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Banker of the World. Builder of Europe.

Johan Willem Beyen (1897-1976)

Summary

The idea for this biographical research on Johan Willem Beyen arose from curiosity about the man whose initiative in 1957 gave rise to the European Economic Community that was not only the heart of the Treaties of Rome but also of the European Union.

The main question posed in this work is why the pragmatist and aloof intellectual Beyen was so deeply affected by European unification that he made an impassioned plea for it as Minister of Foreign Affairs. This historical research also poses the following questions that arise as corollaries of the main one:

1. What were the roots of Beyen's thinking about European unification and international cooperation?
2. Can clues be found in his banking career for his ministerial deeds later?
3. Does a recurrent theme in his career lead to his epoch-making views on European integration?

BORN UNDER A LUCKY STAR

Beyen came into the world lucky as is apparent from Chapter 1 (1897-1918). He was born into a stable and prosperous family in the late nineteenth century. His parents' horizon was broad; they were oriented toward Europe and passed this vision on to their children. Beyen was intellectually gifted and had a keen mind. His life would be given colour by both music and literature. The Grammar School of Utrecht [*Utrechts Stedelijk Gymnasium*] offered him ideal surroundings in which to develop his abilities and to measure himself with others. This all took place in the period of optimism and progress characterising the initial years of the twentieth century.

The First World War cast a chill over the dominant, positive world view and also over the immediate future prospects of the then seven-year-old Beyen. But he spent these years pleasantly and usefully studying law at the University of Utrecht.

Beyen was successful in asserting himself and in manifesting himself actively in a special way by taking part in the travesty theatre of those days. He was able to acquire a circle of friends and acquaintances that would be of great importance in his later life.

He was lucky to have excellent professors, one of whom was responsible for chan-

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ging the course of his life: the unorthodox professor of civil law J.P. Suijling. This professor, one of Beyen's first taskmasters and trailblazers, made sure his pupil received a very promising position at the Treasury of the Ministry of Finance in The Hague.

TASKMASTERS

L.J.A. Trip was the important key player in the initial period of Beyen's career, as Chapter II shows (1918-1927). This Treasurer General and later President of the *Java'sche Bank* (the Bank of Java) and of *De Nederlandsche Bank* (the Dutch Central Bank) did not only show his protégé the ropes of secretive financial policy but also herded Beyen toward the banking world by unexpectedly offering him a high position at *De Java'sche Bank*. Trip steered Beyen to adopt a conservative financial-monetary course, one he would follow for years with complete conviction, assisted and supported in this by lessons given by his renowned banker's friend A.J. van Hengel.

The bond that came to exist between Beyen and the Minister of Finance and later Prime Minister H. Colijn was a special one. Colijn was there for Beyen when he needed him and vice versa. An instance of the pertinence of this friendship is when Beyen, barely 30 years old, managed to save the suffering merchants' banks from ruin.

Beyen's period as an in-house lawyer for Philips was his first extensive experience on the international stage in the mid-1920s and his first introduction to international negotiations. His work there took him all over Europe, anywhere the company was trying to conquer markets. There Beyen came into contact with a world and a culture then looked down upon by those in The Hague: the electronic boys, messing about in the province. Beyen became a confidant of the Philips family but would never become a lackey in their royal household.

His work for Philips put him in contact with the current social debate in his own country, witness his exertions with the broadcasting system. In the person of Anton Philips, he became acquainted with the ideas and the practice of social entrepreneurship. Beyen managed at the inception of his career to employ an un-Dutch combination of charm, playfulness and intellect to build up a varied network of highly valuable relationships. By the time he was thirty, he already knew the people personally who made a difference to finance and money in the Netherlands and, more importantly still, he himself was known.

GLOBAL CRISIS

Chapter III (1927-1940) shows how the financial and economic crisis that spread to the whole world after the crash of 1929 decidedly influenced Beyen and his career. First and foremost, it made him aware of the gaps in the still-young science of economy and it spurred him on to develop his own theories. These gave rise to ideas highly advanced for the time, like those that occurred to thinkers like Keynes.

He saw social misery and massive unemployment as a shortcoming of political policy and advocated measures that consciously allowed room for government gui-

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dance. The government, he thought, had to take an active role in economic life if other solutions fell short. Beyen was at the forefront with this opinion and with the importance he attached to permanent improvement of the welfare of the masses.

Reality was less pliable, as became apparent when Beyen was chairing the *Werkfonds 1934* [Unemployment Relief Fund] and could not get his ideas for countering unemployment carried. That experience did not augment his enthusiasm for politics. Fundamentally, he was a direct problem solver with technocratic tendencies.

As a banker and as the director of *Rotterdamsche Bankvereniging* (Robaver), Beyen witnessed the failure of the international approach in tackling the financial and monetary malaise and this was to be an indispensable experience for him. He hung on to the gold standard to the bitter end partially because this was solid banking policy but particularly because he was permanently convinced that this last anchor of international cooperation and free trade should not be allowed to disappear before a decent system had replaced it. He shared this opinion with Colijn and Trip.

The crisis gave Beyen chances that he perhaps would never have had otherwise. With his taskmasters and trailblazers in key positions, he was able to rise quickly above the environment of Boards of Directors for Merchant Banks and take advantage of the chance to develop internationally. It was mainly Trip who opened many doors for him, like that of the Bank for International Settlements (BIS) in Basel. It must be admitted, however, that Beyen's actions as BIS President, with regard to the transfer of Czech gold to the Nazis were unfortunate.

In the Netherlands, Beyen had meanwhile become a person to be reckoned with when significant financial and economic questions were raised. His drive to plumb the depths of the economy put him in touch with all the country's professors and experts important in that area. This, in addition to his national and international banking experience, made him interesting to the Dutch business community. And finally, his brilliance was noticed at court, where he made friends with the royal couple.

Through his 'network', Beyen was exposed to the concept of European unity that was coming into vogue, as it was promulgated in the *Nederlandsche Paneuropa Vereeniging* [Dutch Pan-Europe Association] for instance. But at that point he was never caught enthusing in that direction. The idea was probably too lofty for him then. Beyen did belong to the, admittedly small, European cultural elite that travelled the continent by train and meanwhile took the time to exchange opinions about ideas directly connected with day-to-day worries but also to music, literature and fine arts.

ON THE FRONT LINE

The Second World War caused a fracture in Beyen's life and career, as becomes apparent from Chapter IV. Separated from family and his beloved, he was thrown upon his own resources in London. The war, however, created unimaginable chances of which he avidly took advantage, as Chapter IV (1940-1952) demonstrates. The global trial of strength was also a contest of ideas for the design of societies and international co-

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operation. Here Beyen was on the front line, certainly where the creation of a new monetary-economic system was concerned. His point of reference was emphatically the devastating malaise of the 1930s, not the Second World War that worked instead as a catalyst in the generation of his ideas.

Beyen's personal argument was also better suited to the ideological than to the military theatre of war. The thoughts he had developed in the 1930s about economic and social progress could now demonstrate their value. As the financial adviser to the Dutch government in exile, he took part in international discussions about the new world order that was expected to come about after the war. He was in contact with the most significant thinkers about future international, monetary relationships. He came to know John Maynard Keynes closely, to the pleasure of both.

As a director of the Unilever group of companies, stimulated by top man Paul Rijkens, Beyen was given a clear field to explore the unemployment problem in depth; this led to a publication that attracted a great deal of attention transatlantically. The future studies initiated by the 'Study Group for Reconstruction Problems' set up by Rijkens could count on Beyen's full support and cooperation. The report on forming economic groups, written under his leadership, functioned as a calibration point in his thinking and a signpost to what was yet to come.

Not all the ideas Beyen had had in the 1930s survived the pressure cooker of the war. But on many points he remained – as Keynes did – ahead of his time. Thus free-market forces came to govern economic trade less and government intervention became completely acceptable. Economic decisions would in future no longer be taken without considering their consequences for the less fortunate sectors of the population. This was in line with conclusions Beyen had arrived at in the 1930s.

It was different in the area of international, monetary-economic relationships. Beyen had concluded from the incapacity of the 'international community' to combat the malaise of the 1930s, from the bankruptcy of the gold standard, from the disappointing achievements of the League of Nations and from the World Monetary and Economic Conference in 1933 that to wish to fine-tune policy globally was to aim too high. His opinion was that one should not aim higher than what the actual situation dictated as possible and that amounted to regional cooperation. The allies, however, did not appear to share this point of view.

Under the leadership of the United States that was once more throwing itself open to the world, the 'one world' concept reigned supreme in attempts to stave off new wars and Beyen, in spite of his scepticism, could not remain aloof from that mood. He took active part in preparations for the Bretton Woods conference and represented Dutch interests there without having particularly high expectations about the future of the two world-wide organisations that arose from it: the International Monetary Fund and the World Bank.

Beyen did acclaim the result of Bretton Woods. A start had been made toward international guidance in the monetary-economic area; this was something for which

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he had passionately appealed. However, learning a lesson from the failures of the period between the two wars, he continued to set more modest goals and, for the time being, to see more in regional cooperation. By pragmatically elaborating on bilateral agreements, a broader zone for monetary cooperation and free trade could arise, that, in the fullness of time, could lead to global agreements.

After the war, he left for Washington with his new wife Gretel Lubinka to become executive director of the World Bank and to later take up the same position for the International Monetary Fund as well. The challenge of setting up these new organisations and occupying a top position within them appealed to him. But his ambition to reach the top there was not realised.

In both Bank and Fund, he continued to give priority to the European interest. Seen in that way, Beyen's long-term stay in the 'new world' did not mean he distanced himself from the 'old continent' or from the ideals of regional unity that could be achieved there. In fact, he started to feel more European than ever before.

UN-DUTCH

Beyen's ministry deviated in every possible way from what was usual in the Netherlands. Chapter v (1952-1956) reflects how his appointment as a non-partisan to Minister of Foreign Affairs in 1952 came about in an unheard-of way under pressure from the court; that two equivalent members of government should share a ministry by operating within marked-off fields of policy was an unprecedented experiment; his clashes with J.M.A.H. Luns involved such extreme discourtesy on Beyen's part that they disrupted the Ministry of Foreign Affairs and endangered the continued existence of the Cabinet; Beyen's working method distinguished itself by a vision and a passion which few in government and ministry could match; his exertions produced a result that Dutch diplomacy has never equalled since and his downfall was finally of an inevitability so patent it was worthy of classical tragedy.

This unusual situation had advantages for Beyen. The support of the pro-European Royal court made him practically unassailable – for as long as he had it. Where another non-partisan would have got the worst of it in that situation, he survived the row about the competences with Luns. The shared ministry would, paradoxically enough, give Beyen an advantage. Because of it, he was able to fully concentrate on what he wanted to achieve: unity in Europe. These were emphatically ideas of a pragmatist, not a 'believer' in European unity, of whom there were many at that time. The time had come to confront this vision, that assumed regional cooperation between groups of countries, with reality. He did this as a project manager would, as he was used to doing in business. Undaunted by ballast from earlier functions, he could be audacious.

As a complete novice, Beyen made his debut in the circle of Ministers of Foreign Affairs of the European Coal and Steel Community, where he immediately took the initiative. Success, however, came only after a setback experienced as bitter, when in

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the summer of 1954 the agreements for the European Defence Community and the European Political Community that contained his ideas about a common market, founded on French resistance.

European cooperation, according to Beyen, consisted first and foremost of tuning in to one another, of sharing and even transferring responsibilities, both on political and economic terrain. That demanded an organ with its own competences to promote the communal interest. Solely a 'supranational' organisation could act effectively here. That was certainly true for cooperation in economic areas, although in his opinion that would only have been feasible in a politically unanimous Europe, aware of its solidarity and prepared to employ its powers to achieve its ideals.

Nevertheless, Beyen's dream was not devoid of reality. He was aware that a vicious circle had to be breached. In Europe, in his opinion, one was confronted on economic issues by the paradox that complete cooperation without transfer of responsibilities to a community was impossible, but the hesitation to arrive at the point where one gave up on one's own responsibility was large indeed and the will to relinquish one's own freedom of action slight.

He partially succeeded in interesting the circle. At the conference of Messina in the summer of 1955, reluctant acceptance was given to his plan for a common market. This would come to occupy a more and more prominent place in negotiations to follow and would result in the European Economic Community (EEC).

The conclusion is justified that Beyen furnished new perspective for the European integration by getting it on the economic track at the right moment. That is not to say that Beyen placed the primacy of the economy above that of the politics. He simply thought that European unity had to have a robust foundation and that was the common market for him. For Beyen there was no contradiction between the Dutch interest or the national interests of the other European countries and the European interest. His efforts for an economically united Europe meant striking out upon unknown territory but his clear goal was to once again give Europe prestige and authority in the world and to bring welfare and prosperity to the Europeans.

THE GREET HOFMANS AFFAIR

Beyen's ministry terminated painfully with his undoing in the Greet Hofmans affair, the question of the alleged influence of the spiritually gifted Greet Hofmans on Queen Juliana. Beyen had been given the task of keeping the lid on the affair and keeping it out of the public eye; he succeeded very adequately in the beginning. He had been put in an unenviable position. On the one hand, he kept up friendly relationships with Juliana and Bernhard, who had helped him become minister. That friendship was very precious to him. On the other hand, he was the 'servant of the Crown'. He must have felt a conflict of conscience. Carrying out Juliana's wishes could not help damaging Bernhard.

As he was leaning more and more toward Bernhard's side, Beyen continued to oc-

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cupy himself prominently with the question. Did Beyen overestimate himself in dealing with the affair, did he think himself invulnerable due to his friendship with the Queen and the Prince or was he in league with Bernhard and acquainted with all the princely machinations? It seems obvious that Beyen must at least have been aware of Bernhard's role in making the affair public. Yet available sources provide too little to go on in making this assumption.

The more likely image is that of Beyen keeping track of tensions at court with increasing anxiety, watching the Queen's entourage with repugnance, viewing Greet Hofmans as an actual danger, but being incapable of turning the tide. Beyen was buffeted between Bernhard's and Juliana's interests and was incapable of choosing one side unambiguously. He could not withdraw himself from the unfurling drama either.

When Bernhard went public, Beyen himself, as ministerial liaison, entered the line of fire with the press. Because when this happened he confided his concern about the situation at court, he was banned from Soestdijk when Juliana got wind of this. He was beside himself with rage. He thought he had served his sovereign correctly. He failed to understand that Her Majesty, whose trust he thought he had, was treating him as a try-your-strength machine and lending her ear to persons in her surroundings whom he disdained and who were making his life a complete misery.

At that moment, Beyen was in so explosive a temper that it cannot be excluded that he advocated abdication of the throne. There is no doubt that Beyen thought the presence of Greet Hofmans and her followers close to the Queen to be pernicious. There is too little evidence though to support the allegation that he was the significant instigator of abdication.

FROM PLENIPOTENTIARY TO PAWN

The loss of his ministerial function had affected Beyen more than he had expected. The weightiest reason was not esteem. It had to do with the authority to make decisions about large interests, to exercise power with the goal of getting things done. In all the positions that followed, he was the executor and servant of policies others had delineated, as Chapter VI (1956-1976) shows.

The government commission for German affairs – meant to clear away questions that disrupted the relationship with Germany – was a position of stature but at the same time subject to the limitations of politics in The Hague. It was surprising that his successor Luns and the Cabinet trusted this delicate question to Beyen. During the negotiations with Germany about the *Generalbereinigung*, he was regularly subjected to serious criticism by Prime Minister Drees and others. He was said to be giving too much away, to be showing too much understanding for Germany.

It was a real achievement that nevertheless the beginnings of a *modus vivendi* were reached, during which, at Beyen's initiative, a flexible 'agree to disagree' formula was found for the precise contours of the political boundary in Eems and Dollard and agreements were concluded about communal management of the area. This

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would, in fact, turn out to be the overture to the solution that would be accepted only several months after Beyen had left the German-Dutch theatre to become ambassador in Paris, a solution that would usher in a normalising of relationships between the Netherlands and Germany.

The post of ambassador was also in essence a serving position. The fact that, shortly after becoming ambassador at the beginning of the 1958, he witnessed the coming to power of General De Gaulle, did however suddenly place Beyen once again in the 'front seat' of European history. Using the rise of Nazism in the 1930s as a gauge, he presented a disquieting account of currents in the French armed forces that could set the country he saw as so civilised back many years in time. No matter how undemocratic Beyen found De Gaulle's behaviour, he was convinced that only the general himself could avert this threatened, catastrophic development. The question of what would happen in the event of a possible assassination attempt on De Gaulle therefore filled him year after year with great anxiety.

Perhaps it was this that gave rise to the great respect Beyen paid the general – a respect that seemed mutual, given the way De Gaulle interacted with Beyen and the preferential treatment he gave him. Perhaps that was the reason why Beyen saw more chance of negotiating with the general about a top structure for the united Europe than with his Minister Luns. Because his certain view was that this was lacking. The attempts of De Gaulle and those surrounding him to turn back or at least neutralise the existing supranational decision making within the European community and to once more give the national states the last word conversely met with Beyen's fierce criticism, despite his profound understanding that 'supranationality' contradicted everything the French state stood for, in its grandeur.

In Paris, he found comfort in Roman Catholicism for his weariness struggling with the meaning of life. His conversion gave to the playful and highly imaginative Beyen the solid foundation he had been missing as a thinker about life and the world. This very personal choice did not put an end to his restlessness though.

When he was seventy and definitively at the end of his working life, the Netherlands once again looked too small to him. As a man of the world, he wanted to stay ahead of the lethargy of old age, to continue to live gloriously and remain exciting to his younger wife. He expected to be able to be the witty and celebrated man of yesteryear in foreign parts.

The search for suitable surroundings for the last chapter of the 'novel' of his life with Gretel was an uphill battle. Meanwhile Beyen was missing contact with his friends, particularly with Bernhard. The wording of his letters to the Prince reveals sincere affection, deep friendship. But more frequent contact, as Beyen would have wished, did not fit into the very busy princely existence, making the friendship one-sided and unequal. It added something tragic to the relationship.

Beyen became less and less successful at bending life to his will. His existence narrowed itself to life with Gretel, leaving aside visits to the Netherlands. It was a life that

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ofered less than he, and prob a bly she too, h ad ex pected. His failing health hardly per-
mitted favo u rite activities like travelling, walking and particularly making music.
Beyen followed what was going on in the world, but was shaking his head lightly.

The European and citizen of the world Beyen thus lived in isolati on du ring his last
years. He would die under those same circumstances, ironically enough in the
Net herlands, which he had left in order to live more gran dly. His testamert was biza re
too: no memorial, no mass and no grave . In this, he su rpri s ed everyone for the last
time. This narc i s i s t i c and vain man, this artist, this prag m a t i c banker, who stunned
both fri end and en emy with his passion a te search for Eu ropean unity, consciously
chose a sober end without an audience.

