

**THE AUTHOR'S RESPONSE TO PROF. Fernand BAUDHUIN'S  
CRITIQUE OF 'The Baron de Launoit : A Case Study in the  
Politics of Production' of Belgian Industry During Nazi  
Occupation."**

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There is no good reason for Professor Baudhuin to consider my articles a personal attack. Their purpose was to open the economic events of the occupation to scholarly investigation. It is evident that M. Baudhuin's reply is an effort to frustrate this purpose. He does not address himself to most of my arguments, but rather ignores or misrepresents them. For the rest, he merely attacks my credibility as a scholar.

One wonders why M. Baudhuin objects to my characterization of him as a defender of the policies that big business pursued during the occupation. The position of defense is certainly a legitimate one, provided that the reader be made aware of it. M. Baudhuin is remiss in this respect. The concluding remarks of his reply, however, reveal more than intended. A careful reading of them makes perfectly clear that M. Baudhuin, in not responding to my arguments, deferred to the wishes of the Count de Launoit. He might also have mentioned that his association with M. de Launoit is of long-standing. Indeed, during the occupation period, M. Baudhuin was *Commissaire* of Cofinindus !

In his reply, M. Baudhuin's business associations appear to have interfered with his scholarly judgments. How else can one explain its lengthy discussion of the Otto Wolff Convention ? My articles treat it as a matter of secondary importance, of interest mainly as evidence of the Baron de Launoit's state of mind in Summer 1940, and as a contributing factor to the social disorder that threatened Ougrée-Marihaye. M. Baudhuin is wrong to state that I imply the convention went into effect; I specifically mention that it was superseded by the formation of Sybelac.

One would hardly consider the question of M. de Launoit's responsibility for entering the convention a worthy subject of discussion. As President and major stockholder in O.-M. the legal and moral responsibility for such actions certainly rested with him. But in a desperate effort to relieve M. de Launoit of this responsibility, M. Baudhuin recounts in alleged deathbed scene in which the man

who conducted the actual negotiations with the Wolff firm, a M. Brichant, begged the Baron to forgive his erring ways. Let us not dwell on the fact that the employee, M. Brichant, is dead cannot depend his name against M. Baudhuin's insinuations. The point at issue here is that M. Baudhuin's use of the Brichant episode misrepresents M. de Launoit's feelings at the time. At Ougrée's Assemblée générale ordinaire of 13 January 1941, the Baron de Launoit announced: "Je tiens à rendre hommage à l'un de nos administrateurs, M. Léon Brichant, qui, sous ma direction, a mené à bien les pourparlers relatives à cette (Otto Wolff) affaire." At the same assembly, M. de Launoit nominated M. Brichant for promotion!

The Baudhuin de Launoit decision to remain silent on the issues is extremely regrettable. M. Baudhuin is obviously very conversant with what went on in the high councils of Belgian business during the occupation. His great gifts as an economist are too well-recognized in Belgium to require any elaboration here. Few men are in a better position to raise the level of discussion concerning the economic events of the occupation. As it is, however, his criticisms of my articles are trifling.

Let us look first at those of my arguments which M. Baudhuin, by not challenging, in effect concedes. To begin with, he does not contest my argument that the Politics of Production was a failure as a labor protection measure. Nor does he deny the validity of the evidence that demonstrates that: O.-M. and its affiliates manufactured substantial amounts of militarily useful products for the Reich made money and increased factory capital by doing so; and employed much of the profit to discourage active resistance to the Occupant and to influence public figures. Finally, M. Baudhuin does not contest the thesis of the articles, namely, that the Politics of Production constitutes a policy of collaboration rather than of resistance.

M. Baudhuin does, however, make two criticisms which merit detailed responses.

The first one concerns the amount of Belgian manufacturing activity in the German interest. M. Baudhuin, while not offering an alternative figure, suggests that my estimate of 65 billion BF is too high. He reasons as follows: At the conclusion of the occupation, Germany owed Belgium 60 billion BF in the Clearing. This sum, however, included both German purchases of goods in Belgium and Belgian transfers for payment of Belgian workers employed in Germany. He implies, then, that my figure of 65 billion BF must be revised downward to reflect the fact that a large portion of the

transfers was not for the German purchase of Belgian manufactures.

There are three basic weaknesses to M. Baudhuin's argument. First, his figure of 60 billion BF represents the net balance of Belgian-German payments, not the gross amount of Belgian deliveries of goods and services to the Reich. To arrive at the latter figure, simply add to Belgium's 60 billion BF trade balance the 27 billion BF in German deliveries to Belgium. Belgium, in afterwards, supplied 87 billion BF in goods and services to the Reich.

Second, the facts do not sustain M. Baudhuin's insinuation that Belgian transfers for payment of workers employed in the Reich constitutes a very large portion of total Belgian-German transfers. They averaged roughly 20% of transfers for German manufacturing purchases in Belgium. The Reich, in other words, purchased approximately 70 billion BF worth of goods in Belgium over the Clearing. My figure of 65 billion represents a minimum estimate of transfers made in this way.

But there is also a third point: neither my calculations nor M. Baudhuin's take into account the 77 billion BF in so-called "occupation contributions" that German civil and military agencies spent in the Command Area. The sorry state of German military bookkeeping has made it very difficult to trace the exact expenditure of these funds. But the bulk of them also went into the purchase of Belgian manufactures. The actual figure for Belgian manufacturing activity in the German interest may be twice that of the 65 billion BF cited in the articles.

M. Baudhuin also criticizes my failure to take into account the 27 billion BF of German goods and services that Belgium received as a form of compensation for her industrial sales to German purchasers. But Belgian imports from the Reich consisted almost exclusively of the raw material, lubricants, fuels, machines, and tools needed by Belgian industry to complete its German orders. Belgium did not import from the Reich more than derisory amounts of consumption goods and foodstuffs. It is hardly surprising, therefore, that Baudhuin can point only to a few pathetic examples to sustain the idea that Belgium received an adequate *contrepartie* in foodstuffs from the Reich for its manufacturing exports: a wheat shipment from France, a grain deal with the USSR (which fell through), and a single consignment of oranges from Spain -- the latter in settlement of a debt dating from the Spanish Civil War! The *contrepartie* idea is, in brief, an historical fiction. Document after document attests to the failure of the Galopin group even to get a hearing from competent Reich officials on the question of a trade-off of Belgian production for German foodstuffs.

M. Baudhuin's remaining remarks are not particularly relevant to the issues raised in the articles. But they must also be considered, as they either misrepresent my position or cast doubt on my credibility.

His suggestion that my analysis rests on an uncritical appraisal of German material misses the mark. By far the most important source used in the study was the judicial dossier compiled after the war on the Baron de Launoit. A mere perusal of the text and footnotes will verify this fact.

My failure to cite certain Belgian books and documents in the articles should hardly, as M. Baudhuin implies, be construed as ignorance of them. The sources he mentions simply do not bear closely on the immediate issues discussed in the articles. *L'An 40*, for instance, while a most valuable book, concerns only the first half-year of the occupation and contains virtually no information on the economy. My familiarity with the source material M. Baudhuin mentions is attested to by numerous references in my dissertation and in my forthcoming book.

M. Baudhuin's parting shot --- that the reader should disdain the words of a writer who has not personally experienced the events he describes -- is an insult to the historical profession and surely requires no further comment.