growing sense of internationalism and "additional loyalties to a broader entity than their own government"; it also laid the foundation for transnational relationships that went beyond formal interstate relations. ¹⁴⁴ Van der Beugel explained the development of this social network as follows: "It starts with working together, but in the process another aspect kicks in, namely that you get to like each other personally; that you think the same about the same problems. But that isn't even the most important part. The fact that a personal element of trust and affinity develops in the process – that is the most important." ¹⁴⁵ Among the Europeans with whom Van der Beugel developed a particularly close bond during this period were Count Jean-Charles Snoy et d'Oppuers from Belgium, Sir Eric Roll from England, Robert Marjolin from France, Prince Guido Colonna di Paliano from Italy, and the group around Adenauer in Germany consisting of Walter Hallstein, Ludwig Erhard, Alfred Müller-Armack, Heinrich von Brentano, Herbert Blankenhorn and Hilger van Scherpenberg. ¹⁴⁶ "I had a very intimate relationship with these people," Van der Beugel recalled. "If we ran into trouble, we telephoned each other, talked with each other. We also visited each other at home." ¹⁴⁷

While Van der Beugel claimed that nationality didn't play an important role in this, he found that "this sort of contact was by far the most difficult with the French." In his experience, "the entire club that ruled France was totally focused on France. It was an extremely cohesive *grand école*-club whose members did not speak in very flattering terms about foreign countries." The only exception, Van der Beugel argued, was Robert Marjolin whose wife was American and "who did not have any French complexes." In contrast, Van der Beugel felt "very much at home" with the Germans from Adenauer's *entourage*. "I have had

¹⁴³ Robert Marjolin, *Architect of European Unity: Memoirs 1911-1986* (London: Weidenfeld and Nicholson, 1986), 195-196.

¹⁴⁴ See for example: TLOHI – Wilson.

¹⁴⁵ EvdB/Kersten Oral History, p. 227 (translation mine).

¹⁴⁶ For Snoy, Roll and Marjolin see chapter 2, footnote 25. Prince Guido Colonna di Paliano was the Secretary-General of the Italian delegation at the Marshall Plan negotiations after which he served as Secretary-General of the OEEC (1948-1956), followed by top positions at the Italian Ministry of Foreign Affairs after which he served as the Italian ambassador to Norway until he was appointed as the deputy Secretary General of NATO (1962-1964). Between 1964 and 1970 Colonna served as a European Commissioner. Walter Hallstein was Deputy Minister of Foreign Affairs. Between 1958 and 1967 he would serve as the first President of the Commission of the EEC. After a clash with French president Charles de Gaulle he retreated to German politics as a member of parliament. He also served as the President of the European Movement from 1968 to 1974. Ludwig Erhard served as the Minister of Economic Affairs between 1949 and 1963, a position he combined with his role as Vice Chancellor of Germany between 1957 and 1963. Between 17 October 1963 and 30 November 1966 Erhard served as the 28th Chancellor of Germany. From 1952 onwards Professor Alfred Müller Armack served under Erhard as chief of the policy department at the Ministery of Economic Affairs. Heinrich von Brentano was a Christian Democratic politician who would serve as Minister of Foreign Affairs between 1955 and 1961. Herbert Blankenhorn and Hilger van Scherpenberg were members of the German Foreign Service. Blankenhorn would serve as ambassador to Italy, France and the United Kingdom. Between 1958 and 1961 Hilger van Scherpenberg served as Deputy Minister of Foreign Affairs, when Heinrich von Brentano was Minister of Foreign Affairs.

¹⁴⁷ EvdB/Kersten Oral History, p.p. 149, 227-228 (translation mine).

¹⁴⁸ Ibid., p.p. 227-228 (translation mine).

the great advantage that in my first important contacts with the Germans I dealt with decent honest people", Van der Beugel recalled: "I trusted them completely." His experience with the Germans had "very strongly influenced" his attitude towards Germany for the better. 149 The same could clearly not be said about the French. A similar positive development, however, did occur with the Americans. Indeed, Van der Beugel frequently emphasized how the role and attitude of the Americans involved in the Marshall Plan played an important role in his growing admiration towards the United States. "The bankers and the lawyers, who wanted to help in those countries they felt affiliated with, where they believed they came from," 150 made a deep impression on him. He considered them "symptomatic for the inventiveness and flexibility of America's foreign policy" and saw them as "the outposts of the new role of the United States in the World." 151

Indeed, while trans-European linkages were important, Van der Beugel emphasized that the social network that developed during this period was above all trans-Atlantic in character. ¹⁵² It was fostered at the bilateral level in the relationships with the staff of the American embassies and the ECA country missions. It was nurtured through consultations at the OEEC, but also through more informal social gatherings like receptions, cocktails and dinners in Paris, The Hague and Washington, where he got to know the other ECA Mission Chiefs as well as Harriman's successor as Special Representative, Milton Katz, with whom he would develop a lifelong relationship. ¹⁵³ What is more, it was during this period that he became acquainted with the East Coast Establishment: "I worked with that group (...) I knew them all; that whole group that ruled America during that period: the Achesons, the Lovetts, the McCloys, you name them." ¹⁵⁴ He not only greatly admired these men, but also felt a strong affiliation with their objectives.

This unusually intense and constructive period in transatlantic history also generated a common bond of having been part of this 'joint-venture'; of having worked in the same challenging circumstances, gone through the same experiences, and shared the same hopes, fears and aspirations. Even those who did not know each other personally during the days of the Marshall Plan, but who nevertheless shared similar experiences from this post-war period felt connected through its can-do spirit. Many of them would cross paths again later on – either in the process of European integration or through cooperation in NATO or some other, maybe more informal, trans-Atlantic venue. As Van der Beugel put it: "the moment people see that you went through these first years together, there is something very special, very special." ¹⁵⁵

¹⁴⁹ Ibid., p. 151 (translation mine).

¹⁵⁰ Ibid., p. 130 (translation mine).

¹⁵¹ EvdB/Kersten Oral history, pp. 130, 140, 151, 227-228; Van der Beugel, "An Act Without Peer", 75.

¹⁵² EvdB/Kersten Oral History, p.p. 226-227.

¹⁵³ See for example: Van der Beugel to Th. M. Van der Beugel, 20 November, 1949, CmV; Marjolin, Memoirs, 195-196.

¹⁵⁴ EvdB/Kersten Oral History, p.927 (translation mine).

¹⁵⁵ TLOHI – Wilson.

The Marshall Plan thus generated a group of individuals from Europe and the United States tied together through personal bonds, shared experiences and common aspirations. These linkages would soon evolve into the foundation for an informal transatlantic social network that would "form an indispensable element for future cooperation." ¹⁵⁶

Hirschfeld's Heir

While the European Recovery Program took up the greatest chunk of Hirschfeld's time, this was far from his only responsibility. As government commissioner he was involved in practically all major post-war international issues the Netherlands was confronted with: the German question, Indonesia, the Benelux and the European Recovery Program. This unusual accumulation of responsibilities made Hirschfeld the most powerful civil servant of post-war The Hague. 157 It also meant that he had to delegate.

In May 1948, Hirschfeld had appointed Van der Beugel's close friend Max Kohnstamm as his deputy with regards to German Affairs. Kohnstamm had worked as Queen Wilhelmina's personal secretary since the end of the war, but she had decided to abdicate in 1948. Kohnstamm – who had just made a study trip with a church delegation to Germany, which had deeply impressed him – was up for a new challenge. Secondary As his biographers have noted: "even Hirschfeld's energy had its limits, which made him delegate the negotiations concerning Germany completely to his deputy Max Kohnstamm and the distribution of the Marshall aid to Ernst van der Beugel." Overall, however, Van der Beugel played a more prominent role than Kohnstamm, with his own administrative apparatus that grew extensively over the course of the Marshall Plan. It already counted four departments by 1950. Two years later it employed around 50 people. Sesides, as opposed to Van der Beugel who had become the grand bureaucrat's protégé, Kohnstamm never developed a close relationship with Hirschfeld. He would later say that while they were both assistants of Hirschfeld, Van der Beugel could be compared to a "giant" while he was just a "dwarf" in the Smidswater constellation. Secondary of the Smidswater constellation.

Ever since Van der Beugel had been assigned to Hirschfeld during the 1947 Paris conference the two men had gotten along exceptionally well. Hirschfeld, who was over twenty years older than Van der Beugel, was not married. His life revolved around his work

¹⁵⁶ Van der Beugel, From Marshall Aid to Atlantic Partnership, 72.

¹⁵⁷ Willem Wansink, "De Groep van Tien: PvdA Ambtenaren en buitenlands beleid 1947-1952", file 7, Archief C.L. Patijn 1940-1998, NAH. According to Fennema & Rhijnsburger even the "Most powerful civil servant the Netherlands has ever known" (*Hirschfeld*, 317).

¹⁵⁸ See: Harryvan & van der Harst, Kohnstamm, 110.

¹⁵⁹ Fennema and Rhijnsburger, *Hirschfeld*, 209 (translation mine).

¹⁶⁰ The Economic-Statistic department, the Programming and Procedure department, the ECA Technical Assistance and General Affairs department and an Archive and Documentation department.

¹⁶¹ Wansink, "Groep van Tien", 59.

¹⁶² See: Ibid., 114 (translation mine).

and he regarded Ernst van der Beugel as his protégé. ¹⁶³ Hirschfeld biographer, Arie van der Zwan noted that

Ernst van der Beugel is probably the only one for whom, later in life, Hirschfeld has taken down his armor; to whom he also dared to reveal some of his weaker sides. That was during a period in his life, following the Second World War and its aftermath, during which the need for personal support became too powerful for him. The 'surrogate-father-son-relationship' – the term comes from Van der Beugel – which developed between them, must have meant a lot to Hirschfeld. 164

Ernst van der Beugel, in turn, also greatly admired the "grand man of the Dutch bureaucracy." I am living *im Schatten der Titanen*" he wrote to his father in a 1948 letter describing his growing admiration for Hirschfeld. While Hirschfeld was not a conceptual thinker, he was a superb manager with a vast amount of experience who knew the civil service like no other. At the same time he was a first-class economist who tried to find "an equilibrium between the wisdom of the statesmen and the knowledge of the experts." He taught Van der Beugel the ropes of international politics and introduced him to an extensive network of contacts in political, financial and economic circles. At his right hand Ernst van der Beugel's career at the Smidswater truly took off.

Meanwhile, Van der Beugel had also become a prominent presence within the Dutch Ministry of Foreign Affairs. When in 1950 Hirschfeld left The Hague for eight months to serve as the first High Commissioner of the Netherlands to its former colony Indonesia, the *grand commis* was dearly missed. While Dick Spierenburg – Hirschfeld's deputy from the Ministry of Economic Affairs – replaced him as Government Commissioner, the Dutch Marshall Plan organization was gravitating increasingly towards the Ministry of Foreign Affairs. ¹⁷⁰

After war broke out in Korea in 1950, the Americans started to shift their emphasis from economic to military aid, thus adding a whole new sphere to Van der Beugel's field of work. Startled by the loss of their nuclear monopoly after the Soviet Union had successfully tested an atomic bomb in August 1949, the Americans developed a new National Security Strategy (NSC-68), which emphasized the strategic importance of Western Europe for both the US and its allies. In fact, "the plan was so framed that the United States and Europe would jointly start with the build-up of their conventional forces, supplemented and assisted by nuclear and thermonuclear weaponry of American produce." ¹⁷¹ In addition, the ratification of the

¹⁶³ Arie van der Zwan, H.M. Hirschfeld: In de ban van de macht (Meulenhoff: Amsterdam, 2004), 308.

¹⁶⁴ Ibid., 308 (translation mine).

¹⁶⁵ TLOHI – Wilson.

¹⁶⁶ E.H. van der Beugel to Th. M. Van der Beugel, The Hague, 25 January, 1948, CmV (translation mine).

¹⁶⁷ EvdB/Kersten Oral History, p.128.

¹⁶⁸ TLOHI – Price.

¹⁶⁹ Wansink, "Groep van Tien", 62.

¹⁷⁰ Van der Eng, De Marshall-Hulp, 156.

¹⁷¹ Jan der Harst, *The Atlantic Priority: Dutch Defence at the Time of the European Defence Community* (Florence: European Press Academic Publishing, 2008), 42.

North Atlantic Treaty in 1949, enabled the European countries to request military aid from the United States. To facilitate the distribution of this aid, the Americans created the Mutual Defense Assistance Program (MDAP), which started in January 1950. That same month, the Netherlands signed a bilateral agreement with the United States in which the distribution of military aid was regulated next to the economic aid.

In response, the Dutch government appointed Hirschfeld as Government Commissioner for the Economic and Military Aid Program. During the first years of the European Recovery Plan it had been strictly forbidden to use the Marshall aid for military purposes. After the start of the Korean War, however, the American Congress began to underline the interconnectedness between the military and the economic aid programs by advocating that the ECA should also take the defense efforts of the aid receiving countries into account during the allocation of the Marshall aid. The underlying idea was that what had happened to Korea could also happen to Europe. The 1951 Mutual Defense Assistance Act eventually formalized the merger of economic and military aid through the Mutual Security Agency (MSA), functional from January 1952. In 1951 Van der Beugel's Marshall Plan Bureau merged with the Bureau for the Military Aid Program. Since the economic aid under the Marshall Plan would formally come to an end in July 1952, it was decided that MSA would take care of pending cases until July 1953, after which the Foreign Operations Agency (FOA) would take over this responsibility. MSA and FOA would still grant aid to Western Europe, but only in connection with military purposes. 172

The Dutch context was also changing. During the late 1940s, the Dutch minister of Foreign Affairs Dirk Stikker had ordered a reorganization of his department under the leadership of his chief of Political Affairs Han Boon. Boon tried to use this to strengthen the position of the Ministry of Foreign Affairs regarding its influence over the European Recovery Program. In the fall of 1949, Boon asked Van der Beugel to become the first chief of the newly designed Western Hemisphere division next to his Marshall Plan activities. "Since the relation of the Netherlands with the Western Hemisphere and in particular with the United States was determined for a large part by the Marshall Plan," and since the Ministry already involved Van der Beugel and his bureau in "all matters concerning the United States," this appeared like a logical step. While he emphasized that his work for the Marshall Plan would remain his chief priority, Van der Beugel – who was very eager to join the Ministry of Foreign Affairs – happily accepted. As a result of the growing emphasis on matters relating to security policy following the start of the Korean War, the Marshall Plan

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¹⁷² Van der Eng, *De Marshall-Hulp*, 25, 26, 233, 235.

¹⁷³ E.H. van der Beugel to Ingen-Housz, 24 January 1950, file 22948, MinBuZa 1945-1954, NAH (translation mine).

¹⁷⁴ E.H. van der Beugel to Prof. Dr. J.R.M. v.d. Brink, 19 January 1950, file 22948, MinBuZa 1945-1954, NAH (translation mine).

¹⁷⁵ Van der Beugel to Th. M. van der Beugel, 20 November, 1949, CmV. "Daarbij komt dan nog, dat een verdere vermeerdering van of verhoging in het Marshallwerk het nieuwe werk op Buitenlandse Zaken heel moeilijk zou maken en dat wil ik perse doorzetten, juist nu. Men rekent daar op B.Z. vast op en de Ambassade hier heeft mij op alle mogelijke wijzen laten weten, dat zij dat ook zeer op prijs stellen. Ik wil dus naar de kant van B.Z. Keep the line open."

Bureau had started to lean more in the direction of the Ministry of Foreign Affairs as well. ¹⁷⁶ Consequently, when Hans Max Hirschfeld left the Dutch government in October 1952, his independent Government Commissariat was dissolved. In its place a new Directorate General was established within the Ministry of Foreign Affairs to be headed by the 34-year-old Ernst van der Beugel – making him, as the *Volkskrant* put it, "Hirschfeld's first heir." ¹⁷⁷

As Director General for the Economic and Military Aid Program Van der Beugel also became increasingly involved in matters concerning Dutch defense policy. His responsibilities entailed the general administrative coordination of the American aid programs in the Netherlands and the coordination of all communication with the involved American institutions, the administrative coordination of the Dutch position in the OEEC, as well as the economic, military-economic and financial affairs in NATO and the European Defense Community. Last but not least Van der Beugel was responsible for the implementation of related policies designed by the Commission for Economic Affairs and the Defense Council of the Dutch cabinet.¹⁷⁸ The execution of these tasks required close cooperation with the Ministry of Defense, all the more so because the Ministry of Defense did not have the bureaucratic capacity to deal with the American aid program. 179 "I have often said that in those years I was just as much Director-General of Defense as Director-General of Foreign Affairs" 180 Van der Beugel asserted. With the exception of purely military-organizational affairs, which he had to discuss with the Chiefs of Staff, the Dutch defense minister Cees Staf involved Van der Beugel in practically everything that had an international character, including the Dutch position in NATO, the yearly exams, and the entire chunk of military aid. 181

Conclusion

The Marshall Plan marks a decisive period in Ernst van der Beugel's career. It drew him right into the center of Cold War transatlantic diplomacy and familiarized him with international politics, the processes of European integration, America's political system and its foreign policy establishment. It was here – under Hirschfeld's wings – that Ernst van der Beugel received his main professional education, which prepared him for a life as an informal transatlantic mediator at the crossroads of Cold War transatlantic diplomacy, economic and security policy.

The implementation of the Economic Assistance Act of 1948 also helped to forge many new linkages inside the Netherlands, among the Europeans and across the Atlantic. When we

74

¹⁷⁶ See: Van der Eng, *De Marshall-Hulp*, 156.

¹⁷⁷ "Drs. E.H. van der Beugel wordt Hirschfeld's eerste erfgenaam", Volkskrant, 25 September 1952 (translation mine).

¹⁷⁸ Gids van het departement van Buitenlandse Zaken en de Buitenlandse Dienst (1953), 19. quoted in: "Inventaris van het code-archief van het Ministerie van Buitenlandse Zaken, 1945-1945," p.83. accessed, 29 August, 2016,

http://www.gahetna.nl/collectie/archief/pdf/NL-HaNA_2.05.117.ead.pdf

¹⁷⁹ EvdB/Kersten Oral History, file 62, p.p. 58-159.

¹⁸⁰ Ibid., p. 159 (translation mine).

¹⁸¹ Ibid.

apply the perspective of New Diplomatic History to look beyond the role of nation states in this context, it becomes clear that the corporatist organizational structure that the Americans chose to apply to the European Recovery Program served as a strong catalyst for public-private cooperation supported by an infrastructure of informal cooperation and consultation that would outlast the Marshall plan itself. Meanwhile, American pressure on European cooperation led to the creation of a permanent European organization in the form of the OEEC, which brought a group of European officials together in a unique cooperative setting. In addition, the close cooperation with the Americans, represented in Europe by the Office of the Special Representative in Paris and through the country missions and embassies in all the participating countries, forged many new and special bonds across the public and private sectors, thus paying the way for future cooperation.

As director of the Dutch Marshall Plan bureau that was responsible for the coordination of the American economic and military aid programs in the Netherlands, Ernst van der Beugel was positioned at the very center of Dutch, European and transatlantic Marshall Plan activity. As a result of the multidisciplinary character of the Marshall Plan this position not only demanded close cooperation with the relevant government departments, but also with representatives from business, labor, industry, military and financial circles and the press. In this process Van der Beugel became the ultimate middle-man navigating between the public and the private, the national, the European and the transatlantic, between foreign security and economic policy. Through his coordination of, interaction with, and mediation between the different groups involved in the Marshall Plan – both private and governmental, Dutch, European and American – Van der Beugel was able to develop an extensive and diverse social network which would prove to be a valuable asset throughout his career on the diplomatic playing field, both as an official and as an unofficial actor. As the next chapter will demonstrate, this period also played a crucial role in the development of Van der Beugel's political views on Cold War international relations.