

University of Groningen

## Leven op krediet

Dekker, Ariëtte Petra

*DOI:*  
[10.17026/dans-23b-n6bf](https://doi.org/10.17026/dans-23b-n6bf)

**IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.**

*Document Version*  
Publisher's PDF, also known as Version of record

*Publication date:*  
2015

[Link to publication in University of Groningen/UMCG research database](#)

*Citation for published version (APA):*  
Dekker, A. P. (2015). Leven op krediet: Anton Kröller (1862-1941). [Groningen]: Rijksuniversiteit Groningen. <https://doi.org/10.17026/dans-23b-n6bf>

### Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

### Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

*Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.*

### **Indebted life – Anton Kröller (1862-1941)**

Anton Kröller is today mainly remembered as the founder of Dutch National Park De Hoge Veluwe and as the husband of Helene Kröller-Müller, who assembled one of the most important modern art collections in the world, containing the second largest number of drawings and paintings by Vincent van Gogh. During his life however Anton Kröller was one of the most influential and controversial businessmen in the Netherlands. As a ship operator he transformed relationships on the North Sea between the UK and the Netherlands. He also represented German shipping lines in the Netherlands, among others to the Dutch East-Indies, which increasingly led to tensions with established Dutch ship operators and bankers in Amsterdam. Before and during World War I Kröller was a major supplier of grain and iron ore to both Germany and the UK. During this war the Netherlands was keen to stay neutral and continue its transit and trading business. Kröller was one of the business men who stepped forward and assisted the government in securing neutrality, but never forgot his own business interests. After the war his company ended up in serious financial distress, pushing the Rotterdamsche Bank, the second largest Dutch financial institution, on the brink of collapse. The bank had to be saved with the support of the Dutch government. Almost a decade later, it became clear that Kröller had been cooking his books for years. Equity and bond holders lost millions of guilders on their investment in his companies. Nevertheless he was able to avoid legal prosecution.

Anton Kröller did not care to be remembered. 'Ashes to ashes, dust to dust' is written on his tombstone. Kröller burned his personal papers shortly before his death. The few publications about his life were sometimes hagiographic, in other cases outright negative. His business activities always remained vague. Emphasis was often placed on his Veluwe estate and his supposed passion for hunting. This biography paints a more balanced, all-embracing picture of the turbulent life of Anton Kröller, using the financial data of his business as core research material, accompanied by thousands of letters by his wife, in which he appears frequently, and a wide array of business and diplomatic archives. This book shows how Kröller's pride and his stubborn – sometimes obstinate – character led him to financial and business decisions that were

favorable for himself but destructive for his company and investors. It also makes clear that the financial damage that was suffered by the investment community was compensated manifold by the value of Kröllers cultural heritage.

Anton Kröller came from a middle class background in Rotterdam. His grandfather, a German immigrant, was a process-server and auctioneer, his father was a carpenter and contractor. Both were active in investment and brokerage of real estate. It was probably because of his mother's family, who were teachers, that Anton Kröller and his three siblings received higher education. During this free trade era, Rotterdam developed quickly to the main transit port for the shipment of mass goods and raw materials to Germany. Therefore, after secondary school, Kröller started working with W. H. Müller & Co, founded by the German Wilhelm Müller, who supplied iron ore from the north of Spain to the fast growing iron and steel industry in the Ruhr area. Anton's ten year older brother Willem had become a partner in the Rotterdam branch of Müller's firm in 1880.

In 1888 Anton Kröller married Müller's second daughter Helene. The next year, when it became clear that his older brother would not recover from a nervous breakdown and his father-in-law unexpectedly died, Kröller, at the age of only 27, took over the helm at the company. He immediately started a forceful growth policy. He acquired the agency for iron ore from Sweden and started to invest in mines in Algeria. In shipping he actively and successfully started challenging British commercial dominance on the North Sea. By acquiring the Batavier Line, which operated a service between Rotterdam and London, Müller & Co, which was originally a tramp shipping company, now became a more prestigious liner operator. Kröller also invested, among many other things, in timber plantations in the Dutch East-Indies and in a phosphate plant in the Netherlands, where the phosphorus residue from iron ore processing was made into agricultural fertilizer. Kröller's expansive strategy was greatly supported by an international capital market that starting flourishing around 1895.

As was not uncommon in those days, limitation of competition was necessary to make Kröller's business profitable. He was the initiator of various shipping cartels on the North Sea. On the German iron ore market Kröller entered into market sharing arrangements with his major fellow trader. In the UK he took over his main competitors. Before 1910 Müller & Co had become the largest independent iron ore merchant of Western Europe. The company found a niche by redistributing iron ore

from Algeria, which was disregarded by France since it had ample domestic supply, and Sweden, which was lacking sufficient coal for steel production, to Germany and the UK, which had plenty of the latter, but were short on iron ore for their growing industrial and military ambitions. Kröller's quest for dominance brought him even into conflict with his own clients. In 1902, when he tried to acquire the rich Algerian mine of Ouenza, he ended up in a prolonged legal battle with a French-German-British syndicate of steel manufacturers, who believed to be the legitimate owners. Due to increasing tensions between France and Germany, Kröller, the neutral Dutchman, came out as a winner of the conflict in 1913, but he had to pay a high price for his supremacy in Algeria. Euphoric and supported by abundant availability of capital, Kröller anticipated on the opening of the Panama Canal and acquired an iron ore concession in the north of Chile. Again a long legal battle on the legal ownership followed.

Privately, Kröller and his family moved from Rotterdam to The Hague in 1900. The head office of Müller & Co followed in 1907. From that moment on Kröller, who was attracting millions from investors for his mining company, also started to tap the capital market for the family holding company and secretly began to funnel funds through to a real estate company. The latter was officially the holder of company's premises and port facilities, but in reality it was also investing in Kröller's private properties on the Veluwe, located in the province of Gelderland in the eastern part of the Netherlands, and in the town of Wassenaar near The Hague. Kröller, who, like his father and grandfather, had a weak spot for real estate and land speculation, hired in 1913 the famous Dutch architect H. P. Berlage, to develop modern buildings for his company. This resulted in the still existing, remarkable modernist office building Holland House in London, the hunting lodge Sint Hubertus on the Veluwe estate, and the modern ranches De Schipborg in the province of Drenthe and De Harscamp in Gelderland, which were mainly meant as farms for his oldest son.

During World War I Kröller became the primary advisor of the Dutch government on the import of primary foodstuffs such as wheat and corn, and was the major negotiator with Germany and Great Britain on the distribution of Dutch agricultural production between the belligerent countries and the homeland. At the same time Müller & Co benefited extensively from the import of corn as animal feed and from the supply of iron ore to both Germany and the UK. When in 1917 Germany decided to stop all export of pig iron, Kröller's company also made mil-

lions from the replacing import from Sweden and the United States. Although social-democrats in parliament and press increasingly started to criticize Kröller's advisory role, he was never called to account for his hidden agenda.

After the war, Kröller's star rose further as he became involved in new state-supported business initiatives such as the national airline company KLM and the first Dutch blast furnace Hoogovens. He received an honorary doctorate from the university of Rotterdam, of which he had become president in 1913, due to a lavish gift. Kröller also became involved in private matters of the Dutch royal family, when Queen Wilhelmina's adulterous husband Hendrik got into financial trouble, because the mother of one of his love babies demanded alimony. In the early twenties, Kröller was asked furthermore to represent the Netherlands on the Rhine Committee in Strasbourg, a century old supranational institution, which secured the international toll-free transit of goods via the river Rhine. The task of Kröller and his two colleagues of the Dutch delegation was mainly to block France's ambitions to extend its power over the North-Western European waterways, which for the Netherlands, being the delta of Rhine and Meuse, was of crucial importance.

After World War I the Dutch capital market experienced an enormous influx of German money, fleeing for domestic inflation. Kröller attracted millions of capital with Müller & Co and with his grain trading company Compañía Mercantil Argentina. Funds were invested in all kind of trading activities with the former Central states, in real estate and grain stocks in Argentina and in financial rescue operations of various prestigious Dutch shipping lines. The mining subsidiary, which was suffering since the outbreak of the war, was increasingly funded with debt from the Rotterdamsche Bank. In 1924 it turned out that most of Kröllers post-war businesses were 'war babies', speculative investments with little substance and sustainability. Moreover, due to concentration of the German and UK steel industry his role as independent merchant came increasingly under pressure. His empire started to falter. Plans for a gigantic museum on the Veluwe estate to house the impressive art collection of his wife, had to be cancelled.

Equity holders in the Rotterdamsche Bank, which was hiding more dubious loans than only to Müller & Co, lost confidence and started to sell their shares. Investors in Müller & Co, lead by a former accountant of the company, began questioning the financial figures that Kröller had presented so far. Lagging Dutch securities regulation was taking its toll. The Dutch Central bank, with a guarantee from the government,

saved the Rotterdamsche Bank, and sent the young Amsterdam banker Arie van Hengel over as trouble shooter. Van Hengel also tried to reorganize Müller & Co, but Kröller resisted fiercely to any interference in his firm. Kröller regained control over his company by selling his Algerian mines, including the crown jewel Ouenza, to the Swedish state mining company, and redeemed most of his debt to the bank.

A newly installed supervisory board, representing the preferred shareholders of Müller & Co, hired the British accounting firm Price Waterhouse & Co to analyze the company's complex financial structure. The auditors' advice, after two years, to reduce the book value of the company's assets was however disregarded once Kröller won the legal battle over the ownership of the Chilean mining concession. At the same time he attracted new funds from British institutional investors, and was able to continue business as usual. Considering that he and his wife were unlimited partners in Müller & Co, and investors might one day come after them to reclaim losses, Kröller used this momentum to safeguard the art collection by transferring it to a separate foundation in 1928. Simultaneously Kröller benefitted privately from the new financing of his company by arranging a favorable profit-sharing agreement for himself. More works of Van Gogh were acquired. A new modern private mansion was built in Wassenaar at the expense of the company.

The stock exchange crash of 1929 and the economic crisis that followed, hit Müller & Co severely. Not only could the deferred losses no longer be hidden, the company also started to suffer operational losses and ended up in liquidity problems. In 1933 suspension of payments was requested. Although Kröller remained officially on the board of his company, new management was appointed and took over power. Theodor Max van der Beugel, an Amsterdam banker who represented the British investors, took care of the financial restructuring of the company. Kröller himself, with his excellent connections to the government, was able to turn the 6.000 hectare estate on the Veluwe, which was still owned by the firm, into a National Park and sell it to a state-funded foundation. The transaction also included arrangements for the construction of a smaller museum and the donation by Kröller and his wife of their art collection to the Dutch state. In the meantime, his former accountant had filed a formal complaint against Kröller for misleading of investors and criminal investigations were started. Kröller hired Eduard Maurits Meijers, the most brilliant lawyer and legal academic of his time, to give his opinion, after which the minister of Justice decided to drop the case.

In 1938 at the age of 76 Kröller once more tried to gain control over Müller & Co, now involving the German Nazi regime. Together with his lifelong assistant Salomon van Deventer he was able to convince the Nazis, that through the influence of Van der Beugel, Müller & Co was in fact controlled by Jews. Kröller proposed that a syndicate of German and Rotterdam investors would acquire the shares in Müller & Co and he and Van Deventer would retake their directorships. Although Van der Beugel did step down as a director of Müller & Co, the coup was thwarted. Van der Beugel found an alternative 'Aryan' investor in the Nederlandsche Handel-Maatschappij in Amsterdam, the largest Dutch bank, who secretly took over the shares of the British investor.

Immediately after the Germans occupied the Netherlands in 1940 the Nazis showed interest in the three German renaissance paintings within the Kröller-Müller collection. The Nazis offered 600 thousand guilders for the three works, which had to be applied to new investments in art for the museum. Kröller, who hardly had any private liquidity left, accepted the offer and used sixty thousand of the amount to sell his remaining designer furniture and paintings to the state. Good relationships with the German occupying authority also enabled him to increase government funding for his estate and to reduce interest obligations. He also managed to limit government representation on the boards of the two foundations owning the museum and the estate. Salomon van Deventer became president of both foundations during the war. Anton Kröller died on December 5, 1941 in Sint Hubertus on De Hoge Veluwe.