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Workers in the wrapping department of Van den Bergh factory in Rotterdam c. 1910

Labour Relations in the Dutch Margarine Industry 1870–1954

by *Marlou Schrover*

A number of new industries were born at the end of the last century, in a manner resembling Aphrodite's rising from the sea. These industries are characterized by an abrupt start, in contrast with other industries that evolved from a traditional craft to a modern industry along an elaborate route of inventions and innovations. Each of these new industries began after one invention, that was so important for the industry concerned that it changed everything. Only the similarity between the final product and the original was maintained. Artificial silk resembled silk, artificial butter resembled normal butter and traditional soap resembled modern soap; yet the industries that produced rayon, margarine and modern soap in no way resembled the crafts that had brought forth the traditional products. Raw materials were used in an unprecedented way and machinery had to be developed. The new industries also brought forth a new type of workers. With no traditional bonds to fall back on, these workers proved difficult to organize. This will be illustrated by the labour relations in one of the most important new Dutch industries: the margarine industry.

The margarine industry is not a labour intensive industry. Wages never constituted more than 5% of the total costs. Even at its height, just after the first World War, the industry employed fewer than 8,000 people in the

Netherlands. Since then, the number of employees has continuously diminished due to rationalization, automatization and concentration. Production, however, constantly rose.

Until recently, very little was known about labour relations in this branch of industry. It did not bring forth an influential labour movement and there were no strikes of any significance. As a consequence, its labour history sank into oblivion. Yet, once upon a time, a spokesman of the socialist trade union considered what was happening to labour relations in the margarine industry so important and special, that he was convinced that it would make an interesting book (although he did not set out to write it).¹ The catholic union, on the other hand, wrote in its memorial book that this part of their history could better go unrecorded.²

The basis for my research into labour relations in the margarine industry is a model that sets out to explain the success and failure of trade unions.³ The main characteristics of this model is that it evaluates the regulation of the labour market in the context of all other market relationships in the industry concerned. Great importance is attached to economic factors; especially to the extent to which the entrepreneurs are exposed to foreign competition. My research is part of a bigger project at the State University of Utrecht in the Netherlands.⁴ This project incorporates research on the textile industry, diamond-cutting, printing, mining, building and dock labour.

The history of the margarine industry starts with the invention of margarine in 1869. During the last quarter of the previous century there was a peak in butter prices. Especially in England, the demand for butter seemed unlimited. The Dutch met a substantial part of the English demand for butter, not only exporting their own produce, but also dealing in butter they imported from southern Germany and Austria. Wars on the continent made transport difficult, and between 1865 and 1870 a cattle-plague in England diminished home production. The demand remained high and prices soared. A whole market for cheap butter threatened to be lost. Dutch traders sought for a cheap alternative to butter. This brought forth a new product, a mixture of purified fat, flavouring and colouring, which was marketed as butter until governments forbade this and enforced the name 'margarine'.

Production of margarine was first taken up on an industrial scale by the two biggest Dutch butter traders: Jurgens and Van den Bergh. Jurgens and Van den Bergh merged in 1927 forming the Margarine Unie. Two years later, this firm, the world's largest margarine producer, combined with the world's largest soap producer, the British Lever Brothers, to form Unilever.

Domestic production of margarine in England was insignificant. Virtually all margarine consumed in England was imported from the Netherlands and was produced by Jurgens and Van den Bergh. There were other firms, but the big companies of Jurgens and Van den Bergh held a virtual monopoly, not only in the Netherlands, but also in other countries such as Germany,

Belgium and England.⁵ For consumers, the present-day position of Unilever is best illustrated by an enumeration of their brands of margarine: in England they are Stork, Krona, Flora, Blue Band, Echo, Delight, Outline, Summer Country and Lätta.

Jurgens and Van den Bergh both started their margarine production in Oss; a small city in the south of the Netherlands which was already the base for their butter trade. The margarine industry transformed Oss overnight. The large butter trade had given work to a reasonable number of people, mainly coopers. This was nothing compared to the number of people attracted by the new industry. The rise of the margarine industry led to an influx of new inhabitants as well as an overall rise in the standard of living. After years of unemployment and poverty, prospects suddenly brightened up. However, these changes demanded their toll. People had to adjust to new ways of life. Oss was dominated by margarine and the fate of its people depended on the new industry. Every time butter prices went down, trade in margarine slackened and the workers were turned out into the streets.

The Jurgens family managed to dominate the social life of Oss. The Jurgens were a large family, whose members were influential in trade, banking and in local and national politics. The family was also on good terms with the catholic church, a relationship they strengthened through huge donations both for clerical work and to the clergy personally. The family's influence was so strong that very little could be done in Oss without their consent.

Jurgen's biggest competitor, the Jewish Van den Bergh, did not have the same power. Oss is situated in a largely catholic part of the Netherlands.⁶ However, unlike in the rest of the province, the largest minority in Oss was Jewish.⁷ Moreover, the strong position that the Jews had in trade was even more important than their relatively large number. They held all the big industries in Oss that were not owned by Jurgens. Whereas Jews in similar positions elsewhere in the Netherlands were offered seats in the city-council, the Oss Jews never were. This meant that the Van den Bergh family was politically powerless, as became evident when the 'canal question' came up. A canal was to be built from the town to the river. As could be expected, the city-council favoured plans that were advantageous for Jurgens. The projected canal would provide a direct link between the river and the Jurgens' factory. In the end no canal was built at all, because Jurgens managed to negotiate favourable conditions with the railway company making the canal superfluous. The canal question, nevertheless, embroiled the two families for a lifetime, despite all the contracts and agreements and the eventual merge between the two firms in 1927.

The Van den Berghs realised that the anti-semitism in Oss implied that they would always be at a disadvantage in comparison to their competitors, and in 1891 they moved their factory to Rotterdam. As it turned out, this move proved to be very fortunate. Being in an international harbour town put the Van den Berghs in favourable circumstances that enabled them to

overtake their competitor. The Jurgens lived to regret their Pyrrhic victory. The only thing Jurgens got out of it was that they obtained a very strong weapon: the threat to leave Oss too. They could use their weapon to make sure they got their way when dealing with matters concerning the town and its inhabitants. On several occasions they did.

Before turning to labour relations in the margarine industry it is necessary to note a distinct feature of Dutch labour history. Trade unionism started off rather slowly in the Netherlands due to the late development of Dutch industry. However, it caught up quickly, and at the end of the nineteenth century there were striking similarities between trade unionism in England and in the Netherlands. The strong 'pillarization', however, was typically Dutch. Pillarization is a literal translation of the Dutch word 'verzuiling'. It describes the very Dutch phenomenon that the population is divided vertically into so-called pillars: groups with the same religious background. The pillars unite people on a religious basis, cutting across class distinctions. The pillars incorporate unions, political parties, broadcasting organizations and a large variety of smaller associations active in every conceivable field of social life. There are two large and well organized pillars: a catholic and a protestant. The remaining groups, such as liberals, socialists, communists and syndicalists, did not attain the structure of the pillar as they rejected the class-cutting aspirations. For trade unionism, pillarization meant that each branch of industry had a catholic and a protestant union next to a socialist and sometimes a syndicalist organization.

Margarine workers could choose between four unions for general workers: a socialist union that was set up in 1907, a catholic one formed in 1911, a protestant union created in 1913, and finally, a syndicalist union set up in 1915.⁸ But margarine workers proved hard to organize.

Between the start of margarine production on an industrial scale in 1870 and the 1890s little happened in the field of labour relations in this branch. The number of workers involved was still small. In the early 1890s the atmosphere started to change, not only in Oss but throughout the country. In 1890 workers at the fertilizer factory in Uden, a village near Oss, struck for higher pay. The strike led to a genuine uprising. For days workers and police were fighting in the streets. The fighting only stopped when large police forces from other villages arrived at the scene. Some of the strike leaders were severely punished, others fled the country.⁹ The disastrous end of the strike in the neighbouring village must have influenced the workers in Oss.

Coinciding with the rising tension was a worsening of the labour conditions in Oss. Van den Bergh's factory had been moved to Rotterdam, butter prices were down, and margarine trade was slumping. In 1892, the coopers, previously self employed but now on Jurgens' pay-roll, revolted. They had been forced to stomach disadvantageous working conditions. In an attempt to break the resistance, Jurgens laid off a considerable number of people. They were at the mercy of hunger and cold in the winter of 1892-'93.

Only those who were able to show a written statement from the police sergeant clearing them of the suspicion of having been involved in a criminal act were taken back on.¹⁰

This same winter a socialist paper appearing in the southern provinces wrote that instead of making endless pledges it might be more effective to take up a gun.¹¹ In Oss they followed this advice. On Palm Sunday, the police sergeant was shot dead in the street.

Four people were arrested for the murder: two coopers and two labourers at the Jurgens factory. Although only those four went to court, the judge felt that actually a big part of the community ought to have been standing trial. Four did what a large group felt had to be done. The sergeant, Jurgens' henchman, was killed, but the assault was a revolt against the new industry. Jurgens saw it this way and so did everybody else in Oss, including the men who were jailed.¹²

The murder must have been a warning to Jurgens to keep his workers as meek as possible and to find ways of controlling the protests. To this purpose he found an effective instrument: a new union. The margarine workers in his factory were all catholic. They were separated from other catholic workers and grouped together in their own union: the Catholic Margarine Workers Union. Of course, Jurgens did not take this step himself. It was an initiative of the master organization of catholic unions, the Federation of Catholic Unions. Jurgens, however, strongly supported it; he deducted the union contribution directly from the workers' wages. The new union predominantly organized workers at Jurgens' factory. It was a small and powerless creation. It looked as if Jurgens would have nothing to fear from this organization; but something went wrong. The leader of the union, a man Jurgens believed he could trust, suddenly changed his attitude. Jurgens believed that this was because he was bribed by Van den Bergh,¹³ with whom Jurgens at that time was involved in cut throat competition.

At Van den Bergh's, the workers were mainly organized by the socialist union. On several occasions this union was successful in obtaining better pay and working conditions. Van den Bergh convinced the union that it was unreasonable that he should take all the burden. He promised an increase in wages on the condition that the wages at Jurgens too would rise. This, the socialist union could only accomplish with the help of the workers at Jurgens factory.

In 1919, the leader of the Catholic Margarine Workers Union gave in to pressure from the socialist union to cooperate in demanding a national collective labour agreement, and proclaimed a strike. The Federation of Catholic Unions, opposed to strikes, considered this action too rash and subsequently banned the union leader from the south forever. Jurgens refused to speak to any representative of the Catholic Margarine Workers Union and set up a new union which he controlled to an even greater extent than the previous organization.

The Federation of Catholic Unions called a committee into existence with

the task of finding a reason to expel the Catholic Margarine Workers Union from its organization. The committee did not find a good enough reason. The union was then expelled for not paying its revenues, which it had held back pending the committee's work.

The organization of catholic margarine workers became a complete muddle. Without the help of the catholic workers, the workers in Rotterdam could not accomplish anything. Trade unionism in the margarine industry came to a standstill at the moment when workers and employers signed agreements in numerous other branches of industry.

After the merge between Jurgens and Van den Bergh in 1927 Jurgens moved to Rotterdam, leaving behind 800 unemployed men and women. The situation in Rotterdam may now have been better for enforcing improvements in working conditions, but times were not. Economic recession was on its way and automatization in the margarine industry was in full swing. Every day margarine workers went to work and found that they were starting their last week.

After the second World War, the Dutch government imposed a labour agreement for the margarine industry. This agreement was to be replaced by a mutual agreement between unions and employers. The unions, having agreed with the government to keep demands down while post war reconstruction was on its way, agreed to the proposals of the employers; but the workers did not. In 1954, just after the agreement was signed, the workers called a mass strike. For the first time, they were successful, and the employers had to give in to their demands. Times had changed and it was no longer possible to fire the strike leader. But a new solution was at hand: with the approval of the union, the strike leader was promoted to an administrative post at the head office.

Pillarization can probably largely explain why trade unionism was so unsuccessful in the margarine industry. Pillarization, however, hampered industrial action in all trades, albeit not always to the same extent in all industries. Internal problems within the catholic organization, encouraged by Jurgens, certainly helped to suppress the workers. However, the situation did not improve when these problems were solved. When the Oss factory was closed and production was concentrated in Rotterdam, a new problem arose. The unions now had to fight a huge multinational corporation in the midst of a recession. The revenues of the big corporation allowed it to hold out much longer than the unions in lengthy strikes, making the struggle unfair from the start. Moreover, the corporation could threaten to move their production temporarily – or even permanently – to another country. This was not as easy as the company wanted it to sound. Only one instance is known of a factory in the Netherlands actually taking over the production of a Belgian factory during a strike. Nevertheless, the threat was forever looming.

To get back to the model that is the basis of this research. As mentioned above, a crucial factor in the model is the extent to which the entrepreneurs



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Workers leaving the Van den Bergh factory at the end of the day c 1910

are exposed to foreign competition. The big corporation that dominated the margarine industry did not have to fear that some foreign company would profit from their absence from the market during an industrial conflict, because they themselves dominated the industry in neighbouring countries.

The industry also did not need the unions to equalize labour conditions amongst the different producers. Jurgens and Van den Bergh were in a position to set the terms. The few other firms that remained had to follow suit. Jurgens and Van den Bergh operated on an international basis. They imported their raw materials from all over the globe. In the beginning, the larger part of their produce was exported. Later, export was replaced by proliferation of production plants in numerous countries. For firms that are restricted to one country, it may be advantageous to come to national settlement for labour conditions; especially if wages form a large part of the total costs. For Jurgens and Van den Bergh, operating on a large geographical and economic scale with relatively low expenditure on wages, a national settlement was of no advantage. As a result, the unions had very little influence on labour conditions in this industry.

If Unilever's multinational character limited trade-union success in the margarine industry, this should also be true for other similar industries. And indeed, it appears that unions were equally unsuccessful in for instance the chemical industry, cocoa and chocolate industry and the preserving industry. At the moment, I am studying these industries to track down the similarities and dissimilarities.

NOTES

- 1 *De Fabrieksarbeider*, 5 June 1926.
- 2 J. C. Kuiper, *Uit het rijk van de Arbeid*, part 1, p. 345.
- 3 Th. van Tijn, 'A contribution to the scientific study of the history of trade unions', in *International Review of Social History*, 21: 2, 1976, pp. 212–39.
- 4 For my research I have made extensive use of several Unilever archives both in the Netherlands and elsewhere. My thesis about labour relations in the margarine industry will appear in Dutch in the beginning of 1991.
- 5 In 1888 Jurgens opened a factory in Goch in Germany and Van den Bergh in Cleves; in 1896 Jurgens opened a factory in Merksem in Belgium and Van den Bergh in Brussels; finally in 1917 Jurgens opened a factory in Purfleet in England and Van den Berg in Fulham.
- 6 In 1866 94% of the population of Oss was catholic.
- 7 In 1866 4% of the population of Oss was Jewish. The remaining 2% was protestant.
- 8 In running order: Nederlandsche Vereeniging van Fabrieksarbeiders (Dutch Union of Factory Workers). In 1945 the name changed to Algemene Bedrijfsgroepen Centrale (General Industrial Section Council). The union was affiliated to the NVV.
Nederlandsche RK Fabrieks-, Haven- en Transportarbeidersbond St. Willibrordus (the Dutch Catholic Factory, Dock and Transport Workers Union St. Willibrordus). In 1918 the dock and transport workers left the union. In 1953 the name was changed to Kath. Bond voor werknemers(sters) in industriële bedrijven St. Willibrordus (Catholic Union for Workers in Industrial Trades). Affiliated to respectively the RK Vakbureau and the KAB.
Nederlandsche Bond van Christelijke Fabrieksarbeiders (Dutch Union of Christian Factory Workers). In 1945 the name changed to Christelijke Bedrijfsgroepen Centrale (Christian Industrial Section Council). Affiliated to the CNV.
Landelijke Federatie van arbeiders in de voedings- en genotmiddelen bedrijven (National Federation of Workers in Foods and Allied Products). In 1918 the name changed to Nederlandsche Federatie van Arbeiders werkzaam in de voedings-, genotmiddelen, Chemische en Fabriekmatige bedrijven (Dutch Federation of Workers in Food and Allied Products, Chemical and Manufacturing Industry), in 1923 to Nederlandsche Federatieve Bond van Arbeiders(sters) werkzaam in Fabriekmatige bedrijven (Dutch Federative Union of Workers in Manufacturing Industry), and in 1945 to Algemene Bond van werkers in Chemische-, Voeding- en Fabriekmatige bedrijven (General Union of Workers in Chemical, Food and Manufacturing Industry). Affiliated to respectively the NAS and the EVC.
- 9 W. Nagel, *De criminaliteit van Oss*, Den Haag 1949, p. 17.
- 10 Nagel, pp. 36–7.
- 11 J. Perry, *De Roomsche kinine tegen roode koorts*, Amsterdam 1983, p. 79.
- 12 Letter from the convicted men to Jurgens, 31 July 1909.
- 13 Historical Archive Unilever Rotterdam: 0376 17-8-1920.