

Ben Wubs

Unilever's Struggle for Control An Anglo-Dutch Multinational under German Occupation

ABSTRACT:

This article examines the effects of Germany's occupation of the Netherlands on the corporate governance structure of the Anglo-Dutch Unilever, which had huge interests on both sides of World War II. It focuses on the continental side of the business, in particular on the Netherlands and Germany, at the highest corporate level. I argue here that Unilever survived various serious threats of the German occupation because the group had

prepared itself legally well in advance of the war. Its highly decentralised operating structure helped the company to survive the ambitions of some parts of the Nazi State. However, the infighting of various German agencies prevented a complete sequestration of the continental business. In the end the appointment of a special Reichs Commissioner for the Unilever group as well as the deteriorating war conditions for Nazi Germany eventually worked to the advantage of Unilever.

Since the unification of Germany and the end of the cold war increasing numbers of companies have allowed and often commissioned academics to study their history in the Third Reich.¹ The end of the cold war has reduced the fear that the industry's relationship with the Nazi regime would discredit a company's name.² Most monographs treat the behaviour of German companies in the Third Reich and little has been written about the international dealings of these companies. Even fewer studies deal with, for example,

¹ I am indebted to Geoffrey Jones (Harvard Business School) and Hein Klemann (Erasmus University Rotterdam) for their excellent PhD supervision over the past few years. This article is only a part of the result of my research into Unilever. In addition, I thank Keetie Sluyterman (Utrecht University) and two anonymous reviewers for their comments on the first draft of this article. In addition, I am grateful to Unilever, and Ton Bannink (Head of Historical Archives) in particular, for their welcoming and open attitude towards my research.

² Examples of excellent academic monographs: Peter Hayes, *Industry and Ideology. I.G. Farben in the Nazi Era*, Cambridge 1987; Hans Mommsen, *Das Volkswagenwerk und seine Arbeiter im Dritten Reich*, Düsseldorf 1996; Neil Gregor, *Daimler-Benz in the Third Reich*, New Haven 1998; Gerald D. Feldman, *Allianz and the German Insurance Business, 1933-1945*, Cambridge 2001; Werner Abelshauser et. al., *German Industry and Global Enterprise. BASF: The History of a Company*, Cambridge 2004; Harold James, *The Nazi Dictatorship and the Deutsche Bank*, Cambridge 2004; Peter Hayes, *From Co-operation to Complicity: Degussa in the Third Reich*, Cambridge 2004; Stephan H. Lindner *Hoechst. Ein I.G.Farben Werk im Dritten Reich*, Munich 2005.

American, British and Dutch multinationals which had subsidiaries in Nazi Germany.³ In the 2000s, however, a few studies were published that also deal with multinationals based in allied countries. In 2004, for example, Christopher Kobrak and Per Hansen edited *European Business, Dictatorship and Political Risk, 1920-1945* which aims to explore how various multinational enterprises (MNEs) dealt with political risks posed by home or host country regimes at the time.⁴ In an introductory essay on multinationals and dictatorship Mira Wilkins raises the question of whether some legitimate generalisations can be made about the strategies and structures of MNEs in that period.⁵ Her article, however, mainly deals with the problems of foreign multinationals in Nazi Germany in the pre-war period. It focuses on two major issues: foreign exchange restrictions and their consequences and technology transfer. My article none the less deals with the wartime period and focuses consequently on other issues. Yet it hopes to add up some evidence for a few generalisations about the strategies and structures of MNEs during the war.

Another good example of the history of a MNE based in an Allied country is Henry Turner's book *General Motors and the Nazis* which was published in 2005 and which shows similarities with the Unilever case.⁶ The main topic of his study is the struggle for control of GM's subsidiary in Nazi Germany. During the war the company more or less continued its operations in Germany, but without direct management control from the parent company. Before Hitler had declared war on the United States all direct contact with Opel's headquarters in Germany had been lost. During the rest of the war the German subsidiary was managed by Germans previously appointed by General Motors. Nevertheless, after Opel's sequestration, bureaucrats of the Nazi regime decided what and how to produce in the interest of the German war effort.⁷

³ Some exceptions of general studies of MNEs based in Allied countries which also deal with the war period include: Mira Wilkins/Frank Ernst Hill, *American Business Abroad: Ford on six continents*, Detroit 1964; *The Maturing of Multinational Enterprise. American Business Abroad from 1914 to 1970*, Cambridge, MA 1974; Geoffrey Jones, *Courtaulds in Continental Europe, 1920-1945*, in: Geoffrey Jones, *British Multinationals: Origins, Management and Performance*, Aldershot 1986, 119-136; *The multinational expansion of Dunlop 1890-1939*, in: *ibid.*, 24-42; and a few specific studies of Allied firms in Nazi Germany: Charles Cheape, *Not Politicians But Sound Businessmen: Northon Company and the Third Reich*, in: *Business History Review* 3 (1988), 444-466; Hubert Bonin, *Ford and the Second World War in Continental Europe (a review)*, in: Hubert Bonin et. al., *Ford, 1903-2003, The European History*, Paris 2003, 319-369.

⁴ Christopher Kobrak/Per H. Hansen (eds), *European Business, Dictatorship and Political Risk, 1920-1945*, New York 2004.

⁵ Mira Wilkins, *Multinationals and Dictatorship: Europe in the 1930s and the early 1940s*, in: Kobrak/Hansen (eds), *European Business* (cf. n. 4), 23.

⁶ Henry Ashby Turner, *General Motors and The Nazis. The Struggle for Control of Opel, Europe's Biggest Carmaker*, New Haven 2005.

⁷ *Ibid.*, 155-156.

The aim of my article is to examine the effects of Germany's occupation on the corporate governance structure of Unilever, which had huge interests on both sides of World War II, in particular in the British Empire as well as in the German Reich. The article none the less focuses on the continental side of the business, in particular on the Netherlands and Germany. It is an in-depth analysis at the highest corporate level; the effects on the hundreds of operating Unilever companies are only briefly discussed here.⁸ In retrospect, it was not self-evident that Unilever would survive the German occupation given the various threats it faced in this period. Nazi Germany tried to get hold of at least the continental part of Unilever. Furthermore, under Nazi law the company could be seen as «Jewish», which should be «Aryanised».

I argue in this article that Unilever survived the struggle for control with the Nazi state during World War II because the group had prepared itself legally well in advance of the war. As a consequence, the company could easily be split into two autonomous parts. All overseas companies which belonged formerly to the Dutch part of Unilever were immediately put under a British trust construction after the beginning of the war. Unilever's highly decentralised operating structure, which was a direct result of the war, helped the company to survive the ambitions of the Nazi State. In addition, the infighting of various German agencies prevented a complete sequestration. The appointment of a Reichs Commissioner for the Unilever group as well as the deteriorating war conditions for Nazi Germany eventually worked to the advantage of Unilever.

The Unilever Group

In 1930 Unilever was incorporated through an amalgamation between the largest Dutch margarine company Margarine Unie/Union and Lever Brothers, the largest British soap company. It was the outcome of earlier important mergers in the European oils and fats business. In 1927 Van den Bergh and Jurgens, two major Dutch competitors in the margarine business, had formed the Margarine Unie/Union. In September 1928 an alliance had been established with the Franco-Dutch oil company Calvé-Delft. At the end of that year Centra and Schicht, leading companies in the oils and fats business in Central Europe and headquartered in Czechoslovakia, had come into the Union. And in 1929 the margarine and meat company Hartog of Oss had joined the Margarine Unie/Union.

⁸ My forthcoming book deals with the whole Unilever Group during World War II and focuses on the Anglo-Dutch multinational in Britain, the Netherlands and Germany in the 30s and 40s. Ben Wubs, *International Business and National War Interests: Unilever between Reich and Empire* (Routledge, London).

In the 30s Unilever was the largest company in the world engaged in the processing of non-mineral fats and oils. Its two most important products were margarine and soap. Both products required similar raw materials. Technological progress had made many raw materials interchangeable. In the world soap business there were only three other large firms: the American companies Procter and Gamble and Colgate Palmolive and the German company Henkel. In the margarine business Unilever was the single most important producer.

If Unilever's total capital is taken as a measure, the company outranked all European companies in 1930, according to Youssef Cassis.⁹ Although it is extremely difficult to compare the figures in that period there were only a few companies in Britain that came anywhere near the size of Unilever, i.e. Imperial Chemical Industries, Imperial Tobacco and Shell. Other large British companies were much smaller. On the continent Unilever's size was incomparable to that of any other firm in the 30s, with the exception of Royal Dutch and IG Farben.¹⁰ In addition, Unilever was one of the world's first genuine multinationals with operating assets in more than 40 countries. Its main markets were Britain, Germany and the Netherlands. In 1939 Unilever had 41,500 employees in Britain, 33,900 in Greater Germany and 6,000 in the Netherlands. World-wide it employed about 100,000 people at that time.

From the start Unilever had a dual legal structure: the Dutch and the British parent companies were bound together by what was called an Equalisation Agreement, whose aims were to ensure an equal distribution of profits between the Dutch and the British shareholders and to avoid double taxation. In addition, the agreement provided that the Boards of NV and Limited should be identical. Consequently, Unilever's legal dual form must not be confused with its organisational structure. The object of the merger agreement was unity. There was much common ground between the former family businesses: they all focused on branded consumer goods, they all used the same raw materials (oils and fats), they all relied heavily on capital markets for equity and loans and, last, they all used some kind of holding company structure. Nevertheless, the formation of a centralised and unified

⁹ Youssef Cassis, *Big Business. The European Experience in the Twentieth Century*, Oxford 1997, 240-266. Cassis compares assets, equity and labour employment. Cassis' figures, however, have to be employed circumspectly. At the time companies did not produce consolidated figures, which makes it quite difficult to calculate for example total capital employment figures of large conglomerates like the Unilever Group or Royal Dutch/Shell Group. According to my own calculations Unilever's total capital employment in 1939 amounted to £155 mil (1.4 bil Dutch guilders).

¹⁰ «Royal Dutch Company for the Working of Petroleum Wells in the Netherlands Indies» was the Dutch parent company next to the British «Shell Transport and Trading» in the Royal Dutch/Shell Group. The Dutch parent owned 60 per cent of the shares and the British 40 per cent. According to Joost Jonker, who has done extensive research into Royal Dutch/Shell, the group size in 1930 was comparable to the size of Standard Oil of New Jersey. The latter did consolidate its capital figures at the time. Total capital of Standard of New Jersey amounted to £166 million. According to Peter Hayes IG Farben was «Europe's largest private corporation between 1925 and 1945». By 1943 IG had 334 plants and mines across Germany and a workforce of 330,000 of whom nearly 50 per cent then consisted of conscripts or slave labourers. The book value of IG's assets exceeded

company out of a conglomerate of former family businesses, managed directly from one centre (London) appeared much more complicated than the signing of an Equalisation Agreement. In fact, the formation of Unilever as a unified company would take another ten years, was violently disrupted by World War II and was continued after the war.

During the 30s the national subsidiaries enjoyed relative autonomy. For example, Van den Bergh's and Jurgens' Fabrieken NV managed the Dutch businesses, except for soap. The company was quoted on the Amsterdam stock exchange next to Unilever NV. Unilever's German business, again except for soap, was managed by the Margarine Verkaufs Union (MVU). Simultaneously, Unilever was also rationalising and centralising its companies. It closed down businesses where necessary, especially in Britain and Germany. It amalgamated and centralised the business as far as possible in Europe. The European experience, however, was completely different from the American one and in the 30s Unilever still depended for the greater part on sales in Europe. There was no single European market (like the American market), there were only national markets, which became increasingly closed off from each other. For that reason alone it was impossible to use one business strategy for all countries in Europe. On the contrary, national management played a major role in this period. Unilever was centralising where possible, for example, in matters of finance, capital expenditure, raw materials supply, global strategy, international brands and patents. Simultaneously, Unilever was decentralising where necessary, for example as regards national markets, national brands, legal affairs, and staff matters. By September 1939 none the less there was more unity inside the company than had been the case when Unilever was first formed ten years earlier.

Unilever's War Preparations

When the war risk increased the chairman of NV Paul Rijkens urged the Special Committee to take preparatory measures. According to him, the possible splitting up of two theoretically autonomous parts was not enough. In February 1939 he proposed a scheme for splitting the Dutch parent company into two. NV would remain in possession of its continental assets and its overseas assets would be transferred to another company, which would be in South Africa because of the favourable tax position there.¹¹ In the case of German aggression no overseas assets should fall into German hands that could seize these Unilever assets as part of the sequestration of enemy capital. Unilever's legal war preparation could be seen as a cloaking

3 bil marks in 1944, which was double the sum reported from 1932 to 1938. Hayes, *Industry and Ideology* (cf. n. 2), 325.

activity by an Allied company, and shows that during the 30s it was not only German multinational companies that attempted to protect their foreign assets.¹² In contrast to the Dutch multinational Philips and the Anglo-Dutch multinational Royal Dutch/Shell, Unilever did not use the Dutch Relocation of Registered Office Act (*Wet op de Zetelverplaatsing*). It was discussed in the same period, but only adopted a few days before the German invasion of the Netherlands in May 1940. In accordance with the act it was possible for Dutch companies to relocate their registered office to Curaçao, Surinam or the Dutch East Indies.¹³

In February 1939 Unilever, as proposed by Rijkens, set up a South African holding company called *Internationale Mij. voor Handel en Nijverheid Beperk* in Durban. Under this holding company a hundred per cent participation was set up, the *Overseas Holding Ltd*. In the event of war and occupation of the Netherlands all overseas capital of Unilever NV would be transferred to the latter.¹⁴ Apart from NV's holdings in the Dutch East Indies, all interests in non-British overseas companies, in the United States, the Philippine Islands, China, Argentina, Brazil, Thailand, Turkey and the Belgian Congo, would be transferred to the South African holding company. Simultaneously, Unilever set up a trust (*Whitehall Trust!*) in London.¹⁵ As security for a loan, the South African interests were vested in the Whitehall Trust in London.¹⁶ Under British law it was possible to convey the ownership of property in trust to somebody else. The property had to be administered by a trustee in favour of the original owner. Through this legal construct it was possible to avoid difficulties with the British Trading with the Enemy Act, because of the link with the South African subsidiary of Unilever NV.

The same «Trust Instrument», as it was called inside the company, was used for its nominative shares (registered shares).¹⁷ These shares – numbered one to 2,400 – entitled the owner to choose the Unilever Board and could only be sold to third parties with the permission of all owners. The possession of these shares was thus of vital importance for the election of the directors of the company. Before the war half of these Special Ordinary Shares

¹¹ Minutes Directors' Conference (MDC), 9.2.1939, in: Unilever Archive London (UAL).

¹² Christopher Kobrak/Jana Wüstenhagen, *International Investment and Nazi Politics: The Cloaking of German Assets Abroad, 1936-1945*, in: *Business History* 3 (2006), 399-427.

¹³ Ivo J. Blanken, *Geschiedenis van Philips Electronics NV, IV (1935-1950), Onder Duits Beheer*, Zaltbommel 1997, 135-136.

¹⁴ Berichte der Deutschen Revisions- und Treuhand AG über die bei der Lever Brothers & Unilever N.V. vorgenommene Prüfung, 1940, 16, in: Unilever Archive Rotterdam (UAR), HIS 140, 1205B.

¹⁵ Whitehall is often used as a metonym for governmental administration in Britain and shows Unilever's reliance on the British government at the time.

¹⁶ Lever Brothers & Unilever Limited, *Annual Report and Statement of accounts 31st December, 1939*, 2.

¹⁷ Berichte der Deutschen Revisions- und Treuhand AG, Geschäftsstelle Den Haag, 7.4.1941, 19, in: UAR, HIS 140, 1204.

were held by a Dutch subsidiary of NV (*NV Elma*) and the other half by a subsidiary of Limited (*United Holdings Limited*). If war were to break out and the Netherlands was invaded by the Germans, the Special Shares were protected against sequestration. To make an election of a continental Board possible, however, the holders of these Special Ordinary shares handed over their voting right to NV Elma. In the event of an occupation of the Netherlands the continental side of Unilever could be managed according to its articles of association, with its Special Ordinary shares safe in South Africa.

In conclusion, the rather complicated legal provisions made sequestration of Unilever's overseas interests impossible, and simultaneously through the Trust Instrument, they guaranteed that these interests were at the disposal of the Unilever Board in London. The same is true of the Ordinary Special Shares necessary for the election of the Board. In addition, these provisions safeguarded Unilever's assets against the consequences of the British Trading with the Enemy Act. Combined with the new Equalisation Agreement it was possible to run the company on both sides of World War II. Unilever had prepared itself legally well in advance for various possible eventualities. Besides, these extensive legal preparations show that in this period Unilever relied heavily on Britain and the British parent company.

Organisational Change during the Phoney War Period

In response to the beginning of the war between Germany and Britain on 3 September 1939 Unilever changed its organisation completely. Then for the first time the company's organisational structure corresponded to its dual legal structure. At the beginning of the war – after the British imposition of the economic blockade – its businesses in Germany and in German-occupied territory were cut off completely from London. The only contact possible with German companies was through the Netherlands and other neutral countries. As a result, Unilever created two autonomous Boards, one in London (Limited) and one in Rotterdam (NV). Roughly speaking, companies in the British Empire were managed from London, companies on the European continent and in North America were directed from Rotterdam. Whereas in previous years the Boards of Limited and NV had been identical, at the outbreak of war – in connection with the Trading with the Enemy Act – the Boards of the two companies were reconstituted in such a manner that no director of either company was a director of the other.

Temporarily, during the period of Dutch neutrality, only Dutchmen held office on the Rotterdam Board. According to the articles of association of NV the membership of the Board had to be at least six and at most twenty-five.¹⁸ Since the beginning of September 1939 the NV Board consisted of the following Dutchmen: Henri Jurgens, who died in December 1939, R.J.H. Patijn, chairman of the Dutch Board, Rudolf Jurgens, Pieter Hendriks, who returned from London to Rotterdam to take care of the interests of NV, Sidney van den Bergh and Dr J.W. Beyen, the former President of the Bank for International Settlements (BIS).

From September 1939 the British Board of Unilever Limited consisted mainly of British members, plus two Dutch Special Committee members Albert van den Bergh and Paul Rijkens. Franz and Heinrich Schicht returned to Berlin to become Board members of the *Margarine Verkaufs Union*. During the Phoney War period the German holding company operated almost autonomously from Unilever's Boards in Rotterdam and London. All formal contact with London broke down. Business contact with the Netherlands was also limited to a minimum, as it could be misinterpreted by either the British or the German side. In the first months of the war German directors, under the pretext of protecting war secrets, withheld more and more information from their Dutch colleagues Simon Thomas and Tempel in the headquarters in Berlin. Therefore both the latter directors decided in April 1940 to move to the Netherlands.¹⁹

Shortly after the German invasion of the Netherlands Karl Blessing came to visit Rotterdam and informed NV's Board about the policy of the German Reich. A year before, in May 1939, Unilever had strengthened its contact with the German economic establishment by appointing Blessing as financial director of the *Margarine Verkaufs Union*. Blessing had been a Board Member of the Reichsbank, but had not fallen into disgrace, like Schacht. In June 1940 during his visit to Unilever's headquarters Blessing noted that the German occupier would not create difficulties for Unilever NV if German nominees filled half of the positions on NV's Board.²⁰ This was not too difficult for the Dutch Board to accept, as two of these nominees, Karl Blessing and Heinrich Schicht, were already Unilever directors in Germany. A third nominee, State Councillor (*Staatsrat*) Karl Lindemann, was chairman of the supervisory Board of Norddeutsche Lloyd of Bremen. Like Blessing he was a member of the

¹⁸ Berichte der Deutschen Revisions- und Treuhand AG über die bei der Lever Brothers & Unilever N.V. vorgenommene Prüfung 1940, Blatt 10-11, in: UAR, HIS 140, 1205 B.

¹⁹ Letter to Field Security, 7.9.1945, in: UAR, DIR 17, 313.2; AFJ Simon Thomas and FJ Tempel decided that there was no purpose in continuing to hold office in Berlin.

²⁰ Minutes of Directors' Conference (MDC), 30.8.1945, in: UAL.

business network of industrialists associated with Heinrich Himmler (*Freundeskreis Reichsführer SS*).²¹

On 31 May 1940 NV's Board gave the German troika mandates over Unilever's three most important holding companies *Marga*, *Saponia* and *Wemado*, which were the formal owners of most of Unilever's operating companies in Greater Germany and were in turn owned by NV in Rotterdam. In addition, Blessing, Schicht and Lindemann acquired rights of veto over Unilever's business in the Balkans and Scandinavia.²² According to a press release dated 2 October 1940 the NV Board in Rotterdam consisted of the following members: R.J.H. Patijn, Rudolf Jurgens, Pieter Hendriks, Heinrich Schicht, Franz Schicht, Karl Blessing, K.P. van der Mandele, Karl Lindemann, Dr. Reichle and former secretary of the Board M.G. de Baat.²³ NV's Board was clearly Germanised. Nevertheless, the newly appointed Germans had been either Unilever directors before the war or had been a direct business contact, like Karl Lindemann. In addition, these German Board members ran an office at the Margarine Verkaufs Union in Berlin for most of the time.

Berlin headquarters became much more important and independent of Rotterdam. As a result, in the course of time Unilever was actually managed from three headquarters: London, Rotterdam and Berlin. The power of decision over the business as a whole, however, still rested with the Boards of NV in Rotterdam and Limited in London. Unilever's overall business strategy – as far as possible – was still mapped out in London by Limited. The NV Board in Rotterdam, actually managed by Hendriks and De Baat, operated as an improvising Board, which had to make the best of a bad job when dealing with the German Reich. Nevertheless, it proved impotent in the German Reich. Unilever's business in Greater Germany and Eastern Europe was managed increasingly from Berlin, autonomous of Rotterdam.

Heinrich Schicht and his cousin Franz had resigned from the Board in London and gone back to Germany after the beginning of the war. Heinrich's brother, Georg Schicht, who had been naturalised as a British subject, stayed in London during the whole war. As a major shareholder he had been vice-chairman until 1937. It is obvious that he stayed in London to keep an eye on Schicht's interests in the company. Unilever's executive body in London, which was known as the Special Committee, then consisted of Georg Schicht, together with

²¹ David Marsh, *The Bundesbank, The Bank that Rules Europe*, London 1992, 52.

²² Letter Lever Brothers & Unilever to Karl Blessing, 31 May 1940, in: Bundesarchiv Berlin (BArch), R87, 5920, 1743.

²³ Persberichten 1940-1946, in: UAR, SEC 29, 646.1.

chairman Francis D'Arcy Cooper, vice-chairman Paul Rijkens and «Governor» Lord Leverhulme, son of the founder of Lever Brothers and the biggest single shareholder.

After the German invasion of the Netherlands Jewish Board member Sidney van den Bergh fled from the Nazis and became a Board member of Limited in July 1940. Another Jewish senior Board member of NV, Arthur Hartog, escaped from France after the German invasion of that country and made his way to Canada. Johann Willem Beyen, NV Board member and head of the Bank for International Settlements in Basle from 1937 to 1940, was able to fly to London via Paris and was installed as chairman of the Financial Committee of Limited. Although the above is not a comprehensive enumeration of all Board members it shows the extensive changes in Unilever's organisation and Boards at the beginning of the war.

German Occupation and Plans concerning Unilever NV

At the beginning of the German occupation of the Netherlands in May 1940 it was not clear what the ambitions of the Third Reich were in connection with Unilever. The Reich did not have a well-defined plan for Unilever's future on the continent. As the company constituted the largest business conglomerate in the oils and fats business in Germany and as it was also highly diversified, there were various German government agencies involved, each with different agendas. As a result, Unilever was immediately confronted again with the polycratic Third Reich.²⁴ Ever since the 30s the Board had known from experience that these different German government agencies could be played off against one another. The following section will show how contradictory German policy towards Unilever was during the 1940-41 period.

During the period of the Phoney War the Anglo-Dutch Unilever could be seen as enemy property, at least in part, that should fall under the jurisdiction of the Reich Commissioner's Office for the Treatment of Enemy Assets.²⁵ In January 1940 Hitler had appointed a special Reichs Commissioner, who was supposed to create the conditions for a legitimate management of enemy capital. The German State was extremely interested in

²⁴ The Unilever case seems to confirm the discussions on the multi-dimensional (<polycratic>) power structures in Nazi Germany. See for example Ian Kershaw, *The Nazi Dictatorship. Problems and Perspectives of Interpretatio*, London ⁴2000, 74-75.

²⁵ At the outbreak of the war in September 1939 Germany did not have any legal provisions in force to cover enemy property and was awaiting coming events. It was not until 15 January 1940 that a decree was issued about the treatment of enemy property in Germany. Sephan H. Lindner, *Das Reichskommissariat für die Behandlung feindlichen Vermögens im Zweiten Weltkrieg*, Stuttgart 1991.

acquiring shares in enemy enterprises, but was very circumspect in obtaining any for fear of reprisals on the part of the Allies, as had been the case in World War I.

Since Unilever shares were partly in British hands, Unilever's capital was treated as enemy property. The company was placed under the supervision (*Verwaltung*) of Reichs Commissioner Dr. Friedrich Ernst in Greater Germany who had to treat (protect and preserve) Unilever's assets according to international legislation. Ernst was not a Nazi and had been on active service at the Ministry of Justice since 1921. He would resign voluntarily in October 1941 and join a private bank in Berlin.²⁶ At the beginning of 1940, however, Ernst had found out that Unilever's business in Greater Germany was not in British hands, but for the larger part in the hands of the Dutch holding companies Marga, Saponia and Wemado, which were in turn owned by Unilever NV in Rotterdam. Therefore, Unilever's assets in Greater Germany could not be sequestered by a Reichs Commissioner for Enemy Property.²⁷

In May 1940 after the German occupation of the Netherlands an order was none the less issued which enabled the appointment of a supervisor for Dutch companies that were under enemy influence. At this point Blessing visited Ernst and tried to convince him that Unilever NV in Rotterdam was not under British influence. On the contrary, Blessing continued, the Dutch Board now consisted of a majority of Germans. In addition, he himself, Heinrich Schicht and Karl Lindemann had been given important mandates over Unilever's businesses in Greater Germany. Ernst was persuaded and he commissioned Blessing, Schicht and Lindemann as protecting supervisors (*Schutzverwalter*) of Unilever's holding companies Marga, Saponia and Wemado, which held the greater part of Unilever's assets in Greater Germany.²⁸

As Germany's largest company in the non-mineral oils and fats industry, Unilever fell under the competence of Göring's Four-Year Plan (Section Nourishment). On 3 June 1940 Georg Reichart of this section had prepared a confidential plan concerning the «Unilever problem» in the Netherlands and Greater Germany.²⁹ In a covering letter he advised his superior Herbert Backe to inform the Economics Ministry and Reichs Commissioner Ernst to take no action until the people behind the Four-Year Plan came up with their important proposals. Since October 1933 Backe had been State Secretary in the Ministry of Food and Agriculture. In 1936 he was also appointed Food Commissioner for the Four-Year Plan,

²⁶ Lindner, *Das Reichskommissariat* (cf. n. 25), 48.

²⁷ Vermerk Geheim. Betrifft: Unilever-Problem Niederlande/Deutschland, Reichart to Backe, 3.6.1940, 2, in: BArch, R26 IV, 49.

²⁸ Reichskommissar für die Behandlung feindlichen Vermögens, 7.6.1940, in: BArch, R87, 5920, 1743.

responsible directly to Göring for the co-ordination of the agricultural and industrial policy. During the war the star of the technocrat was rising. Eventually, in May 1942, he succeeded his Minister Darré and became the most powerful man in the field of nourishment in the Third Reich.³⁰ This meant that Backe was extremely important for Unilever's future at the time.

In his confidential report Reichart proposed to Backe to appoint a plenipotentiary for the Unilever Group in Rotterdam. In addition, Unilever companies in Germany should be taken over by German businessmen. According to Reichart, the British Unilever concern had cloaked its business one day after the beginning of the war by pretending to be a Dutch company. Because of its domination on the world market of raw materials and its influence on the nourishment of Germany Unilever had been able to force its will on Germany. "Unilever in Germany had always been a state in a state."³¹ Because of Unilever's economic power it had been "in a position to thwart National Socialist economic policy" and "make special deals with various government agencies."³² As a result the company had been able to transfer part of its huge profits made in Germany to abroad. Reichart concluded that while Unilever had the best organisation in the world, and at the same time contacts with so many government agencies on the continent, the British government would easily be able to use the information that the company had available to it. In other words, Unilever could easily work for the Secret Service. Thus the appointment of a plenipotentiary for the Unilever Group in Rotterdam would also have a military and strategic purpose.³³

A few weeks later, on 29 June 1940, Helmuth Wohltat of the Economics Ministry and Backe agreed to Reichart's proposal:³⁴

[t]hat there is a state and economic-political interest in having the commitments that exist between the Dutch, German and English interests of the concern closely examined by an impartial person. This related less to the capitalist interests but rather –

²⁹ Vermerk Geheim. Betrifft: Unilever-Problem Niederlande/Deutschland, Reichart to Backe, 3.6.1940, in BArch, R26 IV, 49.

³⁰ Robert S. Wistrich, *Who's Who in Nazi Germany*, London 1995.

³¹ Vermerk Geheim. Betrifft: Unilever-Problem Niederlande/Deutschland, Reichart to Backe, 3.6.1940, in: BArch, R26 IV, 49.

³² Ibid.

³³ Ibid, 1-6.

³⁴ At the beginning of the 30s Wohltat had worked in the international oils and fats business in New York. In 1933 he had established the *Reichsstelle für Fette und Öle* in Berlin. Since 1934 he had been on active service at the Economics Ministry in the foreign currency department. In conclusion, he must have been in close contact with Unilever in Germany before the war. Willy Boelcke, *Die Deutsche Wirtschaft, 1930-1945: Interna des Reichswirtschafts-Ministerium*, Düsseldorf 1983, 88.

after the war has been won – to bring to Berlin the world-wide central organisation for the oils and fats market that was hitherto located in Rotterdam.³⁵

Obviously Unilever was meant by «the world-wide central organisation for the oils and fats market». Their idea was to bring the «central organisation» from Rotterdam to Berlin. Backe and Wohltat also agreed upon a supervisor for the Unilever group in Rotterdam. «Without doubting the [pro-]German attitude of the current directors of the concern, Messrs. Blessing and [Heinrich] Schicht, one cannot expect these gentlemen to sacrifice the private economic interests of the Unilever concern.»³⁶ Therefore it would be better to appoint Count Grothe as a supervisor of the Dutch Unilever Group. Grothe was Darré's agent in the occupied Netherlands. He represented the agrarian, and consequently anti-Unilever lobby. However, State Secretary of the Economics Ministry Friedrich Landfried was furious when he heard about the nomination of Count Grothe. He told Backe that Economics Minister Funk was dealing with this case personally and wanted Blessing, Schicht and Lindemann to be appointed at the top of the Dutch Unilever Group. Because Funk was Göring's subordinate, and as Göring was still in full command, the appointment of Count Grothe was then out of the question. For the time being Unilever was in safe hands (those of Blessing). A year later, however, Backe would come up with detailed plans to solve the «Unilever Problem».

Because Unilever NV had its headquarters in Rotterdam it also fell within the competence of the Reichs Commissioner for the Dutch Occupied Territories, Seyss-Inquart. He, however, was opposed to Göring's aim to interweave the German and the Dutch economies. What Göring meant by interweaving (*Verflechtung*) was the (forced) acquisition by German companies (or the German state) of large Dutch companies. It fitted in perfectly with Göring's primitive views on economics, which boiled down to plundering as much as possible from the occupied territories for the German Reich.

In June 1940 Göring ordered Economics Minister Funk to start planning Europe's economic New Order (*Neuordnung*) under Germany's leadership. In the Netherlands he decided interweaving should start immediately, yet without the use of force, as this might endanger Dutch interests in the United States and the Dutch colonies. Although Seyss-Inquart was not a charitable Nazi he was opposed to Göring's policy because it interfered with his own ambitions. He had another interest; Hitler had ordered him to win over the Dutch for National Socialism. Naturally, Dutch officials and Dutch business circles were completely against forced acquisitions of Dutch assets. Interweaving of the Dutch and German

³⁵ Vermerk Berlin, 8.7.1940, in: BArch, R26 IV, 1736.

economies, as Göring had called it, was therefore not a short-term aim of Seyss-Inquart. The fulfilment of German orders in the Netherlands was of much greater importance to him. His financial and economic commissioner in the Netherlands Hans Fischböck, however, played a double role in this case. He was involved in the establishment of the «interweaving office» (*Verflechtungs Referent*) at the Economics Ministry in Berlin whose job was to solve the financial problems involved with the acquisition of foreign companies.³⁷

A direct menace to Unilever, however, were the «Aryanisation» orders issued by Seyss-Inquart in October 1940. According to Decree No. 189/40, dated 22 October 1940, «legal persons were obliged to register if, on 9 May 1940, at least one of the persons legally authorised to represent the company or at least one of the members of the Supervisory Board was Jewish».³⁸ Arthur Hartog and Sydney van den Bergh had fled from the country, but other Jewish directors of operating companies were still in the Netherlands. Director Fabian of the Lever soap company, for example, had previously been a director of the Sunlicht company at Mannheim and had left Germany in 1933. In 1939 he had acquired Dutch nationality.³⁹ After the October decree Unilever had to dismiss him, because otherwise the whole parent company would have been obliged to be registered as a Jewish company. Fabian and the other Jewish directors resigned. As a result, Unilever avoided compulsory registration. Unilever made a financial settlement with its unemployed directors and awaited events. There were worse times yet to come.

At the beginning of July 1940 the Four-Year Plan and the Reichs Economics Ministry decided to appoint an independent accountant Albert Cantrup. In consultation with Fischböck Berlin had decided to analyse Unilever's complex holding structure. Cantrup and the auditors of the German Audit and Trust Company (*Deutsche Revisions- und Treuhand AG*) came into the Rotterdam office and started a research into the Unilever Group. Cantrup already had much experience with Unilever in Germany as he had been commissioned by Reichs Commissioner Ernst at the beginning of 1940 to conduct research into Unilever in Greater Germany, but also in the 30s he had drawn up independent account reports of Unilever's business in Germany. Now he had to examine the books in an endeavour to establish that NV was under British control. If that was the case, Unilever NV's capital in Rotterdam could be sequestered as enemy property and there would be a legal ground for the appointment of a

³⁶ Ibid.

³⁷ Hein Klemann, *Dutch Industrial Companies and the German Occupation, 1940-1945*, in: *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte* 1 (2006), 11.

³⁸ Anmeldepflicht, in: UAR, Sec. 30, 668.

³⁹ Memorandum Simon Thomas and Tempel, 2.2.1946, in: UAR, DIR 17-316.

plenipotentiary for the Unilever Group in Rotterdam, as Reichart had proposed in his plan. In the course of 1940 and 1941 the auditors issued massive but inconclusive reports on the financial and organisational structure of «Lever Brothers & Unilever NV and the businesses of the Unilever group in Greater Germany».⁴⁰ Although these reports offered a tremendous insight into the complex holding structure of Unilever's business, the main question about the relationship between Limited and NV was not answered definitively. As a result, Unilever NV could still not be sequestrated as enemy property.

For good reason, Hendriks, Unilever's director in Rotterdam, had himself commissioned Cantrup – although under German pressure. Probably more important, however, was the fact that Cantrup and the other auditors worked at the expense of Unilever. In 1943 and 1944 Cantrup's office presented hefty invoices for their research work in 1942 and 1943, amounting to as much as 487,000 guilders.⁴¹ Unilever had already paid the German Audit and Trust Company 99,000 guilders over the year 1940.⁴² After the war Unilever made a complaint about these steep bills, because the auditors of Price, Waterhouse & Co, had charged only 30,000 guilders for a much bigger responsibility before the war (for producing the pre-war annual reports of Unilever NV).⁴³

Cantrup's auditors, however, had done quite a different job. They had started their research with the aim of casting light on Unilever's complex holding structure and the financial and legal relationship between Rotterdam and London. In due course, however, they ended up with voluminous reports from which it became less and less important to draw any conclusions. That had been exactly what Unilever (Hendriks and De Baat) had intended when they had commissioned Cantrup: they would co-operate with the German authorities, but during the execution of the order they constantly used delaying tactics.⁴⁴ Meanwhile, Cantrup and his auditors were able to live their life of luxury in The Hague, far away from the terror of the eastern front.

⁴⁰ Hauptbericht über das deutsche Geschäft des Unilevers-Konzern, 1941, in: BArch, R87, 5930; Berichte der Deutschen Revisions- und Treuhand AG über die bei der Lever Brothers & Unilever N.V. vorgenommene Prüfung. Die Beziehung zwischen der Holländische und Englische Gruppe, die Interessen in der Ölindustrie, das Seifengeschäft, Ladengesellschaften, Milchbetriebe und sonstige Interessen 1940-1941, in: UAR., HIS 140, 1205a-I.

⁴¹ Dossiers of Dr. Werner Modest 1940-1945, in: UAR, HIS 159, 1316, Unilever N.V.

⁴² Letter to Custodian of the German Audit and Trust Company, 31 January 1946, in: UAR, SEC 25, 538.

⁴³ Ibid.

⁴⁴ <388 NV>, in: UAL., MDC, 30.8.1945.

The Gestapo also tried to prove that Unilever NV was under British control.⁴⁵ It had a general distrust of the Anglo-Dutch company, feeling that it was an organisation that could easily be used for espionage for the British government. On 30 August 1940 *SS-Obersturmführer* Fuchs, who was in charge of this Gestapo investigation, went to Unilever's headquarters in Rotterdam to make inquiries for himself. He introduced himself to sales director Kretzschmar (UVC) as a commander of the German army under the guise of having a scientific interest (in writing a PhD research after the war) in the company.⁴⁶ After some hesitation Kretzschmar promised to provide Fuchs with all necessary documents about Unilever's business structure and its influence on the Dutch and European economy. In the course of the meeting Kretzschmar told Fuchs that the German Audit and Trust Company had just been commissioned to conduct an audit of the accounts and to write a history of the company. Hence Kretzschmar seemed to be co-operating willingly with Fuchs. However, as he told the *SS-Obersturmführer*, Unilever had already supplied the German authorities with all the documents that had been demanded. In actual fact, Fuchs left empty-handed. In his report on the meeting he wrote in frustration: «I established that Kr[etzschmar] is a Jew».⁴⁷

After months of abortive research, barring some rather trivial reports by embittered informants, the Gestapo scored an unexpected success. On 24 October 1940 *SS-Hauptsturmführer* Kaspar had a meeting with Albert Scheib, supervisor of Unilever in Brussels. Scheib had confiscated 41 metal boxes containing Unilever documents in Bordeaux. These documents were destined for London and mainly related to Unilever's colonial companies. From these documents the Germans concluded that since 10 May 1940 the whole African colonial business of Unilever had no longer been managed from London or Brussels but from Leopoldville in the Belgian Congo. In the future the distribution of raw materials from the African plantations to various Unilever factories in the world, with the exception of enemy states, had to be carried out from there. In addition, Scheib told Kaspar that the Belgian Unilever business would be organised like the Dutch one, whereas the French Unilever would come under the Reichs Commissioner of Enemy Property, because all French assets belonged to Unilever Limited in London.⁴⁸ Most likely Scheib himself would

⁴⁵ Ibid. Hendriks stated after the war: «At the first Board meeting after the German occupation of the Netherlands the offices in Rotterdam were raided by the Gestapo who seized all the papers they could find, and instructions came from the German authorities that Board meetings were not to be held.» I have not found direct proof of this statement.

⁴⁶ Vermerk, The Hague, 30.8.1940, in: Netherlands Institute for War Documentation (NIOD), Archive 77, Inv. Nr. 520.

⁴⁷ Ibid.

⁴⁸ Niederschrift, 29.10.1940, in: Ibid.

be appointed as a Commissioner for Unilever France in Paris. Nevertheless, the Gestapo was not so much interested in Unilever's future organisational issues. What mattered to them were the 41 boxes in Bordeaux. They demonstrated that Unilever was a British dominated company, and therefore not to be trusted. Such a secret operation could only be the work of British intelligence. The Gestapo would find a use for the information later on.

A Reichs Commissioner for the Unilever Group

On 23 June 1941, two days after Germany's attack on Soviet Russia, Göring appointed a Reichs Commissioner for the Unilever Group (*Reichskommissar für den Unilever-Konzern*), State Secretary Dr. Hans-Ernst Posse. He had been on active service as an outstanding high-ranking official of the Reich Economics Ministry since 1924. He was praised as an expert in the field of foreign trade relations; in politics, however, he was seen as opportunist.⁴⁹ He had applied for a Nazi party membership in April 1933, two months after Hitler had become Chancellor, but he was only admitted in November 1933. In July 1933 he was appointed State Secretary and in 1934 Hitler had for a moment even considered appointing him as his new Economics minister. Soon, however, Schacht had overshadowed Posse completely. He had welcomed the entry of Funk – Göring's man – in the Ministry after Schacht's dismissal and had played a major role in the «Aryanisation» of the German economy in the 1937/38 period. In 1938 he had become Funk's deputy as Plenipotentiary of the Economy, which happened to be a powerless position, because Göring's Four-Year Plan pulled the strings.⁵⁰ In 1940 Posse had become involved in the exploitation of the occupied Western territories; however, he had again found out that Göring's organisation was in control and that the Economics Ministry could only play second fiddle.⁵¹

Posse's appointment as a Reichs Commissioner for the Unilever Group was the result of earlier discussions between the Four-Year Plan and the Economics Ministry in Berlin, which had lasted for more than one year. The immediate reason for his appointment now, however, was the unreliability of Unilever NV's Board. The proof of this was provided amongst other things by the 41 boxes found in Bordeaux, which had «raised serious objections against Unilever's earlier policies».⁵² On the basis of Gestapo material State Secretary Landfried of the Economics Ministry stated: «[...] a few companies of Unilever

⁴⁹ Boelcke, *Die Deutsche Wirtschaft* (cf. n. 34), 87.

⁵⁰ *Ibid.*, 227.

⁵¹ *Ibid.*, 263.

have a connection to the Secret Service».⁵³ Therefore it had become necessary «to abandon the soft policy towards Unilever and to consolidate the management in one hand».⁵⁴ Only the appointment of a Reichs Commissioner could «clarify the relations inside the Unilever concern», according to Landfried.⁵⁵ The aim of the measure was «not to bring Unilever under public ownership, but to order the concern and to come to [create] a managed fats economy».⁵⁶ It involved a conscious preparation for subsuming Unilever's capital under a German syndicate and for guaranteeing Germany's influence on the main representative of the fats industry in the German Reich. In addition, it was agreed that competitors should not take advantage of the opportunity; Unilever companies should not fall into the hands of big competitors.

Although Lindemann, Blessing and Schicht, as protecting supervisors of Unilever's German holding companies Marga, Saponia and Wemado, could not be blamed for Unilever's unreliability, their position had become incompatible with the appointment of a Reichs Commissioner for the Unilever group. As early as February 1941 Lindemann had been informed about the discovery of the 41 boxes in Bordeaux. He had been told that the Four-Year Plan (Göring) could no longer agree with his membership of the Unilever Board and therefore it would be better to resign voluntarily. Thereupon Lindemann had immediately sent a telegram to Göring in which he informed him about his resignation: «I cannot square belonging any longer to this concern with my National Socialist conscience.»⁵⁷ Although Lindemann left the Board of Unilever NV in Rotterdam, he remained a member of the German Board in Berlin.

At the same time complaints had been made under the Four-Year Plan against Karl Blessing. The Economics Ministry, however, took him under protection. On 18 March 1941 State Secretary Neumann of the Economics Ministry stated that he rejected all complaints against Blessing. In addition, he did not cast doubt on Blessing's important appointment in the oil industry by the Reichs Marshal (i.e. Göring).⁵⁸ As a result, in May 1941 Blessing was

⁵² Lindner, *Das Reichskommissariat* (cf. n. 25), 83.

⁵³ Anlage zum Protocol über die Sitzung vom 14.5.1941 im Reichswirtschaftsministerium, Berlin, über Fragen des Unilever-Konzerns, 2, in: BArch., R87, 5920, 1743.

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Letter Staatsrat Karl Lindemann to Reichskommissar für die Behandlung feindlichen Vermögens Dr. Ernst, Bremen, 15-3-1941 in: BArch., R87, 5920, 1743.

⁵⁸ Aktenverwerk, Berlin, 27.3.1941, 6, in: BArch., R87, 5920, 1743.

kicked upstairs and appointed to chair the Board of the newly established oil company Kontinentale Öl AG.⁵⁹

Heinrich Schicht, like his cousin Franz Schicht, remained on the Board of the parent company, Unilever NV, because of their extensive knowledge of the business. Heinrich, however, had to give up his position as a protecting supervisor of Marga, Saponia and Wemado. Although there was no intention to remove the Schicht family completely, they «might give up voluntarily their capital position in the future», according to the Economics Ministry.⁶⁰ In June 1941 the Schicht family, through a spokesman, expressed their concern towards the Four-Year Plan about the appointment of a Reichs Commissioner. They reminded the Four-Year Plan representative of the fact that their firm (Georg Schicht AG) had supported the Austrian Nazis financially even before the *Anschluss*.⁶¹ Thereupon it was made it clear to the company that the appointment of a Reichs Commissioner would not work out unfavourably for the Schichts at all, but if the family planned to part with their interests they were free to do so.

Simultaneously, there were serious doubts at the Four-Year Plan about the Schicht firm. Since the annexation of Czechoslovakia's Sudeten area into the German Reich Georg Schicht AG in Aussig (now Usti nad Labem) had become a German company, according to Franz and Heinrich. But according to the Four-Year Plan, relying on Cantrup's reports about Unilever's organisation, the Schicht companies in Eastern Europe were fully owned by Unilever NV (through Lipoma) in Rotterdam. Because Unilever NV was under British influence Schicht could not be qualified as a German company. In addition, Georg Schicht AG was also linked directly to Unilever Limited in London. After World War I the company had received long-term loans from Lever Brothers in London, which had been placed in a holding company (Limmat) in Switzerland. Limmat was owned jointly by Unilever and Schicht. Besides, Georg Schicht, who owned the largest share in Georg Schicht AG, had become a British subject before World War II and was still on Unilever's Board in London. As a result, the Four-Year Plan questioned whether Georg Schicht AG could be called a German company at all.⁶²

⁵⁹ Rainer Karlsch/Raymond G. Stokes, *Faktor Öl. Die Mineralölwirtschaft in Deutschland 1859-1974*, Munich 2003, 209.

⁶⁰ Anlage zum Protokoll über die Sitzung vom 14.5.1941 im Reichswirtschaftsministerium, Berlin, über Fragen des Unilever-Konzerns, 2, in: BArch., R87, 5920, 1743.

⁶¹ Vermerk über die Besprechung mit Generalmajor v. Glaise-Horstenau, Berlin, 20.6.1941, in: Ibid., R26iv 29, 1723.

⁶² Ibid., Betr. Schicht.

On 27 June 1941 a joint meeting of the new Advisory Committee (*Arbeitsausschuss*) of Reichs Commissioner Posse and the German Board members of Unilever NV was held in the prestigious Hotel Adlon in Berlin.⁶³ Posse's Advisory Committee consisted of officials from all German government agencies involved with Unilever, i.e. the Reichs Ministry for Food and Agriculture (Dr. Moritz); the Four-Year Plan, Section Nourishment (Georg Reichart); Reichs Economics Ministry (Dr. Mulert); *Reichssicherheits-Hauptamt* (Hanns Johst) and *Gauleiter* and Hamburg's governor (Karl Kaufmann). Unilever's German Board members, like Heinrich and Franz Schicht and Karl Lindemann were appointed to a Consultative Board (*Beratungsausschuss*) to this Advisory Committee. In practice, the government officials first met and took the decisions, whereupon Unilever's businessmen could give their views in the next meeting on the decisions taken in the foregoing meeting.

After Göring had signed the appointment of the Reichs Commissioner, Herbert Backe, Landfried and Posse informed the German Unilever management and various other government officials about the company's future. Chairman of the meeting was Backe, who had become the most powerful German official in food affairs during the war. Although he was only officially promoted to Reichs Minister at the end of 1943, he had usurped the Reichs Ministry of Food and Agriculture long before. His callous pragmatism and efficiency were preferred by Hitler to Richard Walther Darré's ideological policies.⁶⁴ Because he was also an expert on Russian affairs, he was nominated as Darré's successor in May 1942, responsible for the organising the food sector for the war against the Soviet Union.

Backe immediately set the tone of the meeting with a quotation from Bernard Shaw's St. Joan: «My dear Lady – Your death was a political necessity. I assure you, however, that I have no personal aversion to you.»⁶⁵ The quotation showed Backe's intentions clearly: the termination of continental Unilever in its original form. The final goal had to be Unilever's transformation into a German syndicate of the continental oil, margarine, whaling and raw materials industry. The motivation for the appointment of a Reichs Commissioner had been economic as well as political, according to Backe. The closing of the fat gap (*die Fettlücke*) was one of the most pressing problems of Greater Germany, especially in the perspective of the coming peace. Unilever's leading position on the raw materials' world market was used against Germany until that moment, because behind Unilever stood Britain's political power.

⁶³ Margarine Verkaufs Union an Georg Reichart, 25.6.1941, in: Ibid..

⁶⁴ Robert R. Wistrich, *Who is Who in Nazi Germany*, London 1995.

⁶⁵ Stichworte für die Rede von Staatssekretär Backe 27.6.1941, in: BArch., R87, 5920, 1743. Motto: «Gnädige Frau – Ihr Tod war politisch eine Notwendigkeit. Ich versichere Ihnen aber, dass ich persönlich keinen Groll gegen Sie habe.»

Recent research into the company (Cantrup's) had proven that Unilever NV's property on the continent was in fact cloaked British property and should therefore be treated as enemy property. Furthermore Backe praised the work of the German directors, especially the work of Karl Blessing, and assigned all of them, except for Blessing and Lindemann, to work from now on for the newly established Advisory Board of the Reichs Commissioner.⁶⁶ Thus the audience of German Unilever directors was intimidated, praised, and instructed to continue their management tasks, all at the same time.

Clearly the transformation of Unilever was also a human resource management problem; the Reich was not in a position to run a company of Unilever's size with its own staff. It needed Unilever's German managers to run the business. Besides, the Reich was not even in a position to dismiss Dutch managers like Hendriks and De Baat, who were not invited to the meeting in Hotel Adlon. According to Posse, Hendriks in particular was of vital importance for the governance of continental Unilever.⁶⁷ Finally, during the meeting Backe summed up the assignments that Reichs Commissioner Posse had received. First, to protect and preserve Unilever as enemy property and cut out enemy (British) influence. Second, to integrate Unilever's food industry in a continental European nourishment system. Third, to integrate the technical fat industry in the context of a continental European economy. Fourth, to manage other (supply) companies within a European framework. Fifth, to make preparations for the transformation of Unilever's colonial raw material companies into German companies. Last, to make preparations to join a German syndicate of the German margarine, oil and whaling companies.⁶⁸

Only the first assignment could be fulfilled in the short term. Exceptionally, Unilever was withdrawn from the authority of the Reichs Commissioner of Enemy Property Ernst and put under Reichs Commissioner Posse. That in itself, however, did not change much in the daily practice of the company; it only meant that Unilever's property in Germany and the occupied territories was still protected and preserved, at least according to international and German law. The other assignments were rather ambitious, rather long term and, in the reality of World War II, rather unattainable.

⁶⁶ Ibid., 2.

⁶⁷ In September 1941 Modest wrote to Fischböck: «[...] he is the linking element of the concern relations inside Europe. Hendriks cannot be replaced by any person. Mister Hendriks not only represents the concern in Holland, but also by his personality everywhere else in Europe. Especially the concern relations in Sweden, Norway and Switzerland are difficult to penetrate and to control without the person of mister Hendriks.» File Dr. Werner Modest 1940-1945, in: UAR, His 159, Unilever N.V.

⁶⁸ Anlage zum Protokoll über die Sitzung vom 14.5.1941 im Reichswirtschaftsministerium, Berlin, über Fragen des Unilever-Konzerns, 2, in: BArch., R87, 5920, 1743, 3.

It is interesting, however, to explore how Posse and his deputy in the Netherlands, Werner Modest, put these generally formulated tasks into practice. In the 30s Posse had had extensive contacts with Unilever as the biggest company in the oils and fats industry in Germany. Before the war Posse had been known to NV in his function as State Secretary of the Economics Ministry. His economic views were nearer to those of an international business like Unilever than to the official autarkic policy of his own government. In the 1930s he and Backe had already known that it would be impossible to make Germany autarkic, especially in the field of oils and fats.⁶⁹ Dr. Modest had also been acquainted with Unilever in Germany as an official of Reichs Office for Dairy, Oil and Fats (*Reichsstelle für Milcherzeugnisse, Öle und Fette*).

In his first report to Posse in August 1941 Modest clarified his intentions in relation to the Unilever group:

[...] to proceed in any event circumspectly and distantly and not to turn the management of the concern completely «upside down» [...] In the same way Minister Fischböck discussed the matter with me, and he pointed to the major objective of my task which was to examine the organisation of the concern, whether and to what extent it can be made subservient to the interests of the Reich.⁷⁰

This quotation proves two things. First, Posse did not want to change Unilever's management on the continent, which meant that Hendriks and De Baat could proceed with their work in Rotterdam, albeit under constant surveillance of a high ranking Gestapo officer. It was a well-known fact that these Dutch managers were not particularly German friendly; however, their dismissal would mean chaos, which was the last thing that Posse wanted. Second, Unilever's continental plants had to operate in the direct war interests of the German Reich. Guns were important of course, but without fat, food and soap the war on the (home) front would in any event be lost.

In December 1941 none the less Posse had to replace Patijn and Blessing who had both left Unilever NV's Board in the months before. Blessing had taken a seat on the Board of Kontinentale Öl AG, but it is not clear why Patijn had left Unilever NV's Board. The latter had been overtly critical of the anti-Semitic policy of the Nazis in the 1930s, and because the German occupier had just ordered the dismissal of all Jewish staff in this period this could have been the reason for his resignation.⁷¹ As a result, De Baat and Carl Santkin now came on the Board of Unilever NV in Rotterdam. They also became directors of Unilever's

⁶⁹ Werner Schüttauf, *Die Geschichte der Margarine-Union 1929-1972*, U.P. 5872, 32, in: UAR, Internal Unilever publications.

⁷⁰ File Dr. Werner Modest 1940-1945, in: UAR, His 159, Unilever N.V.

important holding companies Marga, Saponia, Wemado and Lipoma.⁷² As from December 1941 Unilever NV's Board in Rotterdam consisted (again) of three Dutchmen, Rudolf J.H. Jurgens, P.H.D. Hendriks and M.G. de Baat, and three Germans, Franz and Heinrich Schicht, and Carl M. Santkin. The latter had replaced the Jewish director Fabian of Sunlicht Gesellschaft in Mannheim in 1933 and had become a Board Member of MVU in Berlin. Now Santkin made a new rise within the company due to his enthusiasm about the Nazi regime, although he never had a party card. De Baat had been a loyal Secretary of Unilever's Board and had been always on Hendriks' side. Heinrich and Franz had both received German nationality after Germany's annexation of the Sudeten area.⁷³ Shortly before the outbreak of the war they had moved from London to Berlin. In 1940 Franz had become a member of the Nazi Party.⁷⁴ His cousin Heinrich, who was a much more senior representative of the Schicht family, stood severely aloof from Nazi politics during the whole war.⁷⁵ Whatever the political inclinations of these gentlemen it was still a fact that all Board members of NV were still Unilever's own managers. In addition, the German members stayed in Berlin for the most part, which enabled Hendriks and De Baat to run NV's business from Rotterdam, under the supervision of Posse's man in the Netherlands, Werner Modest.

In May 1942 Modest recapitulated his assignments to Fischböck:

Due to a lack of a clearly defined assignment of my office I have discussed, by order of State Secretary Dr. Posse, the substance of my assignment in meetings in the Netherlands with Minister Fischböck and head of department Von Boeckh.

The aim of my assignment, which came forward after these meetings was to explore if and when the organisation of the Dutch part of the Concern could be brought into service of the German Reich.⁷⁶

Modest summarised the purport of his assignment to Fischböck in five tasks. First, he had to attend the Board meetings of Unilever NV in Rotterdam. Second, he was responsible for the financial audit of the company, which had been commissioned to the private accountancy office of Albert Cantrup. Third, he was involved with the «Aryanisation» of the Unilever group. Fourth, he had to deploy Unilever in the Reich's interests, i.e. to monitor production, to economise on raw materials and to carry out German orders (*Auftragsverlagerung*). Fifth, he had to study all legal and economic issues of the Dutch part of the company with the aim

⁷¹ Patijn would remain an advisory member of the Board.

⁷² Margarine Verkaufs Union GmbH, Berlin 26.1.1940 until 14.3.1944, in: Ibid., DIR 14, 268.3.

⁷³ Letter Franz Schicht to Member of the Board of Lever Brothers & Unilever Limited, 24.10.1945, in: UAR, DIR 16, 302.

⁷⁴ To the Field Security, 7.9.September 1945, in: Ibid., DIR 17, 313.2.

⁷⁵ Heinrich Schicht, *Über mein Verhalten während des Krieges*, December 1947, in: Ibid., DIR 19.

⁷⁶ Modest to Fischböck, Berlin, 20.5.1942, in: UAR, His 140.

of becoming the «objective expert» and of answering all questions from German government agencies in relation to Unilever NV.⁷⁷

If one compares Modest's – and, of course, Posse's – targets with those of Backe one year earlier, some marked contrasts can be seen. Backe's list was rather long-term and abstract, while Modest's aims were short-term and quite specific and concrete. Modest's approach is businesslike and to the point from a German point of view. In the same document an even more striking contrast is worthy of note. Whereas Backe contended that Unilever NV's capital had to be treated as enemy property, Modest wrote, only nine months later:

[...] I assessed, according to my view of the law, that the capital of Lever Brothers & Unilever N.V., Rotterdam, is autonomous Dutch property, and cannot to be regarded legally or economically, within the meaning of the Enemy Property Act, as British property.⁷⁸

Within a year after the appointment of a Reichs Commissioner Unilever NV had turned from a British cloak into an «autonomous» Dutch company. However, nothing had changed in Unilever's legal structure in the meantime. Only the Reichs Commissioner's perception of the company had changed. Cantrup's audit reports had changed Modest's and Posse's views on Unilever's complex holding structure. Besides, being so close to the company had possibly changed the Reichs Commissioner's views on the company's future too. We will never know with precision or confidence what exactly happened in NV's boardroom in Rotterdam in this period. What we do know about are Cantrup's steep invoices, which amounted to almost half a mil Dutch guilders and which could possibly have changed the auditor's mind. Probably more important none the less are the institutional changes in the German Reich. Göring's declining role in the German war economy might explain why the policy change of the Reichs Commissioner could be so obvious and overt. After February 1942 the newly appointed plenipotentiary Albert Speer needed Unilever's willing co-operation to achieve his short-term aims.⁷⁹

In the end the appointment of Posse and Modest did not work out unfavourably for the company in Germany and the occupied territories. Posse and Modest, in fact, promoted Unilever's interests wherever they could and they gave the company much help during the second half of the war. For example, in 1943 during Saukel's forced labour campaigns (*Saukel Aktion*) they were able to organise exemption for the greater part of Unilever's staff

⁷⁷ Ibid, 2-5.

⁷⁸ Ibid., 5.

⁷⁹ Although recent literature relativises Speer's role in the German economy after February 1942, Göring's role clearly declined in due course. Adam Tooze, *The Wages of Destruction. The Making and the Braking of the Nazi Economy*, London 2006.

in the Netherlands, although many plants were not working at all times and at full capacity. Also in the case of (temporarily) closed down factories, as was the case with margarine plants and oil mills in Greater Germany as well as the Netherlands once they had run out of raw materials, Posse and Modest were always able to maintain the system, including staff. In addition, they supported the company in the acquisition of raw materials through complicated negotiations with various German government agencies. Since Posse's appointment Hendriks and De Baat were able to pay regular visits to Berlin and various other parts of the business on the continent, including those situated in the neutral countries Switzerland and Sweden.⁸⁰ As a result, communication between Rotterdam and the Berlin office improved to some extent. Hendriks reported that he had accompanied Posse three or four times to Zürich and was impressed by the big profits that the Swiss company made for so small a country and by the way they were able to avoid having to make remittances of Swiss francs to the Netherlands. In Stockholm Hendriks learned that the Swedish Board (like himself) used the technique of agreeing with everything that Posse asked and then postponing its execution. Visits by Hendriks to neutral countries did not go by unnoticed by the London Board, but did not have an adverse effect on Unilever's close relations with the British government, although these contacts were strictly forbidden.⁸¹

«Aryanisation»

Another consequence of Posse's appointment as a Reichs Commissioner for the Unilever concern was the end of the constant threat of being categorised as a «non-Aryan» company and consequently being «Aryanised» or liquidated. Attacks on Unilever could from now on easily be withstood. Having a German State Secretary at the top of the enterprise was ample proof of being «Aryan». As Modest noted: «It is impossible to say that after the appointment of a German Reichs Commissioner for the Unilever concern as a supervisor, the concern or part of it is in Jewish hands.»⁸²

After the German occupation Unilever had changed the Board of Unilever NV and its subsidiaries. All «Jewish» Board members had resigned (and had fled to London). As a result, Unilever had avoided compulsory registration. Nevertheless, in 1941 according to a

⁸⁰ <388. N.V.>, in: UAL, MDC, 30.8.1945.

⁸¹ In the Minutes of Directors' Conferences held at Unilever house in London these visits by Hendriks to Sweden and Switzerland are mentioned during the war.

⁸² Beauftragter des Reichskommissars des Unilever Konzerns Holland: Correspondentie 1942, in: UAR, Dir 12, 235.4.

new German order (48/41) a company which had taken measures to avoid compulsory registration, i.e. dismissal of its «Jewish» Board members, should pay a fine.⁸³ In October 1941 the question remained as to how much Unilever had to pay. According to the order a company had to pay one per cent of the total equity of Unilever NV and its subsidiaries or one per cent of the total equity of Unilever NV and only its «Jewish subsidiaries». In the first case Unilever had to pay Hfl.6.3 mil, in the second case the fine amounted to Hfl.5 mil.⁸⁴ Whatever the case may have been, both were vast sums in those days.

Although Modest agreed completely with Seyss Inquart and Fischböck about the removal of Jews from the company, he disagreed about the stipulated «Aryanisation» penalty. In a letter to Fischböck he stated that the orders of the Reich Commissioner for the Occupied Territories had become of little substance in connection with Unilever after Göring had appointed a special Reichs Commissioner for the Unilever Group in June 1941.⁸⁵ In addition, he noted that since Unilever was under the constant supervision of Posse it fell outside the jurisdiction of the Reichs Commissioner for the Occupied Territories, Seyss Inquart, and therefore he could not impose a fine on the company.

Posse's appointment none the less had tragic consequences for Unilever's Jewish staff who had remained in the Netherlands. In contrast to Posse's defence of the company's interests he fanatically attacked the Jews inside Unilever. In the late 30s Posse had been involved directly with the «Aryanisation» of the German economy. In November 1937, Posse had signed an order, which had been the beginning of the expulsion of Jews from the economy and professional life.⁸⁶ When Unilever NV was forced by German order to dismiss all Jewish staff in the autumn of 1941, Posse and Modest became actively involved with the expulsion of all Jews from Unilever. In this matter they did not accept any delaying tactics of Hendriks and De Baat. In September 1941 Modest wrote to Fischböck: «The Board is now free of Jews, but there are still many other Jewish employees. That, too, must be solved.»⁸⁷ After six months, however, Modest reported: «Removal of Jews [...] meanwhile fully implemented».⁸⁸

Modest was under the impression that Hendriks and De Baat were collaborating fully with his policy, or at least he stated so to other German agencies. «By and large I have now gained the impression that Mr Hendriks in particular, but also Mr De Baat of the Board of the

⁸³ Anmeldepflicht, in: UAR, Sec. 30, 668.

⁸⁴ Ibid.

⁸⁵ Letter Modest to Fischböck, 23.9.1943, in: UAR, Sec 29, 666.

⁸⁶ Ibid., 211.

⁸⁷ Letter Modest to Fischböck, 19.9.1941, in: UAR, His 140, 1204.

Unilever Group are making efforts in the most loyal way to make my task easier». ⁸⁹ Hendriks and De Baat none the less meanwhile pursued their own course, at least as far as possible. They helped their former Jewish staff financially. Moreover, they made an attempt to save their former Jewish staff's lives.

By mutual agreement between Unilever and its Jewish staff, it was decided that 88 staff would resign officially from 3 October 1941 in the Netherlands.⁹⁰ Unilever made a financial settlement with the unemployed. Unilever's pension fund Progress was made responsible for carrying out the settlement. In the first half year the unemployed received full salary, in the second half year 75 per cent and after that period 50 per cent. By June 1942, however, a new German order for the treatment of «Jewish» property prescribed that the monthly allowances had to be reduced to a maximum of Hfl.250. The remainder had to be transferred to a disguised Jewish branch bank, which was an entirely Nazi creation and was used to expropriate Jewish financial property, i.e. *Lippmann, Rosenthal & Co.*, Sarphatistraat, in Amsterdam.⁹¹

After June 1942 Progress received the first information about deportations to Westerbork, Germany and Poland. When the pension fund received the news that a cheque was not cashed it meant that those involved had either been deported or had gone into hiding.⁹² The payment was stopped and the sum was then refunded to Unilever. As a result, less and less money was transferred to Lippmann, Rosenthal & Co. In 1944, however, the latter took the cynical position that whenever a former employee «was unable to be present» (sic) Progress had to pay the monthly allowances directly to Lippmann, Rosenthal & Co.⁹³ Unilever, however, refused to pay these claims until the end of the war. The Rotterdam Board used Modest to defend itself against the claims of Lippmann, Rosenthal & Co.⁹⁴

In the course of 1942 and 1943 Hendriks and De Baat tried to save a selected group of its former staff. The selection was based on the indispensability of an employee for the company, according to the occupier's criterion. As a result, the list only consisted of managers of operating companies in the Netherlands. Via a German lawyer, A.P. Bauer, an emigration list of Jewish employees was drawn up. Emigration during the war was, of course,

⁸⁸ Letter Modest to Fischböck, 20.5.1942, in: UAR, His 140, 1204.

⁸⁹ Letter Modest to Fischböck, 19.9.1941, 11, in: *Ibid.*, His 140, 1204.

⁹⁰ *Regeling met Joodse Werknemers*, in: UAR, His 76, 0785. And see UAR, Sec. 28, 613 for figures of dismissed Jewish staff.

⁹¹ *Gerard Aalders Geraubt! Die Enteignung jüdischen Besitzes im Zweiten Weltkrieg*, Köln 2000.

⁹² *Regeling met Joodse Werknemers*, in: UAR, His 76, 0785.

⁹³ Letter Lippmann, Rosenthal & Co to Pension Fund Progress, 16.6.1944, in: UAR, His 76.

⁹⁴ Letter Modest to Lippmann, Rosenthal & Co, 26.6.1944, in: *Ibid.*.

not the immediate aim of the list.⁹⁵ The idea was to prevent deportation to a concentration camp. Being on an emigration list was asking for a postponement of deportation and could mean survival. Vast sums, up to Swiss Frs. 300,000 per person, were made available by Unilever.⁹⁶ It is not entirely clear how many people were on the list. Some letters mention eleven employees and their families, other sources state that there were 18 people. Nevertheless, it is entirely clear now that even this final attempt failed. On 16 March 1943 De Baat wrote to the lawyer Bauer: «[...] your attempts foundered and there is no possibility to get even one of our former staff on the list in question.»⁹⁷ Finally, out of 88 dismissed Jewish staff, 53 were deported and killed in German concentration camps, whilst others had gone into hiding.⁹⁸ The relative number of victims amongst Unilever staff (60 per cent) was lower than the average rate in the Netherlands (76 per cent), which could have possibly been the result of the drawing up of a list.⁹⁹

Struggle for Control

By 1942 Unilever's continental corporate governance was divided into three power bases, which would not basically change until the end of the war. In general, companies in Western Europe and the Nordic countries (except for Sweden) were controlled by Rotterdam, while companies in Greater Germany and (South) Eastern Europe, the former Schicht countries, were managed almost completely from Berlin, and companies in neutral countries, like Switzerland and Sweden, were directed (indirectly) from London. Since Posse's appointment, however, there was business contact, at least to some extent, between these various centres. In addition, through Posse and Modest, Rotterdam secured its influence over major decisions.

Simultaneously, there was a struggle for power in Unilever NV's Board in this period. The German managers of NV, Heinrich Schicht, Franz Schicht and Carl Santkin, all worked for the German cause, at least that is what they pretended. It appeared, however, that the Schichts acted (also) out of self-interest, which was to get a stronger hold over continental Unilever. Santkin was a separate case: he had earned quick promotion despite a lack of good

⁹⁵ The name of Weinreb was mentioned. See: Jacques Presser, *Ondergang. De vervolging en verdelging van het Nederlandse jodendom (1940-1945)* Deel 2, Den Haag 1965, 101-110.

⁹⁶ Emigration of Jewish Employees 1943, in: UAR, Dir 12, 242.5.

⁹⁷ Letter De Baat to A.P. Bauer, 16.3.1943, in: Ibid..

⁹⁸ Hartogs Fabrieken te Oss, in: UAR, APN 256.

⁹⁹ Wolfgang Seibel, <On Occupation: Theoretical and Comparative Dimensions>, Paper prepared for the Conference «*Balance and Perspectives – ESF program on the Occupation in Europe: the Impact of National-Socialist and Fascist Rule (INSFO)*», Amsterdam 27-29.4.2005.

qualities, due to his Nazi leanings. The Dutch directors Hendriks and De Baat tried to manage or – to use a better expression – to rescue, as far as possible, Unilever’s business on the continent in the general Unilever interest.

In the course of 1942 the German state endeavoured to move Unilever NV’s headquarters from Rotterdam to the new headquarters of the Margarine Verkaufs Union (MVU) at the Hohenzollerndamm in Berlin, albeit still under construction. «The Reichs Commissioner’s most important target is the gradual relocation of Unilever’s centre to Germany, to have Continental Europe in control of Germany», according to the first meeting of the Reichs Commissioner’s Advisory Committee (*Arbeitsausschuss*).¹⁰⁰ The relocation, however, was highly unpractical. As a result of the war construction activities at the Hohenzollerndamm had come to a halt; MVU staff still only occupied part of the building. In April 1942 Posse unavailingly contacted the military authorities in Berlin to obtain an exceptional construction permit.¹⁰¹

In April 1942 Heinrich Schicht none the less established a Board for Unilever’s headquarters in Greater Germany, which he abbreviated to H.G.L. (*Hauptgeschäftsleitung des Unilevers-Konzerns in Grossdeutschland*), situated at the Hohenzollerndam 46/47, Berlin-Grünwald.¹⁰² The Board only consisted of German former members of the Margarine Verkaufs Union. As a result, nothing had changed so far; the existing situation had merely been confirmed. Within a year Berlin would also become a target for recurring Allied bombing campaigns, whereby Germany’s capital was disqualified as an alternative for Rotterdam as Unilever’s headquarters. In August 1943 HGL decided to relocate its own head office to the Milka margarine plant in Pratau near Wittenberg. Heinrich Schicht retreated to Aussig in Sudetenland, while Franz Schicht became Business Leader (*Hauptbetriebsführer*) in Germany. Heinrich carried all major documents of Unilever’s subsidiaries in Germany to safety, as he insisted in his own defence after the war. It is more likely, however, that the Schichts had welcomed Unilever’s relocation during the war and that they had tried to usurp Unilever in Greater Germany and the occupied territories.

In addition to practical arguments, the German State, or at least these conflicting agencies, had other reasons why Unilever should not be transformed into a German company overnight. Contrary to Germany’s treatment of Jewish property and the genocide it

¹⁰⁰ Bericht über den Stand der Arbeiten des Reichskommissars für den Unilever-Konzern (Juli-November 1941), 11.12.1941, in: BArch., R26 IV 30, 1732, 1.

¹⁰¹ Bericht über den Stand der Arbeiten des Reichskommissars für den Unilever-Konzern (Dez. 1941 bis März 1942), 18.4.1942, in: Ibid., 2.

¹⁰² Dr. Heinrich Schicht, Rundbrief, April 194, in: UAR, SEC 25, 529.12.

committed on Jews, Gypsies and Slav peoples, its treatment of the property of the Western Allies was generally according to international law. In addition, in the 1942-1943 period several documents of the German government agencies still anticipated a coming peace settlement with Britain.

In May 1942 accountant Cantrup, accordingly, wrote a memorandum about «Unilever's New Organisation», for which he suggested two names: Deutsche Unilever A.G. or Kontinentale Margarine- u. Seife-Union A.G.¹⁰³ In the memorandum he addressed many complicated legal questions and, in addition, formulated some answers too. He treated the question, for example, of how and when the 2.4 mil nominative Unilever shares (Special Ordinary shares), half of which were placed with Overseas Holding Ltd in Durban and the other half with United Holding Ltd in London, could be transferred to the new German parent company. Another question he raised was whether the sequestration of NV Elma as enemy property would be enough to acquire the voting rights held by this company. At the beginning of the war the holders of the nominative shares (Special Ordinary shares 1-2,400) had handed over their voting right to NV Elma to make an election of Unilever NV's Board possible. Furthermore, he pointed out that before the war the centre of the Unilever group had been in London. As a result, after the beginning of the war Unilever NV in Rotterdam had lost its influence over other overseas companies, especially the raw materials companies. The question therefore was whether it would be prudent to operate the New German Unilever independently from London after the war.

At last Cantrup addressed the issue – an essential one of course – of how and when the new German parent company could acquire Unilever NV's share capital owned by the general public, mainly in the Netherlands. Cantrup put forward some proposals. First, sequestrated Jewish property in the occupied countries, in particular the Netherlands, could be transferred to the German parent company. For example, the large quantity of Unilever shares which had been handed in to Lippman, Rosenthal & Co in Amsterdam and had not yet been sold on the stock exchange could be used for this purpose. Second, 53 per cent of Unilever's share capital, which amounted to f164 mil, was administered by a trust office in Amsterdam, i.e. N.V. Nederlandsch Administratie- en Trustkantoor. Because the office managed more than half of Unilever's issued share capital, the delivery of these shares after

¹⁰³ Die Neu-Organisation von Unilever nach der erfolgten Bestellung eines Reichskommissars, Berlin, 11.5.1942, in: UAR, SEC 25, 529.1.

the signing of a peace treaty with Britain and the Netherlands would be the appropriate channel for the new German parent to acquire a controlling interest in the company.¹⁰⁴

Although Cantrup formulated some solutions he also concluded that a planned transformation of the Anglo-Dutch Unilever into a German parent company would be rather complicated and only feasible after the signing of a peace treaty with Britain, in the course of which Germany had to dictate the peace. The Advisory Board to Reichs Commissioner Posse evidently took his advice for granted. More urgent questions had to be solved in the course of 1942. The raw materials position of the German Reich had become critical by then: the fat gap expanded increasingly. Posse was more and more occupied with the short-term aim of raw materials acquisition, for which he needed the company's organisation. Unilever's Dutch management became indispensable to keep the war machine going. Thus to turn Unilever's corporate structure upside down appeared, at least from a German perspective, to an increasing extent to be blatant self-destruction. In due course it became easier for the Dutch management to pursue a strategy of indispensability.¹⁰⁵

By February 1943 not much had changed, though the Gestapo still complained about Unilever's corporate governance.¹⁰⁶ According to C.L. Sebastian, deputy of the Gestapo headquarters (*Reichsicherheits-Hauptamt*) in the Advisory Board (*Beirat*), the Unilever group was only a unity to the extent that it was controlled by Reichs Commissioner Posse. The management, however, had not been united yet. The so-called Schicht countries were managed from Berlin, but the rest of continental Europe was partly directed from Holland and for the other part from Berlin. The management of the other countries from Berlin did not converge in the top with that of the Schicht countries, but was run independently from it. What was needed, according to the Gestapo man, was the establishment of an intelligence office (*Nachrichtendienst*) in Rotterdam or Berlin. Thereupon, Sebastian was commissioned by *SS-Standartenführer* Schellenberg to study Unilever's complex organisation in the Netherlands, Belgium and France and to meet the executive staff. He would not learn much about Unilever's complex structure – a whole team of business economists and accountants had been doing research since 1940. Sebastian's note, nevertheless, shows two things: first, since 1942 the attempts to relocate Unilever to Berlin had failed, and second, as from 1943 the Gestapo tried to get a stronger grip on Unilever.

¹⁰⁴ Ibid., 9-12.

¹⁰⁵ According to Hayes IG Farben used a similar «strategy of indispensability» to maintain some room for manoeuvre against the regime's demands. Hayes, *Industry and Ideology* (cf. n. 2), 210f.

¹⁰⁶ C.L. Sebastian, Berlin, den 19.2.1943, in: UAR, SEC 25, 529.1.

The Gestapo, however, did not succeed. Within a year the situation in the Third Reich as a result of the war had completely radicalised and the Gestapo returned to Unilever's headquarters; this time to remove the complete Dutch Board. On 7 November 1944 Hendriks and De Baat, as well as seven other directors of operating companies in the Netherlands, were brought to Berlin under the pretext of a meeting.¹⁰⁷ Having arrived in Berlin they were held hostage in the Hotel Adlon and placed under Gestapo surveillance. The taking of hostages by the Germans during the occupation of the Netherlands was no exception. But why they were taken at that point in time is not clear. It could have been a response to the Allies' advance and the growing Dutch resistance; in September 1944 a general railway strike had broken out. It is also possible, however, that these hostages, as representatives of an Anglo-Dutch multinational, were taken as an object of exchange in the future.

Whatever the case may be, Posse and others in the economic establishment were helpful in getting Hendriks and the other directors from Berlin to the countryside. This was a much safer place than Germany's most luxurious hotel situated at Unter den Linden in Berlin at the end of 1944. For the rest of the war Dutch Board members Hendriks and the Baat lived on the Ahrensberg estate in Mecklenburg of Hugo Homann, director of the Fritz Homann AG margarine factory, in which Unilever had held 50 per cent of the equity since 1929.¹⁰⁸ Homann had good contacts with the Nazi regime, and he had used these to save Hendriks' youngest daughter, who had been a member of the Dutch resistance, from being sent to a concentration camp in 1941.¹⁰⁹ Since then she had also lived on Homann's estate. At the end of November 1944 Hendriks, after being reunited with his daughter, had granted mandates (through Posse) to senior staff in the headquarters in Rotterdam to continue the business in the Netherlands.¹¹⁰ Until the liberation of the Netherlands a committee (*Comité-Vergadering*), which consisted of senior Unilever staff, ran Unilever's headquarters in Rotterdam.

In May 1945 Hendriks and De Baat and the other managers were repatriated to the Netherlands. Hendriks died a year later. Even a stay in a Swiss sanatorium could not restore him to health; war stress had exhausted the most loyal Unilever manager completely, everyone agreed at his grave. Although an *in memoriam* is not as a rule the most appropriate

¹⁰⁷ Bijeenkomst op 7.11.1944 ter voorlopige voorziening in den dagelijkse gang van zaken in het Hoofdkantoor van Unilever te Rotterdam, Hofkamp, Kretzschmar, Van Moorsel, Van de Polder, Simon Thomas, Smalt and Westerman (Hofman and Tempel went into hiding) UHA-R, SEC 32, 699.

¹⁰⁸ UAL, MDC, 22.2.1945.

¹⁰⁹ Verslag van de comité-vergadering op 11.5.1945, in: UAR, SEC 32, 699.

¹¹⁰ Verslag van de comité-vergadering op 23.11.1944, in: UAR, SEC 32, 699.

historical source, the following quote gives a concise summary of Hendriks' strategy during the war.

Although outwardly always accommodating and apparently willing to comply with the demands made by the Germans, he was none the less able in his own special way to ensure that in almost all cases either nothing at all came of the proposed measures or that they were only implemented in a watered-down form. His motto was: I never say "no", but I slow things down and continue to do so for as much and as long as I can. In this respect his pronounced sense of reality always indicated to him with admirable certainty how far he could ultimately go.¹¹¹

Conclusions

A lack of clarity about the German legislation concerning enemy property worked to the advantage of the Anglo-Dutch enterprise at the beginning of the German occupation of the Netherlands. German legislation in this field was only drafted from January 1940, after Hitler had appointed a Reichs Commissioner for the Treatment of Enemy Property. The commissioner appointed German Unilever directors as protecting supervisors of Unilever's main holding companies in Rotterdam, which held the assets in Greater Germany. Shortly after the German invasion of the Netherlands auditors from the German Audit and Trust Company came into the Rotterdam office and started researching into Unilever's complex holding structure in an endeavour to establish that NV was under British control. The main question about the relationship between Limited and NV, however, could not be answered definitively. As a result, Unilever NV was not sequestrated as enemy property.

The polycratic power structures in Nazi-Germany also worked to the advantage of Unilever. The Four-Year Plan, for example, had its own designs and endeavoured to solve the "Unilever Problem". It wanted to transfer the company's headquarters to Berlin, transform the company into a German syndicate, and guarantee German state influence on the main representative of the fats industry in the German Reich. In addition, it planned to appoint a special supervisor for the continental Unilever group. But it was not until June 1941 that Göring – by way of exception – appointed Posse as Reichs Commissioner for the Unilever Group. By that time, however, Nazi Germany had attacked the Soviet Union and priorities were soon given to other war issues. After February 1942, when Speer had replaced Göring in terms of primary importance in economic policy, a drive for rationalisation pushed the sequestration of foreign capital into the background. From that time the Reichs Commissioner for the Unilever Group Posse promoted Unilever's interests, except for those

¹¹¹ In Memoriam P.D.H. Hendriks 1878-1946. Delivered by De Baat, in: UAR, DIR 16, 299.1.

of its Jewish staff. Paradoxically, the appointment of a German Reichs Commissioner had brought an end to the threat of «Aryanisation» of the whole Group. A more general conclusion that can be drawn here is that contrary to Germany's treatment of Jewish property and the genocide it committed on Jews, Gypsies and Slav peoples, its treatment of the property of the Western Allies was generally according to international law.

In response to the beginning of the war between Germany and Britain Unilever's organisation had changed completely. Two autonomous Boards were created: Limited in London and NV in Rotterdam. The legal basis for this split had been prepared well in advance. As a direct consequence of the war Unilever's business became highly decentralised. Limited and NV worked as two autonomous groups. Inside these groups companies were structured along the lines of the various national companies, which acquired much more autonomy owing to the circumstances. Limited in London was able to control Unilever's companies around the world outside German-occupied territories, including those in neutral countries, though only from a distance. But NV's management in Rotterdam was not able to run the whole business on the European continent. MVU's management in Berlin was acting more and more as an autonomous group, and tried to control Unilever's business in Greater Germany and actively supported the (unsuccessful) Germanisation of the Unilever group.

During the war the company became a decentralised conglomerate, with great autonomy for the national companies. This enabled them to adapt to different institutional, organisational and industrial conditions in various countries. It is possible to draw the conclusion that Unilever's corporate governance structure was in fact appropriate for the war situation; it proved it could adapt to different national institutions. Its organisational structure helped Unilever to survive World War II.

Address of the author: Dr. Ben Wubs, Utrecht University, Research Institute for History and Culture, Janskerkhof 13, 3512 BL, Utrecht, The Netherlands. Email: Ben.Wubs@let.uu.nl