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Abstract

There has still been too little detailed work on the protectionism that emerged in the wake of the Great Depression. In this paper we explore the experiences of two countries that have been largely neglected in the literature, the Netherlands and Netherlands East Indies (NEI). How did these traditionally free-trading economies respond to the Depression? We construct a detailed product-level database of tariff and non-tariff barriers to trade based on primary sources. While ad valorem tariff increases in the Netherlands were largely due to deflation, the country protected agriculture and textiles in a number of ways. The NEI quota system was largely geared to protecting Dutch exporters, but the reverse was not true: Dutch trade policies benefited the metropole more than its largest colony.

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The Last Free Traders?

Interwar Trade Policy in the Netherlands and Netherlands East Indies [1]

Pim de Zwart, Markus Lampe, and Kevin Hjortshøj O'Rourke

1. Introduction

The 1930s have long been seen as a classic period of deglobalization and protectionism: a trade policy disaster, as the title of a major survey on the subject puts it (Irwin 2011). And yet detailed quantitative studies of interwar trade policy remain relatively scarce. Early cliometric contributions typically used very aggregate measures, such as average tariffs or trade bloc dummy variables, to measure trade policy, and tended to conclude that the impact of protectionism was surprisingly small (Irwin 1998b; Eichengreen and Irwin 1995). More recently, however, scholars have looked in greater detail at the structure of protection and its impact. Bond et al. (2013) construct a detailed line by line database of US tariffs and find that the *average* tariff increase after 1930 substantially understates the distortionary impact of the Smoot-Hawley tariff. De Bromhead et al. (2019) also study the impact of commodity-level tariffs, in the context of the United Kingdom, and find that protectionism had a major impact on the overall value, but even more on the composition, of British imports after 1931: discriminatory tariffs and quotas accounted for over 70% of the increase in the British Empire's share of UK imports between 1930 and 1933. Using similarly detailed data, Arthi et al. (2020) find that protectionism in interwar India skewed the direction of trade substantially: while tariffs and quotas lowered overall Indian imports by some 10%, they actually increased imports from Britain. For example, UK exports of cotton cloth to India were almost 90% higher in 1934 than they would have been if trade policies had remained unchanged since 1923. These findings stand in contrast to earlier

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exercises looking at the impact of interwar trade blocs using less detailed data. It would appear that in order to accurately assess the protectionism of the 1930s, detailed commodity-level data on the structure of protection are required.

The Netherlands and the Netherlands East Indies have not yet featured in these recent investigations. The Netherlands was a small open economy, highly integrated with the global economy. Together with Britain, it was one of the main drivers of trade liberalization in the 19th century, and anti-protectionist sentiment was strong in both society and politics. Even in 1933 many remained opposed to protectionism, and the Netherlands was arguably the least protectionist country in the world in the early 1930s. On the other hand, it was severely hit by the Great Depression, in particular after the devaluation of sterling in 1931. The depression lasted longer than in most other countries: while the world economy started to recover after 1933, the slump lasted until 1936 in the Netherlands. Unemployment reached its highest level of 14.4 percent in that year. Recovery thereafter was rapidly cut short by another recession in 1937-1938: Dutch real income per capita was still lower in 1939 than it had been a decade earlier (van Zanden and Griffiths 1989, p. 129). In the Dutch historiography, poor government policy has often been blamed for the length of the depression. In particular, failed attempts to keep foreign markets open for Dutch goods (Griffiths and Van Zanden 1989, p. 142), a lack of government investment (Keesing 1978), and, most importantly, continued adherence to the Gold Standard until September 1936, have all been seen as harmful (Klein 1973; Drukker 1990).

While the Dutch East Indies had traditionally pursued a relatively open trade policy (van Gelderen 1939; Wirodihardjo 1945), the colony was also hit hard by the economic crisis. Economic growth in the 1920s was entirely driven by Western demand for rubber, palm oil, sugar, coffee and other primary products. This demand dried up almost completely, with Wertheim (1950, p. 10) going so far as to claim that “the economic crisis in Indonesia lasted longer and weighed heavier than anywhere else in the world”. Both the Western plantation system and Indonesian peasants suffered from the decline in agricultural prices. As a result, “many an Indonesian witnessed the disappearance of his money earnings or saw them shrink to a fraction of the former amount” (ibid.). Government policy, serving the interests of the metropole and Western enterprises in Indonesia, only made matters worse, according to O’Malley (1977). The Netherlands East Indies followed its colonial master in staying on the gold standard until 1936.

The fact that the Netherlands and Dutch East Indies stayed on gold so long is particularly significant in the context of any discussion of trade policy, since as a general matter countries staying longer on gold ended up protecting more (Eichengreen and Irwin 2010). To what extent was this also true of the traditionally free-trading Netherlands and its empire? The existing literature (e.g., Griffiths and Van Zanden 1989, pp. 134-138) suggests that in both metropole and colony, protectionist measures were implemented hesitantly and unwillingly (Hulshoff Pol 1935, p. 10) and remained comparatively mild. Tariffs, in particular, were raised for fiscal, rather than protectionist, purposes (e.g., Brugmans 1961, pp. 523-524) and were increased slightly in both 1931 and 1934, although additional surcharges ("opcenten", discussed below) were in place between 1932 and 1934. The main protectionist policies implemented were quotas. These were first applied on a handful of products in 1931, but from 1933 on their use was substantially expanded. In the East Indies tariffs were raised several times during the 1930s, and quotas were put in place as well.

What remains absent from such discussions is a detailed overview on a per-product basis of both tariff and non-tariff barriers to trade in the two countries. van Schaik (1986) provides an in-depth analysis of the Dutch quota system, but does not discuss which countries received country-specific quotas, something which, as we will see, was an important dimension of trade policy during the period. Nor does he study trade policy in the Dutch East Indies, or analyse tariffs in any depth.[2] Klemann (1990) studies Dutch trade with Germany, Britain and Belgium, but provides no information on either tariffs or quotas. Hulshoff Pol (1939) and Blaisse (1948) cover both tariff and non-tariff barriers to trade in both the Netherlands and Dutch East Indies, but in a narrative fashion. A quantitative study detailing the structure of protection across products and trading partners thus remains lacking.

The present paper aims to fill this gap in the literature, providing the first detailed qualitative and quantitative account of protectionism in the two countries during the interwar period. We construct an annual, product-level database of tariff and non-tariff barriers to trade in both countries, and use this to track the level and structure of protection over time. Our new data, assembled from primary sources, represent, we hope, a valuable contribution in their own right. But such information is also essential if we are to answer a number of questions about Dutch interwar trade policy that arise naturally in the context of the literature on other countries. How severe was the increase in protection in the two countries, and what was its sectoral composition? To what extent were tariff increases due to purposeful increases in tariff rates, as opposed to the interaction between specific tariffs and deflation (Crucini 1994; Irwin 1998a, 1998b)? To what extent was Dutch and Dutch East Indies protectionism discriminatory? To what extent was it designed to be protectionist, as opposed to being revenue-raising, or meant as an aid in trade negotiations? And to what extent was it designed with the interests of the Netherlands, as opposed to those of the Dutch East Indies, in mind?

Our data can help in adjudicating various disagreements in the existing secondary literature. On the one hand, there are those who suggest that the Netherlands and Netherlands East Indies

[2] Implying a few generalizations that are not entirely accurate, as we will see below.

remained free traders who pursued an open-door policy until 1933, and after that enacted protectionist measures only hesitantly and half-heartedly (Blaisse 1948, p. 416): the "door remained largely open" (Neytzell de Wilde and Moll 1936, p. 68). Others stress the protectionism of the quota system (van Schaik 1986) and the attempts to shield Dutch agriculture "at all costs" (Klemann 1990, p. 250). Blaisse (1948, 415-417) argued that Dutch trade policies were "unsuccessful in influencing the Dutch economy in any notable way", whereas Brugmans (1961, p. 529) suggests that they "more or less succeeded in preventing the collapse of Dutch industry and agriculture". More recently, van Schaik (1986, p. 396) described trade policy in the 1930s as "economically effective", preserving industrial capacity at modest cost, while Klemann (1990, p. 250) argued that trade policy was on the whole ineffective.

Turning to the Dutch East Indies, according to van Gelderen (1939) trade policy there was meant to serve two main purposes: making possible the continued importation of cheap consumer goods on which many poor Indonesians relied, while at the same time trying to maintain, or increase, the market for Dutch manufactures. In contrast for Gonggrijp (1957, p. 188) quotas aimed to protect industry in the colony, while Wirodihardjo (1945) argued that they served a role in trade negotiations with third countries. There has also been disagreement in the literature about the relative extent to which trade policy during this period benefitted the Netherlands and its Southeast Asian colony. On the one hand, various studies have emphasized the increased shares in the imports of each polity of the other's exports. The Dutch government itself declared in 1936 that Dutch trade policy helped the Netherlands East Indies more than vice versa (Brugmans 1961, p. 529). Gonggrijp (1956) stressed the benefits of cooperation between the Netherlands and the Indies in this period, while Brugmans (1961, p. 529) argued that we can't tell whether the Indies or the Netherlands benefitted more. On the other hand, Wirodihardjo (1945, p. 230) argued that the benefits of trade between the two countries were unequally shared, with the Netherlands clearly gaining more. The quota system favouring the Netherlands led to increased prices in the Dutch East Indies, which weighed especially heavily on the Indonesian poor (ibid.). Soejono, a member of the Netherlands Indies *Volksraad* (People's Council, which had only advisory powers), noted that "cooperation that becomes completely one-sided can no longer be considered cooperation" (Wirodihardjo 1945, p. 235). Wirjopranoto, another member of the *Volkskraad*, observed that "whereas the downsides of the quotas are very clear to the population, the benefits are not" (ibid.).

In order to provide some economic context for the discussion that follows, we begin by reviewing the structure of trade in the two countries. We then discuss the various trade policies implemented in both, as well as the sources required to construct our product-level trade policy database. Armed with our new data, we go on to document the product-level structure of protection, and discuss the extent to which trade policy favoured some countries over others. We conclude with a brief examination of the motives underlying Dutch trade policy, and an assessment of the effectiveness of its quota policy in the East Indies.

2. The Structure of Trade before the Crisis

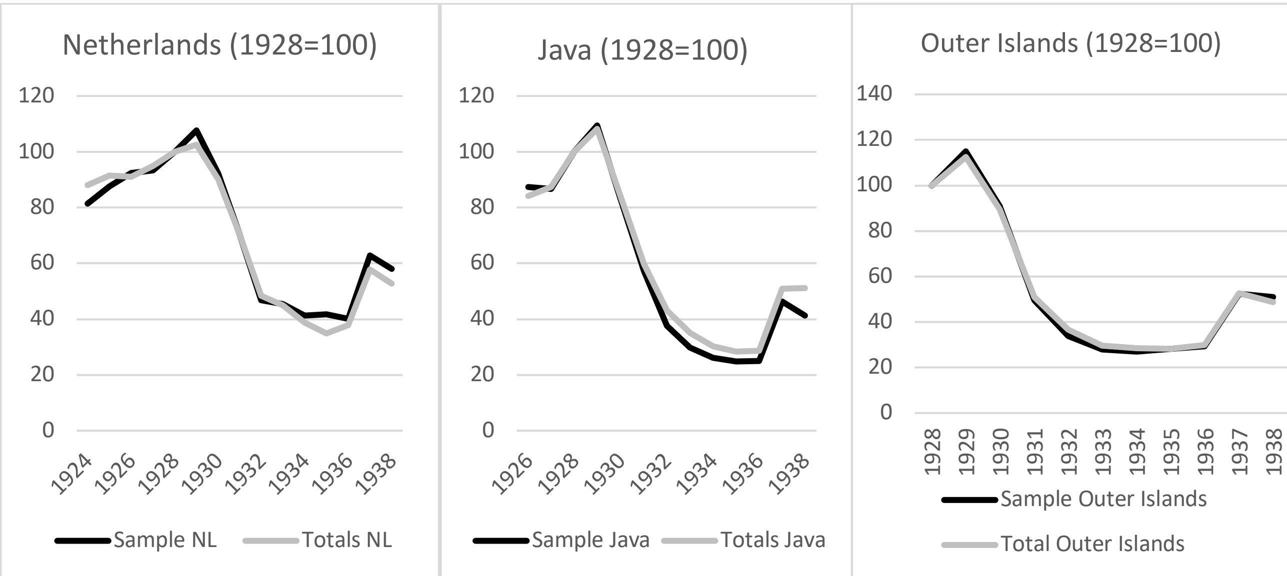
What was the structure of imports in the two countries before the crisis, and what were the trade patterns between the two countries? In order to assess this, we exploit detailed data from the official trade statistics of both countries (Jaarstatistiek 1924-1938 for the Netherlands; Jaaroverzicht 1926-1938 for the Dutch East Indies). More specifically, we gathered import data falling within 37 3-digit SITC groups in the two countries in 1928 (see Appendix A for a list of the groups concerned). These groups were selected to provide a broad and representative sample of imports at the time, and correspond to those used by de Bromhead et al. (2019) for the UK and Arthi et al. (2020) for India. In the context of the statistical trade classifications of the time, our 37 groups corresponded to 299 separate goods for the Netherlands, and 226 goods for the Netherlands East Indies.[3] The smaller number of goods in our Netherlands East Indies dataset is purely due to the greater level of detail provided in the Dutch trade statistics of the time. We further classified these goods into nine broad product categories: animal products, colonial goods (such as tea and coffee), food oils, grains, machinery, minerals, miscellaneous industry (such cars and rubber tires), miscellaneous inputs (rubber, hides and skins or fertilizers), and textiles. We make use of those nine broad categories in much of what follows. The Netherlands East Indies trade statistics were reported separately for Java (the main population centre) and the so-called "Outer Islands" (consisting of Sumatra, Kalimantan, Celebes, Bali, Lombok, the Moluccas, Timor and New Guinea) implying that we had to type both sets of statistics.

How representative is our sample? Figure 1 plots indices of the value of imports, in current prices, for the Netherlands from 1924 to 1938, for Java from 1926 to 1938, and for the Outer Islands from 1928 to 1938. It does so using both total imports in our 37 3-digit sample, and official trade totals

[3] These are the finest disaggregations of the available data that can be consistently defined over time for the years in question. They were obtained by aggregating a larger number of more detailed items reported in the original trade statistics. For example, in the Dutch statistics, the commodity category "welded pipes" was disaggregated into further groups with different diameters from 1934 on. No such details were given in years preceding so we aggregated to the general category of "welded pipes" throughout 1924-1938. For the Netherlands Indies, prior to 1926 the trade statistics used a different commodity classification scheme. The new, more detailed, system of commodity classification was implemented for the Java statistics in 1926, but only two years later, from 1928, in the Outer Islands. In what follows, we therefore report trade data for the East Indies beginning in 1926 and 1928 for Java and the Outer Islands respectively.

reported separately in the official trade statistics.[4] As can be seen, the sample of products we selected faithfully tracks the Great Depression trade collapse and the partial recovery that followed. On average, the imports in our sample account for 36% of Dutch imports, 57.5% of Javanese imports, and 57% percent of imports into the Outer Islands. We are confident that the goods in our sample and those not covered were subject to similar trade policies: for example, while our sample does not include wood and oil cakes, we do have data for similar miscellaneous inputs (including linseed, linseed oil, fertilizers, primary iron, and hides and skins). We do not cover cocoa beans, but have data on similar items including coffee, tea, tobacco and copra.[5]

Figure 1: Comparing nominal import value indices for sample and total imports, 1924-1938



Sources: Data on totals for the Netherlands obtained from Lindblad (1988), data on totals for Java and the Outer Islands from the historical trade statistics (Jaaroverzicht 1926-1938). The sum of both is very similar to the series in Lindblad (1988); Volume 12 of the *Changing Economy of Indonesia* series also reports very similar figures for the Netherlands East Indies.

Table 1 reports the total value of imports in our sample in 1928, disaggregated into the 9 afore-mentioned broad product categories. As might be expected, the structure of imports in the two countries differed in several crucial respects. Whereas the main imports in the Dutch sample consisted of minerals (21%) and grains (16%), both primary products,[6] by far the largest group for the

[4] The different starting years are due to major classification changes in the East Indies: see the previous footnote.
[5] The relatively low coverage for the Netherlands led us to investigate which major items, making up more than 1% of imports (26.8 m. guilders in 1928), we were missing. These were: sawn softwood (fir, spruce, pine) (71.9 m.), cocoa beans (38.2 m.), knitted and tricot outerwear for women, girls and small children (31.1 m.), wheat flour (31.1 m.), and linseed cakes and meal (30.4 m.).
[6] Coal (7.4% of the total) and iron and steel (6.7%) dominated among the mineral imports. These goods, bulky and heavy, came mainly from neighbouring countries such as Britain, Belgium and Germany. Among the grains, maize (8%) and wheat (4.5%) were particularly important imports. Other major imports included oilseeds (including copra, sesame seeds and soy beans, 9.7%), tools and machinery (5.7%), and textile yarn (5.6%).

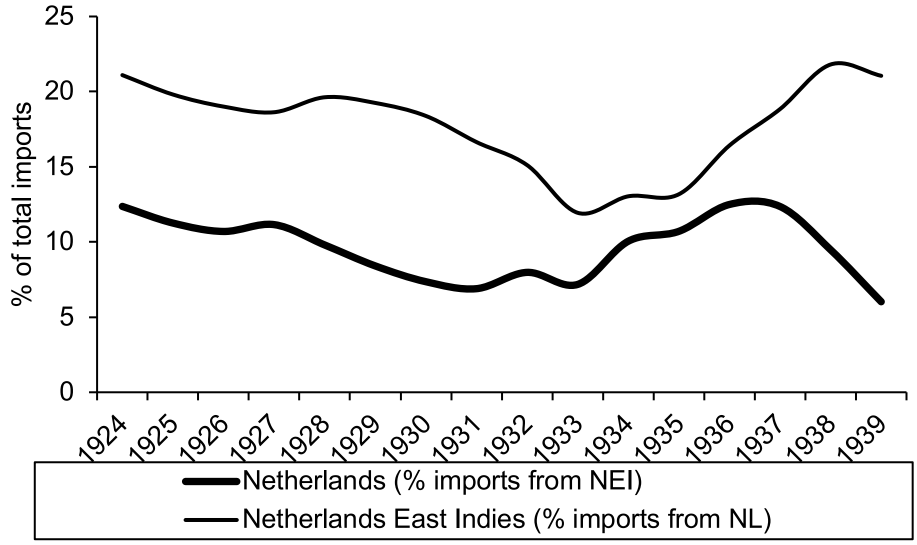
Netherlands East Indies was textiles (43% in Java, 28% in the Outer Islands), followed by machinery (13.8% in Java, 17.6% in the Outer Islands). Grain imports were significantly more important in the Outer Islands than in Java, suggesting that the former was more dependent on food imports than the latter.[7] Overall, the data conform to the general pattern observed during the nineteenth and early twentieth centuries whereby Western European countries imported primary goods, whereas colonies and peripheral countries imported industrial products (Robertson 1938; Lewis 1978; Findlay and O'Rourke 2007).

Table 1. Structure of imports in the Netherlands and Dutch East Indies, 1928

	Netherlands		Java		Outer Islands	
	Value (fl.)	%	Value (fl.)	%	Value (fl.)	%
Animal	20,186,024	1.3	4,674,286	1.3	3,350,329	1.7
Colonial	156,618,085	9.9	18,062,417	4.9	3,235,640	1.6
Food oils	197,188,303	12.4	10,642,995	2.9	4,852,516	2.5
Grains	257,654,927	16.2	26,718,707	7.2	56,486,433	28.6
Machinery	166,042,303	10.5	50,936,133	13.8	34,783,592	17.6
Minerals	331,030,497	20.9	35,750,857	9.7	23,682,515	12.0
Misc. industry	70,269,524	4.4	33,430,347	9.1	7,433,207	3.8
Misc. inputs	215,852,128	13.6	31,608,612	8.6	7,218,931	3.7
Textiles	172,191,252	10.8	157,286,936	42.6	56,291,387	28.5
Total	1,587,033,043	100.0	369,111,290	100.0	197,334,550	100.0

Sources: Jaarstatistiek (1928) and Jaaroverzicht (1928).

Figure 2. Shares of Netherlands and Netherlands East Indies in each others' imports, 1924-1939



Source: Lindblad (1988).

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[7] The main import categories in Java were woven cotton fabrics (36.6%), road motor vehicles (8.9%) and tools and machinery (8.4%), whereas the top 3 in the Outer Islands were rice (28%, much of it coming from India, Siam and southern Vietnam), woven cotton fabrics (20.9%), and tools and machinery (12.2%).

Figure 2 focuses on bilateral trade between the two countries, plotting the share of the Netherlands in the imports of the Dutch East and vice versa. As can be seen, the Dutch share of its colony's imports was higher than the Indonesian share of Dutch imports throughout, averaging 17.7% over the period as a whole compared with 9.6%. Both shares declined in the 1920s, and recovered from 1933, although the decline was halted earlier in the metropole, with the Netherlands East Indies share stabilising in 1931. The 1920s decline resumed in 1937 in the Netherlands, and in 1938 in the Dutch East Indies.

Table 2 looks in greater details at these bilateral trade flows on the eve of the Great Depression. In our sample, 6.8% of Dutch imports came from the East Indies in 1928. Unsurprisingly, the category of imports in which the Dutch East Indies loomed largest was colonial goods, with tea (21.4% of Dutch imports came from the Netherlands East Indies), sugar (17.0%) and coffee (14.5%) being particularly important. Food oils was the second most important category, although the Indies only accounted for 5.4% of Dutch imports. The East Indies was also a major source of miscellaneous inputs, supplying 30.4% of Dutch imports of hides and skins and 25.6% of Dutch crude rubber imports.

Table 2: Structure of imports between the Netherlands and Netherlands East Indies, 1928

	Netherlands		Java		Outer Islands	
	Value (fl.) NEI	Avg. % NEI	Value (fl.) NL	Avg. % NL	Value (fl.) NL	Avg. % NL
Animal	6,255	0.5	771,300	45.9	369,991	26.9
Colonial	55,599,683	14.1	402,798	30.9	12,047	1.6
Food oils	29,369,224	5.4	777,231	25.2	386,777	24.6
Grains	11,081,254	2.7	7,300	0.5	2,461	0.3
Machinery	126,858	0.1	20,949,701	28.2	10,856,941	32.4
Minerals	90,676	0.1	5,174,759	18.4	3,033,702	21.4
Misc. industry	17,642	0.0	1,439,369	15.7	402,015	10.0
Misc. inputs	12,043,627	10.0	6,063,379	7.6	1,026,435	9.8
Textiles	10,069	0.0	38,960,406	21.1	10,564,265	13.9
Total	108,345,288	6.8	74,546,243	20.1	26,654,634	13.5

Sources: Jaarstatistiek (1928) and Jaaroverzicht (1928).

20.1% of Javanese imports in our sample, and 13.5% of the imports of the Outer Islands, came from the Netherlands. Import dependence was thus more pronounced in the colony than in the metropole. Whereas in the nineteenth century the East Indies was mainly important to the Dutch economy as a major source of cheap primary goods, by the early twentieth century it was increasingly important as a market for Dutch manufactures. As can be seen from the table, textiles and machinery were, by far, the most important imports from the Netherlands.[8]

In assessing the politics of trade during this period, it is important to take into account production structures in the two countries. The production systems used to produce export goods in the Netherlands East Indies differed substantially across goods as well as between Java and the Outer Islands. Exports of rice, maize, and sugar came mainly from Java. Sugar was mostly produced on estates (Bosma 2013), and while rice and maize were produced by Javanese smallholders, the rice mills were often owned by Europeans or Chinese (Wasino and Nawiyanto 2017). On the other hand, much rice exported to the Netherlands consisted of unpeeled rice which was consequently processed in the Netherlands by big rice mills near Amsterdam (Groten 2019). Coffee, rubber and tobacco, three other major exports, were produced on plantations in Java, but predominantly by smallholders in the Outer Islands (with the exception of the plantation belt in East Sumatra) (Touwen 2001; de Zwart 2022). Palm oil, requiring capital inputs for extraction from the kernels, was produced solely on plantations in the colonial era (Corley and Tinker 2016). The final major export, copra, was produced almost entirely by Indonesian smallholders in the Outer Islands (ibid.).

In the Netherlands, the strongest economic sectors were agriculture and international transport, with related activities such as food processing (e.g., sugar and potato flour mills) and shipbuilding becoming increasingly important. These were capital and high skill-intensive industries, located in the western Netherlands. Labour-intensive textiles production was located in the eastern Netherlands and was based largely on exports to the East Indies (van Zanden and Griffiths 1989).

3. Trade Policy in the Netherlands and Netherlands East Indies

3.1. Tariffs

To get a detailed picture of the level and structure of protection, we reconstructed import tariffs for the goods in our sample in the two countries. Our tariff database relies on legal texts describing new tariffs in detail. In the case of the Netherlands, these were printed in various editions of the *Staatsblad van het Koninkrijk der Nederlanden* (Staatsblad). In the case of the Netherlands East Indies, we rely on an official overview printed in 1927 (Overzicht 1927) as well as the various laws printed in the *Staatsblad van Nederlandsch-Indië* (Indisch Staatsblad).

[8] Other categories of imports for which the Netherlands occupied a very large share of Indonesian imports included butter (90.5%), fresh meat (22.7%), roasted coffee (64.3%), and refined sugar (41.7%). Such goods were relatively unimportant in terms of their overall values and likely reflected the consumption preferences of the European, or Indo-European, population in the Netherlands Indies.

Dutch tariff policy in the early twentieth century still largely relied on the Tariff Law of 1862. A new Tariff Law was only implemented in 1924. This raised tariffs, ostensibly for fiscal reasons (Staatsblad 1924, No. 568). Raw materials remained duty free, but tariffs on many semi-finished and finished goods were raised to between 5 and 12 percent, up from 2 to 5 percent previously. The Dutch levied both ad valorem and specific tariffs, the latter falling particularly on meat, tea, tobacco, and petroleum. Such specific tariffs can be expressed in equivalent ad valorem terms by dividing through by prices.[9] The protective impact of specific, as opposed to ad valorem, tariffs, thus varied in response to inflation and deflation (Crucini 1994; Irwin 1998a, 1998b).

The initial Dutch response to the crisis was to participate in international conferences with a view to saving the global monetary and trading system, and to try to secure trade agreements with neighbouring countries in the hopes of keeping those markets open for Dutch produce.[10] In 1931 a Grain Law prescribed that all wheat products in the Netherlands had to consist of at least 20 percent (later increased to 25 percent) Dutch wheat, but it was only after the devaluation of sterling in September 1931 that more comprehensive measures were taken in order to prevent the Dutch economy from being flooded with cheap imports. In September 1931 an Antidumping Law was announced, but before it was signed it was superseded by the more comprehensive "Crisis Import" (Staatsblad 1931, No. 535) and "Crisis Export" (Staatsblad 1931, No. 553) Acts that were signed in December 1931 (Van Schaik 1986, p. 30). The former introduced a quota system; in the same month, but effective 1 January 1932, tariffs were increased for the first time in 7 years (Staatsblad 1931, No. 530).

Our data show higher increases than suggested by the existing Dutch secondary literature on the subject (e.g., van Schaik 1986, p. 72). Raw materials imports remained duty-free, but other tariffs were raised by about 25 percent. The tariff on semi-finished goods was raised from 5 to 6 percent; tariffs on various foodstuffs and yarns were raised from 8 to 10 percent; while tariffs on finished

[9] We have used the average unit value across all countries for this purpose.

[10] In February 1930 the Netherlands and 18 other states signed an agreement in Geneva temporarily freezing tariffs. After the passage of the American Hawley-Smoot Act in June 1930, many countries responded by increasing their tariffs. Further attempts at multilateral cooperation at the World Economic Conference in London in 1933 ended in failure. The Dutch also sought regional agreements. The so-called Oslo agreement with various Scandinavian countries was signed in 1930, but the treaty amounted to very little as the agreement only contained the obligation to communicate tariff increases to each other in a timely manner (Van Zanden and Griffiths 1989, p. 137). In July 1932, the Netherlands reached an agreement in Ouchy with Belgium and Luxembourg regarding the lowering of tariffs between the three countries. In contrast to other agreements, the lower tariffs were meant to apply only to exports from the three countries involved. This was in conflict with the Most Favoured Nation clause that was a part of earlier trade agreements. and the Ouchy treaty therefore provoked much opposition among other countries, especially Britain. As a result, the treaty was never implemented (Lieftinck 1939, p. 14).

industrial goods were raised from 12 to 15 percent (see Appendix). Tariffs on beef were raised to 20 percent (Staatsblad 1931, no. 530, art. 4).[11]

In 1933, tariffs on some goods were raised again by the addition of "opcenten" or surcharges of 30%. Once again, our primary sources suggest a slightly different picture than that described in the secondary literature. In particular, whereas it has been thought that these opcenten were added to *all* tariffs (van Schaik 1986, pp. 72), it seems that they were limited to a selection of goods (75 out of the 299 products in our dataset) (Staatsblad 1932, no. 634). Moreover, while earlier studies have been somewhat unclear about the precise meaning of these surcharges, in fact they implied a 30 percent (rather than a 30-percentage point) increase in duties.[12] This measure was extended into 1934 (Staatsblad 1933, no. 664). In 1934, yet another tariff law was adopted (Staatsblad 1935, no. 381). While many tariffs remained unchanged, a few were increased somewhat (from 0 to 3 percent in the case of some raw materials, and from 10 to 12 in the case of a few manufactures), while others actually fell. Moreover, because the opcenten were not extended beyond 1934, average tariffs decreased after that date (see Figure 3 below).

The Dutch East Indies did not determine its own trade policy: tariffs were set in the metropole by the Minister of Colonies, partly influenced by information provided by the Governor-General in the Indies. It is likely that Dutch and planter interests prevailed over those of the Indonesian population. The *Volkskraad*, the only representative institution in the Indies, did not represent the different groups in society fairly. It had 60 members, 25 of whom were European (who accounted for only 0.4% of the population in 1930) and 5 of whom were Chinese (2% of the population). The remaining 30 members were Indonesian (representing 97.6% of the population). There was no tariff discrimination, and goods from the Netherlands were subject to the same duties in the East Indies as those from other countries.

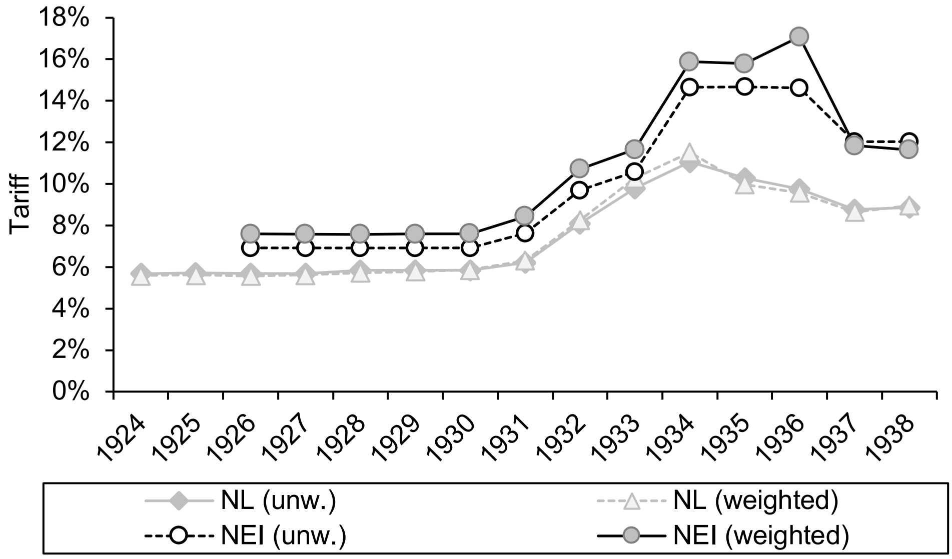
As in the Netherlands, a new tariff law was implemented in 1924 (Indisch Staatsblad 1924, no. 487). Raw material imports were duty free, but other tariffs were slightly higher than in the Netherlands, with ad valorem tariffs on most semi-finished goods at 6 percent and those on most finished goods at 12 percent. Similar to the Dutch case, tariffs on some goods were specific and we have also converted these to ad valorem-equivalent tariffs based on average import prices of the goods in question in each year. In 1931, two years earlier than in the Netherlands, opcenten of 10% were levied (Indisch Staatsblad 1930, no. 453; Hulshoff Pol 1939, p. 129). In contrast to the Netherlands, these surcharges were imposed on all imports, and they were increased to 20% in

[11] Van Schaik writes that manufactured tariffs were raised from 8% in 1924 to 10% in 1931, while duties on semi-finished goods were increased from 2-3 to 2.5% to 3.75%. The sources for these observations are unclear. While it is true that some manufactures, such as textiles, were indeed taxed at 8 percent in 1924 and 10% after the 1931 reform, the tariffs on other industrial goods, such as motorcycles and cars, were increased from 12% to 15%.

[12] Tweede Kamer, Bijlagen 1931-32, Kamerstuk 200, nos. 1-3, 5-6.

January 1932 (Indisch Staatsblad 1931, no. 535) and 50% in June of the same year (with an exception being made for bleached and unbleached cotton manufactures) (Indisch Staatsblad 1931, no. 535).[13] The measure was effective immediately.[14] The increase to 50% was extended in 1933 (Indisch Staatsblad 1932, no. 321), 1934 (Indisch Staatsblad 1934, no. 1), 1935 (Indisch Staatsblad 1934, no. 675), and 1936 (Indisch Staatsblad 1935, no. 626). In October 1936 the opcenten were lowered to 25% (Indisch Staatsblad 1936, no. 572) and were then extended through 1937 and 1938 (Indisch Staatsblad 1936, no. 718; Hulshoff Pol 1939, p. 144).[15]

Figure 3. Average tariffs in Netherlands and Netherlands East Indies, unweighted and weighted by 1928 total import value



Sources: for tariffs, see text; for import values: Jaarstatistiek (1928); Jaaroverzicht (1928). Note that for the East Indies we only have unit values from 1926 which is why the series begin in that year.

Figure 3 plots average tariffs in the two countries, both unweighted and weighted by 1928 import values. Tariffs in the Netherlands increased from an average of 5.5 percent throughout most of the 1920s to just over 8 percent in 1932, 10 in 1933, and 11-11.5 in 1934, before declining again to about 9 percent in the late 1930s. Tariffs were higher in the Netherlands Indies, at around 7-8 percent in the 1920s, 10-11 percent in 1932, and 15-17 percent during 1934-36. After that the average tariff decreased to around 12 percent in 1937-8. As can be seen, tariff levels in the two countries diverged considerably from 1934 onwards. This is largely the result of the much more widespread application

[13] Bleached and unbleached cottons retained 20 percent surcharges.

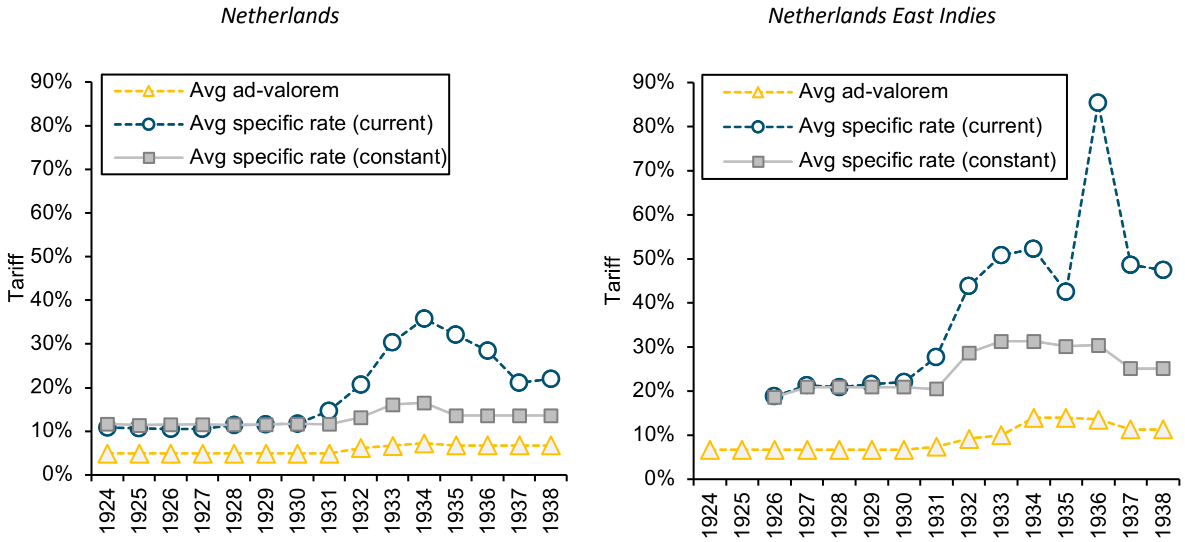
[14] To compute the annual tariff, we therefore take the average of 20% over 5 months, and 50% for 7 months, resulting in an average figure of 37.5% for 1932.

[15] In 1938, the 20 opcenten for bleached and unbleached cotton were abolished (Hulshoff Pol 1939, p. 144).

of opcenten in the East Indies, the fact that they were raised to higher levels (50% rather than 30%), and that they were extended for a much longer period of time.

As noted above, whereas most tariffs were ad valorem, some were specific, and thus their ad valorem equivalents depended on prices. Crucini (1994) showed that in the United States, much of the observed increase in ad valorem equivalent tariff rates after the 1930 Smoot-Harley tariff was due to price deflation rather than nominal tariff increases. A very substantial share of US imports was subject to specific tariffs: almost 65% in 1925 (Irwin 1998a, p. 1018). In the Netherlands, on the other hand, specific tariffs were only levied on 44 out of 299 goods, representing 7.4% of sample imports in 1928, with the corresponding figures in the Dutch East Indies being 5 out of 226 goods, or 4.8% of imports.

Figure 4. Ad valorem and specific tariffs



Sources: see text. Note that for the East Indies we only have unit values from 1926 which is why the specific tariff series begin in that year.

Figure 4 plots three ad-valorem equivalent tariff series for our two countries: unweighted average tariffs for (1) goods facing ad-valorem tariffs; (2) goods facing specific tariffs, evaluated using current prices and (3) goods facing specific tariffs, but evaluated using constant (1928) prices. As can be seen, protection was higher for goods facing specific tariffs, and from 1930 on the gap increased substantially. In 1934 Dutch specific tariffs were equivalent to ad valorem tariffs of over 35%, up from 12% in 1928, while in the Dutch East Indies they rose to as much as 85 percent in 1936, up from 20%. These increases were mostly due to deflation, as can be seen by comparing the specific tariff series with current and counterfactually constant prices.

Table 3. Tariff increases due to price changes

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
	Panel A: Percentage Point Increase in Ad Valorem-Equivalent Tariffs Relative to 1928 Rates (Current Prices)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Netherlands	0.0	0.0	0.4	2.3	3.9	5.2	4.1	3.8	2.9	3.0
NEI	0.0	0.0	0.7	2.8	3.7	7.7	7.8	7.7	5.1	5.1
	Panel B: Percentage Point Increase in Ad Valorem-Equivalent Tariffs Relative to 1928 Rates (Constant Prices)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Netherlands	0.0	0.0	0.0	1.3	2.1	2.7	1.9	1.9	1.9	1.9
NEI	0.0	0.0	0.7	2.6	3.4	7.3	7.3	6.9	4.6	4.6
	Panel C: Percentage Point Increase Resulting from Price Changes (A-B)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Netherlands	0.0	0.0	0.4	1.0	1.8	2.4	2.3	1.9	1.0	1.2
NEI	0.0	0.0	0.0	0.2	0.3	0.5	0.5	0.8	0.5	0.6
	Panel D: Share Increase Resulting from Price Changes (C/A*100)									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Netherlands	100%	100%	100%	45%	46%	47%	55%	50%	35%	39%
NEI	100%	100%	4%	7%	7%	6%	6%	11%	11%	11%

Sources: for tariffs, see text.

The combination of specific tariffs and deflation could imply a large increase in protection, therefore, but given the relatively small share of such goods in total imports, did this have a noticeable impact on the overall level of protection? In order to answer this question, we first calculated unweighted average tariffs for all goods (including those facing ad valorem tariffs) using both current and constant (1928) prices. Then we computed the actual percentage increase in ad valorem equivalent tariffs over the period 1929-1938 relative to the 1928 base year (Panel A, Table 3). Panel B gives the counterfactual increases in ad valorem equivalent tariffs that would have been observed if prices had remained unchanged; Panel C gives the difference between the actual and counterfactual price increases; and Panel D gives the share of the actual increases due to price changes alone. For the Netherlands, a non-negligible share of the percentage point increase in average tariffs after 1928 was due to price changes: roughly 50% between 1932 and 1936. In the Netherlands East Indies, the smaller number and importance of goods facing specific tariffs, and the greater use of "opcenten", implied that the contribution of price changes was smaller. Deflation accounted for 7 percent of the tariff increases between 1928 and 1932-1933, and for 11% after 1936 (the increase resulting almost entirely from a sharp decline in the price of tea).

In conclusion, the impact of deflation for those goods that faced specific tariffs was large; while only 7 percent of Dutch imports faced specific tariffs, price decreases for those goods accounted for about 50% of the total increase in average tariffs in the early 1930s. The Netherlands experience was thus qualitatively similar to that of the US (Crucini 1994), something not previously noted in the Dutch trade policy literature.

3.2. Quotas

In addition to tariffs, the Netherlands and East Indies imposed quotas on a wide range of goods. The first quotas were implemented in the Netherlands in 1931 after the Crisis-import Act, with general quotas being imposed on only a handful of products. Only general quotas were implemented in 1932 and 1933, but at the end of 1933 it became legally possible to give out quotas to certain countries only (Staatsblad 1933, no. 596). From then on, quotas were used as a bargaining chip in trade negotiations. As discussed in Appendix C, several types of country-quotas were implemented, but their purpose was similar: restricting trade in certain products while favouring some countries over others.

In order to determine whether the products in our Dutch database faced a quota or not, we relied on information from van Schaik (1986, pp. 378-381) as well as on the various notes on the quota system published by the government.[16] These sources provided no information on which countries received country-specific quotas, however. For this, we relied on the archives of the *Commissie van Advies Crisisinvoerwet* (henceforth: Advice Commission) for 1934,[17] and on the information scattered throughout *Handelsberichten* (and its successor *Economische Voorlichting)*, an official weekly publication of the Dutch Ministry of Economic Affairs, for the years 1935-1938. For the latter years, we also made use of the Advice Commission's archives, which contained two boxes with all Dutch trade treaties.[18] These treaties sometimes contained additional (and often confidential) lists of quotas negotiated between the Netherlands and other countries.[19] In 1936, 70 out of the 299 products in our database faced quotas.

The quota system functioned in a broadly similar manner in the East Indies, but was somewhat simpler, and the number of products facing quotas was much smaller (just 19 products out of the 228 in our dataset). The first quotas were introduced in 1934, and from 1935 the list of products facing quotas remained stable. As in the Netherlands there were general quotas, involving a general upper limit to the quantity of imports permitted. Licenses were provided to importing companies, who could choose where to purchase their goods. In practice, all goods falling under general quotas came from Japan, which was the most cost-effective Asian producer at the time. General quotas were put in place

[16] Handel en Nijverheid, 1932; Nota, 1934; 1936; 1939.

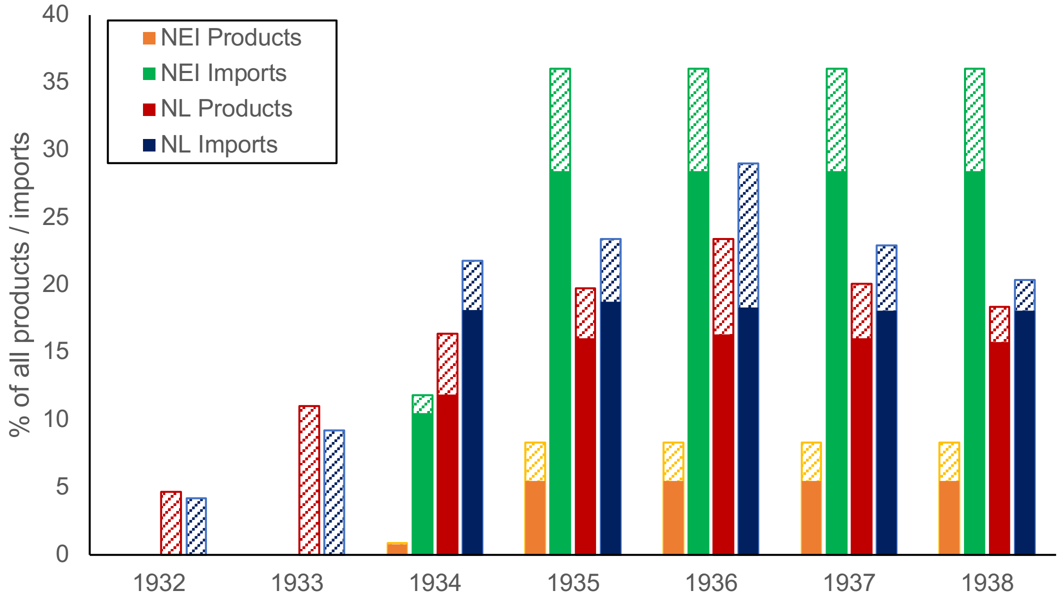
[17] NA 2.06.065 Archives of the *Commissie van Advies Crisisinvoerwet* [Commission of Advice for the Crisis Import Act], 1931-1940; various inv. nos.

[18] NA 2.06.065, inv. nos. 14 &15.

[19] In particular, the treaties with Austria, Belgium, Czechoslovakia, France, Germany, Italy, Spain, Switzerland and Turkey contained such lists (NA 2.06.065 inv. nos. 14 & 15).

to limit the shift in consumption from more expensive products to these cheaper goods (van Gelderen 1939). Country-specific quotas were mainly implemented (as discussed below) in order to favour Dutch imports over others, although quotas were also given to a few other countries, such as Britain, Germany and France, in connection with trade negotiations. To get an overview of the quotas implemented we rely on the dissertation by Wirodihardjo (1945), as well as on the various notes on quotas published by the Dutch government, the Dutch colonial government, and the Netherlands-Indies Organization for Importers-Wholesalers.[20]

Figure 5. Percentage of products and of imports facing quotas in the Netherlands and Netherlands Indies



Note: Solid colours indicate country quotas; dashes indicate general quotas.
Sources: see text.

Figure 5 plots the development of the quota system from 1932. The bars measure the percentage of the products in our dataset (299 for the Netherlands, and 226 for the Netherlands East Indies), and the percentage of total imports (using 1928 import values), facing quotas in the two countries in any given year. The solid portions of the bars represent the shares of products and imports facing country-specific quotas; the dashed portions indicate the shares facing general quotas. For example, in the Netherlands in 1932 almost 5 percent of all products in our database, equivalent to 4 percent of the value of imports, faced a quota, and as can be seen these quotas were all general. These figures steadily rose, until at the peak in 1936 23 percent of all products, representing 28 percent of

[20] Handel en Nijverheid, 1935; 1937; Economische Zaken, 1935; NIVIG, 1939.

total imports, faced quotas. From 1934, when it became possible to assign country-specific quotas, these dominated, accounting for between 80 and 99 percent of all quotas.

The picture is rather different for the Netherlands East Indies, where less than 1 percent of products faced a quota in 1934. However, the products in question represented no less than 12 percent of the total import value (using 1928 weights). In 1935 the share of products facing a quota increased to just over 8 percent, representing a stunning 36 percent of the total value of imports. The main reason for this discrepancy is that quotas were placed on imports of textiles, which, as Table 1 showed, represented a very substantial share of all imports. In the Indies, roughly three quarters of all quotas were country-specific.

3.3. Monopolies

A third instrument allowing the Dutch government to directly intervene in international trade flows was the designation of some goods as "monopoly products". The "Crisis monopoly decree" of 1933 (Staatsblad 1933, no. 443) was implemented as part of the Agricultural Crisis Law (Staatsblad 1933, no. 261), designed to support the agricultural sector. The Agricultural Crisis Law allowed the Minister of Economic Affairs to designate some products as "crisis products", eligible for price support from the government via "Crisis Organizations". In return for price aid, farmers had to become a member of these Crisis Organizations and adhere to certain rules (such as providing their employees with adequate wages).[21] Many of these crisis products were also designated as monopoly products, since (cheap) imports of these goods would of course undermine efforts to maintain agricultural prices. Only selected Crisis Organizations had the right to import such goods. For example, the *Crisis Zuivel Centrale* (Crisis Dairy Organization) was the only organization allowed to import milk, cheese, butter etc., while imports of wheat and rye were controlled by the *Crisis Graan Centrale* (Crisis Grain Organization). The Crisis Organizations paid a monopoly fee to the government in return for their monopoly. These import monopolies were only implemented for a selection of fishing and agricultural goods (see Appendix B).

4. Structure of Protection

Our detailed dataset on tariff and non-tariff barriers to trade allows us to analyse the structure of protection in more depth. Which categories of goods saw the greatest increases in protection? In order to make the discussion more tractable, in what follows we discuss the evolution of tariffs in each

[21] These organizations were semi-governmental bodies, and the Minister of Economic Affairs had the right to change decisions made by their boards (Staatsblad 1933, no. 410; Crisis-landbouwwetgeving 1940, pp. 38-40).

of the 9 categories of goods introduced in Section 2. Appendix A describes which products fall into which category.

Table 4. Tariff rates per category in the Netherlands

	1924-29	1930	1931	1932	1933	1934	1935	1936	1937-38
Animal	7%	7%	8%	13%	13%	16%	21%	16%	13%
Colonial	8%	8%	10%	12%	17%	23%	20%	19%	17%
Food oils	8%	8%	8%	10%	13%	13%	10%	10%	10%
Grain	8%	8%	8%	10%	13%	13%	10%	10%	10%
Machinery	3%	3%	3%	4%	4%	8%	8%	8%	8%
Minerals	5%	5%	6%	9%	12%	16%	13%	12%	9%
Miscellaneous industry	9%	9%	9%	11%	11%	11%	11%	11%	11%
Miscellaneous inputs	3%	3%	3%	4%	4%	3%	3%	3%	3%
Textiles	8%	8%	8%	9%	9%	7%	7%	7%	7%

Sources: see text.

Table 4 gives the unweighted average tariff per category in the Netherlands. Some remarkable shifts can be observed. Tariffs on goods in the miscellaneous industry category, including cars, motorcycles, tires, and car and motorcycle parts, had been the highest in the 1920s (at 9 percent) but remained stable over the 1930s, increasing to only 11 percent on average. On the other hand, minerals, including coal, iron, and petroleum, had faced low tariffs in the 1920s, averaging between 2 and 4 percent, but saw tariffs increase quite dramatically to over 15 percent in 1934, before declining again to 11 percent. In the case of coal and petroleum, which were subject to specific rates, deflation helps to explain the increase. The other broad sectors experiencing particularly high increases were colonial goods (mostly due to declining world prices for tobacco and tea, which faced specific tariffs) and animal products. Intermediate inputs, such as wool, rubber, raw cotton, and silk, remained the most lightly taxed throughout the entire period.

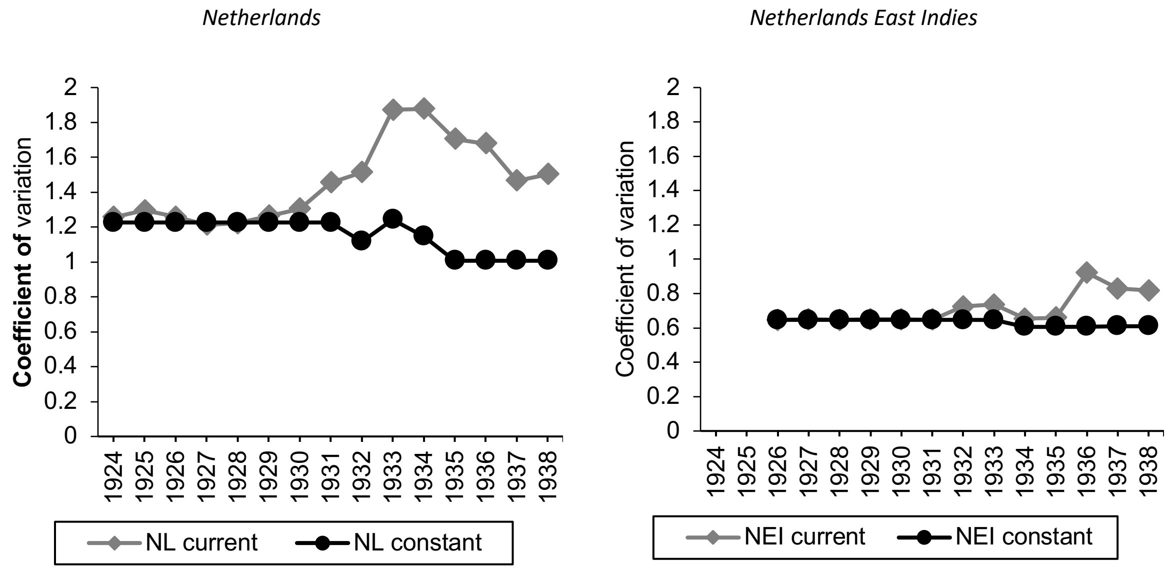
Table 5 shows the unweighted average tariff rate per category in the Netherlands East Indies. As indicated in the previous section, tariffs were higher than in the Netherlands, with the highest tariffs being on imports of colonial goods. Tea and tobacco tariffs were specific, and substantial price declines for these goods, along with rising (per kg) tariffs, led to substantial increases in ad valorem-equivalent tariffs. From the early 1930s, the lowest tariffs were on grains, in particular rice, presumably because these goods had to remain affordable for lower income groups. The Netherland East Indies was a net importer of rice throughout the late colonial era: while Javanese rice was exported to the Netherlands in the 1930s, cheaper rice was imported in large quantities from Siam and southern Vietnam to feed the Indonesian population.

Table 5. Tariff rates per category in the Netherlands East Indies

	1926-29	1930	1931	1932	1933	1934	1935	1936	1937-38
Animal	12%	12%	13%	17%	18%	25%	25%	23%	19%
Colonial	14%	15%	16%	26%	29%	36%	35%	50%	38%
Food oils	7%	7%	8%	10%	11%	12%	12%	12%	10%
Grain	5%	5%	6%	7%	8%	4%	4%	4%	3%
Machinery	6%	6%	7%	8%	9%	14%	14%	14%	12%
Minerals	4%	4%	5%	6%	6%	10%	10%	9%	8%
Miscellaneous industry	11%	11%	12%	15%	16%	24%	24%	23%	20%
Miscellaneous inputs	7%	7%	7%	9%	10%	12%	12%	12%	10%
Textiles	10%	10%	11%	14%	15%	21%	21%	21%	15%

Sources: see text. Note that for the East Indies we only have unit values from 1926 which is why the series begin in that year.

Figure 6. Coefficient of variation of ad-valorem equivalent tariffs at current and constant 1928 prices



Sources: see text. Note that for the East Indies we only have unit values from 1926 which is why the series begin in that year.

We have already seen that the interaction between deflation and specific tariffs was responsible for a large share of the overall increase in tariffs in the Netherlands. The discussion above suggests that it may also have been a driver of tariff dispersion. To test this, we computed the coefficient of variation of all (ad valorem equivalent) tariffs in the two countries, calculated using both current and constant (1928) prices.[22] The results are shown in Figure 5, with separate panels for the two countries given the different number of goods in each. As can be seen, tariff dispersion would have been constant or even falling had it not been for nominal price changes: the increase in overall tariff dispersion experienced during this period was entirely due to the deflation of the 1930s.

Table 6. Dutch quotas per category as percentage of number of products and import values (1928 weights)

	Panel A. Share of products covered by quotas						
	1932	1933	1934	1935	1936	1937	1938
Animal	13	50	50	50	50	46	46
Colonial	0	0	0	0	29	11	0
Food oils	0	0	0	0	0	0	0
Grain	0	25	63	63	63	38	38
Machinery	2	7	7	7	5	5	5
Minerals	0	0	8	10	13	13	13
Misc. industry	12	12	12	18	18	18	18
Misc. inputs	0	0	7	11	11	11	11
Textiles	17	30	46	54	54	54	54
	Panel B. Share of import values covered by quotas (1928 weights)						
	1932	1933	1934	1935	1936	1937	1938
Animal	46	57	57	57	57	38	38
Colonial	0	0	0	0	62	26	0
Food oils	0	0	0	0	0	0	0
Grain	0	14	23	23	23	9	9
Machinery	1	14	14	14	5	5	5
Minerals	0	0	35	38	40	40	40
Misc. industry	4	4	4	17	17	17	17
Misc. inputs	0	0	20	21	21	21	21
Textiles	31	41	52	54	54	54	54

Sources: see text.

[22] In order to do this, we had to exclude a small number of goods (4 in the Netherlands and 2 in the Netherlands East Indies) for which price data could not be computed.

What about the structure of quota protection? Table 6 gives the percentages of products, and of total import values, in each of our nine categories, that faced Dutch quotas in each year. As can be seen quotas were widely imposed on imports of animal products and grain, clearly in an attempt to protect Dutch agriculture. Meat and butter imports, in particular, faced quotas: 50 percent of all imported animal products, accounting for 57 percent of the value of animal product imports, faced quotas in the mid-1930s. Textile imports were also largely subject to quotas. Among the minerals, coal and coke were important products falling under the quota system.

Table 7. Netherlands East Indies quotas per category as percentage of number of products and import values (1928 weights)

	Panel A. Share of products covered by quotas				
	1934	1935	1936	1937	1938
Animal	0	0	0	0	0
Colonial	0	0	0	0	0
Food oils	0	0	0	0	0
Grains	0	0	0	0	0
Machinery	0	1	1	1	1
Minerals	0	0	0	0	0
Misc. industry	0	0	0	0	0
Misc. inputs	0	23	23	23	23
Textiles	7	43	43	43	43
	Panel B. Share of import values covered by quotas (1928 weights)				
	1934	1935	1936	1937	1938
Animal	0	0	0	0	0
Colonial	0	0	0	0	0
Food oils	0	0	0	0	0
Grains	0	0	0	0	0
Machinery	0	2	2	2	2
Minerals	0	0	0	0	0
Misc. industry	0	0	0	0	0
Misc. inputs	0	33	33	33	33
Textiles	31	89	89	89	89

Sources: see text.

As noted earlier, the number of products facing quotas In the Netherlands East Indies was much more limited. As Table 7 shows, quotas were particularly concentrated in textiles, in particular various types of cotton manufactures (bleached, unbleached, dyed etc.), but also including woollen and linen fabrics. The quotas in the miscellaneous inputs category were on various rubber products (such as tires) and fertilizers. Finally, light bulbs also faced quotas (to benefit the important Dutch manufacturer Philips).

5. Discrimination and Imperial Preference

5.1. Discriminatory tariffs

After the United States left the Gold Standard in April 1933, both chambers of parliament passed the "Reprisal" Act in in August 1933 (Staatsblad 1933, No. 417). This law made it possible to discriminate between trade partners, and allowed for higher tariffs or even import prohibitions for certain countries. However, this law was never put into practice; almost all the countries with which the Netherlands traded, with the exception of Russia, had an MFN agreement with the country (see Appendix D).

5.2. Country-specific quotas

As we saw above, the quota system was explicitly discriminatory from 1934 on, when country-specific quotas were introduced and rapidly became the norm. Which countries benefitted the most from such arrangements? In order to answer this question, we turned to the Advice Commissions Archives for 1934, and the *Handelsberichten* and *Economische voorlichting* for the years thereafter, which provide information regarding which countries received quotas for particular products. We can use this information to calculate, for each country, the extent to which it benefitted from country-specific quota allocations. For example, in 1936 there were 69 products facing Dutch quotas, accounting for 23% of our 299 Dutch import goods, and 36% of the total value of Dutch imports in 1928 (Figure 5). Belgium obtained a specific quota allocation for 54 of these 69 products, or 78%; these 54 products represented 67% of Dutch imports subjected to quotas in 1928.

Table 8 computes similar figures for each of the top 10 exporters to the Dutch market between 1934 and 1938. For the UK the table provides two series. The first assigns quotas to the UK only when this was specifically reported in the sources; the second, labelled "UK*", assigns a quota to the UK for all products facing country-specific quotas. The rationale for the second series is that the 1934 agreement between the UK and Netherlands contained something akin to a "Most-Favoured-Nation" clause for quotas, implying that whenever the Netherlands allocated a quota for a particular product to one country, it would do the same for the UK (Lieftinck 1939, p. 19).[23]

Table 8. Dutch quotas allocated to top 10 exporters

	As share of number of products subject to quotas					As share of value of 1928 imports				
	1934	**1935**	**1936**	**1937**	**1938**	**1934**	**1935**	**1936**	**1937**	**1938**
Austria	2	24	28	34	31	0	21	19	26	27
Belgium	66	88	78	85	85	72	80	67	78	95
France	64	53	58	56	56	66	66	53	66	79
Germany	56	67	75	88	95	76	81	67	84	95
Italy	30	45	52	51	47	27	31	23	29	32
Czechoslovakia	38	43	41	47	49	34	30	28	33	42
Switzerland	26	48	52	49	51	22	36	29	37	41
USA	10	17	39	54	58	15	20	27	36	41
NEI	4	5	4	5	5	11	10	4	6	7
UK	44	57	59	66	71	69	72	57	73	84
UK*	78	95	80	92	98	94	90	71	89	100

Sources: see text.

Table 9. Netherlands East Indies quotas allocated to top 8 exporters

	As share of number of products subject to quotas		As share of value of 1928 imports	
	1934	**1935-38**	**1934**	**1935-38**
Netherlands	100	74	100	89
France	0	26	0	14
Germany	0	42	0	37
Italy	0	21	0	20
USA	0	16	0	9
UK	50	42	73	60
Hungary	0	5	0	1
Switzerland	0	5	0	7

Sources: see text.

[23] NA 2.06.065, inv.no. 15. The UK* share of products is less than 100%, because not all quotas were country-specific: see Section 3.3.

What stands out from this table is the extent to which the Netherlands' geographical neighbours – the UK, Germany, Belgium and France -- were favoured by such arrangements. At the same time, the Netherlands East Indies were barely allocated any quotas. This is in stark contrast to the country-specific quotas allocated by the Netherlands East Indies, which as Table 9 shows heavily favoured the Netherlands. The only reason why the Dutch share of products receiving quotas between 1935 and 1938 was not 100 percent is that the remaining products were general, rather than country-specific.

5.3. Imperial preference

Trade between the Netherlands and the Dutch East Indies was considered to be trade between two separate countries. There were no discriminatory tariffs implying imperial preference between the two, as was the case in the British Empire for example. On the other hand, there was a clear imperial preference when it came to quotas, but as we saw above this was highly one-sided. Dutch East Indies quotas clearly favoured the Netherlands, while the Dutch quota system barely favoured imports from the colony.[24] This is difficult to reconcile with descriptions of these policies in the literature as having been "mutually beneficial" (Lieftinck 1939, p. 30).

Other policies did benefit the Dutch East Indies. Rice and maize were monopoly goods (see Section 3.3), but imports from the Netherlands East Indies were not subject to monopoly fees, unlike imports from elsewhere. In 1937 a decree prescribed that all foreign sugar imported into the Netherlands should come from the Indies. The difference between the Dutch East Indies price and (cheaper) world market prices was paid from the government's Agricultural Crisis Fund to Dutch importers (Rapport, 1938, p. 37). At the same time, the Dutch government refrained from measures it regarded as excessively costly. There was some discussion of lower tariffs for Javanese rice, tea, and tobacco, but the proposal was rejected as "too expensive" by the Ministry of Finance (Rapport 1938, p. 39).[25] The Dutch government used a cheaper mechanism to benefit East Indies exports, negotiating with the margarine industry to buy at least 60% of their oil needs (including palm oil, coconut oil, palm pits, copra, soy beans, and ground nuts) from the Netherlands Indies (Rapport 1938, p. 40).

Thus, some of the most important stimuli to exports from the Netherlands East Indies in this period came from private firms, albeit at the behest of the government. In particular, the *Margarine Unie*, a predecessor of *Unilever*, was responsible for a significant portion of the increased share of Dutch East Indies imports in the Netherlands. These measures primarily benefitted the Indo-European

[24] The only goods with quotas allocated to the East Indies were: rice (1934-38), chili saltpetre (1934-35), and jute objects (1935-36).

[25] The rice tariff reduction was requested by J. van Gelderen in 1934. NA 2.06.065, inv. no. 139.

planter class in the Netherlands Indies, rather than the Indonesian population, since as we saw earlier in the 1930s palm oil and sugar were exclusively produced on Western-owned plantations (Corley and Tinker 2016; Touwen 2001). The stimulus to copra and rice exports benefitted the Indonesian population, however.

6. Motives underlying trade policies

In this section we briefly discuss the various reasons given at the time and subsequently for the trade policies outlined above. Three broad motives can be distinguished: (1) increasing tariffs for revenue purposes; (2) increasing trade barriers for protectionist purposes; and (3) trade policies designed to open up markets for Dutch produce.

To understand the extent to which trade policies in the Netherlands Indies were driven by fiscal needs, it is important to briefly outline how the colony's finances were organized and which actors were involved in policy making. The finances of both countries were in principle completely separate in the early twentieth century, meaning that the Netherlands Indies had to balance its budget. That said, the Dutch government had obtained enormous net profits, known as the *Batig Slot*, from the East Indies in the nineteenth century (de Zwart, Gallardo-Albarrán, and Rijpma 2022), and after 1900 there were strong voices in the Netherlands demanding that it repay the East Indies (de Jong 1989). This resulted in the Netherlands taking over the then *fl.* 40 million outstanding debt of the Netherlands Indies in 1905, so as to make room on the East Indies' budget for expenditure on development projects (Creutzberg 1976, p. 21). As a result of the Great Depression and the falling trade that ensued, the Netherlands Indies again built up heavy debt during the 1930s (Booth 2003), leading to another donation from the Dutch government of *fl.* 25 million to make the burden more bearable (Creutzberg 1976, p. 22). Despite this financial separation of colony and metropole, the Netherlands Indies had little autonomy over its trade (and exchange rate) policies, which were determined in the Netherlands.

Some trade policies, in particular tariff increases, had (at least partially) a fiscal purpose. The new tariff law implemented in both countries in 1924 is an example of this. The 1924 tariff revision is generally seen as part of a wider effort to balance government budgets after the economic depression of the early 1920s (van Zanden and Griffiths 1989; van Schaik 1986; Klemann 1990, p. 95). Government explanations of the law stressed this fiscal motive and the desire to limit harmful protectionism.[26] On the other hand, various members of parliament suggested that, because tariffs differed across different groups of products, the new tariff also had a protectionist purpose.[27] Others highlighted the

[26] Tweede Kamer, 1923-24, Kamerstuk 365, nos. 3 and 7.
[27] Tweede Kamer, 1923-24, Kamerstuk 365, no. 6, p. 221.

fact that industry, but not agriculture, was protected by the new tariff.[28] The government denied such suggestions that the 1924 law was protectionist.[29] Similarly, an official publication on Netherlands East Indies tariffs in 1927 noted that the tariffs were non-discriminatory and served purely fiscal purposes, the notion of using tariffs for protection being "completely foreign" (Overzicht 1927, p. 1).

The 1931 and 1934 tariff increases in both countries have been described in the literature as being fiscally motivated (Blaisse 1948, pp. 204-210; Brugmans 1961, pp. 522-523; van Schaik 1986, pp. 60-61). [30] A parliamentary report summarizing the debate on the 1931 law noted that some members of parliament could agree with it "because it does not lead to protection" and "tariff increases are legitimate" because of the need for revenue.[31] Nonetheless, claims regarding the purely fiscal aims of the 1931 tariff need to be treated with caution, since (for example) beef tariffs were doubled, presumably as a result of agricultural lobbying (van Schaik 1986, p. 232). Indeed, this point was made at the time by some members of parliament.[32]

The levying of "opcenten" in both the Netherlands and East Indies was also justified on fiscal grounds.[33] In the "Note of explanation" from the government detailing the reasons for the extension of opcenten in the Dutch Indies through 1933 the terrible state of the government finances was advanced as the main reason.[34] The new list of tariffs for 1934 (Ind. Staatsblad 1934, no. 1) began with the same observation. In the explanatory note from the government regarding the implementation of new tariffs in the Indies, the issue of protectionism was not even discussed.[35] On the other hand, in parliamentary debates on the implementation of "opcenten" in the Netherlands Indies in 1931, members of parliament raised the issue of whether this might hurt Dutch textiles exports to the Indies, while others raised the concern that the "opcenten" might not increase revenue since they could stimulate domestic production in the East Indies, thus reducing tariff revenues.[36] Such concerns suggest an awareness that the opcenten might have protectionist consequences, although the latter were viewed in a negative light. Members of the Volksraad also argued against raising "opcenten" on

[28] Tweede Kamer, 1923-24, Kamerstuk 365, no. 6, p. 223.
[29] Tweede Kamer, 1923-24, Kamerstuk 365, nos. 3 and 7.
[30] This was also the interpretation offered by the minister of Finance, D.J. de Geer, in the "note of explanation" accompanying the new tariff law of 1931.Tweede Kamer, 1931-32, Kamerstuk 137, no. 3.
[31] Tweede Kamer, 1931-32, Kamerstuk 137, no. 4, p. 3.
[32] Tweede Kamer, 1931-32, Kamerstuk 137, no. 4, p. 3.
[33] In the case of the East Indies the implementation of the law was announced as follows: "Taking into consideration that for the strengthening of finances of the Netherlands Indies it is desirable to temporarily levy surcharges on top of the tariffs" (Ind. Staatsblad 1930, no. 453; 1931, no. 535; 1932, no. 321;).Translation of: "Alzoo Wij in overweging genomen hebben, dat het tot versterking der geldmiddelen van Nederlandsch-Indië wenschelijk is over te gaan tot verhooging van de opcenten, die aldaar tijdelijk op de invoerrechten worden geheven."
[34] Tweede kamer, 1932-1933, Kamerstuk 185, nos. 1-3.
[35] Tweede kamer, 1933-1934, Kamerstuk 226, no. 5.
[36] Tweede Kamer, 1931-32, Kamerstuk 200, no. 5.

the grounds that they increased the cost of living for the native population. These arguments were however swept aside by the minister, who claimed that only a very small share of local incomes was spent on imported goods.[37]

In conclusion, government statements accompanying the implementation of trade policies make it clear that, especially in the early years of the crisis, protectionism in general, and protectionist tariffs in particular, were at odds with prevailing ideology (see also Griffiths and Van Zanden 1989, pp. 132-137; Keesing 1978, pp. 146-151). Tariff increases motivated by fiscal needs were generally seen as legitimate, but protectionist tariffs were not. The secondary literature seems to have accepted contemporary government claims that tariff increases were primarily driven by fiscal needs (Blaisse 1948, pp. 204-210, Brugmans 1961, pp. 522-523; van Schaik 1986, pp. 60-61). But the parliamentary debates of the time, as well as our data, make it hard to conclude that fiscal needs, while important, were the only factor at play.

As noted above, observers at the time understood that tariff increases motivated by the need for revenue might have protectionist consequences. Furthermore, the disparity in tariffs across goods strongly suggests that some tariff choices reflected protectionist interests. Agricultural produce saw substantial increases in tariffs: rates on fresh beef doubled from 10 to 20 percent between 1931 and 1932. In sharp contrast, necessary inputs for industry not produced in the Netherlands, such as raw cotton and silk, remained untaxed throughout. In the parliamentary debate on the new tariff law in 1931 it was observed that "it can never be ascertained beforehand where the border between a fiscal and a protectionist tariff lies".[38] Similarly, in 1935 it was noted that the "fiscal and protectionist effects of tariffs cannot be separated; virtually every tariff is protectionist. As the tariff is increased, the protection is also increased."[39] While it is very difficult to disentangle the fiscal and protectionist motives for tariffs, the strongest case for a purely fiscal motive probably involves the introduction of surcharges in the Indies, since these did not discriminate between products, and since, as noted earlier, the Indies government faced severe budgetary problems at the time.

Some trade policies aimed (primarily) to protect domestic industries. Both the quota and the monopoly system in the Netherlands are examples of this. Official government publications on the workings and effects of the quota system (*Nota* 1932, 1934, 1936, 1939) clearly outlined the protectionist aims of these measures, and assessed the extent to which production and employment in the affected industries increased in consequence. A major newspaper described quotas in both

[37] Tweede Kamer, 1931-32, Kamerstuk 200, no. 5.
[38] Tweede Kamer, 1931-32, Kamerstuk 137, no. 4, p. 4.
[39] Translation of "Fiscale en beschermende werking zijn ook bij de invoerrechten niet van elkander te scheiden. Vrijwel elk invoerrecht werkt eenigszins beschermend. Naarmate het tarief hooger wordt opgevoerd, wordt de bescherming sterker." (Tweede Kamer, Kamerstuk 63, Nr. 1, 29-3-1935).

countries as "being necessary to prevent some industries from being destroyed for ever".[40] Oddly enough, however, when defending the first quota in 1932, the Minister of Economic Affairs, T.J. Verschuur, claimed that it had *no* protectionist purpose, since:

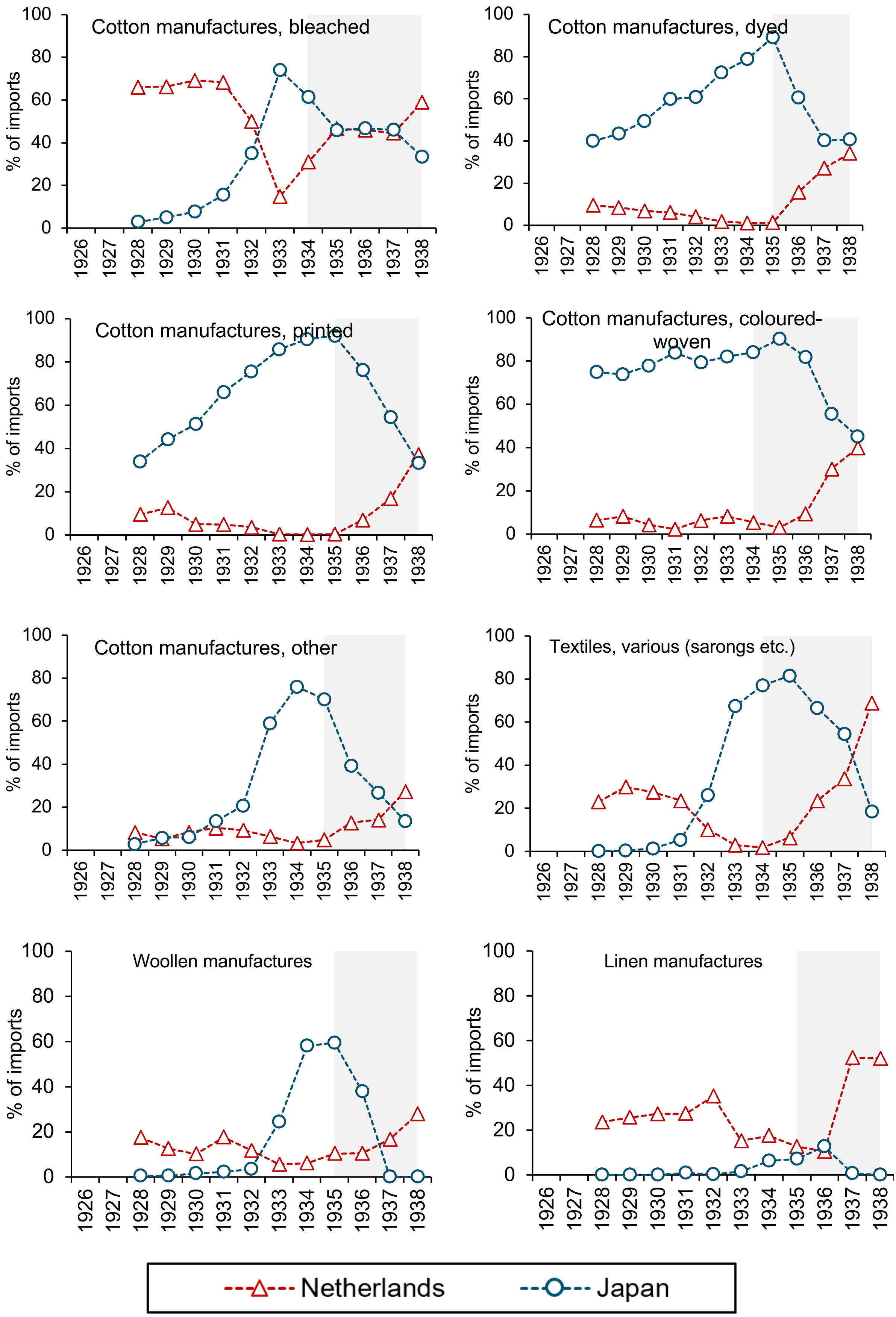
> After all, what characterizes the protection of production is that it expands production, and here the highest aim is […] the maintenance of our national production system.[41]

This shows the extent to which the Dutch government tried to avoid being accused of protectionism, although the argument was hardly a convincing one. Similarly, the monopoly system aimed to maintain agricultural prices by insulating them from cheap imports, and was thus clearly protectionist.

Finally, there were policies aimed at opening markets for Dutch output. These included both East Indies quotas, and quotas that were handed out by the Netherlands in the context of trade negotiations. According to Van Gelderen (1939) Dutch East Indies country quotas aimed to maintain the Indies market for Dutch goods. General quotas, on the other hand, made it possible to import cheap Japanese necessities that were consumed by the poor, while at the same time limiting substitution by richer consumers from more expensive Dutch textiles to cheaper Japanese ones. Wirodihardjo (1945, p. 41), on the other hand, distinguished four aims of the East Indies quota system. First, there were quotas designed to protect Dutch East Indies industries, notably the quota on tires. Second, there were quotas protecting both Dutch and East Indies industries, such as those on coloured woven cotton cloths and beer. Third, some quotas only protected the Indies market for Dutch goods: artificial fertilizer, light bulbs, and cotton towels and blankets. Finally, there were quotas designed both to protect the local market for Dutch goods, and to be used in negotiations with other countries: these included the quotas on bleached cotton, sewing thread, and other cotton manufactures. It is clear that defending the East Indies market for Dutch goods was a major driver of the quota system, while quotas in both countries also served as a bargaining tool in trade negotiations, and thus had the potential to open up markets in other countries.

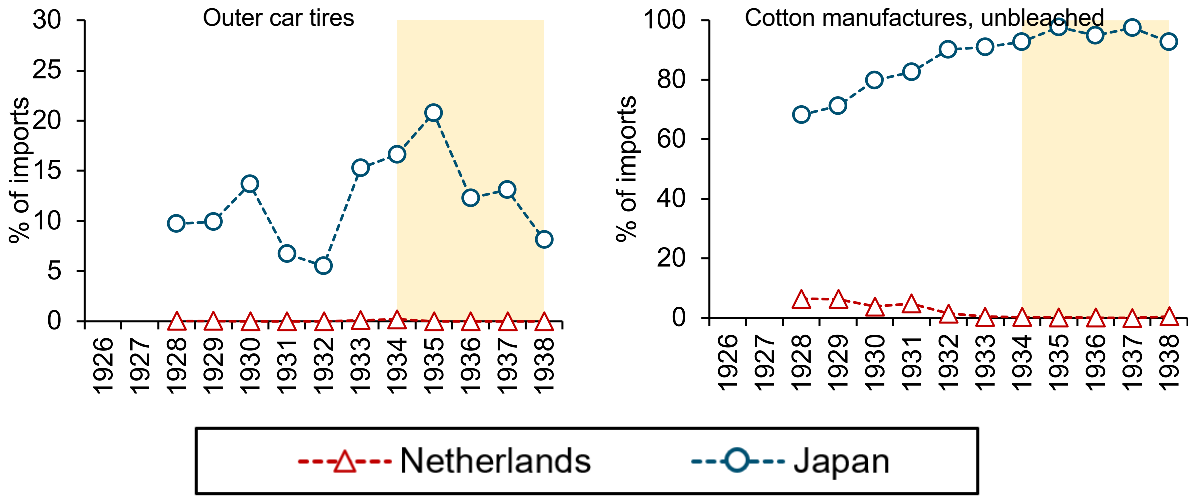
[40] "Toestand in Nederland en Koloniën", *Nieuws van den Dag voor Nederlandsch-Indië*, 21-07-1932: "De contingenteerings-maatregelen waren noodig om te voorkomen dat een aantal industrieën misschien voor altijd vernietigd zouden worden."
[41] Tweede Kamer, 1931-32, Handelingen, 13-05-1932: Translation of "Immers, datgene, wat van de protectie ten aanzien van het productie-apparaat het kenmerkende is, is, dat het stimuleert de ontwikkeling van het productie-apparaat, en hier is het hoogste doel, waarnaar wij streven met dit ontwerp — en er zal al heel veel zijn bereikt, indien wij daarin slagen —, het behoud van ons nationaal productie-apparaat." p. 2421.

Figure 7. Dutch and Japanese shares of NEI imports: textiles with country-specific quotas



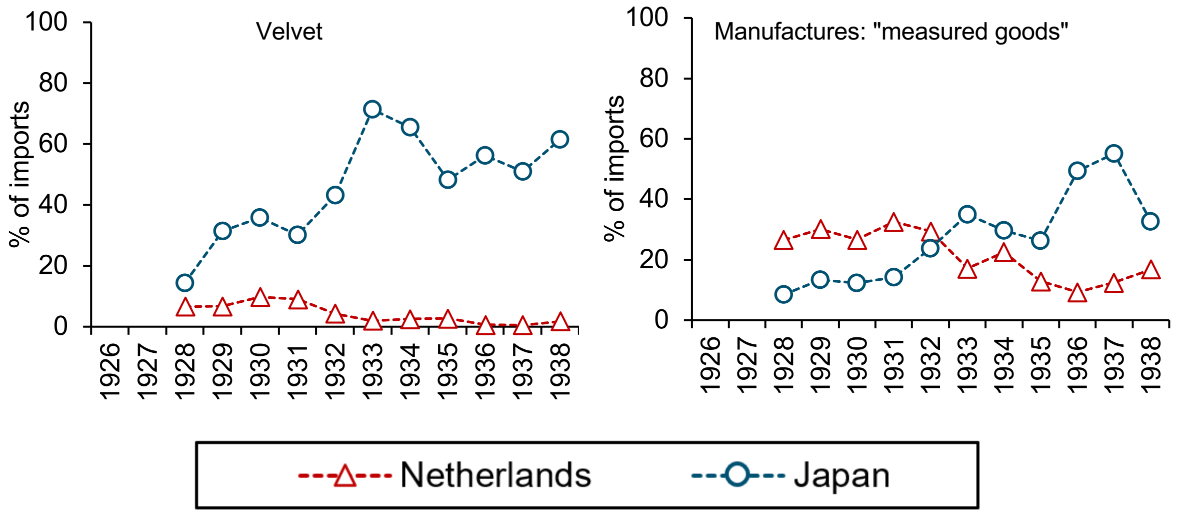
Sources see text. Note: the series start in 1928 since we include both Java and the Outer Islands.

Figure 8. Dutch and Japanese shares of NEI imports: products with general quotas



Sources see text. Note: the series start in 1928 since we include both Java and the Outer Islands.

Figure 9. Dutch and Japanese shares of NEI imports: products without quotas



Sources see text. Note: the series start in 1928 since we include both Java and the Outer Islands.

7. Impact of discriminatory quotas

Quotas in the Netherlands East Indies were thus largely geared towards increasing Dutch, and limiting Japanese, imports into the Indies. To what extent were they successful in achieving their aims? Figure 7 plots the Dutch and Japanese import shares for eight textiles subject to such country quotas. In each case the shaded area to the right of the graph indicates the period during which country quotas favouring the Netherlands, at the expense of Japan, were in force. As can be seen, the quotas seem to have been highly effective. During the late 1920s and early 1930s, Japanese import shares were increasing substantially, but once country-specific quotas were implemented (in 1934 or 1935) they rapidly declined, while Dutch shares increased substantially. Taking dyed cotton manufactures as an example, the Japanese share fell from 90 to 40 percent in the first 2 years after the implementation of the quota, while the Dutch share increased from 1 to about 30 percent. In the case of printed cotton manufactures, the Japanese share declined from 92 to 33 percent while the Dutch share rose from 0 to 37 percent.

Figures 8 and 9 provide additional evidence that the trends in Figure 7 were indeed due to country-quotas, plotting Japanese and Dutch import shares for two goods subject to general, as opposed to country-specific, quotas (Figure 8) or not subject to quotas at all (Figure 9). Figure 8 does show a decline in the Japanese share of rubber car tyre imports, but in contrast to the goods in Figure 7, the Dutch share does not increase. Figure 8 also plots import shares for unbleached cotton textiles, a category representing the best possible comparison with the textiles plotted in Figure 7. Strikingly, the Japanese share of imports continued rising, while, if anything, the Dutch share continued to fall. Figure 9 shows that the Japanese share of velvet imports continued to increase after 1935, while the Dutch share remained negligible. Something similar can be observed for measured ("afgepaste") textiles. Taken together, Figures 7-9 suggest that discriminatory quotas in the Dutch East Indies were highly effective in boosting Dutch exports to the colony at the expense of Japan.

Conclusion

The Netherlands of the nineteenth and early twentieth centuries is generally viewed as a champion of free trade. In this paper, we investigate the changing trade policies of the Netherlands and its colony, the Netherlands East Indies, during the Great Depression, a period when many countries implemented more protectionist policies. To this end we constructed a new database of tariff and non-tariff (in particular, monopolies and quota) barriers to trade for 299 products imported in the Netherlands between 1924 and 1938, and 226 products imported in the Netherlands East Indies between 1926 and 1938. These goods were classified into 37 3-digit SITC groups in line with other recent studies (de Bromhead et al. 2019; Arthi et al. 2020). Our sample of goods represents 36 percent of total imports in the Netherlands, and about 57 percent in the Netherlands East Indies, and is representative of overall import trends at the time.

The overall tariff rise may have been relatively limited in a comparative international perspective: to take two examples, Indian tariffs on non-Empire goods increased to over 30 percent on average, while US tariffs rose to over 40 percent (Arthi et al. 2020; Crucini 1994). Nevertheless, average tariffs in both the Netherlands and its largest colony roughly doubled between 1929 and 1934. A substantial share of the increase in the Netherlands East Indies was the result of levying temporary surcharges on virtually all imported goods between 1932 and 1936; in the Netherlands, much of the increase was driven by a relatively small range of goods facing specific tariffs. Deflation was very substantial in this period and these price changes were responsible for about half of the increase in Dutch tariffs between 1928 and 1936. Moreover, these price changes were also driving much, if not all, of the increased variation in tariffs across all product categories after 1930. While some tariffs targeted particular sectors, particularly in agriculture, the increased dispersion of Dutch tariffs during this period was due more to deflation than protectionism.

Nevertheless, Dutch 'free traders' did not entirely shy away from protectionism, and the quota system gave them the opportunity to more actively target certain products and protect particular sectors. Dutch rhetoric remained liberal; tariff increases were only considered acceptable if motivated by fiscal need as opposed to protectionism. Even the quota was defended as being non-protectionist when it was first implemented. But our data suggest that the Dutch government actively protected Dutch agriculture and the textile industry. Dutch agriculture, in particular dairy and livestock farming, benefited from some of the highest increases in tariffs, while the importation of agricultural goods was entirely monopolized by the government. Dutch industry, especially the textile industry, benefitted from comparatively low tariffs on industrial inputs, as well as the quota system in the East Indies, which was largely geared to create a market for Dutch manufactures. While general quotas were implemented for lower cost textiles in a way that would allow continued imports from Japan, more expensive textile imports faced country-specific quotas, favouring the Netherlands in particular. Our data suggest that the protectionist purpose of these quotas was achieved: those textile categories with country quotas saw a sharp rise in the Dutch share of imports and an equally significant decline in the Japanese share. Such trends are completely absent from goods facing general quotas or no quotas at all. But the protectionism in question benefitted Dutch manufacturers, not Indonesian ones.

The metropole thus benefitted from the quota system in the East Indies, but the reverse was not the case. Only a few East Indies goods obtained country-specific quotas in the Netherlands. While the Netherlands implemented some additional measures stimulating imports of such East Indies goods as rice, maize, sugar, palm oil and copra, these actions seem minor in comparison with the benefits granted to Dutch textile exporters in the Netherlands East Indies. Our data thus support the views of Indonesian members of the *Volksraad* at the time, echoed in Wirodihardjo (1945), according to which the trade policies of the time benefited the metropole rather than its largest colony.

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Appendix

A. Categories of goods

As noted in the main text, we use two classifications to structure the trade policy data. Goods are spread across 37 SITC categories that are grouped into 9 main groups.

Main classification	**SITC Categories included**	**Products in dataset (examples, not exhaustive)**
Animal	011 Meat, fresh; 012 Meat, dried; 023 Butter; 025 Eggs	Meat, from cattle and horses; meat, poultry and game; Butter, natural; Fat, edible; Eggs,
Colonial	061 Sugar; 071 Coffee; 074 Tea and mate; 121 Tobacco	Sugar, rough; sugar, refined; coffee, roasted; tea, Chinese; tea, other; tobacco, leafs
Food oils	221 Oilseeds; 412 Vegetable oils	Copra; sesame seeds; katjang kedelee; peanut oil, olive oil, lineseed oil.
Grains	041 Wheat, unmilled; 042 Rice; 043 Barley; 044 Maize	Rice, peeled; rice, unpeeled; maize, barley, wheat, sowing; wheat, other.
Machinery	711 Power generating machinery; 712 Agricultural machinery and implements; 713 Tractors; 714 Office machinery; 716 Other machinery; 721 Electrical machinery	Steam boiler and parts; steam engines; ploughs, horse drawn; thresher; milk pasteurizer; household machinery: washing machine, vacuum cleaners; printing press; weighing and measuring instruments
Minerals	311 Coal, coke, briquettes; 313 Petroleum, refined; 681 Iron and Steel; 682 Copper	Coal; cokes; briquettes; petroleum; gasoline; paraffin; pig iron; sheet iron; tin, sheets; copper, red, plates; copper, yellow, wire
Misc. industry	629 Rubber manufactured article; 732 Road motor vehicles	Tire, car, outer; Chassis for automobile, personnel transport (car); Automobile, other (trucks)

Misc. inputs	211 Hides and Skins, undr.; 231 Crude rubber; 261 Silk, raw; 262 Wool, Angora, etc.; 263 Cotton raw and Linters; 561 Fertilizers, manufactured	Skins, unprepared, horse; Rubber, wild; Balata; Gutta percha; Wool, combed; Cotton, waste yarn; Guano; Chilisalpeter; Nitrogenous fertilizer
Textiles	651 Textile yarn and thread; 652 Cotton fabrics woven; 653 Textile fabrics standard	Cotton yarn, untwisted; yarn from wool, twisted, yarn from cocos; rope, various; manufactures and fabrics, cotton, unbleached; manufactures and fabrics, cloth; velvet; jute objects

B. Monopoly products

The following products were subject to a monopoly:

Products	**From**	**Source**
Potatoes, wheat, rye, oats, barley, maize, pulses, rice, buckwheat, dari, millet seed, kang seed, alfalfa flour, cassava, sago, starch and potato flakes	1934	Buve (1936, p. 160-1)
Wheaten flour	1934	Buve (1936, p. 199)
Fresh pork, ham on the bone, ham, canned ham, shoulders, carbonade, sausage, other pork meat	1934	Buve (1936, p. 341)
Dried fish, dried meat.	1935	Buve (1936, p. 242)
Butter, cheese, milk products, margarine, vegetable and animal fats and oil	1935	Buve (1936, p. 426)
Chicken and duck eggs	1936	Buve (1936, p. 660)
Cattle, beef, mutton, horse meat.	1936	Buve (1936, p. 402)

We could not establish when the monopolies were abolished and our database therefore assumes that they remained in place between the start dates above and 1938, the final year in our sample. Products with a monopoly were coded a “1” in the monopoly-column.

C. Quotas

Four different types of quotas can be distinguished, 1 general and 3 country-specific quotas:[42]

1. First, there are general quotas which simply placed limits on the volumes or values of a certain good that could be imported in a year. All quotas in 1932 and 1933 fall into this category, as specific shares were only assigned to particular countries from 1934 on, in accordance with a law passed at the end of 1933 (Staatsblad 1933, no. 596).
2. Second, there are two types of country-specific quotas. (A) There are country-quotas where countries were assigned "autonomous" shares. In these cases, countries were automatically assigned a certain amount of a good based on their exports of that product in the reference years (often 1931-1932). (B) There were country-quotas where countries were assigned shares as a result of trade treaties. Under such agreements, countries could export a certain percentage of their exports in reference years, or were assigned a certain quantity that they were allowed to export to the Netherlands. These two types of country-quotas are difficult to distinguish from the sources which give shares and quantities of goods that countries have been assigned. Only the archival sources sometimes explicitly noted whether treaty-quotas ("verdragscontingenten") or autonomous quotas ("autonome contingenten") were involved. In our database we have therefore coded these two types of country quotas similarly.
3. Finally, there are country quotas, which were described as "Bijzondere Toewijzing" (BT), or "special allocations". A special allocation could be assigned to a country for a certain product in specific cases by the Minister or the government agency concerned. It is unclear when or why these Bijzondere Toewijzingen were allocated and the quantities that were concerned. One source observed that a country "only" got a Bijzondere Toewijzing,[43] implying that it was considered to be less favourable than the two remaining types of country quotas. Our database therefore distinguishes between these country quotas and the two previously mentioned.

Our database also codes two non-quota measures: products receiving government support in terms of reduction of the monopoly fee (i.e., rice and maize from the Netherlands East Indies); and products that received support from private businesses in the Netherlands (palm oil, palm pits, coconut oil, copra, soybeans and ground nuts) from 1934 on.

[42] Here, again, we diverge slightly from the literature which only distinguishes 2 types of quotas: general and country quotas (van Schaik 1986).
[43] *Handelsberichten*, 23-1-1936, vol. 30, issue 4, p. 98.

D: MFN Agreements

Table A1 lists the countries with which the Netherlands had an MFN agreement and the sources used.

Table A1: Countries with MFN treaty with the Netherlands.

Since	Countries	Source
< 1924	Austria (1878), Belgium (1865), Bulgaria (1922) Colombia (1829), Czechoslovakia (1923), Denmark (1701), Finland (1923), France (1902), Germany (1858), Hungary (1878), Iran (1857), Italy (1863), Japan (1912), Liberia (1862), Mexico (1897), Morocco (1858), Norway (1912), Oman (1877), Romania (1922), Serbia (1881, cancelled in 1917), Sweden (1909), Switzerland (1877), Turkey (1923), United Kingdom (1888), United States (1852)	Nederbragt (1929); Veenstra (1939, pp. 74-77).
1924	Poland, Portugal	Veenstra (1939, pp. 74-77), Staatsblad (1925, no. 198); Staatsblad (1924, no. 547).
1925	Canada, Finland, Latvia, Siam	Nederbragt (1929), Staatsblad (1925, no. 250); Staatsblad (1924, no. 395).
1926	Estonia	Staatsblad (1926, no. 157)
1927	Greece, Guatemala	Nederbragt (1929, pp. 66-67,70); Staatsblad (1927, no. 59); Staatsblad (1928, no. 505)
1928	China, Haiti	Veenstra (1939, pp. 74-77); Staatsblad 1930, no. 468; Staatsblad 1928, no. 25
1930	Yugoslavia	Veenstra (1939, pp. 74-77), Staatsblad 1932, no. 163
1931	Chili, Brazil (officially from 1935, but already implemented in 1931)	Veenstra (1939, pp. 74-77), Staatsblad 1937, no. 10.
1934	Argentina, Yemen	Staatsblad 1934, no. 209;

1935	South Africa, Spain, Uruguay	Staatsblad (1935, no. 332); Staatsblad (1935, no. 676); Staatsblad (1936, no. 84).
1937	Ecuador	Economische Voorlichting, 10-07-1937, No. 28