

De Crisis

Rutherford

On the Waterfront



NEWSLETTER NO. 19
OF THE FRIENDS
OF THE IISH

2009

Introduction

FRONT PAGE:
SEE PAGE 15

Nobody can possibly have missed the financial and economic recession, least of all those interested in social and economic history. Moreover, they, and consequently the readers of this newsletter, will be interested in its historical backgrounds. With this in mind, we dedicated the Friends' Day on 25 June to the history of financial recessions in the Netherlands. This issue features a detailed report of this lecture, illustrated with original documents from the Institute's collections.

Members of the Friends of the IISH pay annual dues of one or five hundred euros or join with a lifetime donation of one thousand five hundred euros or more. In return, members are invited to semi-annual sessions featuring presentations of IISH acquisitions and by guest speakers. These guest speakers deliver lectures on their field of research, which does not necessarily concern the IISH collection. The presentation and lecture are followed by a reception. In addition to these semi-annual gatherings, all Friends receive a forty-percent discount on IISH publications. Friends paying dues of five hundred euros or more are also entitled to choose Institute publications from a broad selection offered at no charge. The board consults the Friends about allocation of the revenues from the dues and delivers an annual financial report in conjunction with the IISH administration. The IISH was founded by master collector Nicolaas Posthumus (1880-1960) in the 1930s. For the past two decades, two of the institutes established by this 'history entrepreneur' have operated from the same premises: the NEHA (Netherlands Economic History Archive) since 1914 and the International Institute of Social History (IISH), which is now 74 years old. Both institutes continue to collect, although the 'subsidiary' IISH has grown far larger than the 'parent' NEHA. (Detailed information about the IISH appears in: Maria Hunink De papieren van de revolutie. Het Internationaal Instituut voor Sociale Geschiedenis 1935-1947 (Amsterdam 1986) and in: Jan Lucassen Tracing the past. Collections and research in social and economic history; The International Institute of Social History, The Netherlands Economic History Archive and related institutions (Amsterdam 1989). For all information concerning the Friends, see <http://www.iisg.nl/friends/>.

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From all nooks and corners

On 29 October 2009 the IISH Collections Department went on an unforgettable excursion in Amsterdam. Given the department's size (over 50 staff members), the annual team-building events in the past have comprised the smaller organizational units (task groups). But this time all task groups got together and planned a full day of diversity and entertainment. After the traditional coffee and apple pie at Smits Koffiehuis in front of the Central Station, we set out on a scavenger hunt, exploring links between the IISH collections and historical sites in the city. Our hunt took us to Waterloo Plein, where we looked for cheap, amusing acquisitions. A T-shirt featuring the communist icons Marx, Lenin, Mao and others, celebrating with party hats on, was awarded first prize.

BANNER ACQUIRED DURING THE IISH COLLECTION DEPARTMENT EXCURSION, 29 OCTOBER 2009. FROM LEFT TO RIGHT: ELLA MOLENAAR, JENNEKE QUAST, JOOP KLEIN, TINEKE FABER, MARGO BUURMAN, KIER SCHURINGA, AND TITIA VAN DER WERF. PHOTOGRAPH TAKEN BY ERIC DE RUIJTER

En route, one team discovered the LAC (Latijns Amerika Centrum), which houses a dozen different organizations dedicated to solidarity with Latin America. Their curiosity and enthusiasm were amply rewarded when they left the centre holding a banner, spanning five meters, displayed during a march in 1999 protesting the extradition of Pinochet to Chile. At the time, Pinochet was held under house arrest in London,

awaiting his sentence. Concluding the scavenger hunt, everyone gathered at the Filmtheater and Café Kriterion, to enjoy a copious lunch. When the lights came back on, after watching the estranging Belgian film *De Helaasheid der Dingen* (translated as *The Misfortunates* or as *The Shittiness of Things*), we were happy to be back together in the familiar company of IISH co-workers.



Nineteenth Friends Day, 25 June 2009

PRESENTATION OF THE ACQUISITIONS

☞ Russian Village Libraries

Ever since the idea of popular sovereignty arose, the ability of the people to exercise this task has been questioned. These reservations figured prominently in European debates about education

and schooling in the eighteenth and nineteenth centuries. Efforts to eradicate the penny dreadful and similar books have often characterized the struggle against the ignorance of the sovereign people.

In tsarist Russia, the corresponding target was what was known as *lubok* literature. *Lubok*, which means 'bark', denotes a plate, generally of a saint or a hero, on whom a story is based. In the eighteenth century this genre evolved into a leaflet, mostly printed on a single sheet (32 small pages). The content was essentially similar to what was popular in the West: knights, heroines, occasional erotic escapades, such as in *The English Milord George*. The publishers of such booklets operated entirely outside the market



COVER OF
THE BOOK-
LET *DJADJA*
FADDEI BY I.
STARININ,
1910 (IISH
LIBRARY, BRO
5596/12)

for 'serious' reading material, using a system of peddlers who travelled mainly to Moscow in late September, bringing with them a supply on consignment and settling up a year later, sometimes in kind, for example in dried toadstools.

In the countryside this literature was exceptionally popular; people there read virtually nothing else. Admittedly, very few knew how to read – in early-nineteenth century Russia, the literacy rate was about 3 percent, by the end of the century about 21 percent, but it was considerably lower in villages. Since by far the most Russians lived outside the city, this market was substantial.

The Russian intelligentsia that 'addressed the people' in the course of the nineteenth century tended to be distinctly unimpressed with the *lubochnaya literatura* but was at a loss to find an alternative that appealed them. One major reason for this inability was the absence of a distribution system that could compete with the peddlers. This changed only in 1884, when Vladimir Chertkov, the right-hand man of Lev Tolstoy (1828-1910), encountered Ivan Sytin, who published these booklets. Together they founded the Posrednik (Media-

tor) publishing company, which published stories by Tolstoy and others in the format known to the farmers: small pamphlets with a drawing on the front cover.

Although problems with the censor were commonplace – between 1865 and 1905 all writings comprising fewer than 100 pages required official approval (the reason behind the Russian 'thick journals') – the venture was successful, even after Sytin (who as an entrepreneur was always considered somewhat suspicious) was replaced by a different publisher in 1904. Posrednik issued about 1,000 titles, of which many were reprinted several times.

In the meantime, people's and village school libraries expanded enormously in Russia. In his manual *Sredi knig* ('Among the books', St. Petersburg 1906) about starting and organizing such educational libraries, the renowned bibliographer N. Rubakin wrote: 'Books are one of the most powerful instruments in civilizing and informing the people, at school

and elsewhere, as well as in the struggle for truth and justice.' Recently the Eastern Europe Institute at the University of Amsterdam presented the IISH with approximately a hundred leaflets, published around that time and intended especially for these people's and village school libraries, often in series with titles such as *Life and work of our ancestors*, *In our own and other countries*, and *Frank education*. The collection comprises about 40 titles published by Posrednik.

✠ Arie Bouman (1911-1999) Previously we presented papers that turned up from Arie Bouman (1911-1999), a Dutch Calvinist activist who served on the board of several organizations dedicated to moral propriety, from the fight against prostitution to eugenics (see *On the Waterfront* 17, 2009, 9-10). Our attention to this individual motivated the donor, Pieter Koenders (author of *Tussen christelijk réveil en seksuele revolutie*, Amsterdam 1996), to



COVER OF
THE BOOKLET
PROVERBS OF
LAO-TSE, SE-
LECTED BY LEO
TOLSTOY, 1912
(IISH LIBRARY,
BRO 5596/38)

search for more and recently yielded a new addition to the Institute.

This material comprises documents from the Vereeniging Geneeskundig Onderzoek voor het Huwelijk [association for premarital medical examinations], the Nederlandsche Vereeniging tot Bestrijding der Geslachtsziekten [Dutch association for eradicating venereal diseases], the Zedelijk Herstel Amsterdam [restoration of virtue Amsterdam] committee, and the Nationaal comité van instellingen voor Zedelijke Volksgezondheid [National committee of institutions for virtuous public health]. Some of these organizations have been featured previously. The Amsterdam committee was active during the years following World War II and expressed concern about uninhibited interactions with members of the Canadian armed forces stationed in the Netherlands. Here we reveal comparable concerns caused by World War I, which gave rise to mobilization in the Netherlands and soon afterwards to the presence of internees and refugees.

From the perspective of the Nederlandsche Vereeniging tegen de Prostitutie [Dutch association against prostitution], these courses of events entailed serious dangers. One manifestation of this concern was a letter to the minister of Justice as early as October 1914, which, though applauding the Dutch 'spirit of assistance' toward Belgian refugees, mentioned the 'serious dangers, which especially in moral respects threaten our Dutch people', since it is already apparent that Belgian women lapse into vices here or endeavour to adopt lives of easy virtue.'

The Vereeniging was also suspicious of the internment camps and tried to determine through surveys how serious the situation was (one case concerns the response from Groningen about a camp housing 1,560 interned English sailors). Most problematic, however, were perhaps the concentrations of Dutch servicemen instigated by the mobi-

Vertrouwelijk.

Politie
te
3. Gravenhage
Januari 1920.

Opgave van op zedelijk gebied verdachte huizen, van alleen wonende prostituees, z.g. des „kondigen, verdachte bier“ huizen enz.

Woonplaats	Naam & Voornamen	geboorte		Aanmerkingen
		den	te	
<u>Afskortingen:</u>				
K. V. = Kamerverkunder, st. 1/2 O. bij de Ouders				
D. = Deskundige				
P. = Prostituee C. of D. = Café of Bierhuis.				
Acaciastraat 88.	Adams, Antonia C.	12. 3. 88	Adam	P.
Achterom 38	Schoon Hendrika	6. 8. 95	Moensland	P.
idem 38	Elbert Johanna R.	2. 1. 97	Uddes	P.
idem 70.	Booy Gerrit	11. 9. 70	Duitsland	C.
Adelheidstraat 33.	Komerschot Geert C. d.	18. 9. 32	Uddes	P.
idem 85.	Wittgreff Apollonia J.	7. 11. 81	Hanlen	P.
Her. Amptstraat. 2.	Kieperman Rena H.	21. 6. 90	Uddes	P.
idem 2.	Steuvenberg Emerentia	2. 5. 95	id	P.
idem 4.	Ragrange Johanna C.	16. 7. 93	Adam	P.
idem 4.	van Riezen Cath.	23. 12. 93	Adam	P.
idem 4.	Prins Roosje	10. 10. 82	Delfshaven	P.
Her. v. Goesset. 3.	Voschuur Hendr. C.	19. 1. 83	de Dille	P.
Her. v. Goesset. 6.	de Kunnik Wilh.	7. 10. 95	Uddes	P.
Amalia v. Tolm. 20.	Haackert Johanna M.	21. 1. 85	id	P.
Ammerlaan 15.	Nieuwenk Wilh. J.	10. 12. 91	id	P.
idem 50.	Kotze Maria R.	9. 3. 91	id	P.
Amptstraat 170.	Kulder Kathilda M.	19. 7. 87	id	P.
idem 170	de Boer Sophia	20. 9. 96	id	P.

lization. Again, the Vereeniging sought additional information. The collection obtained includes an interesting sample of the results of a survey organized at the request of the Vereeniging by the association Voor Eer en Deugd [for honour and virtue], the Roman Catholic counterpart to the Middernachtzending [midnight mission], which had operated from Rolduc seminary since 1904 and was run by Father J.S.H. Bemelmans. Especially

after World War I, Voor Eer en Deugd was an important organization, including various Catholic government ministers among its board members.

The collection also comprises several illustrations of co-operation between organizations dedicated to moral virtue and the police. One example is the list depicted here of 'suspect houses' in The Hague, in addition to which examples are known from Amsterdam.

CONFIDENTIAL
REPORT OF
SUSPECT AD-
DRESSES IN
THE HAGUE,
JANUARY
1920 (IISH
COLLECTION
NATIONAAL
COMITÉ VAN
INSTELLINGEN
VOOR ZEDEL-
LIJKE VOLKS-
GEZONDHEID,
BOX 75-85)

'INDONESIA
SEPARATE
FROM HOL-
LAND NOW'
POSTER OF
THE CPH WITH
THE ZEVEN
PROVINCIEËN
(IISH BG D
68/14)



De Zeven Provinciën, 1933

Few events have caused such a stir in the Netherlands as the mutiny and its termination on the Dutch armoured vessel *De Zeven Provinciën* [The Seven Provinces] from 4 to 10 February 1933, at sea in the Netherlands East Indies at the time. Suddenly, everybody in the Netherlands and far beyond realized that both the Dutch merchant ships and the marines depended heavily on Asian labour. And that this labour had become organized and was in a position

not only to make demands but to enforce them as well.

Matthias van Rossum, pursuing a PhD at the IISH on the subject of relationships between Asian and European sailors aboard VOC ships, recently published an award-winning book about the rich history with its wealth of problems within the trade union organization of sailors, European and Asian, separately and together, from 1900 to 1945.

Were the events on *De Zeven Provinciën* indeed a mutiny, or

were they in fact a protest gone awry against a wage reduction? Because of the Great Depression, the government of the Netherlands East Indies had already reduced the wages of those in its employ twice by 5 percent, to be followed by a third reduction of an additional 7 percent on 17 December 1932. The marine command protested, because it feared labour uprisings. This worry was not unfounded, given the demonstrations and protest assemblies at the marine base on Surabaya.

The marine staff aimed to achieve the victories of their English and Australian counterparts, who had even staged mutinies. These protests were initially successful, as on New Year's Eve the marine announced that the latest wage reduction of 7 percent would be waived for the time being. But the euphoria was short-lived, and when the wage reductions were forced through after all, work stoppages and consequently massive arrests ensued, placing 40 Dutchmen and 450 Indonesians behind bars in Surabaya.

At the height of this turbulent period, the armoured vessel *De Zeven Provinciën* left Surabaya on 2 January 1933 on a voyage around Sumatra for exercises and to display the flag. The ship carried 141 Europeans and 256 Indonesians (colonial subjects at the time), still horrified at the imminent wage reductions. On Saturday 4 February, when the commander and some of the officers and crew members were ashore in Kota Raja, those remaining behind seized control of the ship and weighed anchor. Their purpose was to protest vociferously against the intended wage reductions, but the army command took a different view and immediately labelled the action a mutiny, rejecting all types of mediation by the trade unions of marine personnel. The commander had set off in pursuit immediately, but of course he lacked the military strength of the armoured vessel. On Friday 10 February the confrontation occurred. With several war ships lying in wait in the Strait of Sunda between Java and Sumatra, where the armoured vessel was expected, a group of Dornier flying boats was launched, loaded with bombs. According to Hans Blom, who has reconstructed this mutiny in detail, it remains unclear whether the 50 kg bomb that hit the *Zeven Provinciën* at 9.18 a.m. was aimed at the front of the bow as a warning or was actually intended to strike the ship. At any rate, 19 men were killed and 11 seriously injured, while 7 sustained minor injuries. The mutiny or

what had been taken as such was immediately over. The aftermath, in which the communist threat - as the mutiny was interpreted by many - deeply influenced public awareness, weighing on people's minds for years, and several leaflets and posters were printed by supporters and opponents. The Institute already had a wealth of material about marine and seamen's unions. Recently at an auction, we purchased 9 original telegrams reflecting these dramatic events almost minute by minute. They are from the Aneta Press Agency and are intended for the Governor-General of the Netherlands, addressed to 'Paleis-Rijswijk Weltevreden,' which was his residence.

✂ Franciszek Lyskawa,
(1912-1997)

Poles are all over the world. In addition to their country's turbulent political history, the economic problems in the nineteenth and

twentieth centuries were the cause of many departures. Two periods of massive emigration stand out. The first was in the years ca. 1850-1914, with an aftermath in the Interbellum, and the second in World War II and the years immediately thereafter. The first period was one of massive labour emigration, initially to Germany and other West-European countries and subsequently to America. The Netherlands experienced the tail end of Polish emigration when the coal mines opened, initially attracting tradesmen from the adjacent Ruhr area. In addition to Germans, Poles, Italians, and Slovenians working there came to the Netherlands (see *On the Waterfront* 13, 2006, 8-9). In the 1920s these groups were recruited systematically, only to be made redundant during the Great Depression.

Like the Slovenians, the Poles established organizations at all foreign venues where they were



Liturgieviering bij gelegenheid
van de begrafenis van
Generaal Stanisław Maczek
Breda, 23 december 1994

FUNERAL
PROGRAMME
FOR GENERAL
STANISŁAW
MACZEK (1892-
1994). AT HIS
FUNERAL AT
THE POLISH
MILITARY
CEMETERY
IN BREDÁ,
A SERVICE
CONDUCTED
BY THE LO-
CAL BISHOP
DREW SUCH
CROWDS THAT
15 ADDITIONAL
BUSES WERE
NECESSARY.
THE GENERAL
MACZEK MARCH
WAS PLAYED
AT THE GRAVE
SITE (IISH
COLLECTION
LYSKAWA)

sufficiently numerous. As had been the case with the Slovenians as well, the Catholic Church and after 1918 the new state took a strong interest in them. Not only because of the presumed threat that life abroad posed to their spiritual salvation but especially to secure the considerable sums they transferred back home. Polish emigration during World War II was instigated by the German invasion. Contrary to the expectations of many Poles who fled at the time, they were not able to return to their homeland in the end, at least not if they had insurmountable objections to the communists, who in due course seized power with help from the Soviets.

The papers of Franciszek Lyskawa that the Institute acquired a few months ago thanks to the efforts of former employee Corrie van Eijl aptly illustrate this history and especially the rise of Polish associations in the Netherlands after World War II. Born in Gorzykowo in 1912, he became a serviceman in the Polish armed forces and fled following his country's defeat by Germany via Yugoslavia and Italy to France.

After the French surrender he fled again, this time via Algeria and Morocco to England, where, like many others, he joined General Maczek's 1st Polish armoured division. As such, he took part in the landing in Normandy and in the liberation of Breda. He was among the 3,327 Polish former servicemen unwilling to return to their homeland who requested asylum in the Netherlands in 1946-1947. During the years that followed, they were joined by about a hundred Polish sailors that deserted here and subsequently requested asylum. The resulting post-war Polish community in the Netherlands formed organizations based primarily on Catholic principles, as Lyskawa's papers reveal. By 1947 in cities such as Eindhoven (where he worked for Philips) and of course in Breda, local associations were set up that complemented socializing with charitable pursuits. A national federation was formed as well. A considerable share of the Eindhoven books of minutes, membership registers, and correspondence has been preserved, as have documents from the national federation.

This is a valuable resource for additional research, especially for comparative studies including other migrant organizations in and outside the Netherlands. In recent years, Ulbe Bosma and Marga Alferink have set up a vast database comprising over 2,000 post-colonial migrant organizations in the Netherlands. It is currently being linked with other, similar data sets on Turkish and other organizations in the Netherlands and Belgium. Archives from other migrant organizations are obviously very welcome to expand the scope of this type of material.

Chinese poster collection Jean-Yves Bajon

Between 1994 and 2000 the Frenchman Jean-Yves Bajon collected Chinese propaganda posters. At the time he lived in Shanghai and purchased material from the years 1950-1978 from one dealer. In 2001 he published *Les Années Mao*, featuring an extensive selection from his collection. Although he has not added to his collection since then, he has occasionally sold items to a few collectors and to the IISH. The Institute has now purchased the rest

POSTER CATALOG OF THE SHANGHAI PEOPLE'S FINE ARTS PUBLISHING HOUSE, SHANGHAI, 1967, FROM THE BAJON COLLECTION [CATALOGUING IN PROCESS]





SCALE MODEL
OF THE DIEN
BIEN PHU
BATTLE FIELD
(1954) MADE BY
TOM KÜSTERS
(IISH BG XI/57)

of his collection, thanks in part to financial support from the Friends of the IISH, the Zuster Mart Nienhuis Stichting, and the SNS Reaal Fund.

Of course the collection consists primarily of the actual posters: ca. 200 large posters (100x70 cm) and ca. 600 regular ones (50x70 cm). The condition of the material ranges from reasonable to good; virtually no reprints or fakes appear in the collection. The topical and chronological distribution across the period 1950-1978 is fairly balanced, although children are somewhat overrepresented in the specimens from the 1950s. No more than half the posters was already at the IISH – either in the Institute's collection or in that of Stefan Landsberger.

Another type of material that was particularly important consisted of over 500 picture postcards from the period 1955-1970, depicting scenes from posters and closely related motifs, collected largely in sets, together with the wrapper or envelope. There are also a few hundred small illustrated booklets, divided according to three categories: illustrated propaganda booklets, sample booklets for producing propaganda paintings and drawings, and publishers' catalogues. These catalogues convey a publisher's complete selection of posters, are very useful for research, and provide ample context about the posters. The Institute is therefore trying systematically to complete this collection.

☪ Tom Küsters (1943-2008)

The Institute recently acquired the papers and objects of art of

Tom Küsters. This artist was born in Groesbeek in 1943. Although he died in this same town in 2008, he was deeply involved in the rest of the world throughout his active life. An obituary published in the *Trouw* daily edition of 17 December 2008 read in part:

'Tom Küsters's art addressed the two main themes in his life: politics and sports. He portrayed both his heroes and dead villains. Tom's parents met because they were both Esperanto aficionados. Tom Küsters was the first child born into this relationship between a Roman Catholic schoolteacher from Groesbeek and a Protestant Danish woman. Tom, the eldest of the seven children born to the couple, was a wayward lad. From childhood, he was extraordinarily determined. At age twelve, he wanted to be a cyclist and assembled a bicycle from different parts. He asked his mother to knit him a sweater with a storage compartment on the back to store food for the day on his 150-kilometre cycling trips. She complied, without objecting to the small boy travelling so far away on his own. "I would have done it anyway," he later explained – his mother sensed that he was better off having sandwiches and coffee with him.

He became interested in politics early on as well. A small boy when Stalin died in 1953, he was nonetheless deeply affected. At his school run by monks, current wars were frequent topics of conversation. One example was the battle at Dien Bien Phu in Vietnam, where the French colonial rulers laid down their weapons against the Viet Minh liberation

movement – an unprecedented event in colonial history. While the monks told the story from an anti-Communist perspective, Tom was fascinated and won the contest to make the best drawing of the battle. First prize was a cigar band. [...]

Tom Küsters became a left-wing artist and participated fully in Nijmegen political action (*ak-sie*). In the 1960s he produced an infinite range of posters for the Vietnam movement – for the meeting with Jane Fonda at De Lindenberg, on 18 January 1975 (admission: two guilders). And he designed posters for the "bicycles for Vietnam" campaign to raise funds for transport bicycles; each bicycle required 150 guilders.

His own art was often about politics as well: he visualized his political impressions. He produced a work of art about the battle of Dien Bien Phu – a model of the situation just before the fighting started. To understand a situation, Tom Küsters needed to envisage it. [...]

Before producing such works of art, Tom Küsters always read everything he could find about the subject. He might even travel to see it. Behind the side panels of the Dien Bien Phu model were the ordnance survey maps of the area.'

We are presenting this model of the Dien Bien Phu battle scene, where the French had set up a camp in November 1953, with the intention of controlling the surrounding area from their fortifications, while cutting off the Vietminh from the route to Laos. Contrary to French expectations, the Vietnamese managed to po-

sition heavy artillery on the hills surrounding the camp, shooting Base Béatrice (Foreign Legion) and subsequently the air strip to smithereens in the course of a few hours in mid-March 1954. On 7 May Vo Nguyen Giap won the battle, just before the start of the Geneva Conference.

✎ Umar Said (born in 1928)

Emile Schwidder, in Paris for the transfer of the Sobron Aidit papers (Simon Sobron Aidit, 1934-2007, was an author and brother of the PKI leader D.N. Aidit), was introduced by his daughter to another Indonesian leftist exile, A. Umar Said. Still very lively at age 80, he immediately offered several copies of his personal papers. And this was only the beginning.

The memoirs of this Indonesian journalist, born on East Java in 1928 as the son of a teacher, are particularly striking. He had a quiet start, including his interest in theosophy (cf. *On the Waterfront* 9, 2004, p. 5). His life was exceptionally turbulent from age 13 to age 21, when Indonesia was occupied by the Japanese and then fought for independence. In his own words, his 'second soul' (a sort of guardian angel) rescued him several times. In the end he became a journalist and – thanks

to the international contacts of Indonesia under Sukarno (e.g. through the Bandung Conference) – was active in the international journalists' movement of non-aligned nations. In connection with this role, he also happened to be abroad when Sukarno was deposed in 1965. Together with many other leftist Indonesians, he ended up in China. There, especially during the Cultural Revolution, he found himself in increasingly dire straits and ultimately reached France as a political refugee in 1973, to be reunited with his wife and children after 1978/79. In his new and apparently definitive homeland, where he was naturalized as André Aumars, he lobbied for the TAPOLS (the political prisoners in Indonesia), with assistance from the French communists among others, although he seems to have been on good terms with the socialists as well. Remarkably, he mentions nothing in his memoirs about membership of a political party, not even of the PKI, although that appears highly likely.

His business acumen was apparent from an Indonesian restaurant he opened as a co-operative in Paris with two friends. He loved waiting tables, as this role cast him as a gracious host. He also

very adroitly assumed management at his own risk and responsibility of the prestigious monthly *Chine Express*, which thus far had been the property of the Souffles publishing company. As he put it, this edition was intended for 'the French business circle who had a business relation with China' and was explicitly dedicated exclusively to business contacts: 'CE intentionally did not publish news or articles related to other fields like sports, culture, tourism, films, history and others. Sometimes political issues were also addressed. Especially those related to the relations between China and France or the politics of the Chinese government that had much to do with the issues of politics.' By then, he had traded his co-operative venture for independent entrepreneurship: 'I had a dream to run a business.' And this dream took shape as a journal, dedicated to a country where he had been forced to perform menial manual labour. In his lifetime, Ayik Umar Said met many great people, such as Ho Chi Minh, Sukarno, Castro, and Mitterrand. He writes little about them, but his French ventures account for a substantial share of his memoirs.

Lecture by Joost Jonker, Utrecht University: Crisis? What crisis? *Financial crises and their explanation*

Taking a closer look at financial crises in past and present is not easy. Since any money and banking problem is quickly labelled a financial crisis, we face a tangle of data concerning events widely differing as to causes, effects, scope, impact, and spread. We know just about everything there is to know about financial crises, yet at the same time we know hardly any-

thing at all. Most facts are clear: the dramatic bubbles, crashes, failures, and frauds, followed by the often difficult recovery, the restoration of trust, and the calm before a new storm gathers. For most crises, historians and economists have analysed the pattern of events, highlighted the main and the contributory causes, identified crooks, culprits, and casualties.

However, since we still lack a coherent and convincing framework of interpretation that enables us to classify financial crises by type and cause, to draw comparisons, we are no closer to understanding the differences and similarities between them. This also renders the nature of the disastrous events of the past year impossible to comprehend, which we need to do, if

we are to draw the right conclusions.

To show you what I mean, I will first give an outline of a financial crisis, then present a few examples of financial crises, to conclude by discussing three different explanations for them. We do not really have a commonly accepted definition of a financial crisis. Some are clearly too narrow, like the one coined by Anna Schwartz.¹ Kindleberger's definition, on the other hand, is really a list of ingredients; if all are present, the event counts as a financial crisis.² Despite all its deficiencies as a definition, Kindleberger's list at least helps us grasp the phenomenon under consideration. A typical financial crisis begins with (1) an asset price bubble, i.e. a marked overvaluation of one type of asset or another. This leads to (2) a sudden price drop, which causes (3) a rush for cash and a collapse of credit, (4) failures of financial institutions, and (5) a downward spiral of prices, credit, trust, and economic activity.

Applying this set of conditions to the Tulip bubble of 1636-1637 immediately forces us to remove this famous first example from the chart of famous crises. It has always been accepted that (4) and (5) were missing. Moreover, Anne Goldgar has convincingly argued that there was not really an asset price bubble because events were limited to a narrow circle.³ The same is true for that other famous example (1720), in so far as events in the Dutch Republic are concerned. Oscar Gelderblom and I have recently shown that (1), (2), (4), and (5) failed to materialize, so we cannot count this event as a financial crisis.⁴

A more serious problem with Kindleberger's list is, however, that it overlooks the importance of causality. Crashes may look the same, but their causes can render them very different. The factors driving the recent U.S. housing bubble, for instance, should be distinguished from those fuelling the boom in Germany, which ended with the 1873 Gründerkrise, so the lessons to be learned from them are not the same. Similarly,

the bank failures in Scandinavia and the Netherlands during the early 1920s were totally different from those in the rest of Europe and the United States during the early 1930s. The cause of the 1920s crashes credit inflation in fact renders them more akin to the 1763 crisis, which also originated from the inflation in the Seven Years' War.⁵ Unless we take causes into account, we cannot really understand financial crises.

At present two main causal explanations are available. The first, the oldest, and still the most widely adopted, centres on human

irrationality and may be summarized as mania and madness. This is what the gorgeous Groote Tafereel compendium (acquired by Posthumus for the NEHA in the 1930s) lampoons in its prints, plays, and poems about events in 1720, what the Scottish journalist Charles Mackay denounced in his book *Extraordinary delusions and the madness of crowds* (1841), still in print and often found on bankers' desks, and what the prominent Yale economist Robert Shiller identified as the main driver of the American housing bubble.⁶ The explanation sees

THREE TULIPS WITH THEIR PRICES DURING THE DUTCH TULIP FEVER AT THE END OF 1636. THE GOUDA SOLD FOR DFL. 2,100, THE BESTE ANVAERS FOR 1,400, AND THE VICEROY FOR 3,200 (NEHA BC 254)





TELLING DETAIL FROM HET GROOTE TAFEREEL DER DWAASHEID (NEHA BC 255, NR. 1)



TWEE MANIEREN VAN INFLATIEBESTRIJDING [TWO WAYS TO FIGHT INFLATION], ORIGINAL CARICATURE BY EPPDOEVE (PUBLISHED IN ELSEVIERS MAGAZINE 21 AUGUSTUS 1971), SHOWING BAREND BIESHEUVEL, DUTCH PRIME MINISTER AT THE TIME, STANDING BEHIND PRESIDENT NIXON. (BG E36/291)

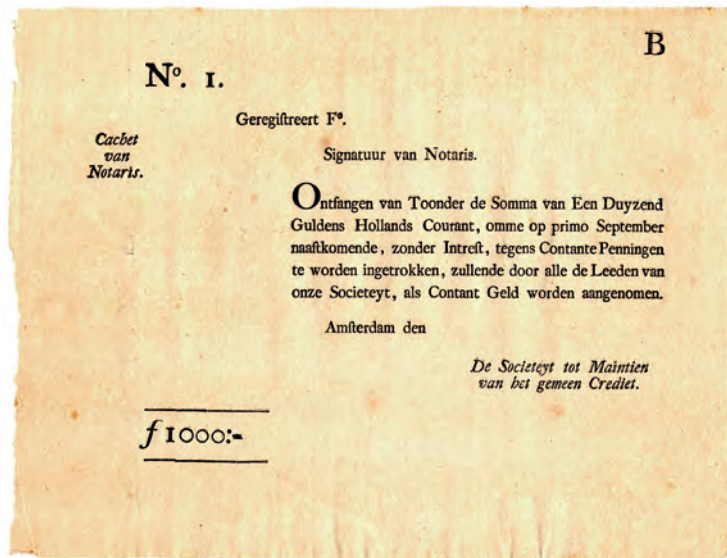
humans as prone to, in Shiller's words, irrational exuberance. An optimistic herd instinct drives asset prices way above their intrinsic value; when the rise becomes unsustainable the self-preservation instinct takes over and causes a crash.

The simplicity of this scheme is appealing, as is its emphasis on instantly recognizable factors: the apparent irrationality of price peaks, the herd behaviour, the ever tenuous balance between human ratio and emotions. But accepting madness as the main cause renders us blind to the evident rationality of booms and busts. Banks will over-lend during a credit inflation; a loose monetary policy will create asset bubbles; excess liquidity will drive investors to seek higher returns by hook or by crook. Since accepting this rationality unmasks their

doctrinaire belief in equilibrium as a fallacy, economists prefer to brand booms and busts as madness, whereas they are in fact simply how their hallowed markets operate.

The second explanation for crises accepts this. Hyman Minsky's financial instability hypothesis highlights the recurrent character of boom and bust and locates the origin of booms in innovation.⁷ Prospects of a 'new economy' heighten expectations, drive up asset prices, and lead to an expansion of credit, which stretches into overextension, as investors rush to seize opportunities with borrowed money. The rest of the cycle follows the abovementioned pattern from asset bubble to crash.

Minsky's hypothesis works well for cyclical crises but less so for others, such as the American Savings & Loans debacle of the late 1980s or the Scandinavian crisis of the 1990s, both instigated by misguided deregulation. However, this hypothesis does show how crises such as the present one may be tremors arising from tectonic shifts, signs of fundamental changes in economic develop-



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[AMSTERDAM,
1773]] (IISH
COLLECTIONS
AB L13/648)

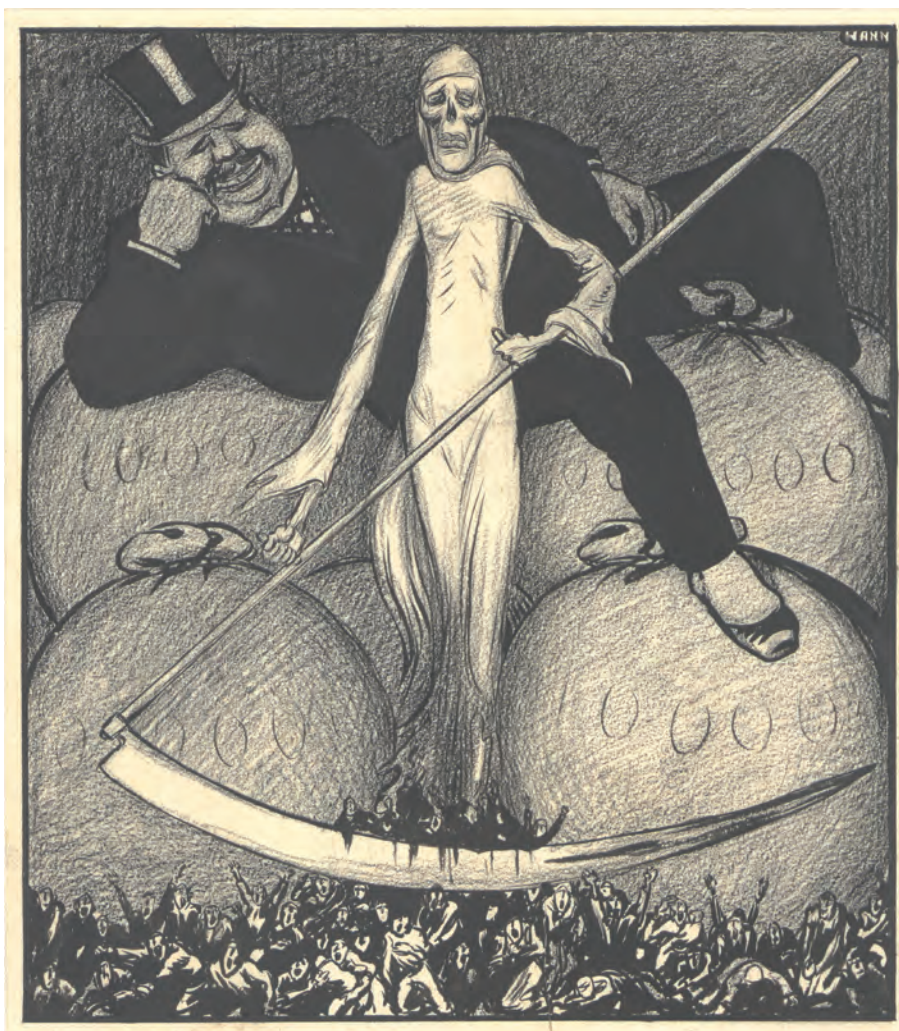
ment. Minsky's 'new economy' is evidently inspired by Schumpeter's link between innovation and business cycles.⁸ Schumpeter thought economic growth was caused by the innovations of successive industrial revolutions. Though such macro events can never be timed with any precision, linking them to financial crises yields interesting insights. The 1873 crisis, for instance, then marks the break between first and second industrial revolution,

cotton and steam giving way to chemicals, electricity, and the automobile. Similarly, 1929 can be associated with the end of the second industrial revolution, the financial crisis of the early 1970s with the end of the third (pharmaceuticals, aerospace, petrochemicals), and our present crisis with the end of the fourth industrial revolution (IT and internet) which began during the mid-1980s.

Linking financial crises to inno-



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SUPERSEDED)
OF A SHARE
CERTIFICATE
IN THE POYAIS
SCAM, SET UP
BY GREGOR
MACGREGOR
IN 1826 ON
THE MOSQUITO
COAST OF NIC-
ARAGUA (NEHA
BC 26)



'DE CRISIS',
ORIGINAL
DRAWING BY
ALBERT HAHN
(PUBLISHED
IN *DE NOTEN-
KRAKER*, 9 FEB-
RUARY 1909)
(BG PMI/13-17)

vation and long economic cycles prompts two further thoughts. First, crises are not causes of economic downturn, for they occur after the cycle's turn: this holds true for 1929, the 1970s, and for today. Second, if we are now in between innovation cycles, then we face a long recession and will have to wait for a new, fundamental innovation. We cannot foresee what that will be; after all, who knew who Bill Gates was in 1980?

- 1 A.J. Schwartz, 'Real and pseudo-financial crises', in: F.H. Capie, G.E. Wood, (ed.), *Financial crises and the world banking system* (London, 1986) 11-41.
- 2 C.P. Kindleberger, *Manias, panics and crashes, a history of financial crises* (5th ed, Hoboken, 2000) 9-16.

- 3 A. Goldgar, *Tulipmania, money, honor, and knowledge in the Dutch Golden Age* (Chicago, 2007).
- 4 Gelderblom and J. Jonker, 'Mirroring different follies, the character of the 1720 bubble in the Dutch Republic', paper 2009 forthcoming from Yale UP.
- 5 J. Jonker and J.L. van Zanden: 'Method in the madness? Banking crises between the wars, an international comparison', in: C.H. Feinstein, Ed., *Banking, currency and finance in Europe between the wars* (Oxford, 1995) 77-93; E.E. de Jong-Keesing, *De economische crisis van 1763 te Amsterdam* (Amsterdam, 1939); I. Schnabel, H.S. Shin, 'Liquidity and contagion, the crisis of 1763', in: *Journal of the European Economic Association* 2 (2004) 929-968.
- 6 *Het groote tafereel der dwaasheid: vertoonende de opkomst, voortgang en ondergang der Actie-, Bubbelen*

- Windnegotie, in Vrankryk, Engeland en de Nederlanden, gepleegt in den jaare MDCCXX (s.l, s.d.); C. Mackay, *Extraordinary delusions and the madness of crowds* (1841); R.J. Shiller, *Irrational exuberance* (1st ed New York, 2001).
- 7 H.P. Minsky, 'The financial instability hypothesis: capitalistic processes and the behavior of the economy', in: C.P. Kindleberger and J.-P. Lafargue, eds., *Financial crises: theory, history and policy* (Cambridge, 1982) 13-29.
 - 8 J.A. Schumpeter, *Business cycles, a theoretical, historical and statistical analysis of the capitalist process* (New York, 1939).



Report of the General Friends' Meeting 25 June 2009

Financial matters: the good news is that some new friends have joined us. More good news is an additional donation of 1,500 euros, enabling the Institute to purchase the rare Tajik newspaper Bukhara-ye Sharif (1911-1913). The IISH directors have also allocated 5,000 euros toward acquiring other rare antiquarian items concerning Iran and Afghanistan. Finally, 3,000 euros have been approved to publish the Russian edition of Vladimir Mosolov, *History of the Institute for Marxism-Leninism (IML) at Moscow*. This book, of which an English edition is expected in the future as well, is incredibly important for everybody interested in the rise and devel-

opment of labour history. In addition, the work is indispensable for those aiming to understand more about the history of the IISH in an international context. After all, Rjazanov, the first director of the IML, and Posthumus (at that time, prior to the establishment of the IISH, the founder-director of the NEHA) were interested in the same items on the international antiquarian market. Still more importantly, in organizing his new Institute of Social History in 1935, Posthumus was directly inspired by the famous Moscow institute.

Unfortunately, publishing costs are likely to increase in the future. The printer (AD-druk in

Zeist and especially its director Ben Scharloo) has printed our *On the Waterfront* newsletter free of charge from the very first issue through issue 18. Due in part to the economic recession (which will be addressed in this issue), this generous support has now been replaced by printing at cost from this issue onward. The Friends are deeply grateful for this support.

Finally, we regret the loss of a few friends, including Arthur Stam (1926 – Zeist 2009). As a Friend from the start and a frequent user of our collections, he supported the Institute in several ways, including donations of library and archive collections.

FRONT
COVER OF J.F.
RUTHERFORD,
DE CRISIS:
VERKLAARD IN
DRIE BIJBEL-
SCHE VER-
HANDELINGEN
[THE CRISIS
EXPLAINED IN
THREE BIBLI-
CAL TREATISES
(NEW YORK:
WATCH TOWER,
1933) (BRO
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Sociologie
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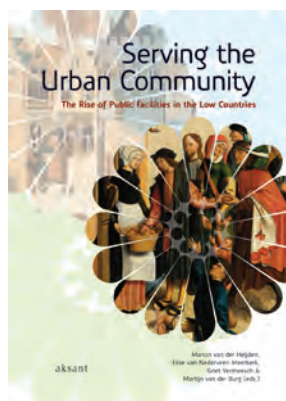
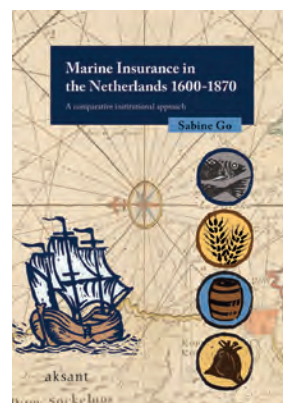
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Sabine C.P.J. Go
**Marine Insurance in the Netherlands
1600-1870**

A Comparative Institutional Approach
isbn 978 90 5260 343 8, 332 pp., € 39,90

This study examines the development of marine insurance in the Netherlands in Amsterdam, Rotterdam and the province of Groningen from c. 1600 to 1870 from an institutional point of view. The behaviour of authorities, insurers, underwriters and brokers was affected by the formal and informal constraints of the industry and in turn their conduct has influenced the institutional framework and induced institutional change.

A comparative institutional analysis will be made of three insurance systems in the Netherlands, each with its own distinctive characteristics. The interaction between institutions and actors will be studied in relation to the effects of technological innovations and international geo-political changes. By examining developments over a period of two and half centuries the path of long-term institutional change becomes discernable.



Manon van der Heijden, Elise van Nederveen Meerkerk, Griet Vermeesch & Martijn van der Burg (eds)

Serving the Urban Community
The Rise of Public Facilities in the Low Countries
isbn 978 90 5260 350 6, 286 pp., € 35,00

Early modern towns in the Low Countries were famous for their effective urban institutions and social and economic facilities. Citizens made use of public roads and buildings, they settled their conflicts at judicial courts, and they appealed for assistance in times of need. Such early modern facilities were organized locally, in towns. A second feature is even more important: public duties were shared by town governments and churches, as well as numerous civil corporations.

In the course of the early modern period urban governments became increasingly active and forceful in organizing and coordinating public services, sometimes at the expense of other providers of services. These transformations had an immediate impact on the relations between citizens and towns. This volume explores various aspects of developments in public facilities in the early modern Low Countries. The Low Countries are an excellent case study for this purpose, because of its high levels of urbanization and the relevant comparison between the north and the south of the Netherlands.

K.P. Comanje, R.H.M. Hendriks, K.F.E. Veraghtert
and B.E.M. Widdershoven

Two centuries of solidarity
German, Belgian and Dutch social health
insurance 1770-2008

isbn 978 90 5260 344 5, 394 pp., € 39,90

In this study the authors compare health insurance, health-insurance funds and healthcare insurers in Germany, Belgium and the Netherlands. Given the similar political, economic and social development that these countries have undergone in the past 60 years and the qualitatively high level of health care they provide, one might expect a degree of likeness in these countries' healthcare insurance systems. The dissimilarities are surprising, however. Differences include the compulsory nature of insurance, the extent of cover, premiums, health insurance business, mutual competition, and the degree of private insurance.

This study adopts an institutional and political perspective to explain these national singularities. Volume 3 in the HiZ-series History of Healthcare Insurance

