

**The Coal-Based Rhine Economy.  
Development of an Industrial Region from  
Basel to Rotterdam, 1850-1950**

**Veranstalter:** Transnational Rhine Network

**Datum, Ort:** 25.11.2010–27.11.2010, Frankfurt am Main

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Is it possible to define the economies along the river Rhine as a coherent transnational economic system? And if we do so, how do we cope methodologically with cultural differences, changing national politics, and diverse geographical conditions that influence the particular economic developments of these riparian states?

These were the main questions the participants of the second transnational Rhine conference wanted to explore by discussing the development of the industrial region from Basel to Rotterdam from the 1850's to 1950, a period that has been labelled the „coal-based economy“. Therefore, scholars were invited to discuss the relevance as well as the methodological settings of the Rhine economy project within its transnational and international conditions. This thematic link was the prelude for various presentations which underlined the importance of industrial clusters, databases, as well as micro- and macroeconomic activities, ties of economic development, cultural and national impacts and the role of technology.

The Rhine conference in Frankfurt/Main was opened by the hosts Werner Plumpe (Frankfurt) and Ralf Banken (Frankfurt) who presented the progress that had taken place since the first conference in Rotterdam in 2009. Plumpe and Banken pointed out that the fundamental questions were, first, why the Rhine area could be defined as a competitive but also integrated region, and second, what forces determined the economic integration of this region.

Keynote speaker RICHARD COOPEY (Aberystwyth) based his paper on the characterization of the Rhine area as a special, unique industrial district. He emphasized that the conceptional framework has to mirror the complexity and therefore needs to include various scientific disciplines and

approaches as well as the inlaying dynamic of the river itself. According to Coopey research on a water-system, such as the Rhine area provides a keen advantage: the possibility to adjust micro-, meso- as well as macro-historical aspects.

The first session explored „perspectives on transport and logistics“. JEROEN EUWE (Rotterdam) pointed out that statistical evidence proves that it was the Rhine that constitutes the backbone of the economic ties between Germany and the Netherlands. The ties along the Rhine, especially between Rotterdam and the Ruhr area, were significantly more intensive than Rotterdam's connection to Belgium and France. Via a detailed quantitative analysis of statistics on transportation, Euwe demonstrated that especially the heavy industry of the Ruhr area established close connections with the Netherlands and as quantitative data seems to prove, the goods transported from this area were one of the main factors that fostered the growth of the Dutch port. Discussant MONIKA DOMMANN (Basel) affirmed that a nationalized categorisation seems to be inefficient and underlined that a broader perspective has to be taken on the interwar period, which should be interpreted as a period of rapid changes.

The second session was dedicated to business and financial relations between German and Dutch industries along the Rhine. HEIN KLEMMANN (Rotterdam) focused on monetary and financial problems of the Rhine States in the Interwar-Period. He interpreted the development of the German-Dutch financial relations within this period by focussing on the exchange rates and the value of the Dutch currency during the 1920's in comparison to the German Mark and the Reichsmark respectively. Compared to the price level for Rhine-transports, he explained, the costs for railway trade were rising steadily. After WWI when Germany was facing a hitherto unknown inflation, the exchange rate changed in favour of the Dutch Guilders providing Dutch companies with a strong purchasing power and giving incentives to invest in or even buy German companies. ALFRED RECKENDREES (Copenhagen) took a micro-based perspective on the Vereinigte Stahlwerke and their financial relations since their

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foundation in 1926. Rotterdam became much more important for the steel industry after the end of WWI because of the enforced change in trade flows especially of iron, which had to be imported for instance from Sweden via Rotterdam instead from Lorraine. He pointed out that the interwoven trading companies were not only founded for the obvious function of transportation, but for multifunctional purposes, especially as a financing option. According to Reckendrees two key lines were important: the financing of German industry with Dutch credits, which Kleeman had demonstrated on a macroeconomic level, and the use of Dutch companies in order to hide German investments. In the post-inflationary period the importance of Dutch financing declined. Reckendrees concluded that the importance of the Netherlands as a financier of the Vereinigte Stahlwerke was not a direct but an indirect one, although on a personal, actor-related level the link between German and Dutch networks became stronger within the Interwar period especially for the organisation of trade.

The second Keynote Speech was performed by RON BOSCHMA (Utrecht). Boschma presented a numerical data based research that explored the development of regional diversification in correlation to the transfer of technology in Sweden from 1969 to 2002. He argued that regional economic efficiency depended on the density of the network of technological transfer. Furthermore, this network establishes a cluster which, in turn, displays path dependence processes. Boschma stressed that this approach could also be applied to analyse the Rhine-Economy. Though his approach was widely appreciated, the discussion revealed that it could be difficult to obtain the required data for profound historical research, especially for the 19th and early 20th century.

The subsequent session dealt with different types of coal and its relevance for the Rhine district. HENDRIK FISCHER (Köln) und BORIS GEHLEN (Bonn) pictured the development of the Rhenish lignite industry since the 1880s and concluded that the lignite industry, although it emerged from humble origins became an essential part of the Rhine Economy from the 1920s onwards. RALF

BANKEN (Frankfurt) focused on the competition between the Saar and Ruhr coal in the middle and upper Rhine valley between 1850 and 1914. He stressed a lack of research concerning the coal trade and its historical business implications. While in the early years the access to the Rhine offered a competitive advantage for the Ruhr coal, the competitive situation changed because of the enhanced development of the railroad network. This development extended the market area for the Saar not just because of the railroad itself, but also because of the access the Rhine offered for the Saar coal. As Banken resumed the Ruhr possessed a well organised sales organization, an advantage the Saar did not catch up with until the second decennium of the 20th century when the state owned Saar Coal Company started to purchase several trading companies. THOMAS JOVOVIC (Bochum) explored the Rheinisch-Westfälische Kohlen-Syndikat (Coal-Syndicate) and its influence on the process of horizontal and vertical integration of the Ruhr coal mining industry. The speaker began his presentation with some theoretical remarks on institutional economic approaches and reasoned that, contrary to mainstream opinion, cartels are not avoiding competition, but shifting it from the market to an internal level. Therefore, he argued, further research has to focus on internal debates of cartels and changes in the institutional frameworks that are represented mainly by the cartels' contracts. The process of vertical and horizontal integration that occurred in the Ruhr coal mining industry between 1893 and 1915 represents reactions to such changes. In accordance with the changing contracts of the Coal-Syndicate, Jovovic could identify three phases of integration. Thus the coal syndicate appears to be an important factor in the shaping of the Rhine economy. Discussant DOMINIQUE BARJOT (Paris) commentated that the competition in the upper Rhine Valley revealed the existence of a Rhine economy. He also stated that focussing on one commodity, especially such an important one as coal, offers the methodological advantage of an historical analysis of connecting the micro- and the macro-level.

The fourth session on „regulating and regional integration“ was opened by ISABEL

TÖLLE (Siegen) who presented a conflict regarding the construction of the first non-moveable bridge over the Rhine in Prussian Cologne. FRANÇOISE BERGER (Grenoble) focused on the canalisation of the Moselle and the Saar as an infrastructural feeder to the Rhine. The initiatives for the canalisation already arouse in the 1880's but a final agreement could not be reached until the 1950's. As Berger showed, conflicting interests of industrialists, not only between German and French nationals but also between those from the Ruhr and southern Germany, as well as changing political circumstances, were responsible for the delay in the realisation of this project. TAKAFUMI KUROSAWA (Kyoto) put forth the hydro-powered Industrial Revolution of the Swiss cotton industry. He explored that the constitutive indicators were the geographical environment of the industry as well as the existing networks in particular. PETER LYTH (Nottingham University Business School) pondered this idea coming to the result that the Rhine has to be viewed as much more than a geographical expression but possibly has to be divided for methodological reasons into the High, Upper and Lower Area.

The fifth session was set on the topic of food trade within the Rhine area. LAURA RISCHBIETER (Berlin) and MARK JAKOB (Göttingen) introduced the trading of colonial goods in the 19th century with regard to coffee and tobacco. Rhenish coffee traders lost their location advantage when Hamburg attained a monopoly position and adapted by becoming roasters, thus integrating another part of the commodity chain. According to the speakers, unlike coffee, tobacco imports via the Rhine fluctuated, and after a decline since the 1840s, from the 1870s onwards the Netherlands once again exported substantial amounts of tobacco into the Germany. Jakob and Rischbieter concluded that changing patterns of specific advantages of the Rhine region have to be considered. Differing wage costs, because of the labour intensive manufacturing of cigars, seem to have played a more important role than the costs of transportation. BEN WUBS (Rotterdam) completed the session with a presentation on food trade between Rotterdam and the Rhine area. With the urbanisation

and the rise of the Ruhr area, the demand for food grew. On the basis of existing literature, the paper concluded that the Lower Rhine region in the late 19th century could have developed into a functional economic region which was based on agents who interacted significantly more with each other than with agents in other regions. However, he argued that more research has to be done concerning the food trade in the Lower Rhine region.

The final speech was held by HARM G. SCHRÖTER (Bergen) who formulated some preliminary conclusions concerning a Rhine valley project. Giving no summary but some additional advices he underlined the importance of the Rhine phenomena and the necessity to find a historical explanation for its development. Such a historical explanation could enable us to point out that European integration existed long before the first political attempts to create the European Community. Besides, he confirmed that there is a strong need to develop a framework for analysing the Rhine area; he reflected on the need for defining and narrowing down the period and the subject. Schröter suggested a limiting strategy, to include for instance the Netherlands as whole nation, but embrace only those German regions which were directly affected by the Rhine.

The final general discussion reflected the aspects of the coal-based Rhine economy, which emphasized that the Rhine-Economy can be seen as an economic and „flowing“ region which was bound together by trade and transnational competition as well as by cooperation. The conference had its strength in the diversity of presentations which demonstrated a range of important factors and relating conditions in context of the economic tied Rhine region since the 1850s. Even if it cannot be neglected that the Rhine economy was a „coal-based“ region the conference clarified that the research in terms of transport relations, financial settings, the interrelation of micro and macro level and related the related economic and cultural transformation has to be put forward. The discussions which arose from the presentations profited in a fruitful way from the international character of the conference which as well confirmed the need for transnational analysis. Thus, further re-

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search has to be set on a common framework. The questions which had been asked at the beginning of the conference could not be answered completely but have been precisely defined for further discussions. Though, at the moment research focuses on the economy of the Rhine, it may prove to be fruitful to analyse other river economies and pave a way for comparative studies. In 2011 the conference will take place in Bochum to discuss on the oil-based Rhine-Economy since the 1950s.

Conference Overview:

*Introduction*

Werner Plumpe, Ralf Banken (Goethe-University of Frankfurt am Main), The Transnational Rhine Economy in the Period of the Coal-based Economy

*Keynote Speech*

Richard Coopey (Aberystwyth University; London School of Economics), Flowing across boundaries, flowing across history; The economy of rivers since 1800.

*Session: Perspectives on Transport and Logistics*

Discussant: Monika Dommann (University Basel)

Jeroen Euwe (Erasmus University Rotterdam), Changing Traffic Flows along the Rhine during the Weimar Republic.

Vincent Lagendijk (University Leiden), Streams of Development: Comparing the development of the Rhine, Tennessee and Mekong.

Sybille Weeke (Duisburg), The Haniel Archive as a resource for the Rhine-Economy

*Session: Business and Financial Relations*

Discussant: Christopher Kobrak (ESCP Europe Paris)

Hein Klemann (Erasmus University Rotterdam), Monetary and Financial Problems in the Rhine States during the Interwar Period.

Alfred Reckendrees (Copenhagen Business School), The Vereinigte Stahlwerke and its Financial Relations to the Netherlands 1926-1933.

*Keynote Speech*

Ron Boschma (University Utrecht), How do

regions diversify over time? The importance of technological relatedness.

*Session: International Coal and the Rhine*

Discussant: Dominique Barjot (Paris-Sorbonne-Paris IV)

Hendrik Fischer (University of Cologne), Boris Gehlen (University of Bonn), The Development of the Rhenish Lignite Industry: Enterprises and Markets 1880-1933.

Ralf Banken (Goethe University Frankfurt am Main), The Coal market between Mannheim and Basel: The Competition between the Saar and Ruhr Coal in the middle and upper Rhine Valley 1850-1914.

Thomas Jovovic (Ruhr University Bochum), The Rhenish-Westphalian Coal Syndicate and the Concentration of the Ruhr Coal Mining Industry.

*Session: Regulating and Regional Integration*

Discussant: Peter Lyth (Nottingham University Business School)

Isabel Tölle (University Siegen), Fuming Chimneys under the Bridge: the first non-moveable Bridge over the Rhine as a Hindrance for Shipping.

Francoise Berger (University of Grenoble), Issues and imbalances of an insertion in the Rhine economy: The International Steel Cartel in the Inter-War-Period.

Takafumi Kurosawa (Kyoto University), The Industrial Revolution in the High-Rhine: How Historical Inter-industrial Linkages Formed a Transnational „Proto-Economic Region“.

*Session: Food Trade*

Discussant: Christian Kleinschmidt (University of Marburg)

Laura Rischbieter (Humboldt University Berlin), Mark Jakob (University of Göttingen), The Trade with Colonial Goods on the Rhine in the Nineteenth Century.

Ben Wubs (Erasmus University Rotterdam), Feeding the Ruhr. How food connected the ever-growing industrial agglomerations with other parts of the world via Rotterdam and the river Rhine.

*Preliminary conclusions*

Harm Schroeter (Bergen University), The Rhinevalley project.

Tagungsbericht *The Coal-Based Rhine Economy. Development of an Industrial Region from Basel to Rotterdam, 1850-1950*. 25.11.2010–27.11.2010, Frankfurt am Main, in: H-Soz-Kult 24.02.2011.