A Small Nation in the Turmoil of the Second World War

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The Establishment of the
Banque d’Emission

THE DECISIVE NEGOTIATIONS

In retrospect, the negotiations with Möckel and Heppner appear to have been no more than an initial exploration of the terrain on the part of the Germans, pending the long-term organization of the Bankaufsichtamt that was to be set up at Brussels. Instructions for this were being awaited from the Reichsbank in Berlin and finally arrived on 9 June, the Reichsbank also announcing the leadership of the new body. It was to be headed by von Becker, with Hofrichter as his deputy. The two had received concrete instructions from the Reichsbank which they laid before a delegation of Belgian bankers on 13 June. Central to the discussions was the establishment of a new issue institution at Brussels, on the lines envisaged by the German authorities. Von Becker and Hofrichter invited the bankers to study the text and submit any comments at a meeting planned for 15 June.

The fact that Hofrichter was involved in the setting-up of a new bank of issue in Poland suggests that the bank of issue in Brussels was designed on the Polish model, with many points of similarity. The plan

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1 The ordinance setting up the Bankaufsichtamt and confirming the appointment of von Becker and Hofrichter dated from 14.06.1940: BNB, Archives, SD, ‘enquête BEB’: report of the Commission of Enquiry (published text, 1946), Part 1, p. 13.
2 Nefors, Economische collaboratie in België, p. 53.
3 BNB, Archives, SD, 30, BEB, dossier 8.11.24, f. 1 and 2: travaux préparatoires relatifs à la création de la BEB, minutes of the meeting of 13.06.1940.
4 BNB, Archives, SD, Malaise Papers: Kauch, La Banque Nationale (unpublished text), Part 1, Chapter. 3, p. 39.
was nevertheless for it to be established in the form of a Belgian limited company with a large capital, to be subscribed by the private banks, a concession to the proposals of the Belgian bankers. However, the actual organizational structure was very different. The bank was to be managed by a chairman who would wield practically all the power and who would be assisted by two managing directors. The board of directors would in principle be reduced to an advisory body, its power of decision limited to approving the balance sheet and the management of discounting transactions.

Clearly, underlying the entire organization chart was the Führer principle. The competence of the general meeting was kept to a minimum and was in fact limited to the appointment of the main office holders; those appointments were further subject to the approval of the military commander, who also had the right to dismiss office holders. Additionally, a German commissioner at the new institution was to be kept fully informed of its activity and his authorization was required for all important decisions, authorization that he could retract as and when he thought fit. The proposed bank of issue was also removed from the control of the Belgian Banking Commission and there was thus no place in the organizational structure for a Belgian government commissioner.

It was the intention that the Bank should place its premises, staff and printing equipment at the disposal of the new institution and that the banknotes of this institution should be the only legal tender circulating in the country. The banknotes of the Bank would have to be exchanged and the Reichskreditkassenscheine would have to be taken out of circulation. Besides these two activities of exchange and withdrawal, the bank of issue would also be empowered to discount commercial paper, but not government paper, such as Treasury certificates issued by the State, the provinces, the municipalities or other public institutions; nor would it be authorized to grant loans or advances with such government securities as collateral. Note issues would thus be covered by claims arising from commercial discounting transactions, by banknotes exchanged, by Reichskreditkassenscheine and by other assets at the Reichskreditkasse, the Reichsbank and the Verrechnungskasse in

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6 BNB, Archives, SD, enquête BEB, dossier 3 – 4: Th. Basyn, note relative à l’origine de la BEB et aux résultats de son activité, p. 2.
Berlin. An additional guarantee would be provided by a general mortgage on real estate in Belgium.

The spokesmen of the Belgian banks at the meeting of 15 June were Goffin, Galopin, de Munck, A.-E. Janssen, M.-L. Gérard and Collin. They had many points to raise about the German proposal. In the first place, in their opinion, the proposed legal structure was unacceptable: the entire procedure of nomination and granting virtually exclusive power to the chairman were in fact irreconcilable with Belgian legislation on limited companies. Moreover, the bye-laws ought to make no reference to regulations in the law on limited companies, but to regulations in the bye-laws of the Bank, which was an institution \textit{sui generis}.

Finally, the capital of the new bank of issue did not need to be as large as proposed by the Germans and no more than 20 per cent needed to be paid up on the bank’s formation. In their original project, the bankers had proposed a figure of 100 million Belgian francs by way of capital, but were nevertheless prepared to increase this to 150 million.

There followed a discussion about the constitutionality and the extent of the proposed mortgage: the imposition of a mortgage on the population was contrary to articles 6 and 11 of the Belgian Constitution. The Belgian bankers also argued that the extent of the mortgage was too great, but were unable to persuade the Germans of this. The suggestion that the Bank’s premises, staff and printing equipment be placed at the disposal of the new bank of issue also ran into a legal problem. Goffin had, in fact, no authority to take any decision in this respect, but it was thought that a solution could be provided by a requisition order from the Secretary-general of the Ministry of Finance; consequently, von Becker arranged to speak to Plisnier on 17 June about the matter.

The big stumbling-block for the bankers was the article prohibiting the new bank of issue from granting advances against government securities or discounting them. Ultimately, the payment of salaries and pensions by the central, provincial, municipal and other public authorities, compensation for war damage, and benefits paid out to the unemployed, the families of military personnel and those on poor relief

\footnote{BNB, Archives, \textit{sd}, 30, BEB, dossier 8.11.24, f. 1: travaux préparatoires relatifs à la création de la BEB, minutes of the meeting of 15.06.1940.}
were financed by the banks on the basis of government debt instruments. Moreover, there would be no less need for cash by the public sector – on the contrary – and tax income would lag behind government expenditure for some time to come, certainly with the costs of occupation, an alarming prospect. The banks simply could not raise sufficient cash to continue to finance all this. The only way to solve the problem was to allow them to mobilize government securities at the new bank of issue. Von Becker understood the problem, but wished to consult the Reichsbank about whether he could grant this concession.

The final major point concerned the circulation of the Reichskreditkassenscheine. In the German project, they formed one of the assets acting as backing for the new banknotes. In his comments, von Becker stated that their issue had been provisionally set at 1 billion Reichsmarks, although that figure could, of course, be increased as necessary. Galopin and de Munck immediately saw the danger: an uncontrollable issue of banknotes would prompt a spiral of inflation. Moreover, the Scheine were circulating as legal tender in Norway, Denmark, the Netherlands, and Northern France besides Belgium, and it was not unthinkable that masses of this paper money would flow in from those countries, particularly as the Germans were concentrating troops in Belgium and Northern France, with a view to an invasion of Great Britain. The spokesmen of the Belgian banks therefore enquired about the terms and conditions that would accompany the withdrawal of the Scheine; but von Becker declined to answer, as there was a political aspect to this question that was outside his remit. Together with Hofrichter, he was leaving for Berlin on 17 June to report to the Reichsbank on the discussions and hoped on his return to be able to present new instructions that would take account of Belgian proposals.

On 27 June, Goffin, Galopin, de Munck, A.-E. Janssen and M.-L. Gérard convened at von Becker’s invitation at his offices at the Bank, being joined towards the end of the meeting by Plisnier. The new plan, as approved by Berlin, was laid before the bankers and it took some account of the objections raised at the meeting of 15 June. The concept of a simple limited company in Belgian law had been adopted; capital was

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9 SG, Archives, DC, 26.06.1940.
10 BNB, Archives, SD, Malaise Papers: Kauch, La Banque Nationale (unpublished text), Part 1, Chapter 3, p. 40.
set at 150 million Belgian francs, with 20 per cent to be paid up immediately. The idea of a general mortgage on real estate in Belgium as a supplementary guarantee had been dropped; and discounting government paper, including its negotiation, as well as granting advances against such paper, had been accepted as a normal activity for the new institution, although time to maturity was not to exceed one year. For both the bankers and Plisnier, these amendments represented an important concession on the part of the German authorities.

Against this, not an inch had been yielded on the matter of the conditions regarding cover. German means of payment and Reichsmark credit balances with German institutions remained as valid backing, as did commercial and public securities and other claims by the Bank. The Germans were nevertheless prepared to do their best to withdraw the Reichskreditkassenscheine from circulation, perhaps in exchange for Belgian banknotes. No account was taken of Plisnier’s demand for inclusion of a right of control for the Ministry of Finance. All that the secretary-general gained was authorization to attend the meetings of the board of directors, at which he could obtain information and give advice. Lastly, the new institution would not be established as the ‘Banque d’Emission de Belgique’, the name originally previewed, but as the ‘Banque d’Emission de Bruxelles’, in order to avoid any confusion with the Banque Nationale de Belgique (the Bank).

The spokesmen of the Belgian bankers were given a quarter of an hour to consult with one another, but it was now a question of taking the text as it stood or leaving it. There was thus no option but to accept it, the alternative being a note-issuing institution under full German control. The order for establishment was signed and promulgated that same day, and was published in the German Official Gazette of 6 July 1940, the deed of incorporation being executed before notary-public Hubert Scheyven at Brussels on 13 July 1940. The Bank’s premises and staff, as well as its equipment for printing the new banknotes were

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12 SG, Archives, DC, 27.06.1940.
14 SG, Archives, DC, 27.06.1940.
requisitioned by Plisnier on 27 June and all placed at the disposal of the Banque d’Émission. Goffin was appointed as chairman of the new institution, and the Bank’s Treasurer, Sontag, and the head of the staff department, Deputy General Manager Pirsoul, were appointed as its managing directors.

It appeared that all parties believed that they had done well out of the final arrangement. The Germans felt that the Banque d’Émission could not be regarded as the product of German coercion (eine deutsche Zwangmasznahme). At the same time, they were convinced that the adjustments made in Berlin would enable them to bend the new institution to their will. For his part, Goffin was satisfied that the Bank itself had been able to steer clear of direct German interference. Plisnier was relieved that a solution had been found to finance the costs of occupation and the government deficits. Lastly, the bankers felt that their caution had won the Banque d’Émission a certain degree of independence from both the occupier and the Belgian government. Emile Puhl, Deputy-chairman of the Reichsbank, had travelled to Brussels from Berlin to give added lustre to the occasion of the Banque d’Émission’s establishment and had been reassuring in his language.

What the bankers found very significant was the German concession in accepting government paper as cover for the banknotes. Since the crisis of the 1930s, income from credit to the private sector had been at a low ebb and this situation was most unlikely to change in the immediate future. Consequently, the banks had to turn to income from

15 BNB, Archives, SD, 30, BEB, dossier 8.11.24/ 14, ‘réquisition du personnel et des locaux de la BNB’: letters of 17.06.1940, 26.06.1940 and 27.06.1940 from Plisnier and Tschoffen.

16 SG, Archives, DC, 27.06.1940; BNB, Archives, SD, Malaise Papers: Kauch, La Banque Nationale (unpublished text), Part 1, pp. 40-41; ARA, fonds ministerie van Financiën, Secretariat-general 1914-1945, dossier 11/ 7, ‘banques (BEB)’: letters of 06.07.1940 and 13.07.1940 from Goffin to Plisnier.

17 BNB, Archives, SD, Malaise Papers: Kauch, La Banque Nationale (unpublished text), Part 1, Chapter. 3, p. 43.

18 NBB, SD, 30, BEB, dossier 8.11.24/ 11: memorandum of 03.07.1940.

19 BNB, Archives, Studiedienst, dossier 01.02.01.70 (A 247/6, s. f. 9), ‘Société Générale memorandum’: quelques rétroactes relatifs aux circonstances qui ont provoqué la création de la BEB, 26.03.1943.

20 SG, Archives, DC, 29.06.1940; BNB, Archives, SD, 30, BEB, dossier 8.11.24/ s. f. 5, ‘correspondance diverse’: letter of 28.06.1940 from von Becker to Goffin.
the provision of credit to the various government bodies; in this respect, interesting prospects were offered by the purchase of Treasury certificates and their possible mobilization at the Banque d’Emission. From France, on 4 July, Janssen declared his agreement with the setting-up of a bank of issue, but saw it solely as a means to provide the country with cash resources until the Bank’s return\textsuperscript{21}.

THE BANK AND THE BANQUE D’EMISSION

Shortly after his return to Brussels, on 11 July, Janssen was received by von Becker, head of the Bankaufsichtamt, who indicated that Janssen could resume his function in Brussels as Governor and even offered him the chairmanship of the Banque d’Emission. Von Becker also had no objection to the Banque d’Emission making way for the Bank, as Janssen envisaged, provided that the Bank returned to Brussels quickly, though dissolving the newly established bank would naturally depend on authorization from Berlin\textsuperscript{22}. Janssen, on his part, was looking to chair the meeting of the general council of the Bank, fixed for 15 July to give consent to the re-establishment of the Bank’s registered office at Brussels, but von Becker indicated that this would not be possible. He pointed out that officials and prominent persons who had fled abroad at the time of the invasion could resume their functions in Belgium or exercise new functions there only on the authorization of the competent reintegration committee of the Belgian administration and the Military Government, following investigation of their dossiers. Goffin would chair the meeting. This was a first disappointment for Janssen and a clear sign that times had changed in Brussels\textsuperscript{23}.

The general council of the Bank, which comprised the board of directors, the supervisory council and the board of scrutineers, met in Brussels on 15 July as planned. Goffin opened the meeting by announc-

\textsuperscript{21} BNB, Archives, Studiedienst, dossier 01.02.01.70 (A 243/4), ‘inspection générale’: letter of 04,07,1940 from Janssen (Bordeaux) to Galopin (Brussels).

\textsuperscript{22} Krijgsauditoraat, Archives, c1 47/44, dossier 3: rapports sur l’activité de la BEB, farde 4 (dépositions, 15 décembre 1944 – 28 novembre 1945: declarations Nos. 37 and 47 of P. Kauch).

\textsuperscript{23} BNB, Archives, Studiedienst, dossier 01.02.01.70 (A 243/ 4), ‘inspection générale’: meeting of 13.07.1940 between von Becker, Hofrichter and Janssen.
ing that the board of directors at Mont-de-Marsan had resolved to return the Bank’s registered office to Brussels, to return there itself and to restore all the Bank’s administrative, management, supervisory and advisory bodies to their normal operations. With the exception of the gold reserves, which remained beyond the Bank’s control, the repatriation of the Bank’s assets was in full swing. Goffin also indicated that the Minister of Finance and the entire Belgian government at Vichy had approved the transfer and repatriation. The general council took note of the return and ratified the resolutions passed. Goffin also notified the council of the establishment on 13 July of the Banque d’Emission, under his chairmanship. Its establishment would be no obstacle to the Bank continuing to pursue all its traditional activities, as long as they did not impinge on the exercise of the right of issue. The two institutions would exist side by side, but would be able to co-operate to the full, as the management was in joint hands.

Before the banknotes of the new Banque d’Emission got into circulation, the Bank’s important stock of their own notes had arrived in Brussels from Mont-de-Marsan and consumers had begun spending the money that they had been hoarding. On July 15 Janssen was able to obtain from the German authorities a suspension of the plan for the immediate exchange of banknotes: for the time being, those of the Bank would remain in circulation and only when the time came for a new issue would those of the Banque d’Emission be called into use.

On 23 July, Janssen informed the governors of the Bank of England and the Banque de France that the registered office and the management of the Bank were once again established in Brussels and that the decision of 15 May concerning the transfer of the registered office and the move of the management abroad was annulled. He also contacted McKittrick, Chairman of the Bank for International Settlements (BIS) at Basel, to request him likewise to notify the change to the other central banks that were members of that institution.

24 BNB, Archives, AR, 15.07.1940.
25 BNB, Archives, SD, ‘enquête BEB’: report of the Commission of Enquiry (published text, 1946), Part I, pp. 25 ff.: letter of 15.07.1940 from Janssen to Galopin. See also: BNB, Archives, SD, dossier 03.00.00 (G 792/5): Association belge des banques, minutes, 01.08.1940.
26 Janssens, De beheerders van ons geld, p. 136; BNB, Archives, Studiedienst, dossier
When Janssen effectively resumed the leadership of the Bank – until his official reinstatement, the governorship had been exercised by von Becker \textit{ad interim} \textsuperscript{27} – he was faced with a depleted board of directors consisting solely of himself and Goffin. Baudewyns was to remain in London for the duration of the war and Ingenbleek was still operating at Mont-de-Marsan. The fourth place on this committee, previously held by Mahieu, who died on April 1940, was left open. In addition, there was Van Nieuwenhuyse who, on his return from France in August, resumed his function as Secretary to the Bank.

During their meeting with Janssen on 20 July, von Becker and Hofrichter indicated that changes had to be made to the composition of the Bank’s board of directors and particularly to the \textit{Banque d’Emission’s} management, as there was too great an imbalance between the Dutch-speaking members and the French-speaking members. Attention turned first to the \textit{Banque d’Emission}. The bankers who were behind its founding and who had subscribed to its capital were, in any case, members of the board of directors and no objection to them was raised by the Military Government. The bank’s bye-laws envisaged a twenty-member board; to the nine founder-bankers, thus, a further eleven members had to be added. Names suggested by the bankers were Plisnier, Secretary-general of the Ministry of Finance, Leon Bekaert, Robert Brasseur, Jacques Desoer, Léopold Dumont de Chassart, Leopold Frateur, Lucien Graux, André Huyssens, Georges Laloux, Arthur Mulier, Leopold Nuyens and Fernand Van Goethem\textsuperscript{28}. To provide a flexible way of increasing the number of Dutch-speaking members, the Germans issued an ordinance on 19 August increasing the membership of the board of directors to thirty.

The management of the \textit{Banque d’Emission} was exclusively French-speaking and the Military Government felt that change was required here too. On a unanimous vote in the board of directors, the Secretary to the Bank, Van Nieuwenhuyse, was chosen as Dutch-speaking candidate. He seemed the perfect choice: he came originally from Bruges and

\textsuperscript{27} BNB, Archives, Prack Papers, 2: Das Währung-, Geld- und Bankwesen in Belgien, 10 Mai 1940 – 31 Dezember 1940. B: Die Notenbanken.

\textsuperscript{28} BNB, Archives, \textit{sd}, ’enquête BEB’: report of the Commission of Enquiry (published text, 1946), Part 1, passim.
had served the Bank extremely well before the war and especially during the invasion and the flight to France; he was ‘in-house’ and knew the techniques of the business. His candidacy was supported unconditionally by Janssen and all the bankers. The Military Government, too, appeared to be in agreement, but at the last moment withdrew its support for him in favour of a candidate from outside the Bank: it preferred a deutschfreundliche candidate and its choice fell on Pierre Berger, manager of the Kredietbank branch at Antwerp. It was he who, at an extraordinary general meeting of the Banque d’Emission held on 25 November 1940, was appointed managing director.

THE PRINCIPAL ACTORS OF THE TWO BANKS

Before detailing the confrontations between the German and Belgian authorities, it is perhaps appropriate to introduce the chief actors on the Belgian side, the previous chapter having briefly discussed the main personalities on the German side. Those persons naturally include the directors and managing directors of the two banks, but mention should also be made of the bankers who, as founders of the Banque d’Emission, were to play a prominent part in events, particularly after the death of Janssen, as well as of the most important advisers, members of the supervisory council and secretaries-general.

Until his death on 9 June 1941, Janssen remained the inspired leader of the two banks. Once he had returned from France and resumed the governorship of the Bank in Belgium, adding to that the chairmanship of the new issue institution, he identified himself wholeheartedly with the problems of daily life in a country under occupation. He worked energetically for the resumption of economic activity; in doing so, he won for himself a dominant role in shaping the country’s monetary policy. He was, nevertheless, well aware of the limits the new situation imposed on him, writing on 17 July to Ingenbleek: ‘I resumed my activities, without claiming, however, that I am again in full control of everything that I controlled before 10 May’.

30 BNB, Archives, SD, Janssen Papers, f. 2 j: letter of 30.07.1940 from Janssen (Brussels) to Ingenbleek (Mont-de-Marsan).
Through his intelligence and single-mindedness, authoritarian manner, boldness of action, courage and genuine patriotism, Janssen overshadowed the other members of the two managements, who were only too happy to leave things to his judgement when it came to taking decisions. Even the bankers who, as founders of the Banque d’Emission, dominated its board of directors seldom took a leading part in decision-making, generally preferring to leave initiatives to the chairman.

Janssen also gained the respect of the German administration. Prack, in his memoirs, wrote frankly that Janssen was the most important and strongest personality he had come across in Belgium during the occupation. Hofrichter, with whom Janssen had numerous momentous confrontations, likewise respected him. Their meetings could become pretty heated and on one occasion, when Hofrichter spoke threateningly to the Governor and in the same breath also opposed all the leaders of the two banks, Janssen answered that it was he alone who bore responsibility for monetary policy in Belgium and that, if anyone should hang for it, that person could only be him, adding somewhat cynically: ‘I can lose only one head.’ On the other hand, Janssen could be very charming and circumspect in his dealings with the Military Government, besides exhibiting great diplomatic skill. His intuition (Fingerspitzengefühl) found an admirer in Prack and often enabled Janssen to score a success when arguing a point.

The others in the management – Deputy-governor, Ingenbleek, Directors Goffin and Berger and Secretary Van Nieuwenhuyse – came across less strongly. Ingenbleek had hoped to be appointed a managing director of the Banque d’Emission, which was what Janssen had in fact suggested in a letter to him at Mont-de-Marsan, but the appointment had been vetoed by the Germans. During the initial years of the
occupation, Ingenbleek, in conversations with Germans, allowed it to be seen that 'he tried to understand the German point of view', while also showing little, if any, sympathy with the British. This stance gave him access to Military Government circles and enabled him to mediate behind the scenes when conflicts arose. He also maintained good relations with Plisnier, with whom he had been a friend for years.

Goffin was a conscientious official of both banks. Somewhat taciturn, he displayed little decisiveness; even when Governor of the Bank, in succession to Janssen, he was unable to put his stamp on policy. He shrank from taking responsibility and, lacking a firm personality, came increasingly to rely on Galopin, the strong man in the board of directors of the Banque d’Emission. As director of the Bank and managing director of the Banque d’Emission, Berger carried greater clout. Berger certainly had a more forceful character than Goffin; moreover, he owed his appointment to the direct intervention of the Military Government and was thus able to count on German goodwill, which gave him a degree of leverage in matters of monetary policy. However, the longer the occupation lasted and the more acute the problems became, the more it became clear that he was not equal to the task or capable of actually standing up to the German authorities.


38 Brutsaert, La nuit ne durera pas toujours. Oscar Plisnier, passim.

39 Prack himself claimed that he had several times urged Goffin to adopt a somewhat harder attitude towards the Military Government: soma, Archives, Prack Papers, dossier JP 965: Vier Jahre Besatzungszeit in Belgien. Persönliche Erinnerungen von Herbert Prack, p. 19.


A few top officials likewise played a major part in the affairs of the two institutions during the Second World War. The most remarkable of them were Kauch and Cracco. Kauch, an excellent legal historian, trained at the Université Libre de Bruxelles, was the private secretary and confidant of Janssen, who entrusted him with a number of delicate tasks. He put his influence down chiefly to the large number of analytic and advisory memoranda that he prepared for Janssen, in which he showed himself a shrewd jurist and a well documented and forceful writer, exhibiting however a Francophile bias and a priori distrust of the private bankers. Janssen’s confidence in Kauch was not shared by the other members of the management. Baudewyns spoke scathingly of him and he was no more persona grata with the rest of the management. The private bankers disliked him, too; their distrust of him was so strong that, after the death of Janssen, he was removed from the Banque d’Émission as private secretary to the chairman.

The second of these remarkable men, Cracco, was a civil engineer and economist of the Leuven School, who began his career at the Bank in the research department. When the clearing system imposed by the German administration came into effect on 10 July 1940, he was charged with its management, insofar as the Bank was involved. At the end of 1940, he was appointed by Janssen to head a foreign department to be set up within the Banque d’Émission. Until then, he had not attracted any particular notice in the Bank, but in this new function he became an authoritative senior official. Through his intelligence, technical knowledge, force of argument and self-confidence, his authority influenced both the management and the German Bankaufsichtamt. Following Janssen’s death, it was the memoranda and reports of Cracco that set the tone in the determination of Bank policy. Hofrichter and his staff were impressed by him, finding him to be a formidable debater. Vandeputte joined Cracco as managing director at the beginning of 1943, to replace Berger and Van Nieuwenhuyse. Vandeputte, a jurist, was appointed on the recommendation of the bankers, who had come to appreciate him as secretary of their association. A hard worker, very efficient, making demands both on himself and on those around him, he displayed right from the start an exceptional talent for organization. After Cracco’s arrest by the Germans he became the central figure in the Bank and the Banque d’Émission in contacts and negotiations with
the *Bankaufsichtamt*. He knew his briefs thoroughly, and this, combined with his correct, but firm, attitude, made him a difficult person for the occupier to deal with, even though they held him in the greatest respect\(^42\).

The board of directors of the *Banque d’Emission* was dominated by the big Belgian bankers and industrialists, with Galopin the undisputed leader. After Janssen’s death, he virtually drove decision-making at the *Banque d’Emission* and, via Goffin, drove much of that at the Bank, too. Galopin was a civil engineer by training and immediately after the First World War had successfully accomplished the reorganization of the Liège metalworking industry and the modernization of the entire heavy industry sector\(^43\). He had served as deputy-governor of the *Société Générale de Belgique* from the beginning of the 1930s, and had been made governor in 1935; in those two functions, moreover, he had piloted the most powerful of Belgium’s holding companies safely through the world depression. Not only in Belgium, but far beyond, too, he was recognized as one of the country’s most prominent figures.

Galopin’s prestige rose even further when, as chairman of the committee bearing his name, he succeeded, with his policy of resuming work and getting the Belgian economy restarted during the general confusion of the first months of the occupation. Until mid-1942, he enjoyed the confidence of the Belgian government in London\(^44\), which, with good reason, regarded him as a confirmed and authoritative patriot\(^45\). Thereafter, doubt arose in Belgian government circles in London about the policy he was pursuing, even though he had always regarded the government at Vichy and subsequently in London as the sole, legitimate government of Belgium and had always acted accordingly\(^46\). Galopin never favoured the acerbic or aggressive approach in discussion, preferring instead to argue logically in the belief that, although some-

\(^{42}\) BNB, Archives, Prack Papers: Das Währungs-, Geld- und Bankwesen in Belgien. B: Notenbanken. 1a Direktion.

\(^{43}\) Van der Wee and Verbreyt, *De Generale Bank*, p. 132.

\(^{44}\) Van de Voorde, *De penningmeesters van de Wetstraat*, pp. 142-145.

\(^{45}\) See the testimony of Goetz, directeur of the *Dresdner Bank*, regarding his request to the bankers in August 1940 for close economic cooperation with Germany: ‘*je sentais un vif et incontestable sentiment de résistance chez Galopin, au contraire chez de Launoit*’ (Krijgsauditoraat, Archives, CI 47/44, BEB dossier, 1).

\(^{46}\) Nefors, *Industriële collaboratie in België*, pp. 43-45.
times demanding great patience, this would lead to persuasion and consensus. He was nevertheless conscious of his prestige and was not altogether free from authoritarian and even dictatorial traits. Where problems arose at the meetings of the board of directors of the Banque d’Émission, he generally allowed everyone to have their say, before himself concluding with a short and pertinent intervention that was more often than not approved by all members present. After his assassination in February 1944, the strength of the board was broken.

Deputy-governor of the Société Générale de Belgique and Chairman of the Banque de la Société Générale, de Munck, was a jurist by training and was, in fact, Galopin’s right hand, his expert and adviser in financial matters. He was a cultivated, calm and discerning man who never lost sight of the interests of his bank and holding company. Undeniably a heavyweight, he was highly respected by the German authorities.

A.-E. Janssen, Chairman of the Société Belge de Banque, was less in the limelight, but no less active for all that. The great authority that he wielded as former Minister of Finance, as the central figure in the resolution of the crisis surrounding the Farmers’ League (Boerenbond) in 1934-1935 and as banker of the Antwerp diamond trade gave him the necessary authority to mediate in reconciling differences of opinion. With Galopin, moreover, he was the only member of the board to maintain contact with the Belgian government in London; the fact that he

47 BNB, Archives, SD, Basyn Papers, s. f. 6: note sur la réunion du comité de rédaction de la BEB, 19.09.1941.

48 See the testimony of Goetz, director of the Dresdner Bank, Krijgsauditoraat, Archives, CI 47/44, BEB dossier, 1.

49 See the testimony of Prack, who attended most meetings of the board of directors: ‘Im Verwaltungsrat der BEB entschied seine Stellungnahme, die er in der Regel nach anhören der Debatte kurz abgab, das Votum des Gremiums ziemlich diktatorisch’ (BNB, Archives, Prack Papers: Das Währungs-, Geld- und Bankwesen. B: Notenbanken. 1 a. Direktion.).

50 Van der Wee and Verbreyt, De Generale Bank, p. 228.


was able to do so throughout the war and at the same time retain the
government’s confidence enabled him to give the board useful advice53.

M.-L. Gérard, Chairman of the Banque de Bruxelles and also a
former Minister of Finance, was likewise an active and influential
member of the board of directors, his effectiveness being enhanced
by his long friendship with Galopin. His most important contribution
was as mediator between the Banque d’Emission and the Ministry of
Finance at times of tension between the two. Plisnier, the Secretary-
general of the Ministry, and Gérard were old friends and it was, in fact,
partly through Gérard’s support that Plisnier owed his appointment to
that post in 193754.

Collin, a Dutch-speaking jurist, Chairman of the Kredietbank and
professor at the University of Louvain, was initially distrusted by Ga-
lopin; very quickly, however, the two bankers came to appreciate each
other55. In 1941, as an expert in penal law and at Galopin’s request, Collin
prepared an opinion on the application of article 115 of the Penal Code
to economic collaboration, an opinion that contributed substantially
to the reformulation of the Galopin doctrine on the politics of accom-
modation56. Of other figures, Maurice Frère, Chairman of the Banking
Commission, had become a member of the board at Janssen’s insist-
ence57; apart from the occasional foray, he kept himself in the back-
ground. He resigned at the end of 1942. Much more active was Léon
Bekaert, an important industrialist from West Flanders, who was also
a member of the supervisory council of the Bank. He was a strong per-
sonality and came from the circles of the General Christian Association
of Employers; his businesslike and pertinent interventions exercised an
unmistakable influence on discussions in the council58.

53 A.-E. Janssen was also active in the financing of the Resistance and, via that avenue,
had additional contacts with the government in London (see below).
54 Brutsaert, La nuit ne durera pas toujours. Oscar Plisnier, pp. 35 ff.
55 Nefors, Industriële collaboratie in België, p. 41.
56 A. Collin, ‘De politiek van tewerkstelling tijdens de bezetting’, in: Mededelingen
van de Koninklijke Academie voor Wetenschappen, Letteren en Schone Kunsten van
57 Krijgsauditoraat, Archives, CI 47/44, BEB dossier, n° 3: rapports sur l’activité de la
BEB (déclarations 15 décembre 1944 – 28 novembre 1945: testimony No. 50 of M.
Frère).
Persönliche Erinnerungen von Herbert Prack, p. 23.
Lastly, Oscar Plisnier and Victor Leemans were the two secretaries-general having most dealings with the Banque d’Emission and the Bank during the war. Plisnier was an economist and held a doctorate in administrative sciences from the Université Libre de Bruxelles, where he subsequently held the chair in public finances. He was a cultivated man and had a sense of social responsibility; a hard worker and self-assured, he was rather stand-offish and authoritarian towards his staff. Throughout the war, he showed great devotion to duty and was tolerated by the Military Government at Brussels, but not really highly regarded. In Berlin, he was held in even less esteem and there was pressure for him to be replaced, although this was not pursued by the Military Government for fear of resistance within the Belgian administration. Oddly enough, Plisnier also had a poor reputation in London as well as among the Belgian magistracy, being accused of being too accommodating to the occupier. His cooperation with the Banque d’Emission and the Bank was at first smooth, but ultimately ended in dramatic conflict.

Leemans was cut from altogether different cloth and the two secretaries-general did not have a comfortable relationship, Plisnier regarding him as a rival who undermined his authority and actions. Leemans was a self-made man from East Flanders who had gained a teaching diploma and then gone on to study in Paris, Berlin and Munich, finally obtaining a doctorate in sociology in Paris. A young conservative, with a Christian-corporatist ideology, he was a moderate Flemish nationalist, a Germanophile and was initially convinced of a German victory. He had been appointed Secretary-general of the Ministry of Economic Affairs by the Military Government, taking the place of Baron Snoy et d’Oppuers who had fled to France at the time of the invasion.

As Secretary-general, Leemans played an important part in setting-up the production centres (Warenstellen) that the Military Government established from July 1940 for organising industrial production, which gave him easy access to Reeder and other top German officials.

59 Brutsaert, La nuit ne durera pas toujours. Oscar Plisnier, passim.
60 See Chapter 13.
Galopin distrusted him at first, but came increasingly to value him as the occupation continued. Experience showed that he took a moderate and even fairly independent line with the German administration and never lost sight of the interests of his country. He was, consequently, a valued intermediary for the bankers, the industrialists and the *Banque d’Emission* alike when tension with the Military Government led to deadlock or threatened to erupt in conflict.